

# **OPPORTUNITIES FOR INVESTMENT IN ZIMBABWE**

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# Outline of Presentation

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2. New Dispensation
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4. Investment Opportunities (Agriculture, Mining, Manufacturing, Tourism and Infrastructure)
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# Introduction

- Zimbabwe has an abundance of opportunities for investment in different sectors of Mining, Agriculture, Manufacturing, Tourism, Infrastructure and Energy.
- The country has however remained a sleeping giant with most of these opportunities not being exploited
- The investment climate was hamstrung among other things by legal instruments dotted across different Government Departments

# Introduction Cont.

- Investors would be pushed from one office to the other until most of them would give up and leave.
- A lot of corrupt activities and underhand dealings were said to be the order of the day
- Zimbabwe was therefore beset by many challenges including;
  - Economic decline
  - High unemployment
  - Reduced industrial activity

# New Dispensation

- The New Dispensation prioritises the economy over politics and adopted the vision of attaining an **Upper Middle Income Status** by 2030
- The President, His Excellency E. D. Mnangagwa declared that **Zimbabwe is Open for Business**
- Government adopted a host of reforms through a two year **Transitional Stabilisation Programme 2018 – 2020.**

# New Dispensation Cont.

- The reforms were adopted to change the Zimbabwe narrative including;
  - Engagement and re-engagement with the community of nations
  - Fiscal and Monetary reforms
  - Legislative reforms
  - Corporate Governance
  - Zero tolerance to corruption; and
  - Investment reforms

# INVESTMENT REFORMS

- The investment reforms seek to dissolve, reconfigure and integrate the three entities that were in the forefront of investment facilitation into one entity called Zimbabwe Investment and Development Agency (ZIDA)
- The three entities to be dissolved are
  - Zimbabwe Investment Authority (ZIA)
  - Joint Venture Unit (JV)
  - Zimbabwe Special Economic Zones Authority (ZIMSEZA)

# INVESTMENT REFORMS Cont.

- Within the new agency, ZIDA, is the One Stop Investment Services Centre, which serves as a One Stop Shop for all investors and is designed to provide service under one roof
- The Bill to establish ZIDA is currently before Parliament and it is hoped that it will be promulgated soon.



# Agricultural Sector

- The mainstay of the Zimbabwean economy
- Contributes 15% to GDP, 30% to export earnings and employs 70% of the workforce.
- Supplies 60% of industrial raw materials

## **Opportunities for investment exist in;**

- Irrigation rehabilitation and development programmes
- Livestock capacity building
- Agro-processing/value addition (meat processing, fruit juices cotton lint processing, tobacco processing, fruit and vegetable canning among others)
- Contract farming
- Farm mechanisation programmes

# Mining Sector

- The sector is strategic to Zimbabwe's national economy and is the centrepiece to economic turnaround and sustainable development.
- It remains a significant pillar of growth and recovery of Zimbabwe's economy and currently:
  - Contributes over 13% to GDP;
  - Earns over 60% of the country's foreign currency;
  - Attracts more than 50% of FDI into the economy;
  - Is a major contributor to infrastructure development; and
  - Directly employs over 45,000 people.

# Mining Sector Cont.

- Zimbabwe has large reserves of minerals with over 60 different minerals most of which have not yet been exploited to the full potential
- Minerals include gold, platinum, diamonds, lithium, chrome, coal, nickel and granite
- Zimbabwe has the second largest known deposits of platinum in the world after South Africa
- Coal deposits are estimated at 26 billion tonnes
- The country has the largest known reserves of coal bed methane in Sub-Saharan Africa

## **Opportunities for investment exist in;**

- Prospecting and establishment of new mines
- Resuscitating closed mines
- Refining and beneficiation of the minerals
- Support services such as supplies of mining equipment and consumables

# Manufacturing Sector

- Zimbabwe has a diversified manufacturing industry base
- Subsectors include clothing and textiles, leather and leather products, food processing, furniture, pharmaceuticals, paper and plastics, chemicals, metals and electricals and the motor industry among others.
- The sector has been affected by lack of long term financing and obsolete technology

## **]Investment opportunities exist in;**

- Resuscitation of existing industries as well as opening new facilities
- Cotton ginning, spinning, weaving, clothing and knitted products
- Tobacco processing
- Saw milling, production of furniture and newsprint

# Tourism Sector

- This is one of the fastest growing sectors in Zimbabwe
- Zimbabwe is regarded as one of the best travel destinations in the world
- The sector offers one of the finest and largest concentrations of wildlife and a perfect climate
- Places of interest include the Victoria Falls ( one of the seven wonders of the world), Hwange National Park, Gonarezhou National Park, Eastern Highlands, Great Zimbabwe monuments and Kariba

## **Investment opportunities exist in;**

- Development of tourism infrastructure in various resort towns
- New hotels and conference facilities
- Hunting safaris and tour operations

# Infrastructure Sector

- Sector includes road, rail, energy, water and sanitation, construction and land development
- Government welcomes individual investors or Public Private Partnerships (PPPs)

## **Investment opportunities include;**

- Rehabilitation of airports and installation of requisite equipment
- Rehabilitation of the railway network, signalling and telecommunication system
- Construction and refurbishment of roads and bridges
- Urban water and sewer reticulation
- Agricultural infrastructure including dams and irrigation schemes
- Industrial parks and factory shells
- Housing and office buildings
- Power generation through Independent Power Producers (IPPs) and Public Private Partnerships (PPPs)

# Security of Investments

- Government is committed to providing security to all investments and this is rooted in the country's constitution
- The ZIDA Bill, in particular **Section 17(1)** guarantees security of investments
- Zimbabwe is a signatory to a number of investment protection agreements including;

# Security of Investments

- Oversees Private Investment Corporation
- International Convention on Settlement of Disputes
- New York Convention on the Settlement of Disputes
- United Nations Convention on International Trade Law
- Bilateral Investment Promotion and Protection Agreements (BIPPAs)



# Conclusion

- Zimbabwe is a safe investment destination
- The time is now, ladies and gentlemen, for you to come and invest in the country.

**THANK YOU**