

Davies notes infrastructure, productive capacity as barriers to overcome, writes Mark Allix

Is an African industrial revolution on cards?

TRADE and Industry Minister Rob Davies says lack of infrastructure and productive capacity are the biggest barriers to trade within Africa.

To overcome this, he told the SA-Turkish Business Forum in Istanbul this week, Africans needed to launch a significant industrialisation drive, something he hints might soon be a reality.

But in the case of the continent's most powerful economy, rigid labour legislation, escalating fixed prices and reams of red-tape have had a negative effect on the functioning of markets.

Productive capacity in Africa as a whole is constrained by poor productivity, and distorted levels of competition, as a result of rampant bureaucracy and inconsistent policy implementation.

Unless red tape is cut and domestic markets are freed up, African companies will struggle to survive against imports from places such as Pakistan, India, China, Brazil and Turkey.

Tito Mboweni, former Reserve Bank governor and now chairman of AngloGold Ashanti, this week at the company's record results presentation lambasted the state for stultifying SA's mining industry.

"From time to time I get the sense of a tendency to regulate the

