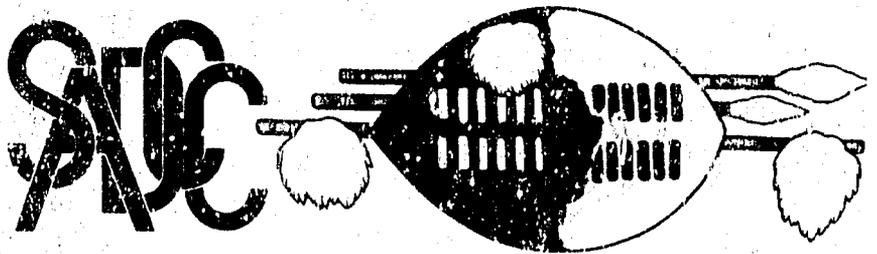


INDUSTRY

SOUTHERN AFRICAN DEVELOPMENT COORDINATION CONFERENCE



Mbabane, Kingdom of Swaziland
31st January -- 1st February 1985

PROGRESS OF THE SADCC REGIONAL PLAN
OF INDUSTRIAL CO-OPERATION

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1. INTRODUCTION

The Regional Plan of Industrial Co-operation was approved at the 1981 Blantyre Conference. The main thrust of the plan was to develop minimum-needs industries in the areas of food, housing, health, water supply, power, transport and education. Development of core industries such as fertilizers, pesticides, pharmaceuticals, iron and steel and capital goods industries also formed an integral part of the Regional Plan. On the basis of the Plan, field investigations were undertaken to prepare individual projects which were subsequently approved by SADC Industry Ministers and the SADC Council of Ministers.

These projects were then presented to the SADC Annual Conference which was held in Maseru, Lesotho on 26th and 27th January 1983. The Council of Ministers established the Committee of Ministers of Industry to direct the work of the industrial sector.

At the Maseru Conference a total of 88 projects were presented to donors, of which 55 projects were for implementation and 33 required feasibility studies. In order to provide better understanding of the projects, donors were also presented with pre-investment feasibility briefs for projects ready for implementation and terms of reference for those identified for further studies. This procedure was adopted to enable donors to specify fund commitments for particular projects.

The necessary follow-up donor pledges were undertaken by the co-ordinating country, Tanzania, and the respective member states in which the projects were located. Agencies from the donor countries and project sponsors in the respective SADC member states were identified for implementing specific projects. Further, to facilitate project implementation, the co-ordinating member state, Tanzania, arranged field assistance to project authorities in their negotiations with funding and technology sources. Several projects needed implementation schedules or programmes specifying the requisite steps to be undertaken. In some projects, the cost element had to be re-examined.

In order to arrive at clear terms and to expedite action from the pledges, SADC, through the co-ordinating country, Tanzania, organised a workshop which initiated a dialogue between local project authorities and donor agencies/foreign investment collaborators. The workshop was held in Harare, Zimbabwe, during the second week of January 1984. It was attended by over 200 participants including 80 representatives of individual companies, commercial firms, and financing institutions from 20 countries, as well as representatives of Governments and project authorities of the nine SADC member states (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe).

After the workshop the member governments and the SADC Industrial Co-ordination division have been following up the progress of implementation of the projects.

This report describes the progress made on SADCC Industrial Projects since Lusaka for the initial nine industrial subsectors; the action plan for the additional eight subsectors adopted at Lusaka; the proposed rehabilitation programme for existing industries; the required industrial support services; the functions and activities of the SADCC Industrial Co-ordination division and its work programme for 1985/86.

The current status of industrial projects, as at October 1984, in terms of total costs and funding requirements for each project in Appendix I of this report is summarised as follows:

	Total Cost US\$ <u>million</u>	Foreign Exchange requirements US\$ <u>million</u>
a) Cost of projects for implementation	1,161.855	877.532
b) Cost of projects for study	6.050	6.050
c) Total costs of all projects	<u>1,167,905</u> =====	<u>883.582</u> =====
	<u>US\$ million</u>	
d) Funding secured for implementation project	192.822	
e) Funding secured for study projects	5.610	
f) Total funding secured	<u>198.432</u> =====	
g) Funding under negotiation implementation projects	573.614	
h) Funding under negotiation for study project	0.440	
i) Total funding under negotiation	<u>574.054</u> =====	

The status of projects in the original nine subsectors is summarised as follows:

1) Salt

The feasibility of five projects in Tanzania and Mozambique has been established and the funding is needed to be negotiated with the Australian Government Agency.

Two small-scale refining units in Botswana and Lesotho have had interest in investment from India.

2) Textiles

Knitting projects in Botswana, Lesotho, Malawi, Swaziland and Zambia have received offers from India for supply of capital equipment and credit which are under consideration by the governments concerned.

Polyester yarn projects in Mozambique, Tanzania, Zambia and Zimbabwe are either requiring further study to establish their techno-economic viability (Mozambique) or need further negotiations to confirm the investment partners.

3) Wool and Mohair

The feasibility of a wool scouring plant in Lesotho has been established and joint venture partners have been identified from Belgium. Similarly, a wool spinning project in Botswana to expand existing facilities is being considered for funding by Norway.

Interest in the blanket production unit for Zimbabwe has been indicated from France, Belgium and Italy.

4) Textile Chemicals, Pesticides and Insecticides

Textile chemical projects in Tanzania (5) and Botswana have not had any interest indicated at present.

The projects for pesticides and insecticides are being studied and a report is expected before the end of 1984.

5) Tractors and Farm Implements

The expansion of the tractor assembly facility in Tanzania and the introduction of locally manufactured components needs a source of funding.

The techno-economic viability of the manufacture of a medium horse power tractor in Swaziland has been established and an implementation plan has been drawn up. An investment partner from India has been identified and negotiations for funding need to be started.

In Zambia the project for assembling medium horse power tractors is under negotiation with Czechoslovakia.

Artisan units for the manufacture of hand tools have started production in Botswana and Lesotho and a similar model unit is to start up in Tanzania in November 1984.

Agriculture implement projects in Angola, Botswana, Lesotho, Malawi, Swaziland, Tanzania, Zambia and Zimbabwe need identification of technical partners and funding arrangements by the countries concerned.

6) Fertilizers

Projects for the manufacture of Nitrogen and Phosphorus based fertilizers in Malawi, Mozambique and Zimbabwe have been studied and are awaiting government consideration or funding negotiations to implement them.

The study of the regional market for fertilizers and a production strategy for the region has been completed and has been presented for consideration by SADC governments.

7) Pulp and Paper

The study of the regional demand for pulp and paper products has been completed and has been presented for consideration by SADC Governments. The feasibility of a paper mill in Swaziland has been established and the remaining projects are being pursued by the respective governments.

8) Cement

Studies are being carried out for a rehabilitation programme of existing cement production units in Malawi, Tanzania and Zambia.

A study of the alternative use of cement products is also being undertaken for the Region.

9) Electrical Transmission and Distribution Equipment

A study is being carried out to determine the requirements for these products, to assess existing manufacturing facilities and to specify production units to meet the gaps in existing production.

2. SADCC MANUFACTURING PROJECTS

2.1 SALT

2.1.1 Introduction

The existing total salt production capacity in SADCC member states is 270,000 tonnes per annum compared with the present demand of 380,000 tonnes per annum. Demand is forecast to grow to 551,700 tonnes per annum by 1990. By implementing proposed projects installed capacity will be raised to 490,000 tonnes per annum.

The current SADCC plan proposes projects for implementation in the salt industry consisting of:

Two projects for expansion of existing salt works in Mozambique;
Four salt works development projects in Tanzania;
Small-scale refining projects in Botswana and Lesotho.

2.1.2 Expansion of Salt Works, Nacala - Mozambique

The project will incorporate and expand the existing salt fields increasing production from 13,000 to 45,000 tonnes of salt per annum. The project includes one refinery plant with an installed capacity of 15,000 tonnes per annum. Total investment cost is 6.0 million US Dollars, 77% in foreign currency.

Project Promoter

The necessary up-dated techno-economic feasibility study for Nacala salt works is to be prepared and submitted to the appropriate authority in Mozambique. The study will be done by the Industrial Development Unit (IDU) of the Commonwealth Fund for Technical Co-operation with the assistance of Australian consultants from the Cheetham Salt Group.

Required Action

Negotiations to secure funding for implementing the project will be conducted with the Australian consultants (for the feasibility study) and the Australian Government (for the foreign exchange financing).

2.1.3 Expansion of Salt Works, Maputo - Mozambique

At present, the project produces 20,000 tonnes of crude salt and 7,000 tonnes of refined salt per annum. After expansion (construction of a new salt works) the production will increase to 50,000 TPA of crude salt and 15,000 TPA of refined salt. In a second phase the production of crude salt will increase to 80,000 TPA. Total investment cost will be 7.4 million US Dollars, 36% in foreign currency.

Project Promoter

Unidade de Direcção de Industrial de Sal, Av. Samora Machel,
30 - Maputo.

Project Status

The necessary techno-economic feasibility reports have been prepared and submitted to the appropriate authority in Mozambique, by the IDU.

Required Action

Negotiations to secure funding for implementing the project will be done with the Australian authorities.

2.1.4 Development of Salt Works, Sadani - Tanzania

The project at Sadani is to construct a coastal saltfield with an annual capacity of up to 40,000 tonnes and to install a washing and bagging facility. It is also proposed to establish a 7,000 tonnes per annum salt refining plant.

Project Promoter

State Mining Co-operation (STAMICO)
PO Box 4958
Dar-es-Salaam

Project Status

The techno-economic feasibility report has been prepared and submitted to the appropriate authority in Tanzania. Funds to finance the foreign exchange gap have not been secured.

Required Action

Negotiations are to be continued with the Australian Government and possibly other sources in order to secure funds.

2.1.5 Development of Salt Works, Kitame - Tanzania

The project envisages development of a salt field at Kitame, Tanzania for production of 2,500 tonnes of salt per annum. Foreign investment to the tune of US\$ 1 million is envisaged. The local component is T.Shs 17.5 million.

Project Promoter

M/S State Mining Corporation
PO Box 4958
Dar-es-Salaam

Project Status

The techno-economic report suggests that the project viability should be reviewed because of transport costs.

Required Action

The revision as mentioned above is to be carried out.

2.1.6 Development of Salt Works, Changwela - Tanzania

The project is to upgrade an existing saltfield to produce over 5,000 tonnes of salt per annum by redesigning, improving techniques and installing more equipment, including bagging facilities, for unrefined salt. Required investment in foreign exchange is US\$ 400,000.

Project Status

Consultations with Australian consultants in connection with equipment supply are in progress.

Project Promoter

M/S State Mining Corporation
PO Box 4958
Dar-es-Salaam

Required Action

Negotiations with Australia and other interested parties should be pursued.

2.1.7 Small Scale Refining Plant - Botswana

The project is for setting up a plant for processing 1,000 kg salt per day. The techno-economic feasibility report of the project is to be prepared and negotiations on implementation of the project undertaken by Botswana.

Project Promoter

The Government of Botswana is identifying a promoter.

Project Status

The National Small Industries Corporation of India (NSIC) has shown interest to provide the necessary foreign inputs.

Required Action

Botswana will carry out further negotiations with NSIC of India.

2.1.8 Small Scale Refining Plant - Lesotho

The project entails building a salt refinery with the capacity to process one tonne of salt a day. The cost of machinery is US\$ 50,000. The necessary techno-economic feasibility report of the project is to be prepared and negotiations on its implementation undertaken.

Project Promoter

Lesotho National Development Corporation, Maseru.

Project Status

The National Small Industries Corporation of India (NSIC) has shown interest to provide the necessary foreign inputs.

2.1.9 Projects for Study - All SADCC Member States

Projects for study in the salt industry are in Angola, Tanzania, Mozambique and Zambia.

Angola has an estimated salt production capacity of 125,000 tonnes per year but currently produces only 22,000 tonnes per year. The study will specify the improved techniques, design and layout changes required for rehabilitation/reactivation of the existing capacity, and work out feasibility with recommendations for investments.

The project for study in Mozambique is for expanding the existing salt production facilities at Manbone from 10,000 tonnes per annum to 40,000 tonnes per annum to meet both local industrial requirements for salt and the salt requirements of neighbouring SADCC member countries.

In Tanzania, a feasibility study is to be made for a 30,000 tonnes per annum solar evaporation saltworks in the Lindi/Mtwara area.

In Zambia, preliminary investigations indicate the possible availability of commercially exploitable sub-soil brine, notably in the Kazangula area, and the study will examine the feasibility of utilising the brine for salt and investigate other possible salt sources in Zambia.

Field assistance has been in progress from October, particularly with reference to engineering and design work in Tanzania and Mozambique. All the four salt studies are being carried out by the IDU with the assistance of specialised salt experts from Australia.

2.2 TEXTILES

2.2.i Introduction

The SADCC plan has been drawn to increase the output of both polyester and cotton-polyester blended fabrics through the implementation of projects with different scales of production and product-mix. The SADCC total demand for polyester fabrics in 1983 was 66.6 million square metres. The total demand for blended fabrics in 1983 was 70 million square metres compared with total existing production capacity of 58 million square metres. In order to meet demand for both types of fabrics, there is a need to produce an additional 30.5 million square metres. The plan also envisages regional linkages by promoting yarn production required for weaving and knitting projects.

2.2.2 Knitting Projects

2.2.2.1 Knitting Project - Botswana

The project is for expanding the existing plant at Francistown to a capacity of 1 million square metres for cotton and polyester cotton knitted dress fabrics.

The cost of this expansion is US\$ 1.55 million, with the foreign exchange investment being US\$ 0.75 million. The project is under implementation and due for commissioning soon.

Project Promoter

Botswana Development Corporation, Gaborone.

Project Status

The project is under implementation with all machinery installed.

Required Action

The company needs assistance to find markets for its products, particularly the EEC countries.

2.2.2.2 Knitting Project - Lesotho

This project involves setting up a plant with the capacity to produce 2.0 million square metres of knitted polyester and polyester cotton and cotton fabrics.

Project Promoter

Lesotho National Development Corporation (LNEC), Maseru, Lesotho.

Project Status

A techno-economic feasibility report has been prepared and is under consideration.

Required Action

The LNDC to negotiate with the NSIC, India. A Kenyan company has shown also interest and should be pursued.

2.2.2.3 Knitting Project - Malawi

This project is for setting up a factory with the capacity to produce 2.0 million metres per year. The plant would produce cotton, polyester, and polyester-cotton fabrics. The investment cost of US\$ 3.10 million includes the cost of plant estimated at US\$ 2.5 million.

Project Promoter

An entrepreneur has yet to be identified.

Project Status

On the basis of the techno-economic feasibility report, negotiation on financing and implementation of the project is being carried out by the Government of Malawi.

Required Action

Further negotiations with NSIC of India.

2.2.2.4 Knitting Project - Mozambique

The project entails the installation of the plant and equipment already imported, and provision of missing machinery and parts for balancing the plant layout. The total cost is US\$ 5.6 million of which US\$ 3.60 million is in foreign currency.

Project Promoter

Unidade de Direcção Textil
Av Samora Machel M-247 n/c
PO Box 2663
Maputo

Project Status

The investment to cover the missing components has been ascertained and negotiations to secure the required funds are continuing.

Required Action

Negotiations to secure funding for implementing the project are to be conducted with the Indian authorities.

2.2.2.5 Knitting Project - Zambia

The project is for the production of 6 million square metres of cotton polyester and blended fabrics for dress materials.

Project Promoter

The Small Industries Development Organization (SIDO), Lusaka, Zambia.

Project Status

On the basis of a techno-economic feasibility report, the implementing institution in Zambia has received financing offers which are now under consideration.

Required Action

SIDO Zambia will be negotiating with NSIC of India on the supply of foreign inputs and technological support.

2.2.3 Powerloom Project - Botswana

The project is for a factory with 30 looms at Gaborone to produce 548,000 metres of Khanga and grey sheeting, towels, bedcovers and furnishings.

Project Promoter

A local entrepreneurial group is promoting the project.

Project Status

Interest has been expressed by firms in Japan and for supply of machines. Negotiations on financing and implementation are under way.

Required Action

Botswana is to negotiate with the Project Equipment Corporation of India for procurement of funds and implementation of the project.

2.2.3.2 Powerloom Project - Lesotho

The project at Maseru will have 30 looms able to produce 100,000 blankets per annum. Offers of financing have been received and the cost of the project is M.726 million of which M.334 million is in foreign exchange for the looms and accessories.

Project Promoter

A local entrepreneur is promoting the project.

Project Status

Offers have been received from Project Equipment Corporation of India.

Required Action

Lesotho to negotiate with Project Equipment Co of India for implementation of the project.

2.2.3.3 Powerloom Project - Malawi

The proposed production capacity of 432,000 metres of grey sheeting would be realised from 30 looms to be installed at Lilongwe.

Project Promoter

To be identified.

Project Status

Offers on terms of financing have been received by Malawi and these are under consideration.

Required Action

Malawi to negotiate with the Project Equipment Co of India.

2.2.3.4 Powerloom Project - Swaziland

The project will comprise 10 looms at Nhlangano to produce 2,160,000 metres of fabrics per annum. The investment cost is US\$ 1.14 million, of which US\$ 0.60 million is the foreign component.

Project Promoter

National Industrial Development Corporation of Swaziland (NIDCS)
PO Box 866
Mbabane
Swaziland

Project Status

Offers on terms of financing have been received by Swaziland and these are under consideration.

Required Action

Swaziland to negotiate with the Project Equipment Co of India for implementation of the project.

2.2.3.5 Powerloom Project - Tanzania

The project consists of ten units of twenty looms each and will process pure Tanzanian cotton to produce grey sheeting which will be further processed in the larger integrated mills or exported. Each unit will be capable of producing 390,000 metres of woven cloth per year on a two shift basis. Cost of machinery for the entire project of 10 units is estimated to be US\$ 2.2 million.

An offer has been received from the Project Equipment Co of India for financing and foreign exchange requirements of the project.

Project Promoter

The National Textile Corporation.

Required Action

The National Textile Corporation to negotiate with the Project Equipment Company of India (PEG) and ensure selection of competent entrepreneurs who can manage the units.

2.2.3.6 Powerloom Project - Zambia

Ten factories of 20 powerlooms each will be established at different locations in Zambia. These factories will together have an installed capacity to produce 308,571 pieces of Kitenge, 1,080,000 metres of sheeting, 980,000 metres of furnishings and curtain materials, and 950,000 metres of check fabrics.

Project Promoter

The Small Scale Industries Development Organization (SIDO), Lusaka, Zambia.

Project Status

Supplier's credit terms have been received by Zambia from PEC, India and these are under consideration.

Required Action

SIDO of Zambia to negotiate with the Project Equipment Co of India for implementation of the project.

2.2.4 Polyester Yarn Projects**2.2.4.1 New Polyester Yarn/Texturised Polyester Plant - Mozambique**

The project is to produce 2,500 tonnes annually of texturised continuous filament polyester yarn from polymer chips. While 2,000 tonnes would be consumed locally 500 tonnes would be available for export to other SADC states. Out of a total investment of US\$ 12.0 million the machinery cost would be US\$ 9.0 million. The necessary funds are yet to be obtained.

Project Promoter

Not selected.

Project Status

Further study has been recommended for this project to ascertain its viability.

Required Action

Funding for the study is sought.

2.2.4.2 Revitalisation of Polyester Blend Integrated Weaving Plant - Tanzania

The integrated textile plant under construction at Morogoro is to produce cotton polyester blended yarn and 21 million metres of polyester blended fabrics.

Project Promoter

National Textile Corporation (TEXCO)
PO Box 9531
Dar-es-Salaam

Project Status

This is a sub project of the Morogoro Polyester Textile Project currently being implemented by the National Textile Corporation with a World Bank loan.

Required Action

Foreign exchange funds are required to finance the polyester yarn plant.

2.2.4.3 New Polyester Yarn/Texturised Polyester Plant - Tanzania

The plant is planned to produce 2,500 tonnes per annum of texturised filament polyester yarn from polymer chips, to be blended with cotton yarn. The project will process imported polyester chips into yarn.

The plant is estimated to cost US\$ 24.52 million including US\$ 5 million in local costs.

2.2.2.4 Further extension to the Polyester Blend Integrated Weaving Plant - Zambia

The project involves expansion of the polyester blended integrated weaving plant from 26 million square metres to 31 million square metres per annum. This will entail the establishment of additional fibre processing, blending, spinning and weaving capacity. The project cost which is US\$ 14 million includes US\$ 10 million in foreign exchange.

Project Promoter

Industrial Development Corporation, Zambia

Project Status

The required funds and technical collaborators have not been confirmed.

Required Action

Further negotiations to secure funds and technical collaborators are required.

2.2.2.5 New Polyester Staple Plant - Zimbabwe

The proposed plant will produce 6,000 tonnes per annum of polyester yarn from polymer chips for both the local and export market in other SADCC states. The project requires an investment of US\$ 12 million of which US\$ 9 million is foreign exchange.

Project Promoter

L.A.C.H. Consultants (PVT) Ltd.

Project Status

Negotiations are in process with interested parties from the UK, Switzerland, Finland and India.

Required Action

Further negotiations are required.

2.2.5 **Project for Study**

2.2.5.1 Study on Polyester Polymerisation and Staple Fibre Plant - Zambia

A pre-feasibility study for the above project had indicated the possibility for a plant with a capacity of 10,000 tonnes per annum of polyester staple fibre and 20,000 tonnes of polymer chips. However, a recent techno-economic feasibility report has recommended an initial capacity of 5,000 tonnes of fibre and 5,000 tonnes of yarn with provision for later expansion. The report has been submitted to the Zambia authorities.

2.2.5.2 Study on Development of Petroleum Complex - Angola

The study which had been submitted earlier for funding is being carried out by Angola under Ministério dos Petróleos, Luanda, Angola.

2.3 WOOL AND MOHAIR

2.3.1 Introduction

The sub-sector plan being implemented in the wool and mohair sub-sector comprises projects for a wool scouring plant in Lesotho, which is the major producer of wool in the SADCC region, a wool spinning plant in Botswana, and a blankets factory in Zimbabwe. The projects in Lesotho and Botswana are aimed at making SADCC self-sufficient in wool scouring and spinning facilities and at developing industrial and trade linkages between the member countries of SADCC, particularly in the knitting and weaving industries.

2.3.2 Wool Scouring Plant - Lesotho

The project entails scouring of 4,000 tonnes of greasy wool per year to yield 2,000 tonnes of processed wool.

Project Promoter

Lesotho National Development Corporation (LNDC), Maseru.

Project Status

A feasibility study has been prepared and submitted to the authorities in Lesotho with a proposal for setting up a wool scouring plant. The finalisation of the project concept is dependent on the trials on Lesotho wool, which are now being undertaken in the UK.

2.3.3 Wool Spinning Expansion Project - Botswana

The project will be expanded to produce 650 tonnes of spun yarn annually operating on two shifts for 250 working days per year. The project will cost US\$ 0.9 million of which about US\$ 0.75 million is in foreign exchange.

Project Promoter

Botswana Development Corporation
Gaborone
Botswana

Project Status

Financing of the project is under negotiation on the basis of a consultant's report.

Required Action

Further efforts are required to confirm funding from NORAD.

2.3.4 Blanket Project - Zimbabwe

The project envisages production of blankets and rugs to the extent of 5.7 million when it achieves full production capacity. These blankets are expected to be produced from local raw materials except for the more sophisticated types, which will necessitate the importation of yarn. The total project investment cost is US\$ 7.04 million out of which US\$ 6.0 million is in foreign exchange.

Project Promoter

Cone Textiles (PVT) Ltd.

Project Status

Interest has been expressed by companies in France, Belgium and Italy.

Required Action

Further efforts are required to confirm the financing.

2.4 TEXTILE CHEMICALS, PESTICIDES AND INSECTICIDES

2.4.1 Textile Chemicals

The SADC region produces approximately 446 million square metres of textile fabrics. All textile processing chemicals and ancillaries are imported. It is therefore planned to produce 34,000 tonnes of these chemicals in two phases. In the first phase 9,000 tonnes of sizing compounds, desizing, scouring and bleaching agents, dyestuffs and pigments, fast bases, rapidogens and finishing agents will be produced. In the second phase, detergents, tallow derivatives, starch dyestuffs and intermediates, carboxymethyl cellulose, caustic soda, chlorine hydrogen peroxide, parborates and sodium nitrate will be produced.

2.4.4.1 Textile Processing Chemicals - Tanzania

The project entails setting up five (5) units each with a capacity to produce annually 250 tonnes of desizing, scouring, bleaching and mercerising agents. The project will require an investment of US\$ 2.0 million in foreign exchange.

Project Promoters

National Chemical Industries
PO Box 9643
Dar-es-Salaam

Project Status

The necessary funds and technology source have not been secured.

Required Action

Further negotiations with interested parties are sought.

2.4.1.2 Textile Processing Chemicals - Botswana

The project is for the manufacture of tallow and tallow derivatives, such as stearic and oleic acids and glycerine.

Project Promoter

Botswana Development Corporation
Gaborone
Botswana

Project Status

A consultant's report has been received and the Botswana Development Corporation is looking for a private firm interested in collaboration.

Action Required

Identification of a collaborator with a source of technology is necessary.

2.4.1.3 Projects for Study

Textile Chemicals

Feasibility studies have been proposed for textile chemicals plants in Angola, Mozambique, Tanzania, Zambia and Zimbabwe to make SACCC self-sufficient in textile chemicals. Studies on these projects will now be undertaken as part of the industrial chemicals sub-sector which is included in the additional eight sub-sectors. Funds for the studies have been secured.

2.4.2 **Pesticides and Insecticides**

2.4.2.1 Introduction

The regional demand for insecticides and pesticides is estimated to be 63,400 tonnes by 1987/88 compared with the present installed capacity of 52,000 tonnes per year. The sub-sector plan proposes projects with a total capacity of 15,000 tonnes per year. These projects consist of the upgradation of existing formulation plants in Angola, Mozambique, Tanzania, Zimbabwe, and Zambia as well as the introduction of new small scale plants in Malawi, Swaziland, Zimbabwe and Tanzania. A report in the course of preparation includes proposals for up-grading existing and creation of new capacities.

2.5 TRACTOR AND FARM IMPLEMENTS

2.5.1 Tractors

2.5.1.1 Introduction

The regional demand for tractors is estimated to reach 13,700 units per annum in 1987/88, of which seventy percent are 50HP and above and the remainder below 50HP capacity. To meet these requirements production units are proposed in Tanzania, Swaziland and Zambia.

2.5.1.2 Tractors Assembly leading to Manufacturing - Tanzania (Phase II)

The project established at Kibaha Dar-es-Salaam, has the capacity to assemble 1,500 tractors annually on a single shift basis. The company manufactures Valmet Tractors between 40 and 120HP, mainly for agriculture and partly for forestry purposes. The company is to meet the Tanzanian tractor requirements and also export tractors to neighbouring countries.

Project Promoters

M/S Tanzania Tractors Manufacturing Co Ltd
PO Box 4351
Dar-es-Salaam

Project Status

In the first phase the company has constructed a Service/Training Centre and a Housing Compound for senior staff. The company has been operating its assembly activities in temporary premises and plans to start the second phase development with the construction of assembly buildings increase in production of tractors and increase in local content. Total investment requirements will be T.Sh 32 million i.e. US\$ 2.6 million of which US\$ 1.6 million in foreign currency is sought from outside the company. This foreign currency is required to finance electrical and mechanical equipment for the buildings and machinery to be imported.

Action Required

Funding is sought for US\$ 1.6 million from SADCC co-operating partners.

2.6.1.3 Tractor Assembly leading to Manufacturing - Swaziland

The project is to establish an assembly plant, subsequently leading to manufacture of selected components, with an installed capacity of 1,000 units per annum in the medium horse power range.

Project Promoters

National Industrial Development Corporation (NIDCS)
PO Box 396
Mbabane
Swaziland

Project Status

The techno-economic feasibility report estimates the total investment cost be US\$ 305,785 mainly for extra equipment and facilities for the existing plant.

Action Required

A detailed plan of action is currently being prepared to identify the specific items to be produced which will supplement the existing tractor unit. The exercise will be finished by January 1985.

2.5.1.4 Tractor Assembly leading to Manufacturing - Zambia

The project is to assemble 2,500 medium HP range tractors every year. The cost of the project is US\$ 8.7 million.

Project Promoter

National Industries Development Corporation (INDECO)
Lusaka
Zambia

Project Status

Project financing and technology transfer arrangements are under discussion.

Required Action

INDECO is to establish implementation requirements with Czechslovakia.

2.5.2 Farm Implements

2.5.2.1 Introduction

It is estimated that by 1986 SADC member states will require 28,400 tonnes of hand implements, 7,830 tonnes of animal-drawn implements and 17,900 tonnes of tractor drawn implements. The plan is to meet a greater proportion of this demand through artisan units, small/medium scale units and large scale units. In Zimbabwe, the project for the manufacture of special steels and billet castings would ensure the supply of materials for user industries in this sub-sector.

2.5.2.2 Expansion of Farm Implements - Zambia

The existing factory, Northland Engineering, Ndola, has a product mix comprising hand tools and animal-drawn implements. The proposed expansion is also to include the production of tractor-drawn implements and power process equipment of related technology.

The cost of the project is US\$ 4.0 million out of which US\$ 2.0 million is in foreign exchange.

Project Promoters

Northland Engineering (PTY)
Ndola
Zambia

Project Status

Implementation of this project is being negotiated.

Required Action

To firm up implementation inputs with financial and technology collaborators.

2.5.2.3 Expansion of Special Steel and Billet Casting Unit - Zimbabwe

The special steel project is expected to manufacture special steel for both the local market and the SADCC regional market. The estimated cost is US\$ 12.4 million including US\$ 7.3 million in local costs.

Project Promoter

Zisco Steel/Connolly (PVT) Ltd

Project Status

France had indicated that it would consider the project for financial assistance during the Harare Workshop and follow-up action is being pursued.

Required Action

Continuous search for possible financiers to implement the project.

2.5.3 Small/Medium Scale Plants

In order to meet part of the projected deficit in the supply of farm implements, it is proposed to set up medium scale manufacturing units in Angola, Botswana, Lesotho, Malawi, Tanzania, Zambia and Swaziland.

2.5.3.1 Agricultural Implements Units - Angola

The proposed plant will have the capacity to produce 3,000 tonnes per annum of hand tools and animal drawn implements.

The total project cost at US\$ 3.655 million includes US\$ 1.214 million required to purchase machinery.

Project Promoter

Direccao Nacional da Industria
Pesad'a
Luanda
Angola

Project Status

Negotiations with Metalurgica Duaste Pacheco SARR, Portugal and Steyr Puch, Austria are being undertaken.

Required Action

Further interested parties are welcome to negotiate.

2.5.3.2 Agricultural Implements - Botswana

The proposed project is to manufacture 700 tonnes of farm implements annually including animal drawn implements, trailers, carts, and manually operated equipment. The investment cost of the project is US\$ 3.0 million of which US\$ 1.4 million is in foreign exchange.

Project Promoter

Botswana Development Corporation (BDC)
Gaborone
Botswana

Project Status

Investment arrangements are yet to be developed.

Required Action

BDC to identify a local entrepreneur and negotiate further for financing and technology transfer arrangements.

2.5.3.3 Agricultural Implements - Lesotho

The project is for the establishment of a medium scale factory to manufacture 700 tonnes per annum of animal drawn implements and manually operated equipment.

The total investment cost of US\$ 3.0 million includes US\$ 1.4 million foreign exchange cost to be incurred on machinery.

Project Promoters

Lesotho National Development Corporation (LNDC)
Maseru
Lesotho

Project Status

Investment arrangements are yet to be developed.

Required Action

LNDC to arrange for local inputs and to seek foreign components. Interested parties are welcome to negotiate on various elements of the project.

2.5.3.4 Agricultural Implements Units - Malawi

It is proposed to establish 7 small scale units with a total output of 2,000 tonnes per annum of animal drawn implements, trailers, carts, hand tools and other manually operated equipment.

Total investment cost of these units is estimated at US\$ 3.0 million.

Project Promoters

Malawi Development Corporation
PO Box 566
Blantyre
Malawi

Project Status

Investment arrangements are yet to be developed.

Required Action

Negotiations for investment arrangements to continue.

2.5.3.5 Agricultural Implements - Tanzania

It is proposed to set up 10 units of small scale factories for manufacturing a total of 2,600 tonnes per annum of animal drawn implements, trailers, carts, hand tools and other manually operated equipment.

Project Promoters

Small Scale Industries Development Corporation (SIDO)
PO Box 2476
Dar-es-Salaam

Project Status

Investment arrangements are being negotiated.

Required Action

Identification of interested parties to assist in financing and technology transfer arrangements are to be carried out.

2.5.3.6 Agricultural Implements - Zambia

It is proposed to set up about 8 small scale units with a total production capacity of 1,750 tonnes per annum of animal drawn implements, trailers, carts, hand tools and other manually operated equipment.

Total investment cost is US\$ 1.0 million.

Project Promoters

Small Scale Industries Development Corporation (SIDO)
Cairo Road
Lusaka
Zambia

Project Status

Investment arrangements are being negotiated.

Required Action

Identification of interested parties to assist in financing and technology transfer arrangements are to be carried out.

2.5.3.7 Agricultural Implements - Swaziland

It is proposed to set up 5 small scale manufacturing units with capacity to produce 1,250 tonnes per annum of animal drawn implements, trailers, carts, hand tools and other manually operated equipment.

Total investment cost is US\$ 1.0 million.

Project Promoters

NIDCS
PO Box 866
Mbabane
Swaziland

Project Status

The project is under negotiation with parties who have so far shown interest.

Required Action

Identification of technical partner while awaiting results of study currently being undertaken by consultants hired by NIDCS.

2.5.4 Artisan Units

As part of the total plan of action to reduce SADCC dependence on imported farm implements it is proposed to establish 66 blacksmithy units in the artisan sector to produce 660 tonnes of hand tools. These units are proposed for Botswana, Lesotho and Tanzania. Model artisan units for Botswana, Lesotho and Tanzania have started production. Future implementation of blacksmithy units will depend on the performance of these model units.

2.5.1 Tractors

Tractors Assembly leading to manufacturing, SADCC region.

The study has already been undertaken and the report is under consideration.

2.5.2 Farm Implements

Rationalisation and development of farm equipment and testing facilities, SADCC region. The study is being carried out.

2.6 FERTILIZERS

2.6.1 Introduction

The common varieties of fertilizers used by SADCC Member States are basically those with nitrogen, phosphate and potash nutrients. The total installed production capacity for nitrogenous and phosphate varieties in SADCC in 1980 was 255,000 tonnes per annum. By the year 1990 SADCC demand for fertilizers is forecast to be 400,000 tonnes of nitrogenous fertilizers, 171,000 tonnes of phosphatic fertilizers and 102,000 tonnes of potash fertilizers. In order to meet this future demand rehabilitation of existing fertilizer plants and establishment of new capacities are proposed to be undertaken in Angola, Mozambique, Malawi, Botswana, Tanzania and Zimbabwe. These projects are incorporated in a fertilizer industry plan resulting from field investigations by industry specialists in the SADCC region.

2.6.1 Ammonium Nitrate Projects - Malawi

Project Description

The project is to establish a factory with installed capacity to produce 230 tonnes per day or 8,700 tonnes per annum. Total investment based on local ammonia production is US\$ 132 million, but if based on imported ammonia it is US\$ 69 million.

Project Promoters

Ministry of Trade, Industry and Tourism
PO Box 30366
Lilongwe 3
and Malawi Development Corporation
PO Box 566
Blantyre

Project Status

A report by the Industrial Development Unit and fertilizer specialists Greiner & Warner Ltd, UK (CWL), is still being considered by the Malawi Government.

Required Action

Subject to finalization of investment decisions by the Government, further negotiations with parties in the UK, France and India will follow. Interested parties are welcome to consider possible contributions to the project.

2.6.3 Rehabilitation of Matola Plant - Mozambique

This project envisages production of sulphuric and ammonium phosphate in the first phase and single superphosphate powders and granules as well as NPR in the second phase. Investment (foreign) required US\$ 10.5 million. Implementation of the project is still under negotiation.

Project Promoters

Unidale De Direccao Da Industria Quimica
PO Box 654
Maputo

Project Status

Implementation of the project is still under negotiation.

Required Action

Negotiations to secure funding will be followed up vigorously. Interested parties are welcome to negotiate.

2.6.4 Sulphuric Acid Plant Expansion - Zimbabwe

The project envisages production of sulphuric acid amounting to 600 tonnes per day, 88% of which will be used in the production of phosphate fertilizers. Implementation of this project, requiring foreign investment of US\$ 11.21 million, is under negotiation.

Project Promoter

Zimphos (Zimbabwe) PVT Ltd.

Project Status

A new project concept is under consideration as a result of new information arising from the recent fertilizer study for the SADCC region. Follow-up action with interested investors continues. These include parties in France, the UK and Portugal.

Required Action

Interested parties are welcome to consider providing financial and technological assistance.

2.6.5 Ammonia Urea Project, Pande - Mozambique

The project has been designed to be self-sufficient, having a production capacity of 1,100 tonnes per day of anhydrous ammonia. It would include all the supporting utility and offsite services, a natural gas gathering and transmission system from the Pande field to the plant site, and an adjoining community to provide the necessary housing and support facilities. Total investment is US\$ 198.0 million including US\$ 22.0 million of local costs.

Project Promoter

Empresa Nacional de Hidrocarbonete (ENH)
Maputo

Project Status

A feasibility study has been prepared. Detailed sensitivity analyses were performed which demonstrated the viability of the plant.

Negotiations between the co-operating government and external agencies are being carried out.

The anticipated implementation schedule envisages project planning proceeding to mid 1985 followed by a period of four years for detailed engineering and commissioning.

Required Action

Negotiations to secure funding for implementing the project will be carried out. Interested parties are welcome to provide financial and technical inputs.

2.6.6 Study of SADC Regional Market for Fertilizers and an Integrated Production Plan

A study on the above has been completed and officially submitted to member states. A supply demand deficit between 350,000 to 400,000 tonnes is forecast by 1990 and therefore recommendations for rehabilitation and expansion of existing units as well as new capacities have been made. The recommendations emanating from the study are being considered by SADC member states.

2.7 PULP AND PAPER

2.7.1 Introduction

The demand for pulp and paper by SADC member states by 1990 is estimated respectively at 200,000 tonnes per annum and 320,000 tonnes per annum. The installed capacity is 227,000 tonnes for pulp compared with current consumption of 81,500 tonnes. However, with regard to paper, projected demand compared with current consumption of 81,500 tonnes shows the need for added capacity to fill up the deficit.

In order to meet the supply deficit of paper in SADC, a recently prepared report (circulated to member states) recommends the following existing and new projects as forming the SADC plan in the pulp and paper industry: Mufindi Pulp and Paper Mill, Tanzania, to be commissioned soon; Zambia Pulp and Paper Mill; Manica Paper Mill, Mozambique; Matare Board and Paper Mill, Zimbabwe; Tissue Paper Mill, Swaziland; Kadoma Tissue Mill, Zimbabwe; CCPA of Angola and the revamping of Fabel Paper Mill in Mozambique.

2.7.1 Mufindi Pulp and Paper Mill - Tanzania

Project Description

The integrated pulp and paper project to be completed by the end of 1984 will have the capacity to produce 60,000 tonnes of paper and paper board annually plus 1,400 tonnes of pulp.

The project has no financing gap.

Project Promoters

National Development Corporation (NDC)
PO Box 2669
Dar-es-Salaam

Project Status

All machinery erection has been completed and trial runs will commence in January 1985. It should be noted that the project has an export potential for 50% of its production.

2.7.3 Existing Paper Mill - Zambia

The project for expansion of the existing paper mill in Zambia in its original form has been replaced by a project for a new paper mill in Zambia. The investment cost in foreign exchange of the new paper mill is US\$ 70 million.

Project Promoters

Department of Industry
Ministry of Commerce & Industries
PO Box 31968
Lusaka, Zambia

Project Status

Detailed studies are being undertaken.

Required Action

Negotiations with technology and funding sources will depend on the recommendations of the study. Interested parties should contact the project promoters.

2.7.4 Manica Pulp and Paper Mill - Mozambique

The project consists of an integrated mechanical pulp and paper mill to produce 35,000 TPA in three shifts. Total investment cost is estimated to be US\$ 156 million, including US\$ 30 million in local currency.

Project Promoter

Fapel/Fapacar
PO Box 654
Maputo

Project Status

A feasibility study has been prepared. Funding and technical assistance are under negotiation.

The project has been recommended in the study of the SADCC demand for pulp and paper.

Required Action

Negotiations to secure funding for implementing the project will proceed. Interested parties may contact the promoters.

2.7.5 Mutare Board and Paper Mill - Zimbabwe

This project is expected to increase production by 12,000 tonnes. Investment required is US\$ 3.50 million in foreign exchange.

Project Promoter

Mutare Board and Paper Mill (PTY) Ltd.

Project Status

The UK expressed keen interest in this project and follow-up action is being pursued.

Required Action

Continued follow-up action.

2.7.6 Paper Mills - Angola and Swaziland

Consultants have visited both countries. The study for the paper mill project in Angola is yet to be completed. The study for the paper mill project for Swaziland has been completed and submitted. It proposes setting up a plant of 6,800 tonnes per annum capacity at a cost of US\$ 12.5 million. Implementation decisions and other details are being considered by Swaziland.

2.7.7 Pulp and Paper Mill, Sofala - Mozambique

The study is yet to be undertaken although funds for it are secured.

2.7.8 Chemicals for Pulp and Paper, SADCC Region

The study will be undertaken as part of the second batch of 8 sub-sectors as it relates to industrial chemicals. Funds have been secured.

2.7.9 Study of Demand for Pulp and Paper and an Integrated Production Plan for the SADCC Region.

The study has been completed and recommendations are as earlier mentioned. The recommendations are under consideration.

2.7.10 Study - Integrated Paper Mill - Zimbabwe

The study is being funded by SIDA.

2.8 CEMENT

2.8.1 Introduction

Of the nine member states, Botswana, Lesotho and Swaziland do not produce cement. The total installed production capacity is 4.8 million tonnes per annum while actual production is 2.0 million tonnes per annum. If this installed capacity were attained, SADCC would not only be self-sufficient but a net exporter of cement.

Therefore, projects and studies for rehabilitation of the industry have been proposed. Furthermore, specific studies have been proposed for ascertaining demand for cement products.

2.8.2 Rehabilitation of Cement Project - Mozambique

Mozambique has three cement production plants run by Cimentos de Mozambique and located in Matola, Dondo and Nacala. The total rated installed capacity for the factories is 990,000 tonnes of cement clinkers per annum with actual production representing a utilization of 35%. The total investment cost is estimated at US\$ 25.0 million of which 1% is local. It is divided into two phases:

The first phase involves promotion of efficient utilization of installed capacity for clinker of 600,000 TPA and rehabilitation of the Nacala factory costing 56% of investment.

The second phase is designed to increase the production capacity of cement at the Matola plant from 456,000 TPA to 600,000 TPA and to undertake general repairs at the Dondo Factory.

Project Promoters

Cimentos De Mocambique E.L.
Ar Fernao de magalhaes, 34-2 AN DAR
PO Box 270m Telex: 6336 CCM-MO
Maputo

Project Status

A detailed techno-economic study has been prepared. Funds for the first phase have been requested from Spain, France and Switzerland. Preliminary offers have been obtained.

Required Action

Definitive offers are needed with a view to complete negotiations by November 1984 and to start investments during 1985/86.

2.8.3 Cement Asbestos Sheets and Pipes Project - Mozambique

Complete detailed studies are available for the projects at Dondo and Nacala. The total cost of the project is US\$ 16 million of which US\$ 12 million would be incurred in foreign exchange.

Project Promoter

Lusalite de Mocambique
PO Box 270
Maputo

Project Status

Techno-economic studies have been prepared.

Required Action

Negotiations to secure funding should proceed.
Interested financial and technical collaborators are invited to apply to the project sponsors.

Project for Study

2.8.4 Study for Rehabilitation of Existing Units - Malawi, Tanzania and Zambia

A survey of cement plants in the SADC region indicates that factors adversely affecting capacity utilisation are of a general nature, which occur when high technology machinery has to function in a fairly weak technical and economic environment. The immediate priority of the region is to obtain improved capacity utilisation of existing plants to increase both output and the cost effectiveness of investment.

The study has not yet been undertaken though the funds are secured.

2.8.5 Study on Alternative Use of Cement Products in the SADC Region

It is proposed that the study be undertaken to diversify increased uses of cement in the region. The study has not yet been undertaken though the funds are secured.

2.9 ELECTRICAL TRANSMISSION AND DISTRIBUTION EQUIPMENT

The combined current requirements of SADC Member States excluding Mozambique for five of the six items within this category are as follows:

	<u>Yearly Requirements</u>
Wire and cables	100 - 1400 tonnes
Transformers	300 - 400 numbers
Switchgear	50 - 80 "
Electrical motors 1-200 HP	700 - 1000 "
Transmission towers and accessories	1500 - 2000 "

The sixth item are miniature circuit breakers.

A study has been proposed to assess the demand for these items in the SADC region to identify projects for promotion.

Funds have been secured and the study is to be undertaken soon.

3. ADDITIONAL INDUSTRIAL SUB-SECTORS

3.1 INTRODUCTION

The 6th Meeting of the Industry Officials Sub-Committee, which was held at Harare on 9th January 1984, selected eight industrial sub-sectors for project identification and implementation. These are:

- Machine tools
- Irrigation pumps and equipment
- Railway wagons, rolling stock and equipment
- Pharmaceuticals and veterinary drugs
- Baby food and cereal processing
- Hospital equipment and materials
- Industrial chemicals
- Mining equipment

3.2 STATUS OF PROJECTS

The SADCC transport and mining sector coordinating agencies are currently carrying out studies to assess the prospects for identifying projects for manufacture of items which fall within these two sub-sectors. The SADCC Industrial Co-ordination Division is liaising with them. With regard to the other six sub-sectors, the SAPCC Industrial Co-ordination Division is still negotiating with potential donors who would undertake sectoral plans and project identification studies.

3.3 PROGRAMME OF IMPLEMENTATION

The sectoral plan will eventually lead to project feasibility studies. In the meantime it is proposed to collect preliminary information by the Co-ordination Division in collaboration with member state contact points in order to prepare preliminary industry positions which will form the basis for engaging consultants for making specialised project studies.

International co-operating partners are requested to consider financing one or more of the sub-sector studies.

4. REHABILITATION PROGRAMME FOR EXISTING INDUSTRIES

4.1 THE PROBLEM

The economies of most SADC member states are predominantly agricultural. In order to diversify their economies and to meet the basic needs of the people in consumer and intermediate goods, the member states have established various industries over the years. These industries are currently facing problems of under-utilisation of capacities due to foreign exchange scarcities and a host of technical, managerial and other problems.

4.2 THE PROGRAMME

The programme is to identify the characteristic package of problems facing a particular industrial sub-sector and prepare the necessary cost budget for remedial measures to be undertaken. The industrial sub-sectors to be identified for rehabilitation will be determined in the context of priorities emanating from operating industries within the agreed SADC industrial sub-sectors. Assistance will thus be required for carrying out the analysis of the problems and at the same time raising the necessary funds to carry out the rehabilitation.

5. SADCC PROJECTS FOR INDUSTRIAL SUPPORT SERVICES

5.1 INTRODUCTION

The availability of infrastructural facilities not only helps, but are in fact necessary for the promotion of industrial production. This may include facilities such as transport and communications, pure water, skills and climatic control in the case of certain types of manufacture. There is, however, a particular category of infrastructure which is referred to as industrial support services which includes research and development, standardisation and quality control and consultancy.

The Industry Ministers Committee which met at Arusha in September 1982 directed that programmes should be implemented in the following areas to start with:

- industrial products standardisation;
- industrial consultancy services;
- industrial research and development;
- Appropriate technology.

The strengthening of existing facilities and their harmonisation for common advantage will be the priority. The establishment of new institutions and facilities will be promoted only where essential.

5.2 STANDARDISATION AND QUALITY CONTROL

In order to implement a programme on standardisation and quality control, a meeting of experts from SADCC member states was held on 20-23 June 1984. The report on the meeting of experts has been adopted by the SADCC Industry Officials with the following recommendations:

- A SADCC Committee on Standardisation and Quality Control to be formed in which every SADCC state will be a member.
- The Committee shall undertake harmonisation of existing national standards, certification systems, inspection, testing and carry out all other activities under the category of standardisation and quality control.
- It will raise the necessary resources to carry out the activities.
- Four specific areas of work related to standardisation activities will be undertaken/co-ordinated by designated countries. These areas are:
 - Institutional development and strengthening.
 - Research, development and testing activities related to standardisation.
 - Information exchange and training.
 - Harmonisation of standards and certification systems.

5.3 THE PROGRAMME

A project for implementing the recommendations of the Expert Committee is being prepared for the purposes of raising the necessary funds.

6. ORGANISATION OF SADCC INDUSTRIAL SECTOR

6.1 SADCC INDUSTRIAL CO-ORDINATION DIVISION - FUNCTIONS

Introduction

Tanzania, as the co-ordinating country for SADCC Industrial development, has established the SADCC Industrial Co-ordination Division, in the Ministry of Industries and Trade since July 1982. The establishment costs are borne by the Ministry. Some of its operations, like collection of data, and technical assistance are funded by international agencies.

6.2 MAIN ACTIVITIES

6.2.1 Secretariat to SADCC Industry Ministers Committee

The Division services, the Industry Ministers Committee and the Industry Officials Sub-Committee by way of convening respective meetings and the preparation of the necessary documentation and papers. The Division also undertakes the collection and dissemination of information among member states.

6.2.2 Industrial Planning and Co-ordination

This work involves conducting various types of studies for formulation of policies and projects as well as for implementation of programmes and projects. The Division also assists in identifying funding sources for SADCC industrial projects.

6.2.3 Project Implementation

Assistance is given to member states in the implementation of projects at various stages and monitoring progress of their implementation. The necessary review and evaluation of the projects are also carried out.

6.2.4 Technical Support

The work involves scrutiny of technical aspects of the studies, plans, implementation, operations and giving necessary advice and assistance to project authorities.

6.3 PROGRAMME OF WORK - 1985 - 1986

A programme of work for the year 1985/86 for implementation by both the co-ordinating country, Tanzania as represented by the Co-ordination Division and by the member states as represented by their contact points, has been given in this presentation. Local funds for these activities will be made available by SADCC Governments. Foreign funds which are crucial for the operations will be raised in negotiations with foreign agencies including investors, technology sources, and joint venture partners.

6.3.1 Project Identification Studies

The project identification studies will be undertaken for the second batch of eight sub-sectors. These studies are meant to assess the supply/demand gap for the selected manufactured goods and to indicate projects for producing them showing in broad terms the inputs and facilities required.

6.3.2 Feasibility Studies

On the basis of these studies specific feasibility studies will be undertaken which will give an action plan to establish production units on a time bound basis.

Feasibility studies and similar programs for operating enterprises which emanate from the rehabilitation programme will also be prepared.

These projects will then be submitted for funding after the approval by the Industry Ministers Committee.

6.3.3 SADC Industrial Development Plan

Negotiations are being conducted with UNIDO on the basis of preliminary studies by the latter to enable them to undertake a comprehensive study on "the structure and prospects of manufacturing in the SADC region". This study will enable the SADC industrial activity to be conducted on a planned basis. The emphasis in this plan will be on core industries.

Industrial Support Services

6.3.4 Standardisation and Quality Control

The establishment of a SADC Standardisation and Quality Control Committee and the strengthening of the capabilities for the work in SADC institutions will be formulated in the form of a project indicating its crucial relevance for stimulating industrial development of the region.

6.4.4 Appropriate Technology

The development of industries in SADC countries is being conducted by the application of appropriate technologies and the necessary programmes in this direction have been established in most of the SADC countries. There are also specific institutions undertaking these activities at various levels. The International Labour Organisation (ILO) convened a seminar in Mbabane recently on small scale industries and recommendations for a programme of action for SADC were made. This work programme will be followed up by the Co-ordination Division.

6.3.6 Funds

Efforts will be made to attract investment through international conferences, investment promotion meetings and also by bilateral negotiations with funding agencies. In order to acquaint them

with details on investment policies and mechanisms in SADCC member states, a document will be released after approval by the SADCC Industry Ministers Committee.

6.3.7 Follow-up on Project Implementation

The implementation of projects involves a series of activities after the line of credit and technical collaboration has been secured. The parties involved ultimately are the Project Collaborator and the SADCC entrepreneur. Implementation workshops will be held to bring together these parties in groups so as to facilitate the necessary decision making. Thus there is a need for constant monitoring of the projects involved.

6.3.8 Co-ordination work

The co-ordination work relating to project promotion and project implementation activities between the co-ordinating country, Tanzania and the member states will be strengthened and streamlined. This will result in the assignment of responsibilities between the SADCC Industrial Co-ordination Division in Tanzania and the contact personnel in the member states.

6.3.9 Review of SADCC Industrial Activity and Rehabilitation Need of Existing SADCC Industries

A workshop will be held in Arusha after the SADCC annual conference at Mbabane to review the progress of SADCC industrial projects. The aim of the workshop will be:

- a) to identify investment opportunities within the region which can be rapidly followed up, especially in rehabilitation and improvement in capacity utilisation,
- b) to consider problems of implementation of SADCC industrial projects.

Participants will include SADCC country representatives, project authorities, donor agencies and banking institutions.

The workshop will focus on particular branches of industry - textiles, leather, pulp and paper, building materials and general engineering. The engineering focus will be the provision of spare parts and balancing equipment for all the above sectors.

SADCC MANUFACTURING PROJECTS: POSITION AT OCTOBER 1984

SECTOR: INDUSTRY

Project No.	Project Title	Total cost	Foreign cost	Funding Secured	Funding under Negotiation	Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million	US\$ million	US\$ million	
<u>A. Project for Implementation</u>						
1.	I. <u>SALT</u> Expansion of Salt Works, Nacala, Mozambique	6.0	4.62		4.62	Under negotiation with Australia for all salt projects in Tanzania and Mozambique.
2.	Expansion of Salt Works, Maputo, Mozambique	7.4	2.66		2.66	Portugal also interested in all Salts Projects in Mozambique
3.	Development of Salt Works Sadani, Tanzania	5.5	5.0	5.00		
4.	Development of Salt Works, Kitame, Tanzania	2.0	1.0			
5.	Development of Salt Works Changwela, Tanzania	1.7	0.4			
6.	Smallscale refining plant Botswana	0.05	0.05		0.05	India
7.	Smallscale refining plant, Lesotho	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	India
	Sub-sector total	22.70 =====	13.78 =====	5.05 =====	7.38 =====	

SECTOR: INDUSTRY

Project No.	Project Title	Total Foreign cost		Funding Funding under Secured Negotiation		Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	million	US\$ million	million	
II TEXTILES						
<u>Knitting Projects</u>						
8.	Knitting projects Expansion Botswana	1.55	0.75	0.75		Locally funded under implementation. Under negotiation with India for all knitting projects.
9.	Knitting project, Lesotho	3.10	2.50		2.50	A Kenyan company is interested in providing technical assistance.
10.	Knitting project, Malawi	3.10	2.50		2.50	See Industry above.
11.	Knitting project, Mozambique	5.60	3.60		3.60	
12.	Knitting project, Zambia	8.50	7.00		7.00	
<u>Powerloom Projects</u>						
13.	Powerloom project, Botswana (1 unit)	2.9	1.21		8.32	Under negotiation with India to fund all powerloom projects, commercial suppliers credit.
14.	Powerloom project, Lesotho (5 units)	3.29	1.41			Interest from Japan to provide credit for machinery and equipment.
15.	Powerloom project, Malawi (2 units)	1.70	0.90			
16.	Powerloom project, Swaziland (1 unit)	1.14	0.60			
17.	Powerloom project, Zambia (10 units)	3.50	2.00			
18.	Powerloom project, Tanzania (10 units)	4.18	2.20			

APPENDIX I

SECTOR: INDUSTRY

Project No.	Project Title	Total cost	Foreign cost	Funding Secured	Funding under Negotiation	Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million	US\$ million	US\$ million	
<u>Polyester Yarn Project</u>						
19.	New Polyester Yarn/Texturised Polyester Plant, Mozambique	12.00	9.00		9.00	Interest from India
20.	Revitalisation of Polyester Blend Integrated Weaving Plant, Tanzania	39.10	30.10		30.00	Interest from FR Germany and Belgium
21.	New Polyester Yarn/Texturised Polyester Plant, Tanzania	24.52	19.00		19.00	Interest from Belgium
22.	Further extention to the Polyester Blend Integrated Weaving Plant, Zambia	14.00	10.00		10.00	Interest from India
23.	New Polyester Staple Plant, Zimbabwe	<u>12.00</u>	<u>9.00</u>		<u>9.00</u>	Interest from France
	Sub-sector total	140.18 =====	101.77 =====	0.75 =====	100.92 =====	
 III WOOL AND MOHAIR						
24.	Wool Scouring Plant, Lesotho	2.90	0.75		0.754	Interest from Belgium
25.	Wool Spinning Expansion Project, Botswana	0.90	0.75		0.10	Interest from Yugoslavia, India and Japan
26.	Blankets, Zimbabwe	<u>7.04</u>	<u>6.01</u>		<u>6.01</u>	Interest from Yugoslavia
	Sub-sector total	10.84 =====	7.51 =====		6.864 =====	

SECTOR: INDUSTRY

Project No.	Project Title	Total Foreign cost		Funding Funding under Secured Negotiation		Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million	US\$ million	US\$ million	
IV. TEXTILE CHEMICALS, PESTICIDES AND INSECTICIDES						
27.	Textile Processing Chemical Unit desizing, scouring, bleaching and mercidising agents, Tanzania (5 units)	4.00	2.00		2.00	Under negotiation with Italy.
28.	Textile Processing Chemicals, Botswana (1 unit)	3.00	1.50		1.50	Under negotiation with India
	Sub-Total	7.00	3.50		3.50	
		====	=====		=====	
V. TRACTORS AND FARM IMPLEMENTS						
	<u>tractors</u>					
29.	Tractor Assembly Leading to Manufacturing, Tanzania	2.60	1.60		1.60	Interest from Finland and Austria
30.	Tractor Assembly Leading to Manufacture, Swaziland	0.31	0.30		0.30	Interest from India and Eurobank.
31.	Tractor Assembly Leading to Manufacture, Zambia	6.70	8.70		8.70	
	<u>Farm Implements</u>					
32.	Expansion of farm implements factory, Zambia	4.00	2.00		2.00	Interest from India and Portugal
33.	Expansion of special steel and billet casting factory, Zimbabwe	12.4	5.10		5.10	

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SECTOR: INDUSTRY

Project No.	Project Title	Total Foreign cost		Funding Funding under Secured Negotiation		Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million	US\$ million	US\$ million	
<u>Small/Medium Scale Plants</u>						
34.	Agricultural Implements Unit, Botswana (unit 1)	3.00	1.41		1.41	Interest from India and Austria in all the small/medium scale plants
35.	Agricultural Implements Unit, Angola (1 unit)	3.65	1.21		1.21	" " "
36.	Agricultural Implements Unit, Lesotho (1 unit)	3.00	1.41		1.41	" " "
37.	Agricultural Implements Unit, Malawi (7 units)	3.00	1.41		1.41	" " "
38.	Agricultural Implements Unit, Tanzania (10 units)	1.00	0.45		0.45	" " "
39.	Agricultural Implements Unit, Zambia (8 units)	1.00	0.45		0.45	" " "
40.	Agricultural Implements Unit, Swaziland	1.00	0.45		0.45	" " "
<u>Artisan Units</u>						
41.	Manufacture of Farm Implements, Botswana	0.02	0.01	0.01		India grant and TA
42.	Manufacture of Farm Implements, Lesotho	0.021	0.006	0.006		India grant and TA
43.	Manufacture of Farm Implements, Tanzania	0.0245	0.006	0.006		India grant and TA
Sub-sector total		43.7255	24.512	0.022	24.49	
		=====	=====	=====	=====	

SECTOR: INDUSTRY

Project No.	Project Title	Total cost	Foreign cost	Funding Secured	Funding under Negotiation	Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million		US\$ million		
VI FERTILIZERS						
44.	Ammonium Nitrate/Calcium Nitrate Plant, Malawi	132.00	109.00			Interest from India and France
45.	Rehabilitation of Matola Plant, Mozambique	12.00	10.50		10.50	Interest from Portugal and UK
46.	Ammonia Urea Project, Pande, Mozambique	198.00	176.00		176.00	Interest from Portugal and UK
47.	Sulphuric Acid Plant, Expansion, Zimbabwe	<u>25.11</u>	<u>11.21</u>		<u>11.21</u>	
	Sub-sector total	367.11	306.71		197.71	
		=====	=====		=====	
VII PULP AND PAPER						
48.	Mufindi Pulp and Paper Mill, Tanzania	187.00	187.00	187.00		EEC grant funding from Sweden
49.	New Paper Mill, Zambia	180.00	70.00		70.00	Interest from Finland
50.	Manica Pulp and Paper Mill, Mozambique	156.00	126.00		126.00	
51.	Mutare Beard Band Paper Mill	6.30	3.50		3.50	Withdrawn
	Sub-sector total	<u>529.30</u>	<u>386.50</u>	<u>187.00</u>	<u>199.50</u>	
		=====	=====	=====	=====	

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SECTOR: INDUSTRY

Project No.	Project Title	Total cost	Foreign cost	Funding Secured	Funding under Negotiation	Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million		US\$ million		

VIII. CEMENT

52.	Rehabilitation of Cement Project, Mozambique	25.0	21.25		21.25	Interest from Italy and India & Austria
53.	Cement Asbestos Pipes, Mozambique	16.0	12.00		12.0	Interest from Italy, Brazil, India & Austria
	Cement Asbestos Pipes Mozambique					
	Sub-Sector Total	<u>41.0</u>	<u>33.25</u>		<u>33.25</u>	

IX. ELECTRICAL TRANSMISSION AND DISTRIBUTION EQUIPMENT

		Nil	Nil	Nil	Nil	
	TOTAL IMPLEMENTATION PROJECTS	<u>1161.855</u>	<u>877.532</u>	<u>192.822</u>	<u>573.614</u>	

B. Projects for Study

I. SALT

1.	Upgrading of existing salt works, Angola	0.08	0.08	0.08		CFTC
2.	Development of salt works Lindi/Mtwara, Tanzania	0.17	0.17	0.17		CFTC
3.	Expansion of salt works Mozambique	0.17	0.17	0.17		CFTC
4.	Development of Salt, Kazangula, Zambia	0.20	0.20	0.20		CFTC
	Sub-sector Total	<u>0.62</u>	<u>0.62</u>	<u>0.62</u>		

SECTOR: INDUSTRY

Project No.	Project Title	Total cost	Foreign cost	Funding Secured	Funding under Negotiation	Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million	US\$ million	US\$ million	
II. TEXTILES						
5.	Polyester polymerisation and staple fibre plant, Zambia	0.50	0.50	0.50		CFTC
6.	Development of petrochemical complex, Angola	1.00	1.00	1.00		CFTC
		-----	-----	-----		
		1.50	1.50	1.50		
		=====	=====	=====		
III. WOOL AND MOHAIR						
7.	Buttons from horns, Botswana	0.10	0.10	0.10		Funding raised by Botswana
		-----	-----	-----		
	Sub-sector Total	0.10	0.10	0.10		
		=====	=====	=====		
IV. TEXTILES CHEMICALS, PESTICIDES & INSECTICIDES						
	Textile chemical plant Angola	0.12	0.12	0.12		CFTC
9.	Textile chemical plant Mozambique	0.12	0.12	0.12		CFTC
10.	Textile chemical plant Zambia	0.12	0.12	0.12		CFTC
11.	Textile chemical plant Zambia	0.12	0.12	0.12		CFTC
12.	Textile chemical plant Zimbabwe	0.12	0.12	0.12		CFTC
<u>Pesticides and Insecticides Upgradation and Expansion</u>						
13.	Upgrading and expansion of pesticides, insecticides formulation plant, Angola (4 units)	0.12	0.12	0.12		CFTC
14.	Upgrading and expansion of pesticides, insecticides formulation plant, Mozambique (3 units)	0.12	0.12	0.12		CFTC
15.	Upgradation and expansion of pesticides, insecticides formulation plant Tanzania (3 units)	0.12	0.12	0.12		CFTC

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SECTOR: INDUSTRY

Project No.	Project Title	Total cost	Foreign cost	Funding Secured	Funding under Negotiation	Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million	US\$ million	US\$ million	
16.	Upgradation and expansion of pesticides, insecticides formulation plant Zimbabwe (2 units)	0.12	0.12	0.12		CFTC
17.	Upgradation and expansion of pesticides, insecticides formulation plant Zambia (3 units)	0.12	0.12	0.12		CFTC
<u>Medium/Small Scale Plants</u>						
18.	Pesticides/Insecticides Formulation Plant, Malawi	0.10	0.10	0.10		CFTC
19.	pesticides/Insecticides Formulation Plant, Swaziland	0.10	0.10	0.10		CFTC
20.	Pesticides/Insecticides Formulation Plant, Zimbabwe	0.10	0.10	0.10		CFTC
21.	Pesticides Chemicals Plant Tanzania	0.12	0.12	0.12		CFTC
22.	Pesticide Chemicals Plant Zimbabwe	0.10	0.10	0.10		CFTC
	Sub-Sector Total	1.72	1.72	1.72		
		====	====	====		
V. TRACTORS AND FARM IMPLEMENTS						
<u>Tractors</u>						
23.	Tractor Assembly Leading to Manufacture, SADCC region	0.16	0.16	0.16		Funded by Austria
24.	Study for Manufacture of Tractor components using existing capacities in SADCC region	0.13	0.13			
<u>Farm Implements</u>						
25.	Rationalisation and Development of farm equipment and testing facilities SADCC region	0.50	0.50	0.50		Funds from UNIDO
	Sub-Sector Total	0.79	0.79	0.66		

SECTOR: INDUSTRY

Project No.	Project Title	Total cost	Foreign cost	Funding Secured	Funding under Negotiation	Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million	US\$ million	US\$ million	
VI. FERTILIZERS						
26.	Study on the market for fertilizers and drawing up of an integrated production plan for SADCC region	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>		CFTC
Sub-Sector Total		<u>0.12</u>	<u>0.12</u>	<u>0.12</u>		
VII. PULP AND PAPER						
27.	Paper Mills, Swaziland/Angola	0.20	0.20	0.20		CFTC
28.	Pulp and Paper, Sofala Mozambique	0.09	0.09	0.09		CFTC
29.	Chemicals for Pulp & Paper SADCC region	0.12	0.12	0.12		CFTC
30.	Demand Study of Pulp and integrated plan for production	0.10	0.10	0.10		CFTC
31.	Study for integrated paper mill, Zimbabwe	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>		
Sub-Sector Total		<u>0.76</u>	<u>0.76</u>	<u>0.76</u>		
VIII CEMENT						
32.	Study of Renabilitation of existing Units, Malawi/Tanzania/Zambia	0.19	0.19		0.19	Interest from CFTC
33.	Study of alternative use of cement products, SADCC region	_____	_____		_____	
Sub-sector Total		<u>0.19</u>	<u>0.19</u>		<u>0.19</u>	

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SECTOR : INDUSTRY

Project No.	Project Title	Total cost		Foreign cost	Funding		Comments: Donor interest/under negotiation/funding secured/project completed/under implementation/Studies
		US\$ million	US\$ million		Secured	under Negotiation	
IX.	Study for manufacture of electrical:	0.25	0.25		0.25		Interest from CFTC
	(1) Wire and cables						
	(2) Wire and cables						
	(3) Transformers						
	(4) Switchgears						
	(5) Motors						
	(6) Transmission tower and accessories in the SADCC region						
	Sub-sector total	<u>0.25</u>	<u>0.25</u>		<u>0.25</u>		
	TOTAL STUDIES	<u>6.05</u>	<u>6.05</u>		<u>5.61</u>	<u>0.44</u>	
TOTAL INDUSTRY PROJECTS		1167.905	883.582		198.432	574.054	
US\$ MILLIONS							

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