



ZIMBABWE

ZIMBABWE NATIONAL EXPORT STRATEGY

2019-2023

Towards a Transformed, Dynamic and Internationally
Recognised Exporter of Innovative and Competitive Goods and Services



ZIMBABWE NATIONAL EXPORT STRATEGY

2019–2023

Towards a transformed, dynamic and internationally recognised
exporter of innovative and competitive goods and services.

TABLE OF CONTENTS

Acronyms	iii
Foreword by the His Excellency, the President of the Republic of Zimbabwe	iv
Statement by the Honourable Minister of Foreign Affairs and International Trade	V
1. Introduction	1
2. Overview of Zimbabwe’s Export Performance	2
2.1 Export Product Concentration	3
2.2 Export Market Concentration	4
2.3 Key Factors Affecting the Export Sector	5
3. Rationale for the National Export Strategy	6
4. Vision, Mission and Objectives	7
4.1 Vision	7
4.2 Mission	7
4.3 Objectives and Targets	7
5. Priority Sectors for Export Development and Promotion	8
5.1 Horticulture Sector	8
5.2 Cotton to Clothing Value Chain Sector	8
5.3 Arts and Crafts	9
5.4 Pharmaceuticals Sector	9
5.5 Leather and Leather Products	9
5.6 Iron and Steel	9
5.7 Wood and Furniture	10
5.8 Fertiliser and Chemicals	10
5.9 Priority Services Sectors	10
5.9.1 Tourism Services	10
5.9.2 Transport Services	11
5.9.3 Education Services	11
5.9.4 Medical Services	11
5.9.5 Business Services	11
5.9.6 Information, Communication Technology	12
5.9.7 Energy- Related Services	12
5.9.8 Construction And Engineering Services	12
5.9.9 Financial Services	13
5.9.10 Events And Meetings Industry	13
5.10 Trade In Services Development Strategy	14
6. Export Development And Promotion Strategies	15
6.1 Export Development Strategies	15
6.2 Export Promotion Strategies	17
6.3 Export Facilitation Strategies	18
7. Implementation Of The National Export Strategy	20
Annex: Implementation Framework Guide To The National Trade Policy And Export Strategy [2019-2023]	22

ACRONYMS

AfCFTA	African Continental Free Trade Area
ATI	African Trade Insurance Agency
BTA	Bilateral Trade Agreement
COMESA	Common Market for East and Southern Africa
CZI	Confederation of Zimbabwe Industries
DCPs	Development Cooperation Partners
DDBS	Duty Draw Back System
ECGC	Export Credit Guarantee Corporation
EPA	Economic Partnership Agreement
EU	European Union
IDP	Industrial Development Policy
MBIC	Marketing & Branding for International Competitiveness
MRA	Mutual Recognition Agreement
NES	National Export Strategy
NTP	National Trade Policy
OGIL	Open General Import License
OGEL	Open General Export Licence
OSBP	One Stop Border Post
RBZ	Reserve Bank of Zimbabwe
RISM	Regional Integration Support Programme
RRI	Rapid Results Initiative
SADC	Southern African Development Community
SMEs	Small to Medium Enterprises
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
ZEPC	Zimbabwe Export Promotion Council
ZITF	Zimbabwe International Trade Fair
ZIMRA	Zimbabwe Revenue Authority
ZIMSTATS	Zimbabwe National Statistical Agency
ZNCC	Zimbabwe National Chamber of Commerce

FOREWORD BY THE HIS EXCELLENCY, THE PRESIDENT OF THE REPUBLIC OF ZIMBABWE

The Zimbabwe National Trade Policy Vision and Export Promotion Strategy towards Vision 2030 Agenda seeks to propel Zimbabwe's industrialisation towards a transformed and internationally competitive economy driven by robust free and fair domestic and international trade. The National Export Strategy (2019-2023), which is an implementing strategy of the National Trade Policy (2019-2023) is a key strategic plan to facilitate the development, promotion and growth of exports in the next 5 years towards the 7:14 export earnings targets of USD 7 billion by 2023 and USD 14 billion by 2030.



*His Excellency, President of the Republic of Zimbabwe
E. D. Mnangagwa*

Exports earnings have continued to sustain the functioning of the economy, including sustaining the balance of payments and oiling the productive sectors of the economy. Since the year 2000, Zimbabwe's export performance has, however, largely remained subdued over the years, falling short of its potential to spur economic growth and development. The country's exports composition has been dominated by primary commodities with minerals and tobacco contributing over 70% to the total export earnings. Pure manufactures and services have contributed less than 20% to export earnings, signifying the minimal contributions of these two sectors. The poor export performance of manufactured value-added products is attributable to the general economic slowdown and competitiveness challenges due to high production costs and trade facilitation challenges.

There is potential for Zimbabwe to generate foreign exchange through export of services and robust strategies are critical to enhance the export of financial services, tourism, business services and education services, among others. There is also need to inculcate and entrench an export culture among industrialists and SMEs through capacity building and trade facilitation. Due to the small size of the internal market, it is important for Zimbabwe to utilise the market access opportunities available in the SADC, COMESA, Tripartite, and African Continental Free Trade Areas and beyond to increase exports. A viable National Export Strategy is therefore required to inculcate an export culture within enterprises and facilitate the development and promotion of exports in order to generate more foreign currency for the country.

The overall objective of this National Export Strategy is to develop, promote and grow exports of goods and services. Exports from all economic sectors are targeted to make significant contribution to GDP growth, national development, and employment creation and improve the national standard of living in line with the 2030 National Vision.

His Excellency E.D. Mnangagwa

PRESIDENT OF THE REPUBLIC OF ZIMBABWE

STATEMENT BY THE HONOURABLE MINISTER OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Zimbabwe is pursuing an export-oriented industrialisation agenda under the new economic order wherein an export culture is being inculcated in industry and commerce. The thrust is to propel economic growth and development through increased investment and exports. Exports have continued to sustain the economy of Zimbabwe over the years contributing more than 60% of the country's foreign currency earnings ahead of other sources such as foreign direct investment and diaspora remittances. Robust export development and promotion strategies are therefore critical to facilitate the productive sectors of the economy towards export-orientation and international competitiveness with much focus on value-added exports.



*Hon Lt Gen (Rtd) Dr Sibusiso B. Moyo (MP)
Minister of Foreign Affairs and
International Trade*

The National Export Strategy (2019-2023) is anchored on the Industrial Development Policy and National Trade Policy (2019-2023) whose thrust is on advancing Zimbabwe's export-led industrialisation agenda. The National Export Strategy provides a guiding framework for the Zimbabwe in its pursuit to promote effective export development and promotion strategies meant to consolidate and expand traditional export markets, explore and develop new markets, and diversification of the national export basket. The major objective is to increase value-added exports by enhancing the trade and business environment and improving the capacity and competitiveness of export sectors.

The National Export Strategy is a product of a wider stakeholder consultative process and benefitted immensely from a series of Rapid Results Initiatives (RRIs) to facilitate the ease of doing export business coordinated through the Office of the President and Cabinet, with the Ministry of Foreign Affairs and International Trade, Ministry of Industry and Commerce, ZimTrade and the Private Sector involved. The need to inculcate and entrench an export culture among our enterprises across the sectors cannot not be over-emphasised. The competitiveness challenges affecting exporters need to be addressed as a matter of priority if the country is meaningfully gain from trade.

The Zimbabwe National Trade Policy Vision and Export Promotion Strategy towards the National Vision 2030 seeks to achieve the 7:14 export earnings targets of USD 7 billion by 2023 and USD 14 billion by 2030. Continued collaboration between the public and private sectors remains critical for the successful implementation of the National Export Strategy to ensure that the targets are achieved. Industry and commerce including small and medium enterprises are encouraged to remain resolute, expand operations and explore export market opportunities in the region and beyond in order to generate foreign exchange which is critical to support industrialisation. Zimbabwe remains committed to the bilateral, regional and multilateral trading system to expand export market access opportunities.

Hon Lt Gen (Rtd) Dr Sibusiso B. Moyo, M.P.

MINISTER OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

1. INTRODUCTION

The National Export Strategy (2019) is guided by the Zimbabwe National Trade Policy Vision and Export Promotion Strategy towards the Vision 2030 National Agenda. The Strategy is an implementing strategy of the National Trade Policy (2019-2023) whose vision is to transform Zimbabwe towards a dynamic and internationally competitive economy, driven by robust domestic and international trade. The mission of the trade policy is to develop and support the productive and services sectors of the economy towards export orientation and international competitiveness.

The National Export Strategy (NES) therefore seeks to develop, promote and grow exports, and make Zimbabwe's products and services globally-competitive. The target is to increase the country's export earnings by at least 10% annually during the plan period. The strategy strives to create an enabling environment for businesses to thrive. To achieve this, the National Export Strategy has developed strategies that are intended to position Zimbabwe on the global economic map in terms of exports and trade with the rest of the world.

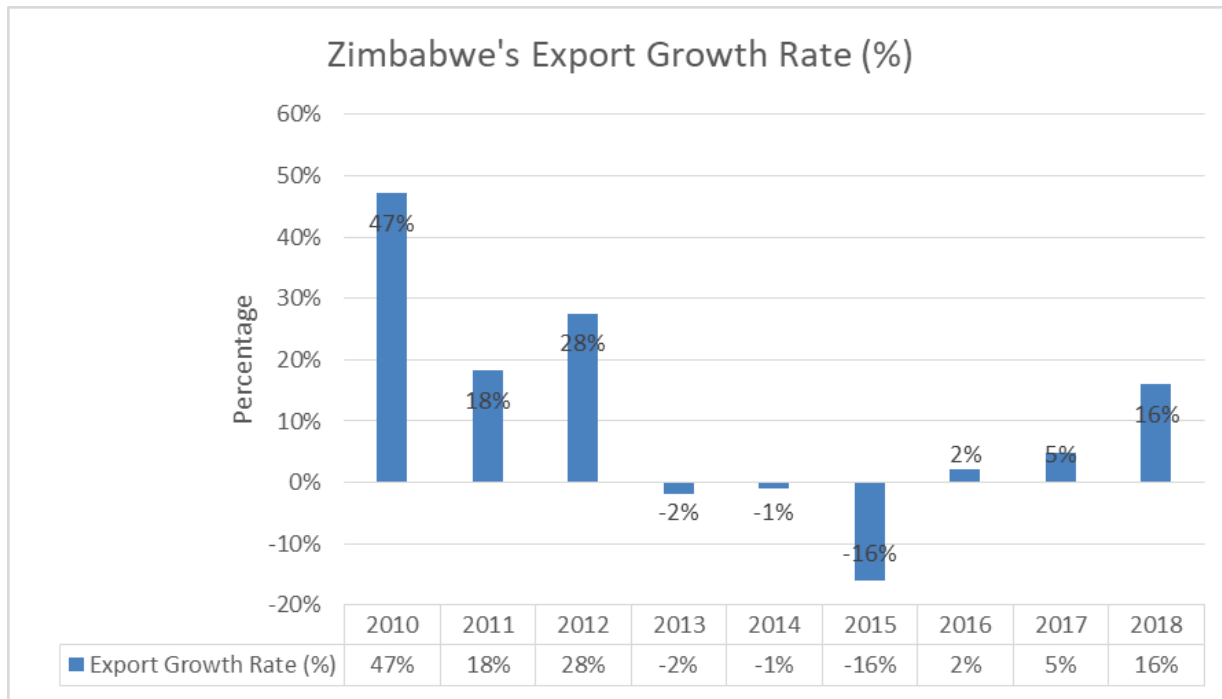
The implementation of this strategy is expected to result in increased export growth, employment creation and foreign currency earnings, among other socio-economic benefits.

2. OVERVIEW OF ZIMBABWE'S EXPORT PERFORMANCE

During the implementation period of the National Trade Policy (2012-2016), Zimbabwe's export performance fell short of its potential to stimulate economic growth. Zimbabwe's exports have mainly been dominated by primary commodities which have been susceptible to highly fluctuating and often unpredictable international prices.

Zimbabwe's export performance has been low, growing at an average of 11% over the period 2010 to 2018. Moreover, as evidenced in the figure 1 below, export performance in the period (2013-2017) was much lower, posting an average annual growth of -2%.

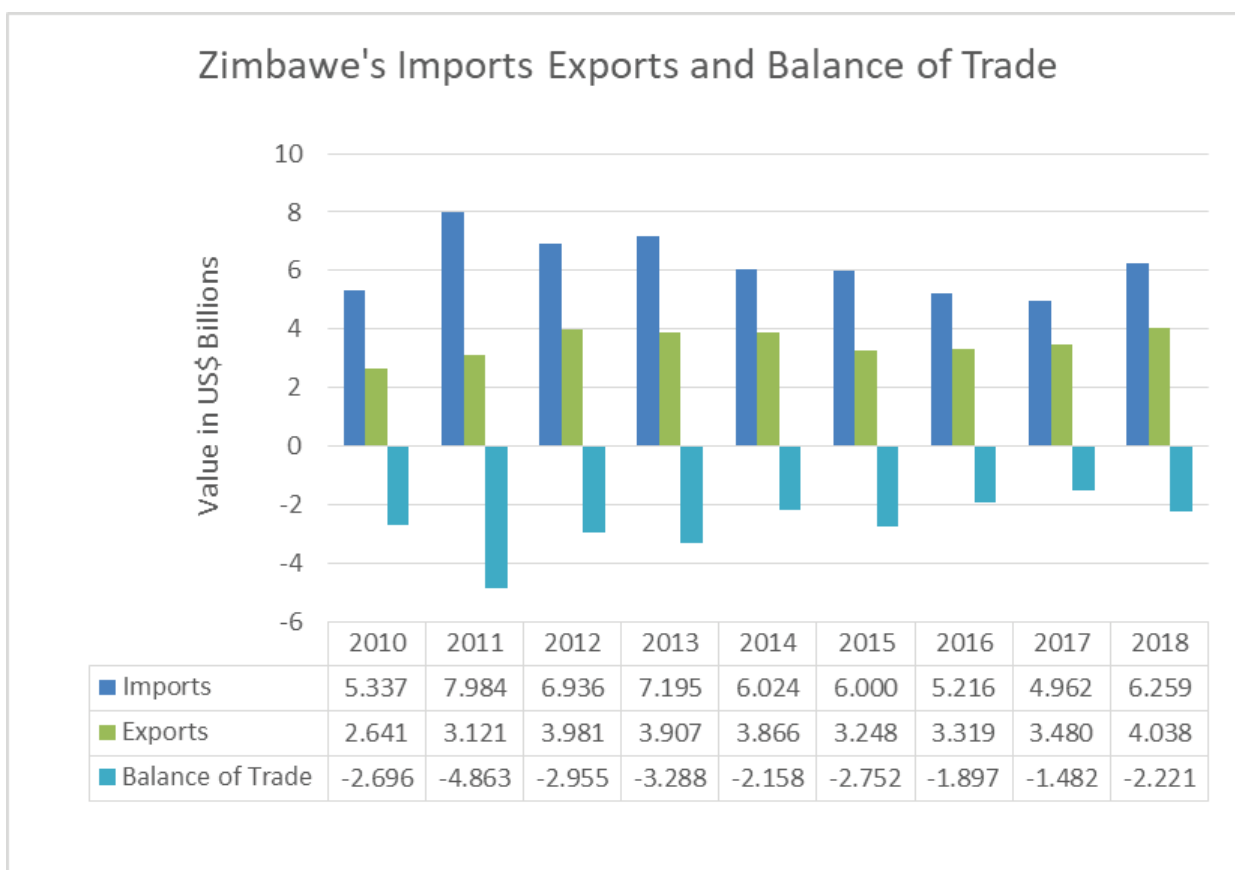
Figure1: Zimbabwe's Export Growth Rates (2010-2018)



Source: ZimStats Trade Data

Zimbabwe's export growth has not managed to match the growth rates of her imports, whose absolute values as shown in Figure 2 below, have remained very high, standing at 1.5times the value of exports in 2018. This difference in growth rates has led to a negative Balance of Trade (BoT) which needs to be addressed making use of a combination of measures aimed at increasing exports and rationalised reduction of imports.

Figure 2: Zimbabwe Exports, Imports and Balance of Trade

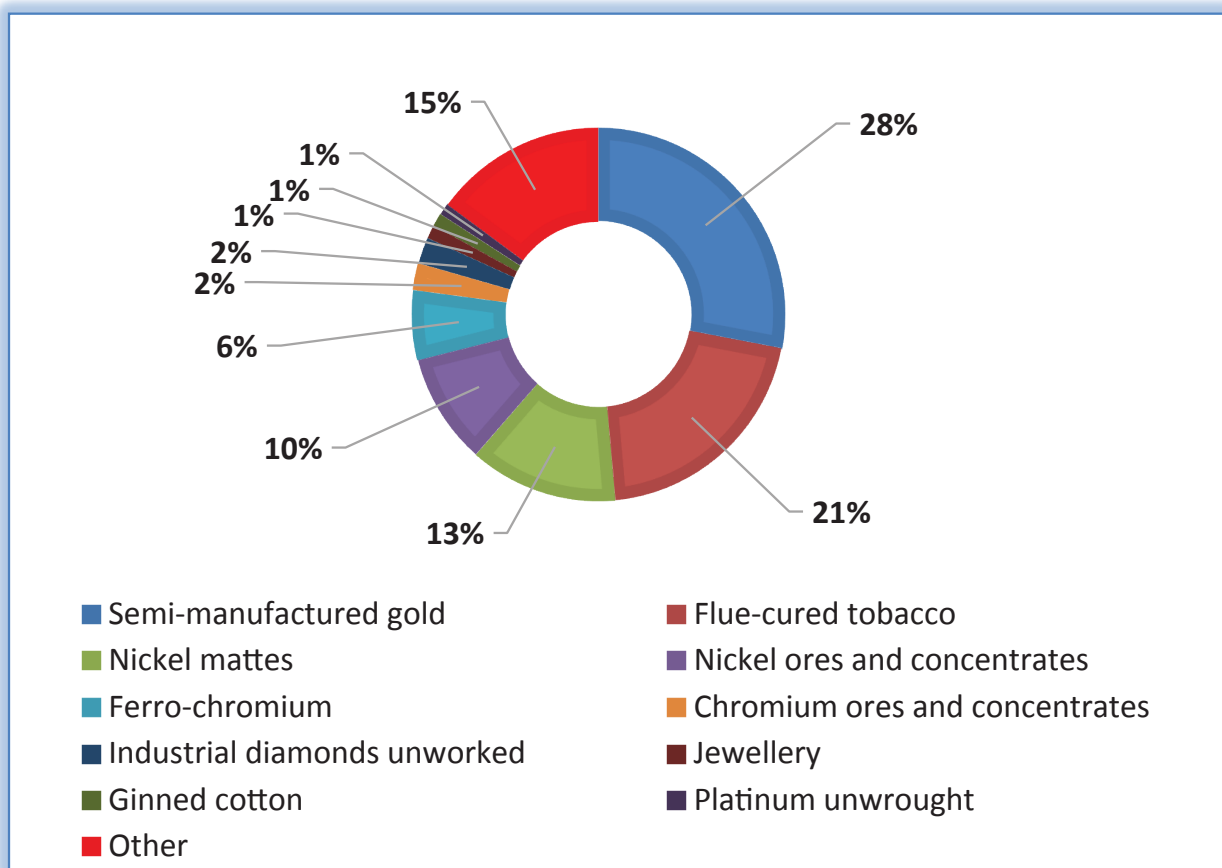


Source: ZimStats Trade Data

2.1 Export Product Concentration

Zimbabwe’s overall export performance is currently driven by growth in minerals and tobacco exports. In 2018, mineral exports and unmanufactured tobacco constituted 75% of the country’s total exports. Zimbabwe’s major mineral exports include diamonds, gold, platinum, chrome and nickel. The manufacturing sector continued to wither in secular decline as industry has been operating at less than 50 percent capacity and has not been able to push exports.

Figure 3: Zimbabwe Export Product Concentration (2018)

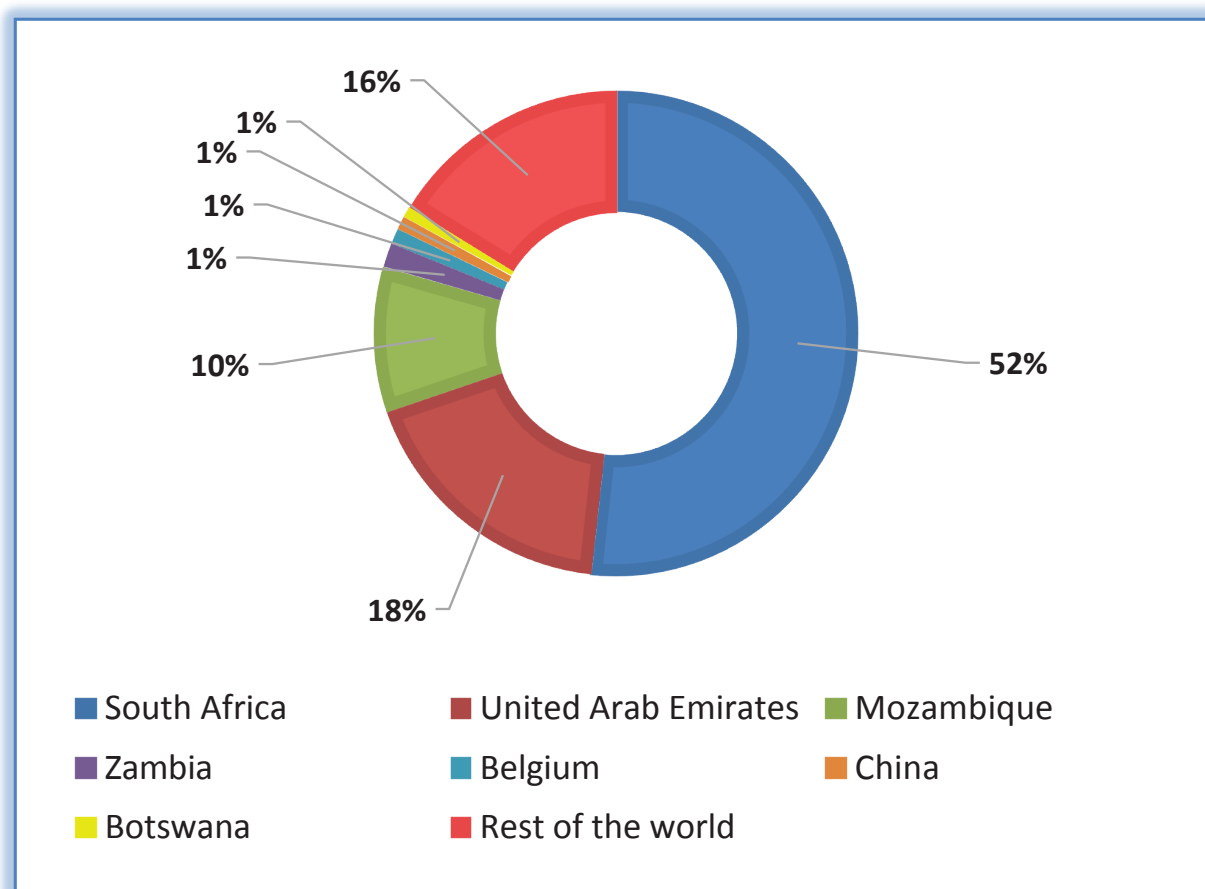


Source: ZimStats Trade Data

2.2 Export Market Concentration

South Africa remains the largest market for Zimbabwean products, taking 52% of total exports, followed by United Arab Emirates with market share of 18%. Other markets included Mozambique (10%), Zambia (1%), Belgium (1%), China (1%) and Botswana (1%).

Figure 4: Zimbabwe Export Market Concentration (2018)



Source: ZimStats Trade Data

2.3 Key Factors Affecting the Export Sector

Zimbabwe’s poor export performance has mainly been attributed to the general economic slowdown and the unstable international commodity prices, as minerals currently constitute the bulk of Zimbabwe’s exports. High transportation costs, regulatory bottlenecks on export business, a stronger US dollar currency and the erratic supply of utilities make Zimbabwean products relatively more expensive and less competitive on the export market in the region and internationally. Limited access to and high cost of trade finance and limited incentives have also been identified as notable contributing factors.

Furthermore, the absence of sector specific strategies to harness the country’s technical, intellectual and skills competitive advantages continues to constrain export growth in the services sector.

3. RATIONALE FOR THE NATIONAL EXPORT STRATEGY

Exports remain the most sustainable source of foreign currency and important driver for economic growth and development. The export sector has contributed, on average, 60% to Zimbabwe's foreign currency earnings annually ahead of diaspora remittances, loan proceeds and foreign direct investment. Despite its abundant resources, a diversified manufacturing industry base and commitment to regional integration and the multilateral trading system, Zimbabwe's export growth has been static over the years, falling short of its potential to stimulate economic growth. This signifies multiple factors behind this poor performance.

Of concern also has been the high degree of concentration of Zimbabwe's export products and markets. This phenomenon of lack of diversification impacts negatively on export performance in light of price volatilities on the international market. There is need for Zimbabwe to broaden its export base through diversification of export products and export markets. There are untapped diversification and export opportunities for Zimbabwe in traditional and non-traditional export markets. Opportunities to generate significant foreign exchange through exports of services remain under exploited in Zimbabwe as services' exports account for less than 10% of total export earnings dominated by tourism.

The Government of Zimbabwe has thus prioritised the design and formulation of a comprehensive National Export Strategy for the next five (5) years (2019-2023), which is intended to develop, facilitate and promote exports. The National Export Strategy is anchored on the 2019-2023 Industrial Development Policy and the National Trade Policy frameworks.

4. VISION, MISSION AND OBJECTIVES

4.1 VISION

A transformed, dynamic and internationally recognized exporter of innovative and competitive goods and services.

4.2 MISSION

To stimulate growth in exports of goods and services for sustainable economic growth and development.

4.3 OBJECTIVES AND TARGETS

The specific objectives of the Zimbabwe National Export Strategy (2019-2023) are to;

1. Increase the national exports of goods and services by at least 10% annually from US\$4.5 billion in 2018 to US\$7 billion in 2023, and US\$14 billion by 2030.
2. Improve the balance of trade position by at least 10% annually from US\$2.2 billion in 2018 to US\$ 1.2 billion in 2023.
3. Increase the contribution of manufactured exports to total exports from 15% in 2018 to 30% in 2023.
4. Increase the country's exports of services by at least 15% annually from US\$513 million in 2018 to US\$ 1.1 billion in 2023;
5. Increase the diversification of Zimbabwe's exports by markets and by products.

5. PRIORITY SECTORS FOR EXPORT DEVELOPMENT AND PROMOTION

The National Export Strategy (2019-2023) has prioritised the following sectors for export development and promotion based on export potential, revealed comparative advantage and quick-win low hanging fruit: horticulture; textiles and clothing, leather and leather products; arts and crafts; food and beverages; wood and furniture; fertilizers and chemicals; iron and steel; pharmaceuticals; tourism; education services; medical services; financial services; construction and engineering; and business services.

Sector specific strategies will be developed for these priority sectors to address specific issues on competitiveness and market access.

5.1 Horticulture Sector

Zimbabwe experienced rapid growth of the horticultural sector in the mid-1980s to the 90s with the peak being in the 1998/99 season. At its peak, the country exported 18,400 metric tonnes of flowers, 14,200 metric tonnes of vegetables and 45,000 metric tonnes of fruits with earnings of approximately US\$143 million annually. Sectoral contribution to GDP stood at 4.5% during that period but that has been eroded to less than 1% in 2015. The sector has gone through a resurgent with exports reaching over US\$79 million. The main contributors to exports from the sector include citrus fruits, flowers, peas, berries and dried vegetables

The potential of the horticultural farming sector in Zimbabwe lies in its climatic conditions which are conducive for horticultural farming. The European market has long been a major consumer of horticulture produce from Zimbabwe particularly flowers. There is need for Zimbabwe to aggressively harness the export potential in this market, among others.

5.2 Cotton to Clothing Value Chain Sector

Cotton has been referred to as the 'white gold' due to its value to the Zimbabwe economy. The commodity has been the backbone of numerous industries in Zimbabwe which include ginning, oil pressing, textile and clothing. At its peak, cotton was grown by some 250,000 to 300,000 smallholder farmers in Zimbabwe and the sub-sector employed more than 50,000 workers. The significance of the textiles and clothing sub-sector was such that even after the economic decline of 2000-2008, the sub-sector still employed more than 11,500 people. Zimbabwe's cotton lint remains a highly competitive product due to the country's sustained commitment to quality and research-based investment.

5.3 Arts and Crafts

Zimbabwe is recognised as a country with a strong creative artistic flair. The sector contributes significantly to employment creation and assist many communities in both rural and urban areas to earn a living. Zimbabwe arts include decorative aesthetics applied to utilitarian objects, objects used in religion and many other spheres. The diverse products include pottery, basketry, textiles, jewellery, wood carvings and stone sculpture. Current major export markets include Southern Africa, Europe, the United States, Singapore, China and Canada.

5.4 Pharmaceuticals Sector

Zimbabwe used to have eight (8) companies manufacturing finished generic human medicines. Most locally-produced products are of oral solid and liquid dosage forms. Production of large volume parenteral and injectable penicillin has ceased but the country has unused capacity to produce from two plants. Increased capacity utilisation will improve regional competitiveness of the sector and help boost exports. Exports from the sector have been destined for regional countries in SADC.

5.5 Leather and Leather Products

Until year 2000, Zimbabwe produced 17 million pairs of shoes, a sharp contrast to the year 2011 production where only 1 million pairs were made. In 2011, cattle population stood at 5.1 million heads, with smallholder farmers owning about 90%. Off take rate was at 5%, which corresponded to about 270,000 animals killed and 388,000 hides being availed on the market (including hides from imported cattle and informal sector). Markets for raw hides and skins and leather (all categories) were mainly overseas. France, Singapore, the United States and Japan imported mostly exotic raw hides and skins. Zimbabwe also exports significant volumes of exotic leathers such as crocodile skins.

5.6 Iron and Steel

The iron and steel sector used to be the backbone of Zimbabwe's economy offering support to the mining, agriculture and the manufacturing sectors. Direct and indirect export products from the sector included steel bars, metal sheets, boilers, bearings, pulleys, wire ropes, rail stock as well as agriculture and mining equipment. The value chain had by-products that were vital for the fertiliser industry.

5.7 Wood and Furniture

Zimbabwe has traditionally been exporting wood and timber products into the region to markets such as Zambia, Mozambique, Botswana and the DRC. The timber sector has been sustained by the vast pine, wattle and eucalyptus plantations predominantly located in the Eastern Highlands. Main export products include power transmission poles, sawn timber as well as other value-added products such as boards and doors. Zimbabwe has also been exporting household furniture such as bedding into the region. Producers of niche products have managed to tap into international markets such as the United States. The industry is supported by sustainable management of rare but valuable hardwoods which come from various parts of the country but mainly from Matabeleland North Province.

5.8 Fertiliser and Chemicals

Zimbabwe has a well-developed fertiliser industry that was able to support the vibrant local agriculture sector before 2001. Production levels were sufficient and allowed exports into the region. However, capacity utilisation challenges faced by key players has affected the competitiveness of the local industry. The sector still has potential for export growth especially within the region.

5.9 Priority Services Sectors

Zimbabwe's trade in services potential is quite substantial in light of the fact that the services' sector contributes more than 50% to Zimbabwe's GDP but less than 10% to total export earnings. The National Export Strategy will prioritise the development, promotion and facilitation of exports of services.

Besides tourism services, potential is there for Zimbabwe to generate more foreign exchange through export services such as financial services, business and professional services, and education services, medical services, construction and engineering, among others.

5.9.1 Tourism Services

The tourism sector is strategic in foreign exchange generation. Tourism business is anchored on planning, organization and promotion of the destination brand. Government will coordinate the formulation and implementation of viable tourism development and promotion strategies which include diversification of tourism products, and improving marketing and branding of Zimbabwe as a unique and attractive tourist destination. The National Tourism Strategy is also expected to address issues of sustainable, inclusive and coordinated tourism development.

5.9.2 Transport Services

Zimbabwe is a land-locked country and national and regional transport connectivity is a necessary condition for promoting economic activity and cross border trade. The transport sector in Zimbabwe comprises five modes, namely, road, rail, aviation, inland water and pipeline transport. Zimbabwe seeks to develop transport infrastructure and become preferred transport hub to connect the entire region and beyond.

Strategies will be developed to facilitate exportation of transport services including investment in regional internal waterways transport, air transport, rail transport, freight transportation and maintenance and repair of rail transport equipment.

5.9.3 Education Services

Zimbabwe's education system is well acclaimed in the region and beyond, giving the country the opportunity to export education services. Government will promote establishment of institutions of higher learning/universities which utilise the highly educated local manpower and focus on attracting university students from Africa and world over. To make the country a centre of esteemed education, promotion of establishment of foreign branch campuses of internationally reputable universities and twinning programmes between these institutions with local institutions will be essential. A framework will also be put in place for Zimbabwe to export excess education experts to other countries in the region.

5.9.4 Medical Services

There is opportunity for Zimbabwe to be the hub of medical and health services in the SADC if not the entire African region. Effort will be made to attract investments from such countries as India to set up specialist medical facilities in Zimbabwe for the entire region. This is against the background that a lot of patients are seeking specialist medical attention outside the country because of limited services available. Potential investors will be invited to establish commercial presence in Zimbabwe.

5.9.5 Business Services

Government recognizes the linkage between liberalization of business services with issues of movement of persons, qualifications and other regulatory requirements, as well as the instruments of recognition to facilitate movement. Government will participate in various regional initiatives aimed at improving legal and policy issues involved in the liberalisation of business and professional services in particular, including negotiations on Mutual Recognition Agreements (MRAs). Development of regional and international structures will be prioritized for this purpose.

5.9.6 Information, Communication Technology

The degree to which all sectors can integrate information communication technology (ICTs) in their operations is determined by the capacity of the ICT sector to provide desired services in a cost effective and sustainable manner. Government liberalized the telecommunications, postal and courier services sector and has established the requisite regulatory bodies. Zimbabwe seeks to develop into being the regional hub for connectivity through fibre-optic services.

Government will ensure the removal of market access or national treatment limitations for Postal and Courier Services including Express Delivery Services from trading partners in SADC and COMESA. Initiatives to support increase in export of basic telecommunications services and audio visual services will be supported.

5.9.7 Energy- Related Services

Energy-related activities are not exclusive to the energy industry and are an important value chain in overall economic productivity of other services sectors, such as transport, distribution, construction, consulting, and engineering. Government will encourage the export of retail sales of fuels, oil, bottle gas, transport services via pipeline-petroleum products, and transport services via pipeline - natural gas, services incidental to petroleum energy extraction of crude oil, drilling, completion and equipping wells services activities.

5.9.8 Construction and Engineering Services

Construction services play a critical role in ensuring the efficient function of economies through the provision of infrastructure to other industries. The characteristic of the construction product necessitates that establishment abroad is the preferred mode of supply in the sector as a necessity to conduct trade in these services. In view of this, Government will monitor the implementation of market access and national treatment issues agreed among Member States to promote exports in the sector.

Government will engage players in the construction sector to encourage the export of general construction services of some civil engineering works, assembly and erection of pre-fabricated constructions and special trade construction services. Investment is required in the general services of other non-residential buildings such as convention and conference facilities.

5.9.9 Financial Services

Zimbabwe's foreign exchange regulatory framework is liberalised to allow greater freedom in the conduct of cross-border transactions, ensure the free and unfettered mobility of capital and facilitate trade in general. Government will continue to monitor and review single investor limits and threshold for foreign investors on the Zimbabwe Stock Exchange with the aim of promoting portfolio investments by foreign investors.

Government acknowledges the importance of the Zimbabwean Diaspora and measures have been instituted to facilitate the integration and participation of the Diaspora in economic development. The National Diaspora Policy will guide the Government in responding to challenges and opportunities of the Diaspora.

5.9.10 Events and Meetings Industry

The global events and meetings industry is a multi-billion dollar business which contribute significantly to many developed countries' annual foreign currency revenues. The events industry involves the provisions of a wide range of services including the hosting of major international exhibitions, meetings, conferences, festivals, sports events, among other social events.

According to the International Congress and Convention Association (ICCA) investments in the event industry can yield 5-7 times associated economic benefit in such related sectors as transport and trade, catering and hospitality, printing and advertising, and in the process many thousand jobs are created. It is estimated that every conference participant spends 3-times more than an ordinary tourist, with business meetings providing 4-times more revenues.

The opportunity for Zimbabwe to reap economic benefits from the business events industry is yet to be meaningfully tapped. The events and meetings industry benefits a wide range of service and infrastructure providers involved in the process of hosting and organizing international meetings, conferences, exhibitions, and other events.

In order to tap the opportunities in the events industry, and to position Zimbabwe as the preferred hub for hosting international meetings, conferences and exhibitions in Southern Africa, the Government will;

- Attract investments in the development of modern and state-of-the-art international conference centres, hotels and exhibition infrastructure in major cities and tourist areas in Zimbabwe.

- Promote the 'Brand Zimbabwe' and bid for hosting major regional and international meetings and conferences, exhibitions and attract tourist traffic into Zimbabwe.
- Build capacity in the administration and coordination in organizing and holding such major international events.

5.10 Trade in Services Development Strategy

Government will undertake an in-depth Services` Sector Diagnostic Studies for Zimbabwe to establish the state of the sector and identify opportunities for exploitation and sub-sectors with potential and competitive advantage in terms of export and being an important enablers for other productive sectors of the economy. The findings of the studies will lead to the formulation of a Trade in Services Development Strategy to guide the country in developing the services sector.

Government will establish a strong regulatory framework as well as strengthen the existing ones to realize more from exports of services.

6. EXPORT DEVELOPMENT AND PROMOTION STRATEGIES

6.1 EXPORT DEVELOPMENT STRATEGIES

6.1.1 Building and Sustaining a Culture of Exporting

Export awareness seminars will be held for sectors that traditionally have not been exporting. These seminars are meant to raise consciousness on relevant export knowledge especially at business infancy level. The outcome of the programme is to have organizations that develop with an ingrained export orientation.

6.1.2 Technical Intervention Programmes

Government, in partnership with local and international experts, will engage and facilitate local enterprises on a skills transfer programme. The experts will transfer knowledge gained through their experience in leading markets. The sector specific interventions will be aimed at developing exports from a value chain level perspective to be able to produce products of export quality.

6.1.3 Export Marketing Training

Enterprises with export potential will undergo training meant to equip them with requisite knowledge and skills on marketing and branding for international competitiveness. The sector specific programmes will be aimed at improving the export readiness of local enterprises and make them competitive on the international market.

6.1.4 Export Packaging Training

Packaging is a key source of competitiveness on the export market. Current and potential exporters will undergo export packaging training with the aim of enhancing the functionality and aesthetics of their packaging. The programme will also include advisory services on packaging for local enterprises.

6.1.5 SME Cluster Development

The programme will be aimed at clustering SMEs in order to create economies of scale. The models will include either co-producing or co-marketing or both. Complementary services such as research and development, capacity development as well as business development services will be made available communally.

6.1.6 Standards & Certification

Standards and certification are key components of export readiness and are critical in gaining market access. Most local products are not certified due to lack of information on the relevant standards as well as lack of resources to adopt them. The strategy will involve holding sector specific awareness programmes. The Standards Development Fund is expected to assist high export potential but financially constrained enterprises especially SMEs to acquire relevant certifications.

6.1.7 Export Financing

The Government will continue to provide assistance to local exporters to overcome barriers to trade, diversify products, improve productivity and secure new markets. The Government will set up an Export Revolving Fund (ERF) which is intended to provide short-to-medium term finance to exporters. The fund will go towards purchase of raw-materials to meet confirmed export order and may be extended to procurement of machinery and equipment for export-oriented enterprises.

Specific export financing schemes for priority sectors will continue to be established and administered through the Reserve Bank of Zimbabwe and other local, regional and international financial partners.

6.1.8 Export Incentives

Government will introduce fiscal and other non-fiscal incentives to encourage exports of local products rendering them competitive on the world market. This will include favourable taxes as well as export incentives cognizant of the competitiveness gap affecting local products.

6.1.9 Export Credit Guarantee

Exporters require protection from certain unforeseen commercial and political risks such as unpredictable payment risks inherent in export transactions especially when entering new markets or dealing with new buyers. In Zimbabwe, commercial risk reinsurance can be obtained from the private market. However, currently the local private market has no capacity to reinsure political risks.

Government acknowledges the importance of reinsuring exporters against inherent political risks in some export markets, and as such will resuscitate the Export Credit Reinsurance Fund in order to instil and restore exporter's confidence to enter new markets or deal with new buyers.

In 2016, Zimbabwe acceded to and became a full member of the African Trade Insurance Agency (ATI), a COMESA institution which provides export credit insurance, political risk insurance and investment guarantees. Zimbabwe's membership is expected to go a long way in facilitating Zimbabwe's trade with the rest of the world and attract the much-needed FDI to drive the country's industrialisation agenda and infrastructure development. Government will continue to encourage enterprises to continuously engage with the ATI and derive maximum benefits from their insurance products and services.

6.2 EXPORT PROMOTION STRATEGIES

6.2.1 Provision of Relevant Market Information

Business enterprises require information on export markets and other market access requirements for making informed decisions. To make this information available, the ZimTrade on-line trade portal will be enhanced to provide relevant up-to-date trade information in real time. ZimTrade will be capacitated to conduct market researches on priority sectors and disseminate the findings to local companies.

6.2.2 Trade Fairs and Exhibitions

As part of export promotion the Government will develop targeted country-specific market penetration programmes that include trade shows and trade mission plans. ZimTrade will organize and facilitate the participation of local companies in local, regional and international trade shows. Support will be given to ZITF Company to strengthen its capacity to host the annual Zimbabwe International Trade Fair. Potential exporters will be assisted to participate at the fair as a way of nurturing them for the export market.

Potential exporters will be facilitated to participate in regional and other strategic exhibitions as a way of exposing them to international markets. Potential exporters will be assisted in organizing business-to-business (B2B) meetings with potential buyers in foreign markets.

6.2.3 Trade Missions and Solo Exhibitions

Government will organize outward seller and inward buyer missions for potential exporters targeting strategic sectors and markets. Trade and Investment Promotion Officers will be deployed in strategic markets to assist exporters to penetrate and consolidate their presence in those markets.

6.2.4 Brand Zimbabwe Campaign

The Government will spearhead the Brand Zimbabwe Campaign to globally position the country as a source of quality and affordable goods and services. The campaign will

focus on local capacity and enhancing the national image in the global marketplace. As part of building a globally recognized Brand Zimbabwe, effort will be made to conduct joint trade, investment and tourism marketing activities.

6.2.5 Retail Expansion into Region

The Government will encourage and support established retail chain stores to establish branches in strategic countries within the region as a channel for exporting Zimbabwean products. Effort will be made to encourage support services sector such as insurance, finance, logistics and other business services to create synergies which will lower the cost of penetrating strategic markets.

6.3 EXPORT FACILITATION STRATEGIES

6.3.1 Improving Border Efficiency

Government will reduce time and cost spent at the country's border posts by cross border traders through a number of initiatives which include establishing one-stop-border posts and other border efficiency management systems. Customs and administration procedures will continue to be streamlined and simplified in order to facilitate trade.

6.3.2 Improving Transport and Communication Infrastructure

Transportation cost is one of the impediments affecting competitiveness of Zimbabwe's exports. Government will ensure improvement of transport and communication infrastructure that include road, air and rail to boost efficiency.

6.3.3 Harmonisation of Standards and Regulations

The Government will ensure continuous harmonisation of trade related standards and regulations with the regional and international trading partners as well as negotiate mutual recognition agreements.

6.3.4 Reducing time and cost to obtain export and import permits through deployment of ICT solutions

Concern has been raised with regards to bureaucratic procedures in obtaining export permits which have adverse effects of increasing costs of doing export business.

Government will streamline and simplify export and import procedures, eliminate customs delays and improve customs administration to expedite trade flows.

6.3.5 Electronic Commerce

Government will facilitate the players in export business to embrace e-commerce in marketing and exporting their products especially to developed markets.

A national e-commerce strategy will be developed to facilitate the production, distribution, marketing, sale or delivery of goods (both physical and digital products) and services by electronic means. Zimbabwe will also participate in the work programme within the multilateral trading system that is actively pursuing the need to advance the subject of electronic commerce. Bilateral cooperation frameworks on e-commerce will also be pursued to learn from some successful countries that have successfully adopted e-commerce.

6.3.6 Review of Regulations Affecting the Ease of Doing Export Business

As part of the Ease of Doing Export Business Reforms, Government will review various regulations and cumbersome procedures identified as impacting negatively on the ease of doing export business.

7. IMPLEMENTATION OF THE NATIONAL EXPORT STRATEGY

7.1 Implementation, Monitoring and Evaluation Framework

- 7.1.1 The guide to the Implementation, Monitoring and Evaluation Framework of the National Export Strategy (NES) is accompanying the Strategy. Stakeholder engagement is needed to agree and adopt a framework outlines key action areas highlighting what needs to be done (policy intervention issue), how (activity), by who (responsibility), by when (timeframes), and the resources required including funding.
- 7.1.2 ZimTrade, the National Trade Development and Promotion organisation is expected to develop and implement its organisational strategic plan to facilitate the implementation of the National Export Strategy (2019-2023).
- 7.1.3 The scope of the mandate of ZimTrade, will be expanded to coordinate the implementation, monitoring and evaluation of the National Export Strategy. A dedicated unit at ZimTrade, the NES Unit, will be set up for this purpose.

7.2 Strategic and Results Leadership

The Permanent Secretary for Foreign Affairs and International Trade will give strategic leadership on the implementation of the National Export Strategy.

7.3 Zimbabwe Export Promotion Council

- 7.3.1 To support the implementation of the National Export Strategy, a consultative mechanism will be established in the name of the Zimbabwe Export Promotion Council (ZEPC). The ZEPC will be composed of key stakeholders from industry, the export sector and key institutions involved in facilitating exports. The mandate of the ZEPC will be to consult and provide evidence-based advice on export development, promotion and facilitation strategies to the Minister of Foreign Affairs and International Trade.
- 7.3.2 Within the ZEPC, sector-specific export promotion councils will be established in the following sectors: horticulture; cotton to clothing; leather and leather products; iron and steel; agro-processing; wood, timber and furniture; pharmaceuticals and packaging, fertiliser and chemicals; arts and crafts; and services (covering tourism, transport, education, medical, business, ICT, energy, financial, and construction and engineering).

7.4 Communication and Consultation

The successful implementation of the NES requires involvement of all key stakeholders. It is therefore imperative that there is a sustained effective process that links the implementing agencies and provide due public awareness of the National Export Strategy. Components of the communication plan will be:

- (a) Online information on the Zimbabwe National Trade Portal, Government and ZimTrade websites.
- (b) Regular country wide public awareness and consultative tours to receive comments, feedback as well as updating all stakeholders on the National Export Strategy implementation progress.
- (c) Nationwide publicity through radio, television, leaders' addresses and occasional newspaper press releases.

7.5 Monitoring and Evaluation

7.5.1 The Ministry of Foreign Affairs and International Trade will put in place objective measures to monitor and evaluate the performance of the Strategy on a continuous basis. Adjustments based on reviews will be done where necessary following progress and any emerging new issues.

7.5.2 The actual evaluation process will be done as follows:

- (a) Each objective will be guided by specific quantifiable measures.
- (b) The implementing officer will continuously collect data from various public and private sector players as set out in the National Export Strategy and fill the information into a scorecard.

7.5.3 This Strategy will run from 2019-2023 and will be reviewed annually with the mid-term review set for 2021.

ANNEX: IMPLEMENTATION FRAMEWORK GUIDE TO THE NATIONAL TRADE POLICY AND EXPORT STRATEGY [2019-2023]

STRATEGY	ACTIVITIES
TRADE DEVELOPMENT	
Technical Intervention Programmes	Engage Development Cooperation Partners (DCPs) for technical assistance to provide factory floor intervention and expert advice to enhance productivity and export competitiveness.
	Identify sectors & value chains to receive technical assistance.
	Skills transfer programme.
Export Marketing Training	Marketing and Branding for International Competitiveness Training (MBIC)
	Develop and introduce tailor-made vocational training programs for export.
Export Packaging Training	Needs Assessment
	Export Packaging Training
SME Cluster Development	Identify clusters by sector and geography
	Engage into developmental activities
Standards & Certification	Sector Awareness Seminars
	Identify standards acting as non-tariff barriers for adoption
	Support the certification of exporters
Building and sustaining a culture of Exporting	Export awareness seminars focusing on export oriented production and marketing
Export Financing	Set up an Export Revolving Fund (ERF) and mobilise finance for the facility
	Offer support to productive companies through ERF
	Capacitate Export Credit Guarantee Company of Zimbabwe (ECGC)
	Raise Awareness on existing finance facilities
Export Incentives	Conduct a sector competitiveness gap survey
	Develop a sector specific incentive scheme
	Operationalise Incentive scheme

Export Promotion Councils	<ul style="list-style-type: none"> Establishing Zimbabwe Export Promotion Council to consult and provide evidence-based advice on export development, promotion and facilitation strategies. Sector-specific council to be established where necessary.
TRADE PROMOTION	
Provision of relevant market information	Redesign and operationalise Zimbabwe Trade Information Portal (Establish an online interface with ZimStats, ZIMRA and RBZ)
	Conduct Market Access Trainings
	Conduct Market Researches and Learning visits
Trade Fairs and exhibitions	Organise the participation of companies at regional and international trade fairs and exhibitions
	Improve capacity of local trade fair organisers to host international exhibitions for local companies
Trade mission and solo exhibitions	Organise trade missions in identified key markets
	Organise solo exhibitions for local companies in key markets
Brand Zimbabwe campaign	Organise periodic joint tourism, investment and export promotion roadshows in strategic markets
Retail expansion into the region	Carry out consultations and develop incentives to promote retail chain stores to open branches in regional markets
	Engage and assist retail stores to open branches in regional markets
Electronic Commerce	Carry out awareness campaigns encouraging and assisting exporters to list on the available e-commerce platforms.
	Exporters to create new e-marketing platforms to market local products
	Development of an e-commerce strategy for Zimbabwe
	Pursue bilateral cooperation frameworks on e-commerce with some successful countries that have successfully adopted e-commerce.
Events and Meetings Industry Promotion	Attract investments in the development of modern and state-of-the-art international conference centres, hotels and exhibition infrastructure in major cities and tourist areas in Zimbabwe.
	Promote the 'Brand Zimbabwe' and bid for hosting major regional and international meetings and conferences, exhibitions and attract tourist traffic into Zimbabwe.
	Build capacity in the administration and coordination in organizing and holding such major international events.
Trade Promotion Officers	Deployment of Trade Promotion Officers (TPOs) in strategic potential markets.

TRADE FACILITATION	
Development of the National Trade Facilitation Implementation Plan.	<p>Review Trade Facilitation Baseline</p> <p>Consult stakeholders and develop the National Trade Facilitation Implementation Plan and the Log Frame for Implementation</p> <p>Monitoring and Evaluation of National Trade Facilitation Implementation Plan.</p>
Improving Border Efficiency	Reviewing and updating of the role, mandate and corporate governance of institutions involved at the borders
	Enhance collaboration and build capacity of agencies involved in border management
	Undertake time release survey
	Implementing one-stop-border posts
Improving transportation and communication infrastructure	Rehabilitate and expand road, rail and air links.
	Review advance clearing systems
	Promote investment into ICT sector
Harmonisation of standards and regulations	Negotiating with trading partners
	ISO certification for companies
Reducing time and cost to obtain export and import permits	Enhancing E-licencing
Ease of Doing Business Reforms	Continuous review of legislations affecting the ease of doing export business.
Encourage take up of export insurance	Undertaking awareness campaign to use ECGS and ATI
TRADE IN SERVICES	
Trade in Services Development Strategy	In-depth Trade in Services Diagnostic Study on Zimbabwe to establish the state of the sector and identify opportunities for export.
	Formulating a Trade in Services Development Strategy for Zimbabwe

Stakeholder Mapping	Develop Capacity Building Development Programme(training and sensitization and creating inter-disciplinary group of experts of services negotiators)
	Creation of Services Providers Association
	Conduct technical analysis on the composition of services in production of services and goods
	Review the Regulatory Framework
	Diagnose and assess the costs imposed by poor quality services and the potential benefits of market reforms (comparing sector performance with international benchmarks)
	Creation of linkages with other sectors
	Providing assistance with Marketing and investments
	Establishing and improving industry standards
	Strengthening information and data
	Negotiate and Monitor Market Access and National treatment barriers
	TRADE NEGOTIATIONS



Published by:

MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Munhumutapa Building

Samora Machel Avenue / Sam Nujoma Street

P.O. Box 4240 Harare, Zimbabwe

Telephone: +263 242 794681-6, +263 242 793372-5, +263 242 706114-5

E-mail: mfa@zimfa.gov.zw; secretary@zimfa.gov.zw

www.zimfa.gov.zw

www.tradezimbabwe.com