

BULAWAYO BUSINESS ARISE (BBA) PROPOSALS FOR BULAWAYO

We are at an auspicious moment in history when the economic successes of the past years and an increasingly favorable economic outlook combine to give the nation an unprecedented opportunity to boost investment and spur economic growth and we hereby submit proposals to assist in the revival of industry and trade in Bulawayo.

We should be seen as presenting and pursuing a policy vision that can help Bulawayo to be established as a stand-alone Industrial giant leveraging on our core strengths. BBA has been doing a comprehensive analysis of Bulawayo's most competitive challenges, barriers to increased trade, including the state of Bulawayo's infrastructure, Industries and its regulatory environment. We did a detailed profile for Bulawayo and we have come up with a summary of proposed drivers of productivity and growth which we kindly ask The Ministry of Industry & Commerce through the Honorable Minister Mike Bimha to consider as you plan the revival of industry and trade in Bulawayo.

1.1 The decommissioning of another dam recently, certainly affects industry in Bulawayo and this shows that water crisis tends to be a perennial problem in Bulawayo. Our recommendation is that we need a permanent solution to the water problem in the region.

1.2 During an Economic Review Conference we held on the 28th of May 2013, the Ministry of Economic Planning highlighted that the government was in the process of tackling the water problem in Bulawayo and had finished an Environment Impact Assessment to start installing a pipeline. The outgoing Deputy Minister of Economic Empowerment and Investment Promotion said "the Zambezi Water Project which was first mooted in 1906 is finally coming to fruition. An environmental impact assessment study that was commissioned by Government and the construction companies involved is nearing completion before actual commencement of construction of the pipeline. Furthermore, the Government recently launched a new Water Policy which is set to address the country's challenges in terms of provision of water to urban areas such as the City of Bulawayo."

1.3 Bulawayo Business Arise and partners have listed the water issue as a key priority and we kindly ask for progress by government as promised. We kindly ask for support and involved in trade missions and road shows whose main objective will be to find investors for Bulawayo in all key sectors. The Trade Missions will build awareness on doing business in the City of Bulawayo, explore capital raising opportunities, explore technical and joint venture partnerships and also explore opportunities for imports and exports.

1.4 The target sectors are Infrastructure which consists of water, energy, rail, road and telecommunications. The other sectors are:-

- Agribusiness
- Information Communication & Technology
- Manufacturing, mining and capital Equipment
- Industrial Parks & property development
- Chemical & Pharmaceuticals
- Tourism & Hospitality
- Food Processing

1.5 Target Groups when going on the trade missions will be:-

- Resource focused investors and commodity trading houses looking for opportunities in the City of Bulawayo and Zimbabwe.
- Chambers of Commerce
- Development Finance Institutions and commercial banks looking for trade and investment financing opportunities between their state /nation and City of Bulawayo
- Investment Banks interested in trade & investment in Africa
- Diversified entities looking for merger & acquisitions in the City of Bulawayo and Zimbabwe
- Infrastructure
- Developers and financiers (water, power, transportation, telecommunications looking for opportunities in the City of Bulawayo and Zimbabwe)

2.1 INVESTMENT OPPORTUNITIES

There are a number of project proposals that have been submitted to our Investment Promotion division by individuals and organisations on how to alleviate the water crisis, however, they need to be linked with the relevant investors both foreign and local. The foreign investors are likely to be those who appreciate the 49/51 investment model set by the government and those who do not see risk as a deterrent but an opportunity because risk can be mitigated whilst driving towards high returns for their investments.

2.2 It is our hope that your Ministry together with the relevant investment board will ensure Foreign Direct Investment inflow into the country and that it will be directed towards Bulawayo as we endeavor to be regain our identity as a stand-alone industrial giant. Bulawayo industries seek to regain their status as some of the biggest employers in the nation which will ultimately reduce the levels of unemployment and poverty in the city.

3.1 REGULATORY FRAMEWORK AND POLICY CHANGES

Our expectation from the government is that it lays the foundation for sound business climate required for firms to prosper and that it will provide the legal and regulatory frameworks required for growth.

3.2 BBA proposes that the government effect policy changes which favor industry growth through implementation of the Water Policy and others which were crafted but had not yet been implemented. We also implore the government to come up with a policy which will lead to Bulawayo being declared a Specialised Economic Trade Zone.

3.3 We suggest that if possible we may participate in the Provincial Development Committees and the Economic Development Committees of our local authorities in order to ensure that national planning processes are also cascaded directly to the Business Community. This will enable us to keep members of the business community updated with any policy issues under review and harmoniously interact with other business organizations and all stakeholders in Bulawayo to ensure that we are speaking with one voice.

4.1 INDUSTRY GROWTH

We need to come up with functional models for our industry. For example reviving current industry versus building new ones. There are some industries that may not do well even if they get fresh capital due to many factors like markets, technological advancement against a backdrop of obsolete equipment still being used in most factories which have resulted in high production and maintenance costs.

4.2 When we look at the issue of markets – there are sectors which have tough competition from the cheap Chinese imports. In Bulawayo, clothing industries will not take-off easily unless the issue of markets has been properly addressed through policies that promote local industries.

4.3 It would be easier to implore the Ministry of Trade and Commerce to work on policies that regulate the influx of imported goods that have a potential of killing the local market with its associated industries but the reality is that gone are the days of trying to control markets – we won't win the battle easily. It is time to redefine our new economic model as a nation and use it to reposition ourselves for growth and sustainability.

4.4 Zimbabwe has become one of world's most attractive consumer markets. We need to explore the impact of new wealth on business and commerce and what new business models will trigger economic growth and come up with an absolute position concerning the paradigm shift on the industrialization Model.

5.1 TECHNOLOGICAL ADVANCEMENT

This has resulted in highly efficient plant and machinery and nations that are abreast with technology have a competitive advantage over the economies that are lagging behind. It will not be of any use to retool old machinery which has high inefficiencies and still expect to be globally competitive, therefore, we need to rethink our industrial models (revive dying industries or build new ones) and come up with new innovations that keep us abreast with 21st century developments. We need to come up with technology-driven business model innovations which will address today's most complex economic and environmental sustainability challenges. Along with stakeholders, we are carrying a cross-industry examination of how technology will reinvent several sectors sector – including agribusiness, energy, and telecommunications, medical and providing recommendations.

6.1 HUMAN CAPITAL ISSUE

Human Capital – we need to create an environment that attracts and retains human capital. Building a competitive workforce is vital for improving productivity and growing the economy. Education and skill development play an integral role. We need to work with businesses to build awareness about what companies should do to ensure continuing education systems and also what private and public policies are necessary to create positive change and how companies can turn some of the most creative people into active

innovators and entrepreneurs. We need to explore new models for education and talent development for a fast-changing economy. A direct link between the academic, research and corporates is needed in this regard.

7.1 UNLOCKING GROWTH DRIVERS

We ask the government to draw attention to the role of mineral value-addition (beneficiation) and agribusiness in reviving trade and commerce. Some of the mineral processing industries need to be in the Matebeleland region. This will create employment and also enable the growth of support industries and ultimately the increase of spend per capita. The gas exploration projects which had been kept on hold need to be dusted off the shelves and be entrusted to capable and innovative institutions to drive them. Such projects will unlock growth and restore our competitiveness. The spillover effects are likely to be felt nationwide and beyond.

8.1 SPECIALIZED INDUSTRIAL ZONE/FREE ECONOMIC ZONES

Government mentioned that it is considering declaring Bulawayo a **Special Economic Zone** and we ask that we pursue this further because it will usher in an accelerated investment inflow into the city. Economic Zones have propelled the economic development of countries such as China, India and South Africa as they command incentives that are favorable to investors. Our proposal is to establish Free Trade Zones in sectors such as Information Technology, Medicine, and Global Processing Systems etc.

8.2 When we have an IT free economic zone, for example, it will lead to Bulawayo emerging as an ICT region. Coincidentally, we have the National University of Science and Technology (**NUST**) as an academic and research institution to back up this concept. There will be a direct link between Training and Innovation which is currently not there.

8.3 Support industries and technology training institutions will automatically emerge and Bulawayo will become the centre of ICT and ultimately the technology hub of Zimbabwe. The infrastructure and our position seem geared for such a development: - we are directly connected to all regional countries including South Africa which has a world-class port. We can start with assembly plants and then move on to have manufacturing entities of technology-related components e.g. telecommunications components and gadgets. Several countries have successfully used this model (China, India, and Malaysia). ICT is linked to all sectors; from transport to telecommunications therefore we cannot go wrong.

9.1 THE UPCOMING BULAWAYO BUSINESS & INVESTMENT SUMMIT

We are planning a Business & Investment Summit in November to discuss the issues we highlighted on a wider platform. It is a high-level event which we kindly ask your ministry to support.

By George Mukamba

BULAWAYO BUSINESS ARISE