



ZIMBABWE

ZIMBABWE NATIONAL TRADE POLICY VISION & EXPORT PROMOTION STRATEGY

TOWARDS THE VISION 2030 NATIONAL AGENDA





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VISION AND EXPORT PROMOTION STRATEGY**

TOWARDS THE VISION 2030 NATIONAL AGENDA

***A transformed, dynamic and internationally-competitive economy,
driven by robust domestic and international trade***

**7:14 EXPORTS ROADMAP
USD 7 BILLION BY 2023: USD 14 BILLION BY 2030**

OCTOBER 2019



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PREFACE BY THE PRESIDENT OF THE REPUBLIC OF ZIMBABWE

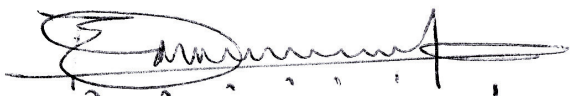
Zimbabwe's trade potential has not been fully tapped to enable the country to meaningfully gain from trade - the engine for economic growth and development. Over the years our trade policy has largely been inward-looking in an attempt to safeguard local industry from unfair import competition. However, the new thrust is to balance the country's trade interests by strategically opening up for business to promote mutual trade and investment. The Government is cognisant of the challenges that have continued to impact on local industry. There is need to balance our policy intervention measures in line with the tenets of, and our commitments to, the regional trade integration agenda and the multilateral trading system that we are party to.

The vast natural and human resources that Zimbabwe is endowed with require policy strategies that will enable the country to build production capacity and generate the much-needed foreign exchange earnings through exports. The country has largely relied on exportation of primary commodities with exports of value-added goods and services having remained subdued due to a number of factors.

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 new National Investment Policy, Zimbabwe Industrial Development Policy (2019-2023) and the Zimbabwe National Trade Policy (2019-2023) are key policies expected to guide the implementation of the national vision. Government commits to facilitate and support all sectors of our economy to contribute and sustain the economic growth trajectory that we are pursuing as pronounced in the Transitional Stabilization Programme (2018-2020). Government is resolute in attracting both domestic and foreign investors to set up and produce goods and services in Zimbabwe, not only for the domestic market but also for trade within the region and globally.

Specific strategies to support the development and promotion of exports are pronounced in the National Export Strategy (2019-2023) - an implementing part of the National Trade Policy. Trade facilitation will be prioritised by Government and measures will be put in place to eliminate uncertainty and increase trade policy predictability for both traders and investors.

In addition, Government will continue to engage in formal trade negotiations at bilateral, regional and multilateral levels with trading partners to promote and advance Zimbabwe's trade interests. I urge all stakeholders to embrace the news Zimbabwe National Trade Policy Vision and Export Promotion Strategy roadmap towards the 7:14 export targets of USD 7 billion by 2023 and USD 14 billion by 2030, in order to facilitate the attainment of the National Vision of an Upper Middle Income Economy by 2030.



His Excellency Emmerson D. Mnangagwa

PRESIDENT OF THE REPUBLIC OF ZIMBABWE

STATEMENT BY THE MINISTER OF FOREIGN AFFAIRS & INTERNATIONAL TRADE

The new Zimbabwe National Trade Policy Vision and Export Promotion Strategy seeks to contribute towards the attainment of the National Vision 2030 goals. Exports and foreign currency generation are key to sustaining the functioning of the economy including sustaining the balance of payments and supporting the productive sectors of the economy of Zimbabwe. The country's trade performance over the years has fallen short of expectations.

The new National Trade Policy (2019-2023) specifies measures and strategies that will guide Zimbabwe's trade regionally and internationally for the next five (5) years towards export-orientation and international competitiveness. The trade policy seeks to facilitate trade and engender a culture of producing for export in local productive and services sectors. The main thrust of the policy is to transform Zimbabwe from an exporter of raw commodities and semi-processed products to an exporter of internationally competitive high value products. The competitiveness orientation of the National Trade Policy is expected to ensure that trade becomes a major engine to drive sustainable development in the country, creating employment, eradicating poverty and ensuring environmental sustainability.

The National Trade Policy is buttressed by the Zimbabwe National Export Strategy (2019-2023) which elaborates strategies and measures to promote exports, and effectively position the country's exports in traditional markets and securing new markets. The main strategic goal is to increase total exports by at least 10% annually from USD 4 billion in 2018 to USD 7 billion by 2023, and to USD 14 billion by 2030 (THE 7:14 EXPORTS TARGETS). The National Trade Policy and Export Promotion Strategy (2019-2023) are well in line with the export-led industrialisation strategy as articulated in the Zimbabwe Industrial Development Policy (2019-2023).

Focus will be put on enhancing participation in programmes and initiatives aimed at promoting and facilitating trade under bilateral, regional and multilateral arrangements. This is intended to ensure that Zimbabwe takes full advantage of preferences and opportunities availed by way of our membership to trading agreements under SADC, COMESA, the African Continental Free Trade Area (AfCFTA), ACP-EU and the World Trade Organisation (WTO) in order to boost our trade significantly and sustainably beyond current levels.

The Trade Policy Vision and Export Promotion Strategy is a product of a wider public-private stakeholder consultative process which benefitted immensely from the Ease of Doing Export Business Rapid Results Initiative (RRI) that has been ongoing. The successful implementation of the National Trade Policy and National Export Strategy will therefore be based on a participatory and inclusive approach where the private sector is expected to take the lead.

Effective and co-ordinated implementation of the afore-mentioned policies and strategies will ensure sustainable industrial growth, particularly in the manufacturing and services' sectors, thereby propelling Zimbabwe to its rightful destination of prosperity as an Upper Middle Income Economy by 2030, as set out in the national economic blueprint, the Transitional Stabilisation Programme (2018-2020).

Hon. Lt. Gen. (Rtd) Dr. Sibusiso B. Moyo (MP)

MINISTER OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

October 2019

1. EXECUTIVE SUMMARY

- 1.1 Zimbabwe's trade potential has not been fully tapped to enable the country to meaningfully gain from trade. Over the years our trade policy has largely been inward-looking in an attempt to safeguard local industry from unfair import competition.
- 1.2 There is need to balance the country's trade interests by strategically opening up for business to promote mutual trade and investment, while taking cognisance of the challenges that have continued to impact on local industry, and our commitments to bilateral, regional and multilateral trade commitments.
- 1.3 Exports and foreign currency generation are key to sustaining the functioning of the economy including sustaining the balance of payments and supporting the productive sectors of the economy of Zimbabwe. Exports have continued to sustain the economy over the years contributing more than 60% of the country's foreign currency earnings ahead of other sources such as foreign direct investment and other remittances.
- 1.4 However, Zimbabwe's export performance has largely remained subdued over the years falling short of its potential to spur economic growth and development. It is noted that our total exports of goods stood at US\$4 billion in 2018 up from around US\$3.5 billion in 2017, an increase of 14%. On the other hand, total imports increased by 26% from US\$4.96 billion in 2017 to US\$6.26 billion 2018 posing a challenge on the balance of trade.
- 1.5 The Zimbabwe National Trade Policy Vision and Export Promotion Strategy towards the National Vision 2030 Agenda envisages a transformed, dynamic and internationally-competitive economy, driven by robust domestic and international trade.
- 1.6 The trade policies and export strategies are articulated in the National Trade Policy (2019-2023) and the National Export Strategy (2019-2023), which are anchored on the Zimbabwe National Industrial Development Policy (2019-2023) whose main thrust is advancing Zimbabwe's export-led industrialisation agenda.
- 1.7 The Trade Policy and Export Promotion Strategy Vision is to reform and open up Zimbabwe for free and fair trade in line with the multilateral trading system. Thrust will also be put on export development and promotion; diversification of export products and export markets; and market access at negotiations at bilateral, regional and multilateral levels.
- 1.8 Accordingly, the National Trade Policy takes into account the nature of Zimbabwe's economy and trade patterns, current industrial and trade conditions, opportunities and future potential to grow trade, macroeconomic and regulatory environment, as well as dynamics in external trade and economic environment.
- 1.9 An Export Potential Analysis for Zimbabwe for September 2019, revealed that the country has unrealized annual export potential of US\$115.4 million to the world for such products as ferrochrome, nickel, sugar, wood and hides & skins. The markets with greatest potential for Zimbabwe's exports of all products are China, Italy and South Africa.
- 1.10 The strategic goal is to facilitate the growth of total exports of goods and services by at least 10% annually, and the following targets have been set;

Table 1: Zimbabwe Export Targets (2023-2030)

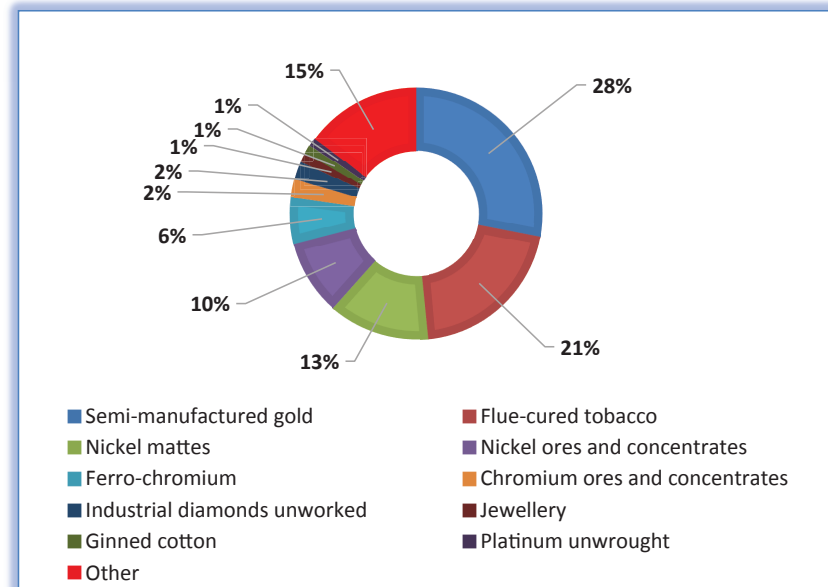
	2018 Actual Export Earnings (US\$)	2023 Target Export Earnings (US\$)	2030 Target Export Earnings (US\$)
Goods Exports	US\$4 billion	US\$6.4 billion	US\$12.6 billion
Services Exports	US\$513 million	US\$826 million	US\$1.6 billion
Total Exports	US\$4.513 billion	US\$7.23 billion	US\$14.2 billion

- 1.11 All sectors of the economy - mining, manufacturing, services, and agriculture - are expected to contribute to the attainment of the set 7:14 export targets. The development of sector-specific export oriented strategies should therefore be prioritised. The mining sector for example, mineral exports were valued at US\$3.2 billion from 2018, a figure which represents over 70% of the country's total export earnings. The mining sector has emerged as the key driver of the country's economic turnaround and is poised to reach a US\$12 billion industry by 2023. This sector is expected to continue to contribute significantly towards the attainment of the 7:14 targets.
- 1.12 This trade policy vision paper briefly analyses Zimbabwe's trade performances and outlines the broad and specific policies and strategies that will be implemented to facilitate the attainment of the trade policy goals and the 7:14 export targets for 2023 and 2030.

2. EXPORT PERFORMANCE

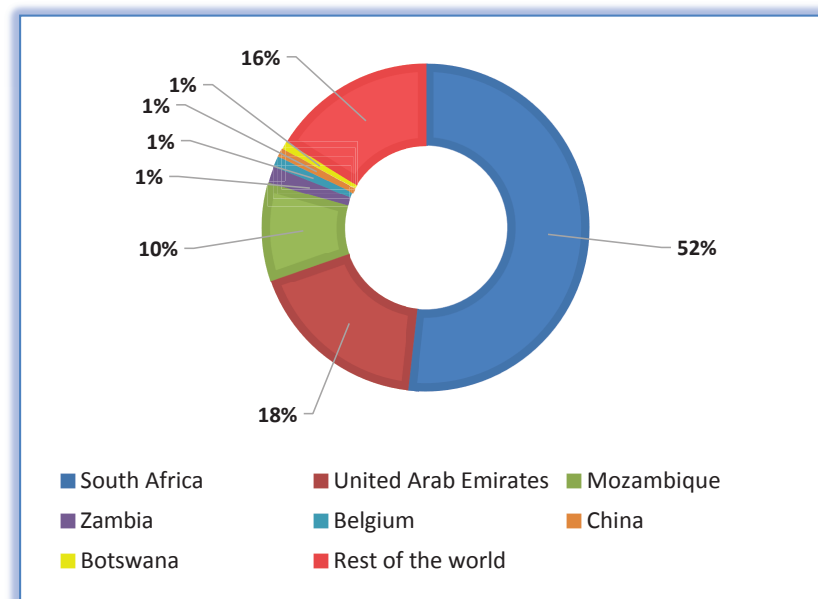
- 2.1 Zimbabwe's export performance has largely remained subdued over the years falling short of its potential to spur economic growth and development. It is noted that our total exports of goods stood at US\$4 billion in 2018 up from around US\$3.5 billion in 2017, an increase of 14%. On the other hand, total imports increased by 26% from US\$4.96 billion in 2017 to US\$6.26 billion 2018 posing a challenge on the balance of trade.
- 2.2 The country's exports composition has been dominated by primary commodities with minerals and tobacco contributing over 70% to the total export earnings. Exports of services have averaged US\$500 million annually.
- 2.3 Zimbabwe's export markets remain limited to a few traditional trading partners. In 2018, South Africa remained the largest market for Zimbabwean products, absorbing 52% of total exports, followed by the United Arab Emirates (UAE) (18%), Mozambique (15%), and Zambia (10%). On the other hand, major import source markets in 2018 were South Africa (39%), Singapore (22%), China (6%), UK (4%) and Japan (4%).

Figure 1: Zimbabwe Export Product Concentration (2018)



Data Source: ITC TradeMap & ZimStats

Figure 2: Zimbabwe Export Market Concentration (2018)



Data Source: ITC TradeMap & ZimStats

2.4 There is need for Zimbabwe to promote and facilitate trade and in the diversification of export products and export markets.

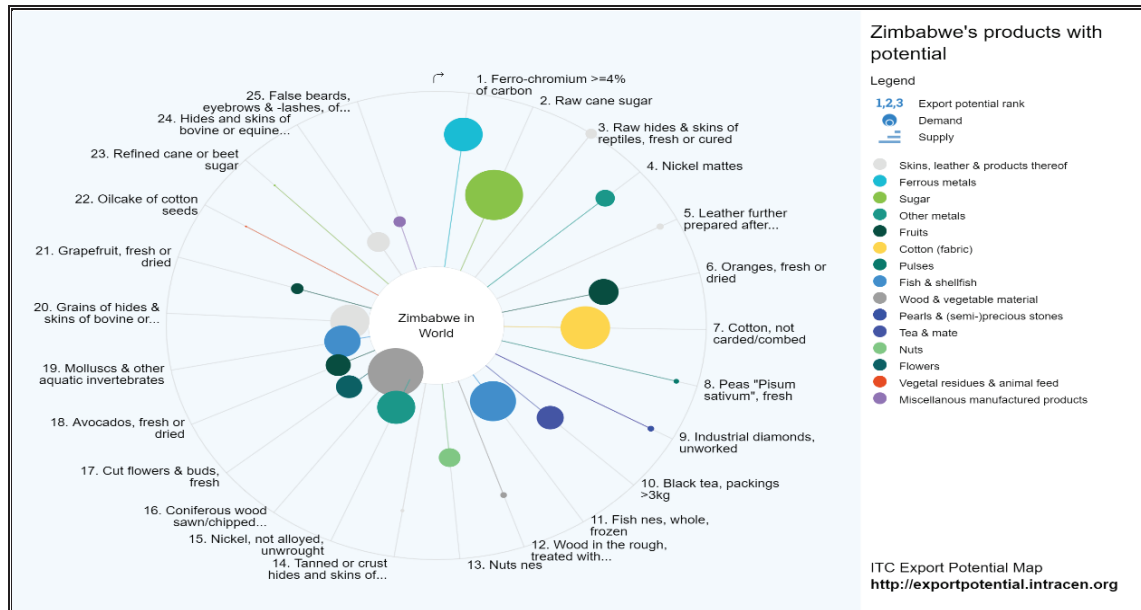
3. KEY FACTORS AFFECTING TRADE

- 3.1 The following are some of the identified factors that have continued to affect trade and the growth of exports in Zimbabwe;
- i. Incoherent trade policies and practices in the conduct of domestic, bilateral, regional and international trade;
 - ii. Competitiveness challenges on the international market due to high costs of production;
 - iii. Limited investments, and limited value addition and beneficiation due to lack of requisite technology;
 - iv. Unstable commodity prices on the international market for mineral commodities and agricultural produce such as tobacco and cotton;
 - v. Balance of payment challenges, and sanctions that remain imposed on Zimbabwe affecting securing of trade finance facilities and processing of international payments.
 - vi. High logistical and transportation costs and regulatory bottlenecks on export business.
 - vii. Weak export services industry in Zimbabwe
 - viii. The dearth of apprenticeships concept and failure to commercialize Intellectual Property Rights generated by institutions of higher learning;
- 3.2 The National Trade Policy and National Export Strategy (2019-2023) are therefore aimed at addressing some of these challenges to ensure that trade remains key to sustaining economic growth and development.
- 3.3 There is need for Zimbabwe to increase valued-added exports, diversify export products and markets, promote free and fair competition in domestic and international trade, and take advantage of opportunities created by regional trade integration and the multilateral trading system.

4. ZIMBABWE EXPORT POTENTIAL ANALYSIS

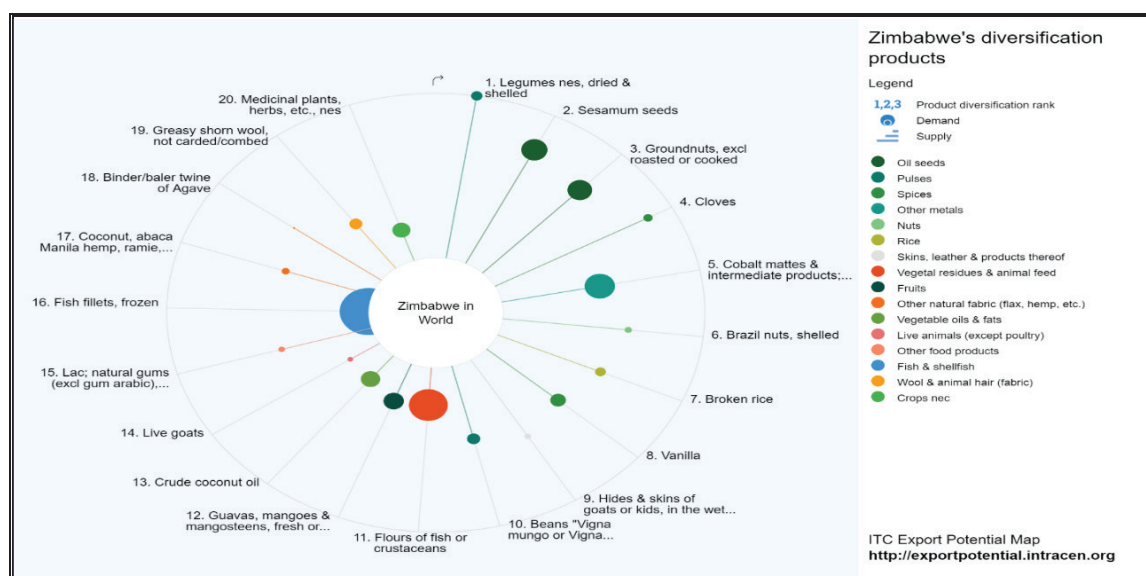
- 4.1 **Products with Greatest Export Potential** - The products with greatest export potential from Zimbabwe to the world are ferro-chrome, raw cane sugar, and raw hides & skins of reptiles, fresh or cured. Raw hides & skins of reptiles, fresh or cured shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth USD\$115.4 million. Figure 3 refers.

Figure 3: Zimbabwe Products with Export Potential



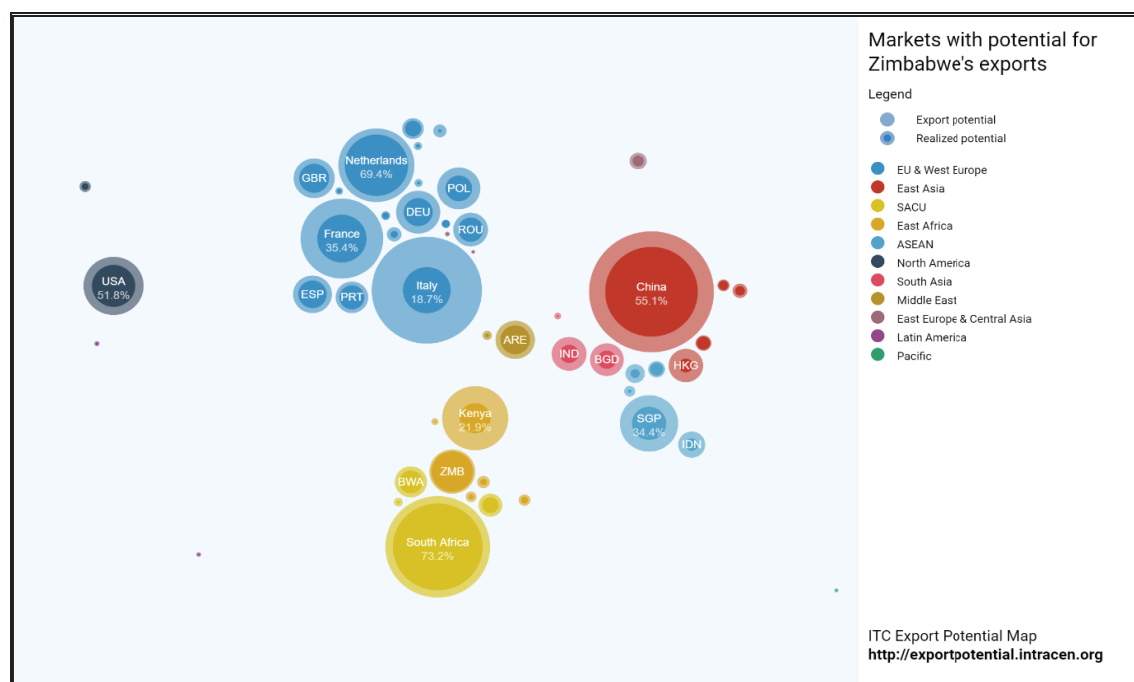
4.2 Export Diversification - Zimbabwe's best options for export diversification in the World are Legumes, dried & shelled, Sesamum seeds and groundnuts, excluding roasted or cooked. Fish fillets, frozen is the product that faces the strongest demand potential in the world.

Figure 4: Zimbabwe Diversification Products



4.3 Markets with Greatest Potential - The markets with greatest potential for Zimbabwe's exports of all products are China, Italy and South Africa. Italy shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth USD\$114.7 million.

Figure 5: Markets with Potential for Zimbabwe's Exports



5. TRADE POLICY VISION, MISSION AND OBJECTIVES

- 5.1 The National Trade Policy (2019-2023) envisions 'a transformed, dynamic and internationally-competitive Zimbabwean economy, driven by robust domestic and international trade'.
- 5.2 The trade policy mission is 'to develop and support the productive and services sectors of the economy towards export-orientation and international competitiveness'.
- 5.3 The National Export Strategy (2019-2023) envisions 'a transformed, dynamic and internationally recognized exporter of innovative and competitive goods and services'.
- 5.4 The export strategy mission is 'to stimulate growth in exports of goods and services for sustainable economic growth and development'.
- 5.5 The key objectives for the National Trade Policy and National Export Strategy (2019-2023) are to;
 - i. Increase the national export 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;
 - ii. Increase the contribution of manufactured exports to total exports from 15% in 2018 to 30% in 2023.

- iii. 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;
- iv. 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;
- v. Improve Zimbabwe's ranking in World Bank's trading across Borders Distance to Frontier Index from 54.34 percentage points in 2018 to 65 percentage points in 2023.

5.6 The strategic goal is to facilitate the growth of total exports of goods and services by at least 10% annually, and the following targets have been set (**The 7:14 Export Targets**);

Table 2: Zimbabwe Export Targets (2023-2030)

	2018 Actual Export Earnings (US\$)	2023 Target Export Earnings (US\$)	2030 Target Export Earnings (US\$)
Goods Exports	US\$4 billion	US\$6.4 billion	US\$12.6 billion
Services Exports	US\$513 million	US\$826 million	US\$1.6 billion
Total Exports	US\$4.513 billion	US\$7.23 billion	US\$14.2 billion

5.7 All sectors of the economy - mining, manufacturing, services, and agriculture - are expected to contribute to the attainment of the set 7:14 export targets. The development of sector-specific export oriented strategies should therefore be prioritised. The mining sector for example, mineral exports were valued at US\$3.2 billion from 2018, a figure which represents over 70% of the country's total export earnings. The mining sector has emerged as the key driver of the country's economic turnaround and is poised to reach a US\$12 billion industry by 2023. This sector is expected to continue to contribute significantly towards the attainment of the 7:14 targets.

5.8 This trade policy vision paper outlines the broad and specific policies and strategies that will be implemented to facilitate the attainment of the trade policy goals and the 7:14 export targets for 2023 and 2030.

6. POLICY STRATEGIES AND INSTRUMENTS

The following are the broad and specific policies and strategies for the National Trade Policy and National Export (2019-2023);

- 6.1 **Developing and Nurturing Export Culture** - encouraging firms to re-orient their business models towards competitive production of high quality and valued-added goods and services for export.
- 6.2 **Sector Prioritisation, Value-Chain and Cluster Development** - Supporting the identified priority sectors with potential competitive advantage in the export market - tourism, horticulture, leather and leather products, food and beverages, textiles and clothing, wood and furniture, arts and crafts, as well as mineral beneficiation and trade in services.
- 6.3 **Special Economic Zones** - Establishment of Special Economic Zones to attract export-oriented investments.
- 6.4 **SMEs Development** - Building the trade capacity of SMEs including access to finance and technology and export marketing training programmes.
- 6.5 **Export product and market diversification** - identification of opportunities to diversify the export basket of products that Zimbabwe can export and the export markets that can be accessed competitively.
- 6.6 **Trade Incentives** - Provision of trade finance, export credit insurance and incentives to trade/export
- 6.7 **Trade Promotion Activities** - Provision of Trade and Market Access Information, participating in Trade Fairs and Exhibitions, and promoting the Brand Zimbabwe in terms of Tourism, Trade and Investment.
- 6.8 **Zimbabwe Export Promotion Council** - Establishing a Zimbabwe Export Promotion Council to consult and provide evidence-based advice on export development, promotion and facilitation strategies. Sector-specific councils will be established where necessary.
- 6.9 **Trade in Services** - Promoting trade in services in the following priority sectors - tourism, financial services, business and professional services, and education services, medical services, construction and engineering, ICT, transport, energy.
- 6.10 **Tariff Policy** - Enhance implementation of tariff and non-tariff measures aimed at enabling the importation of raw materials and capital goods to stimulate production and export of value-added goods, in line with the country's regional and multilateral commitments.
- 6.11 **Standards and Quality** - Regulating imported products so that they are in compliance with national, regional and international standards. Encouraging the manufacture and export of products that meet standards in export markets.
- 6.12 **Trade Remedies** - This will be strategically instituted to counter unfair trade practices in accordance with provisions of regional and multilateral trade agreements.

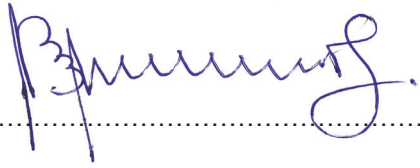
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- 6.13 **Trade Negotiations** - Engaging in trade negotiations at bilateral, regional and international trade levels and commodity arrangements to enhance and safeguard market access for Zimbabwean products.
- 6.14 **Trade Facilitation** - This will be implemented to reduce the time and cost of importing, exporting and transit as well as improving Zimbabwe`s world ranking on trading across borders. Continuous review of legislation affecting the ease of doing export business will also be undertaken.
- 6.15 **Aid for Trade** - Engaging Development Cooperating Partners to support trade facilitation initiatives and programmes in Zimbabwe.
- 6.16 **Transport** - developing land links (road and railway transport) and air links for the transport sector to play its pivotal role in facilitating trade through the movement of goods and people and turn the country into a gateway to markets in the Southern African region.
- 6.17 **Electronic Commerce** - Promoting the adoption of e-commerce by business which involves the production, distribution, marketing, sale or delivery of goods (both physical and digital products) and services by electronic means to enable the country to reach out to export markets in advanced countries.
- 6.18 **Events and Meetings Industry** - Promoting the Events and Meetings Industry by hosting major regional and international meetings and conferences, exhibitions and attracting tourist traffic into Zimbabwe.
- 6.19 **Intellectual Property Rights (IPRs)** - Protection of IPRs covering, Copyrights, Trademarks, Geographical Indications, Industrial Designs, Patents and Layout Designs of Integrated Circuits. This is aimed at encouraging creative work and technological innovation, ensuring fair competition, as well as facilitating the transfer of technology.
- 6.20 **Competition Policy** - promotion of fair competition and address unfair business practices.
- 6.21 **Gender Mainstreaming** - Extending preferential access to finance, trade support, and trade information for women and youths.
- 6.22 **Trade and Environment** - Balancing the often conflicting interests between trade and environmental protection, consisting of both the impact of environmental policies on trade, as well as the impact of trade policies on the environment.
- 6.23 **Economic Diplomacy** - Re-orient and capacitate Zimbabwe Diplomatic Missions to adopt economic diplomacy thrust.

7. NATIONAL TRADE POLICY AND EXPORT STRATEGY IMPLEMENTATION FRAMEWORK

- 7.1 The implementation of the National Trade Policy and National Export Strategy (2019-2023) will be anchored on the following core responsibilities: -
- i. Adoption of the implementation framework and strategy;
 - ii. Development of specific trade sector development plans;
 - iii. Provision of guidance and supervision to affiliated institutions;
 - iv. Mobilisation of resources for implementation of the policy;
 - v. Coordination and evaluation of overall performance of the trade sector; and
 - vi. Ensuring alignment and integration of National Trade Policy objectives into sectoral programmes and national development plans.
- 7.2 The Implementation Plan Framework for the National Trade Policy and National Export Strategy (2019-2023) was developed to guide in the development of a comprehensive Implementation, Monitoring and Evaluation (IME) Framework that specifies what needs to be done (policy issue), how (activity), the resources required, who (responsibility), when (timeframes), expected outputs and outcomes, and follow up actions. Further stakeholder consultation is proposed on the IME to generate consensus and ownership by the implementing agencies.
- 7.3 The Trade and Economic Relations Committee (TERC) that will be chaired by Ministry of Foreign Affairs and International Trade will be resuscitated as an inter-institutional consultative mechanism (including public, private sector and civil society) charged with monitoring and reviewing the implementation of the National Trade Policy and other trade-related matters. The TERC will also be responsible for preparing negotiating positions for Zimbabwe in regional and multilateral negotiations.
- 7.4 The Secretary for Foreign Affairs and International Trade will give strategic leadership on the implementation of the National Export Strategy. 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.
- 7.5 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 will be set up for this purpose.
- 7.6 The implementation of the National Trade Policy and National Export Strategy will be reviewed annually to assess progress. The mid-term review will be conducted in 2021 and will take into account the outcomes of the 3rd Trade Policy Review of Zimbabwe by the World Trade Organisation scheduled for March 2020.

7.7 The successful implementation of the National Trade Policy and National Export Strategy will be premised on the following;

- i. Policy coordination among Government Departments.
- ii. Institutional Capacity Development for key public and private sector institutions, and Trade Support Institutions including ZimTrade.
- iii. An inclusive approach that involves all relevant stakeholders in the design, implementation, monitoring and review of the trade policy vision and mission.



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Hon. Lt. Gen. (Rtd) Dr. Sibusiso B. Moyo (MP)

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