

On the 20<sup>th</sup> of December 2017, the President presented the 2017 State of the Nation Address “SONA”. The president spelt out his focus areas outlined below;

- Attain steady economic growth supported by agriculture and mining sector,
- Increase productivity and capacity utilisation across all sectors,
- Enhance foreign currency earnings supported by productive sector facilities to gold (US\$40m), tobacco (US\$28.6m), export support (US\$70m), horticulture (US\$10m), tourism (US\$10m), business linkages (US\$10m), among other initiatives,
- Reduce country risk perception through removing any policy inconsistency, harmonisation of investment laws and policies, unveiling a robust engagement and re-engagement programme with international community, among other initiatives,
- Improve service delivery via rehabilitation and development of public infrastructure and other enablers like energy, transport, housing, water and ICTs,
- Reduction of budget deficit including targets to reform, commercialise or wind up some state-owned enterprises and parastatals.
- Prioritise policy implementation - performance targets to be implemented by each Ministry within a 100-day cycle,
- Promotion of SME development through Business Incubation Programme in several towns and rural service centres, and,
- 2018 harmonised elections to be credible, free and fair.

### **General comment**

The SONA is in sync with the Inauguration speech (24 November 2017) and 2018 Budget Statement (07 December 2017) signalling a new economic order. One key aspect within these 3 key statements is that of a strong political will to stimulate or revive economic growth. Definitely, the game-changer for the new administration lies in the swift implementation of its economic policies particularly on its foreign policy. Therefore, the inclusion of the 100-day review cycle (if pursued properly) for each Ministry will significantly improve strategy implementation for the new administration.

In the short term, the cautious optimism held by most economic agents will provide a solid foundation for economic recovery especially if supported by fiscal discipline. However, results from the implementation of most focus areas will most likely to be felt in the medium term as reducing country risk perception and subsequent foreign capital inflows is more of a process rather than an event.

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