Can a New Export Promotion Strategy Revitalise Zimbabwe's Economy?

After years of political and economic upheavals and disappointing trade performance, Zimbabwe sorely needs to revitalise its economy. An important step towards this outcome is to grow and strengthen the country's export sector. This article looks at whether an export promotion strategy, based on the application of a Decision Support Model (DSM) that identifies and prioritises realistic export opportunities for Zimbabwe, can bring about the much-needed turnaround in the country's economy. A key conclusion is that the country's export promotion effort requires a complex set of interventions if it is to make an enduring impact, backed up by commitment and cooperation from both public and private sector stakeholders.

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Introduction

Many countries are looking to boost their external trade in order to strengthen and grow their economies. Increased export revenue eases countries' debt burdens, expands their capacity to import and enables them to tackle their development challenges. Greater export and import activity also means that companies are exposed to new ideas and technologies, and can benefit from economies of scale as new markets open up to them.[1] Furthermore, rising competition should provide the impetus for companies to become more focused and efficient in their operations.

Promoting exports can accelerate a country's economic growth rate in the long term.[2] Where a country has a well-conceived export promotion strategy in place, it is a sign that the government is committed to developing its export sector.[3] Such a document is indispensable when government resources are stretched,[4] particularly when the country is attempting to resuscitate its economy in a post-conflict period.[5]

This article focuses on Zimbabwe, which is considered to be a post-conflict country.[6] While Zimbabwe has begun the process of post-conflict reconstruction, much of the focus has been on stabilising the economy, such as bringing inflation down from its once stratospheric levels. Little attention has been paid to the country's foreign trade and, in particular, its export sector. Zimbabwe unveiled its National Export Strategy in 2006 but it was never implemented. The government has since acknowledged that it needs an overarching national trade policy which will encompass a national promotion and development strategy. While both were to have been formulated as part of the Short Term Emergency Recovery Programme, this has not happened and Zimbabwe still lacks a formal trade policy and export strategy.[7]

In this article we will be exploring whether an export promotion strategy, based on the application of a Decision Support Model (DSM) that identifies and prioritises realistic export opportunities, can bring about the economic recovery that Zimbabwe so desperately needs. By homing in on high-potential products and markets, the DSM can assist government export promotion agencies to focus their activities and allocate their limited resources in a cost-effective manner.[8] How the DSM was applied for Zimbabwe and how the results have informed the proposed elements of a new export promotion strategy for the country will be covered later in this article. Of course, the money and effort put into identifying and developing new markets and supporting existing ones will be wasted if the economic and business environments are not conducive to growing and developing the country's export sector. In this regard, a number of cross-cutting issues – from the state of Zimbabwe's financial system to its physical infrastructure and logistics capabilities – will also be examined and broad recommendations given as to the changes that could be wrought to enable Zimbabwe's export sector to flourish.

Challenges Faced by Zimbabwe's Export Sector

Zimbabwe's economy and institutional environment remain fragile after years of internal strife, Robert Mugabe's controversial land reform programme, dwindling foreign investment inflows, and the country's inability to secure lines of credit from major international banking groups. This has had an adverse effect on Zimbabwe's production climate and compromised many producers' ability to export.

For export promotion initiatives to have an impact, a stable political environment and properly functioning institutions are needed. Poor governance hinders investment that is vital for boosting exports.[9] Unfortunately, shrinking foreign direct investment (FDI) inflows have dealt a serious blow to Zimbabwe's export potential over the years,[10] while legislation such as the Indigenisation and Economic Empowerment Act is a deterrent to many potential investors.

Another threat to the sustainability of the export sector in Zimbabwe is the country's external debt – standing at about 162 per cent of GDP – as funds that could be used for reinvestment and trade facilitation are channelled into debt servicing costs.[11] Power and water shortages, and neglected and inefficient transport infrastructure (both land and air)[12] also impede production and distribution activities. As Zimbabwe is heavily reliant on commodity exports, suppressed global commodity prices negatively affect export earnings,[13] while large and recurring trade deficits[14] put the export sector under pressure to perform better. Zimbabwe also finds it difficult to meet the stringent technical requirements and standards imposed by certain markets such as the European Union.[15]

ZimTrade, the government agency mandated to promote Zimbabwe's exports, does not receive sufficient funding and this has constrained export growth in the country. Consequently, there is a dearth of incentives and trade financing schemes to entice companies into exporting. Also off-putting to potential exporters are the bureaucracy and high cost of shipping goods out of the country,[16] and the blatant corruption among Zimbabwe Revenue Authority (ZIMRA) personnel, clearing agents and other officials at border posts.[17]

The imposing of sanctions by a number of western governments and multilateral institutions has been another factor retarding the growth of the export sector. These sanctions are invariably directed at individuals and companies with a major stake in the country's export sector, such as the Mineral Marketing Corporation of Zimbabwe which is responsible for marketing and selling the country's minerals. In addition, a grave concern has been the mass exodus of skilled manpower from the country in the face of great political and economic uncertainty, leaving a void in certain industries.[18]

The Need for a New Export Promotion Strategy for Zimbabwe

Clearly, Zimbabwe needs a new and energetic export promotion strategy as a practical extension of a broader trade policy. But how far should such a strategy stretch? Zimbabwe's lacklustre export performance is intertwined with the country's chequered political and economic history. Complex problems demand a robust set of solutions. For the purpose of this study, the authors have taken export promotion strategy to mean a comprehensive framework for identifying Zimbabwe's competitive advantages on the production and export fronts, and pairing various forms of promotional and developmental assistance with high-potential opportunities in foreign markets. The strategy must naturally be underpinned by cooperation among stakeholders across the political and economic spectrum, from senior ministers and government personnel responsible for dispensing export promotional assistance and funding, to private firms active in or with the potential to enter foreign markets. As export growth and development are essential for Zimbabwe's economic recovery, the country's export promotion strategy needs to be interwoven with fiscal, monetary and a host of other economic policies.

In this article it will be shown show that if an export promotion strategy is based on clear and observable research findings rather than on loose or unrealistic assumptions (as many other countries' export strategies tend to be), it will stand a better chance of being accepted and acted upon, and bearing fruit.

Using the Decision Support Model to Identify Zimbabwe's High-potential Export Opportunities

As a starting point in framing an export promotion strategy aimed at directing the work of ZimTrade and other organisations involved in Zimbabwe's export development effort, the Decision Support Model (DSM), as originally developed by Cuyvers,[19] was applied with a special adaptation for Zimbabwe.

The generic model comprises four sequential filters that progressively screen foreign markets on the basis of a range of criteria, finally producing a list of the most promising markets for various product categories. Filter 1 is designed to identify preliminary export opportunities for the country in question. In filter 1.1, all the countries in the world (except the exporting country) are screened for political stability and commercial risk.[20] Countries that survive this initial screening are further analysed in filter 1.2 on the basis of market size (measured as GNP or GNP per capita) and market growth (measured as the increase in GNP or GNP per capita)[21].

Filter 2 goes on to identify product–country combinations (so-called export opportunities) that are acceptable in terms of the size and growth of import demand.[22]

Filter 3 examines the product–country combinations emerging from filter 2 from two different angles. Filter 3.1 looks at the degree of concentration in the market while filter 3.2 considers trade barriers (including tariffs and non-tariff barriers) that affect the accessibility of the market. The reasoning here is that it is not easy to penetrate a market that is highly concentrated.[23] Filter 3 involves analysing data on (ad valorem) tariffs for each of the countries that entered the filter. In Zimbabwe's case, these are the tariffs levied on Zimbabwean products entering the markets in question. Together with the tariffs, a proxy of Zimbabwe's neighbours' ability to export to the markets was used. This proxy is called the 'revealed absence of barriers to trade',[24] meaning that if at least one of Zimbabwe's neighbours has a revealed absence of barriers to trade when exporting a particular product to a specific market, it can be inferred that Zimbabwe will also be able to export that product to the market in question. In this study, Botswana, Mozambique, Namibia, South Africa and Zambia were designated as Zimbabwe's neighbours.

Filter 4 categorises the countries that survived the screening process in filter 3 according to the exporting country's relative market share in those countries.[25] In this filter, each market is assigned to one of 20 'cells' which reflect different market growth potential and market share combinations.[26]

Whereas the original DSM has four filters, this study extended the model to include a fifth filter, specifically for Zimbabwe. The authors wanted to establish how Zimbabwe's production capabilities were affected by the protracted economic crisis in the country. Revealed comparative advantages (RCAs) were used for this purpose. The average RCAs were calculated for three periods: the pre-crisis period (1993–1997), the period during the crisis (1998–2008), and the post-crisis period (2009–2010). Owing to the fluctuations in production capacity utilisation, three period-acceptable RCA values were established: RCA = 1 or > 1 for the pre-crisis period, RCA = 0.5 or > 0.5 for the period during the crisis, and RCA = 0.75 or > 0.75 in the post-crisis period. Products meeting all these criteria were selected and matched with the results of filter 4 to arrive at a final set of product–country combinations.

Table 1 shows the results of the categorisation process when the DSM was applied to Zimbabwe, using five filters.

Cells 1 to 10 represent those markets in which Zimbabwe has a small market share. Cells 11 to 15 represent those markets in which Zimbabwe has a medium market share. Cells 16 to 20 represent those markets in which Zimbabwe is well established and has a large market share. A total of 344 realistic export opportunities (REOs) were identified for the country.

Some examples will help to shed light on the meanings of the different cell configurations.

Table 1 Categorisation of markets according to their size and growth potential, and Zimbabwe's market share therein

	Zimbabwe's market share				
	Relatively small	**Intermediately small**	**Intermediately high**	**Relatively high**	**Total**
Large product/market	Cell 1 33	Cell 6 0	Cell 11 0	Cell 16 4	**37**
Growing (long- and short-term) product/market	Cell 2 144	Cell 7 0	Cell 12 2	Cell 17 16	**162**
Large product/market short-term growth	Cell 3 23	Cell 8 0	Cell 13 2	Cell 18 2	**27**
Large product/market long-term growth	Cell 4 23	Cell 9 1	Cell 14 4	Cell 19 5	**38**
Large product/ market short- and long-term growth	Cell 5 68	Cell 10 5	Cell 15 4	Cell 20 8	**85**
Total	**291**	**6**	**12**	**35**	**344**

Source: Results from the DSM application

Cell 2 has the largest number of REOs, as determined by the DSM. The cell represents small markets that are growing, but Zimbabwe has a relatively small share of such markets. In contrast, Cell 9 has only 1 REO. The cell represents large markets with long-term growth potential, where Zimbabwe's market share is intermediately small. Cell 17, which represents small markets with growth potential in the short and long term, has 16 REOs. Here Zimbabwe's market share is relatively high, indicating wide acceptance of Zimbabwe's products.

The 344 REOs were selected by the DSM on the basis that Zimbabwean firms are capable of producing such products. In other words, Zimbabwe has a comparative advantage in such products. The products were analysed using the six-digit level (HS) product classification system where the first two digits represent the sector in which a particular product falls. By isolating these two digits from the main product code, it was possible to group the products into individual sectors which, in turn, gave rise to a priority list of sectors. Therefore, the 344 REOs make up 112 distinct product lines and fall into 13 identified sectors. It is in relation to these 13 sectors that various elements of an export promotion strategy are proposed in this article.

Selecting Market Expansion Strategies for Zimbabwe's REOs

A number of market expansion strategies for the export opportunities assigned to the 20 cells appearing in Table 1 is proposed.[27] Each expansion strategy is either offensive/aggressive in nature (where Zimbabwe needs to secure a competitive advantage in a market

Table 2 Top 10 product–country combinations, showing export values and sectors (cell 1)

Country	Product	Potential export value (US$ thousand)	% of potential export value realised	Sector
Japan	Ferro-chromium	421 050	0	Metals
Germany	Ferro-chromium	177 315	0	Metals
USA	Fibreboard	97 804	0	Wood and wood products
Thailand	Cotton	76 606	88,6	Textiles
Italy	Granite	76 533	0	Mineral products
Hong Kong	Cigarettes	70 228	0	Foodstuffs
Netherlands	Tobacco (unmanufactured)	53 086	0	Foodstuffs
Hong Kong	Oranges	42 435	0	Vegetable products
USA	Mineral substance	36 482	0	Mineral products
Spain	Granite	20 521	0	Mineral products

Source: Results from the DSM application

which Zimbabwe has barely or not tapped) or defensive in nature (where Zimbabwe needs to defend its position in a market where it already has an established presence).

Cells 1, 6 and 11 call for a market expansion strategy that involves *breaking in* to a very large market in which Zimbabwe does not have a significant market share. Export promotion assistance could take the form of providing market information, inviting potential exporters to join high-level trade missions abroad, and running media campaigns in the target market.[28] Table 2 presents the product–country combinations for which a *breaking in* strategy is appropriate (the results did not deliver any product–country combinations in cells 6 and 11).

Alongside these combinations, the potential export value is also provided. This enables the ranking of the realistic export opportunities identified in order to prioritise the opportunities.[29]

Cells 2, 7 and 12 call for a market expansion strategy that involves *taking advantage of a growing market*, in which Zimbabwe has a relatively small to intermediately large market share. In other words, firms need to build on the country's existing presence in the market in order to make inroads there. Appropriate forms of export promotion assistance could be: conducting market research, helping firms with their publicity material, encouraging firms to improve their product designs, and giving financial aid to the target market.[30] Table 3 presents the product–country combinations for which the *taking advantage of a growing market* strategy should be used (the results did not deliver any product–country combinations in cell 7).

Cells 3, 8 and 13 require a market expansion strategy that involves *growing and consolidating* markets that have recently imported large volumes of the product in question. Here

Table 3 Top 10 product–country combinations, showing export values and sectors (cells 2, 12)

Country	Product	Potential export value (US$ thousand)	% of potential export value realised	Sector
Cell 2				
Singapore	Nickel	69 548	0	Metals
France	Sugar	23 876	0	Foodstuff
Hong Kong	Tobacco	20 582	90,9	Foodstuffs
Vietnam	Softwood	10 843	0	Wood and wood products
Thailand	Waste/Scrap	9 969	0	Metals
Thailand	Softwood	8 900	0	Wood and wood products
Greece	Oranges	8 242	99,6	Vegetable products
Tanzania	Clinkers	7 691	0	Mineral products
Switzerland	Sacks	7 599	0	Plastic/Rubber
Ghana	Ethyl alcohol	7 372	0	Foodstuffs
Cell 12				
Belgium	Sculptures	9 665	99,8	Miscellaneous
Italy	Sculptures	9 342	99,9	Miscellaneous

Source: Results from the DSM application

Table 4 Top 10 product–country combinations with export values and sectors (cells 3, 13)

Country	Product	Potential export value (US$ thousand)	% of potential export value realised	Sector
Cell 3				
Japan	Cotton	49 992	91,2	Textiles
Poland	Granite	24 418	0	Mineral products
Hong Kong	Hides	24 299	0	Raw hides, skins, leather and fur
Italy	Oranges	22 536	0	Vegetable products
Belgium	Granite	20 112	0	Mineral products
China	Sacks & bags	14 076	0	Plastics/Rubber
Belgium	Granite	11 819	0	Mineral products
Ghana	Worn clothing	7 758	0	Textiles
Belgium	Oranges	7 732	0	Vegetable products
Germany	Furs	6 783	0	Raw hides, skins, leather and fur
Cell 13				
Belgium	Tobacco	15 678	12,8	Foodstuffs
Germany	Granite	1 603	97,1	Mineral products

Source: Results from the DSM application

Table 5 Top product-country combinations with export values and sectors (cells 4, 9 and 14)

Country	Product	Potential export value (US$ thousand)	% of potential export value realised	Sector
Cell 4				
China	Cotton	869 247	0	Textiles
Spain	Nickel	141 171	0	Metals
Germany	Softwood	118 114	0	Wood and wood products
Russia	Oranges	75 032	0	Vegetable products
China	Sesame seeds	33 775	0	Vegetable products
Netherlands	Grapefruit	20 453	0	Vegetable products
France	Scrap	12 982	0	Metals
Angola	Worn clothing	12 896	0	Textiles
United Kingdom	Soap	6 510	0	Chemicals and allied industries
United Kingdom	Table/kitchen ware	6 119	0	Metals
Cell 9				
Ireland	Doors	8 634	99.5	Wood and wood products
Cell 14				
Germany	Sculptures	29 878	99.6	Miscellaneous
United Kingdom	Peas	14 964	99.9	Vegetable products
Germany	Tea	14 560	99.6	Vegetable products
Poland	Tea	5 488	98.1	Vegetable products

Source: Results from the DSM application

firms need to build on Zimbabwe's competitive advantages in order to gain ground. Export promotion assistance could take the form of conducting market research, helping firms to improve their product quality and design, organising foreign trade missions, providing developmental aid to, and establishing a diplomatic presence in, the target market.[31] Table 4 presents the product–country combinations for which the *growing and consolidating* strategy should be used (the results did not deliver any product–country combinations in cell 8).

Cells 4, 9 and 14 call for a *leapfrogging* market expansion strategy, which is particularly useful when firms lack the resources to compete head on with large and established entities in the market. Leapfrogging means that a firm bypasses its competitors by introducing a new technology or business model. Innovation is the key to success in this case. Export promotional assistance to back up this strategy could include providing firms with incentives to participate in specialised trade fairs and exhibitions, assisting with the formation of joint ventures, facilitating business match-making and encouraging piggyback exporting.[32] Table 5 presents the product–country combinations for which the *leapfrogging* strategy should be used.

Cells 5, 10 and 15 require a market expansion strategy that involves *jumping on the band*

Table 6 Top 10 product-country combinations with export values and sectors (cells 5, 10 and 15)

Country	Product	Potential export value (US$ thousand)	% of potential export value realised	Sector
Cell 5				
United Kingdom	Nickel	182 729	0	Metals
China	Softwood	128 870	0	Wood and wood products
France	Softwood	104 258	0	Wood and wood products
Indonesia	Cotton	100 013	98,7	Textiles
USA	Fibreboard	86 229	0	Wood and wood products
Belgium	Softwood	62 184	0	Wood and wood products
Netherlands	Oranges	59 325	0	Vegetable products
Indonesia	Soap	43 147	0	Chemical and allied products
Hong Kong	Precious stones	36 739	0	Stone/Glass
Germany	Boxes	28 673	0	Plastic/Rubber
Cell 10				
United Kingdom	Trousers (men/ boys) cotton	112 198	100,0	Textiles
Spain	Oranges	43 535	99,9	Vegetable products
Switzerland	Tobacco	36 363	91,3	Foodstuffs
United Kingdom	Trousers (men/boys) of material not knit	22 166	100,0	Textiles
Canada	Collections	3 646	96,9	Miscellaneous
Cell 15				
Germany	Collections	29 812	98,8	Miscellaneous
Poland	Tobacco	29 620	95,2	Foodstuffs
France	Sculptures	27 409	99,9	Miscellaneous
United Kingdom	Oranges	25 804	100,0	Vegetable products

wagon. Here the target markets import large volumes of the product and have significant growth potential in the short and long term. Thus, Zimbabwean firms should muscle in alongside existing players to take advantage of the clear opportunities present in the markets. Appropriate export promotional assistance could include disseminating market information, inviting exporters to participate in high-level trade missions, hosting importers and distributors in Zimbabwe, running media campaigns in the target markets, improving firms' access to credit insurance, and providing incentives for piggyback exporting.[33] Table 6 presents the product–country combinations for which the *jumping on the band wagon* strategy should be used.

Cells 16 to 20 require a *maintenance* market expansion strategy as Zimbabwe already

Table 7 Product-country combinations, with export values and sectors (cells 16–20)

Country	Product	Potential export value (US$ thousand)	% of potential export value realised	Sector
Cell 16				
Germany	Tobacco	87 666	85,5	Foodstuffs
Italy	Hides	34 339	98,4	Raw hides, skins, leather and fur
United Kingdom	Unused stamps	10 574	100,0	Wood and wood products
India	Wattle	3 219	67,5	Chemicals and allied industries
Cell 17				
Egypt	Tobacco	14 152	43,0	Foodstuffs
Spain	Sculptures	12 573	94,3	Miscellaneous
South Africa	Trousers (men/ boys) of cotton	10 918	56,3	Textiles
United Kingdom	Worn clothing	2 476	31,5	Textiles
South Africa	Conveyor belts	1 956	99,9	Plastic/Rubber
South Africa	Trousers (men/ boys) not knit	1 862	93,7	Textiles
South Africa	Table/kitchen wares of iron and steel iron	1 622	20,9	Metals
South Africa	Chains	1 527	88,7	Metals
South Africa	Table/kitchen/ house-hold	1 451	81,0	Metals
Tanzania	Ploughs	999	71,1	Machinery/Electrical
Cell 18				
Switzerland	Meat	11 882	99,8	Animal and animal products
Singapore	Reptile skins	7 614	79,4	Raw hides, skins, leather and fur
Cell 19				
China	Tobacco	156 069	65,8	Foodstuffs
Italy	Ferro-chromium	117 917	93,0	Metals
Saudi Arabia	Oranges	58 790	99,1	Vegetable products
Hong Kong	Meat	547	96,2	Animal and animal products
Cell 20				
Japan	Nickel	322 101	95,7	Metals
United Kingdom	Furniture	107 907	99,2	Miscellaneous
Russia	Tobacco	73 885	81,5	Foodstuffs
Germany	Meat	46 106	99,5	Animal and animal products
Belgium	Meat	22 964	81,5	Animal and animal products
Japan	Reptile skins	3 131	99,5	Raw hides, skins, leather and fur
Spain	Collections	3 078	100,0	Miscellaneous
Italy	Granite	3 048	100,0	Mineral products

Source: Results from the DSM application has a strong presence in the markets, and exports are flowing strongly. Unlike the other market expansion strategies outlined above, which require an offensive approach, the *maintenance* strategy is defensive in nature. Thus, no specific export promotion assistance is needed and firms should largely be left to their own devices unless they need assistance with the renegotiation of complex deals that have broader policy implications.[34] Table 7 presents the product–country combinations for which the *maintenance* strategy is well suited.

Table 8 Main export sectors identified by the DSM and the critical success factors

Sector	Export success factors
Metals	• Adding value to the products. • Engaging in more environmentally friendly extraction methods.
Textiles	• Researching improved varieties, e.g. high-yield, cotton. • Paying cotton farmers higher producer prices, thereby expanding their production capability. • Giving financial support to ailing/uncompetitive textile firms.
Wood and wood products	• Promoting responsible exploitation of resources to protect the environment. • Improving transport logistics for the sector.
Foodstuffs	• Paying higher producer prices to growers, thereby expanding their production capability. • Promoting adherence to health and safety standards. • Prioritising issues concerning transportation for the sector.
Vegetable products	• Adding value to the products. • Building distribution centres with cold room facilities in large markets. • Developing appropriate product packaging for selected products. • Ensuring efficient air transport links to ensure the integrity of fresh produce.
Miscellaneous	• Providing financial assistance to artists/crafters to ensure they can build a viable commercial operation. • Devising growth-enhancing policies for different products in the sector.
Mineral products	• Adding value to the products. • Improving transport logistics to foreign markets.
Animal and animal products	• Paying higher producer prices to farmers, thereby expanding their production capability. • Ensuring efficient air transport links to ensure the integrity of the products. • Adhering to health and phytosanitary regulations and minimising the risk of animal diseases.
Raw hides, skins, leather, and furs	• Adding value to the products.
Plastic/Rubber	• Adding value to the products. • Devising new applications and product lines from the raw materials.
Stone/Glass	• Ensuring responsible exploitation of resources to protect the environment.
Chemicals and allied industries	• Adhering to international health and safety standards. • Adhering to packaging norms and standards.
Machinery/ Electrical	• Encouraging ongoing product design and development. • Ensuring products have safety features and are user-friendly.

Source: Compiled from the results

Main Export Sectors and Key Success Factors

Table 8 lists those sectors identified in the DSM results (in order of their strategic importance) along with the authors' suggested critical success factors.

Some of the above fall directly into the scope of export promotion agencies' (EPAs) work, while others would need intervention from other quarters.

The DSM results show that Zimbabwe has a revealed comparative advantage (RCA) in 112 product lines. However, this represents a small base. The country lost its competitiveness in some products due to the economic meltdown. Thus, government trade policy needs to be geared towards helping firms to retrieve their competitiveness which was lost in the face of capacity under-utilisation, inadequate liquidity and a generally harsh macroeconomic environment that hampered production. The government should also help firms to modernise, including promoting technology transfer through FDI. The need to add value to products is a recurring theme in several sectors.

For Zimbabwean firms to penetrate new markets, they need to improve the quality of their products. This is also important for retaining existing markets. The government can help by improving the capacity (through adequate funding and training) of the Standard Association of Zimbabwe so that personnel can guide exporters in meeting international standards and making their products more appealing to discerning international customers.

Increased production, which is crucial for firing up Zimbabwe's export sector, often has an unfortunate side-effect – environmental degradation, which includes pollution. One way of tackling this problem is for the government to strengthen the capacity of the Environmental Protection Agency so that it can be an effective industry regulator and watchdog.

The provision of incentives is essential if firms are to be induced to gear their production for export. At present, the Zimbabwe government offers no export incentives to firms. Incentives used to be in place but these were discontinued when the country fell into an economic abyss several years ago. In drawing the outline of a future export promotion strategy for Zimbabwe, it is recommended that the incentive programme be resuscitated to include pre-shipment financing; post-shipment financing; zero tariffs on inputs (raw materials), capital goods and intermediate goods; tax holidays; financial assistance to enable firms to participate in trade missions and trade fairs; and the facilitation of meetings between buyers and sellers. Other more general incentives could include awards to exporters who distinguish themselves in certain sectors; granting concessionary rates for electricity and water usage; and giving firms a licence to operate in an export processing zone where they would enjoy cost-saving privileges and logistical benefits. Establishing export processing zones in all of Zimbabwe's provinces would go a long way towards stimulating the production and export of those products that have great potential internationally.

A flourishing export sector is dependent on an open trade policy, an efficient regulatory environment, sound and well-maintained infrastructure, and strong relationships at the multilateral, regional and local level. Some of Zimbabwe's REOs are located in countries that have imposed sanctions against Zimbabwe, such as the United States. Consequently, it is difficult for Zimbabwean producers to receive payment from other parts of the world because most international payments eventually pass through the US Federal Reserve Bank.

Furthermore, Zimbabwe cannot get a line of credit from any bank or multilateral institution in which the US government has a stake. Although Robert Mugabe and his ZANU-PF party have claimed a resounding victory in the country's latest general election held in July 2013, several western powers are sceptical about the authenticity of the results and are unlikely to lift economic sanctions that they imposed more than a decade ago. It will take much diplomatic effort on Zimbabwe's part to induce a change of heart among these western powers, particularly as Mugabe stridently told them off in his recent election victory speech. In the meantime, Zimbabwe should continue to nurture its relationships with other African and Asian countries (such as China) where it enjoys significant support.

Zimbabwe fares badly in the World Bank's country rankings when it comes to the rule of law, corruption, the quality of regulations and other ease-of-doing-business indicators. Overcoming these shortcomings will require a consolidated response and serious commitment from the country's leadership. If, however, the government comes to recognise the undeniable link between cleaner and meaner government and economic revival, the export sector will undoubtedly benefit.

For firms to respond to opportunities in the global market, they need access to reliable and timeous information. This requires the continuous gathering and dissemination of information by the relevant sectors of government, and especially ZimTrade. In addition, if ZimTrade is to discharge its mandate effectively, it requires sufficient funding. It is proposed that the statutory levy on all exports from and imports into the country (which is channelled to ZimTrade) be raised to 2 per cent from its current level of 0,01 per cent. A further recommendation is that ZimTrade take over the activities of the Mineral Marketing Corporation of Zimbabwe (MMCZ) with a view to rationalising the entities' services and removing duplication. At present, the two organisations promote different products and sectors; this serves to fragment Zimbabwe's export market development process. It is also proposed that a new entity be established, the Export Promotion Council, which will be responsible for monitoring the implementation of the export promotion strategy, once fully drafted, and evaluating its effectiveness at various intervals. Reporting to the Ministry of Industry and Commerce, the Export Promotion Council should comprise senior government officials and representatives from business, academia and other stakeholder groups.

Zimbabwe's roads and railways, which should be at the centre of the country's export revitalisation programme, have deteriorated sharply due to a lack of investment and maintenance. For example, only 33 per cent of locomotives and 54 per cent of wagons are operational, which has led to severe capacity under-utilisation in this otherwise cost-effective transport sector. Clearly, Zimbabwe's rolling stock needs to undergo serious rehabilitation, while the road network requires upgrading and/or expansion, and regular maintenance.

Exports of perishable products, such as flowers, fruit and beef, are dependent on an efficient air transport service, particularly to high-potential markets in Europe. The national carrier, Air Zimbabwe, was grounded for a lengthy period because of a lack of funding, and even when it was in the skies its safety record left much to be desired. Air Zimbabwe is operational once more, but it is recommended that the airline find a strategic partner that can provide an injection of cash and help the airline maintain an acceptable standard of operation.

Unreliable communication networks, evidenced in poor phone and internet connectivity,

Table 9 Organisations and bodies contributing to the export promotion effort in Zimbabwe

Organisation	Role in export promotion
Ministry of Industry and Commerce	Determines trade policy and promotes the interests of the export sector.
Export Promotion Council (to be established)	Oversees the implementation of the export promotion strategy, as well as the activities of ZimTrade and the Export Promotion Council.
ZimTrade	Provides practical assistance to the country's exporters, and is the primary architect and custodian of the country's export promotion strategy.
Mineral Marketing Corporation of Zimbabwe (MMCZ)	Markets and sells Zimbabwe's mineral products.
Export Promotion Zone Authority (to be established)	Licenses firms in priority sectors to operate in the export processing zones (to be established).
Zimbabwe Revenue Authority ZIMRA	Monitors tariff-based and duty-free incentives.
Zimbabwe Investment Authority (ZIA)	Promotes investment in non-priority sectors.
Standard Association of Zimbabwe (SAZ)	Performs a quality assurance function for products that need to conform to international standards.
Zimbabwe National Chamber of Commerce	Consults with the Ministry of Industry and Commerce and ZimTrade on incentives and other matters affecting exporters. Lobbies government, e.g. to push for the lifting of sanctions.
Confederation of Zimbabwe Industries	Consults with the Ministry of Industry and Commerce and ZimTrade on incentives and other matters affecting exporters. Lobbies government, e.g. to push for the lifting of sanctions.
Zimbabwe Congress of Trade Unions	Acts as the mouthpiece for the trade union movement in Zimbabwe.
Universities	Conduct research into export opportunities or constraints in different countries, sectors, etc.
Department of Immigration	Issues work and residence permits to foreign personnel taking up posts in Zimbabwe.
Ministry of Finance	Apportions funds from the national budget for export promotion and development purposes.
Ministry of Transport	Invests in and maintains the country's transport infrastructure, and addresses transport-related issues that constrain and/or add to the cost of exporting.
Ministry of Communications	Invests in and maintains the country's telecommunications infrastructure, and addresses communications-related issues that constrain and/or add to the cost of exporting.
Ministry of Energy	Invests in and maintains the country's power facilities in order to capacitate business and improve the country's competitiveness.
Ministry of Water	Maintains and/or extends the country's water supply to neglected regions to stimulate business activity.
Ministry of Mines and Mining Development	Ensures that the mining sector is adequately resourced, meets international safety standards, and benefits from efficient transport and logistics networks.
City councils	Manage the allocation and use of land, water and other utilities within their jurisdiction.
Local authorities	Allocate and manage land for industrial usage in export processing zones within their jurisdiction.
Commercial Farmers Union	Represents commercial farmers' interests in matters affecting their livelihood and export readiness.
Zimbabwe Farmers Union	Represents indigenous farmers' interests in matters affecting their livelihood and export readiness.

Source: Compiled by the authors

have long plagued Zimbabwe's domestic and international trade. In this regard, a more efficient regulatory framework should be introduced in the telecommunications sector so that the country's exporters can have uninterrupted contact with buyers and service providers. Zimbabwe's national electricity requirement is between 2000 MW and 2200 MW. Yet the country is experiencing a deficit of 950 MW. Water supply is another area in which Zimbabwe is experiencing an acute shortage. Needless to say, both electricity and water require serious investment and technical expertise if the country is to boost its production and export capacity, particularly in the agricultural and manufacturing sectors.

The Power of Networks in Advancing an Export Promotion Strategy for Zimbabwe

Whereas ZimTrade should have the primary responsibility for shaping the export promotion strategy into a coherent document that has the broad support of the public and private sector, a whole host of organisations and bodies will – directly and indirectly – be responsible for putting the strategy into effect, challenging its underlying assumptions from time to time, and ensuring that it remains in line with changing local and global circumstances. Some of the most prominent of these organisations and bodies are listed in Table 9, including how the authors see their roles unfolding.

Pulling all the Pieces Together

For an export promotion strategy to win widespread support and bear fruit at the end of the day, it is very important that the views of the business community are thoroughly canvassed. It is the firms themselves that are at the coalface and they know, better than anyone else, what they need in the way of financial support, marketing assistance, national infrastructure, and representation at a diplomatic level.

Unlike earlier export programmes and initiatives, which were linked to international donor support, Zimbabwe's new export strategy must be formalised and implemented using domestic funding and resources, thereby ensuring its continuity. The Zimbabwe government has entered into joint ventures with foreign companies through its parastatal Zimbabwe Mining Development Corporation in order to mine diamonds. It is recommended that the dividends the government received from some of these joint ventures in 2012 (estimated to amount to US$600 million) be used as seed funding to jumpstart the export promotion strategy development and rollout process. Another potential source of funding is the National Social Security Agency, to which all workers in Zimbabwe contribute by law. It is suggested that this money be used to provide concessionary loans or credit to firms operating in priority sectors in the country's export processing zones.

It would be presumptuous to try to present a new export promotion strategy for Zimbabwe in this article. Such a document requires input from a myriad of sources, and needs to be aligned with the government's unfolding economic growth and development plans. What this study has done, however, is provide a valuable foundation for the strategy through the identification of scientifically derived, priority export sectors. This will help to channel the thinking of the country's export promotion officials and other decision makers, and give the country a leg up on the competitiveness ladder as it attempts to reintegrate into the global economy. As evident from the DSM results, Zimbabwe is failing to tap into most of the identified high-potential export opportunities, and has a low profile internationally. The study has also highlighted the many cross-cutting issues that need attention if Zimbabwe is to significantly improve its international reputation and economic fortunes. In this regard, the article also provides the outer framework and some of the meat for an export promotion strategy document.

Can a new export promotion strategy revitalise Zimbabwe's economy? If it has a true champion, for example a better resourced and re-energised ZimTrade, and has the genuine support of all the main interest groups in the country, it has the potential to do so. But if its scope is too limited and it focuses simply on how and where to give marketing support to exporters, it is unlikely to make an enduring impact. Zimbabwe's economic troubles are too deeply rooted to rely on a superficial solution.

If the country can get it right when it comes to export promotion, it will be a shining example to other countries in Africa and elsewhere that are faced with the excruciating challenge of growing their economies in the face of unstoppable competition and change throughout the world.

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