IT is extremely frustrating to sit on the sidelines of this game we are all playing called "getting Zimbabwe back on track".  
  
We are doing so many of the right things, our team is looking much better than previous teams and slowly we are earning recognition that we may even win a game or two! However, I identify seven areas where we need immediate action or we will be kicked out of the contest. These are:  
  
**Exchange rate**  
  
We have now done almost everything that we need to do to establish a market-driven exchange rate that will allow us to meet our needs for all essentials and at the same time get our export industries going.  
  
But it is not happening. Statutory Instrument 142 did a great deal — the market rates are converging, the informal traders are moving hard currency into the formal market and exchange rates have strengthened — but not enough.  
  
The reason, as we have said time and time again, is our beloved Reserve Bank of Zimbabwe (RBZ). They have at least stopped trying to manipulate the market, but they have done nothing (yet) to establish a formal market with supervision and set the rules for it to operate successfully.  
  
If and when they do, we are quite sure that the rate will strengthen still further, inflation will decline sharply and the country will be able to breathe again. This is critical, as this affects every aspect of our national economy.  
  
**Fuel supplies**  
  
I simply do not understand the shortages and the massive queues. It is not as if the global markets are short of the stuff or that it is expensive — global markets for refined fuels are about US50 cents per litre at present. There are no shortages in any of our neighbours' markets at about US$1,10 or US$1,20 per litre. So what are we doing wrong?  
  
A great deal obviously: corruption is rife, cartels are manipulating the market, our lousy reputation for not paying on time or at all, is catching up with us. We need to get the government out of the business and use market forces to balance supply and demand. Our wholesale need for fuel is about 120 million litres a month or four million litres a day. At 65 cents a litre landed in country, that is US$2,6 million per day or US$78 million a month.  
  
Our official markets for hard currency handle US$6 billion a year — US$16,5 million a day. Surely we can handle this — even if we ignore the revenues from the Diaspora, which would amount to another US$8 million a day.  
  
Get a trader (not another crook) to bring fuel into the country on risk, fill up our tanks at Mutare, Harare, Bulawayo and Beitbridge, sell the stuff at an agreed wholesale price to anyone who has the money in US dollar and leave the rest to the market. I can guarantee everyone that fuel queues would be a thing of the past in days.  
  
**Electricity load-shedding**  
  
The present situation where load shedding is denying consumers power for up to 18 hours a day is simply not acceptable. We are crippling our economy and deepening the hole the national utility is already in.  
  
The question is: what to do? There are no short-term solutions except importing so let us put our heads together.  
  
Zesa has no credibility and cannot negotiate externally for supplies. So I suggest we get our highly successful private sector together and form a group of major buyers of electrical energy.  
  
This group should consult the Southern African Power Pool and, when a potential source of energy is identified, the group should go and negotiate as much electrical energy as they can secure.  
  
They should, at the same time, negotiate a price in US dollars for such supplies and then agree to pay the regional grid for "wheeling". That is the delivery of the power to clients.  
  
The group would collect payments in hard currency from the clients and remit such funds to the suppliers. The interbank market should be used for this purpose.  
  
Then we need a programme to fund the installation of solar panels for the supply of power to clients who can use such power to meet their needs.  
  
The panels are not expensive and the cost of such raw energy is less than 2 cents per kilowatt hour — about 15% of what we are currently paying, when the real rate is adjusted for inflation. If clients want storage, then the cost goes up to about 9 cents per kilowatt hour. Farmers with irrigation can pump water during the day, store energy in water and then release the water at night. A hectare of panels will create a megawatt of power.  
  
We have nearly two million homes and possibly 200 000 business enterprises. If we installed four square metres of panel on the homes and 20 square metres on the business enterprises, we would generate 1 200 megawatts of electricity during the day — enough to meet almost our demand. We could manufacture the panels and all supporting equipment and create a new industry.  
  
Then we need to look at generating power using gas turbine technology. In the longer term, we should get the private sector to build Lususlu Power Station at Binga and the new dam on the Zambezi — we would then be exporting power to the region.  
  
**Wheat, maize, soybean**  
  
All of these are essential primary foods, we simply cannot go short on supplies and they must be as cheap as possible. We have the industrial capacity to supply the market in full at competitive prices. What is needed is to deal with the raw materials supply side of the industry.  
  
We have just had a very poor season and very little local production is going to be available.  
  
We will have to import large quantities of all three products — up to 160 000 tonnes a month. Instead of this being a problem, let us create an opportunity.  
  
Get the appropriate industrial association — the millers, the bakers and the oil expressers — to get together and persuade an international commodity trader to deliver, in bond, sufficient supplies of these three commodities to meet local demand in full.  
  
Negotiate a price per tonne for these products at agreed points of storage and collection. All purchases in hard currency with the latter supplied at market rates by the interbank market.  
  
Control the prices at the wholesale level and allow manufacturers and retailers to sell at a market-driven price. No shortages, use our industrial capacity, supply by-products to local industry as a raw material and in my view, retail prices would actually decline.  
  
If legacy debt is a problem, give those debts the same treatment that has just been meted out on other legacy debts. The RBZ or the Finance ministry to take them over and deal with them over time from the proceeds of local trading in hard currency. It really is that simple.  
  
Then just to round off the circle, get all industrial consumers of such raw materials to guarantee a pre-planting price for farmers in US dollars paid on the day of delivery at the interbank rate in local dollars. I have no doubt that this would then stimulate plantings and deliveries in 2020.  
  
Eddie Cross is an economist