The Country and its Residents

ON APRIL 17, 1980, UNDER THE RULE OF ROBERT MUGABE, THIS SPECTACULAR COUNTRY CELEBRATED ITS INDEPENDENCE AND CHANGED ITS NAME TO ZIMBABWE.

Now, almost 40 years later, Zimbabwe is open for business and steadily moving towards their 2030 vision of an upper-middle-income economy under the direction of the new President, H.E. Emmerson Dambudzo Mnangagwa.

Zimbabwe’s ethnic and linguistic diversity is reflected in the 2013 constitution, which gives official status to 16 languages: Chewa, Chibarwe, English, Kalanga, Khoisan, Nambya, Ndau, Ndebele, Shangaan, Shona, sign language, Sotho, Tonga, Tsswana, Venda, and Xhosa. President Mnangagwa himself was born in Southern Rhodesia to a large Shona family, who were farmers, and both he and his father were political activists in the 1960s. This activism, aimed at correcting skewed colonial land ownership, led to his eventual imprisonment. However, after his release he studied law at the University of London, becoming a practicing attorney, and after Zimbabwe’s independence, returned to politics in his home country.

Zimbabwe has a bright future and President Mnangagwa recently acknowledged that peace, security, stability, democracy and good governance are essential ingredients for sustainable development, and an essential part of Zimbabwe’s vision of its future.

His government has outlined steps required to modernise the country’s roads, airports and other infrastructure and noted the need to address the root causes of conflict, which include poverty, inequality and disputes over land and resources.

**There is a brighter future in the country, better than where we are coming from. We understand the challenges that we are currently experiencing but in the new dispensation we have programmes meant to develop rural areas, including devolution. So, things will change for the better soon,** said President Mnangagwa.

Zimbabwe’s population on the whole is very young, with more than one-third under 15 and about one-third between the ages of 15 and 29. About one-third of the total population lives in urban centres, particularly in either Harare or Bulawayo, but President Mnangagwa is committed to working with local authorities in both rural and developed areas and noted that government policy should ensure that both rural and urban areas benefit from local resources. We are committed to the development of every region and district in the country. If you look at our budget that was presented last month, you will see that we complied with the Constitution where we set aside $310 million that will benefit every local authority in the country, be it rural or urban, continued President Mnangagwa.

Although the agricultural sector declined dramatically in the early 21st century, it is still an important productive sector of the country’s economy and one that President Mnangagwa plans to focus on in the coming years. But he won’t stop there. Recognising the need to improve nutrition and broaden income opportunities, Zimbabwe’s President has also recently extended support to the livestock, fisheries and wildlife sectors.

Zimbabwe is a landlocked country, consisting mainly of a vast plateau, with a land area of 391,000 square kilometres, or roughly three times the size of England. Although the country is entirely within the tropics region, it enjoys balmy sub-tropical conditions due to its high average elevation, and provides fertile agricultural land and fruitful conditions. In fact, this area regularly generates about 15% of Zimbabwe’s gross domestic product and more than one-half of the total labour force is engaged directly in agricultural activities. Crop production is well diversified, although the most important food crop is corn (maize), which is grown throughout most regions of Zimbabwe. Other food crops include wheat, millet, sorghum, barley, cassava, peanuts (groundnuts), soybeans, bananas, and oranges.

Zimbabwe is predominantly a savanna landscape and the 5,000 square mile Hwange National Park, a UNESCO World Heritage National Park, and Mana Pools, another UNESCO World Heritage listed site, are among the best National Parks and safari destinations in the world and Victoria Falls, known as ‘The Smoke that Thunders’ is the largest waterfall in the world, and a major global tourist destination.

President Mnangagwa’s government is also paving the way for foreign investment. He has made the landmark statement that, other than for certain minerals in the mining industry, the 50% local ownership policy has been revoked. There is now a rising degree of investor confidence in Zimbabwe and the government is committed to making Zimbabwe’s social and economic environment conducive to market growth.

The change in Zimbabwe’s leadership and their vision and goals for the country is the beginning of Zimbabwe’s journey on its path to economic, political and social recovery, and into a bright future.
The Economy, Vision and Financial Future of Zimbabwe

ZIMBABWE IS A COUNTRY RICH IN NATURAL MINERALS, AND WITH A PEOPLE DEDICATED TO ITS SUCCESS. THE COUNTRY FACES CHALLENGES TO STABILISE ITS ECONOMY, ESpecially in Terms of its Financial sector. TO overcome THE NATIONAL ECONOMIC DOWNTURN OF THE LAST TWO DECADES, FURTHER CHALLENGES lie WITH THE REDUCTION OF NATIONAL DEBT, THE STIMULATION OF GROWTH AND INVESTMENT, AND IN INCREASING TAX REVENUE COLLECTION.

Despite these economic pressures, President Mnangagwa has declared his intention to return the country to the prosperity and economic promise of earlier years and though it is a ‘monumental task’ he believes that Zimbabwe is ‘moving in the right direction’.

The Transitional Stabilization Programme

In that vein the government has recently announced the Transitional Stabilization Programme 2018-2020. This programme contains the government’s plans to ensure financial stabilisation, attract foreign investment, improve trade and stem currency challenges, including inflation pressures Zimbabwe’s ‘open for business’ dispensation, which began in November 2017, is the start of its transition to a private sector economy, which will allow it to achieve its ‘Vision 2020’.

3-Pronged Strategy: Agriculture, Tourism and Special Economic Zones

The government is adopting a three-pronged strategy to help achieve its economic vision for Zimbabwe. These are based on Agriculture, Tourism and the creation and subsequent focus on Special Economic Zones.

Agriculture

Agriculture continues to play a crucial role in Zimbabwe’s economic future. Tobacco sales have reached a record high, and as its second biggest export, it could help ease the country’s dollar shortage. Tobacco also accounted for a quarter of Zimbabwe’s $3.8 billion total export earnings in 2017, only behind gold. With these two powerhouse industries, gold and tobacco, Zimbabwe was able to get through a difficult time in its history. Tobacco is projected to continue to perform well, despite potential drought conditions.

Tourism

Lonely Planet has very aptly described Zimbabwe’s tourism sector by noting that, ‘Throughout its past two decades of governmental mismanagement, political violence and economic disaster, Zimbabwe continued to welcome visitors with the same grace and politeness they were famed for.’ In 2017 the post-Mugabe dawn that millions of Zimbabweans longed for finally arrived, and their excitement of what the future may hold is still palpable to all who visit. ’

 Ranked as the third best tourist location to visit next year, tourism in Zimbabwe is going from strength to strength and is expected to continue to rise by 25% per year to a total of 3.3% of total gross domestic product in 2028. This will also contribute to the growth of direct employment for Zimbabwe’s citizens from 27,500 jobs in 2017, to 33,000 jobs in 2028.

Special Economic Zones

The government of Zimbabwe has set up 13 Special Economic Zones (SEZs) where business and trade laws are different from the remaining parts of the country. Generally, these areas are aimed at allowing increased trade, higher investment, greater job creation and more effective administration. These zones will allow rapid economic growth by using tax and business incentives to attract foreign investment and technology. The Zimbabwe Special Economic Zones Authority (Zimseza) is expected to announce even more SEZs in the coming months.

Overall Growth Economy

Overall, the Zimbabwean economy showed modest but sustainable growth in 2018, and expanded by 3.5%. This growth was primarily driven by agriculture and supported by the peaceful elections. The economy is also expected to grow a further 4.2% in 2019 and 4.4% in 2020. Again, the main drivers of this growth are the agricultural and mining sectors, as well as increases in public and private investment.

Stabilisation of Basic Commodities

The supply of basic commodities continues to stabilise as well. Measures have been put into place to ensure the availability of basic commodities at affordable prices. Finance and Economic Development Minister Professor Mthuli Ncube said the government is committed to price stability and restoring confidence in the economy including by lifting the imports ban known as Statutory Instrument 122, in order to increase the flow of basic goods in to the market.

He says, ‘In terms of stabilizing prices in shops, the initial lifting of SI 122, which is temporary of course, is designed to increase supply of basic commodities on the market for ordinary people and all of us, and to make sure prices also come down.’

Stabilisation of Fuel Prices and Accessibility

With an increase on the state-controlled price of fuel, the government hopes the fuel supply is well on its way to being stabilised as well, with shortages, long queues and protests soon to be a thing of the past. President Mnangagwa attributed the shortages to ‘the growing economy and rampant illegal currency fuel trading activities,’ adding that if the government ‘will not allow businesses to trigger a new round of price increases’. Prior to the price increase, the government was in effect subsidising fuel prices by selling fuel at prices less than cost, but it scrapped the program because of the damaging effect of this policy on foreign exchange reserves.

Foreign Currency

A lack of U.S. dollars in Zimbabwe causes obstacles to businesses who need to import goods, and investors who can’t access their money in the stock market. Zimbabwe abandoned its currency in 2009 in favour of the dollar after an economic downturn saw hyper-inflation at its peak reaching 500 billion percent. But a widening trade deficit and declining lack of foreign investments have led to dollar shortages. Finance Minister Ncube and President Mnangagwa are working with foreign investors to draw in a cash infusion, negotiating with foreign lenders and creating conditions to reduce unemployment and increase money flows.

RTGS Dollars

In February, the much-awaited monetary policy statement presentation by RBZ Governor John Panonetsa Mangudya introduced the RTGS dollars as a currency to trade along the other currencies in the domestic market. The currency reform which resulted in the conversion of bond notes and all electronic money into a currency called the RTGS dollar, will help to mitigate shortages of foreign currency and inflationary pressures.
New Revenue Streams

The government will continue to look for clever, technologically advanced ways to collect revenue, including focusing more on the informal sector (that part of the economy that is not taxed or monitored by government generally). One such revenue-generating tax is the ‘money transfer tax’, which was raised by switching the rate from 5 cents per transaction to 2 cents for every dollar transferred electronically.

This tweak to the money transfer tax will expand the tax base and help the government tap into a previously largely untaxed portion of the market. Furthermore, this additional revenue stream will ease the deficit burden, provide more money for the health sector and even fund Parliament. If this tax had been in place since January 2018, the government would have collected approximately $1.3 billion, an amount that will go a long way to easing revenue challenges in Zimbabwe.

Takeaway

Given its vast natural resources, relatively good infrastructure and comparatively skilled labour force, Zimbabwe has an opportunity to embrace existing supply chains in Africa and elsewhere. This would create jobs, boost the availability of essential goods and lead the way to meaningful economic recovery. More importantly this would create a renewed engagement with the government, a regeneration of civil society and will accelerate political reform and enhanced economic and political governance.

The Reserve Bank

Central banks are at the heart of fundamental economic variables, and have far reaching impacts and responsibilities to drive economic development and monetary stability in any country. The Reserve Bank of Zimbabwe (RBZ) is no different. However, the last two decades have proven problematic for the RBZ, and today it works hard to fight its way back from the problems instigated under the previous governor’s tenure.

The RBZ traces its history to the Reserve Bank of Rhodesia, founded in 1964. It has long performed the essential functions of creating and enacting monetary policies, serving as an advisory body to the government and safeguarding the country’s gold and precious minerals.

The RBZ is organised under the Reserve Bank of Zimbabwe Act, which provides for the appointment of a board of directors and a governor. The current governor is John Panonetsa Mangudya who was appointed in March 2014. Dr Mangudya holds a PhD in economics from Washington International University, which makes him eminently qualified to head up the RBZ and help lead Zimbabwe into a bright future.

Dr Mangudya also served as Managing Director of CBZ Bank Limited and CEO of the state-linked CBZ Holdings, and is facing the challenges of taking over the central bank in a struggling economy head on. Former Minister of Finance Patrick Chinamasa said, ‘Dr Mangudya is a Keynesian economist who believes in discretionary field and monetary policies and in the rational expectations hypothesis.’

Discretionary policies in economics allow for decision-makers to form policies on case-by-cases bases, instead of following a set of predetermined ideological rules. Dr Mangudya, and other proponents of the discretionary policy argue that our understanding of the workings of the economy is sufficiently astute and our ability to access real-time economic data is sufficiently great that in practice, pragmatic application of discretionary policies create a stabilising influence on the economy.

One frequently cited example of discretionary policy in action is when the U.S. Federal Reserve used extreme monetary base expansion in order to prevent the recession of the 2000s from becoming a full-blown depression. Dr Mangudya believes that adoption of these types of policies can have an equally stabilising effect on the Zimbabwean economy.

Surely Dr Mangudya is on the right track in the RBZ. CBZ Holdings was one of the most profitable banks in the country under Mangudya’s watch and his appointment to the RBZ served as a confidence booster to the financial markets. His actions since have reinforced this belief.

Dr Mangudya’s monetary policies seek to stimulate circulation of foreign currencies, like U.S. dollars but without completely abandoning the current system of bond notes. He aims to drive confidence and encourage people to use the U.S. dollars that have been driven out of the market, by either spending them in the Zimbabwe market system, or by depositing them within the banking system.

Unstable economic conditions and rampant inflation have led some economists to suggest that the RBZ needs strong reform. This reform began in late 2018, with Dr Mangudya enacting major changes at the executive level of RBZ when charges of corruption were laid at its doorstep. Dr Mangudya took swift action to manage the accusations and the panic that these accusations triggered within the central bank.

The RBZ quickly organised and carried out investigations into the accusations and, in coordination with law enforcement agents, eventually cleared the four central bank bosses of any wrongdoing. Though the future of the RBZ and its monetary policies are still being resolved, Dr Mangudya continues to reinforce his commitment, ‘to deal with stability of prices and bring sanity to the financial services sector.’ He understands as well that increasing production and exports will stimulate the economy and do much to strengthen the currency, both bonds and dollars.

Indeed, the RBZ will need to handle the multi-currency issue, but there are options to consider. One option proposed is to promote the increased use of the Rand because it is more readily available than the Dollar. Yet, with no consensus at the time, stakeholders will need to agree on a common position, including how to tackle inflation, and the foreign exchange situation.

President Mnagagwa, however, is confident that the RBZ and its governor will soon be shepherding in a new golden economic era for Zimbabwe. He said, after meetings with world leaders in October 2018, ‘Those we met were impressed by the bold economic and political reforms we are undertaking, and our commitment to bringing progress, prosperity and real change to Zimbabwe.’
Revenues

THE ZIMBABWE REVENUE AUTHORITY (ZIMRA) IS THE GOVERNMENTAL ORGANISATION RESPONSIBLE FOR COLLECTING ALL REVENUE STREAMS, INCLUDING TAXES, FOR THE GOVERNMENT OF ZIMBABWE.

It’s mandate to collect revenue, facilitate trade and travel, advise government on fiscal and economic matters and protect civil society is supported by its bold vision and high values.

**Vision:** to be a beacon of excellence in the provision of fiscal services and facilitation of trade and travel.

**Values:** integrity, transparency, fairness

Ms Faith Mazani, as Commissioner General of Zimra, is the perfect representation of both this vision and these values. With over 35 years of experience working with both regional and international organisations including ATAF, COMESA, the OECS and SADC, among others in revenue administration, including customs and both direct and indirect taxes, she herself is a beacon of organisation and efficient administration within ZIMRA.

Mazani also holds a bachelor’s degree in business studies from the University of Zimbabwe and a master’s degree in economics from the Yokohama National University in Japan. She is without a doubt eminently qualified to drive the economic reforms, programs and vision of President Mnangagwa.

One of these programs is the President’s well-known fight against corruption within the Zimbabwe government. Ms Mazani has followed suit, and ZIMRA has implemented a Loss Control Division that tracks incidences of corruption and corruption-related cases that are reported and investigated against ZIMRA staff. Moreover, ZIMRA also conducts lifestyle audits on employees to ensure that the staff is all behaving in a moral manner. This falls squarely in line with the values espoused by ZIMRA.

Beyond ‘fixing’ problems, such as possible corruption, Mazani knows that proactive goals are the best way forward within a government department. To that end, ZIMRA launched a five-year strategy anchored on “The Four Ps”.

The first is People. A good team will embrace and enhance the vision of a department.

The second is Processes. With international ‘best practices’ in place, Mazani knows her department is meeting its responsibilities head on and with efficiency.

The third is Partnership. ZIMRA sees itself as a partner with the taxpayers themselves. To collect revenues from the citizenry, they must abide by an agreed social contract.

And finally, fourth is Project Approach. Without exception, good management creates a good project outcome and delivery, including delivery that is on time, on budget and within stated parameters.

These 4Ps work hand in hand to help deliver ZIMRA’s strategic objective to provide sustainable domestic revenue. In the past this has meant the introduction of innovative new revenue streams, such as the Zimbabwean value added tax that replaced sales tax, presumptive tax, road tolls and new systems like Asycuda World, an automated system that administers the country’s customs, and a self-assessment system of taxation. It also includes a group of measures that maximise revenue collection, grows the tax base, enhances integrated data management, increases security and agility in the international flow of goods and services, modernises infrastructure and integrates ICT systems.

So far, ZIMRA has done a great job generating and collecting revenues. In 2018, it saw collections reaching $5 billion at year’s end. Mazani told journalists that revenue collection had been consistently above target from January to November 2018, on the back of the various interventions aimed at maximising collections.

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Information, Publicity and Broadcasting Services

Minister for Information, Publicity and Broadcasting Services

Hon. Monica Mutsvangwa was appointed Minister for Information, Publicity and Broadcasting Services in September 2018. Upon her appointment she was clear that her highest priority must be to rebrand Zimbabwe’s image to bring it in line with President Mnangagwa’s ‘Zimbabwe is open for business’ drive.

As one of the rare female ministers in the Zimbabwean government, Mutsvangwa is a dynamic and popular force for good. When she was appointed as Minister of State for Manicaland Provincial Affairs, she vowed to give her all to turn around the fortunes of the province.

With a degree in marketing from the City University in New York, and a master’s degree in business administration from Baruch College, there’s no one better positioned to help execute the government’s new vision for Zimbabwe. Speaking during a dinner to honour and farewell her service in Manicaland, Mutsvangwa clarified her earlier message:

“Good laws are those that have a buy-in from those they intend to govern,” she says. Mutsvangwa continues to welcome the media’s recommendations to the ministry to assist in their advisory role to the government.

Mutsvangwa also hopes to change public perception and create a more accurate image of Zimbabwe abroad. As a first step she wants all government ministries to have a functional website to better disseminate information publicly and to post cabinet meeting media briefings. She further believes public perception can be changed by promotional public relations efforts aimed at foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets. This will include packaging Zimbabwean content and material on various economic sectors and distributing it to foreign markets.

Mutsvangwa says the biggest challenge in Zimbabwe’s future is the economy, but meeting this challenge involves Zimbabweans working with foreign investors. The best way to move this forward is by creating a more accurate public perception of Zimbabwe. That is just what Monica Mutsvangwa intends to do.

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Public Service, Labour and Social Welfare

HON. SEKAI NZENZA WOULD BE THE FIRST TO ADMIT THAT RETURNING TO ZIMBABWE AFTER MANY YEARS ABROAD WAS NOT EASY, BUT SHE ALSO KNOWS THAT IT WAS WITHOUT DOUBT THE RIGHT DECISION. DUE TO HER STRONG SENSE OF PATRIOTISM, NZENZA, A NURSE, WRITER, CULTURAL CRITIC AND POLITICIAN, HAD A STRONG YEARN TO RETURN TO THE ZIMBABWE OF HER YOUTH AND WORK TO MAKE IT A BETTER PLACE.

Social Security

Zimbabwe’s National Social Security Authority (NSSA) has an important mission – to provide sustainable social security and promote occupational health and safety to all members through responsive schemes and services. This means that it is responsible for instituting measures intended to protect an individual in situations or conditions where his or her livelihood or well being is under threat. It’s an important role, and it’s one that the NSSA and its General Manager, Mr David Makwara, take very seriously. In fact, the NSSA is looking beyond the basic social security schemes that provide benefits to pensioners. Its long-term plans are more expansive and aspirational. Part of these plans includes extending coverage to the informal sector, which is estimated to employ more than 90% of the workforce. NSSA is in the early stages of carrying out feasibility studies for the development and implementation of this scheme.

The NSSA will also continue its work to enhance current schemes to combat poverty and raise the standard of living for Zimbabweans. Two schemes currently in operation are the Pension and Other Benefits schemes and the Accident Prevention and Workers Compensation Schemes, which provide benefits covering old-age, employment injury, invalidity and survivors.

In 2017 the NSSA won two international awards from the International Social Security Association with respect to the Funerary Benefit Enhancement and the Mobile Clinic initiatives, both of which were recognised as unique innovations to the social security space. The NSSA is also an important actor in Zimbabwe’s economy with an investment portfolio valued at around $1.6 billion spread across fixed income, listed equities, property investments, infrastructure and other alternative investment options. In a difficult economy it can sometimes be challenging to ensure that investments are generating growth and creating sustainable income streams to cover all its benefit obligations and fund operating costs.

Mr Makwara says the NSSA manages this through an investment policy that ‘provides for the investment of surplus funds in a diversified portfolio that strikes a balance among key investment themes of income, growth and impact’. Its investment policy also takes into account the current economic reality and sets about achieving real growth by investing in assets that can weather inflation.

The new government under President Mnangagwa has opened the way for new investment opportunities, both locally and abroad through its pro-business mantra, ‘Zimbabwe is open for business’. This campaign will rejuvenate the foreign investment sector within Zimbabwe and help to support the President’s vision of transforming Zimbabwe into an upper-middle income economy by 2030. It also impacts the NSSA and the wider economy in some key beneficial ways.

First, it opens up opportunities for strategic partnerships with other investors. This helps to meet the NSSA’s goal of becoming a preferred domestic anchor partner to local, regional and international investors and enables it to participate in projects of national importance and expand from its traditional investment classes of money markets, properties and projects and move into infrastructure and development. Mr Makwara says of this opportunity, ‘NSSA is an ideal partner in terms of investment and the muscle we have gives comfort to both foreign and local investors.’

Second, it widens the contributor base by creating jobs, as current companies expand, and new capital investment is brought into Zimbabwe. NSSA will also benefit from widened social security coverage for the new extended contribution base.

President Mnangagwa’s government has also taken steps to promote better performance within pension plans, such as NSSA, in order to increase the country’s socio-economic development. Mr Makwara says of this move, the government has categorised SEPs (Simplified Employee Pensions) according to their potential for turnaround as some have been earmarked for privatisation, commercialisation and restructuring. These changes will improve the performance of these pension plans and have a beneficial knock on effect within the greater economy.

Makwara says,

"More often than not, visitors to Zimbabwe are pleasantly surprised when they discover the mismatch between popular discourse in the media and reality on the ground."

Communicating information that is on the ground, accurate and balanced will go a long way to increasing investors comfort and confidence as well, which will be good for both the NSSA and Zimbabwe as a whole.
National Parks
and Wildlife

FOR TOURISTS, ZIMBABWE CONTINUES TO BE ONE OF THE FRIENDLIEST AND MOST EXQUISITE COUNTRIES IN THE WORLD. DESPITE ECONOMIC AND SOCIAL CHALLENGES THAT HAMPERED TOURISM IN RECENT DECADES, IT IS ONCE AGAIN EMERGING AS ONE OF THE WORLD’S BEST AND MOST ICONIC TRAVEL DESTINATIONS.

In fact, it is currently ranked as the third best travel destination for 2019 by Lonely Planet who describes it as ‘one of Africa’s safest destinations’ and ‘blessed with ultra-friendly locals, Big Five-filled national parks, World Heritage-listed archaeological ruins, forested mountains and, of course, the mighty Victoria Falls.’

Much of this well-deserved acclaim is due to its incredibly diverse landscape, from lush mountains and teeming mountain rivers, to vast savannahs and the rolling sand dunes of the Kalahari. There is a reason why Zimbabwe is home to five UNESCO World Heritage Sites and a Natural Wonder of the World. Zimbabwe might be known best for its game-rich wilderness areas, and is incredibly popular for its wildlife safaris. Visitors flock to its national parks to see the Big Five: elephants, lions, leopards, rhinos and buffalos. It is also home to some many more species, including cheetah, giraffes, hippos, crocodiles, wild dogs, sable, roan, eland and an incredible diversity of bird life.

Zimbabwe Parks and Wildlife Management Authority (Zimparks) is the Zimbabwean governmental authority that has the honour and immense responsibility of managing Zimbabwe’s vast national parks and wildlife. In fact, the national parks constitute upwards of 5 million hectares of land, an incredible 13% of Zimbabwe’s total land area.

Many of Zimbabwe’s parks are located in rugged, mountainous areas that would not otherwise have a great deal of economic value. The national parks were initially founded as a means of using unproductive land, but the Zimbabweans have responded to modern conservation values and have become a world leader in wildlife management. The Zimbabweans in general, and Zimparks in particular, recognise that their wildlife resources are not just an asset to be nurtured, but an incredibly rare opportunity for conservation to ensure benefits continue into the future.

Zimparks was established under the Parks and Wildlife Act of 1975. This Act also set out a system of national parks, botanical reserves and gardens, sanctuaries, recreational parks and safari areas. Over the years the Act has been amended and refined to allow for the adoption of dynamic wildlife-protection procedures. This is great news as many of Zimbabwe’s national parks, especially Hwange, Mana Pools and Victoria Falls, are known worldwide for their great beauty and the unique experiences available within them. Their protection is of the utmost importance to the Zimbabwe government.

Mr. Fulton Upenyu Mangwanya was appointed the new director-general of Zimparks in August 2017. A family man with five children, he is described as committed, self-motivated, adaptable, technology-focused, results-oriented and a team player. He was a farm manager in the 1980s before joining the President’s department in 1988 and working his way up the ranks. He has a degree of MSc in international relations and a BSc Honours Degree in politics and administration. His rural background, personality traits, education and hardworking values will serve him well in the administration of such an important organisation as Zimparks.

Mr Mangwanya has been working closely with President Mnangagwa’s government to ensure that Zimparks is helping move the economy of Zimbabwe forward, particularly in relation to tourism, into the new vision for Zimbabwe’s future. On the occasion of the President’s visit to Zimparks in December 2017, Mangwanya said,

‘As you know, the national parks is part of the cog of tourism… the President is on the drive to make sure that tourism picks up. Visitors come here for the heritage that we have and what we are doing is to push up tourism so that we benefit as a country.’

Zimbabwe has proven to be a leader in wildlife and land conservation and many other African countries have followed suit. Zimparks has been instrumental in changing the mindset of the people of Zimbabwe, from hunters and poachers to custodians of the land and its many varied creatures.

Zimparks and the act that created it is a fundamental breakthrough for conservation. The lands and wildlife that Zimparks vows to protect are of great value not only to the Zimbabweans themselves, but also to all the rest of the world who are now able to see this wonderful landscape and incredible wildlife remain pristine into the future.

The actual gross revenue totaled $3,978 billion, $350 million ahead of the $3,4 billion target.

Some of this success stems from ZIMRA’s shifting tax mixes towards well-designed, growth-friendly taxes combined with measures to improve progresivity and to remove inefficiencies and regressive tax expenditures.

Of course, ZIMRA’s biggest challenge remains formalising the informal sector, and implementing tax schemes that target the parts of the economy that are not already taxed, revenue-generating or monitored. Latest International Monetary Fund figures show that Zimbabwe has the second largest informal economy (by percentage of its total economy) in the world, and experts say innovative measures and policies are critical in extracting fair revenues from Zimbabwe’s informal economy.

Ms Mazani is ready to tackle this as well. ZIMRA has begun making presentations to Zimbabwe’s Treasury department to review the tax structure for small and micro enterprises. The goal is to see the former paying a turnover-based tax, while the latter could pay a fixed amount. These innovative revenue streams will have a great impact on the development of sustainable domestic revenue.
The Aviation Industry

HISTORICALLY, AIR TRAVEL IN ZIMBABWE HAS BEEN THE PRESERVE OF THE ZIMBABWEAN ELITE, DUE TO ITS GENERALLY HIGH COSTS. HOWEVER, IN 2017, THE NEW GOVERNMENT BEGAN TO CHANGE THIS STANCE BY INCREASING COMPETITION AMONG AVIATION PLAYERS. THIS LED TO AN ALMOST IMMEDIATE CHANGE AS A VARIETY OF LOW-COST CARRIERS BEGAN TO EMERGE. THIS HAS OPENED UP AIR TRAVEL BOTH DOMESTICALLY AND INTERNATIONALLY, AND, THOUGH STILL A FAR CRY FROM ITS HEYDAY IN THE LATE 90S, PASSENGERS UTILISING AIR TRAVEL IS ONCE AGAIN ON THE RISE.

This all bodes very well for Zimbabwe, a country that relies on its incredible tourism opportunities. Aviation plays a central role in supporting tourism and, by extension, supporting sustainable economic growth, a fact that President Mnangagwa understands very well. It is his goal to help Zimbabwe rise towards the government’s 2030 vision of an upper-middle-income economy, and aviation will help him do this. After all it is, above all else, the entry into this incredible country, and necessary for its future.

The Civil Aviation Authority of Zimbabwe (CAAZ) was established in 1999 and is responsible for regulating the aviation sector in Zimbabwe. It is also the entity that provides air navigation, technical services, airport development and operations, and regulates and enforces flight safety standards.

It’s a big job, and, as David Chawota, CEO and General Manager of CAAZ has said, ‘the aviation sector’s performance is largely dependent on the dynamics of general economic activities.’ But though this may have posed challenges in the past, things have begun to change for this department, and CAAZ is ready to meet rising demand and modern international standards.

This is a task CAAZ is well equipped to handle, as the recent Victoria Falls International Airport renovation shows us. The upgrade means that tourists seeking to visit the UNESCO World Heritage Site will have a much easier job of it, as the new facilities are capable of handling around 1.5 million passengers annually while its new runways can accommodate some of the largest modern jetliners.

Mr Chawota says the next major priority of CAAZ will be ‘to rehabilitate the Robert Gabriel Mugabe International Airport.’ This international centre is located in Harare and is the largest airport in the country. This renovation would increase services for cargo entities and rehabilitate navigational systems and infrastructure.

The funding for this project, as well as others will primarily come from CAAZ’s own revenues. Chawota sees revenue increasing from the natural growth of traffic that is occurring in Zimbabwe, both from tourism and other travellers, but also from a growth in the cargo section as more consumers turn to exporting goods by air rather than by road.

In general, CAAZ is creating an environment to facilitate growth and progress, and this is already occurring throughout the aviation sector. This potential makes CAAZ a very interesting opportunity for investors as well as it moves from strength to strength.

Presidential Advisors

POLITICIAN, DIPLOMAT AND BUSINESSMANS CHRISTOPHER MUTSVANGWA HAS LONG SERVED ZIMBABWE.

From his first post as a diplomat in Brussels to his current role a special advisor to President Mnangagwa, he has always had Zimbabwe’s best interests at heart. And Mr Mutsvangwa’s varied career will certainly help him guide Zimbabwe toward the President’s ‘Vision 2030’.

From the beginning Mutsvangwa was an avid supporter of President Mnangagwa. In fact, he was one of the only politicians willing to oppose Grace Mugabe, the former first lady, when it became clear that she was attempting to run the government on behalf of her elderly husband, President Mugabe. Mutsvangwa knew that President Mugabe’s inability to reverse Zimbabwe’s economic crisis had ‘left the country on a knife edge’ and was concerned that the first lady intended to outshine vice president Mnangagwa and take over the government leading to a continuation of their destructive legacy.

Mutsangwa, described as the eloquent leader of the War Veterans, was so convinced of Mrs Mugabe’s inability to run the country that she opposed her vehemently, and in effect became a prime mover in the anti-Mugabe campaign. When 93-year-old Mugabe was removed from office by military forces on 15 November, tens of thousands of Zimbabweans marched through Harare and Bulawayo in celebration. Mutsvangwa also organised a solidarity rally to support the military action.

Mr Mutsvangwa’s varied career has certainly helped him in his role as Special Advisor to the President. A veteran of the Rhodesian Bush War, Mutsvangwa has close ties with the Zimbabwe Defence Forces and remains the Chairman of the Zimbabwe National Liberation War Veterans Association.

Additionally, in 2002 Mutsvangwa was appointed as the Zimbabwean Ambassador to China and served four years in that role. He was tasked with deepening the country’s foreign policy away from the West and towards China, a task he fulfilled admirably. In fact, China is Zimbabwe’s fourth largest trading partner and its largest source of investment.

The Chinese have billions of dollars’ worth of capital invested in everything from agriculture to construction in Zimbabwe. China also provides the largest markets for Zimbabwe’s exports, including its most important agriculture exports – tobacco and cotton. As Mutsvangwa’s close ties with China remain, his input and advice to the President and his government is invaluable.

Though he is extremely close to the President, Mutsvangwa remains committed to causes close to his own heart. One of these is the opposition of economy-draining, competition-limiting monopolies, and Mutsvangwa has been working against these monopolies since the Mugabe-era. This is often an unpopular position, as certain types of monopolies, corruption and self-advancement have been part of the status quo in Zimbabwe for many, many years. But Mutsvangwa knows that monopolies are the enemy of economic advancement. They must be shed if Zimbabwe wants to meet the President’s ‘Vision 2030’.

Ambassador Mutsvangwa is often credited as the brains behind the downfall of corrupt officials and monopolies and has left no uncertainty in the fact that he will continue this fight under the new presidential regime as he works to move Zimbabwe towards a genuine democracy that represents a modern model nation.

With such a rich culture, incredible land and a forward-thinking, motivated leader, Zimbabwe truly is a country ready to take a prominent seat at the world table.
The Banking Industry

THE ZIMBABWIAN BANKING INDUSTRY CONSISTS OF THE RESERVE BANK OF ZIMBABWE AND DEPOSIT-TAKING INSTITUTIONS SUCH AS COMMERCIAL BANKS, CO-OPERATIVES, MICROFINANCE INSTITUTIONS, BUILDING SOCIETIES AND MERCHANT BANKS. IN 2017 TOTAL BANKING SECTOR ASSETS GREW BY 9.6% TO US$11.25 BILLION, MAKING IT AN INTEGRAL PART OF ZIMBABWE’S ECONOMY AND OF ITS ECONOMIC RECOVERY. OF THESE VARIOUS FINANCIAL INSTITUTIONS, CBZ BANK IS ONE OF THE LARGEST, REPRESENTING A MARKET SHARE OF AROUND 22%, AND IS ONE OF THE LEADING BANKS IN ZIMBABWE.

CBZ Bank offers a wide range of banking and financial services to individual and corporate customers. It is in a strong position as well, especially within a country that is currently suffering under economic challenges. It holds a short-term credit rating of A1 and a long-term credit rating of A from the Global Credit Rating Company of South Africa. It employs over 900 staff, operates a network of 66 branches across the country and had revenue of USD 152.95 million in 2017.

Because of its role in the banking industry and as a large employer, CBZ Bank is in a unique position to understand the current status of Zimbabwe’s banking industry and overall economic future. Dr Blessing Mudavanhu, the Group CEO of CBZ Holdings Limited, knows that these insights are important for the economy of Zimbabwe overall. She believes the private banking sector is in line for growth and development within Zimbabwe due to President Mnangagwa’s new vision for the country. She says,

"Our government’s stance towards private enterprise has been very pleasing. I am convinced that with increased transparency and commitment, many investors will be interested in exploiting the vast opportunities that Zimbabwe has to offer."

Banking Challenges

Of course, Dr Blessing is the first one to see the challenges that CBZ and other members of the banking industry face. One of these is lending. Over the years credit risk has continued to rise in Zimbabwe, which has led to a 40% loan to deposit ratio and has had a negative effect on the amount of money banks are able to lend to their customers. This has meant that banks are not able to access this traditional source of income. Instead, the major source of income for banks has been transactional. But with other entities, including mobile network operators, stepping in to offer transactional banking services, there are now even more difficulties for banks that have invested in a more fulsome banking infrastructure. However, banks will continue to offer other services and securities that mobile network operators and other non-banking entities cannot duplicate.

Banks in Zimbabwe also face the challenge of historically high banking fees and charges. Yet, evidence shows that today, bank charges and fees are reducing to much more competitive rates. This is due in part to financial inclusion, and in part to regulations introduced by the central bank. Banks are also utilising out of the box thinking to lower fees, including introducing products that are low-cost, such as KYC-light (or Know Your Customer) products that cater to customers that have previously chosen to remain outside of the formal banking system.

Banking Strengths

The banking industry in Zimbabwe, particularly CBZ, has begun to invest in modern digital and forward-thinking financial solutions. This includes things such as mobile banking applications, 24-hour customer service centres, internet banking and even ensuring they are engaging with customers through social media.

Encouraging digital transactions has the added benefit of appealing to Zimbabwe’s youth, who make up over 60% of Zimbabwe’s population, as well as mitigating against prevailing cash shortages. Investment into technology will increase competitiveness among the members of the financial sector, both locally and abroad.

Investment Opportunities

The future of investments in Zimbabwe is widely believed to lie with small to medium enterprises (SMEs). The economic decline of the last few decades have led to many corporations shrinking in size, and in effect, becoming SMEs. But today, there are many areas representing growth within the SME sector.

Especially noteworthy is of course agricultural, which has always been an integral part of the Zimbabwean economy with no signs of this changing. Take one look at the tobacco output of Zimbabwe and you’ll see it is still an excellent investment opportunity. Mining is another great investment opportunity. Recent governmental regulation changes have left the sector ripe for growth and expansion, and gold, chrome and lithium should certainly be considered. This is also an interesting time for cotton manufacturing, as cotton lint production is expected to have increased 62% in the 2017/2018 financial year due to the government’s free inputs support program that targets smallholder farmers.

There are also plenty of opportunities to invest in the country’s infrastructure, including roads, energy and airport refurbishment, to name just a few. Within energy, renewable energy is the real highlight as Zimbabwe looks to solar energy to help end energy shortages and cut power bill costs. The demand for solar panels continues to rise, and so therefore do the opportunities within this energy sector.

The government has indicated further that it will reform a number of State Owned Enterprises, including some privatisation. These will be excellent opportunities, and will likely include such sectors as telecommunications, aviation, petroleum, transport, manufacturing and banking.

The Future of Banking

The future of the banking industry in Zimbabwe is looking brighter, and there are so many options for the savvy investor within its borders. In fact, Dr Mudavanhu says,

"We will definitely be seeing real growth and development. As with any change, there is a period of adjustment, which is what we are seeing right now. Nonetheless, it is important to make these difficult decisions in order for the country to advance and experience economic success. I believe that it will not even take five years; three years should suffice to see real palpable progress."