

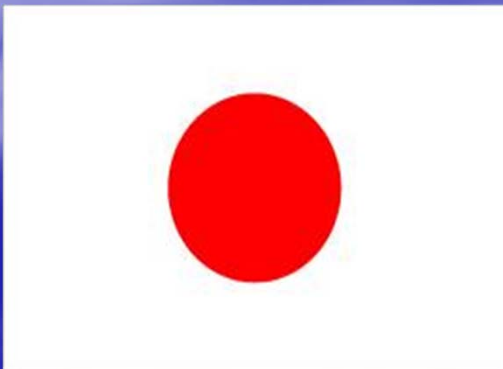
# Investment Climate in the SADC Region

by

Eng. João Caholo

Deputy Executive Secretary, Regional Integration

SADC Secretariat

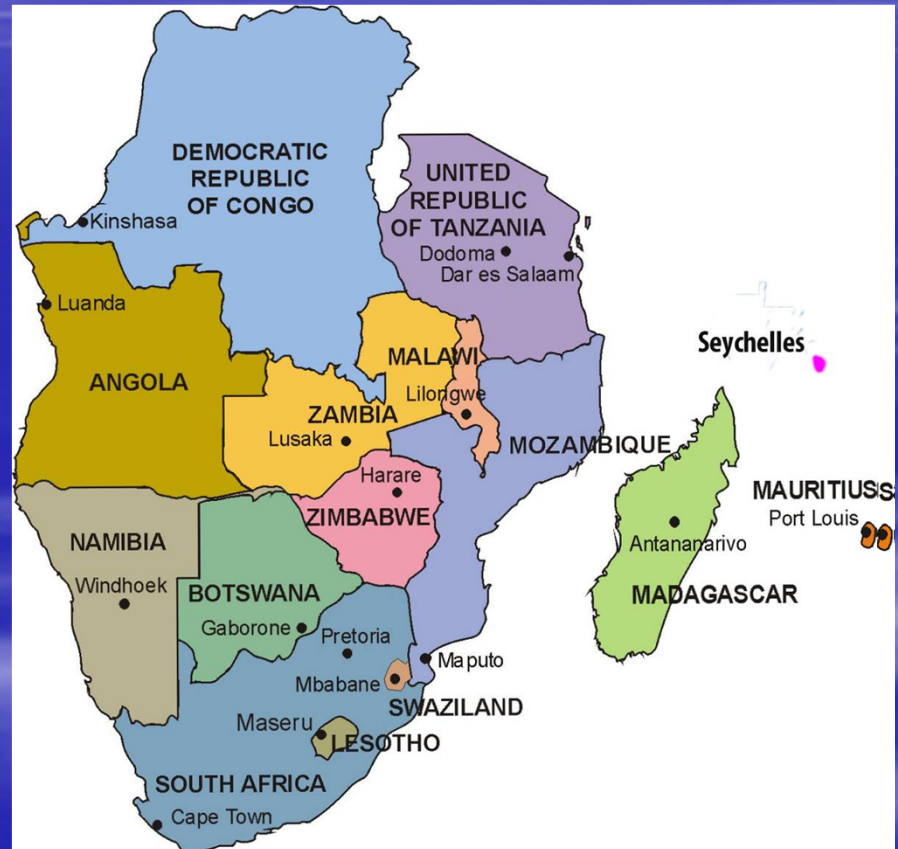


*14 March 2012  
Tokyo, Japan*



# Background

- The Southern African Development Community has 15 Member States
- Population: 277.1 million
- GDP: US\$ 577 billion
- SADC comprises eight Institutions



# OBJECTIVES OF SADC

- Promote sustainable and equitable socio-economic development through regional integration



# Main Areas of Regional Cooperation and Integration

RISDP and SIPO define the main areas of regional cooperation and Integration as follows:

- Peace and Security, pre-requisite for regional integration
- Trade and Economic Liberalization
- Infrastructure Support for Regional Integration
- Food Security and Joint Management of Natural Resources
- Social and Human Development (HIV and AIDS, Gender and Development)



# STATUS OF REGIONAL INTEGRATION

- SADC Free Trade Area launched 2008
- Preparations for the SADC Customs Union ongoing
- Deep Regional Integration – Common Market and Economic Union including Single Currency
- Regional Macro Economic Convergence
- Protocol on Finance and Investment aimed at harmonization of Finance and Investment Policies
- Work on finalisation of industrial policy and road map for implementation ongoing

# SELECTED ECONOMIC INDICATORS

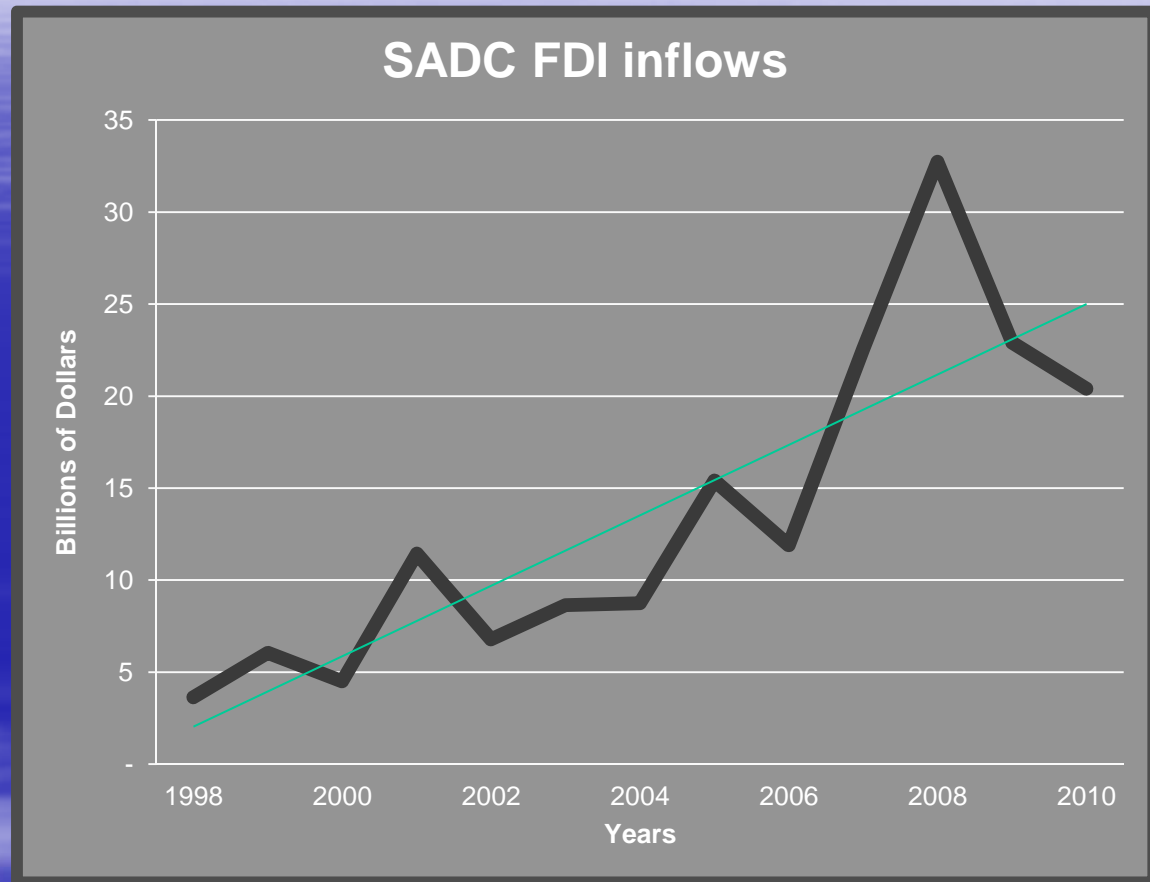
## Trade:

- Total exports of goods amounted to over US\$100 billions in 2010
- Intra-regional trade in goods amounted to over US\$40 billion in 2010, an increase of 17% from 2009.
- Economic growth was adversely affected by the global economic melt down as the demand for minerals and other primary commodities declined.
- Economic recovery on course following higher growth rates in main developed countries and emerging economic

# SELECTED ECONOMIC INDICATORS

## Investment:

- FDI inflow:  
US\$20,403 billion  
in 2010
- Stock inward FDI:  
US\$204 billion in  
2010
- About 1459 FDI  
green-field projects  
from 2003 - 2011



## World Bank Doing Business:

- Reduction in average days of starting a business:  
81,5 days in 2004 to just 41,1 days in 2012

# Investment Opportunities: SADC Resource Endowment

The Region is well endowed in a wide array of natural resources including:

- Diamonds
- Coal
- Gold
- Uranium
- Oil
- Gas
- Tourism opportunities
- Agriculture and Fisheries





# MEASURES TO FACILITATE INVESTMENT

- Establishment of the Project Preparation and Development Facility (PPDF), as a window of the SADC Development Fund, to facilitate preparation of bankable projects.
- Region currently developing modalities for the SADC Regional Development Fund.
- Region adopted the Finance and Investment Protocol that seeks to put in place fundamentals aimed at investment promotion and facilitation
- Development of SADC Regional action program on investment and a SADC investment policy framework (IPF) aimed at improving the investment climate, reducing risks, improving cost competitiveness and removing barriers to investment ongoing as a priority;

# MEASURES TO FACILITATE INVESTMENT

## - cont

- Launched the Public Private Partnerships (PPP) network to create opportunities partnerships
- The Region has developed a model Double Tax Avoidance Agreement (DTAA) to encourage investment
- Measures to combat money laundering – conclusion of the Anti Money Laundering Annex to the Finance and Investment Protocol
- Existence of a well developed banking system in the Region



# BUSINESS OPPORTUNITIES IN SADC INFRASTRUCTURE DEVELOPMENT

- The SADC Infrastructure Project Portfolio is estimated at approximately US\$50 Billion
- Details of priority projects - will be presented in the next sessions of this Seminar
- SADC Infrastructure Development Programme: guided by the regional development objectives of deepening regional integration, accelerating economic growth, poverty eradication and achievement of sustainable development patterns
- Infrastructure deemed a key enabler to SADC's economic development
- Region finalising the SADC Regional Infrastructure Development Master Plan to elaborate long term infrastructure priorities based on regional consensus

# Priority Infrastructure Development Areas

- Energy – Based on the SADC Southern African Power Pool Plan (SAPP Pool Plan), elaborating generation and transmission requirements
- Transport – based on the SADC Corridors Strategy with four geographical clusters (Western, Eastern, Southern and North – South Corridor Clusters)
- Communication/ICT – based on the SADC inter-state broad band connectivity network termed the SADC Regional Information Infrastructure (SRII)
- Water – based on the SADC Strategic Water Infrastructure Development Programme (SWIDP)



# KEY PROGRAMME OBJECTIVES

- Providing regional energy security through enhanced power generation of major plants to be connected to the SAPP
- Provision of inter-connectors to facilitate intra-regional power trading in the region, and connect three outstanding mainland countries of Angola, Malawi and United Republic of Tanzania
- Ensure intra-SADC connectivity and access to the sea through seamless corridors infrastructure provision and One-Stop-Border-Posts (OSBP)
- Provide access to water supply and sanitation to meet industrial requirements and MDGs
- Provide universal access to ICT to drive socio-economic development, ensure global competitiveness for the region and minimum standards for an information society

# Tripartite –COMESA, EAC & SADC



## SADC, EAC, COMESA

COM	Membership	GDP, US \$ million	Population '000
African Union	52	1,065,228	917,568
COMESA-EAC-SADC	26	624,368	527,131
<i>of which</i>			
COMESA	19 (4EAC, 8 SADC)	286,775	398,130
EAC	5 (4 COMESA, 1 SADC)	79,231	133,100
SADC	15 (8 COMESA, 1 EAC)	577,096	277,042
COMESA-EAC-SADC as share of AU, %	50	60%	57.4

## CONCLUSION & WAY FORWARD

- In this first Japan –SADC Infrastructure Investment Seminar we have provided an overview of the Business Climate in the SADC Region based on the on-going Regional Cooperation and Integration Process.
- Details of priority infrastructure projects will be presented to you in the next sessions of the seminar indicating specific opportunities in the sectors of energy, transport, communications/ICT and water.
- Japanese investors are invited to review the array of projects to be presented today and indeed seize the investment opportunities in one of the fastest growing regions in the world.
- SADC Region invites Japanese investors to the regional dimension of development of Southern Africa through the projects presented.



**WE BELIEVE IN A SUSTAINABLE SADC – JAPAN  
PARTNERSHIP IN DEVELOPMENT**



**THANK YOU ALL FOR YOUR KIND  
ATTENTION!**

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