

OVERVIEW OF THE SACU WORK PROGRAMME ON INDUSTRIALISATION

SACU INVESTMENT ROUNDTABLE

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Presentation outline

- Background on the SACU industrialisation agenda
- Industrialisation
- Export Promotion
- Investment Promotion
- Financing for Industrialisation, Infrastructure and Exports
- Cross Cutting Issues
- Conclusion

Background

- ❑ Industrial development has been adopted by SACU as an overarching objective to underpin the region's development and integration agenda
- ❑ SACU underscored the importance of, and the need to fast-track work on the development of Regional Value Chains (RVCs) to position SACU in the African Continental Free Trade Area (AfCFTA).
- ❑ SACU Work Programme refocused in 2020 centred on Industrialisation, export and investment promotion; Trade Facilitation and Logistics; and implementation of the AfCFTA
- ❑ SACU therefore agreed on a common vision to advance work on industrialisation both at the regional and continental level

Background

- ❑ SACU Technical Committee of Senior Officials on Industrialisation, Export and Investment Promotion (SO-IEIP) established in October 2002 to spearhead work on industrialisation
 - Comprises of stakeholders from the Member States, including the Development Finance Institutions (DFIs), private sector and industrial development agencies and senior government officials
 - Established 4 Sub-Committees on Industrialisation; Export Promotion; Investment Attraction and Promotion and Financing for Industrialisation, Infrastructure and Exports
- ❑ Technical Committee made significant progress on SACU's industrialisation agenda as outlined in the following slides

Industrialisation

- ❑ Adopted Vision on Industrialisation: *“to build a diversified, competitive, sustainable and equitable industrial base that supports structural transformation and the economic integration of the SACU region”*
- ❑ Priority sectors
 - Agro-processing (Leather and Leather products, Meat and Meat products, and Fruits and Vegetables);
 - Textiles and Clothing;
 - Pharmaceuticals;
 - Cosmetics and Essential Oils
 - **Future sectoral considerations:** Mineral beneficiation and Automotives
- ❑ Industrial and ICT infrastructure; transportation and logistics and financial sectors agreed as **enabling sectors** to support SACU’s industrialisation

Industrialisation

- ❑ Value chain mapping conducted on the priority sectors to assess the relative competitiveness of each Member State
- ❑ This work culminated in Sectoral Roundtables convened as follows:
 - Leather and Leather Products - 19th March 2021
 - Fruits and Vegetables - 12th May 2021
 - Meat and Meat Products - 27th May 2021
 - Textiles and Clothing - 10th June 2021
 - Cosmetics and Essential Oils - 29th July 2021
- ❑ On Pharmaceuticals sector, a workshop was convened in August 2021
 - engaged on a developmental approach and created a platform for consultations with the private sector on the potential of the Pharmaceuticals sector in the region

Industrialisation

- ❑ Work ongoing to complete comprehensive Sectoral Reports
- ❑ Sectoral Reports will inform sectoral plans and strategies for the region
- ❑ To further undertake engagements on the recommendations from the Workshop on Pharmaceuticals
- ❑ **Penultimate aim** - to develop long-term industrialisation strategy for SACU, leveraging on work done at wider regional level in SADC

Export Promotion

- ❑ SACU adopted the Export Scoping Engine (ESE+) Model as the interim Model for the identification of SACU's export opportunities in the priority sectors
- ❑ Using this interim Model, export opportunities were identified for the Sectoral Roundtables
- ❑ Work also commenced on the development of the Regional Export Framework and permanent Export Potential Model
- ❑ Export promotion Catalogue is being considered
 - These activities will be implemented as part of the Secretariat's Strategic Plan

Investment Promotion

- ❑ Work on Investment Promotion focused on coordinating regional efforts to attract investment such as convening the Sectoral Roundtables for the identified priority sectors and this Investment Roundtable
- ❑ Work also focused on determining the criteria to guide the identification of investment projects to be showcased at this Investment Roundtable
- ❑ These projects have been documented into an Investment e-Booklet as part of the promotional material for the Roundtable

Investment Promotion

- ❑ Similar Investment Roundtable envisaged for projects under Trade Facilitation and Logistics and other proposed priority sectors
- ❑ Investment Promotion Framework/Strategy for the region is a key consideration

Financing for Industrialisation, Infrastructure and Exports

- ❑ SACU recognised the imperative to address the financing and mobilisation of resources to support SACU's industrialisation agenda
- ❑ Work by Sub-Committee on Financing for Industrialisation will include consideration and identification of financial resource requirements and propose options for funding the regional value chain projects and infrastructure development in SACU
- ❑ A Draft Concept Note on Financing for Industrialisation to facilitate the Sub-Committee's discussions on how financing mechanism could be established has been developed. Work is on-going in this regard

Cross Cutting Issues

- ❑ The Technical Committee is also working on cross-cutting issues with the Technical Committee on Trade Facilitation and Logistics
- ❑ In this regard, work is on-going to ensure complementarities and synergies on the work of the two Technical Committees

Conclusion

- ❑ Subsequent to this Roundtable, work will continue to provide a strategic direction for the work on Industrialisation in SACU
- ❑ This includes developing a long-term industrialisation strategy for the region. We look forward to collaborate with our cooperating partners, present today, to assist the region to develop this long-term strategy
- ❑ The region will also explore development of relevant strategies to complement the on-going work

THANK YOU

