

# Trade Development, Energy Potential and Macroeconomic Performance in the Southern African Development Community (SADC) Region: Challenges & Constraints

Emmanuel A. MWAIGOMOLE\*

## Introduction

One of the objectives of economic integration schemes is to stimulate growth through higher trade flows based on effective demand. Economic integrations also enhance productivity and competitiveness through economies of scale and low transport cost to facilitate intra-regional trade. The SADC member countries intend to establish free trade area (FTA) by the year 2008 in order to expand trade opportunities in the Region. This paper is a modest contribution towards that direction. It is organized into six sections. Section I is about the introduction which looks briefly at the Declaration Treaty that established the Southern African Development Community (SADC). Section II examines economic development based on selected indicators and the structure of the SADC economy. Section III is about the energy potential of the SADC region. Section IV discusses the macroeconomic performance of the region. Section V focuses on the challenges facing the SADC region. Section VI is about constraints with emphasis on manpower training.

## I

The rationale for trade as an engine of economic growth and development is inescapable in the face of globalization. The unfolding development in political, economic and social spheres has brought about changes in international business, entailing radical shifts in economic relations. Trade practices within and among nations are changing at rapid pace, political and economic liberalization is sweeping

---

\* Visiting Scholar, Graduate School of International Cooperation Studies, Kobe University.  
Senior Lecturer in Development Economics, Institute of Development Studies, University of Dar Es Salaam, Tanzania.

across nations bringing with it the quest for good governance in the form of stability and a conducive environment for national, regional, and international competitiveness.

Trade barriers are falling as both industrialized and developing economies are opening up trade. But as markets are merging to become more accessible, competition is increasingly becoming intense. Innovations in the field of ICT have culminated in digital revolution. Customer expectations are changing and the business world is forced to strive for higher quality, lower prices and first class services.

Trade policy must reflect these dynamic international realities. Trade development policies whether at national or at regional levels ought to respond proactively to these emerging opportunities and challenges. This requires nations and regional blocks to forge consensus in addressing impediments for the realization of the desired trade policy objectives. The declaration and treaty establishing the Southern African Development Community (SADC) was signed in 1992 at Windhoek, Namibia to attain a free trade area (FTA) by the year (2008), followed by the Customs Union (2010), a common market (2015) and an economic (monetary) union (2018)<sup>1</sup>.

In 1996, SADC adopted a trade protocol whose implementation started in 2000 with the main objective of first, liberalization of intra-regional trade in goods and services; second, ensure efficient production within SADC region and dynamic comparative advantages of member states; third, contribute towards the improvement of domestic cross-border and foreign investment; fourth, enhance economic development, diversification and industrialization of the region.

The essence of the paper is to examine the fundamentals that require consensus-building in the region towards the achievement of the overall objective. The succeeding section examines economic development of the region based on selected indicators.

## II

The combined Gross Domestic Product (GDP) for the SADC region is approximately US\$ 296.0 billion. Individual national economies are structurally diverse at

varying stages of development. Table I provides a summary of the selected economic indicators.

**Table 1: Selected Economic Indicators of SADC Region**

Countries	GDP US\$ (billion) (2004)	GDP per capita (US\$) (2004)	Annual growth rate per capita (2000-2004)	Population (million) (2004)	Annual Average Growth Rate % Population (2000-2004)	Share of Manufacturing in GDP (%) (2000)	Gross Domestic Savings (%) of GDP (2004)
Angola	20.0	1290.0	5.1	15.5	3.3	9.1	24.5
Botswana	9.0	5000.0	5.3	1.8	2.8	10.2	38.2
Comoros	0.4	667.0	0.0	0.6	n.a.	n.a.	-1.5
DRC	6.0	109.0	0.8	15.9	2.5	5.2	3.9
Lesotho	1.5	833.0	3.1	1.8	n.a.	n.a.	-14.9
Madagascar	3.7	204.0	-1.8	18.1	n.a.	n.a.	9.5
Malawi	2.8	222.0	0.7	12.6	2.8	3.7	-4.5
Mauritius	6.3	5250.0	2.7	1.2	n.a.	n.a.	24.1
Mozambique	6.0	309.0	6.7	19.4	1.8	8.6	10.6
Namibia	5.0	2500.0	0.4	2.0	3.1	4.8	26.7
Seychelles	0.7	7000.0	-3.2	0.1	n.a.	n.a.	21.3
South Africa	213.1	4684.0	2.5	45.5	2.1	11.2	20.3
Swaziland	2.0	1818.0	0.6	1.1	n.a.	n.a.	11.7
Tanzania	11.0	293.0	4.8	37.6	2.9	8.8	8.5
Zambia	5.0	435.0	2.8	11.5	3.0	10.5	18.2
Zimbabwe	3.9	303.0	-6.5	12.9	1.8	11.2	4.8
Regional total/average	296.4	30916.0	2.2	237.6	2.6	8.3	12.6

Source: Southern African Development Community, Country Analysis Brief, 2005: 18  
NB: n.a.=Not available

South Africa has a Gross Domestic Product (GDP) of US\$ 213.1 billion which is more than double the combined GDP of other SADC member countries (Table 1). Challenges of post-war disarmament and reconciliation in Angola and DRC and the continuing internal strife in Zimbabwe are adversely affecting economic performance in these countries.

The Zimbabwean economy has experienced and continues to experience a sharp deterioration over a five years' period (2000-2004) during which average annual growth rate per capital was -6.5 percent. The economies of Angola and DRC have

begun to show GDP growth rates as peace agreements begin to take hold.

During the year 2004, the macroeconomic dimension of the SADC countries was diverse, with South Africa continuing to dominate the region. This was reflected in the growth rate of GDP, inflation and current account position. Table 2 depicts the GDP Growth rate in the SADC countries.

Table 2: GDP Growth Rate in the SADC Countries 1997-2004(%)

Countries	1997	1998	1999	2000	2001	2002	2003	2004
Angola	7.7	5.5	2.7	3.9	5.2	14.4	3.4	11.7
Botswana	5.6	8.1	4.1	6.6	8.6	2.3	7.8	5.7
DRC	-5.4	-1.7	-4.3	-6.9	-2.1	3.5	5.8	6.8
Lesotho	8.1	-4.6	0.2	1.3	3.2	3.5	3.3	3.4
Malawi	5.0	3.3	6.7	2.1	1.8	1.8	3.4	4.0
Mauritius	5.6	5.8	6.8	9.3	5.6	1.9	4.6	4.2
Mozambique	11.3	12.1	9.0	1.9	13.1	8.7	7.9	8.2
Namibia	2.6	2.4	2.9	3.5	2.4	2.5	3.7	4.4
Seychelles	4.6	5.5	2.9	4.2	-2.2	1.3	-6.3	-2.0
South Africa	2.7	0.8	2.0	4.2	2.7	3.6	2.8	3.5
Swaziland	3.8	3.3	3.5	2.0	1.8	2.8	2.4	2.1
Tanzania	3.3	4.0	4.7	4.9	5.7	6.2	5.7	6.7
Zambia	3.3	-1.8	2.2	3.6	4.9	3.3	5.1	5.0
Zimbabwe	2.8	3.7	0.1	-7.9	-2.8	-5.7	-8.3	-8.2
SADC	4.4	3.3	3.1	2.3	3.4	3.6	3.0	4.0

Source: Southern African Development Community, Country Analysis Brief, 2005: 19

The average GDP growth rate in the Region was 4.0 percent (2004)(Table 2) which was higher by 1 percent than that registered in 2003. Angola, Mozambique, DRC, Namibia and Tanzania consolidated their GDP growth rates in 2004 over the achievements of the preceding year (2003).

On the other hand, Seychelles and Zimbabwe registered negative rates of growth in 2003 and 2004. However, both countries showed slight improvement from (-6.3% to -2.0%) and from (-8.3% to -8.2%) in 2003 and 2004 for Seychelles and Zimbabwe respectively.

It is also worth noting that higher growth rates in other SADC countries, besides South Africa, had less impact in the overall economic growth in the region because of the small size of their economies. The economic diversity among the SADC

member countries is reflected in the variations of their economic performance. The favourable GDP growth rate in the region as a whole was mainly due to the performance of agricultural sector coupled with positive development in mining and manufacturing as well as a strong performance in oil industry in the case of Angola<sup>2</sup>. The growth rate of GDP for SADC individual countries shows that only four countries: Angola, DRC, Mozambique and Tanzania was more than 6 percent (Table 2). Table 3 shows variations in the rate of inflation in the SADC countries.

**Table 3: Inflation Rates Among SADC Member Countries 1997-2004**

Countries	1997	1998	1999	2000	2001	2002	2003	2004
Angola	7.7	5.5	2.7	3.9	5.2	14.4	3.4	11.7
Botswana	8.9	6.5	6.9	7.9	7.2	5.5	4.7	7.0
DRC	13.8	134.8	488.7	511.2	135.1	15.8	12.8	14.0
Lesotho	8.6	7.8	8.6	6.1	6.9	11.9	7.6	5.0
Malawi	9.2	29.7	44.8	29.6	27.2	14.1	9.6	11.4
Mauritius	6.6	6.8	6.9	4.2	5.4	6.4	5.1	3.9
Mozambique	6.2	-1.0	6.2	11.4	21.9	9.1	13.8	12.7
Namibia	8.3	6.2	8.6	9.3	9.2	11.3	7.3	3.9
Seychelles	0.6	2.6	6.3	6.3	6.0	0.2	3.3	3.9
South Africa	8.6	6.9	5.2	5.4	5.7	9.2	5.8	1.4
Swaziland	7.2	8.0	5.9	7.3	7.5	11.7	7.3	3.4
Tanzania	16.0	12.8	7.9	5.9	5.1	4.6	4.4	4.1
Zambia	24.4	24.5	26.8	26.1	21.7	22.2	21.5	18.0
Zimbabwe	18.8	31.7	58.5	55.9	76.7	113.2	365.0	381.5
Regional average	10.4	20.2	48.9	49.3	24.3	18.7	33.9	34.4

Source: SADC, Development and Statistics for SADC countries, 2005

The average inflation rate in the SADC region remains at around 30 percent (2004) largely influenced by the high inflation rate in Zimbabwe (381.5). As it can be noted from (Table 3), eight countries attained single digit inflation (2004). Many countries focused their policies towards increased monetary discipline and in the reduction of their budget deficits. Tanzania attained inflation rate of below 5.0 percent for three years in a row (2002-2004) due to prudent monetary and fiscal policies pursued during the period.

South Africa registered the lowest inflation rate in the Region at about 1.4 percent (2004) followed by Swaziland with the rate of 3.4 percent. Zimbabwe continued to record the highest level of inflation in the Region. This is due to surge in domestic credit to the public sector and heavy reliance on monetary financing of the budget as a result of declining revenue collection.

Other countries that continue to maintain two-digit inflation rate include Angola (11.7 percent), DRC (14.0 percent), Malawi (11.4 percent), Mozambique (12.7 percent) and Tanzania (18.0 percent). However, inflation rate in DRC and Zimbabwe seems to move in opposite direction. DRC shows improvements from 488.7 percent (1999) to 14.0 percent (2004) when the situation worsened in Zimbabwe from 58.5 percent (1999) to 381.5 percent (2004). Besides inflation as an aspect of the selected indicators, the current account as a percentage of Gross Domestic Products (GDP) is shown in (Table 4).

Table 4: Current Account as Percentage of GDP in SADC Countries 1997-2004

Countries	1997	1998	1999	2000	2001	2002	2003	2004
Angola	-12.0	-25.0	-28.0	-9.0	-15.0	-5.8	-6.2	-4.4
Botswana	4.0	11.0	10.0	6.0	4.6	11.6	11.0	6.4
DRC	-9.0	-5.0	-9.0	-1.0	-4.0	-4.0	-0.7	-1.4
Lesotho	-26.0	-31.0	-24.0	-18.0	-14.0	-19.0	-11.8	-15.0
Malawi	-12.2	-14.0	-18.0	-18.0	-11.0	-12.0	-10.2	-7.9
Mauritius	-7.2	-4.4	-3.0	-1.0	5.0	2.2	2.0	0.6
Mozambique	-8.0	-11.0	-17.0	10.0	-23.6	-17.8	-18.9	-13.1
Namibia	1.0	3.0	5.0	7.0	2.0	2.2	4.0	4.2
Seychelles	-12.0	-18.0	-19.0	-8.0	-17.0	-16.3	-2.8	0.7
South Africa	-1.5	-1.7	-0.5	-0.4	-0.3	0.3	-1.2	-1.8
Swaziland	-18.0	-26.1	-17.3	-19.6	-2.1	-1.0	-4.6	-4.8
Tanzania	-5.0	-11.0	-9.6	-5.5	-5.1	-2.6	-2.6	-6.0
Zambia	-6.0	-18.0	-14.0	30.0	28.0	-15.5	-13.7	-13.0
Zimbabwe	-9.0	-5.0	3.0	-2.0	-4.0	-4.0	-4.5	-8.8
Regional average	-8.6	-11.2	-10.1	-2.1	-4.0	-5.8	-4.3	-4.6

Source: Statistics for SADC Countries April 2005, IFS Year Book, July 2005

The trend of current account balance as a percentage of Gross Domestic Product (GDP) displays a disappointing picture as a whole. Three countries only

namely Botswana, Mauritius and Namibia out of fourteen member countries registered positive current accounts while the rest recorded current account deficits. The deficits reflect a weak export capacity in most of the member states.

Some improvements however, were recorded (2004) in Angola, Malawi, Mozambique and Zambia while a worsening situation was registered in DRC, South Africa, Swaziland, Tanzania and Zimbabwe. More specifically, the current account deterioration in Tanzania was partly caused by the decline in current transfers coupled with a sharp increase in the value of imports of capital and intermediate goods<sup>3</sup>. In the case of other SADC member countries, the decline in current account position was associated with poor external trade performance particularly the continued increase in oil prices in the world market and the regional loss of competitiveness due to continued strength of the South African currency - the Rand vs. major currencies, especially the US dollar<sup>4</sup>.

The economic structure of the Southern African Development Community (SADC) displays a typical developing economy. Primary products account for the largest part of exports while imports are largely dominated by capital and intermediate goods. A large share of the Gross Domestic Product (GDP) originates from primary sector whose contribution to the GDP is on average more than 50 percent<sup>5</sup>. The formerly sizable manufacturing sector of Zimbabwe is currently unsustainable due to several factors including high costs of inputs and shortage of foreign exchange to import industrial inputs<sup>6</sup>.

Mozambique is a service economy, reliant on fees from ports and railways and on Mozambican workers' remittances from South African mines. Migrant workers from Mozambique to South Africa account for over 20 percent of mine workers in South Africa<sup>7</sup>.

About two-thirds of exports from Angola, Botswana, and Zambia are from one commodity: oil, diamond and copper respectively. One commodity accounts for over one-third of total exports for Malawi-(tobacco), Swaziland-(sugar) and Tanzania-(coffee/cotton)<sup>8</sup>.

In view of the low level of manufacturing sector in the Region, trade in manufactured goods holds a great potential. Emphasis on trade would expand the market for manufactured goods thereby stimulating further production. Since

some of the industrial products can be used as inputs in manufacturing industries, intra-industry specialization and vertical integration would be induced and set in motion economic growth and development.

Intra-regional trade in manufactured goods would stimulate production through inducing backward and forward linkage in the economy. This spill-over or multiplier effect will make trade in manufactured goods dynamic. The forthcoming section examines the energy potential of the Region.

### III

Overall, the SADC region is well endowed with energy resources. Table 5 shows total energy production in SADC region.

Table 5: Total Energy Production, Consumption and Export 2004

Countries	Total Energy Production Quadrillion (BTU)*	Total Energy Consumption Quadrillion (BTU)*	Net Energy Export Quadrillion (BTU)*	Carbon Dioxide Emission (Million metric tons of Carbon)
Angola	1.960	0.135	1.825	4.34
Botswana	0.023	0.052	-0.029	1.04
Comoros	0.000	0.001	-0.001	0.03
DRC	0.112	0.080	0.032	0.49
Lesotho	0.004	0.007	-0.003	0.06
Madagascar	0.006	0.037	-0.031	0.61
Malawi	0.013	0.025	-0.012	0.22
Mauritius	0.001	0.052	-0.051	1.01
Mozambique	0.157	0.166	-0.009	0.47
Namibia	0.015	0.051	-0.036	0.63
Seychelles	0.000	0.016	-0.016	0.32
South Africa	5.916	4.901	1.015	112.16
Swaziland	0.011	0.021	-0.010	0.37
Tanzania	0.032	0.078	-0.046	0.96
Zambia	0.090	0.108	-0.018	0.61
Zimbabwe	0.136	0.189	-0.053	3.01
Regional total	8.476	5.919	2.557	126.33

Source: SADC, Energy Information Administration, 2005

\*BTU=British Thermal Unit

The SADC countries collectively consume 5.919 quadrillion British thermal unit



(BTU) of commercial energy (1.4 percent) of total world consumption and produce 8.476 quadrillion (BTU) of commercial energy (2.0 percent) of total world production. The Region also generates 126.33 million metric tons of carbon dioxide (1.8 percent) of world total emission. The Region's dominant economy, South Africa accounts for 82.8 percent (4.901 quadrillion BTU) of the Region's energy consumption. South Africa also accounts for 69.797 percent (5.916 quadrillion BTU) of the energy production and 88.783 percent (112.16 million metric tons) of carbon dioxide emission in the Region.

Throughout the Region, there are significant reserves of petroleum, natural gas and coal. Table 6 shows the petroleum production and the crude oil reserve.

Table 6: Petroleum Production, Export and Crude Oil Reserve

Countries	Production (‘000barrels /day) (2004)	Consumption (‘000barrels /day) (2004)	Net Exports (‘000barrels) (2005)	Crude oil reserves million barrels	Refining capacity ‘000 barrels /day (2005)
Angola	1051.2	57.0	994.2	5412.0	39.0
Botswana	0.0	13.0	-13.0	0.0	0.0
Comoros	0.0	1.0	-1.0	0.0	0.0
DRC	21.1	7.0	14.1	187.0	0.0
Lesotho	0.0	2.0	-2.0	0.0	0.0
Madagascar	0.0	12.0	-12.0	0.0	15.0
Malawi	0.0	6.0	-6.0	0.0	0.0
Mauritius	0.0	27.0	-27.0	0.0	0.0
Mozambique	0.0	11.0	-11.0	0.0	0.0
Namibia	0.0	23.0	-23.0	0.0	0.0
Seychelles	0.0	4.0	-4.0	0.0	0.0
South Africa	250.8	466.0	-215.2	489.5	489.5
Swaziland	0.0	3.0	-3.0	0.0	0.0
Tanzania	0.0	22.0	-22.0	14.9	14.9
Zambia	0.1	13.0	-12.9	23.8	23.8
Zimbabwe	0.0	18.0	-18.0	0.0	0.0
Regional total/Average	1323.2	685.0	639.1	5614.7	582.2

Source: SADC, Energy Information Administration, Oil & Gas Journal, 2005

Angola, Southern Africa's only significant oil producer, produces an average of 1.05 million barrels per day (mbl/d) (Table 6). Angola's estimated oil reserves of 5.4 billion barrels constitute 96.0 percent of the Region's estimated proven crude oil reserves<sup>9</sup>. Other reserves are found offshore DRC and South Africa. The region's refineries are concentrated in South Africa with additional refining capacities in Angola, Madagascar, Tanzania and Zambia. South Africa is the regions' largest oil consumer (over 68 percent of the region's total consumption), and the second largest oil consumer in Africa after Egypt<sup>10</sup>.

Based on current literature, Cabinda province and Bombo district in Angola are among the largest crude oil producing areas in the SADC Region (Chevron Texaco 2005). Other oil reserves which are due to come on stream by 2008 include the Benguela, Tombo and Lobito oil fields (Exxon Mobil 2005). The Greater Plulonio oil project which is operated by the British Petroleum (BP) company is expected to have production of 250,000 bbl/d.

South Africa's oil production meets a fraction of its domestic needs. The Government has concentrated its exploration efforts on South Africa's western and southern coasts. Several discoveries of crude oil reserves have been made in the Bredasdorp district (Petro SA Co. Ltd. 2005).

In Mozambique, Seismic studies indicate that there are large oil and gas reserves in the Rovuma offshore basin. (Mozambican National Hydrocarbon Company Ltd., 2005). Further, according to the National Petroleum Corporation of Namibia, there are plans to drill on the Kunene oil reserves which have been estimated at as high as 1.4 billion barrels of oil and 8.0 trillion cubic feet (Tcf) of gas (Namcor 2005).

Tanzania Petroleum Development Corporation (TPDC) launched its third round (2004) for deep water blocks. Large oil reserves have been discovered on the islets of Nyuni and Okuza where Ndovu Resource Company, a subsidiary of UK-based Aminex PLC has been contracted to drill two new wells (TPDC, 2005). Oil production agreements have also been signed between the Tanzania Petroleum Development Corporation with the Brazilian oil company, the Petrobras to drill oil in the Mafia Island, off the South-East Coast of Tanzania.

Furthermore, natural gas is becoming more significant in the SADC region's

energy sector. The gas fields are being developed in Mozambique, Namibia, South Africa and Tanzania. Due to the Region's relatively small urban population (approximately 30 percent of total population) access to commercial energy sources is limited. The majority of the Southern Africa's population still relies on the use of biofuel as their primary source of energy. Table 7 depicts the location of gas reserves in the SADC region.

Table 7: Natural Gas Overview (Billion Cubic Feet)

Countries	Production (2005)	Consumption(2005)	Reserve
Angola	25.43	25.43	1620.0
Botswana	0.00	0.00	0.0
Comoros	0.00	0.00	0.0
DRC	0.00	0.00	35.0
Lesotho	0.00	0.00	0.0
Madagascar	0.00	0.00	0.0
Malawi	0.00	0.00	0.0
Mauritius	0.00	0.00	0.0
Mozambique	2.12	2.12	4500.0
Namibia	0.00	0.00	2200.0
Seychelles	0.00	0.00	0.0
South Africa	82.99	82.99	1.0
Swaziland	0.00	0.00	0.0
Tanzania	0.00	0.00	800.0
Zambia	0.00	0.00	0.0
Zimbabwe	0.00	0.00	0.0
Regional total	110.54	110.54	9156.0

Source: EIA, Oil and Gas Journal, July 2005

The SADC Region contains approximately 1.9 percent of Africa's natural gas reserve. Several projects are underway to exploit and expand the use of gas in the Region. Significant gas reserves are located in Angola (1.6 trillion cubic feet); DRC (35.0 billion cubic feet); Mozambique (4.5 Tcf); Namibia (2.2 Tcf); South Africa (1.0 Bcf) and Tanzania (800 BCF).

As Angola is developing projects to utilize associated gas, Chevron Texaco and a consortium of oil companies including Exxon Mobil, BP, Total and Norsk Hydro Electric Power are planning to collect associated natural gas data from deep water fields and develop shallow water field in the Congo Basin as part of

the Angola liquefied natural gas (LNG) project. The LNG facility is to be built at Soyo in Northern Angola. In 2005, the Front-End Engineering Design (FEED) contract was awarded to Bechtel and Technip. The project will come on stream in 2010<sup>11</sup>.

The Namibian Government announced recently that gas from Kudu field (discovered in 1974) would start flowing by 2009. Feasibility studies are currently underway. The project is being developed by the State-owned companies: Namcor and Nampower. It includes the development of Kudu estimated reserves of 1.3 billion cubic feet and a construction of 800-MW power plant.

The East Energy Corporation began to sell natural gas from Tanzania's Songo Songo gas fields to industrial users in Dar es Salaam (2004). Tanzania has begun production of electricity from natural gas at its Ubungo power plant also in Dar es Salaam. Songo Songo, the largest known gas fields in the country are located in the Indian Ocean, southeast of Dar es Salaam. An estimated 1.4 Mmcf per day of gas is supplied via a 130 mile pipeline. The pipeline is expected to be extended to the port of Mombasa in Kenya. Tanzania has also natural gas reserves in the Mnazi Bay, which could be piped to Mtwara for use in power generation. A proposed 15-Mw generating plant remains on hold until the energy sector reforms are completed.

South Africa, currently, produces gas at a rate of 194 Mmcf/d of natural gas and 9500 bbl/d of condensate. An offshore discovery of natural gas was made in 2000, close to South Africa's border with Namibia. South Africa announced (2004) the first delivery of gas to its plant at secunda from the Tewane natural gas fields in Mozambique. The gas was delivered via a 536-mile pipeline as part of the US\$1.2 billion pipeline and gas development project which is a joint venture between the government of South Africa and Mozambique<sup>12</sup>. In 2005, a pipeline linking the Tewane natural gas field to Matola town in Mozambique was opened, providing energy source to Matola industrial town.

Further the US trade and development Agency (USTAD) provided a grant to the Botswana Development Corporation (BDC) to complete a feasibility study on the development of coal bed methane (CBM) project. Commercial production of the CBM began in 2005. The area contains an estimated 12.8 Tcf of CBM.

Additional studies on the Kalahari Karoo basin have found out that the area could contain a total of 196.0 Tcf of gas<sup>13</sup>.

Coal resources are also abundant in the SADC region especially in South Africa where recoverable reserves are estimated at 55.1 billion short tons (6 percent of world recoverable coal reserves). In 2004, regional coal production reached 269.39 million short tons (Mmst) of which South Africa produced nearly 264 Mmst<sup>14</sup>. Table 8 provides an overview of coal production and reserve in the SADC.

**Table 8: An Overview of Coal Production and Reserve in SADC Region  
(Mmst: Million short Tons)**

Countries	Production(million short tons,2005)	Consumption(million short tons, 2005)	Reserve(million short tons)
Angola	0.00	0.00	0.00
Botswana	0.99	1.02	44.00
Comoros	0.00	0.00	0.00
DRC	0.11	0.26	97.00
Lesotho	0.00	0.00	0.00
Madagascar	0.00	0.01	0.00
Malawi	0.00	0.02	2.00
Mauritius	0.00	0.32	0.00
Mozambique	0.05	0.01	234.00
Namibia	0.00	0.00	0.00
Seychelles	0.00	0.00	0.00
South Africa	263.78	187.76	53738.00
Swaziland	0.41	0.41	229.00
Tanzania	0.09	0.09	220.00
Zambia	0.22	0.21	11.00
Zimbabwe	3.74	3.53	553.00
Regional total	269.39	193.64	55128.00

Source: SADC, Energy Information Administration 2006

Coal reserve in SADC region stands at 55,128 million short tons (Mmst). The share of South Africa in the coal reserve is currently 97.5 percent (Table 8). However, Moatize Province in Northwest Mozambique is considered to have the largest unexplored coal reserve in the region with an estimated 2.5 billion tons of coal. Further studies on the extent of their coal reserves and the feasibility study of developing the mines began in 2004. Recently released studies reveal that about 2.2 billion short tons of coal reserves have been discovered at Sengwa in Zimbabwe.

As of January 2003, the Southern Africa's total installed electric generating capacity was 52.272 Mw as shown in (Table 9).

Table 9: Electricity Overview, Billion Kilowatt Hours in SADC Region

Countries	Consumption 2003	Generation 2003	Installed capacity gig watts 2003	Export2003	Import2003
Angola	1.78	1.92	0.635	0.00	0.00
Botswana	2.26	0.94	0.132	0.00	1.39
Comoros	0.02	0.02	0.005	0.00	0.00
DRC	4.32	6.04	2.548	1.30	0.01
Lesotho	0.36	0.35	0.076	0.00	0.04
Madagascar	0.77	0.83	0.284	0.00	0.00
Malawi	1.21	1.30	0.303	0.00	0.00
Mauritius	1.81	1.94	0.655	0.00	0.00
Mozambique	10.46	15.14	2.392	9.50	5.88
Namibia	2.37	1.46	0.000	0.06	1.07
Seychelles	0.22	0.24	0.028	0.00	0.00
South Africa	197.37	215.88	40.481	10.14	6.74
Swaziland	1.16	0.39	0.124	0.00	0.80
Tanzania	2.96	3.15	0.862	0.00	0.03
Zambia	5.76	8.35	1.786	2.00	0.00
Zimbabwe	11.56	8.88	1.961	0.00	3.30
Regional total	244.39	266.83	52.272	23.00	19.26

Source: EIA-Country Information, 2004

The largest electricity generator by far is South Africa (215.9 bkwh), followed by Mozambique (15.14 bkwh), Zimbabwe (8.88 bkwh) and Zambia (8.35 bkwh). In 2003, total regional electricity consumption was 244.39 bkwh, led by South Africa (197.37 bkwh), Zimbabwe (11.56 bkwh), Mozambique (10.46 bkwh) and Zambia (5.76 bkwh). (Table 9)

Created in 1995, the Southern African Power Pool (SAPP) aims at providing reliable and economic electricity to the consumers of each member state in the SADC region. The national utilities participating in the SAPP are Angola's National Electric company, the Botswana Power Corporation, the DRC National Electric Company, the Lesotho Electricity Corporation, Malawi's Electricity

Supply Commission, Mozambique National Electricity Company, Namibia's Nampower, South Africa's Eskom, the Swaziland Electricity Board, Tanzania Electric Supply Company, Zambia Electricity supply Authority, as well as the Mozambique's Independent Power producer<sup>15</sup>.

In addition to the energy resources discussed in the foregoing section, some member countries in the Region such as the DRC have extensive hydro electric power potential approximately 100,000Mw. The Inga Dam alone on the Congo River has a potential capacity of about 45,000 Mw which could supply electricity needs to the whole SADC region. But, due to the continuing political instability and lack of investor interest, only a fraction of this potential has been developed.

#### IV

From the foregoing discussion, it is justifiable to point out that the prevailing economic framework within the SADC region demands concerted efforts from the member states towards the Region's main agenda of establishing a Free Trade Area (FTA) by 2008. Macroeconomic dimensions such as Gross Domestic Product (GDP), budget deficits, inflation, external debts, etc, seem to remain far away from the desired levels that could set an appropriate stage for a vibrant trade development in a free trade area leading to robust economies in the Region. Table 10 recapitulates salient features of the macroeconomic dimensions in the SADC region.

Table 10: Salient Features of Macroeconomic Dimensions in the SADC Region

Countries	Real GDP Growth (%)	GDP per Capita (US\$)	Budget deficit/surplus (%)(GDP)	Inflation (%)	Money Supply (%)	Real Lending Rates	Depreciation Against (US\$)	Export plus Import	Current Account (%GDP)	Aid As (% import)	External Debt (% GDP)	Reserves (month of import)
Angola	4.6	623	-20.8	57.8	n.a.	n.a.	-15.3	80.3	-10.4	21.1	393.8	0.9
Botswana	5.0	2763	5.7	12.5	8.7	0.3	-6.5	124.8	7.2	15.4	26.2	21.1
DRC	-7.3	158	n.a.	5444.5	2530.0	n.a.	-91.0	43.7	n.a.	24.7	170.9	2.9
Lesotho	5.4	590	-4.5	13.9	13.5	3.7	-5.8	147.4	9.6	15.4	26.3	3.0
Malawi	3.5	203	-13.3	30.8	31.1	0.0	-18.6	62.0	-14.7	79.2	112.6	1.5
Mauritius	5.3	2947	-2.9	8.2	13.6	9.4	-2.5	126.7	-2.6	3.5	37.2	4.6
Mozambique	4.9	87	-25.5	47.5	n.a.	n.a.	-34.3	86.5	-29.2	143.4	423.9	2.4
Namibia	4.2	1938	-6.9	11.8	25.0	6.9	-5.8	119.7	3.6	9.1	12.9	1.0
South Africa	0.6	2908	-6.5	11.8	16.3	5.8	-5.8	44.9	0.8	1.1	16.5	1.3
Swaziland	2.3	1133	-1.6	12.7	13.9	2.5	-5.8	172.6	3.2	7.4	24.0	2.9
Tanzania	3.5	143	-6.5	28.9	31.3	6.8	-15.3	65.8	-14.8	68.3	156.7	1.5
Zambia	1.3	400	-12.4	107.5	61.0	-33.8	-43.9	64.6	n.a.	95.2	219.4	1.5
Zimbabwe	0.5	597	-15.3	25.9	37.0	0.0	-19.6	83.3	-4.5	21.4	71.0	2.5

Source: Economist Intelligence Unit, Country Reports, various issues, SADC Countries

NB: n.a.=Not available

As (Table 10) illustrates, Angola's macroeconomic policy is evidently inconsistent and unsustainable. High growth rate can only be explained by oil production by foreign companies. As a percentage of Gross Domestic Product, the fiscal deficit is quite high (-20.8%). It also appears that monetary policy is inactive. It is swamped by the need to finance the budget deficit. Monetization of deficit usually generates inflation. Large annual depreciations are inadequate to support export drive, given the very high rate of inflation which causes the real exchange rate to appreciate.

The absorption of domestic resources to finance the deficit and service the external debt (393.8) is equally inconsistent with the needed investment in export capacity. Unless a greater degree of economic stability is achieved in Angola, trade policy will remain subordinate to macroeconomic fundamentals in the economy. Under such conditions trade liberalization will hardly produce the expected growth.

With respect to Botswana (Table 10), the macroeconomic situation appears sustainable. The economy is quite open. Its exchange rate control regime appears to be liberal. An average of about two months' worth of imports in the foreign exchange reserve; a small external debt; high economic growth and restrained growth in money supply set the economy on a sound footing and sustainability.

The country appears to be in a favorable condition to exploit the opportunities presented by the regional free trade area (FTA) of the Southern Africa Development Community (SADC).

The macroeconomic position of the DRC (Table 10) is extreme. Foreign exchange reserves are minimal. The economy is characterized by large external debt (170.9% of the GDP) and severe inflation. It is also characterized by money supply growth and a sharp economic contraction. The economy is tightly closed. A trade policy is urgently required in order for the country to benefit from the free trade area slated for 2008.

Concerning Lesotho (Table 10), the macroeconomic policy package demonstrates sustainability. On average, foreign exchange reserve has risen in the 2000s. The external debt position appears manageable although as a percentage of GDP, it rose quickly between the 1990s and the mid-2000s (African Development Bank; 2005: 67). It is an area of potential future problems which must be addressed and



brought under control.

With respect to Malawi, despite some efforts in recent years to implement a cash budget, the country has run fiscal deficits which are, on average, more than 12 percent of the GDP for almost two decades (ADB, 2005: 28). The improvement registered in 1998 and 2001 (when the deficits dropped to 6 percent and 8 percent) followed estimated deficit ratios of more than 15 percent in 1997 and 9 percent in 1999 (ADB, 2005: 30). It is not surprising that the rate of inflation is high as the large deficit is accommodated by rapid growth in money supply.

The large current account deficit has only been sustainable because nearly 80 percent of imports are financed by aid. The external debt to GDP ratio is in excess of 100 percent and foreign exchange reserves are low. Part of the problems is that the economy has been subjected to a range of shocks including the periodic withdrawal of aid flows in order to apply pressure for political stability.

It is possible that the growth rate of an average of 3.5 percent per annum in the early 2005 was largely aid-financed which can only be maintained as long as donors are willing to accept slippage in attaining macroeconomic targets<sup>16</sup>.

Given the economic instability, trade policy is likely to be dictated by macroeconomic dimensions which might make changes in trade policy incredible to private investors. A SADC region free trade area is important to Malawi but under prevailing conditions, its benefits will probably be undermined.

For Mauritius (Table 10), the economic indicators suggest that the macroeconomic package which has been adopted is consistent and sustainable. Despite the tightening of fiscal policy and higher real interest rates, economic growth has accelerated. Inflation has fallen. Marginal growth of money supply has not been fuelling inflation, but accommodating an average annual economic growth rate in excess of 5 percent (Table 10).

As a proportion of GDP, total external debt has fallen significantly. Mauritius has pursued export promotion strategy since the 1970's although import liberalization started only in the 1990s<sup>17</sup>. Vigorous export promotions particularly in export processing zones seem to have been quite successful. The exchange control regime was liberalized in 1992. The entire package is highly supportive of increasing external trade. The trade policy will therefore enable Mauritius to take advantage

of the opportunities created by the SADC region's free trade area (FTA).

With regard to Mozambique, there is currently a considerable optimism about the prospects for economic growth. Since the end of the civil war in the 1990's, the average rate of growth of real GDP has been nearly 5 percent. In spite of the considerable improvements however, the macroeconomic package will remain unsustainable unless more investments would be forthcoming.

About 60 percent of the budget shortfall which averages around one quarter of the GDP is financed with foreign aid. As a percentage of total imports, foreign aid, on average, exceeds 140 percent (Table 10). Consequently, the external debt ratio of the GDP is rising rapidly.

There is also some monetization in the deficit. The official exchange rate has been depreciating in excess of 30 percent per annum and shortages of consumer goods persist. The rate of inflation has, as a result, been high (Table 10). The trade regime is being liberalized. Therefore, the participation in the SADC region free trade area will reinforce this process but continuing inflow of direct foreign investment will be needed to support the balance of payments. Slippages in meeting macroeconomic policy dimensions will jeopardize sources of foreign capital and undermine the entire structural economic process including trade liberalization.

Namibia, after attaining political independence (1990), committed itself to a tight fiscal policy regime and to a strict control over foreign borrowing. This commitment has wavered and the deficit has grown as a proportion of the GDP.

The current account balance has largely been in surplus, in spite of average fiscal deficits of almost 7 percent of GDP which suggests that private sector is being squeezed by the high real interest rates averaging 6.9 percent between 1995 and 2000<sup>18</sup>. If Namibia's private sector is to take advantage of new opportunities in the SADC free trade area, the Government will have to ensure that its spending does not continue to crowd out private investment.

With regard to South Africa, its inflationary effects of the worsening fiscal position have been controlled by tight monetary policy which has reduced inflation and stemmed the depreciation of the Rand (local currency of South Africa). This has inevitably had crowding out effects.

The external debt to GDP ratio has fallen since the mid 1990s, but limited

foreign exchange reserves give little scope for loosening monetary policy. The Government recognizes the need for reducing the fiscal deficits, introducing specific targets and achieving a reduction in the deficit to about 4 percent in 2000<sup>19</sup>. This is crucial for enabling the private sector to appropriate its own surpluses for investment in export ventures.

The economy remains relatively closed, in spite of almost more than two decades of trade liberalization. Reintegration in the world economy and import liberalization under the 1994 WTO agreement are accelerating the process but the private sector is struggling against the high cost of borrowing, lack of information about export markets and foreign competition.

With regard to Swaziland, the monetary policy is tight. Trade and foreign exchange regimes are liberalized. During the 1990s, Swaziland's budget moved from surplus to deficit. Growth is modest. The macroeconomic regime is broadly supportive of trade liberalization<sup>20</sup>. The Government needs to focus on macroeconomic interventions and labour policies to foster diversification into non-traditional exports.

Concerning Tanzania, the economy displays macroeconomic imbalance in spite of overall policy regime (Table 10). The external debt ratio has grown considerably. Budget deficits remain high<sup>21</sup>. In the first half of the 2000s, money supply growth accelerated and price inflation averaged about 30 percent even though real interest rates have been raised from being highly negative to being significantly positive.

Zambia's economic policy history has been characterized by external shocks. According to World Bank (2005), Zambia introduced in the mid-1990s, a cash budget in order to control inflation, government expenditure and bring down inflation which was in excess of 100 percent per annum. As inflation fell in the 1990s, real interest rates soared equally dramatically, setting off a series of liquidations.

As Table 10 illustrates, the economy is still unstable. It is dependent on aid to service its high debt. A large fraction of its imports are financed by aid inflows which create considerable difficulties when disbursements of aid are not forthcoming. Trade and foreign exchange markets are fully liberalized. Enterprises with access to offshore finance are growing<sup>22</sup>.

However, the macroeconomic policy regime is likely to remain incredible to investors because of past economic instabilities. At the same time, the extremely tight monetary stance is crushing enterprises with access to local financial markets.

Further, the Zimbabwe's effectiveness of structural adjustment of its economy is being undermined by the inability of the Government to reduce inflation (Table 10), which averages above 15 percent of GDP.

In the 1990s a greater proportion of the deficit was financed by money creation and by foreign borrowing (ADB, 2004). Attempts by the Reserve Bank of Zimbabwe to restrain the growth of monetary supply have been undermined. The currency has depreciated against the US dollar by an average of almost 30 percent in the early 2000's with rapid depreciation in recent years<sup>23</sup>.

Although some exports have been able to take advantage of the opportunities presented by trade liberalization, the credit squeeze has made it difficult to expand the export opportunities. The unsustainability of macroeconomic policy of the country can limit the gains to the economy of regional trade liberalization.

Briefly, having examined stability indicators by country, it gives an indication of whether the macroeconomic policy regime in each country is compatible with or likely to undermine regional trade liberalization. From the discussion in the preceding section, it is evident that some countries are implementing policies that place them in a position to take advantage of opportunities presented by the Region's Free Trade Area, while others have a macro policy package that makes them hostile to private sector investment.

## V

The challenges emerging from the preceding analysis is that in order to accelerate growth and benefit from the Free Trade Area, SADC member countries have to take action both individually and collectively to restore internal balance. For at least half of the member states, this will mean significant and sustained tightening of the fiscal stance. Governments in the Region should aim at covering recurrent expenditures out of revenues. In most SADC countries, the fiscal position is incompatible with either unilateral or regional trade liberalization.

Member countries are unlikely to benefit from increased access to neighboring markets (economies) while their governments drain resources from private sectors. South Africa is an exception because of its relatively large size of its economy within the SADC region. It has the capacity to increase its exports within the Region without necessarily requiring large-scale investment in additional capacity. However, with respect to large market outside the SADC region, South Africa will face similar difficulties with other member states. Unless macroeconomic balance is attained, the benefits of SADC Free Trade Area (FTA) will be elusive to most of the SADC member states.

Governments must also strive to prevent currency overvaluation. An appropriate exchange rate policy is crucial in supporting trade liberalization initiatives. For most countries, this will mean bringing inflation under control. Any removal of trade restriction must be accompanied with currency depreciation to provide some protection to domestic producers. Depreciating exchange rates will be required to offset the initial balance of payments impact of the Free Trade Area (FTA) and to encourage investment in the export sector over the longer term, although member states should avoid a series of competitive depreciations against one another.

It also appears that, although trade flows depend on real bilateral exchange rates, trade policies in many SADC states are driven by nominal rates. Despite many SADC states, having experienced rapid nominal depreciation during the 1990s, this has not been sufficient to offset the effects of inflation, resulting in appreciation of the real exchange rate. For many countries in the Region, there is a vicious cycle of inflation, followed by depreciation which adds to inflationary pressures in an import dependent economy, and many countries would be unable to preserve a competitive edge from a depreciating currency.

This trend would undermine the development of the export sector particularly the non-traditional exports to other economies (countries). A concern emerging from this fact is that, it is imperative that an inflationary pressure is brought under stringent control if exchange rate policy is to be used to support the SADC Free Trade Area (FTA).

Further, the fact that, the SADC region is well endowed with a variety of

minerals, energy resources and agricultural potential, there exists great trade prospects that could be exploited through the Free Trade Area arrangement. One of our suggestions is for the SADC member countries to establish regional information and trade promotion centers to identify prospective customers and their demands in terms of technical standards, quality designs and payment modalities for the commodities.

It would, at same time, be essential for the SADC member states to critically address the supply side constraints concerning industrial competitiveness. It would also be important to cushion the impact of international tariff on the development of small and landlocked member states of SADC.

The challenges posed by globalization especially within the framework of WTO should be taken into account. Globalization can simply be explained as the expansion of economic activities across national boundaries. It is associated, not only with an increasing cross border movement of goods, capital, technology, information and people but also with organizational capabilities of economic activities. This process is driven by profit motives.

The fact that globalization is there to stay, the challenge facing the SADC region is the building of a strong, diversified and resilient economy especially industrial sector capable to compete within national, regional and global markets.

Porter, M. E. (1990) provides a framework that has proved useful in determining industrial competitiveness.

As SADC plans to move (in the foreseeable future) into higher levels of integration such as the customs union (2010), the issue of overlapping membership of SADC countries in several other regional blocs and the conflicting obligations arising there from should be addressed urgently<sup>24</sup>. A resolution on this issue would strengthen SADC's position as a building bloc of the African union.

## VI

With respect to constraints, shortage of skilled manpower seems to be one of the major obstacles that demands immediate attention by the SADC region. The member countries are differently endowed with resources necessary for economic growth.

Three basic resources, necessary for economic growth and development, are financial resources (money), physical resources (land including minerals) and human resources (manpower). Although the three resources are closely related and mutually interdependent in the process of economic growth and development, manpower appears to be the most fundamental resource. A region (country) with abundant natural resources and financial power cannot necessarily, achieve sustainable economic growth and development if that region (country) does not have enough manpower to combine those resources into tangible goods. On the other hand, a region (country) with well educated manpower has a chance of achieving economic success even if the region (country) is poorly endowed with natural resources.

The SADC region experiences difficulties in the development of human resources, a situation which is already a constraint towards trade development. Some countries in the Region struggle to maintain overall standards of education and training and try to finance it at all levels in the face of increasing number of pupils of school-going age and young people of tertiary education age. For some SADC countries, the education sector is declining at the very time when the growth of world trade and the development of ICT are making the quality of human resources even more important for countries engaging in export oriented economic development.

To benefit from the SADC Free Trade Area (FTA), the development of human resources must be at the centre. It must be a priority because it can help each member country enhance economic competitiveness through raising productivity. Better managerial and administrative skills can come with improved education and training which also promotes scientific and technological capacity.

Outside education and training institutions as sources of trained manpower, SADC countries may also emphasize on-the-job training programmes in their education and training policies. Through on-the-job training arrangements, workers can acquire knowledge and skills directly related to their jobs. In that process, they can raise their efficiency, productivity, and increase production.

### Notes

- <sup>1</sup> SADC founding member countries: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe
- <sup>2</sup> African Development Bank (2004:41) *Economic Integration in Southern Africa*, Oxford University Press
- <sup>3</sup> Bank of Tanzania (2004:7) *Annual Report*, Dar es Salaam
- <sup>4</sup> South Africa, *Development of Trade and Industry* (2005:26), 'Export Incentives', Johannesburg
- <sup>5</sup> SADC, *Industrial change and Trade Policy* (2005:15), SADC countries, Gaborone
- <sup>6</sup> *Ibid.*, pp.32-36
- <sup>7</sup> African Development Bank (2004: 49), *Economic Integration in Africa*, Oxford University Press
- <sup>8</sup> *Ibid.*, pp.36-37
- <sup>9</sup> SADC, *Countries Analysis Brief* (2006:19), Gaborone, Botswana
- <sup>10</sup> *Ibid.*, pp.22-24
- <sup>11</sup> Southern African Development Community, *Countries Analysis Brief* (2006:19), Gaborone, Botswana
- <sup>12</sup> SADC, *Country Analysis Briefs*, 2004:16
- <sup>13</sup> Energy Information Administration, *Country Information* 2004:16, Botswana
- <sup>14</sup> Coal Information Administration, *World Fact Book* (2005:55), South Africa
- <sup>15</sup> Energy Information Administration, *SADC countries*
- <sup>16</sup> Imani Development Ltd (2004:9)
- <sup>17</sup> Bank of Mauritius (2005:23) *Annual Report*
- <sup>18</sup> Bank of Namibia (2005:29) *Quarterly Bulletin*
- <sup>19</sup> Reserve Bank of South Africa (2004:37) *Quarterly Bulletin*
- <sup>20</sup> Central Bank of Swaziland (2004:15) *Annual Report*
- <sup>21</sup> Bank of Tanzania, *op. cit.*: pp.10-13
- <sup>22</sup> World Bank (2005:61)
- <sup>23</sup> African Development Bank, 2004: 38
- <sup>24</sup> In Africa, there are many regional economic blocs such as Southern African Development Community (SADC), the Southern African Customs Union (SACU), the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), etc. The SADC member countries maintain membership into any of these blocs resulting into conflicts of obligations and accountability.

### References

1. Adam, C. et al (1997), 'Fiscal restraint and the cash budget in Zambia', mimeo, Center for the Study of African Economies, University of Oxford.
2. (ADB) African Development Bank (2004), *Economic Integration in Southern Africa*, Oxford University Press.
3. (BOT) Bank of Tanzania (2004/05) *Annual Report*, Dar Es Salaam.
4. Bakoup, E. et al (1995), 'Regional Integration in Eastern and Southern Africa: The Cross-Border Initiative and Its Fiscal Implications', Working Paper WP/95/23, International Monetary Fund



(IMF).

5. Bank of Botswana (2005), *Economic Review*, Gaborone.
6. Bank of Mauritius (2005), *Annual Report*, St. Louis.
7. Bank of Mozambique (2005), *Quarterly Bulletin*, Maputo.
8. Central Statistical Office (2004), *National Accounts*, Harare, Zimbabwe.
9. Central Statistical Services (2004), *Statistics in Brief*, South Africa.
10. Central Bank of Swaziland (2004), *Annual Report*, Mbabane.
11. (CIA) Coal Information Administration (2005), *World Fact Book*, South Africa.
12. Chamber of Commerce and Industry(2004), *Annual Report*, Mauritius.
13. Coetzee, Z. K. et al (2004), "Currency depreciation, trade liberalization and economic development", *South Africa Journal of Economics*.
14. Crefsa (2004), 'South African Exchange Control Reform', *Quarterly Review*, April.
15. (ECA) Economic Commission for Africa (2004), *Economic Report on Africa 2004*, ECA Publication Center, Addis Ababa, Ethiopia.
16. Energy Information Administration (2004), 'Trade Policy Strategy for Southern Africa: Building SADC Trade Policy Capacity', *Discussion Paper Commonwealth Secretariat*.
17. Evans, D. (2004), 'Trade Policy Strategy for Southern Africa: Building SADC Trade Policy Capacity', *Discussion Paper Commonwealth Secretariat*.
18. — (2005), *The Impact of the Removal of Tariff for the Free Trade Area (FTA), of the Southern Africa Development Community (SADC)*, Occasional Paper No.5, London, Commonwealth Secretariat.
19. Iman Development Ltd. (2004), "A Study to determine the impact of SADC FTA on Malawi", Blantyre, Malawi.
20. Kritzinger, N. L.(ed.) (2004), "Towards Strengthening multi-sectoral linkages in SADC", *Development Bank of Southern Africa*.
21. Maasdorp, G. (2004), *Rethinking Economic Cooperation in Southern Africa: Trade and Investment*, Johannesburg, South Africa.
22. SACAB (2000), "Explanatory note on: The Southern Africa Customs Union's Proposal Trade Offer to the Southern African Development Community", *Southern African Chamber of Business*.
23. SADC (2004), *Industrial Change and Trade Policy in SADC*, Gaborone, Botswana, Southern African Development Community.
24. South African Reserve Bank, *Quarterly Bulletins*, various issues.
25. South African Department of Trade and Industry (2003), "Export Incentives", *Department of Trade and Industry, Johannesburg*.
26. (WEC) World Energy Council (2003), *The Potential for Regionally Integrated Energy Development in the SADC Region*, World Energy Council.