

The SADC Industrialisation Strategy

Tralac Annual Conference

Nigel Gwynne-Evans

6 – 7 April 2017



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Background

- Takes its cue from AU's agenda 2063 and the Regional Indicative Strategic Development Plan (RISDP)
- Industrialisation Strategy and Roadmap – early 2014 – Adopted April 2015
- Summit tasked the secretariat to develop a Costed Action Plan
- Finally adopted March 2017



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

SADC Industrial strategy: Core tenets

- Seeks to engender major economic and technological transformation
- The Strategy is anchored on three pillars, **Industrialization** as champion of economic and technological transformation, **Competitiveness**, and **Regional Integration**.
- Identifies **infrastructure, finance and skills development** as key binding constraints to industrialization.
- It identifies agro-processing, mineral beneficiation and pharmaceuticals as priority growth paths.



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Key interventions up to 2020/ \$60m indicative cost:22 Projects

- Value-chain strategies and implementation
- Initiation of the IUMP – upgrading programme
- Cluster development programme
- Strengthening regional private sector structures
- Strengthening and prioritising industry skills programmes
- ID and facilitate critical regional centres of excellence
- Prioritisation & sequencing of critical trade facilitation measures along priority corridors



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Main questions in developing the Action Plan

- Challenge of working with a diverse gaggle of consultants
- The need to move up and diversify into new VC's rather than just increased participation in GVC's
- Importance of focusing on and building regional VC's
- Insufficient focus on industrial policy tools – introduction of an IP “toolbox”
- Questions of member state vs role of the secretariat
- Roles and responsibilities of member states vs the secretariat in the implementation
- No reference to the 4th Industrial Revolution
- High number of projects & programmes (50)



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Key operational challenges

- Political will and buy-in by member-states
- Capacity to implement by both the member states and with the secretariat.
- Ability of member states to influence other key departments in the interest of IP progress
- Limitations of donor funding
- Lack of a coherent and engaged private sector
- Timing – and ability to achieve quick wins
- Member state self-interest & tension between trade liberalisation and defence of national positions
- Not getting stuck in research



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Key Success Factors

- Political will to put industrialisation as the highest priority amongst member states
- Ability to build capacity within member states & the new SADC industrial directorate
- Regional integration – will it provide the impulse to create the economies of scale required (SA’s hegemony?)
- Ability to influence key enabling factors: Infra-structure; skills; critical institutions etc.
- Openness to engaging with and responding to the needs of the private sector (concept of “active IP” and “embeddedness”)
- Ability to focus on quick-wins – but long term vision



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

2017 SADC Summit - SA

“Strengthening capacity to partner with the private sector in developing industry and regional value-chains”



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Thank you.

Ngwynne-evans@thedti.gov.za



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA