ZAMBIA – GENERAL
1993

Co-accused 'abducted by ANC men to protect Winnie Mandela'

S Times · 17/1/93 (360)

KATIZA CEBEKHULU ... photographed outside the Supreme Court only days before his kidnap

By CHRIS CHITANDA: Lusaka

ALTHOUGH free to leave his cell in Lusaka Central prison, a fugitive from South African justice said this week he was too terrified to return home.

Katiza Cebekhulu claims he was abducted and spirited out of SA by the ANC to protect Winnie Mandela during her trial for the kidnapping and assault of a young boy.

Speaking from his cell this week, Mr Cebekhulu said he had already survived an attempt on his life in SA before his kidnapping.

"I am afraid of going to South Africa," he said. "Even if someone came with an air ticket, I would make so much trouble at the airport that the pilot would refuse to take me.

"I am prepared to go anywhere in the world, even the Soviet Union, but the United Nations has said that I am not a refugee."

Mr Cebekhulu, 23, has been in the prison for nearly two years after being picked up in Lusaka as an illegal immigrant.

However, Zambian authorities say he has been free to leave since September last year.

Mr Cebekhulu, one of three of Mrs Mandela's co-accused charged with kidnapping and assaulting teenage activist Stompie Seipei, jumped bail in December 1990.

He recounted the events which led to his imprisonment in Lusaka's inhospitable prison. Two men had approached him one afternoon in January 1991 while he was selling newspapers in Soweto.

"They asked who Katiza was, and I said it was me. They took me to a house in Orlando, where boiling water was poured over my head," he said.

"Then they put me in the boot of a car, but during the drive — which was supposed to be my last ride — I managed to escape.

"I don't know what happened after that. I woke up in Baragwanath Hospital, covered in bandages."

Mr Cebekhulu said that when he was discharged from hospital, he sought refuge in the home of John Morgan, Mrs Mandela's driver and another co-accused.

Hiding

"I told him to say I was dead, but he went and told Winnie I was hiding in his house."

On February 8 — four days after Mrs Mandela's trial began in the Rand Supreme court — he had been abducted "by two men from the ANC" and driven to the Mozambican border.

"We drove across a fence to get into Mozambique and went to Maputo, where I was put on a plane to Angola," he said. "I travelled without any identity documents, but I stayed for one week in Angola and then flew to Zambia."

He said he was accommodated at the Fairview hotel under a false name — Mr Jones — and at an ANC safe house in Lusaka where he was given "a whole set of rules".

"I was told not to go into town and not to leave the house. After some time, I ran away, and that's when a policeman picked me up.

"All I wanted was an opportunity to get educated since I only went up to Std 7 in South Africa, but in March 1991, the Zambians locked me up."

Since President Frederick Chiluba's Movement for Multi-Party Democracy took office, Mr Cebekhulu has had an audience with Zambian Foreign Affairs Minister Vernon Mwaanga and Minister of Home Affairs Newstead Zimba.

"Last September, I was called to Newstead Zimba's office, then to Foreign Affairs. Mwaanga was not there, but his deputy said everything was going to be all right.

"Both Zimba and Mwaanga told me they did not want me in Zambia any longer.

"The first time I was taken to Foreign Affairs, I was asked if I wanted to meet (ANC president Nelson) Mandela, who was supposed to come to Lusaka the next week.

"I said I would, but I was never taken (to meet Mr Mandela). Afterwards, I read in the newspapers that Mr Mandela had been to Lusaka and gone back to South Africa."

Mr Cebekhulu said he also met two white South African government officials, who had travelled to Lusaka to expedite his return to SA.

"I saw them at the Ministry of Foreign Affairs and they said they would not arrest me when I got back to South Africa.

"I told them I could not go back to Natal, where I killed a man. I have got a case there. That was during the 1985 fighting between the UDF and Inkatha."

A spokesman for South Africa's Department of Foreign Affairs confirmed this week that a meeting had taken place between Mr Cebekhulu, the SA representative in Lusaka, Mr Sam Sterban, and his deputy.

He said their talks centred on Mr Cebekhulu's wellbeing and treatment in the prison, as well as the question of extradition.

Wearing a pair of takkies given to him last November by former Zambian president Kenneth Kaunda's son Kambarage, who was in prison on murder charges, Mr Cebekhulu said he was not being treated well behind bars.

Desperate

"I don't get proper meals, I have no other clothes, and there is a lot of disease in this jail," he said.

"I told (High Court) Judge Weston Muzyamba when he came to visit the prison last year that I wanted to get out, and that I would commit suicide if I stayed here any longer.

"I have had no food and I am sick. Plenty of people die every day inside. Only the other day, a prohibited immigrant died right in front of my eyes."

Although he is desperate to get out of jail, he says he has nowhere else to go. "Maybe one day I will just run and the policemen will shoot me. Maybe it is better to be dead than stay here," he said.

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Picture: ROBERT BOTHA

Zambia: Winnie witness is free to go

LUSAKA — The Zambian government said yesterday that jailed South African Kasakatiza Cebekhulu, a potential witness against Winnie Mandela, was free to go to any country that would accept him. B/Day 5/1/93.

Cebekhulu was allegedly abducted to Lusaka in May 1991 by the ANC to stop him testifying against Nelson Mandela's wife, Winnie, at her trial for kidnapping and assault.

He has been held since then in a Zambian prison.

Asked when Cebekhulu would be freed, Home Affairs Minister Newstead Zimba replied: "It is really up to Cebekhulu himself to make a decision, but we have a lot to clear before he can go out of the country." 360

Zimba gave no more details, but indicated that Cebekhulu, 23, was hesitant to return to SA "for obvious reasons". — Reuter.

13 die in Natal over weekend

DURBAN — Police said yesterday a spate of New Year weekend attacks had left 13 people dead and nine injured, with figures expected to rise. B/Day

Durban police spokesman Capt Hamilton Ngidi said 10 people were killed and eight wounded in separate incidents on Sunday alone. 5/1/93

On Sunday morning at Harding seven people died and five were injured in a family feud. Police could not say how many families were involved. Pangas, AK-47 rifles, assegais, shotguns and 9mm pistols were used.

In the Midlands town of Imbali, taxi driver Milkman Majozi and one passenger were shot dead and five passengers wounded when unidentified gunmen opened fire indiscriminately on the Sinwazi-Mbelebele road on Sunday afternoon.

In Wembezi near Estcourt, police on Sunday night discovered one person shot dead and two others injured in Section VQ.

On New Year's Day a 68-year-old man was shot dead in the Mahlabathini district in Ulundi. In the same district on Saturday, another man was shot dead during a faction fight.

On Saturday in Umbumbulu, south of Durban, a 53-year-old man was shot dead. Four empty shotgun cartridges were found at the scene.

Security forces on Sunday used teargas to prevent fighting between large groups of ANC and Inkatha supporters at Imbali.

The incident took place during an ANC protest march and apparently arose out of a dispute between the ANC and Inkatha over whether SADF units should be moved out of the township.

From Port Elizabeth it is reported that a Patensie farm store owned by ANC local branch executive member Malcolm Hepburn was destroyed by a bomb just before midnight on Sunday.

Police said commercial explosive had been used, but it was "too early to say" who might be responsible.

No one was injured in the blast, and Hepburn's daughter Rosemarie said "it is clear the motive was not theft, just damage". — Sapa.

Wit Wolwe threaten Apla and MK

BRITS — The Wit Wolwe yesterday threatened to initiate a series of attacks — including sabotage — against Apla and Umkhonto we Sizwe on January 12 unless government took action against the organisations. B/Day 5/1/93.

At a news conference in Brits the Wit Wolwe also suspended negotiations with the "illegal" government and said it would soon present a list of demands to which government should respond within 30 days or face action.

The news conference was held by men wearing balaclavas in an empty reservoir on the plot of Wit Wolwe leader Barend Strydom's parents in-law.

Strydom was not present and the demands and threats were made by the Wit Wolwe's "chief of staff" who declined to identify himself, and "Boerstaat" Bosman, regional chairman of Robert van Tonder's Boerestaat Party.

The Wit Wolwe threatened to use the same tactics as Apla and MK, including cross-border raids against "soft targets", and said they regarded "every black man as an enemy". — Sapa.

Back from the brink

FM 8/1/93

(360)

It was a novel experience for Zambian officials when, at the recent Paris Consultative Group meeting, Western donors heaped praise on the country which only 15 months ago was no longer eligible for aid. The election of President Frederick Chiluba's Movement for Multiparty Democracy (MMD), at the October 1991 elections, paved the way for the resumption of Western aid, but it is the government's subsequent management of its economic problems, including severe drought, that attracted the West's plaudits in Paris.

Comparisons wih Zambia's richer and better developed southern neighbour, Zimbabwe, which obtained US$1,4bn in aid from the donors 10 days earlier, put Zambia in a favourable light. Lusaka has moved a good deal further and faster along the reform road than Harare and foreign investors, who had written Zambia out of their scripts, are revising their opinions.

The key difference between economic reform programmes in Zambia and those in Kenya, Malawi, Tanzania or Zimbabwe is politics. In all four other cases, incumbent administrations have set about introducing reforms that run counter to deeply held political convictions.

Chiluba and his MMD colleagues are different. Having lived through 20 years of economic decline, they did not have to be convinced of the need for change. President Chiluba, a born-again Christian and a trade unionist, appointed a government of businessmen committed to privatisation, the elimination of subsidies, lower tax rates, a balanced budget and encouraging foreign investment.

Unlike the grudging, three-steps-forward, two-steps back approach found in most other African countries, Zambia has been ahead of the donors. Indeed, in mid-1992 when it came to liberalising interest rates, the IMF told Zambia it was going too fast.

By any yardstick, Lusaka's achievements in its first 14 months in office are impressive:

- A 500% rise in the price of the staple food, maize meal, thereby largely eliminating food subsidies;
- Lifting of control on almost all prices, including petrol which increased 140% this year;
- Liberalising the banking system and the abolition of officially pegged interest rates;
- The launch of a new one-stop investment centre, which approved about 500 new projects in its first 10 months of operations;
- The reduction of the budget deficit from 7,5% of GDP to 2,5%, of which 1,5% represents drought relief spending;
- The deregulation of the foreign exchange market, including allowing 100% export retentions for nontraditional (ie nonmining) exporters, the opening of *bureaux de change* where Zambians and visitors buy and sell foreign currency freely, and the merging of the official and free market exchange rates; and
- The launch of a privatisation programme at which more than 150 State-owned companies, accounting for an estimated 80% of GDP, will be sold off. The first 19 are already on the market.

These courageous reforms are unpopular; while the MMD easily won the local government elections last November, little more than 10% of the electorate bothered to vote — a warning to Chiluba that he is losing much of the electoral good will that swept him into office a year earlier.

The good news is that the MMD does not have to face the electorate again until October 1996, by which time structural adjustment will either have begun to turn the economy around or will have failed altogether. At this juncture, it's possible to be more optimistic about Zambia's prospects for making reform work than in many — indeed most — other African states.

This is so not only because Chiluba has demonstrated that the political commitment, so often lacking, is there, but because Zambian and foreign businessmen are enthusiastic about the government's determination to press ahead in the face of growing political antipathy.

The next moment of truth comes at the end of this month when Finance Minister Emmanuel Kasonde delivers his 1993 budget. Already he is committed to presenting a balanced budget and one which would preclude the government from borrowing from the central bank. With officials hinting at tax cuts designed to encourage savings and investment, Kasonde will be forced to impose swingeing spending cuts, many of them made possible by the elimination of subsidies and the commitment to privatisation.

It is only a modest exaggeration to say that the fate of the reform programme — and ultimately of the Chiluba administration — hangs on this budget. Zambia has another meeting with donors in Paris in March at which it will seek firm pledges of a further US$1,4bn to see it through the next year. In Paris last month, the indications were that the donors would come up with the money Lusaka needs but there could be some slippage in donor contributions should the budget fail to match up to expectations.

The budget is crucial to the defeat of inflation, estimated at around 120% last year. Excessive money supply growth, fuelled by government borrowing, is the main cause of inflation. Just about everyone in government and business agrees that bringing down inflation is the priority. It will happen only if government borrowing and monetary growth are drastically reduced.

Then there is the fact that investors are watching from the sidelines to see whether the fiscal hurdle — that has brought down so many African reform programmes — will do the same to Zambia. Kasonde desperately needs to send the right signals to the domestic and foreign investment communities. If he can cut taxes and the deficit, the private sector will respond positively.

It would be wrong to suggest that Zambia is out of the economic woods. Far from it. It remains heavily in debt, despite a generous debt restructuring agreement reached with the Paris Club of official donors last July. Its infrastructure has deteriorated to the point where massive new investment is necessary. It is alarmingly short of the kind of skills crucial to modern industrial growth. It lacks the financial market framework necessary to finance privatisation and private and public sector investment. It is unhealthily dependent on a sluggish world copper market with copper accounting for 90% or more of exports. Output fell more than 10% last year, largely due to the drought, and only a modest recovery is likely in the second half of 1993.

But, despite these problems and setbacks, the mood has changed. Zambia is no longer peremptorily dismissed as a basket-case. It has touched bottom and is now on the way up. It has enormous agricultual potential; SA mining experts believe the copper belt can be revived and it is conceivable that Anglo American Corp will play a major role in this, considering the plan to privatise the State-owned copper mines before the end of next year. Some industrialists believe Zambia's investment code and economic policy framework is the best in the region, while the donors are certainly far more sympathetic to President Chiluba than to any other southern or east African government.

If Zambia sticks to its policy, recovery will start gathering momentum in the second half of this year.

It is going to be a long haul but Zambia has an edge over some of its neighbours because it has successfully made the difficult political transition without which economic reform is doomed to fail. *Tony Hawkins*

Cadres now aliens

■ Refugees are reluctant to return home:

LUSAKA - ANC cadres reluctant to return to South Africa have been declared illegal immigrants in Zambia after forfeiting their refugee status and now face arrest and deportation. Sowetan 11/1/93. 860

About 700 South Africans, the majority of them ANC members, have resisted repatriation by the United Nations High Commission for Refugees (UNHCR), saying they feared township violence.

Despite a December 31 deadline set by the UNHCR for voluntary repatriation, the 700 South Africans remained in Zambia. Zambian Home Affairs Minister Newstead Zimba said that with the deadline having passed "there is no reason why South African refugees should be accorded refugee status". - *Sapa*

Zambia set to kick out exiles

360

ARG 14/1/93

The Argus Correspondent

JOHANNESBURG. — Zambia has declared about 700 South African exiles illegal immigrants and has threatened to send them home.

The exiles — most of them ANC supporters — missed the December 31 deadline for voluntary repatriation by the United Nations High Commissioner (UNHCR) allegedly because they feared township violence.

The ANC last night said it would seek urgent talks with the Zambian government to sort the matter out.

Zambian Home Affairs Minister Newstead Zimba said since the deadline had passed there was "no reason why South African refugees should be accorded refugee status".

In terms of Zambia's immigration laws, illegal immigrants could be detained and deported to their home country.

ANC spokesman Gill Marcus said last night that the organisation "would be following up immmediately with the Zambian goverment" to discuss the fate of the exiles.

Many ANC exiles had been reluctant to return home, "primarily because they are constantly harassed". — Sapa and Staff Reporter.

Fate of ANC 'illegals' in the balance

STAR 12/1/93

ANC official Japhet Ndlovu will meet Zamibian authorities to discuss the fate of ANC members who have been declared illegal immigrants there.

In a statement issued yesterday, the ANC said reports in the media indicated that the Zambian government was considering the expulsion of ANC members still in exile.

According to the reports, about 700 South Africans, most of them ANC cadres, were reluctant to return and preferred to remain in Zambia.

They were declared illegal immigrants in Zambia after forfeiting their refugee status.

The ANC statement said approximately 200 ANC members were still resident in Zambia. These included staff members at the offices of the ANC, students still completing their studies and a number who had not yet received indemnity.

The refugees gave fear of township violence as the main reason why they did not want to return to South Africa.

Zambian Home Affairs Minister Newstead Zimba said there was no reason for contiinued refugee status since the voluntary repatriation deadline expired on December 31.

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Zambian pilots fly again after firings

STAR 13/1/93 (360)

LUSAKA — Striking Zambia Airways pilots resumed work yesterday — hours after the company sacked 31 of them for staging a five-day strike that halted the national airline's international flights.

"Everything is back to normal. The pilots are working and we expect to resume international flights tomorrow," an airline spokesman said.

The pilots who had been sacked started returning to work after being given notice, but it was unclear whether the airline would rescind its decision.

The airline spokesman said Zambia Airways' management had refused to give in to the strikers' demand for an increase in salaries of 1 250 percent.

The pilots, who walked out of work on Friday, said the higher salaries would cushion them from the country's soaring inflation and put them on a par with expatriate crews employed by the airline.

Zambia Airways chief executive Peter Kaoma early yesterday announced the sacking of the 31 and said contigency measures were being worked out to restart suspended flights to Britain, Italy, India and the Far East. He gave no details.

A total of 44 other Zambia Airways pilots did not take part in the strike.

Labour Minister Ludwig Sondashi, speaking at a news briefing with Kaoma, backed the sackings, warning that the strikers risked being arrested.

On Saturday Zambia Airways was forced to charter a plane from Belgium's Sabena Airlines to ferry passengers from London to Lusaka and back at a cost of about R300 000, airline officials said. — Sapa-Reuter.

COMPANIES

Anglo in Zambia copper talks

ANGLO American Corporation is holding talks with the Zambian government on the privatisation of Zambia's semi-nationalised copper industry.

An Anglo spokesman said yesterday the mining house was discussing with the Zambian government and Zambia Consolidated Copper Mines (ZCCM) ways "in which we can be helpful in planning the future of the company with particular reference to privatisation". BIOM 14/1/93.

Anglo has an interest of 27,6% in ZCCM through Johannesburg Stock Exchange listed Zambia Copper Investments.

But Anglo did have a majority holding in the industry before it was forced by the previous Zambian government in 1970 to hand over most of the equity to Kenneth Kaunda's regime.

Zambia's recently elected democratic government has made it clear it sees privatisation as critical to the country's economic well-being and its copper industry is a significant foreign exchange earner.

(360)

In early November last year, Zambia's deputy minister of mines said Anglo had a pre-emptive right to acquire the government's 60,3% controlling holding in ZCCM.

Anglo has yet to take a decision on extending its involvement.

Zambia has recently proposed tax reforms and incentives for the mining industry — a move which Anglo's managing director in Zambia Anderson Mazoka sees as boosting production and profitability.

ZCCM improved copper production by 45 000 tons last year to 431 000 tons but the international price for the metal has recently been heading sharply lower. — Sapa.

Anglo talks (360) privatisation with Zambia

STAR 14/1/93

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Anglo effectively has an interest of 27,6 percent in ZCCM through JSE-listed Zambia Copper Investments.

Anglo had a majority holding in the Zambian copper industry before it was forced in 1970 by then-president Kenneth Kaunda to hand over most of the equity to his government.

Critical

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Top Zambian pilots join wildcat strike

LUSAKA. — Senior Zambia Airways pilots have joined a wildcat strike launched by 31 of their colleagues.

(26) CT 14/1/93

The 31 were dismissed for failing to go to work on Tuesday and are now demanding to be reinstated.

Late on Tuesday reports said that everything was back to normal at Zambia Airways. Yesterday, however, managing director Mr Peter Kaoma confirmed that senior pilots had joined the strike in sympathy with their dismissed colleagues.

EXITING EXILES

360

Zambia's apartheid threat

There are not many who would blame a country as poverty stricken as Zambia for wanting to reduce its population. Countries as diverse in size and philosophy as Singapore and China have both done so with success. The trouble with Zambia is that spearheading its population policy — if its actions can so be dignified — are 700 unfortunate SA exiles.

Much has happened in Zambia since former president Kenneth Kaunda deigned to become the first of the *Uhuru* dictators to accept electoral defeat. Not only is the country becoming manifestly more democratic, but its decision to implement free-market reforms, and accept the guidance in this respect of the IMF, gives it a fighting chance of avoiding greater poverty.

Its return to Western human rights and capitalist values should enable it eventually to become a more congenial place to live than a violent and economically ailing SA. That is presumed to be the reason for the 700 reluctant South Africans' desire to remain.

FM 15/1/93

Maybe there is some truth in it. But the fact is that most of these 700 are more Zambian than they are South African. Theirs is not a recent flight from the rape and pillage of apartheid. Indeed, few have any experience of apartheid.

These exiles tend to be the offspring of SA refugees and Zambian partners. They believe they are Zambian in all but name and are loath to trade whatever permanence in and affinity they have with Zambia for uncertainty and an unfamiliar environment here.

It is also a vexing moral question of whether, having sustained and tolerated exiles, they can be summarily evicted by a host country once, in its view, conditions in the country from which they have fled have changed.

Simply put, would the US have moral grounds for deporting the descendants of the Quakers now that there is greater religious toleration in Britain? Would we have justification in sending back to France the descendants of the Huguenots for the same reason? Would it be right for Germany summarily to expel those who sought relief from communist persecutions in eastern Europe now that it is facing heavy reunification costs?

Zambia of its own volition decided to assist those South Africans in flight from the depredations of apartheid. The cost may have been heavy and a continuing one. But in the process it created Zambians who think, speak and look like Zambians. That was inevitable and should be accepted as such. To deport them would be an act of great cruelty analogous with the forced removals of the very apartheid regime from which their parents fled and in contradiction to Zambia's own new liberal tendencies.

Besides, despite the reforms, anyone who has been to Zambia will recognise in the desire of the 700 to stay in that country an act of great nobility — certainly one of sacrifice — that a proud country should want to encourage.

To deport the 700 would simply be to visit upon them the sins of both apartheid and *Uhuru*. ■

...llations. ...-general

The UN Security Council will have to decide soon whether to renew the mission; which expires on January 31. — Sapa-AFP.

R500 000 can buy a farmer into Zambia

LUSAKA — SA farmers wishing to farm in Zambia would need to invest a minimum of R500 000, Zambia National Farmers' Union chairman Ben Kapita said in Lusaka yesterday. BDay

More than 250 foreign farmers, almost all South Africans, had moved to Zambia recently.

"We welcome genuine investors and not chancers or pretenders looking for land after failing elsewhere," Kapita said. 20/1/93

Agriculture Minister Guy Scott said more than 30 South African farmers had been allocated land.

Applications from many others were being processed. (360)

"We are serious about developing agriculture as the mainstay of our economy and we are looking for authentic farmers to tap Zambia's potential," Scott said.

He and Kapita agreed that only 6% of the country's arable land was under cultivation.

The South Africans were expected to inject new technology and new methods into Zambian agriculture.

Many of the South Africans looking to Zambia for their futures were said to be disillusioned by post-apartheid violence and fearful of the possibility of having their land snatched away by a new government. — Sapa.

ZCCM improves investor prospects

By Sven Lünsche (360)

STAR 21/1/93.

Zambia Consolidated Copper Mines (ZCCM) has improved its chances of attracting a major investor to buy the government's controlling 60 percent stake by producing healthy financial and production results.

Anglo American, which already has 27,6 percent of ZCCM and has a pre-emptive right to acquire the government's stake, disclosed last week that it was holding discussions with the Zambian government on closer involvement in the privatisation process.

In producing good interim results for the seven months to end-October last year ZCCM also counters speculation that the company is facing a financial crisis.

The best news for potential investors is that the company has met its debt obligations to its lenders and does not need to resort to new borrowings this year to fulfil its capital expenditure commitments, both in foreign exchange and in local currencies.

However, ZCCM estimates its capital expenditure commitments for the 15 year period from 1994 to 2009 at about $2 billion to finance exploration, the development of new ore sources and reinvestment in key operational areas.

According to the company's statement, copper production in the seven months to end-October at 251 512 tons was 19 percent higher than in the same period in 1991.

Furthermore the production costs were reduced from 73,5 US cents per pound in financial 1991-92 to 60,3c in the interim period of 1992.

The improved production results lifted sales to 126,2 million kwacha ($754 million) from Kw111,9 million ($669 million) in the 12 months to end-March 1991.

Pre-tax profits improved from Kw14,6 million ($87 million) to Kw36,6 million ($219 million) and net profits rose sharply from Kw4,7 million ($58 million) to Kw19,3 million ($115 million).

There was also a marked improvement in the cash-flow situation to Kw12,94 million ($78 million).

The Zambian government has also offered encouragement to foreign investors in its mining industry by recently proposing major tax reforms and other incentives.

I'd rather die than suffer in jail, says Cebekhulu

STAR 2/4/93. B60

LUSAKA — Detained South African Katiza Cebekhulu (20) is frustrated and depressed with his indefinite detention and is willing to attempt to escape from Lusaka Central Prison in Zambia.

"One day I will just run and the policemen might shoot me. Maybe it is better to be dead than to be alive and suffering like this."

The South African detainee was quoted by the Zambian newspaper Weekly Post yesterday as saying Zambian immigration authorities had found he was not a prohibited immigrant.

"I was kidnapped by the ANC from South Africa — I did not come here on my own," he said from prison. He conceded that an escape attempt would probably be suicidal.

He claimed to have been at the Zambian Ministry of Home Affairs where he met two South African whites from the Department of Foreign Affairs.

"I told the two white men from South Africa that I will never set foot in that country because I will be killed. My mother is my only family and she stays in Natal. I have no education and no job, so how can I go to South Africa? I am prepared to go anywhere, even the Soviet Union, as long as I am safe," he said.

Home Affairs Minister Newstead Zimba earlier confirmed that Cebekhulu was free to go anywhere, but it appeared no other country would have him.

Chief immigration officer Clement Mbangweta said Cebekhulu had been given the choice of leaving the country or remaining in detention because he was not wanted in Zambia.

Several Western countries, including Britain and Denmark, had withdrawn offers to take Cebekhulu because they could not guarantee his safety.

South African authorities have been anxious to interview Cebekhulu since he disappeared shortly before the Winnie Mandela kidnap and assault trial in which he was to have appeared as a co-accused. — Sapa.

JCI 'exploring' Zambian investments

BIDAY 26/1/93 360

JOHANNESBURG Consolidated Investment Ltd (JCI) said yesterday it was waiting for clarity from the Zambian government on privatisation of Zambia Consolidated Copper Mines Ltd (ZCCM).

Asked if JCI was interested in investing in ZCCM, which Zambia plans to denationalise, a spokesman said the company had recently opened a small office in Lusaka "for general exploration work".

"Any potential interest in existing mines will not be pursued until there is clarity with respect to the Zambian government's attitude to privatisation," he said.

JCI is one of a group of mining houses looking at investing or increasing their investments in Zambian industry, sources say.

The Zambian government, which owns 60,3% of ZCCM, has said the company needs medium-term funding of \$2bn. 26/1/93

Mining analysts say one of the main problems facing potential investors is that ZCCM has grown too big and unwieldy.

"It will need to shrink before it can expand again," said Trevor Evans at Deloitte Haskins and Sims in Lusaka. "Private owners would get rid of inefficient areas."

"There has been no money for underground development or exploration for many years," said a mining executive who did not want to be named. "The result is that they could run out of mineable ore in 15 years unless new development takes place," he added.

Analysts said the richest known remaining reserves on the copperbelt were at Koncola and Nkana, with an estimated life span of 50 to 60 years, but that major new shaft systems were needed to develop them.

"They need half a billion dollars at Koncola alone," the executive said.

He said the Kabwe division had been running at a loss for years but had not been closed because of political pressure to save jobs. — Reuter.

Anglo, Gencor, JCI eye Zambian Copper

EDWARD WEST 360

ANGLO American, Gencor and JCI said yesterday they would be interested in acquiring the Zambian government's 60% stake in Zambian Consolidated Copper Mines (ZCCM). 8/0893 28/1/93

A Genmin spokesman said the group planned to be actively involved in Zambia and believed the mine had good prospects. But no offers had been made yet.

Anglo American, which indirectly holds 27% of ZCCM through Bermuda-registered Zambia Copper Investments, indicated recently it would be interested in expanding its Zambian mining interests if conditions were favourable.

An Anglo spokesman said the corporation held no options on any shares in ZCCM and would not have pre-emptive rights.

"We are at present discussing with ZCCM and with the Zambian government ways in which we can be helpful in planning the future of the company, with particular reference to privatisation."

JCI spokesmen said the group was interested in acquiring an interest only if there was clarity on Zambia's privatisation policy. A Zambian office was established recently to pursue group interests there.

The mine earns 90% of Zambia's foreign exchange. It improved copper production by 45 000 tons last year to 431 000 tons. Tax reforms and incentives for mining were recently proposed by the government.

Reuter reports that the mine's second largest shareholder, Investment Trade and Management International, recently disposed of its 7% stake in ZCCM on the London Stock Exchange to concentrate on the African banking network.

Big guns home in on Zambian mine stake

CT 28/1/93. (3#) (360)

Own Correspondent

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● Gencor chairman Brian Gilbertson confirmed yesterday that about 10% of the company's head office staff would be retrenched because of the recession.

The divisions affected were Trans-Natal and Samancor, he said.

Gilbertson declined to disclose the number of employees involved. Sources put the number of retrenchments at about 80.

Rich pickings in emeralds

3/0/13

LUSAKA — Zambian emeralds could provide rich pickings for foreign investors willing to crack down on smuggling, mining analysts say. 29/1/93

Zambia Consolidated Copper Mines Ltd (ZCCM) cites "informed sources" as saying Zambia could account for 25% of world gem emerald reserves.

Zambian emerald sales are widely estimated to be worth $200m a year, but only a fraction of the proceeds finds its way back into the country.

Gemstone Corporation of Zambia secretary Theo Bull says this figure is probably about $50m.

Emerald deposits, concentrated west of Kitwe, are mined mostly by small-scale operators.

Much of the output is sold cheaply to smugglers from west Africa and Zaire who deal with cutters and polishers in Europe.

A former ZCCM executive says a body like De Beers is needed to "put a fence around the emeralds". (360)

Zambia's government holds a 55% interest in emerald miner and marketer Kagem. — Reuter.

CIB 'presumptuous'

260

CT 29/1/93

THE Minister of Home Affairs, Mr Louis Pienaar, yesterday accused the Campaign for Independent Broadcasting (CIB) of presumptuousness, saying it was only one of several interest groups which had to be consulted in the appointment of the new SABC board.

He said he had met the CIB twice before but had never undertaken to meet the group again on January 18.

The CIB claimed this week that the minister had unilaterally cancelled a meeting scheduled for January 18.

Mr Pienaar met representatives of the DP, IFP and the CP yesterday.

He said 122 nominations for appointment to the new SABC board had already been received from 16 interest groups, which included political, religious, cultural and consumer organisations.

There was broad agreement on the need for a selection panel, headed by a judge or judges, which would review nominations and hear objections to persons already nominated.

Mr Pienaar said at least 10 other interested parties still had to be consulted.

UN funds Zambian plan

B1DAY 3/2/93

LUSAKA — The UN Development Programme has committed $8,8m towards implementation of capacity building in economic management in Zambia.

The grant was part of a technical co-operation programme aimed at decreasing the country's dependence on expatriates, the UN Development Programme resident representative Onder Yucer said in Lusaka yesterday.

The co-operation programme would start this year and enhance economic analysis, development planning, programming and budgeting, information and data generation, foreign exchange and debt management, bank supervision and public service management.

"The emphasis will be on human resources development through product and process," Yucer said. — Sapa. 360

New notes in Zambia without KK

Star 3/2/93

(360)

LUSAKA — The Zambian government has introduced new currency notes, fulfilling one of its election promises to get rid of portraits of leaders on its legal tender.

The country's central bank, the Bank of Zambia, said on Monday the new 100 and 500 kwatcha notes would circulate along with the existing notes until the latter were completely withdrawn.

During its campaign for office, the Movement for Multiparty Democracy (MMD) promised to remove the portrait of the then president, Kenneth Kaunda, from the national currency.

The new currency will depict an African Fish Eagle, the national coat of arms and a Baobab tree. — Star Africa Service.

Zairean mutineers hold out in barracks

B/D/Hy 4/2/93

KINSHASA — Heavy gunfire shook central Kinshasa yesterday in fighting that was believed to have pitted President Mobutu Sese Seko's elite guard against mutinous troops who are holed up in a barracks.

After the violence, some shops and stores opened and minibuses and taxis began to ply routes in working-class districts, but the main state-owned bus service was not running.

Transport stopped at the barricades erected around the "high security" zone that presidential guards have established in the city centre after at least 300 people died in days of rioting.

Some sources said the shooting around the Camp Kokolo barracks, which broke out overnight on Tuesday and lasted into the early hours of yesterday, came as the elite special presidential division sought to have mutinous soldiers lay down their arms, but others said rioting troops were still at large.

Military chiefs refused to comment on the clashes, but it was clear the guard unit did not yet have the situation under control.

An hour of shooting, which was accompanied by the firing of flares, died down around 10.45pm, but automatic weapons fire was heard again around 2am.

Meanwhile an authoritative source said Archbishop Laurent Mosengwo, head of a High Council of the Republic first set up in 1991 to bring in multiparty democracy, said Prime Minister Etienne Tshisekedi had kept the council "informed of his steps to reshuffle his government."

Mobutu last month sacked the cabinet headed by Tshisekedi, his arch-rival, telling the premier to form a new government of "broad national union". Tshisekedi refused to comply, but received an ultimatum from the high council to present a new team. The country has been without a government for two months.

Zaire is currently run by a "college" of senior civil servants in the different ministries.

Political circles said yesterday that difficult bargaining was under way between the president, the prime minister and the High Council and no new government was likely to emerge for several days. Tshisekedi would have to include Mobutu supporters in his team after troops loyal to the president restored order in Kinshasa, the sources said.

The city descended into anarchy when regular soldiers mutinied on January 28 after they were paid in new banknotes that Tshisekedi declared not to be legal tender, making traders reject them.

Belgium yesterday grounded a chartered Liberian World Airlines DC-8 that had been due to fly tons of the controversial new banknotes from Ostend to Zaire, diplomatic sources said. — Sapa-AFP.

Zambia wants investment

360

LUSAKA — Finance Minister Emmanuel Kasonde is expected to announce an austerity budget tomorrow, cutting government spending to the bone in a bid to curtail inflation

The inflation rate, currently 200% a year, is thought to be peaking.

Zambia is trying to lure foreign investors to revitalise its moribund economy, offering its copper riches as the main attraction.

President Frederick Chiluba has in his 14 months in office begun dismantling 27 years of state control of the economy. B/D/Hy

He has liberalised foreign exchange controls, ended food subsidies and launched a programme of selling off state-owned companies. 4/2/93

Chief among them is Zambia Consolidated Copper Mines Ltd (ZCCM).

Revitalising ZCCM, where productivity has suffered under state management, is the single biggest step Zambia can take towards easing its foreign exchange shortage.

The shortage, along with burgeoning money supply, has stoked inflation. — Sapa-Reuter.

Star 14/2/93 (360)

SA not helping Unita rebels

LUSAKA — The South African representative's office in Lusaka has vehemently denied the country's involvement in the resurgent Angolan civil war.

In a statement broadcast on Radio Zambia today, deputy South African resident representative Willem Swanepoel said: "South Africa is not supporting Unita as claimed by the Angolan government. The war weaponry being used is neither of South African origin or manufacture.

"South Africa is for peace in Angola and the entire southern African region," he said. — Sapa.

● Generals quit - Page 6

Currency market in Zambia 'hit by panic buying'

360

B/Day 5/2/93

LUSAKA — Senior banking sources said it could take several months for the Zambian currency market to recover from its convertible currency shortage.

Bankers' Association chairman Bruce Knight said the wave of panic buying of convertible currencies was one of many factors leading to the crisis.

A major factor was inflation, currently estimated at a year-on-year 170%.

"For as long as interest rates remain below the rate of inflation, people will feel more comfortable keeping their savings in hard currencies," the bankers association chairman said.

Businessmen wary about the rate of inflation had been holding on to convertible currencies for months before a recent wave of panic buying, Knight said.

The shortage of convertible currencies would persist for as long as the inflation rate outstripped interest rates.

"Going by the 1993 budget, the government hopes to bring down inflation significantly this year.

"However, this might take several months, and the currency problem will persist until then," he said.

Knight described as "amazing" fears that the budget, presented last Friday would trigger a devaluation, considering the market had been liberalised.

Other experts concurred that the panic was uncalled for.

"I cannot believe that people could believe something so absurd in a liberalised freemarket environment," Barclays Bank MD Nicholas Brentnall said.

Zambia last Friday made known a balanced budget for the 1993/94 fiscal year. — Reuter.

Lusaka faces curse of the Merc

LUSAKA — Just more than a year after President Frederick Chiluba took office, pledging to stamp out Zambia's reputation for government overspending, the curse of the Mercedes is challenging his resolve.

Chiluba's Works and Supply Minister Chuulu Kalima was quoted in The Times of Zambia recently as saying he had ordered 60 of the cars — long the carriage of choice for Africa's rich and powerful — for cabinet ministers.

The report caused an outcry by trade unions, opposition politicians and members of Chiluba's own ruling Movement for Multi-party Democracy.

Kalima quickly qualified the report by saying a final decision had not been made yet, but diplomats and businessmen said the affair was a worrying throwback to the free-spending days of Kenneth Kaunda.

"If the Mercedes purchase goes through, it does not bode well for the future," a Western diplomat said.

Chiluba, who took office 14 months ago, has implemented wide-ranging economic reforms, including the planned privatisation of most of Zambia's 150 state-owned companies, liberalisation of exchange control, and an end to subsidies for the staple maize meal.

He has also declared war on corruption, but there are doubts about whether all his cabinet ministers share his zeal. (360)

Four or five of his ministers have to go," the diplomat said.

"One of them charges foreign businessmen $1 000 for an interview."

Leading Lusaka businessman Theo Bull, who describes himself as a "tremendous enthusiast" of the government, said there was little sinew in Chiluba's declaration at the opening of parliament earlier this month that he was firmly in charge. "There is no grip," said Bull, a member of the Zambia Confederation of Industries and Chambers of Commerce. "There's nobody in charge, nobody in the driving seat." — Reuter.

13/12/92

FM 5/2/93 360

ZAMBIA FM 5/2/93 360

Balancing the budget

Zambia's 1993 budget presented last week by Finance Minister Emmanual Kasonde is a model for African governments. Kasonde delighted the local business community when he cut the basic rate of corporate tax to 35% from 40% while leaving in place the incentive 15% tax rate for farmers and non-traditional — that is, non-mining — exports.

While presenting a balanced budget, he was still able to raise the personal tax threshold so that people earning below K870 a year will no longer pay income tax and reduced the number of tax bands to three — 15%, 25% and an unchanged top rate of 35%.

Until detailed expenditure estimates are released, it's not clear where savings have been made, but Kasonde insisted that education and health spending will rise and set aside a special K2bn fund for road rehabilitation.

The budget projects an 80% rise in spending this year to K232bn (K610m), with revenue doubling to match that. No new direct taxes were announced. The only tax hikes were on tobacco, wines and spirits and a new 10% tax on cars and tyres, rising to 20% for larger vehicles.

Much of this had been widely expected, but the decision to abolish remaining exchange controls was a surprise. Zambia has had these since independence in 1964 and their promised abolition later this year rounds off the liberalisation programme. Interest rates were deregulated last year and now the exchange rate will be determined by market forces. "The government has no role to play in fixing the rate," he says.

Public spending

The budget stands or falls on government's ability to contain public spending. Kasonde says that after 16 years when the budget deficit averaged 13,8% of GDP, it is time to put the economy in order. His budget was framed by putting financing first and treating expenditure as a residual.

The first stage was to set a money supply growth target and work backwards from there. This target assumes that there will be no borrowing by government from the commercial banks or the Bank of Zambia.

Government says it will repay much of its outstanding bank debt this year, freeing bank credit for the private sector. The central bank has been instructed to "bounce" cheques of government departments that seek to exceed agreed appropriations.

This emphasis on the links between deficit spending and monetary policy is crucial. Last year, money supply doubled, with more than half the credit growth comprising loans to government by the commercial and central banks. Inflation, running at an annualised rate of more than 350% early in 1992, fell to 200% by year-end.

The target is to bring inflation down to 10% by the end of this year by maintaining a tight grip on government spending and the money supply.

The targets are almost certainly too optimistic, but Kasonde has started well. In his first year at Finance, he cut the budget deficit from 7,4% to 2,2% of GDP, despite a 2,8% fall in GDP largely caused by the drought.

FM 5/2/93 360

Making spending targets stick is crucial to the strategy, since Zambia obtained general debt relief from western donors last year, reducing its debt-service burden from 1992-1995 by US$816m. If he can't meet the agreed targets, the debt-relief package will be threatened and the whole edifice of spending restraint will come tumbling down.

The challenge now is to see off labour unions and other lobbies demanding higher State spending. All subsidies have been abolished, privatisation is gathering pace with another 39 State enterprises named to be sold this year, and — in a move that did not please some in the business community — Kasonde announced the abolition of some of the 1991 investment incentives, notably tax holidays and exemptions from import duty.

It's a bold strategy from which governments elsewhere in the region, including SA, can learn. ■

NEWS IN BRIEF

Lusaka business week

MORE than 50 SA firms are expected to attend the first SA business week in Lusaka from June 22 to 26. BDAY 10/2/93 (30)

The representatives are to discuss investment opportunities with their Zambian counterparts, culminating in the possible signing of joint-venture agreements.

Zambians blame central bank for currency shortage

BDAY 12/2/93 (360)

LUSAKA — Zambia's hard currency shortage persisted amid allegations that the central bank's ability to intervene in the market was inadequate, exposing it to dealer manipulation.

A spokesman for the Central Bank of Zambia rejected charges that the crisis resulted from its failure to meet demand, and suggested dealers might be hoarding convertible currency.

He told Reuter the 15 bureaux de change in the capital had bought more convertible currency than they had sold in recent months.

The shortage, therefore, lacked logic, said the spokesman.

Deputy Minister for International Co-operation Dean Mungomba said currency dealers might have created an artificial shortage, taking advantage of "perceived weaknesses" in the central bank to manipulate the market.

"The central bank should have responded by flooding the market, but it seems it has not yet developed an intervention system to prevent such crises," he said.

A central bank spokesman said last week it did not have the foreign currency resources to combat the squeeze, adding it would have to wait for donor funds before it attempted to do so. It was difficult to say when these might be available, he said.

Senior banking sources have said it could take several months for the market to recover from the shortage.

People would seek to put savings into hard currencies for as long as interest rates remained below inflation, and it might take several months to significantly reduce inflation, they said.

The fledgling market, allowed to respond to market forces in recent months as part of economic reforms introduced by President Frederick Chiluba, ground to a virtual standstill a fortnight ago after panic buying of convertible currency. — Reuter.

Star 12/2/93

Floods hit hungry Zambians

LUSAKA — Thousands of starving people in previously drought-hit Zambia have been cut off from food supplies by floods which have destroyed bridges and roads. A government official said it was impossible to ferry relief food to the Zambezi West consituency.

(360)

● World news reports — Page 4

RAINFALL:

News in brief

Sowetan 18/2/93

Cadres get a a warning

360

ZAMBIAN Minister of Home Affairs Mr Newstead Zimba has warned ANC renegades who refuse to be repatriated to South Africa that they face deportation if they do not apply for refugee status.

Speaking on Radio Zambia on Tuesday night, Zimba appealed to ANC cadres to register and seek refugee status with the United Nations High Commission for Refugees (UNHRC).

IMF warning to Zambia

B10/79 18/2/93

LUSAKA — The IMF has advised the Zambian government against increased military spending because it is unproductive and breeds financial indiscipline. (360)

IMF African department deputy director Edwin Bornemann said in Lusaka yesterday military spending limited growth in other sectors of the economy.

"I know every country needs security, but there is also need for financial discipline. If we can save on military spending, and make more money available for health, education and other viable projects, the country would benefit a great deal," he said.

Bornemann warned against excessive wage demands and state overspending as these factors fuelled inflation.

Finance Minister Emmanuel Kasonde said there was no corruption in government circles but added: "Culprits will be flushed out and dealt with severely if identified." — Sapa.

STAR 18/2/93 (360)

Zambia warns ANC refugees

LUSAKA — ANC renegades who refuse to be repatriated to South Africa by the UN High Commissioner for Refugees faced deportation if they did not apply for refugee status, Zambian Home Affairs Minister Newstead Zimba warned yesterday.

He said he was not impressed with reasons for refusing repatriation: "Some of these guys have been involved in criminal activities. Why should Zambia give them latitude when some of them are involved in filthy activities?" — Sapa.

Zambia warns ANC exiles

260

CT 18/2/93

LUSAKA. — Zambian Minister of Home Affairs, Mr Newstead Zimba has warned that African National Congress exiles who refuse to be repatriated to South Africa by the United Nations High Commission for Refugees (UNHCR) face deportation if they do not apply for refugee status.

Speaking on Radio Zambia, Mr Zimba appealed to ANC cadres to register and seek refugee status with the UNHCR.

He warned: "Those who fail to do so will be deported to South Africa. If they are serious, they should register and give reasons why they are seeking refugee status."

Mr Zimba said he was not impressed with some of the reasons advanced for declining repatriation to South Africa.

"Some of these guys have been involved in criminal activities. Why should Zambia give them latitude when some of them are involved in filthy activities?"

Some of the ANC cadres, numbering about 700, said they had nowhere to go after having lost contact with their families, while job opportunities were slim. — Sapa

Kaunda in talks with Mandela

3609

JOHANNESBURG. — Mr Nelson Mandela met former Zambian leader Dr Kenneth Kaunda yesterday at his home here for two hours in private, the ANC said in a statement.

One of the main topics discussed was the violence in South Africa, the statement said. — Sapa

CT 24/2/93

An economic whirlwind is turning the economy on its head, but it's painful medicine

Star 1/3/93

Zambia reforms at the double

(360)

THREE young boys block the entry to a quiet residential street in Lusaka. They stop each passing car, and wave at the sign they have erected: "This is a self-help road toll." The boys have spent the day filling the giant potholes in the road with mud and stones, and are charging passing motorists for their trouble. Welcome to the new spirit of Zambia.

Since winning multiparty elections in October 1991, President Frederick Chiluba has embarked on Africa's most ambitious programme to convert a state-run economy to a free-market one. He is moving fast.

On February 12 he put up for sale a second tranche of 32 state-owned companies. He has already removed foreign exchange controls, floated the kwacha and freed prices.

And his Finance Minister has fixed tight spending limits on government ministries, chopped civil servants' pay and set a target of beating down inflation from 200 percent to 10 percent by the end of the year.

The reforms have transformed life for those at the top. Shops that once offered a single dull-looking brand of soap or chocolate are now laden with competing brands of foreign delicacies. Currency exchange kiosks have sprouted on street corners across the capital. Garages now stock spare parts, hospitals can get hold of medicines, schools can find textbooks.

Reform has also seduced Western donors. Aid has poured in, making Zambia the biggest beneficiary of British and Japanese help on the continent. Donors are paying for a team of consultants to help the government's new privatisation agency sell off 170 state-owned companies — accounting for about 80 percent of formal economic activity — over the next five years.

The government says it would like Zambians to be able to own shares in state firms, and plans to set up a stock market. But, for now, state companies are under the hammer to the highest bidder, whether foreign or Zambian.

Ambitious programme . . . President Frederick Chiluba.

Private investors who already own a minority stake in a state company, have first option on buying the enterprise outright. Chiluba, a former trade unionist, promises there will be "no sacred cows" in his mission to privatise.

The economic shock-therapy may be necessary. The government is saddled with hefty foreign debts: they amounted to half of export earnings in 1991. It urgently needs to attract foreign investment, and has set up all sorts of incentives to lure it, including a "one-stop" investment centre that cuts through red tape.

But the average Zambian is bearing the pain. He can afford none of the fancy stuff now on sale in the shops, let alone his staple food, maize meal. Since the president cut subsidies, the price of maize meal has leapt by 500 percent — and that happened during a severe drought.

Some Zambians feel particularly uneasy at the idea that "their" companies may be sold to (white) foreigners, especially South Africans. Yet this is a probable outcome. The latest tranche of privatisations — of firms with a combined annual turnover of about R45 million — includes some choice morsels such as the Zambia Sugar Company, the National Tobacco Corporation and several state milling companies.

Among the minority shareholders are several foreign multinationals, including Booker-Tate, Lonrho and Anglo American. When Zambia Consolidated Copper Mines, which earns Zambia no less than 90 percent of its foreign exchange, is sold next year, it (or bits of it, should it be broken up) may slide into South African hands; Anglo American is a minority shareholder.

With the opposition parties in disarray, Zambians scarcely consider it worthwhile venting their frustration through the ballot box; few bothered to turn out to vote at December's local elections. But they are taking up their new freedom to speak out with zeal. They now write angry letters to the independent newspapers. The unions threaten more strikes. One Minister has described the new mood as "a culture of whingeing".

So far, the protests have been peaceful. But the government may be pushing its luck. Stories abound that the country's new political leaders are picking up the habits of the old breed.

A few weeks ago a story was leaked to the press that Ministers had ordered a new fleet of 60 Mercedes-Benz cars. An embarrassed Minister hastily cancelled the order. Zambians may not peacefully put up for ever with the hardship involved in being a model for the new Africa. — The Economist. □

Zambia declares emergency

Sowetan 5/3/93. (360)

LUSAKA - The Zambian government yesterday imposed a state of emergency amid reports of a covert plan by the main opposition seeking to oust the government of President Fredrick Chiluba.

In a brief radio and television broadcast, Chiluba said the move was necessitated because "the threat to our young democracy is real".

■ Opposition 'seeking to oust' Chiluba:

"The political stability of the democratic system has been poisoned and if left unattended the consequences will be great.

"I am using my constitutional powers to invoke a state of emergency with immediate effect," he said. - Sapa-AFP.

Govt change boosts ZCCM

LUSAKA — A change of government in Zambia has helped the world's second largest copper producer, Zambia Consolidated Copper Mines (ZCCM), burst out of its poor performance rut.

New management, appointed by President Frederick Chiluba in 1991, has boosted earnings and improved the company's production to an expected 430 000 tons of copper for the year ending March 31 from an all-time low of 387 000 tons a year earlier.

ZCCM shares, 12,4% of which are not in the hands of the Zambian government and Anglo American, have quadrupled to £3,20 on the London Stock Exchange from 70p at the end of 1991. British and US institutional buyers have snapped up 6,9% of the shares.

Investors are watching the new, slimmer operation to see who will gain control when the government relinquishes its 60,3% shareholding.

Most analysts expect Anglo to act on its right to first consideration. It was forced to reduce its holding to 27,3% when Zambia nationalised ZCCM in 1970. (360)

ZCCM is the biggest component of Chiluba's privatisation programme. The company earns 90% of the country's foreign exchange and employs 50 000 people. The new management has cleared a $30m debt owed to overseas suppliers and a 4-million kwacha bill to local suppliers, and it made an after tax profit of $142m in the first nine months of fiscal 1993 compared with $58m for all of fiscal 1992.

Commerce and Trade Minister Ronald Penza expects a decision on ZCCM's share sale to be made in 1995.

The most likely scenario involves a dilution of the government's stake through the creation of new equity, analysts say. Anglo American is likely to buy up as much as it can afford and the balance of the shares would be bought by institutional investors or other SA mining houses. — AP-DJ.

Star 5/3/93

Zambia imposes emergency

LUSAKA — The Zambian government yesterday imposed a state of emergency amid reports of a covert plan by the former ruling United National Independence Party seeking to oust President Fredrick Chiluba. Chiluba made the announcement in a brief radio and TV broadcast. The plan, has been linked to Wazi Kaunda, son of former president Kenneth Kaunda. (360)

● World news reports — Page 4

Zambia to sell off 150 firms in privatisation drive

BIDM 8/3/93 (360)

LUSAKA — Zambia is putting up for sale more than 150 government-owned companies, representing about 80% of the economy and comprising a host of assets nationalised in the '60s and '70s.

The multinationals that once owned those assets will have first crack at buying them back. But investors new to Zambia also are expected to be bidders in the country's five-year privatisation scheme.

Plans are for 19, mostly small companies to be sold by June. But over the course of the scheme's 12 rounds, the government will relinquish control over the country's largest concerns, including manufacturers, farms, newspapers, Zambia Airways and the giant Zambian Consolidated Copper Mines (ZCCM).

"We'd like to see the entire economy in private hands," says Commerce and Trade Minister Ronald Penza, who is responsible for the scheme.

Priority will be given to bidders that currently have minority shareholdings or claims on nationalised assets.

The two multinationals that have the largest stakes in Zambia, Anglo American and UK-based Lonrho, have said they intend to exercise at least some of their preemptive rights.

Some analysts say the privatisation process is going too slowly because the government has had to take excessive measures to ensure the process is regarded as fair. There is concern that the country is giving its wealth back to the white colonials from which it won independence 28 years ago. Also slowing down the process are fears that a large portion of the economy will go into the hands of ministers.

There generally are to be no restrictions on the amount of shares any one party can buy, though the government said it may retain a stake in some companies.

The companies will not simply be thrown to the highest bidder, but will be judged by a range of criteria, including development and employment plans, says James Matale, director of Zambia Privatisation Agency, which is executing the privatisations for the commerce and trade ministry. "These companies should be sold to the best homes."

Proceeds of the sales will be used to reduce the country's debt, fund social programmes and upgrade companies that will be sold later.

Anglo American has stakes in several of the 32 companies due for privatisation in the second round. Anglo would like to increase its 25% shareholding in Zambia Breweries which it says offers the opportunity for synergy with its SA Breweries.

Also on the list is National Milling Company, in which Anglo is interested in increasing its 24,5% shareholding, and Chilanga Cement, where Anglo has a 10% shareholding.

ZCCM, where Anglo was forced to reduce its holding to 27,3% in 1970, is its main concern. "We'd like to play a major role in the mines given the opportunity by the government," says Anglo American (Central Africa) MD Anderson Mazoka.

Analysts say Anglo is likely to buy as much of ZCCM as it can afford and aim for management control.

Lonrho is also keen on regaining control of the companies it lost to the state. National Breweries, in which Lonrho holds a 47% stake, is on the second list.

Matale says he is confident that the process will be finished in five years. And the World Bank, which has made a $200m loan contingent on progress with privatisation, says the scheme is meeting its targets.

Foreign investors have also expressed confidence in the future of Zambia's economy. Seven foreign firms applied to bid in the first round, and the number for the second is expected to be higher given the increased size of the companies.

SA merchant bank Investec, which is in charge of introducing SA investors to the privatisation scheme, says the response to the first group of companies has been overwhelming.

"SA companies see it as a new market to expand in to," says Investec project finance manager Andrew Smith. — AP-DJ.

KK's son held over 'coup'

360

ZAMBIAN police yesterday said they had arrested another of former president Kenneth Kaunda's sons in connection with an alleged coup plot, taking the total number of opposition figures in detention to 21.

Among the first people arrested was Kaunda's third son, Wezi Kaunda of UNIP. — *Sapa-Reuter and Sapa.*

Sowetan 8/3/93.

Another of Kaunda's sons held

Star 8/3/93

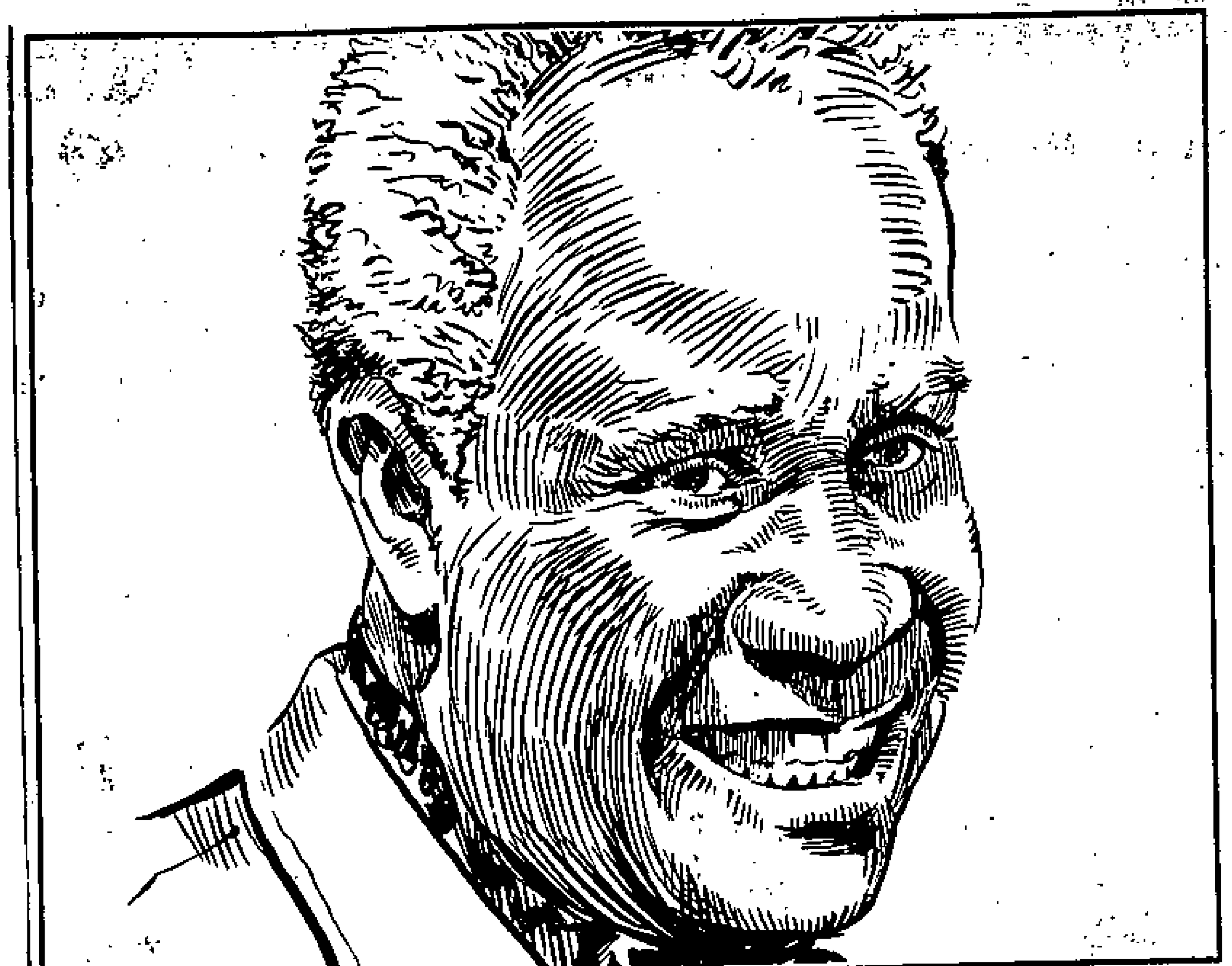
LUSAKA — Another of former Zambian president Kenneth Kaunda's sons was arrested yesterday in connection with an alleged coup plot, bringing the total number of opposition detainees to 21.

Police said Tilyenji Kaunda and an unnamed woman member of the central committee of the opposition United National Independence Party (Unip) were among suspects arrested at the weekend.

(360)

President Frederick Chiluba declared a state of emergency on Thursday night. Among the first people arrested was Kaunda's third son, Unip security chief Major Wezi Kaunda.

He is apparently on a hunger strike in protest against his detention. — Sapa-Reuter.



Kenneth Kaunda ... met FW de Klerk.

Kaunda meets De Klerk and De Beer

Sowetan 10/3/93

■ Former president learns from South Africans

360

Political Correspondent

KENNETH Kaunda, former Zambian president and now one of Africa's elder statesmen, met separately with President de Klerk and Democratic Party leader Dr Zach de Beer yesterday.

Standing on the wind swept steps of the main hall of Parliament, Kaunda said he had come to South Africa primarily to attend the solidarity conference held by the African National Congress.

"After that I stayed on just to learn from the leadership what was taking place."

Tuynhuys

He met De Klerk at Tuynhuys and De Beer at his Parliamentary office.

"De Klerk continues to impress me as an honest and sincere man. Margaret Thatcher says she discovered Mikhail Gorbachev. I discovered De Klerk," Kaunda quipped.

This was the fourth time Kaunda had met De Klerk. Their first meeting took place in August 1989 when De Klerk defied Mr PW Botha to see Kaunda.

As Kaunda was climbing into his car outside the main hall of Parliament, a group of white pupils from the Paul Roos Gymnasium school, who had attended Parliament, walked past to their bus.

Some of the boys recognised Kaunda and waved. He waved back.

Kaunda has met leaders across the political spectrum while in South Africa, including Lucas Mangope of Bophuthatswana and Mangosuthu Buthelezi of the Inkatha Freedom Party, in Ulundi.

Meet Mandela

He will see ANC leader Mr Nelson Mandela in Johannesburg today and then return home. Kaunda has been in South Africa for 15 days.

De Beer and Kaunda knew each other from when De Beer was chairman of Anglo American in Central Africa from 1972 to 1974. De Beer used to have dinner in Kaunda's home every month.

"It was a very great pleasure for me to see him. We spoke about old times and not very much about politics," De Beer said.

"Kaunda thinks the problems are considerable, but he detects a real wish from political parties to overcome them," De Beer said.

Kaunda was president of Zambia from 1962 to 1992.

Dr Piet Welgemoed . . . ready to talk in Zambia.

Urgent bid to release trucks

Star 11/3/93

360

Political Staff

CAPE TOWN — Government officials flew to Lusaka yesterday for urgent discussions over the release of a large number of South African freight trucks on their way to central Africa — many of them loaded with perishables — which have been delayed at the Zambian border for a week.

Deputy Minister of Foreign Affairs Renier Schoeman and senior Foreign Affairs and Department of Transport officials are in the Zambian capital trying to resolve the deadlock.

The trucks were headed for Zaire, Burundi and Malawi.

Department of Transport officials were baffled by the Zambian action as no official reason has yet been given.

Invited

They said Transport Minister Dr Piet Welgemoed had invited his Zambian counterpart, Andrew Kashita, to visit South Africa as soon as possible and Welgemoed had offered to go to Zambia if necessary.

South African carriers are required to pay about R380 to enter Zambia and a further R380 if they are passing through to Zaire and Malawi.

Zambian carriers do not pay to go in and out of South Africa.

South African carriers pay R150 to cross the Zambezi River on the ferry betweeh Botswana and Zambia at Kazangulu, while Zambian carriers pay R12,50.

Zambian visas cost R30 but South African visas are free.

South African carriers are also pressured to form partnerships.

Star 12/3/93

Zambia to open embassy

Zambia is to open its first embassy in South Africa in May after parliamentary approval of the estimated costs, Foreign Affairs Minister Vernon Mwaanga said in Lusaka yesterday.

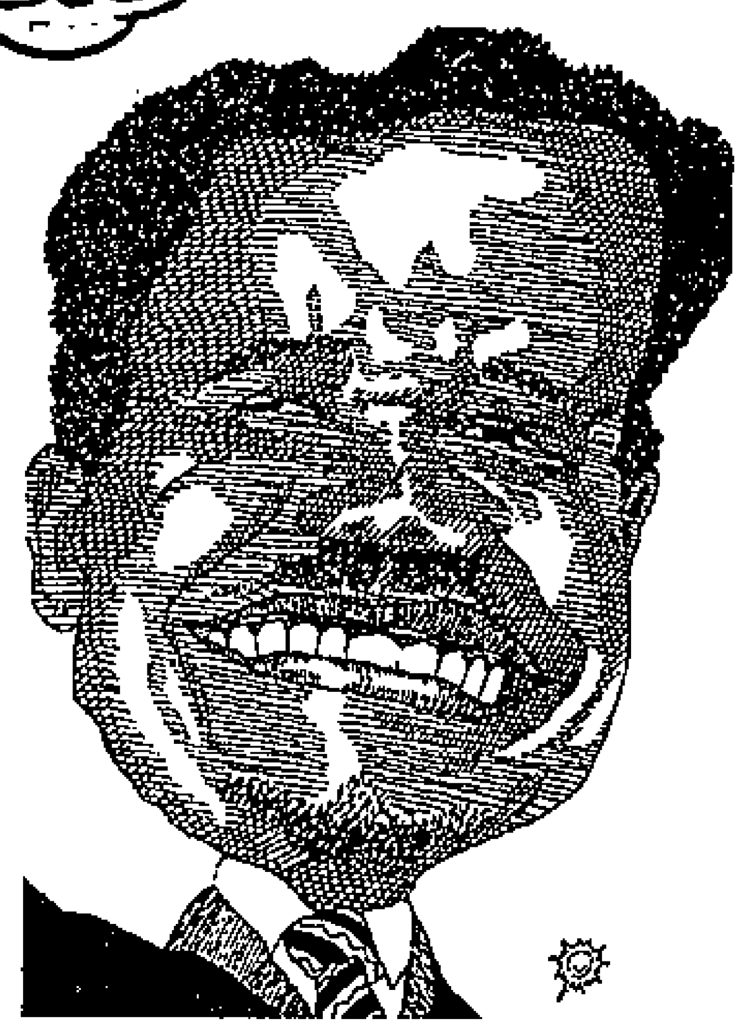
(360)

Star 12/3/93

The plot to oust Chiluba

360

Zambian president Frederick Chiluba reveals details of a Unip plot to bring Zambia to its knees and seize power from the democratically elected government. He also offered his views of other matters affecting the southern African region. JOE LATAKGOMO of the Star Africa Service reports from Lusaka.



PRESIDENT Frederick Chiluba this week disclosed to a visiting group of South Africans details of the alleged opposition plot that made him impose the current state of emergency.

The plotters aimed to topple Chiluba's government by making the country ungovernable through an extraordinary range of activities ranging from strikes to fomenting petty crime, according to a document said to have been drawn up by the United National Independence Party (Unip), which maintained a one-party regime under former President Kenneth Kaunda.

The state of emergency would not be applied any longer than necessary and had been narrowly defined to deal with a specific situation, Chiluba told a fact-finding delegation from the South African Institute of International Affairs.

More than 20 Unip members were detained under the state of emergency, which was imposed after publication of a Unip document entitled "Zero Option", and another titled "A Radical Programme of Action". which the government says are seditious.

Chiluba said the state of emergency would not pose any threat to the freedom of speech and association and argued that to the average citizen it was a purely academic issue. There was no visible effect and people were going about their lives normally, he said.

He said that the first indications of dubious activities of Unip had been when they declared themselves to be a "liberation movement".

"Clearly, you cannot be a liberation movement in a democratic climate," Chiluba said.

The Zero Option document says in its aims that the population of Zambia was "disgruntled with the present government", and suggested that this had been displayed by the low turnout at by-elections and the local government elections. "But it must be noted that all Zambians seem not to have any viable alternative," the document states.

For that reason, Unip should aim to "wrestle power" from the MMD government "before the 1996 general elections". To achieve this, they would engage in civil disobedience, organised through trade unions, student organisations, retrenched intelligence officers, army and police officers, retrenched parastatal executives, "mishange boys" (unemployed youths), discouragement of investment and donor funding and propaganda.

"Generally, civil disobedience must aim at making the country ungovernable and creating a sense of insecurity, thereby offering the authorities no opportunity of proper governance," the document says.

The "mishange boys" are said to be the "most effective sector of the community. The party must identify and create leadership among these people. The leadership must be paid monthly allowances. These can be used to organise their colleagues for:

- Propaganda against the government.
- Riots in town centres.
- Thefts and petty crime in and around town centres."

This, the document says, will be the nucleus of all the chaos in the country and therefore needed to be better remunerated. This group should be encouraged to commit crimes against Western foreigners, crimes like pickpocketing tourists.

The top leadership of Unip would issue statements which suggest that it was not safe to invest in Zambia. Unions could be used in various ways, including strikes, riots, sit-ins and roughing up company executives, while students should be organised and their leaderhip paid monthly allowances to stir up resistance to increased school fees, uniform costs and encouraging disobedience by asking students to go to school without uniforms.

Chiluba said that clearly, Unip had found it difficult to accept that in a democracy they can win or lose an election.

"We do not wish to deny the opposition their right to organise and prepare for the democratic process of elections in 1996. But they are saying they want us out before the end of 1993, and if the constitution does not provide for an election then, the question is, how do they hope to oust us? It is their methods and actions which we question."

Chiluba said that when his party campaigned during the elections, they did not promise the electorate miracles.

"We knew that the road ahead would be tough. We knew we had to take some unpopular decisions, and for that reason we did not take the populist road to power. In any situation similar to ours, when you have a five-year mandate, the best time to take the tough action is in the first two years," he said.

"We decided to move away from active participation in the economy, through creating a market economy and providing an enabling environment. In the command economy that existed, people began to look to the government to provide for them, and thereby lost their independence. Now, people can become their own masters and assume responsibility for their own destiny."

His government's focus, he said, would be on social restructuring. Task forces had been appointed on education, health services, and road building.

Asked whether expenditure on defence should be a priority in such difficult economic times, as shown in the country's last budget, Chiluba said that Zambia shared borders with eight countries "none of which boasts a democratic government".

Zambia's defence force did not even have troop carriers, he said.

On the South African situation, Chiluba said that his government was still convinced that a solution would be found, and that democracy would prevail. The treatment of permanent minorities, he said, could create the greatest threat to democracy, and accommodation of their rights must be part of any solution package so that they could feel they had a share in the country.

"We hope a solution comes sooner, rather than later, as the benefits for all in the region are quite clear," he said.

The Angolan situation, he said, was a "big shame". Jonas Savimbi, he said, fought a war for decades in the name of democracy.

"He should have been the first to accept the outcome of the democratic elections."

He cautioned, however, that the war was a no-win situation.

"But any peace forced on the country will be temporary. I feel sad as an African that the culture of violence has been so internalised that everything we do is characterised by violence," he said. □

Zambian border crisis resolved

Star 12/3/93

(360)

LUSAKA — The free flow of long-haul traffic between Zambia and South Africa will resume immediately, according to a statement yesterday by the SA Department of Foreign Affairs.

The announcement followed a border crisis in which hundreds of South African trucks, many loaded with perishables, were held up for more than a week.

Zambian Transport Minister Andrew Kashita had assured Pretoria it was not Zambia's policy to present obstacles to the free flow of traffic in the region, the statement said.

This emerged from a meeting in Lusaka between SA Deputy Foreign Minister Renier Schoeman and Kashita when complaints by South African hauliers about the renewal of road permits were discussed.

The statement said: "Mr Kashita undertook to renew the permits of all existing permit holders and consider applications for new permits until such time as the two countries have had the opportunity to address their problems on a mutually acceptable basis." — Sapa.

Zambia clamp after coup plot rumours

C/Press 6/4/8/93 (360)

ZAMBIA's parliament has ratified a state of emergency declared by President Frederick Chiluba following an alleged opposition coup plot.

Police detained a number of officials from the main opposition United National Independence Party for questioning after Chiluba declared the state of emergency.

Foreign Minister Vernon Mwaanga told parliament Zambia had broken diplomatic relations with Iraq and Iran after the government accused the two Middle East countries of helping to fund the plot.

Both Iraq and Iran denied any involvement.

Reports of a plot to subvert the government first surfaced in the state-owned *Times of Zambia* on February 28. Unip president Kebby Musikotwane subsequently confirmed he had received a copy of the plot document from radical members of the party.

Excuse

He denied the plot was official Unip policy and said he had passed details to the president's office for further investigation.

Former president and Unip founder Kenneth Kaunda has denied there was a plot and accused the government of using it as an excuse to harass the opposition.

The Iraqi foreign ministry said the Zambian accusations were "unfounded" and described the break in relations as a "negative step".

Iran has retaliated by breaking ties with Zambia, and ordered the Zambian ambassador to leave Tehran immediately. – Sapa-Reuter-AFP

Third Kaunda detained

360

LUSAKA — Zambian former president Kenneth Kaunda's eldest son had been arrested in connection with an alleged subversion plot, police said yesterday.

Panji Kaunda is the third of Kaunda's children to have been detained since President Frederick Chiluba, alleging a foreign-inspired plot to topple his government, declared a state of emergency on March 4. B DAY 17/3/93

Zambia last week broke diplomatic relations with Iraq and Iran, accusing them of involvement in the coup plot.

Both denied involvement.

bombs for sale.

BDay 17/3/93 360

Riots bring Lusaka to a halt

LUSAKA — Rioting engulfed the Zambian capital yesterday, bringing business to a halt before armed riot police cordoned off the city and restored control. Unconfirmed reports said the rioting was sparked by University of Zambia students protesting against the brief detention of eight fellow students who planned to demonstrate against inadequate meal allowances.

Ozone hole 'will hit Germany'

BONN — It was too late to stop an ozone hole from spreading over Germany, exposing people and crops to dangerous solar rays, Germany's environmental protection office head said yesterday.

Heinrich von Lersner said international agreements to ban CFC gases were too late to prevent the damage from spreading in the short term.

Mammoth bacteria identified

NEW YORK — Scientists have identified the biggest bacteria known, visible to the naked eye.

The bacteria were more than 1-million times larger in volume than typical bacteria, researchers reported yesterday in the journal Nature.

REPORTS: Sapa-Reuter-AFP-AP.

Star 19/3/93

Zambian rampage

LUSAKA — Large crowds yesterday stoned cars and shops in the Zambian capital.

Police fired teargas to disperse the rioters, who included street traders and University of Zambia students. (360)

Unconfirmed reports said illegal motor spares dealers, operating from near the city centre, started the trouble after threats that they would be removed.

There is growing discontent among Zambians at the increasingly high cost of living since the government of President Frederick Chiluba came to power in 1991. — Star Africa Service.

Zambia opts for the SA option

WMail 19/3-25/3/93. (360)

A state of emergency, detention without trial ... Zambia's fledgling democracy sounds more and more like South Africa of the 1980s. By **MELINDA HAM**

THE future of Zambia's 16-month-old democracy is in question after President Frederick Chiluba declared a state of emergency earlier this month and detained 25 members of the oppositon United National Independence Party (Unip).

In a broadcast on national radio and TV, Chiluba justified the emergency by stating that "Zambia is threatened. Our young democracy is at stake. The political climate is being systematically poisoned by a few of our citizens who are bent on plunging this nation into chaos."

He was referring to the "Zero Option" plan, a document written by disgruntled elements of Unip that was leaked to the local press on February 24. The plan outlined a detailed programme to overthrow Chiluba's Movement for Multiparty Democracy (MMD) government before the 1996 general elections, with a campaign of riots, strikes and crime to scare away foreign investors.

Retired army, intelligence and police officers, as well as unemployed youths known as "mishanga boys", trade unionists, students and civil servants would be employed to carry out the destabilisation.

The document also stated that Unip would look for funding from "friendly" Arab governments such as Iran, Iraq, Libya, as well as from the Palestine Liberation Organisation. Former Zambian president Kenneth Kaunda, who lost the October 1991 multiparty elections, and Iraqi President Saddam Hussein were both born on April 28 and have exchanged birthday gifts like snakes and other African animals. One of Lusaka's main roads was opened by the Iraqi foreign minister and named Saddam Hussein Boulevard.

Unip's president, Kebby Musokokwane, said Zero Option was written by a member of his party, but he would not reveal the author's identity and maintained that because the plan had not been approved by Unip's executive, it was not party policy.

Musokokwane's secrecy resulted in the detention without charge of 25 Unip members, including three sons of Kenneth Kaunda — Wesi, Tilenjyi and Panji Kaunda — former head of intelligence Henry Kamima and other Unip executive members. Panji Kaunda has since been released.

Most of the detainees have been interrogated extensively. Some say they have been denied legal representation, others that they have been beaten and tortured. Panji Kaunda, who is an MP, was arrested in Lusaka on Monday and driven 800km to Chipala in eastern Zambia, where police meticulously searched his property.

Boot on the other foot ... President Frederick Chiluba

Sources in Chiluba's cabinet say that Zambian intelligence forces failed to inform the president about Zero Option and that he first learnt of the plan when he read excerpts of it in the state-run *Times of Zambia*. Nonetheless, the events that followed set a worrying precedent for the future of democracy in the country.

At a 10pm meeting called the night before Chiluba made the declaration, he tried to convince his 27-member cabinet that a state of emergency was the only solution. No one was given a copy of the full Zero Option document — they had to trust that their president knew what he was doing.

In some ways, he did not. On March 4, Chiluba signed the declaration under the wrong article of the constitution: Article 31, which invokes a threatened, not a full state of emergency, and gives the president no powers to detain suspects without charge. The Unip members were thus detained illegally and may sue for damages.

The government did not publicly explain this mistake, which was exposed by the privately owned *Weekly Post*, and Chiluba secretly signed the correct Article 30 on March 8, which invoked a full emergency.

The next step was the ratification of the emergency by the 150-seat parliament, in which the MMD controls 125 and Unip 25 seats.

Debate lasted for 10 hours over two days but, though a handful of back benchers and Unip MPs argued against the motion, the majority of speakers supported the government. Few had seen copies of Zero Option. A total 114 MPs voted in favour of the motion and 23 voted against it.

One back-bench MP, Baldwin Nkumbula, who was the minister of youth and sport before he resigned last August, argued that the cabinet was deceiving parliament and the Zambian people at large by alleging that the emergency would reduce crime.

"By this instrument which we now wish to apply, the hope of ever seeing democracy in this country goes away forever," he said.

Kenneth Kaunda imposed a continuous state of emergency on Zambia for the 27 years following independence from Britain in 1964. Hundreds of his political opponents, including Chiluba, who was then the chairman of the Zambia Congress of Trade Unions, were detained without trial. Four of Chiluba's present cabinet ministers are former Kaunda detainees.

In the run-up to the 1991 elections, the MMD campaigned vigorously for the emergency to be lifted and after Chiluba assumed power, it expired within seven days. But now the boot is on the other foot.

The London-based human rights organisation Amnesty International has declared that the 25 detainees are "prisoners of conscience" and has appealed to Chiluba to release or charge them as soon as possible.

Western donors are also clearly concerned, believing that the government has "over-reacted" to a situation that could have been dealt with under Zambia's existing laws. Many hope that the government must have more reasons than it is publicising for taking such Draconian measures.

Next month, aid donors will meet Zambian representatives in Paris to discuss aid pledges for 1993/4. By then donors will expect the emergency to be lifted and that the detainees have been charged. Otherwise, the new democracy may see a cut in aid.

An encouraging sign is to be found in the fact that the government has tolerated harsh criticism from its own people. When Chiluba declared the emergency, he promised that freedoms of speech, association and movement would be upheld, and so far the government has stuck to its word.

The state-run and private media have covered the emergency in full detail and published scathing editorials. Supporters of at least five opposition parties have held a protest marches through downtown Lusaka.

STAR 22-12-93

Zambians t

CONT->

Frederick Chiluba's honeymoon with Zambia's voters seems to be over, reports JOE LATAKGOMO, of The Star's Africa News Service, from Lusaka.

THE hawker declares: "This is real gold from Angola", as he desperately tries to clinch a deal with a tourist. The bracelet is marked 24 carat gold, but anybody with a keen eye can tell it is far from that.

This hawker, like many others, is trying to make a living in a very difficult and almost hostile environment. He was born after Zambia's independence, so the colonial era is only history to him. Lusaka has always been the way it is now. For him, there are no "good old days".

And yet, like most Zambians today, he is impatient with the pace of reform. He cannot find a job. Neither can many of his friends. When they took to the streets in support of the Movement for a Multiparty Democracy (MMD), cheering in Frederick Chiluba, it was as though the Redeemer had come.

Unless their needs are attended to quickly, they will begin to ask whether their decision to vote for that party was wise, and in a democratic country, they will vote for someone else at the first opportunity. Chiluba and his team know this only too well.

The transition from single-party rule to multiparty democracy in Zambia is the only known case in Africa where a leader — Kenneth Kaunda — entrenched in power for 27 years, retaining the backing of the civil service and security forces, peacefully accepted the result of a democratic election which ousted him.

Perhaps people thought it would pay them better to belong to and support the MMD, a coalition of various parties and interest groups whose common desire was to rid the country of Kaunda — even though the MMD declared during their election campaign that they could not promise Zambians miracles.

One year later, the liberalised economy has not delivered the goods to the man in the street. Nor has it delivered food on to the table. Or provided jobs. The price of goods and services has shot up by as much as 400 percent in some instances, and inflation is running at levels between 150 and 200 percent, keeping down the spending power of those who are lucky enough to have jobs.

They have heard the story of blaming it all on Kaunda. They no longer accept it, and are asking whether what they are going through is what they voted for.

During the days of Kaunda, a 25 kg bag of maize meal cost 215 kwacha. Now the same bag costs 3 000 kwacha — and in a country where take-home pay averages only 10 000 Kwacha, that is very steep. Members of Kaunda's Cabinet each earned 15 000 kwacha a month, and with increases from this year's budget, Chiluba's men earn a hefty — by Zambian standards — 250 000 kwacha.

However, President Chiluba has undertaken to reduce his salary by 100 000 kwacha. Also, the kwacha has been devalued since the days of Kaunda.

"It is very difficult to incite a Zambian," declared one local when asked why, if there was such a high level of resentment, people have not taken to the streets in protest.

In recent local government and by-elections, voter turnout was low. In the Kabushi by-election, just under 6 000 of the more than 35 000 registered voters bothered to turn up; at Nkana, 5 000 of the more than 28 000 voted, and at Nalikwanda, just under 3 000 of the almost 13 000 voters bothered to show.

Chiluba's government has done much to reconstruct the country's economy. At first, peo-

Star 22/3/93

...ire of 'bitter pill'

High hopes . . . Frederick Chiluba at an election rally.

ple accepted that the bitter pill was necessary, but nobody told them they would have to take it for so long.

That bitter pill included trimming the civil service: by August last year, 12 000 daily temporary workers had to be retrenched, with a further 10 000 laid off by December.

Mourning

360

In the next two years, another 45 000 jobs are set to be trimmed in the civil service, leaving only 100 000 in the State sector. The privatisation programme will also result in massive lay-offs.

A letter to the editor of a news magazine sums up the fears and concerns of many Zambians: "Was it worth observing this year's (1992) October 24 as a national day? Or to celebrate 28 years of independence? Certainly not. If anything, Zambians were supposed to observe a full national day of mourning because their freedom, property, land and almost everything is being taken away from them in the name of privatisation and 'enabling environment'."

Zambia Privatisation Agency director James Matale believes that the programme has definite advantages for Zambians. The government would concentrate on creating an environment that would encourage investment and growth, he said, while the private sector, which has both the capacity and skill to ensure successful operation of companies, must be involved. It was not just a matter of turning companies like Zambia Sugar and others from public monopolies to private monopolies.

So far, the 19 companies in the first tranche of the privatisation plan have been disposed of, many with high Zambian involvement. The second tranche consists of 29 companies, including milling, metal, sugar companies and breweries.

The government, however, is committed to the principle of diversifying the economy. The removal of price controls and food subsidies has led to spiralling prices, but the government hopes the prices will have stabilised by the end of the year. They have negotiated debt write-offs of up to 50 percent with creditors, obtained reduced interest rates on some debts, and extended maturities on others. Drought relief programmes were run efficiently — perhaps more so than in many other countries.

The major task remains the rehabilitation of roads, schools and hospitals, but much also needs to be done to stimulate the productive sector of the economy so that not only will jobs be created, but also wealth spread around.

High interest rates and tight money markets have resulted in money being directed to quick-return areas like trade and commerce instead of manufacturing.

Dealing with these daunting tasks has required the wisdom of Solomon from Chiluba. His 17 years of leadership of the trade union movement has enabled him to hold the MMD together so far. But the cracks are beginning to appear. Reports of corruption in high places, and a feeling that Chiluba is unable, or unwilling, to deal with the culprits, are emerging. It is suggested that there are more powerful men behind the throne, among them Defence Minister Ben Mwila, Foreign Minister Vernon Mwaanga, Ronald Penza, Chuulu Kalima and Dean Mung'omba.

Corruption

At the opening of parliament in January, Chiluba warned that 1993 was the year of discipline. "Inside the velvet glove," he said, was "a fist of steel".

Few believe him, and in fact many suggest he does not have the political will to deal with the miscreants. Several of the allegations of corruption have been investigated by the Anti-Corruption Commission, which reports to the President, who decides what action, if any, to take. □

NEWS FEATURE *Now Frederick Chiluba comes face t*

Cont

The man who cannot deliver

Sowetan 30/3/93. (360)

■ **HARD ACT** *Chiluba tries to balance voter impatience against his tenuous hold on power through his party:*

By Joe Latakgomo, Sowetan Africa News Service.

LUSAKA — "This is real gold from Angola," declares the hawker as he desperately tries to clinch a deal with a tourist. The bracelet is marked 24 carat gold but anybody with a keen eye can tell it is far from that.

The hawker, like many others, is trying to make a living in a very difficult and almost hostile environment. He was born after Zambia's independence, so the colonial era is only history. To him, Lusaka has always been the way it is now. For him, there are no "good old days".

And yet, like most Zambians today, he is impatient with the pace of reform. He cannot find a job. Neither can many of his friends. When they took to the streets in support of the Movement for a Multiparty Democracy, cheering Frederick Chiluba, it was as though the redeemer had come. Like voters anywhere in the world, they are a particularly finicky species. Unless their needs are attended to quickly, they begin to ask whether their decision to vote for any party was wise — and in a democratic country they will vote for someone else at the first opportunity. Chiluba and his team know this only too well.

No jobs

One year later, the liberalised economy has not delivered the goods. Nor has it delivered food on to the table. Or provided jobs.

The price of goods and services has shot up by as much as 400 percent in some instances and inflation is running at levels between 150 and 200 percent, keeping down the spending power of those who are lucky enough to have jobs.

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Members of Kaunda's cabinet each earned 15 000 kwacha a month. With increases from this year's budget, Chiluba's men earn a hefty — by Zambian standards — 250 000 Kwacha.

"It is very difficult to incite a Zambian," declared one local when asked why, if there was such a high level of resentment, people have not taken to the streets in protest.

Some observers even believe that the reason for the current crackdown on the opposition is a way of turning attention away from the real problems of the country, and reminding people of the existence of Kaunda's United National Independence Party. But already Zambians are making their feelings known.

In recent local government and by-elections, turn-out was low. In the Kabushi by-election just under 6 000 of the more than 35 000 registered voters bothered to turn up, at Nkana 5 000 of the more than 28 000 voted and at Nalikwanda just under 3 000 of the almost 13 000 voters bothered to show.

Chiluba's government has done much to reconstruct the country's economy. At first people accepted that the bitter pill was necessary but nobody told them they would have to take it for so long.

That bitter pill includes trimming of the civil service: by August last year 12 000 daily temporary workers had to be retrenched, with a further 10 000 laid off by December. In the next two years another 45 000 jobs are set to be trimmed off the civil service, leaving only 100 000 in the state sector.

Massive lay-offs

The privatisation programme will also result in massive lay-offs.

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... on creating an environment that will encourage investment and growth, he says, while the private sector, which has both the capacity and skill to ensure successful operation of companies, must be involved.

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Daunting tasks

The major task remains the rehabilitation of roads, schools and hospitals.

However, much also needs to be done to stimulate the productive sector of the economy so that not only will jobs be created, but also wealth to spread around, as high interest rates and tight money markets have resulted in money being directed to quick-returning areas like trade and commerce instead of manufacturing.

Dealing with these daunting tasks has required the wisdom of Solomon from Chiluba.

His 17 years of leadership of the trade union movement have enabled him to hold the MMD together so far. But cracks are beginning to appear. Reports of corruption in high places, and a feeling that Chiluba is unable or unwilling to deal with the culprits, are emerging. It is suggested that there are more powerful men behind the throne, among them Defence Minister Mr Ben Mwila and Foreign Minister Mr Vernon Mwaanga.

The current crackdown on Unip is in fact seen as bringing out the political ghost of Kaunda to refocus attention on the old enemy once more.

It looks as though Chiluba is ready to use undemocratic means to keep his own fragile party together and retain his hold on power.

Sowetan
30-3-93

ɔ *face with the crunch*

Frederick Chiluba ... honeymoon over.

BD 31/3/93 (360)

Transport pact agreed

SA AND Zambia had agreed on principles and mechanisms for a road transport agreement between the two countries, SA's Transport Minister Piet Welgemoed said yesterday.

Both countries would issue licences valid for one year, with the intention of introducing the system throughout southern Africa.

ST Times 4/4/93

■ LUSAKA: Zambian lawyers say their country "is witnessing an erosion of justice" shown by the detention without charge of 15 people suspected to be behind a plot to oust the government. The Law Association said there was no basis for the alleged plot and called for the immediate trial or release of the suspects, members of the formerly ruling United National Independence Party.

360

BUSINESS DAY, Thursday, April 8 1993

Western donors promise Zambia $800m in aid

B/DAY 8/4/93

PARIS — Western donors promised Zambia $800m in aid yesterday, reassured by promises that the state of emergency in the country would be lifted as soon as possible, the World Bank said.

That still leaves a funding gap of about $115m (360) for 1993.

"I am confident that we will be able to close the financing gap over the next couple of months," World Bank director for Southern Africa Stephen Denning told a news conference.

The Zambian government declared a state of emergency last month after discovering an alleged plot to subvert the administration of President Frederick Chiluba by members of the United National Independence Party, which ran Zambia as a one-party state until November 1991.

"Many donors mentioned the state of emergency as a setback to the democratic process in Zambia and welcomed the government's assurance to lift it as soon as possible," the World Bank said in a statement.

Included in the aid pledged yesterday was $508m for balance of payments support, $103m to help with commodity purchases and $240m for development projects.

Zambian Finance Minister Emmanuel Kasonde said his country was making great efforts to lessen its dependence on external aid and was grateful for the substantial sums found. — Sapa-Reuter.

CT 16/4/93

Shake-up in Zambia

LUSAKA. — President Frederick Chiluba yesterday sacked four ministers in a major shake-up of his 17-month-old cabinet.

(360)

Star 20/4/93

Iata suspension for Zambia Airways

LUSAKA — Cash-strapped Zambia Airways has been suspended from the International Air Transport Association for failing to send $2,5 million (R7,98 million) to Iata's headquarters.

(360)

The State-owned Times of Zambia reported yesterday the Iata suspension could cripple operations because other airlines would, on instructions, refuse to deal with Zambia Airways.

Some travellers feared they would be stranded if other airlines refused to accept Zambia Airways-issued tickets.

Zambia Airways PR manager George Makulu said $1,3 million (R4,15 million) was owed to Alitalia, payable through the Iata clearing house, and the balance was for overflight charges. — Sapa

Zambia Air suspended

LUSAKA — Zambia Airways has been suspended from the International Air Transport Association for failing to remit $2,5m. Reports said yesterday the suspension could cripple the carrier. "Every effort is being made to settle the bill quickly," the airline said.

(360)

B/DAY 24/4/93

Coup off rails

LUSAKA — Two Zambian opposition officials detained in connection with an alleged coup plot said their party leader had handed out to followers documents outlining a plot to topple the government.

360

Businessman Mr Stanley Muntanga and opposition Unip MP Mr Cuthbert Nguni told the Lusaka High Court that Unip president Mr Kebby Musokotwane had distributed the documents to other party officials. — *Sowetan Correspondents and Sapa-Reuter.*

Sowetan 22/4/93

Mourning as plane crash wipes out Zambian national football side

B/Day 29/4/93 360

LUSAKA — A sense of shock and disbelief gripped Zambia yesterday with the news that the national football team had died in an air crash.

A Zambian military plane carrying the country's top players as well as Football Association of Zambia officials crashed into the Atlantic minutes after takeoff from Libreville, Gabon, just after midnight yesterday. All 30 people on board were feared dead.

The plane was en route from Port Louis, Mauritius, where the Zambians had won an African Nations Cup qualifying match to become the favourite for the competition. They were on their way to Senegal to begin play in the second regional qualifying round for the 1994 World Cup.

A statement from Zambia's presidential office said: "A sad tragedy has befallen the nation and it will take years to rebuild the national football team to such a level."

The statement added that President Frederick Chiluba was cutting short a trip to Uganda to join the nation in mourning.

National radio played solemn music immediately after the announcement, and as the news spread, some people wept openly on the streets of Lusaka. One fan, Chaibela Chela, said: "This is a black April for Zambia. We shall not recover from this shock."

Zambia released some names of those on the plane, but said that three regular team members who also play for first division clubs in Europe were not on board. They are Kalusha Bwalya of the Netherlands' PSV Eindhoven, Johnson Bwalya of Switzerland's FC Bulle and Charles Musonda of Belgium's Anderlecht.

SA Football Association secretary-general Solomon Morewa said a memorial service for the Zambian team would be held at the FNB Stadium at 6pm next Wednesday.

"I feel a sense of overwhelming sorrow," said Morewa. "We got to know the chaps very well when they played us (they beat SA 1-0 in an African Nations Cup qualifier) here last year. They were all super guys.

"We had hoped that Zambia and Zimbabwe would reach the finals of the 1994 World Cup in the US to proudly represent southern Africa . . . and now this," he said.

Although no NSL matches are scheduled for this weekend, Morewa said teams playing in midweek matches would be asked to observe a minute's silence before kick-off in memory of the team.

Kaizer Chiefs' Neil Tovey, who captained SA against Zambia last year, described the players' deaths as a great loss. "Although I didn't get to know the Zambian players too well in the short time they were out here, an incident like this tends to bring all footballers together.

"I'm sure all players around the country will join me in offering condolences to the families and friends of those killed," he said. — Sapa-AP-AFP.

● See Back Page

SA soccer bosses shocked, grieving

29/4/93

360

By HERMAN GIBBS

SOUTH AFRICAN soccer officials last night expressed shock and grief at the news that the plane carrying the Zambian national soccer contigent of 18 players and five officials had crashed off the African west coast.

Reports that there were no survivors were confirmed in Zambia.

The South African Football Association is to hold a memorial service for the team at the First National Bank stadium outside Johannesburg next week Wednesday at 6pm.

SAFA secretary-general Mr Solomon Morewa, speaking on behalf of the SAFA national executive and all its members, expressed his sorrow.

"We at the NSL had a close relationship with most of the players in the past. In fact three of the players are on the books of the Lenasia-based Dynamos club," he said.

Star 29/4/93

Zambia banishes SA cotton buyers

(360)

LUSAKA — The Zambian government says it has foiled an attempt by a group of South African businessmen to export most of Zambia's bumper cotton harvest this year for ginning in South Africa.

Deputy agriculture minister Gibson Nkausu confirmed in Lusaka that a ban had been slapped on the export of unprocessed seed cotton from Zambia.

Some South Africans have pasted posters in the cotton growing areas urging farmers to sell the produce to them at lucrative prices — taking advantage of the liberalised economic policies.

Lint Company of Zambia (Lintco) general manager Brian Mulala charged: "The dealers have been trying to woo farmers in Chibombo, Mkushi and Mumbwa districts to sell their cotton to them for ginning in South Africa."

Lintco, Marklands, Swarp Spinning Mills, Mastock and Sinazongwe Cotton Growers Cooperative are government designated legal cotton seed buyers in Zambia.

"South Africans risked being prosecuted if they attempted to continue with their dealings," Nkausu said.

However, he explained: "Exports of processed lint and cotton seed will not be affected by the ban. This is the area where they should concentrate their resources."

Zambia had adequate cotton ginneries to process cotton: "Some of these South Africans are here under the guise of investment — it is unfortunate that they should engage in shady deals," Nkausu said.— Sapa.

Ginners puzzled by 'poaching' allegation

Cotton

PETER DELMAR

360

BDAY 29/4/93

SA's cotton ginning industry was yesterday puzzling over Zambian government allegations that it had engaged in a cloak-and-dagger operation to siphon off that country's cotton crop.

Zambia's Deputy Agriculture Minister Gibson Nkausu charged that an SA "cartel" was engaging in "shady deals" to get Zambian farmers to export their unprocessed seed cotton illegally, Sapa reports.

Nkausu, who confirmed that a ban had been placed on seed cotton exports to SA, said some SA buyers had put up posters in the cotton growing areas urging farmers to sell to them.

SA Cotton Ginners' Association chairman and Clark Cotton MD Eugene Brock said the only tenders he knew South Africans to be involved in had been negotiated by telephone and correspondence. He said Zambian producers, no doubt attracted by the prospect of earning foreign exchange, had approached SA ginners.

SA's ginners have the capacity to process about 350 000 bales of seed cotton.

Cotton Board GM Johan Gillen said SA had experienced a bad season, reaping a cotton crop of about 100 000 bales. The board had approved a ginners' request to import seed cotton. Keeping the ginners operating at higher capacity would result in improved economies of scale and better prices for producers, he said.

The Zambian government's objection to SA's "poaching" of its bumper produce was apparently based on the belief that its ginning industry had the capacity to process the whole crop.

Nkausu said exports of processed lint and cotton seed would not be banned.

Star 29/4/93

Zambia's copper exports slip

LUSAKA — Zambia's copper export receipts declined from $93,7 million in January to $75,99 million in February.

(360)

Nevertheless, production capacity of 30 989 tons was maintained.

Bank of Zambia economic indicators published in Lusaka nesday also revealed that Zambia was unable to export any lead and zinc during the same period due to low production levels. — Sapa-Reuter.

Star 30/4/93

'Be disciplined' – Kaunda

Abdul Milazi (360)

Former Zambian president Dr Kenneth Kaunda exhorted ANC supporters at a memorial service in Benoni yesterday to bury ANC chairman Oliver Tambo in peace.

However, when the service was over, about 200 mourners returning to Daveyton damaged four private cars, according to East Rand police.

The group dispersed after police fired rubber bullets, spokesman Major Ida van Zweel said. In another incident about 30 youths stoned a police vehicle.

Kaunda, who became Tambo's friend more than 30 years ago, told about 1 000 people at the Benoni City Hall to avoid a repeat of the violence that marred slain SACP leader Chris Hani's funeral.

"It is your duty to see to it that what Oliver Tambo fought for and died for is accomplished," he said.

He also appealed to political leaders to speed up the negotiation process.

"There is no need for some leaders to waste time on petty issues and delay the establishment of a new government. Black people have suffered under apartheid for over 300 years and it is time all South Africans, black and white, fought for a government representative of all its people."

However, he added, democracy would never be attained when there was no discipline in the country. He appealed to the youth to always be disciplined and to act only on their leaders' instructions.

He drew loud cheers when he concluded "whoever does not believe in the coming freedom of black people in South Africa is a sell-out".

Chiluba in the dock over prison conditions

W\Mail 30/4-6/5/93. (360)

By BOBBIE JOE KELSO: **Lusaka**

THE continuing detention of 15 opposition members in Zambia has turned the spotlight on conditions in the nation's prisons and left President Frederick Chiluba's 17-month-old government on the defensive about promised improvements.

Lawyers frequently visiting some of the country's 50-plus prisons allege prisoners are often poorly fed and clothed, abused by guards and forced to share cramped cells with dozens of others. A US state department report on human rights in Zambia this year confirmed horrible health conditions in the prisons.

The plight of the detainees, most held since early March in connection with a plan to destabilise the nation and ultimately overthrow the government, has brought the issue to the fore.

Frederick Chiluba

In testimony in court last week, several of the detainees alleged they had been tortured.

Journalists have been barred from visiting any of the state prisons, despite an earlier invitation to do so by the minister of home affairs.

The outcry about the conditions, however, is not only for the detainees of the United National Independence Party (Unip), the former ruling party. It is for all Zambia's prison inmates.

"Prisoners are treated very badly," said Sunil Parmar, a lawyer with the state's legal aid department, which represents defendants who cannot afford their own attorneys. "Some prisoners have no clothes; they're wearing underwear. Some are starving."

The Law Association of Zambia, a 500-strong group preparing a campaign to educate Zambians about human rights, asserts that the political detainees, like the other at least 10 000 prisoners, are being maltreated.

Noah Kalala, ministry of home affairs permanent secretary, admitted the government had not yet embarked on sorely needed improvements.

The Lusaka Central Prison, for example, was built in 1932 to house 200 prisoners, yet today holds at least 800.

Kalala and other officials offered the defence that the new government had inherited an abysmal prison system. Last year, the same explanation was given after 17 prisoners had died at one prison in a two-month period from a variety of diseases, such as dysentery and cholera.

The US state department report, released in January, cites frequent excessive force by security officers and lists prison conditions under the heading of cruel and inhuman treatment.

"Tuberculosis, anaemia and chest infections are rampant due to low-protein diets, lack of clean water, sub-standard food, severe overcrowding and poor sanitation and medical facilities," it notes.

Zambia's 1993 budget allocates 43-million kwacha for a new prison to be built in Lusaka. The project also received 32-million kwacha in last year's budget and still exists only on the drawing-board.

Star 3/5/93

SA to join travel body

LUSAKA — South Africa's admission to the Africa Travel Association will be formally recognised at the organisation's annual congress in Lusaka this week.

The ATA says the congress will adopt initiatives ushering in a new era for the association and tourism promotion in Africa.

(360)

The association approved South Africa's admission after a recent directors' meeting in Abidjan. — Sapa.

Kaunda weeps for his team

Sowetan

5/5/93

■ Ex-president pays tribute:

By Joe Mdhlela

FORMER Zambian president Kenneth Kaunda broke down and wept last night as he paid tribute to his country's national soccer team killed in an air crash last week.

(360)

Kaunda was delivering the main address at a memorial service at FNB Stadium in Johannesburg organised by the South African Football Association.

Eighteen squad members died when their plane plunged into the Atlantic Ocean off Libreville, Gabon, while on their way to Senegal last Wednesday.

Kaunda calmed down during the singing of the freedom song *Thula Sizwe* as he choked with emotion midway through his speech.

When he recovered his composure, Kaunda said the death of the Zambian players and the memorial service had demonstrated the very close bond between his country and South Africa - "a gesture of the closeness of people belonging to one family".

8/OAM 6/5/93

Repatriation stalls

360

LUSAKA — The repatriation of more than 25 000 Mozambican refugees from Zambia has stalled because Mozambican representatives refuse to sign a repatriation agreement.

An agreement between the UN High Commissioner for Refugees and Mozambican and Zambian delegates was reached last week, but the Mozambicans require instructions from their government.

Star 8/5/93

(360)

Jailed Malawian democrat ill

LUSAKA — Jailed Malawian pro-democracy activist Chakufwa Chihana is in very poor condition and needs urgent medical attention, a leading African trade unionist who visited him this week said yesterday.

Chihana (52), a leader of the opposition Alliance for Democracy (AFORD), is serving a reduced six-month prison term for sedition.

Fackson Shamenda, president of the Southern African Trade Union Co-ordinating Council, said Chihana was coughing blood.

Shamenda said that despite his condition, Chihana continued to insist on the need for multiparty democracy in Malawi. — Sapa-Reuter.

wife.

The soft-spoken, grey-haired woman, dressed in a neat wool suit, said that digging bunkers on their farms and taking up arms would be the next step to fighting for what they want. "Today could be the start of the farmers taking up arms."

Kingsley's chilling sentiments were echoed by many of the khaki-clad farmers who attended the rally on Thursday.

Speaker after speaker at the meeting, organised by the Transvaal and Free State agricultural unions, called on farmers to mobilise themselves, their families and even their farmworkers against threats to their security, new labour legislation — and negotiations.

South African flags were waved alongside flags from the old Boer Republics. Banners proclaimed: "Ek is 'n Boer en 'n farmer: kom 'try' my" (I am a Boer and a farmer: come 'try' me).

Kingsley's family have been in South Africa for generations and her grandmother was imprisoned in a British concentration camp almost 100 years ago. "We want to farm and be successful, but we will not live under a black government. They number so many, we will be engulfed. We feel we will not have a say."

Leeudoringstad farmers Hennie Maas and Sas Botha said they would never be able to live under a black majority government. They feel threatened by the ANC. A black government will take over the country and we will lose our farms. We are here today fighting for our own properties and very livelihood. If we do not stand together, it's over — the end."

They said there was nowhere left to trek and they would take up arms, if necessary, to fight for their country.

Kosie Pieterse, a cattle farmer from Bray in the Vryburg district, said the main problem for the farmer was economics. "The price of petrol is up, diesel is up, mealie seed is up — yet we are getting 50 percent less for agricultural products and meat, and consumers are paying more. Where does the money go?"

Khaki-clad Jan du Preez, who farms with game and cattle in the Vryburg district, said he was angry at the proposed new labour laws which provide minimum pay scales and regulate working conditions for farmworkers, and the Government's surrender to pressure from the ANC and Congress over law and order. They can't even protect the people who provide the country with food."

The bottom line, Transvaal Agricultural Union president Dries Bruwer said to loud cheering, was that there would be no negotiated settlement in South Africa without the farmers' co-operation. "After this meeting, you will be able to tell your grandchildren you were there when the farmers decided: So far and no further!"

DIGGING IN THEIR HEELS: The farmers' gathering in Potchefstroom had one message: Enough is enough. And they're prepared to back their demands with whatever it takes.
● Photograph: KAREN SANDISON

● Here's to the good, old days.
JOE LOUW laments over the demise of old-style shebeens.
See Page 9

STAR 8/5/93

Relocate SA fugitive, urges Zambia

AFRICA NEWS SERVICE

LUSAKA — Zambia has requested the United Nations High Commissioner for Refugees (UNHCR) to send fugitive South African Katiza Cebekhulu to a third country to avoid "misunderstandings" between Zambia and South Africa.

The UNHCR representative in Zambia, Abou Moussa, told Saturday Star in an interview that the Zambian government wanted a rapid solution to the Cebekhulu problem.

Cebekhulu was a key witness in the Winnie Mandela trial. He escaped from South Africa and found his way to Zambia in March 1991. He has since been languishing in Zambian prisons.

Moussa said Cebekhulu had made it clear he would not return to South Africa for fear of his life.

"He is in preventive custody and we are trying to resettle him in another African country so that he can be free. He has expressed fear about going back to South Africa and it is not our intention to send him back."

His going home should be voluntary, Moussa said.

Asked how many countries had been approached regarding the Cebekhulu case, Moussa said: "I can't give you the number of countries but I know my head office has done quite a lot. If we find a place for him tomorrow, we will arrange that he leaves." He also agreed that as long as the problem was outstanding, everybody would like to find a solution.

Zambian Minister of Home Affairs Newstead Zimba declined to comment, saying: "I am still waiting for a reply from the UNHCR — you ask them to comment."

Foreign Affairs Minister Vernon Mwaanga earlier this year wrote to the UNHCR requesting it to find another home for Cebekhulu.

Prison authorities say they are stuck with more than 100 prohibited immigrants, including Cebekhulu. Most of those have been rejected by their governments, and others fear for their lives. Most of them are Zaireans.

STAR 8/5/93

Talks planning body claims great progress

KAIZER NYATSUMBA
Political Correspondent

THE 10-member planning committee which facilitates negotiations claims to have made "tremendous" progress on issues it had been asked to make recommendations on, including the name of the process itself and the constitution of technical committees.

The planning committee, whose members participate in their personal capacities and not as representatives of political parties or organisations, yesterday recommended to the 26-delegation Negotiating Council (NC) meeting at the World Trade Centre that the multiparty talks simply be called the Multiparty Negotiations Process. But even if accepted, it may not mean that debate on the name for the process has necessarily ended.

The planning committee has also nominated people to serve on the seven technical committees whose formation was approved when the NC met last week.

Drawn up by a three-member subcommittee of the planning committee — comprising National Party constitutional adviser Fanie Venter, ANC negotiator Mac Maharaj and KwaZulu government representative Dr Ben Ngubane — the nominations are believed to have the blessing of the planning committee.

The various technical committees and the people nominated to serve on them:

● Violence: V Ntsundane, University of Zululand; Professor Herbert Vilakazi; Professor P J Oosthuizen; and four representatives of the National Peace Committee.

● Constitutional matters: Professor Marius Wiechers of the University of South Africa; human rights lawyer Advocate Arthur Chaskalson; former Pan Africanist Congress deputy president Dikgang Moseneke; Dr Fanie Venter; J F Kirsten; Professor G E Devenish; and Firoz Cachalia.

● Fundamental rights during the transition: Advocate G H Grove; Advocate Z Yacoob; Professor L M du Plessis; and H Corder.

● Transitional executive council: Professor D van Wyk; Professor Fink Haysom; Dr J C Heunis; and M E Mapheto.

● Independent media commission and independent telecommunications authority: Advocate David Dison; Dr B de Villiers; Advocate P Pretorius; and former Ka-Ngwane Chief Minister Enos Mabuza.

● Independent electoral commission: S T K Ndlovu; Professor D Davis; R P Rosenthal; and Advocate L Laubscher.

● Repeal of discriminatory legislation: Advocate Pius Langa; Advocate C Nkabinde; Professor John Dugard; and Professor M G Erasmus.

STAR 8/5/93

Most whites query Mandela's sincerity

CAPE TOWN — Only one in five South African whites believe that ANC president Nelson Mandela is sincere about wanting to solve the problems of this country.

That is the outcome of a survey by Research Surveys' Omnicheck division, which interviewed 500 black men, 500 white men and 800 white women in March.

They were asked how sincere they thought each of the leading politicians was about his desire to solve the problems.

While Mandela's sincerity among whites was suspect, 92 percent of black men believed he was sincere.

President de Klerk surfaced as the only leading politician seen by both black and white South Africans as being sincere.

Two-thirds of all respondents saw De Klerk as being either totally, or quite, sincere.

Inkatha Freedom Party leader Mangosuthu Buthelezi enjoyed the confidence of most whites (to almost the same extent as De Klerk). However, four in five black men felt he was "not at all" sincere.

Conversely, while most whites doubted the sincerity of Clarence Makwetu, president of the Pan Africanist Congress, this leader, too, succeeded in convincing black men he meant what he said.

Common ground was also found by the two race groups in their assessment of Dr Zach de Beer, leader of the Democratic Party. The DP will be concerned to learn that their leader was considered by half the sample to be "not at all" sincere. — Sapa.

STAR 8/5/93

Immigration curb soon

MANDY JEAN WOODS

DESPITE its international image of a country riven by violence, South Africa has become the residence of choice for many foreigners, with some SA missions abroad receiving as many as 2 000 inquiries a day!

Given this situation, stricter measures to deal with this increase in applications would be introduced, Home Affairs Minister Danie Schutte said yesterday.

This situation had become particularly problematic since the opening up of eastern Europe, Schutte said.

"Because the majority of people applying do not qualify, a situation has developed where agents or people applying for permanent residence on behalf of immigrants blatantly assist in making fraudulent representations," he noted.

To counter this, substantial fines — with or without a prison sentence — would be imposed in future.

"The capacity of South Africa to absorb prospective immigrants, especially in the prevailing economic climate and particularly in the category of persons wishing to settle here as workers, is extremely limited," Schutte said.

The bona fides of prospective immigrants who claimed to be financially independent or in a position to establish job-creating industries and other acceptable business ventures would be thoroughly investigated, he added.

Zambian incentives can't lure farmers

W/Mail 14/5-20/5/93. (360)

By BOBBY JO KELSO

DESPITE Zambia's efforts to attract agricultural investors by offering financial incentives and opening up vast tracts of undeveloped land, few foreign farmers are taking the bait.

Zambians involved in the programme to boost investment say up to 300 potential agriculture investors have come in recent months to see what's available, but most have left Zambia empty-handed.

The chief deterrent is the ailing economy, but the poor infrastructure and the two-month-old state of emergency have also had a chilling effect. The government has, in addition, rejected whole groups of South African farmers because they hoped to settle in blocks, thereby creating white enclaves.

The newly available land includes a majority of the 18 state farms and thousands of hectares of unutilised land across most of the country. Only an estimated six percent of Zambia's 60 million arable acres is under cultivation.

Government investment incentives include exemption from personal tax for five years, duty-free imports of equipment and spare parts for one year and the right to retain 75 percent of foreign exchange export earnings for the first three years.

But such inducements pale against Zambia's economic woes. Inflation hit 207 percent in 1992 and has seen little improvement since. Interest rates remain high and subsidies on fertiliser and other agricultural inputs were cut under Zambia's structural adjustment programme.

"A lot of people have come in, but I'd say 95 percent have gone away because of the economy," said John Hudson, executive director of the Zambia National Farmers' Union. "Inflation is too high. Our farmers are battling just to get by."

The high cost of financing has forced farmers to liquidate surplus equipment and cattle or refocus their investments. The Galaun Group of Companies, one of the largest agricultural businesses in Zambia, recently switched its emphasis from farming to trade.

Zambia's political turbulence has added still more financial risk to agricultural investments, according to John Kuluneta of the Zambia Investment Centre. Kuluneta says the number of inquiries from potential investors has fallen since the March imposition of the state of emergency and arrest of opposition leaders allegedly plotting to destabilise the country.

The centre processes an average of 250 proposals a month, approving about half. But the issuing of a business licence does not necessarily mean subsequent investment: the majority of approved investors have yet to bring in any capital.

Many would-be farming investors are white South Africans who view Zambia's political problems as temporary compared to those of their own country. Others are trying to flee the drought. To date, however, only 30 have been granted land. Many were rejected because they hoped to relocate as a group, just as some South Africans are doing in Mozambique.

"We are not going to have a mini-Boer republic in Zambia and that was their initial thrust," said Wina Kawana, Ministry of Lands permanent secretary. "They were coming in groups, caravans from South Africa. We cannot have them in their own communities, with their own schools and teaching their own language."

Yet government officials remain optimistic. This month, a group of some 50

Star 22/5/93

Kaunda's son released

LUSAKA — Three opposition detainees, including the son of former Zambian president Kenneth Kaunda, were released from custody yesterday after being charged with treason. The trio had been held in custody since March for allegedly plotting to oust President Chiluba. — Sapa-AFP

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Trio released

St Times 23/5/93

LUSAKA: Three opposition detainees, including the son of former Zambian president Kenneth Kaunda, were released from custody this week after being charged with treason. (260)

Reports by Sapa-Reuter-AP-AFP and Daily Telegraph

Investors warm to Zambian overtures

PETER DELMAR

LOCAL companies yesterday responded positively to Zambian government overtures aimed at securing SA investment in its $8bn privatisation programme.

Zambian Privatisation Agency deputy director Malambo Ngandu said he was confident of significant SA participation in the privatisation of more than 150 government-owned enterprises.

Ngandu told a Johannesburg meeting of more than 50 local companies that bids would soon be invited for a second tranche of 32 companies earmarked for privatisation. The details of the privatisation of the first 19 would be announced by June 30 — a World Bank stipulation before it will grant Zambia a $200m loan. Ngandu said the second group of companies included heavyweights such as Chilanga Cement, Zambia Breweries, National Milling, Zambian Hotels and Zambia Sugar.

He said there were no restrictions on the repatriation of profits.

A survey of five leading local companies found that all were considering investing. One delegate said the Reserve Bank could be the biggest obstacle because of the embargo on finrand investments. Others said the Finance Department had indicated it was prepared to be more flexible in approving investments in southern Africa.

BD 25/5/95

360

Harare runs out of burial space

BIDAY 25/5/93

MICHAEL HARTNACK

HARARE — A crisis is looming for African traditional culture following the Harare City Council's warning that it is running out of graveyard space and cremations may soon become compulsory.

"We fear what might happen later. The spirit of the dead person may come back and punish us for cremating the body," a traditional healer from the Nkayi area of central Zimbabwe, Rosemary Mazorodze, said in reaction to the council's announcement yesterday.

Four of the capital's seven cemeteries are full and three others are close to capacity, while the government delays acting on city council demands for commercial farms to be expropriated in the Mount Hampden area for new burial plots.

Deliberately burning the body of a relative is "unheard of" in African culture, said Mazorodze.

"There are some rituals which have to be carried out on a person's grave. We cannot perform such rituals on a tiny grave, or over ashes."

Two years ago the city's medical chief warned that a crisis was inevitable in the late '90s due to the projected death toll from AIDS.

Farmers bitter at the compulsory purchase of their land for peasant resettlement are even more resistant to seeing flourishing fields of maize and tobacco turned into a sterile area of mounds and tombstones.

Burial plots cost up to R205 each.

Delay 'likely' in oil deregulation

BIDAY 25/5/93

CAPE TOWN — As SA waits for the release of a government study on the merits of deregulating the oil industry, analysts predict no major action is likely until 1996.

Mineral and Energy Affairs Minister George Bartlett said recently the report had been completed and would be released shortly. Industry sources expect it within a week.

Analysts did not expect any major changes until at least January 1996, when warranties on the tariff protection given to Sasol 3 lapse.

"But what we can expect is some relaxation of the secrecy surrounding the whole industry because of the UN oil embargo," said one.

This could be eased as early as June, depending on when the proposed transitional executive council was set up, he said.

Although the ANC has said it would accept the lifting of most financial sanctions on SA once the transitional council system was established and a date for elections was announced, it wanted embargoes on oil and arms supplies to be retained until a democratic government was installed.

The Petroleum Products Act restricts publication of information on the source and price of SA oil supplies. However, oil companies believe amendments to the Act could lead to better-informed public debate on the whole issue of deregulation.

Deregulation in respect of oil supplies was a "somewhat trickier issue", said an analyst. "The main considerations are likely to be the effect on the synthetic fuel producer, Sasol, and on the already strained balance of payments, of allowing a free-for-all on oil imports."

The regulations governing the industry have come under increasing attack from businessmen such as Pick 'n Pay chairman Raymond Ackerman, who has said that if retail pump prices were deregulated, he would be able to cut fuel prices by 6c/l-7c/l at his hypermarkets.

But analysts warned that the ensuing price war could lead to the loss of up to 50 000 jobs at petrol stations around the country.

Small operators would not be able to cross-subsidise their fuel sales with non-fuel sales and would be forced to cut back on staff or close.

There was also a fear, said one, that deregulating fuel prices could prompt some service station owners, especially in rural areas with no access to hypermarkets, to "charge what the market can bear, thus pushing up fuel prices in less developed areas". — Reuter.

Pact reinforces links with Zambia

BIDAY 25/5/93

DURBAN — The signing of the "twinning" agreement between Umgeni Water and Lusaka Water & Sewerage yesterday was the latest sign of increasing contact between SA and Zambia.

Umgeni Water CE Graham Atkinson said the twinning "signals the start of an agreement between the two undertakings to exchange information and staff".

The agreement preceded the opening of the Water Institute of Southern Africa conference, which attracted a number of international experts.

"The staff from the Zambian company will be receiving in-house training at some of Umgeni's plants, and some of Umgeni's staff will be contracted to the Zambian company to lend expertise while training staff," Atkinson said.

The pact also involved development of laboratory services, computerised billing and customer service.

Atkinson believed Umgeni Water would be able to contribute to Lusaka Water because Umgeni had been recognised as "a leader in the field of water management and especially the supply of water to rural areas, where the drought has been severe".

Lusaka Water MD Jeff Hendrich said he hoped this would be the first of many mutual agreements. — Sapa.

Kitchen fraud burning buyers

BIDAY 25/5/93

TRACY SCHNEIDER

GULLIBLE home owners were losing up to R6m a year to fly-by-night kitchen manufacturers, industry sources said recently.

Kitchen Specialist Association (KSA) chairman Martin Macphail said the incidence of fraud among kitchen manufacturers had reached "epidemic proportions". Losses to unsuspecting customers were estimated at R500 000 a month.

"The situation is difficult to control. All we can do is make customers aware that they should deal with a reputable company," said Macphail.

He said one trader had opened under five different names, taking R100 000 in deposits with him each time. Individual customers had lost up to R30 000.

Many incidents were not brought to the KSA's attention and deregulation of the industry had allowed the problem to grow to the point "of disaster".

However, the KSA was considering asking the Business Practices Committee to approve its code of conduct, thereby making any contravention of the code a harmful business practice.

Under the new constitution, members were bound to conform to a strict code of ethics governing design, manufacturing, installation and service standards.

Macphail said the total market turnover was estimated at R175m a year, with 80% of this from the PWV region.

The industry had done better than expected for the first quarter because there had been a move towards home improvement and renovations.

Zambian state of emergency lifted

(360) ARG 26/5/93 (358)

☐ Imposed when plotters discovered

KATONGO CHISUPA
Argus Africa News Service

LUSAKA. — Zambian President Frederick Chiluba has lifted the state of emergency he declared nearly three months ago.

He said at State House during the commemoration of African Freedom Day that he had signed the proclamation yesterday lifting the state of emergency immediately. The president told the audience, which included diplomats, that it had served its purpose.

Mr Chiluba reintroduced the emergency in March following the government's alleged discovery of the "Zero Option" plot by the opposition to topple it. Soon after the proclamation, 21 opposition members, most of them belonging to the United National Independence Party were arrested over the alleged plot.

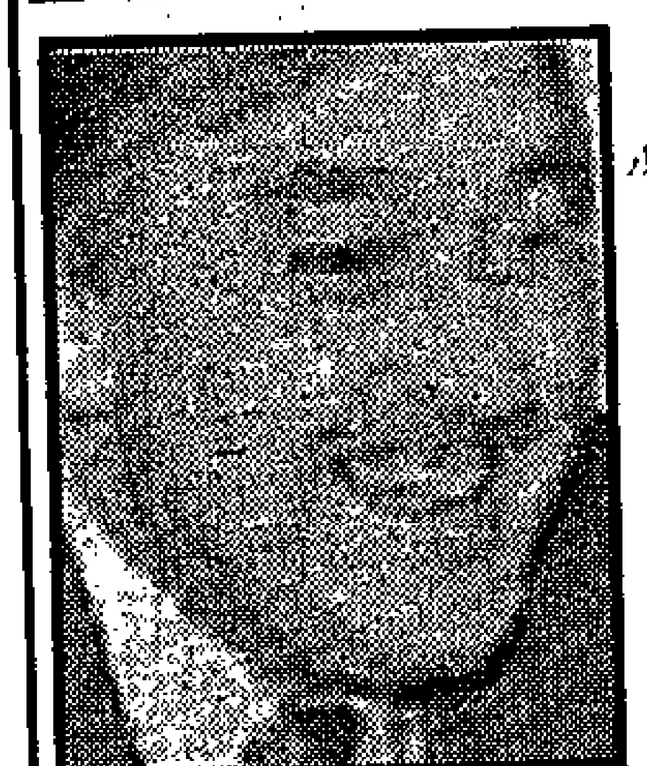
Several were eventually released without being charged. Many Zambians condemned the reimposition of the emergency, which expired in 1991 after the new government came into power. Zambia had been under a state of emergency from the colonial era.

The donor community has over the past month urged the government to lift the state of emergency and has withheld about $800 million (R2,5 billion) in aid.

Last week the last of the 21 detainees, including the son of former President Kenneth Kaunda, Major Wezi Kaunda, were charged with treason. Others were charged with posession and distribution of seditious publications.

"The lifting of the emrgency is timely as it will give Zambia a good stand on human rights at the World Conference on Human Rights in Vienna next month," said Bishop John Mambo, spokesman for the Forum for Democratic Process, an election monitoring group.

Pik briefs Egyptian minister



Mr Pik Botha

CAIRO. — Foreign Minister Pik Botha has met his Egyptian counterpart, Mr Amr Moussa, here for 90 minutes to brief him on the situation in his country.

Mr Botha arrived on Monday for a three-day official visit, the first by a South African minister in 35 years. He visited Cairo in 1987 to attend peace talks on Namibia.

"Egypt is following with great interest the developments there (in South Africa) before the African summit which Egypt will host next month," Mr Moussa said after the talks.

South Africa is seeking to join the Organisation of African Unity. — Sapa-AP.

Star 29/5/93

Zambia buys fuel from SA

LUSAKA — Zambia has started importing all its petroleum products from South Africa. The decision to import fuels from South Africa was precipitated by the temporary closure of Zambia's only refinery, Indeni Oil Refinery, in Ndola on the copperbelt, for reconditioning. — Sapa

(~~146~~) (360)

New Chinese VW order saves 700 from lay-off

ST Times (BUSS)

30/5/93

By DON ROBERTSON

VOLKSWAGEN SA will supply a further 17 000 left-hand drive Jettas to China, preventing retrenchment of about 700 workers.

The order, worth more than R500-million, follows one signed last year for 12 500 second-generation Jettas for FAW-Volkswagen (FAW-VW), a venture between Volkswagen of Germany and the Chinese Government.

The first shipment of this R400-million consignment was made in May last year and 10 000 cars have been delivered. It is expected that deliveries for the new semi-knocked down order will begin next year at a rate of about 1 200 a month.

Trade between China and SA has been in favour of the Chinese. Last year, SA imported goods worth R709-million from China and exported R489-million, most of which was Jettas.

Chairman and managing director Peter Searle says: "We believe exports to be of crucial importance to the present economic situation in the country. The increased order also protects about 700 jobs at VWSA and many more in the component industry."

Because of the stagnant motor industry, VWSA recently held negotiations with unions about possible forced retrenchment of between 500 and 1 000 workers. A voluntary retrenchment and early retirement programme is still in operation.

Lin Ganwei, president of FAW-Volkswagen, and his board visited the Uitenhage plant and announced the contract.

He says: "We are pleased to be able to continue our relationship with VWSA and see further opportunities for business as the Chinese economy is developing fast and we require this volume to support us through the start-up phase of our factory in Chang Chung."

The deal will go a long way to restoring VWSA's profitability. In its report for the year to December, Volkswagen AG said VWSA suffered a small loss.

Engen going for a London listing

ST Times (BUSS)

30/5/93

By ZILLA EFRAT

ENGEN plans a London Stock Exchange listing, possibly before the yearend, to boost its international expansion.

Engen investor relations manager Abbas Gani says the main aims of the listing are to raise the company's international profile and to have structures in place when it needs to raise capital.

"Opportunities knock on our door frequently and we want to have everything in place so that we can take advantage of them quickly."

But the proposed listing is not linked to any specific project or acquisition at this stage, he says.

Engen is believed to be evaluating acquisition options involving oil in West Africa. Its evaluation includes funding its growing exploration in the area.

Engen boss Rob Angel was in London two weeks ago introducing the group to the press, investment analysts and institutions. The group expanded its London office by moving part of its logistics division there a fortnight ago.

Mr Gani says the listing is in line with Engen's wish to be involved in the exploration and production of half of its crude throughput.

"To do this will involve major capital."

One advantage of a London listing is that it could help to overcome the increasing foreign-exchange difficulties that SA companies face when making acquisitions abroad.

Mr Gani says Engen will be listed in London only when the political climate in South Africa is conducive.

He says Gencor's proposed unbundling is regarded favourably by British investors because it will improve the tradeability of Engen shares.

Once Gencor and Genbel release their 70% stake, the number of Engen shares in public hands will jump from 28,2% to 64,6%.

Sanlam is likely to be the largest shareholder with 22%, followed by Rembrandt Group and Old Mutual.

Gencor's unbundling may also result in its selling its 5,8% stake in the Alba and Britannia oilfields in the North Sea because they do not fit in with its core mining business. Engen holds a 2,2% stake in the venture.

Mr Gani says Engen might be interested in buying these interests "if the price is right". It will depend on prospects for crude-oil prices.

Alfa takes on the biggies

ST Times (BUSS)

30/5/93

By JEREMY WOODS

AS covers were whipped off imported Alfa Romeos in showrooms round the country this week, Brian Taylor, managing director of Alfa Romeo Concessionaires, said: "We are out to nail sales of BMW and Mercedes."

Alfa Romeo has returned with a range of cars not seen in South Africa before.

Mr Taylor says: "If our prices are comparable — and in some cases more competitive — we believe the discerning buyer will prefer a fully imported European-built car to one built here."

Franchises to sell Alfa Romeos are "being snapped up at a frantic rate" both for SA and other African countries.

BUSINESS BRIEFS

Russian gold forecast

RUSSIA lifted its veil of secrecy over gold production and exports, forecasting a steady 1993 production and promising a "balanced and moderate approach" to selling gold on world markets.

Yevgeny Bychkov, chairman of the precious metals committee, told a rare news conference that Russia had produced 146 tons of gold in 1992 and expected to produce the same in 1993.

Exports totalled 98 tons in 1992 and the country, a major producer, had sold 21 tons of gold abroad so far this year.

"I do not think sales of gold will change substantially," Bychkov said. "The government has a balanced and moderate approach to the matter."

Figures for gold production, exports and reserves were for long a closely guarded secret in the Soviet Union.

Eskom to help Cahora Bassa

ST Times (BUSS) 30/5/93

THE Government has accepted a proposal by Eskom to help finance rehabilitation of the Cahora Bassa hydro-electric scheme in Mozambique, says Mineral and Energy Affairs Minister George Bartlett.

The scheme on the Zambezi River was financed by South Africa, Mozambique and Portugal in 1969, but has worked for only a few weeks.

Zambia buying SA petroleum

ST Times (BUSS) 30/5/93

ZAMBIA has started importing all its petroleum products from SA after the temporary closure of its only refinery.

Indeni Oil Refinery in Ndola is being reconditioned. Zambia Deputy Energy Minister Colonel Patrick Kafumukache says supplies from SA have already started arriving in Zambia, which intends changing some of its petroleum product suppliers to SA.

(360)

Nigeria at SA exhibition

30/5/93 ST Times (BUSS)

A MAJOR promotional drive is under way in Africa and the Middle East to attract high-level businessmen to South Africa's largest technology show ever, The Africa Initiative.

Nigeria, which still has sanctions against South Africa, is expected to send the largest delegation to this five-day business olympiad to be held at Johannesburg's National Exhibition Centre at the end of August.

SAA heads back to Angola

SAA, in association with Angolan carrier TAAG, will resume weekly flights to Luanda from next Monday. Flights started between Johannesburg and Luanda in April 1992 but were suspended in October due to the unrest in Angola. SAA said the new flights would leave Johannesburg at 9:15am on Mondays arriving in Luanda at 11:50 am.

Racy under investigation

A TRADE AND INDUSTRY inspector has been appointed to investigate the affairs of Racy, which sold its assets to three directors at a discount to net asset value earlier this year. The inspection follows the legal recourse offered disgruntled minority shareholders.

Accuser fired

St Times 30/5/93

LUSAKA: The head of Zambia's Drug Enforcement Commission has been fired after he accused a cabinet minister of trafficking drugs. 360

President Frederick Chiluba, under mounting criticism for failing to act against alleged cabinet corruption, dismissed Kamoyo Mwale after he had called for the arrest of Community Development Minister, Miriam Nakatindi Wina, a tribal princess, for allegedly smuggling mandrax tablets from India.

Zambia importing SA fuel

(360)

LUSAKA. — Zambia has begun importing refined petroleum products from South Africa in preparation for the closure of the Indeni fuel refinery plant in the copperbelt next month, a Ministry of Energy spokesman said.

He said a deal had been struck between Zimco, Indeni's holding company, and South African suppliers.

"Our policy is now that government will have little to do with such contracts. All we have done has been to instruct Zimco to make sure fuel supplies are continuous and we have enough reserves to withstand any eventuality," he said. CT 31/5/93

He said the arrangement was not likely to affect fuel prices, which have been increased five times since January.

"There really shouldn't be any increase unless a big crisis comes up in the petroleum industry." — Reuter

Zambian reform steams ahead

360

ZAMBIA is steaming ahead with reforms, including privatisation, to liberalise its economy, but galloping inflation and hefty foreign debt remain big headaches, finance minister Ronald Penza said at the weekend. (258)

He reiterated that his government's commitment to dismantle state control of 80 percent of the economy and give market forces sway. "Government does not intend to stay in business." ARG 31/5/93

The first sales of state enterprises earmarked for privatisation are due next month, he said, adding the first tranche of such sales affecting 19 of the smaller state concerns will be completed in July.

Mr Penza, whose formal title is minister of commerce, trade and industry, said 32 medium to large state firms, ranging from breweries to sugar and cement producers, will be sold next.

The Zambia Privatisation Agency and World Bank have commissioned a study to propose the best way of privatising the Zambia Consolidated Copper Mines Ltd, which provides the bulk of export revenue. The report is expected to be ready by September, he said-Sapa-Reuter

Star 25/5/93

Anglo likely to lead rights issue for ZCCM

By Sven Lünsche

Anglo American is expected to lead a $600 million capital rights issue for the troubled state-owned Zambia Consolidated Copper Mines (ZCCM).

The respected Zambian business magazine Profit says in its latest issue that ZCCM would need between $2 billion to $3 billion to recover its financial health, of which at least half must come from new paid up share.

The magazine says that it is widely understood that Anglo, which is ZCCM's second largest shareholder with 27 percent after the state's 60 percent holding, has first right to subscribe to new shares.

"Assuming its right of pre-emption, Anglo should be given the job of raising the $500 million or $600 million capital required in pledges initially, from whatever source they wish."

The magazine stresses, however, that such a rights issue will depend on the willingness of the government to reduce its shareholding to closer to 20 percent.

Welcoming Anglo's likely involvment Profit adds: "The future of ZCCM is by far the most important long-term economic issue facing Zambia today, yet nobody is in charge of planning for it."

Other preconditions for the partial privatisation include a "very fast" valuation exercise to establish a generally acceptable value on ZCCM and its shares.

Profit says that a new board is also a matter of urgency and should be headed by a "person of real distinction and independence, who is respected by Anglo as well as by the government".

It also stresses the need for continued strong government representation on the board.

"Although Anglo must clearly be seen as an ally in the restructuring and refinancing, there will be times when Govt's interests will differ from those of Anglo."

● Since the change of government in Zambia two years ago, the country has rapidly developed into South Africa's second major trading partner on the continent.

Paul Runge, head of Safto's Africa department, said at a conference on Zambia's privatisation programme yesterday that SA's exports to Zambia in the first three quarters last year amounted to R770 million. This compared with R660 million for the whole of 1991.

Zambia's exports to SA, while still small, were also showing strong growth from R6,5 million in 1990 to R14 million in 1991 with further growth expected last year.

Zimbabwe remains SA's largest trading partner in Africa.

Zambia gets jitters over rising Islam

Star 2/6/93

360

President Chiluba and other Christians in Zambia are becoming uneasy over the rise of Islam in that country. KATONGO CHISUPA reports from Lusaka for The Star's Africa News Service.

WHEN President Frederick Chiluba declared Zambia a Christian nation in 1991 he move was strongly criticed by many Muslims, who iw it as a signal of religiousıtolerance.

Thpresident later explained that e move was meant to rededicte the country to Christianit and said that all other religns would be tolerated as long .s they operated within the lws of the land.

Tit tolerance may be put to the tt as concern grows in the govenment and in some Christian hurches over the increase in Ismic activity in Zambia.

Tt issue caught public attentin when a group of young Musins recently attempted to regiser an Islamic political part; The authorities refused pernssion on the grounds that Zama's constitution forbids the fmation of religious political rties.

Tt Muslim group has threatenecto challenge the government decision in the courts but i chances of success seem slimı the light of the constitutionsban. It would seem that the curts could not uphold the chalnge without bringing the constution into question.

Tire is more to it than that, howver. It is possible that permison for registration of the part would have been refused everif the constitution had allowt it — for the issue is linkt to apparent fears among the government of possible interference in Zambian affairs by Iran or other Islamic governments. The Zambian government has accused the group that sought to register the Islamic party of being funded by Iran, and Home Affairs Minister Newsted Zimba has implied a suspicion of nefarious intent.

"If they admit they are getting money from Iran they must strictly consult their conscience," he said. "They shouldn't think society is so backward they don't know the objective they (the group) want to pursue."

Some Muslim leaders in Zambia have supported the government's stance. One of them, Sheik Mubarak Tonga, described the followers of the proposed Islamic party as troublemakers capable of disrupting the peace in Zambia. Tonga said there were powerful forces behind the formation of the party.

"There would be violence in Zambia because these people are of a violent nature," he warned.

The Anglican and other churches have expressed concern about recent developments surrounding Islam in Zambia. Their fears are presumably fuelled by reports of the spread of Islam in Africa and of Islamic fundamentalism in Egypt and other Arab states in Africa.

Chiluba . . . the born-again Christian president.

Yusuf Phiri, the national co-ordinator of the Islamic Youth and Student Organisation and also secretary-general of the envisaged Islamic party, confirmed that it had received money from Iran but said there was nothing wrong with that.

Diplomatic sources believe, however, that the matter was responsible for Zambia severing diplomatic relations with Iran. Zambia also cut relations with Iraq for what the government said was interference in its affairs.

The unbanning by the government of the book *Satanic Verses* a few months ago angered the Muslim world. The book by the British-based author Salman Rushdie is regarded by some Muslims as an insult to Islam and the calls by Iranian religious leaders for his assassination forced Rushdie to go into hiding in Britain.

Not all Zambians, however, are happy with the Christian zeal displayed by Chiluba and his government. The president is a member of a born-again Christian sect, as are several of his advisers. Several members outside government are said to have been given diplomatic passports by the government but this has not been confirmed. There have nevertheless been complaints by some Zambians about the influence of the sect in government.

Analysts believed there is a real fear in the government of the possibility of Islamic fundamentalism coming to Zambia and spreading among the youth, especially the many who are unemployed. About three-quarters of Zambia's population are below the age of 35.

Islam was first introduced in what is now Zambia as far back as the 1840s — even before Christian missionaries arrived on the scene. But many Muslims believe that a resurgence of the faith is not unlikely.

One of those most worried about this prospect is the Rev Pierre Dill, a leader of the Anglican Church in Zambia. He said recently that his church was alarmed by the rapid spread of Islam in Zambia and added that measures were being taken by the church to counter Islamic religious propaganda. These included the establishment by the synod of the Anglican Church in Zambia of a desk to counter Islamic "propaganda".

Dill told delegates to a church meeting that it was saddening that Islam had recently netted many followers in Zambia. Shi'ite Muslims are now claimed to number about 1,2 million in the country and Sunni Muslims one million.

Describing these statistics as alarming, he said a hidden motive to turn Zambia into a predominantly Islamic state was behind recent developments. □

Who's the boss? For a while, it was Ndebele

Star 2/6/93

Profile

Professor Njabulo Ndebele is a highly regarded academic and intellectual who was given the job of chairman of the new SABC board by the selection panel. Now he has been down-graded to an ordinary board member by President F W de Klerk. NORMAN CHANDLER looks at his background.

LIFE will have gone full circle for esteemed academic, autor and intellectual, Professor Njaulo Ndebele, when he takes up is appointment as a member of te new SABC board, announced by President de Klerk on Moday.

Fom being refused a permit to ork in his native land to the loft heights of the Piet Meyer Buiding at Auckland Park is a hug leap for the internationally accaimed writer, who was in selexile for more than 20 years.

Ndebele was born in Johannesbug's old Western Native Townshi. He later moved to Charterstor location at Nigel before his faily was uprooted, by govermet degree to Duduza

As president of the Congress of South African Writers — established "to reflect solidarity with the democratic movement" — Ndebele is in an ideal position to contribute positively to turning around the attitudes of the SABC to one more in line with an emerging new South Africa.

Ndebele is known never to have minced his words when it comes to South African writing, the arts, education or culture and has over the years advocated improved dissemination of information, particularly education.

Particularly critical of South African writers, Ndebele observes that "white writers still write like whites in Africa".

United colours of Europe on the Beira road

W/Mail 4/6-10/6/93.

262

By ANDREW MELDRUM

STYLISHLY equipped with sunglasses and the United Nations trademark blue berets, one thousand Italian soldiers have arrived in central Mozambique.

They speed along the Zimbabwe-to-Beira road in gleaming white Iveco armoured vehicles, brandishing Uzi sub-machine guns and state-of-the-art radio communications equipment.

With rations of imported pasta and freshly-baked pizza, the Alpine brigade from Turin is happily settling in for a six-month stay in the tropical plains surrounding Chimoio, midway between Zimbabwe and Beira.

"We are used to patrolling Italy's northern border in the Alps," said one Italian officer. "But we are getting used to this area of Mozambique, it is a bit like the time we served in Turkey. I think we can do a good job here."

The snazzy Italian brigade is doing more than making Mozambique safe for fettucine and olive oil. Their crucial task is to guard the 300km road, railway and oil pipeline connecting landlocked Zimbabwe to Beira's Indian Ocean port.

"They began without any experience in the Mozambican situation, which can be very tricky," said a British military source. "But beneath their flashy gloss, they're well-trained soldiers. They're quickly finding their feet in Mozambique and should carry out their mission well."

Additional UN brigades, from Uruguay, Japan, Botswana and Zambia, are guarding other important transport routes. Brazilian Major General Lelio Goncalves-Rodrigues da Silva commands the entire UN force in Mozambique.

Enthusiastic and energetic, the crack Italian force has made sure that traffic is safe along the strategic route.

Taxis and other vehicles now drive freely along the Beira road, as well as on secondary roads closed to traffic for years. But by late afternoon vehicles scurry for their destinations — there have been 16 night-time armed robberies along the road in the past two months, according to military sources.

"The Italians do a good job of keeping the road secure during the day, but at night the road belongs to anyone," said a Mozambican resettlement officer. The after-dark danger is posed by the many fighters, from both Renamo and the government, who are armed, poor and hungry.

The UN forces have maintained the ceasefire throughout the sprawling country, but neither of the warring sides, the government army nor the Renamo rebels, have been disarmed or demobilised. Nor has Renamo taken up its seats in the capital on the joint goverment/rebel commissions that are to oversee the peace process. Renamo leader Afonso Dhlakama and his top deputies remain at their bush headquarters in Maringue near Mount Gorongosa in central Mozambique.

It is the lack of progress in disarming and demobilising Mozambique's two opposing armies that is most worrying. Neither the estimated 20 000 Renamo rebels nor the 40 000 government troops have assembled in camps and given up their weapons. Dhlakama has said his rebels will only demobilise when all the camps are open.

The major stumbling-blocks to the Mozambican peace process have come from Dhlakama's delaying tactics, and from the lack of a quick, decisive response from the UN in getting the peace plan going. In December last year the UN representative in Mozambique, Italian Aldo Ajello, persuaded the Security Council to agree to an ambitious UN mission to Mozambique with a budget of \$320-million and more than 4 000 military personnel and 3 000 administrative and monitoring staffers.

Ajello stressed the UN would not make the same mistakes in Mozambique that were committed in Angola. He said the election campaign would not begin until after all army and Renamo troops were disarmed and a new national army comprising fighters of both sides was established. Ajello's Onumoz (a Portuguese acronym for UN Operation in Mozambique) administrators are working to get all sides to agree to a new timetable for demobilisation and elections, which even the most optimistic say are not possible until mid-1994.

8/10 AY 7/6/23

Zambian speaker

(360)

ZAMBIAN Deputy Finance Minister Paul Tembo is expected to make "important announcements with regard to the sale of state owned enterprises" at a Midrand conference tomorrow. Zambia Privatisation Agency spokesman Chipo Mweetwa said Tembo would address a conference entitled Commercialisation and Corporatisation in Southern Africa.

REPORTS: Business Day Reporter, Sapa.

Buss Day

8/6/93

Zambia sells parastatals

LUSAKA — Zambia's government yesterday sold off two parastatal companies to local firms in an ongoing programme to shift control of the economy from state to private hands.

Private investor Quantam Investments outbid 11 local and foreign investors to buy Eagle Travel, the country's largest travel and tour operator, for 180-million kwacha.

Autocare Ltd, motor trade subsidiary of the Zambia State Insurance Corp (ZSIC), was sold to Astro Holding Ltd, which outbid five other local investors to buy it for 178-million kwacha. (360)

Finance Minister Ronald Penza said six more parastatals were due to go on sale later this month. "Today marks the beginning of the economic democratisation of the country. Soon the sale of parastatals will become a routine matter."

Proceeds from the sales would be used to fund social projects, support income-generating projects and fund the restructuring of other parastatals earmarked for privatisation.

More than 150 state-owned enterprises are due to be sold under the 1992 Privatisation Act. Larger companies, including Zambia Consolidated Copper Mines, will be sold off last.

Anglo may get first bite of Zambian mine

(Buss: Day 9/6/93)

ANGLO American would likely have pre-emptive rights to buy back its shareholding in Zambian Consolidated Copper Mines when the parastatal was privatised, Zambian Deputy Finance Minister Paul Tembo said in Johannesburg yesterday.

However, it was expected that ZCCM's non-mining activities such as civil engineering and transport interests would be privatised separately.

He said the ZCCM privatisation could be completed before 1998 and that its interim capital requirements could be met.

Anglo effectively has a 27,6% interest in ZCCM through JSE-listed Zambia Copper Investments while the Zambian government holds 60,3%. (360)

Tembo said laws to ensure the 100% repatriation of foreign business profits would be in place by year-end. — Sapa.

Anglo set for Zambia copper comeback

Business Staff 360 ARG 11/6/93

JOHANNESBURG. — Anglo American is interested in moving back to the Zambian copperbelt and acquiring a bigger stake in the main mineral producer, Zambian Consolidated Copper Mines (ZCCM), says chairman Julian Ogilvie Thompson.

He said here that apart from other considerations, the move would help Anglo protect the 27,3 percent stake it already has in ZCCM through its holdings in Zambian Copper Investments.

Anglo was talking to the Zambian government, but whether anything came of the talks depended on what terms were offered, he said.

Anglo would like to see ZCCM shed its non-copper investments.

Much of ZCCM's profit had been diverted into these under the previous regime. Anglo would also like Zambia to take responsibility for repaying ZCCM's loans.

The Zambian government, it appears, has heard Anglo American.

Zambia's Deputy Finance Minister, Paul Tembo, said this week that Anglo probably had pre-emptive rights to buy back its shareholding in ZCCM when it was privatised.

However, ZCCM's non-mining activities such as civil engineering and transport would probably be privatised separately, he said.

"We want the mining company to be dealing specifically with mining ventures. We don't want to transfer a state monopoly to a private monopoly."

ZCCM's earnings would be re-invested in the company and not siphoned off to other sources, as had occurred before his party was elected to power three years ago.

Mr Tembo said foreign exchange laws to ensure the 100 percent repatriation of foreign business profits in Zambia would be in place by the end of the year.

Govt still proposes some minority veto

B Day 15/6/93

TIM COHEN

CAPE TOWN — Government has proposed the constitution should provide for a democratic Parliament, a co-operative executive and a minority veto on aspects of the security forces.

This version of the constitutional proposals for an interim government, submitted to the multiparty negotiations technical committee, was officially released yesterday. The 44-page proposal, which was the subject of Press reports suggesting government aimed at permanently entrenching its power, is incomplete on crucial aspects such as the functioning of the government of national unity.

But the proposals underline government's often-stated commitment to a broadly democratic system, proposing that ordinary legislation be passed by a simple majority in a 400-seat Parliament elected in a proportional representation system.

The proposal would effectively abolish the present executive presidency and reintroduce a ceremonial head of state. All the State President's major powers would be exercised "on the advice" of members of the government of national unity.

The security forces are placed in a different category. Provision is made for an SA Defence Force advisory council made up of one member from each political party in the Assembly.

The rotating chairman would advise the President, as the supreme authority, on any matter affecting the SADF. The President would be excluded from making any decision except in accordance with the council's advice on:

- The promotion or appointment of anyone as SADF chief or as head of the army, navy or air force, or to the rank of brigadier or higher; and
- The institution or financing from State funds of a military unit or force outside the Defence Force.

The proposal suggests a bicameral legislature, consisting of the National Assembly and a Senate.

Constitutional legislation would be passed by a majority of not less than two-thirds of the total number of members of the Assembly.

If a "final" constitution was not adopted within two years, the President would refer the draft constitution which had majority support — but not the two-thirds required — to a national referendum.

For acceptance, 60% approval in a referendum would be required, failing which new elections would be held.

The raising of loans for current account expenditure would be banned.

The NP's constitutional proposals include providing for two national anthems, new design and colours for a national flag and coat of arms, and the retention of English and Afrikaans as official languages, our political staff reports.

The proposals suggest Die Stem and Nkosi Sikelel 'iAfrika should be the dual anthems.

ANC refugees' spurn offer to return to SA

B Day 15/6/93

LUSAKA — About 700 ANC members living as refugees in Zambia have refused to return to SA in spite of the UN High Commissioner for Refugees' (UNHCR's) efforts to accommodate their homecoming.

"Despite giving the ANC cadres the facility to leave Zambia, only one person so far has registered," the UNHCR representative in Zambia Abou Moussa said in Lusaka yesterday.

But a reliable source at the ANC office in Lusaka said the alleged ANC members were criminals. "Most of those refusing to go are criminals who ran away from SA and are posing as former freedom fighters so that they are allowed to stay in Zambia as refugees," he said.

Zambian Home Affairs Minister Newstead Zimba warned last month that people living illegally in the country, on the pretext of being refugees, would be punished. — Sapa.

360

FM 18/6/93 (360)

ANGLO/ZCCM FM 18/6/93 (260)

No swift resolution

The announcement by Zambian Deputy Finance Minister Paul Tembo that Anglo American Corp would be given a pre-emptive right to take control of the country's copper mining giant Zambian Consolidated Copper Mines (ZCCM) set off a flurry in mining circles last week. All of it was probably undeserved.

ZCCM, in which Anglo effectively holds a 27,6% interest through JSE-listed Zambia Copper Investments (ZCI), grew out of the nationalised mines formerly owned and managed by Anglo and RST (now part of the US Amax group). The company's annual production level is about 430 000 t of copper.

However, it's clear the Zambian government hasn't yet determined either the timing or the mechanism for ZCCM's privatisation. Nor is it likely to do so swiftly. ZCCM is seen as the jewel in the Zambian crown and there is considerable opposition to any moves which will return the company to private, foreign, control.

On top of these sensitivities, there's been a substantial ministerial reshuffle recently. Given the many differences of opinion on the matter within the Zambian ruling party, it seems possible the safest short-term course will be for the government to await the recommendations of a Strategic Options Study, not expected before year-end.

The critical question, of course, is whether Anglo wants to resume responsibility for a mining operation increasingly hungry for large capital injections. Influential circles in Lusaka are openly critical of Anglo's low profile and perceived reluctance to commit itself.

However, a cursory look at the figures suggests caution, on this occasion, may be more prudent than valour. It's estimated that developed ore resources within ZCCM have the economic potential to sustain current levels of production for at least 15 years. That is probably true; however, mining projects of this nature require constant funding to ensure there is adequate development to replenish reserves. The estimate is that this will need a commitment, admittedly over a long period, of as much as US$1,5bn for development and a further $500m will be required for exploration.

It's unlikely Anglo or, indeed, any other mining finance house, will look at an undertaking of this size and complexity, social as well as economic, on a stand-alone basis. On the face of it, the best probability is that Anglo will seek solid comfort in many directions. That might take the form of, for example, a strong international mining partner, the support and participation of the International Finance Corp (an arm of the World Bank) and a management agreement which binds the government as much as it limits Anglo's exposure.

Anglo executive director Jack Holmes, who doubles as chairman of the group's Zambian company, says Anglo's response to an unequivocal invitation to return would be positive "if a basis for a sensible and joint undertaking can be found." And he adds that Anglo is bending over double to assist the Zambian government in coming to a conclusion which is transparently fair.

What comes through plainly is that this isn't a project which will be resolved swiftly.

David Gleason

South 19/6 - 23/6/93

Zambia had problems with biased media

360

SOUTH Africans have no experience of monitoring and observing media during a democratic election, so examples from other countries are useful.

A report from the USA by the National Democratic Institute for International Affairs and the Carter Center of Emory University examined monitoring of the media during the October 31 1991 national elections in Zambia.

Before the election, only two daily newspapers existed in the country, the "Times of Zambia" and the "Daily Mail", owned and controlled by the ruling party, which also owned and controlled the Zambian National Broadcasting Company (ZBNC) and four radio stations which broadcast in English and indigenous languages.

Only a church-sponsored weekly paper, the "National Mirror", voiced any criticism of the regime.

Several new newspapers emerged during the multi-party campaign. Sponsored by local businessmen, the "Weekly Post" began publishing in July 1991 and distinguished itself through its investigative journalism.

Later a more strident opposition daily, the "Daily Express", was launched.

While neither rivalled the geographic reach or circulation of the "Times" or "Mail", they provided the first sustained criticism of the political system since the inception of the one-party state in 1973.

And, as elections drew near, the "Times" and "Mail" increased coverage of the opposition.

By election day the print media seemed to provide adequately-balanced coverage of the campaigns.

This characterisation seemed true despite the fact that some journalists continued to protest their reports were often edited and even censored for political reasons.

The role of the broadcast media, however, raised significant concerns. The Movement for Multiparty Democracy (MMD) complained that television and radio largely ignored MMD activities and engaged in "biased reporting".

In particular, the MMD alleged that ZNBC covered the United National Independence Party (UNIP) campaign under the guise of reporting on the activities of President Kenneth Kaunda.

The MMD singled out Stephen Moyo, director-general of the ZNBC, for particular criticism, claiming he was active in the UNIP campaign.

In meetings with the Z-Vote — a monitoring organisation — pre-elections mission, Moyo denied he was involved in the UNIP campaign.

Nonetheless, on October 10, the Press Association of Zambia obtained an injunction barring Moyo and Bwendo Mulengela, the editor of the "Times of Zambia", from supervising news reporting until after the elections.

The judge cited the need to serve the public interest by balanced reporting of news. (The Supreme Court reversed the injunction two days before the election and reinstated Moyo and Mulengela.)

To analyse complaints against ZNBC news coverage, Z-Vote initiated an independent review of the midday radio news and nightly television news.

From September 30 to election day, Z-Vote monitored these programmes and recorded the amount of time given to each party's campaign and the content of stories.

Z-Vote found that for the week beginning September 30, the time and quality of coverage given to major parties and candidates were relatively balanced.

The following week, however, showed UNIP receiving more and better reporting about their campaign than the MMD. In the week before the elections, ZNBC increased time for MMD, but its coverage still favoured UNIP.

Even before the official campaign began, ZNBC authorised the sale of air time to political parties for political advertisements.

The MMD prepared 14 radio and television spots and in July submitted them for broadcast.

ZNBC refused to air the spots, on the grounds that they violated advertising ethics because they attacked the governing party rather than merely promoting the MMD. ZNBC claimed it would be at risk, under Zambian law, of being sued for libel if the spots were aired.

The MMD challenged ZNBC in the High Court. On August 14 a High Court judge issued an injunction on the station to air the commercials. ZNBC complied, but aired the ads with a disclaimer explaining the commercials were being broadcast only because of a court order.

After reviewing transcripts of the proposed commercials and the deletions provided by ZNBC, a Z-Vote representative sent a protest letter to Moyo. In it he concluded that ZNBS's insistence on the deletion of MMD's claims that UNIP had engaged in "27 years of mismanagement" appeared indefensible.

He maintained such claims were legitimate election campaign issues. The letter urged ZNBC to "refrain from setting itself up as the arbiter of truth".

KENNETH KAUNDA

This page is a joint project of MATLA TRUST and SOUTH

NEWS Cops stop demo at Bop office

Sowetan 5/7/93

200 SA cars traced to Zambia

TWO-HUNDRED stolen South African cars have been traced to Zambia by the international police, Interpol.

Zambian Home Affairs Minister Mr Newstead Zimba said in Lusaka he was aware of a large influx of foreign vehicles to Zambia, but added Interpol was handling the matter and acting on information available to them.

He said most cars were repossessed from business executives.

Police chief Mr Barnabas Hamanjanji said several people had been detained. — *Sapa.*

(360)

News briefs

Sowetan 20/7/93

FW to open Lusaka show

PRESIDENT FW de Klerk will officially open the five-day Lusaka Show on July 31, chairman of the Zambia Agricultural and Commercial Show Society Mr George Bender has confirmed. 360

South Africa is one of the nine countries and more than 200 local exhibitors participating in Zambia's biggest annual agricultural and commercial show this year. De Klerk will be the first South African leader to officially open the show in many years.

Star 23/7/93

Chiluba shows pragmatic colours

3L0

PRESIDENT de Klerk's visit to Lusaka next week has special significance in that it will be the first by a South African head of state to the Zambian capital. But there is more to it than that.

When he met President Clinton in Washington earlier this month, De Klerk is understood to have told him that one of Pretoria's highest priorities was the boosting of economic development in all southern Africa. That point will be emphasised by De Klerk's opening of a trade fair in Lusaka which will be dominated by South African exhibitors.

At the same time, he will be underscoring the related point that while South Africa is the region's economic engine it is hampered in promoting regional development if its own economy is weakened by sanctions and the discouragement of foreign investment.

Ostensibly, the opening of the fair is the main purpose of the visit and it is therefore being viewed officially in Lusaka as a working visit. But the government of President Frederick Chiluba is attaching more importance to it than that and is treating it almost as a state visit.

It is understood that De Klerk will be given a more elaborate welcome than he would receive on a working visit. In addition, he will have talks with Chiluba and will be the guest of honour at a function hosted by the Zambian president in the evening.

The initiative for the De Klerk visit came from Zambia, according to sources in Lusaka, initially from the chairman of the Agricultural and Commercial Show Society, George Bender, a prominent Zambian farmer who once lived in South Africa. His proposal that De Klerk be invited to open the show was readily taken up by Foreign Minister Vernon Mwaanga and endorsed by Chiluba.

This reflects the essentially pragmatic stance taken by the Chiluba government towards Pretoria, in contrast to the politically correct posture of the previous government of Kenneth Kaunda.

Kaunda received De Klerk in Zambia in August 1989, but they met in Livingstone, not Lusaka, and the main purpose of the meeting was to find ways to mend the crumbling peace in Angola.

After ending the one-party rule of Kaunda's Unip, Chiluba's MMD lost

GERALD L'ANGE, Star Africa Service Editor, finds more in President de Klerk's visit to Zambia than being the first by a South African head of state.

no time establishing diplomatic relations with Pretoria.

Like several other African leaders, Chiluba feels that reform is sufficiently far advanced in South Africa for his government to deal openly with Pretoria now.

Chiluba is pressing ahead with exploiting trade and development opportunities that other Frontline leaders do not want to grasp until they get the all-clear from the ANC.

He is prepared to recognise De Klerk as the present head of state of South Africa and to deal with him rather than wait for Nelson Mandela to fill the post.

While the ANC leadership was still in exile it made its headquarters in Lusaka and was strongly supported by Kaunda, who formed close ties that continued after his defeat, as was shown by his prominent part in Mandela's birthday party last weekend.

During the election that brought Chiluba to power his party was angered by the open support given by the ANC to Kaunda and Unip. This has not made it any more difficult for the MMD government to have open dealings with Pretoria.

In a sense, De Klerk's visit to Lusaka emphasises the gap that has developed between Zambia and the other Frontline states.

Leadership of the group has passed to Mugabe of Zimbabwe, who, according to Rusty Evans, South Africa's Director-General of Foreign Affairs, has put his own stamp on it.

Evans sees De Klerk's Lusaka visit as, in a sense, leapfrogging Zimbabwe, which does considerably more trade with South Africa but places stronger political strictures on its dealings with the Republic.

South Africa's trade with Zambia is at present seriously lop-sided, with northbound exports far exceeding southbound imports.

Zambia nevertheless has considerable potential for prosperity and the Chiluba government appears intent on not letting political correctness get in the way of exploiting it. □

Chiluba . . . to entertain De Klerk formally and lavishly.

De Klerk . . . can expect a warm welcome.

Zambia set to welcome FW

260

LUSAKA. — Zambian Foreign Minister Mr Vernon Mwaanga said yesterday that Zambia will not discriminate against President F W de Klerk when he arrives on a visit on Saturday.

CT 29/7/93

He said he was baffled by the opposition to the visit by Zambia Congress of Trade Unions.

He said Mr De Klerk would have an opportunity to learn how racial harmony flourished in Zambia. — Sapa

Zambia appeals to IFP

Sowetan 29/7/93

LUSAKA — Zambian Foreign Minister Vernon Mwaanga has added his voice to that of organisations at South Africa's multiparty talks in appealing to the Inkatha Freedom Party and Conservative Party to rejoin constitutional negotiations.

Mwaanga urged IFP leader Chief Mangosuthu Buthelezi to use political expertise to contribute tangibly to the new constitutional framework for South Africa.

(360)

Speaking on Television Zambia on Tuesday night, Mwaanga said: "The constitutional breakthrough has almost been accomplished and nothing should stand in the way of a peaceful solution to create a stable South Africa." — *Sapa.*

(360)

Sharp reactions

LUSAKA — The Zambian government and the Zambia Agricultural Show Society have reacted sharply to criticism by Zambian Congress of Trade Unions president Fackson Shamenda, for inviting President de Klerk to open the show.

De Klerk is due to arrive in Lusaka on Saturday morning.

Shamenda said this week he was "shocked" that De Klerk had been invited and called it a "diplomatic blunder". Star

But Show Society chairman George Bender, a prominent white farmer with South African roots, has dismissed the criticism as "cheap politicking which amounts to gross interference in matters of no concern to the union". — Star Africa Service 29/7/93

AFRICA NEWS Zambian government supports show in

Sowetan 30/7/93

Row over De Klerk

LUSAKA — The Zambian government and the Zambia Agricultural Show Society have reacted sharply to criticism by the Zambian Congress of Trade Unions for inviting President FW de Klerk to open the show.

De Klerk is due to arrive in Lusaka tomorrow morning as protests over his invitation mount.

Union president Fackson Shamenda said this week he was "shocked" that De Klerk had been invited, and called it a "diplomatic blunder".

He said the show society could have invited someone like the head of the Southern African Development Community or the Preferential Trade Area.

But show society chairman Mr George Bender has dismissed the criticism as "cheap politicking which amounts to gross interference in matters of no concern to the union".

"There is nothing sinister about our invitation to President de Klerk because we feel that he, just like President Chiluba, contributed much to democracy in the region," he said.

Zambian Foreign Affairs Minister Vernon Mwaanga supported the show society and said there was no need to discriminate against the South African leader when he had been sharing the same forums in many countries with African National Congress leader Mr Nelson Mandela.

360

Star 31/7/93

FW likened to Gorbachev

ALAN ROBINSON
Foreign News Service

LONDON — Reform in South Africa is unravelling under the pressure of violence, and the prospects of a successful outcome to the current constitutional negotiations look increasingly unlikely.

In a grim warning to its readers yesterday, the influential right-wing Spectator news magazine openly discusses the possibility of civil war in South Africa and likens the position of President de Klerk to that of Mikhail Gorbachev as the Soviet Union crumbled.

In a major editorial, the Spectator writes: "The strength and variety of the opposition bodes ill for the draft constitution South Africa's leaders presented this week. They also bode ill for President de Klerk, who is playing the same role in South Africa as Mikhail Gorbachev in the Soviet Union.

"Having initiated reform, he is now watching it unravel under the pressure of violence. More than 10 000 people have died in political fighting in South Africa over the past three years.

"It is time to lower dramatically our expectations for De Klerk's future. And, although we should continue to support his negotiating process — it is, for the moment, the only negotiating process — Western support for him is unlikely to be any more useful than was Western support for Gorbachev, or indeed Western support for the Bosnian Muslims."

More weapons

"If South Africa divides, and a civil war begins, it will be far more complicated than the Soviet Union, and far bloodier. Although their ethnic identity is less clear, South Africans have more weapons, and have more practice using them, than Soviets or even Yugoslavs ever had.

The Spectator says the effects of apartheid are indistinguishable from the effects of ethnic cleansing: many of South Africa's tribes now hate one another too much to live together.

"It is ... hard to feel sympathy for any of the groups.

"For many years, the ANC made itself an unacceptable negotiating partner by aligning itself to the Soviet Union and adopting Soviet economic and political doctrine. Meanwhile, the National Party employed torture and terror in order to defend 'civilisation'.

"Chief Buthelezi has never had anyone's interests but his own at heart, and Afrikaners who believe that Afrikaners ought to live in an all-white state have only themselves to blame."

Star 31/7/93

De Klerk visit fuels Zambian anger

KAIZER NYATSUMBA
Political Correspondent

PRESIDENT de Klerk today pays an important visit to the Zambian capital Lusaka. He will officially open an agricultural show and hold talks with his Zambian couterpart President Frederick Chiluba.

The visit, which comes at the invitation of the Lusaka Agriculture and Commercial Show Society, has sparked a major dispute in Zambia, with some politicians and the local trade union federation voicing opposition to it.

However, Chiluba, who was due to meet De Klerk and his party at Lusaka International Airport at 9 am today, has come out in full support of the visit.

Zambia, the home of many South African exiles before the unbanning of political organisations in 1990, was one of the fiercest critics of Pretoria's apartheid policies during Dr Kenneth Kaunda's presidency.

Unlike Kaunda, Chiluba has taken a more conciliatory stand towards Pretoria, but has also alienated the ANC because of his government's treatment of Kaunda, who had good relations with the ANC.

De Klerk is scheduled to open the Lusaka Agricultural and Commercial Show at 2.45 pm. He and Chiluba are to hold talks at 6 pm.

De Klerk, accompanied by his wife Marike and senior Cabinet ministers, returns home tomorrow afternoon.

NEWS ROUND-UP

FW makes history on visit to Zambia

S Times 1/8/93

PRESIDENT FW de Klerk yesterday became the first South African head of government to visit Zambia.

He was given a red-carpet greeting at the airport and was met by President Frederick Chiluba.

The two presidents stood at attention as a military band played *Nkosi Sikelel' iAfrika*— the Zambian national anthem — and *Die Stem*.

Mr de Klerk was then whisked to the Lusaka show-grounds where he opened the 67th annual Zambian agricultural and commercial show.

He said bilateral relations between Zambia and SA were strengthening and the adoption of free-market principles by Zambia would lead to economic improvements in the country.

(360)

Coup for FW in friendly Zambia

Star 2/8/93

By Kaizer Nyatsumba
Political Correspondent

LUSAKA — President de Klerk scored a major political coup at the weekend when he was publicly embraced by the Zambian government and local citizens, and hailed as a leader who had chosen negotiations and peace for South Africa. 2/8/93

Zambia rolled out the red carpet with all the attendant pomp and ceremony usually reserved for heads of state.

De Klerk, clearly revelling in his new status as a regional statesman, laughed, joked and shook hands with the Zambians.

He called for greater economic co-operation among countries in southern Africa, and joined Zambian president Frederick Chiluba in a harsh denunciation of socialism as an economic system. (360)

"We look forward to the day when South Africa, freed from the albatross of the past around its neck, will participate fully in a developing southern African region," De Klerk said. (360)

Chiluba — whose country is facing serious economic hardships — invited foreign investment to Zambia "from wherever", and told a press conference his country had become very investor-friendly since he came to power 18 months ago.

He added that his country would never nationalise anyone's properties.

In a speech punctuated by applause and shown live on Zambian TV, De Klerk expressed confidence the South African economy would begin to grow as soon as the country had solved what he called its constitutional problems.

De Klerk also fully briefed Chiluba about political and constitutional developments in South Africa.

Zambia to get new opposition

LUSAKA. — Nine MPs from the ruling Movement for Multi-party Democracy (MMD) — four of them former cabinet ministers — yesterday resigned to form a new party, citing massive corruption and drug trafficking in government.

Two other senior MMD members, also ex-cabinet ministers, are expected to resign separately, bringing the total number of resignations to 11. (ZLO) CT 13/8/93

Opposition parties hailed the new party, which is expected to be called the National Party. — Sapa-AFP

Star 13/8/93

Zambian govt setback

Lusaka — President Frederick Chiluba's government suffered its biggest setback yesterday when nine of its MPs resigned and said they would form a new party. The resignations will cause a number of by-elections that will provide a platform for the mounting criticism of the governing Movement for Multiparty Democracy and probably reduce its parliamentary majority and bring a third party into parliament.

360

4 Zambian MPs booted out

Star 18/8/93

Lusaka — Zambia's ruling Movement for Multiparty Democracy has expelled four MPs for gross indiscipline. They are former Mines Minister Humphrey Mulemba, former Agriculture Minister Dr Guy Scott, and MPs Rolf Shenton and Simon Mwila.

(360)

Reports: Star Foreign Service, Sapa, Reuter, Financial Times, AP and AFP.

ZAMBIA Fm 20/8/93

Spoils of democracy

Nine MPs of Zambia's Movement for Multiparty Democracy (MMD), including former Finance Minister Emmanuel Kasonde, resigned on August 12 to form their own party — the National Party. The move leaves a question mark over the strength of President Frederick Chiluba's ruling party but does not give much credibility to the deserters either. (360)

Three others, among them former Agriculture Minister Guy Scott, former Mines Minister Humphrey Mulemba and former Education Minister Arthur Wina, plus other Southern Province MPs, are expected to announce their resignations soon.

Those who resigned advanced reasons ranging from corruption to government programmes having been compromised, with Kasonde saying that while he was the architect of the first two budgets, he did not like their implementation.

Fm 20/8/93 **CURRENT AFFAIRS**

Zambia's Chiluba ... *the party starts to crumble*

Others who announced their resignation at a packed press conference at Pamodzi Hotel in Lusaka after days of speculation are: Former Ministers Akashambatwa Mbikusita-Lewanika (Science & Technology), Baldwin Nkumbula (Youth & Sport) and his deputy, Katongo Maine.

Others are Chilufya Kapwepwe (Lunte), Aaron Muyovwe (Pemba), John Mulwila (Lukasha), Inonga Mbikusita-Lewanika (Senanga), and Fabian Kasonde (Mufulira).

In a statement read by Akashambatwa Mbikusita-Lewanika, the members allege that: "A crisis in national leadership and governance has arisen. It leaves us no honourable option other than to withdraw our membership and support for the MMD to establish a better framework for serving the genuine cause of democracy and national development." (360)

The deserters, however, are seen by some observers as power-hungry individuals who would like to see the MMD fall in order to share the spoils. Before being removed from office, Kasonde was apparently quoted by *Africa Confidential* as eyeing the presiden-

Fm 20/8/93

cy, while Nkumbula and Lewanika were said to have rejected the posts they were given by Chiluba in 1991 because the posts were not grand enough. They later resigned, citing corruption.

However, the resignations confirmed earlier sentiments that the MMD was merely a loose alliance of figures with diverse intentions. Lewanika has always viewed himself as the architect of the MMD, though he agrees he contacted those who were already doing something similar by organising opposition to former President Kenneth Kaunda.

Late in July, Chiluba signalled the arrival at a crossroads when he conceded that his party was such a loose alliance. How Chiluba handles this crisis remains to be seen, but, since his days as leader of the labour movement, he has proved to be a survivor.

Of immediate importance is the refusal of the major opposition party, Kaunda's United Independence Party (Unip) to merge with other opposition parties, which is a blow to the new National Party.

The other problem for the new party is to convince voters that it will have a better economic policy than the MMD's, which is tailored to the IMF and World Bank.

MMD chairman Elias Chipimo and the outspoken Deputy Minister in the Office of the President, Derick Chitala, welcomed the resignations.

Analysts agree that there was some measure of intolerance in the MMD leadership,

Fm 20/8/93

which should be checked.

Zambia Daily Mail editor Ketson Kandafula says: "The MMD cannot take the development lightly. To ignore the effects of the resignations would be the same grave mistake Unip committed when dealing with the MMD in its formative stage."

The split comes at a time when light can be detected at the end of the economic tunnel. (360)

Outgoing British High Commissioner Peter Hinchcliffe said he was happy with the government's performance, though much needs to be done in the social sector. ■

A Zambian man of peace amid the horror

360

WM20-26/8/93

OAU observer Shaddy Sibajene ... It's too late for peace when people are already dead PHOTOGRAPH: RUTH MOTAU

All his experience did not prepare the OAU's Zambian 'peaceman' for the violence wracking South Africa. Pamela Dube speaks to Shaddy Sibajena

ORGANISATION of African Unity observer Shaddy Sibajene came to South Africa last November because he wanted to help liberate fellow Africans. Now he feels totally helpless — and fears for his own safety.

Inspired by a sense of brotherhood, Sibajane was unprepared for the orgy of violence — much of it by black people against other blacks — he was to encounter. The nine months he has been leading a three-member OAU monitoring team in the violence-stricken East Rand townships have been a nightmare. "It's a complicated situation. You don't know who's fighting who," he says.

Sitting back and staring through the window of his office, Sibajene looks lost. He rarely relaxes in the OAU's cozy head office on the 11th floor at Sanlam Centre in Johannesburg. His days are spent in the most troubled townships.

Coming from peaceful Zambia, Sibajene has found life in South Africa unbearable. Some days are worse than others. There are two days Sibajene will never forget.

On the first, May 6, the OAU observers entered Katlehong as usual to monitor a student march. Sibajene says as they were talking to students, the police, without warning, threw teargas canisters at the crowd. "For the first time I tasted teargas. As the students were running away, the police started shooting at them."

Then Sibajene saw the bodies of six dead students lying on the ground.

"I thought of my children back home. It struck me that some of the dead students were my children's age. And they were shot dead by their fathers — the police."

The second incident was in Tokoza on May 22 when 13 people were killed during an African National Congress march.

"It was quiet and still as the ANC members were gathering. Just as we moved closer to the marchers, a gunshot rang from somewhere ..." the Zambian diplomat pauses, with anger and bitterness in his voice, then gives a heavy sigh ... "then hell broke loose.

"I felt helpless. We did not know where to turn. We were caught between the ANC and Inkatha fighters. It was impossible to control the situation. Thirteen people died before my eyes."

Sibajene says all the observers left the scene immediately and gathered a few metres away to plan their next move. A woman rushed towards them and screamed: "What are you doing here? The police are killing people and you are just watching."

His face takes on a haunted look: "I don't know, maybe she was right. Sometimes you are forced by the situation to watch and wait for the shootings to end. And by that time, it is too late to negotiate peace, people are lying dead."

On the same day, an angry mob of youth charged them, throwing stones at their car. "I suppose they were justified in chasing us out, we were as helpless as they were. For the first time in my life I thought of death."

Sibajene says that all the years he has been a diplomat, life has been easy and safe. When he was in Namibia before independence, there were few violent incident — "Namibia was great".

Brightening up for the first time during the interview he says: "In Namibia every weekend I spent in the black townships drinking beer with residents. I was a free man; I could go anywhere.

"But here it's another story. I've never had a chance to mix with my people in the townships. The only time I see fellow blacks is when they are dying."

As an outsider, Sibajene used to think the police were being blamed unfairly. No longer. He does not mince his words when talking about the South African Police's involvement in violence.

"Where on earth have you seen the police shooting randomly at marchers?" he says angrily. "I have witnessed occasions where police arrived at the scene and started firing without warning shots.

"Sometimes we would watch the police ignoring a confrontation between hostel dwellers and the township residents. What kind of policing is that?"

For four years, Sibajene was the assistant executive secretary of police, information and defence in the OAU Department of Liberation Committee. After that, he was part of the organisation's monitoring team in Namibia, prior to the elections three years ago.

His experience has been of little use him here. "In the South African situati one can never be qualified to play a rol peace negotiator. The problem here that even black brothers have lost th sense of brotherhood.

"In the first few months we were he we managed to control the fighting p ties, but since Chris Hani's assassin tion, we handle dead bodies every day.

Even though the observer gets goo pimples every time he enters the Ea Rand townships, he says not being the is even more frustrating.

Sibajene and his colleagues, Namibi Ringo Abed and Tanzanian Pet Kabissa, have joined other peace mor tors at Natalspruit Hospital, monitori the violence via radio.

"Coming to South Africa is like invitir death to your doorstep.

"There is no doubt — black life is chea here," Sibajene says.

S Times 22/8/93

ANC request

THE Zambian government is considering a request by the ANC to train its members to become customs, immigration and police officers.

Zambian Minister of Information Dr Remmy Mushota said the request was being considered.

(360)

Zambia's investment warning

LUSAKA — Zambia could lose up to $15bn in potential local and foreign investment because of bureaucratic land procurement procedures, investment promotion director Joseph Kuluneta said.

"Some potential investors have waited for more than a year to be allocated land," he said. Unless the government's procedures were speeded up, he feared most investors would pull out.

If this occurred, the country would lose billions of dollars already pledged.

Investment pledged in the first six months of 1993 for the agricultural sector amounted to $3,5bn, $5,3bn for manufacturing, $2,2bn for mining, $1,4bn for tourism and $2bn for transport, he said. — Reuter.

BDay 24/8/93

(360)

ZCCM doubles profit

LUSAKA. — The Zambia Consolidated Copper Mines (ZCCM), the country's main export revenue source, made a net profit of $26,6m for the quarter ending June despite a reduction in copper production. (360) CT 9/9/93

The profit is almost double the amount made in the same period last year — $13,3m.

In the corresponding quarter of 1992, the giant mining conglomorate realised an operating profit of $40m.

The production of copper was down by 7 213 tonnes from 109 954 tonnes in last year's comparable quarter, to 102 741 tonnes. — Sapa-AFP

SA farmers trek to rich pickings in Zambia

BDay

Own Correspondent

LUSAKA — Eleven months ago Myburgh Wessels, a 35-year-old Afrikaner farmer, arrived at his new farm in Mkushi, an area of rich soil, abundant rainfall and lush forests 320km north of Lusaka in Zambia.

15/9/98

In an echo of the Great Trek, he travelled the 3 200km over five days from the Free State. With his wife, Annemarie, two children, tractors, trucks, pick-up vans, planters, ploughs and harrows, he drove by day and camped in the bush by night.

The Wessels family is among more than 50 white South Africans and Zimbabweans who have migrated in response to the Zambian government's offer of vast tracts of well-watered land.

(360)

Ben Kapita, president of Zambia's commercial farmers' bureau, said: "We have 240 000km² of top-class soil, but 225 000 are not being used productively. We need satellites of settlers to show how things can be done and develop our agricultural potential."

Kapita said: "We're opening up to the outside world. We need foreign investment to underpin the liberalisation of the economy and help us in our hurry for development and increased production."

Wessels said he made the move because of the drought in the Free State.

"Here it's ideal for farming because of the climate and the water. There's no frost. You can plant anything here and it grows.

"Zambia's got the potential to feed the whole of Africa."

His first crop of maize, soya beans and potatoes on his 566ha farm was planted and harvested with the help of his neighbour, a coloured farmer.

The South Africans and Zimbabweans have bought 14-year and 99-year leases on land, much of it virgin forest. Hundreds have visited to investigate and a steady trickle of settlers continues.

Farm Minister Guy Scott, who pioneered the foreign investment policy, said: "It's important that Zambia joins the rest of the world. It's also important that South Africans don't settle in blocks, or there's bound to be political noise." — Sunday Telegraph.

Meeting sought on bread riots

BDay 24/9/93

MICHAEL HARTNACK

HARARE — With the Zimbabwean baking industry facing collapse as a result of five continuous days of bread riots, Zimbabwe National Chambers of Commerce president Ted Makoni yesterday sought crisis talks with the government.

President Robert Mugabe was away in the US to address the UN General Assembly and seek R10bn support for his troubled five-year economic reform programme, under which flour subsidies of R63m a year have been withdrawn.

Protests continued yesterday in Harare's suburbs for the fifth successive day. At least one person had been seriously injured and scores arrested, police said.

Since Sunday housewives, and youths among Zimbabwe's 2-million unemployed, have repeatedly stormed bakeries and supermarkets and looted bread delivery vans, causing the giant Lobels bakery in Harare to switch off its ovens temporarily because of attacks on staff at its gates. Baking resumed yesterday, but there were no township deliveries.

"The industry faces total collapse," warned Commerce Minister Christopher Ushewokunze.

Makoni appealed to consumers "not to take the law into their own hands" but Ushewokunze chided bakers for not "adjusting prices to affordable levels" and accused them of "economic sabotage".

Master Bakers' Association head Eddie Cross said the anger of poor Zimbabweans trying to survive runaway inflation on the R100-a-month minimum wage was understandable, but the increases had been forced by the government's new pricing policy.

He said the recent increase in the price of a 700g loaf to about R1,35, after the removal of subsidies and controls, compared well with SA.

Mugabe's pilgrimage to the US comes less than a month after he told international aid donors to "keep your filthy lucre" in response to protests against his plans to take over 5-million hectares of prime land without allowing the 4 400 commercial farmers the right of appeal.

The bread demonstrations appear to be organised by disaffected members of the ruling Zanu (PF) party women's and youth leagues, which last month mobilised only 1 200 faithful for a demonstration against white farmers' moves to fight a constitutional test case.

Zambian farmers hurt by imports

BDay 24/9/93

LUSAKA — Zambian farmers were stuck with 70 000 tons of wheat no one wanted to buy because the market had been flooded with cheap SA flour, Zambia National Farmers' Union president Ben Kapita said.

Kapita said yesterday the largest buyer, state-run National Milling Company, was reluctant to buy this year's wheat because consumers had opted for less expensive SA wheat.

"National Milling has been very supportive, but it can no longer afford to buy our wheat because its flour is not selling." (360)

Kapita said the government's haste in economic liberalisation was hurting the farming sector.

"We have opened ourselves up to cheap imports without regard to the implications on local producers. Liberalisation should have been effected gradually, to enable local producers to compete on an even playing field."

It was likely most of the wheat crop would go to waste. The farmers' union also anticipated that millions of bags of maize could be destroyed by rain because of failures in the government's marketing exercise. Only 6-million of the 18-million 90kg bags of maize had been hauled to safety.

Kapita criticised the donor community for standing idle while Zambia's harvest went to waste. — Reuter.

Africa in brief

Sowetan 27/9/93

Chiluba sues editor

LUSAKA — President Fredrick Chiluba is suing a newspaper over its allegations that the Zambian leader was offered bribes to allow South African businessmen organise a crocodile hunt.

Chiluba filed his libel writ against the *Weekly Post*, the country's highest circulation publication, at Lusaka High Court on Friday. (360)

Under a front-page banner headline "Chiluba's 60 000 South African rand gift", the paper ran a story in June last year alleging that a group of South African businessmen had offered the Zambian leader R60 000 to conduct a crocodile expedition in the country.

ZCCM struggles to pay local creditors

B/Day 11/10/93

LUSAKA — Zambia Consolidated Copper Mines (ZCCM) says it cannot afford to service fully its accumulated local debts of more than 10bn kwacha ($25,3m).

Crumbling copper prices are understood to be eating into ZCCM's margins.

However, the group's financial position might not interfere with government plans to privatise the state-owned company, nor plans by Anglo American to reinvest in the Copperbelt once government relinquishes control of the copper producer.

ZCCM spokesman Kelvin Imasiku said at the weekend: "We're working out a system of payment with our creditors. They know what is going on and they will co-operate."

He declined to give further details on the problem.

An Anglo American spokesman said in Johannesburg at the weekend that the corporation "does not believe any discussions ZCCM management may be having with its creditors regarding the sums of the magnitude mentioned would have any impact on the Zambian government's privatisation programme, or on Anglo's continuing discussions with ZCCM".

Anglo has pre-emptive rights to take up shares in ZCCM once it is privatised. Anglo's Zambia Copper Investments has a stake in ZCCM.

ZCCM spokesman Francis Musonda said the mining conglomerate, which earns more than 85 percent of the country's export receipts, had seen its earnings eroded by the recent strengthening of the kwacha against convertible currencies, mainly the dollar.

He said most of ZCCM's debt had been accumulated between July and September this year.

The kwacha, which depreciated by 50,5 percent between January and June, began strengthening in July to gain 3,4 percent against the dollar in four weeks and has continued to improve since then.

On Thursday the exchange rate was 395,8 kwacha to the dollar, down from 522,4 versus the dollar on August 30.

"This has meant our earnings have been eroded significantly. We have the hard currency but we cannot afford to sell at today's rate," Musonda said.

(360)

Imasiku said the kwacha was likely to appreciate further.

The company has been forced to review its conditions of service for employees and has suspended housing loans and restricted overtime.

This has angered the Mineworkers Union of Zambia. "We are monitoring the situation very closely," union general secretary Paul Kafumbe said. — Reuter.

Zambia arms theft probe

Star 4/11/93

STAR AFRICA SERVICE

Lusaka — A Zambian gun-running syndicate may be supplying arms to South Africa and other trouble spots in Africa, the ANC said yesterday.

This follows an abortive attempt on Friday to steal weapons from a military armoury in Lusaka, in which a Zambian army sergeant was shot and critically wounded as he tried to flee. (360)

Military police recovered 30 new AK-47 assault rifles and 29 magazines. Police said several army officers had since been arrested in connection with the theft.

ANC representative in Lusaka Alfred Mogane said his organisation was apprehensive about the destination of guns stolen in Zambia after reports of a growing number of AK-47 rifles on the South African black market.

Mogane said the ANC strongly believed that some of the stolen guns were sold to South African "warlords".

A spokesman for the South African diplomatic mission in Lusaka said it had received an informal report from the Zambian Ministry of Foreign Affairs and was waiting for a formal report.

The attempted arms theft on Friday was not the first raid on a military armoury. More than 150 AK-47 and 60 other automatic rifles have been stolen from different armouries over the past 18 months.

Star 11/11/93

Crucial by-elections in Zambia

Lusaka — Zambians go to the polls today in the biggest by-election in the country's history and one which is seen as a crucial test for President Frederick Chiluba's Movement for Multi-Party Democracy (MMD) government. (360)

The by-elections follow the resignation of six of 11 MPs who quit the MMD after charging its leaders with corruption, drug-trafficking and broken promises.

Zambians are especially angry at the government's failure to keep its promise of reducing consumer prices.

The vacant seats are all in rural areas, where the government is seen by farmers to have reneged on an undertaking to allow market forces to determine produce prices.

Fearful that this would hit city dwellers, the government fixed the maize price. — Star Africa Service.

-COMPANIES-

Zambian firm scraps senior jobs

B/Day 9/12/93

CASH-strapped Zambia Consolidated Copper Mines (ZCCM), in which Anglo American has an indirect stake, has scrapped 850 senior jobs and shut a subsidiary consulting firm as part of its attempt to save itself.

CE Edward Shamutete said yesterday the company was also reviewing senior staff service conditions in a streamlining move designed to save about 40,7-billion kwacha a year, Reuter reports.

"These measures are part of a survival plan to save ZCCM from financial collapse," he said.

ZCCM last month suspended all non-production capital expenditure and began reviewing all capital projects in a move to freeze expenditure not critical to operations.

ANDY DUFFY reports that the Zambian company, which is carrying debts of $700m, warned last month it was running a $113m deficit and faced collapse unless it cut capital expenditure and costs.

The copper price had fallen to an average $0,72/lb, less than three-quarters of the price for which ZCCM had budgeted, while a stronger Zambian currency had further damaged ZCCM's earnings.

Anglo has an interest in ZCCM through its 50% stake in Zambia Copper Investments, which it gained from its offshore arm, Minorco, in the recent $1,4bn reshuffle of its international assets.

The group has pre-emptive rights on ZCCM and plans to bid for the company when the Zambian government privatises the business, as part of a strategy to expand its African mining operations.

Anglo has six directors on the ZCCM board and plays a major role in determining the company's strategy and financing. (360)

However, it said that it could not comment on ZCCM's management strategy. It has also stayed silent on the impact ZCCM's current problems could have on its bidding plans.

Chairman Julian Ogilvie Thompson said last week that Anglo's return to the Zambian copperbelt depended on the outcome of a US probe into the viability of the industry, a German investigation into Zambian privatisation, and an IMF study on the country's economy.

AS MEN GET SCARCE, more women are flocking to churches in search of a 'Mr Right'," reads an article in one of the Zambian news papers. The article goes on to narrate the story of lovely young ladies who suddenly become "born again" Christians while in actual fact they are looking for marriageable men.

When things do not go according to their aspirations, many of these ladies resign from churches in disgust, the story goes on.

Marriage is scarce in Zambia these days, I am told.

This is not because there are no handsome men to be paired with these beautiful girls.

Marriage is simply unaffordable.

A journalist who got married in mid-1991 said: "Things were not as bad in those days."

On the face of it the noises about unaffordability appear to be a joke as there is still a fleet of new cars cruising up and down Lusaka's streets — some of them with South African registration numbers.

But a closer look actually tells the true story. Almost every second one of these luxurious cars is driven by either a Lebanese, an Indian or a white.

Apart from the politicians, these are the people who appear to have access to this scarce resource called money in that country.

Zambia is one of those African countries that are swallowing the harsh economic medicine cooked up across the Atlantic in downtown Washington DC.

Since president Frederick Chiluba's supercharged Movement for Multiparty Democracy swept to power in the latter part of 1991, it introduced a number of reforms to turn the economy around.

Doldrums

Food has become expensive after subsidies were thrown into the dustbins while the value of the national currency — the kwacha — has plunged further.

One South African rand is enough to buy 130 kwachas at the official rate. The black market value is somewhere around 160 kwachas to the rand.

In fact, during the week I spent in Zambia I was told the kwacha had appreciated against the American dollar.

The annual rate at which prices escalate is said to be somewhere around the 200 percent mark.

As a result, the Zambian central bank has come up with measures to squeeze credit through high interest rates in a desperate attempt to bring about price stability.

Chiluba's government has also gone the privatisation route. Over 130 State-owned companies have been identified for privatisation.

'Our manufacturers are suffering severely because of South African goods'

'... medicine cooked up in Washington DC'

Although all four companies which have been sold have been bought by Zambians — a factor which led to relief from the authorities who were worried the companies would fall into foreign hands — the process has been clouded by a new form of controversy.

People are beginning to question the involvement of politicians in the privatisation process. In fact, one of the hot points of debate is that the Zambians who bought the four companies which have so far been sold have links with certain ministers, which enabled them to buy the entities for a song.

But the director of the Investment Centre, which was formed to market Zambia to foreign investors, Mr Joseph Kuluneta, has a different view.

"Anybody who is advocating that politicians should not participate in the privatisation process is wrong.

Defies laws

"If you have no money, forget about buying a company; and the people who have money in this country are the politicians. This is Africa, my friend. It defies all the laws of common reason," argues Kuluneta.

As part of the package that accompanies economic austerity measures tailored by the International Monetary Fund, the Zambians have been told to relax mechanisms which minimised imports into the country.

This measure has paved the way for cheap foreign imports. These days the whole of Lusaka is flooded with South African goods.

The local beer, Mosi Wa Thunya, now has to compete with Castle and Ohlssons brewed south of the Limpopo.

Though they cannot resist the "taste that stood the test of time" elite Zambians resent what they see as economic colonisation of their country by South Africa.

"Our local manufacturers are suffering severely because of South African goods," says a journalist from one of the independent newspapers.

Despite the rhetorical talk at the top, ordinary Zambians are happy that they no longer have to queue for bread or a bag of *Nshima* — mealie-meal — every morning, which was the case during the last days of the Kaunda regime.

These days if the goods are finished in the established shops, the black market will have plenty of reserves.

Irrespective of its economic woes, Zambia is a very relaxed and peaceful country.

Policemen are a rare sight in the streets of Lusaka. Even when they do show up, they are mostly unarmed.

In the evenings some ministers "are into drinking" with their fellow countrymen in the crowded bars.

And one thing for sure — Zambians love their beer.

Sowetan

17-12-93

NEWS FEATURE *President Chiluba's economic policies affect every aspect of Zambian life*

Land of the unaffordable

Sowetan 17/12/93

■ **BORN AGAIN** *Where life is good — but only for politicians and foreigners:*

By Mzimkulu Malunga

360

“Zambia is swallowing

BUSINESS Employers must help S

Stock exchange for Zambia by March

Sowetan

By Mzimkulu Malunga

ZAMBIA will have its own stock exchange by March next year.

The chief executive of that country's Securities Exchange Commission, Mr Mumba Kapumba, says the establishment of the Lusaka Stock Exchange will help speed up privatisation — the selling of state-owned companies to individuals and institutions.

"Parastatals are going to form the bulk of shares traded on the Lusaka Stock Exchange," he says. There are 135 state-owned companies ear-marked for privatisation in Zambia.

However, out of the 17 parastatals which were supposed to be privatised first only four have changed hands.

All four companies have been bought by the local Zambian business people, a factor which has allayed fears that privatised parastatals will fall into foreign hands.

"We hope that the stock exchange will broaden participation in the privatisation process, instead of one person buying a privatised company for a song," says Kapumba — a well-known critic of the selling of state-owned companies cheaply.

There has been a public outcry in Zambia as some individuals known to have close links with the ruling Movement for Multiparty Democracy government bought the privatised enterprises for prices believed to be well below their value. 9/12/93

Though currently there is not a single stockbroker in Zambia to facilitate share dealing on the stock exchange, Kapumba is confident that a training programme to be conducted by an American firm will produce enough brokers to get started.

In the meantime, the Security Exchange Commission is going to teach ordinary Zambians about the hurly-burly of the market floor. (360)

"Our objective is to make every single Zambian rich," argues Kapumba.

The operation will cost about R4 million which has been sourced from the government and the United Nations Development Programme.

Kapumba says they have consulted widely with other stock exchanges on the continent — including the Johannesburg Stock Exchange — before embarking on the project.

The Lusaka Stock Exchange will be the 12th in Africa.

Chiluba faces cabinet crisis

Sowetan. 29/12/93

ZAMBIAN President Frederick Chiluba must dismiss suspected drug dealers in his cabinet or face a government split, ministers said.

Three of the 26-member cabinet told *Reuters* this week that the drug trafficking scandal had reached crisis proportions.

"There is already a crisis and it will be resolved only by the president acting in a question of days, not weeks or months," said one of the ministers who asked not to be named.

Zambia's leading Western donors made an end to drug trafficking and corruption a pre-condition for aid at a consultative meeting in Paris earlier this month.

Zambia already has a balance of payments financing gap of R288 million for 1994, which donors said they would not cover until the government rid itself of corrupt individuals.

The ministers said four of their colleagues — whom they did not name — were involved in drug dealing. Most of the deals involved shipping highly addictive Mandrax sedatives from India, where they are made, to South Africa.

"This issue may force a split in the cabinet because those ministers who are determined to get it resolved will not give up," said the minister, who holds a senior post in the ruling Movement for Multi-Party Democracy party.

360

Cabinet walk-out

The three ministers said their concerns were shared by many of their colleagues and a cabinet walk-out was possible.

"It is clear the main question grieving President Chiluba is the amount of proof available but the thing is that you are not prosecuting people and so do not need that kind of proof," the minister said.

Another minister said: "There is simply no way out. That is our New Year message to Chiluba."

The third minister said Chiluba's tenure as president was at stake.

"If for any reason he cannot get rid of them, his best option is to dissolve the cabinet and start afresh."

Chiluba, a devout Christian, won a landslide victory in elections in 1991. — *Sapa-Reuter.*

Zambian copper group boosts profits

(360)

CT 10/12/93

JOHANNESBURG. — Zambia Consolidated Copper Mines (ZCCM) said it made a net profit of 4,9bn kwacha ($10,8m) for the quarter to September 30, 1993.

Spokesman Francis Musonda said copper production fell to 101 815 tons in the past quarter from 105 363 tons in the corresponding 1992 quarter.

However, average copper sales realisation rose 78% to 800 033 kwacha per ton from a previous 450 577 kwacha, due to depreciation of the kwacha against major currencies.

ZCCM's total quarterly sales revenue was 131,9bn kwacha ($293m), 97% higher than the previous period's revenue, he said.

Dire ZCCM finances threaten Zambian budget, says official

BIDAY 30/12/93

LUSAKA — Zambia's main export earner, Zambia Consolidated Copper Mines (ZCCM), is threatening the budget and the country's economic reform programme through its failure to pay taxes and debts, a senior government mining official said.

The official, who refused to be named, said the plight of the mining giant — hit by low copper prices, lack of cash and mismanagement — was also disrupting the national budget.

"As a working company, ZCCM does not even have the finances to continue operating at the current rates of production, and if it was an unsubsidised company it would have collapsed this year," the official said.

"Government has been baling out ZCCM by devaluation of the kwacha and excusing them from paying their debts. ZCCM is ruining the country's budget and the restructuring of the Zambian economy....

"It desperately needs exposure to fresh finances, new ideas and people. We are going the Zaire way, and if ZCCM collapses, the whole country collapses," the official said.

He said ZCCM, which earns about $1bn annually, had failed to pay $50m in taxes to the government over the past two years.

The company also owed Zambia Railways $6,6m for transporting copper, and a further $10m to the Zambia Electricity Supply Corporation for electricity.

"What ZCCM owes the state in taxes comprises 20% of the government's budget, and so the budget cannot be funded because ZCCM has been excused," the official said.

Hard currency earnings from the company were used for years to subsidise the government during the years former president Kenneth Kaunda was in power.

But the mining official said ZCCM was still bedevilled by political interference, poor management, underinvestment and overemployment under President Frederick Chiluba's Movement for Multiparty Democracy government that replaced Kaunda two years ago. (360)

Copper production for the current financial year, ending on June 30, of a targeted 450 000 tons was expected to fall 20%, while the Mufulira, Luanshya and Mondola mines were expected to make losses of $33,4m, $24,6m and $5,9m respectively.

The Tailing Leach plant at ZCCM's largest mine, Nchanga, has lost $30m in the past three years.

Cobalt production, 4 000 tons annually, is expected to drop with the decline in copper production at Nchanga, the main cobalt producer.

The mining official said ZCCM's current production costs were more than 80 cents a pound, while world copper prices were about 77 cents a pound.

"Since 1991, the performance of ZCCM has deteriorated financially as well as in productivity, signifying a very imprudent management," the official said.

He said the company could not be turned around in its present state. "The management of ZCCM is not profit-motivated and only think all they have to do is make sufficient political noise and they will be baled out. Worse still, the business decision-making process has been hijacked by politicians." — Reuter.

ZAMBIA - GENERAL

1994 - 1995

ZCCM pulls back from the threat of collapse

BIDay 4/1/94

ZAMBIA Consolidated Copper Mines (ZCCM), the country's biggest export earner in which Anglo American has a 27% stake, has in the past few weeks pulled back from threatened collapse, caused by a cash flow crisis, and 1994 could provide ideal conditions for the state-owned group "to turn positively to the task of revival", according to Credit Lyonnais Laing, the Financial Times reports.

Credit Lyonnaise Laing suggests that a weakening copper price and a strong local currency swept ZCCM's profits away in the second half of the financial year that ends next March.

"The fall in the copper price in the second half of 1993 exposed the high-cost nature of the operations and also exposed the problems of a reactive management which has done too little to cut long-term costs," says analyst Michael Coulson in Credit Lyonnaise Laing's latest International Mining Monitor.

He suggests that at present ZCCM is not generating enough cash to service repayments on its almost $900m debt or to maintain output at present operations.

"If nothing is done, the best ZCCM could hope for would be a future of steady decline with the occasional metal price surge enabling the company to undertake some new project development but on a much smaller scale than originally envisaged," says Coulson. (360)

This would mean annual output of 200 000 tons for 15 to 20 years whereas the present $2bn, 14-year plan would continue output at about 450 000 tons for 50 years.

He called on the Zambian government to move forward with privatisation of ZCCM.

Coulson dismisses, however, the idea that ZCCM — which has a present stock market value of about $300m — is worth billions. This idea harks back to the early 1980s, when the oil groups were bidding up the price of mining companies.

He says that, ideally, an additional big mining group should get involved with ZCCM alongside the Anglo American Corporation.

Coulson concludes: "The reconstruction and refinancing of the company swiftly undertaken could secure its competitive position in the international copper market and underpin its long term future as a substantial and low cost producer."

□ ZCCM is threatening Zambia's budget and economic reform programme by failing to pay taxes and debts, according to a mining official, reports Reuter.

'94 has naught for Zambia's comfort

Star 5/1/94

(360)

HAPPY New Year? Not for Zambia which is bracing for hard times yet again, reports Star Africa Service from Lusaka

Most Zambians are reluctant to respond to salutations of "Happy New Year" because they see little hope for their beleaguered country in 1994.

Two potential disasters — one self-inflicted, the other an act of God — threaten to bring suffering to many already far-stretched Zambians.

The first, the drying up of foreign aid, is the result of President Frederick Chiluba's reluctance to act against members of his Cabinet who are accused of drug smuggling and corruption.

One result of the aid squeeze will be that Finance Minister Ronald Penza will have to perform financial wizardry to come up with a plausible budget. He is said to be unhappy with the government's handling of the situation and is leading pressure within the Cabinet for the dismissal of the errant Ministers.

"Zambia cannot survive without donor support; let no one assure you to the contrary," Penza said on his return from a donors' meeting in Paris last month.

The government will need at least R190 million to pay farmers for the 1993 crop early next month, and at this stage it is difficult to see where it will find the money.

Should the farmers revolt as a consequence, it will mean food shortages in urban areas and these, as former president Kenneth Kaunda learnt to his cost, are fuel for political upheaval.

Already the farmers have vowed not to produce maize this year unless the government gives them better prices.

President Chiluba . . . reluctant to act against Ministers said to be lining their pockets.

The farmers may have no choice in the matter, however, since weather experts are forecasting drought for 1994. Rainfall figures are already far down from last year in Zambia's maize belt, which straddles the northern and eastern escarpments and extends down to the southern province.

In a cheerless year-end message to farmers, Ben Kapita, chairman of Zambia National Farmers' Union, said: "I cannot convey my usual happy wishes to all the farmers in the country, because I know the coming year will only bring them more tears, heartbreaks and thankless toil."

A continual weakening of the local currency, the Zambian kwacha, is expected to result in even higher consumer prices, which, in turn, are bound to lead to higher wage demands.

As it is the government can ill-afford its bloated civil service and salary increases are less likely than lay-offs which would swell the ranks of the unemployed.

Lay-offs in the private sector, which is having difficulty weathering stiff competition from South African companies, are already underway in what promises to be an exceptionally hard year for Zambians.

Zambian minister resigns

Star 5/1/94

STAR AFRICA SERVICE

Lusaka — Zambian Foreign Minister Vernon Mwaanga resigned from the Cabinet yesterday after intensive donor pressure to step down over allegations of drug trafficking.

At a press conference in Lusaka, a bitter Mwaanga accused other members of the Cabinet of corruption and urged them to follow his example and resign.

Political analysts believe several other Cabinet members may resign in the next few days.

Mwaanga's resignation came after foreign donors put pressure on President Frederick Chiluba to purge his Cabinet of drug dealing and other forms of corruption or face severe cuts in aid.

(360)

Finance Minister Ronald Penza returned empty-handed from a recent fund-seeking meeting with the Paris Club, saying the club had said it would listen to Zambia's appeals only when it had got rid of its drug traffickers and corrupt ministers.

Earlier yesterday Mwaanga, one of the most senior members of the Cabinet and a founder member of Chiluba's ruling MMD party, met representatives of the donor community and heads of diplomatic missions in Lusaka.

▶ **Naught for Zambia's comfort – Page 11**

NEWS FEATURE *Spotlight on high-level corruption in Zambia ● Zestful life in Zimbabwe*

Power, not democracy

Sowetan 6/1/94

■ NO CONTROL Chiluba has not produced a concept of government:

(360)

LUSAKA — The resignation of Zambia's foreign minister this week throws the spotlight on corruption at high levels and President Frederick Chiluba's lack of control over officials, political analysts say.

Mr Vernon Mwaanga said on Tuesday he was resigning to give the government time to investigate allegations of drug dealing by cabinet members. He denied he was involved in wrongdoing himself but accused other unnamed officials of corruption and said they should resign.

His announcement followed demands by leading Western donors for an end to high-level drug trafficking and corruption in Zambia as a precondition for financial aid.

The analysts said Mwaanga's allegations of corruption within the ruling Movement for Multiparty Democracy showed Chiluba had not taken proper action despite concerns voiced at home and abroad.

"Chiluba, after 26 months in power, still has not come up with a concept of government. He had ambitions of becoming president but has not come up with a clear formula on how he is going to govern this country. He is still preoccupied with the paraphernalia of power," one political analyst said.

Mwaanga (49), an influential founding member of the MMD, accused some unnamed government officials of blackmail and others of amassing wealth through diversion of public funds and commissions from dubious deals.

Frederick Chiluba ... where the buck stops.

Political analysts said the allegations showed Chiluba needed to take firmer action, as his previous inability to act had allowed officials to abuse their positions.

"The MMD could work if Chiluba were strong enough and said he was cracking the whip and getting rid of all those named in the allegations," said one Western diplomat.

He added that Chiluba should immediately introduce a code of conduct for government officials.

One MMD official said corruption was entrenched in the ruling party, whose officials were most concerned with their own economic gain.

"Chiluba, after 26 months in power, still has not come up with a concept of government. He had ambitions of becoming president but has not come up with a clear formula on how he is going to govern this country. He is still preoccupied with the paraphernalia of power"

Three "clean" government ministers said last week four of their colleagues — whom they did not name — were involved in drug dealing. Deals involved shipping highly addictive Mandrax sedatives from India, where they are made, to South Africa.

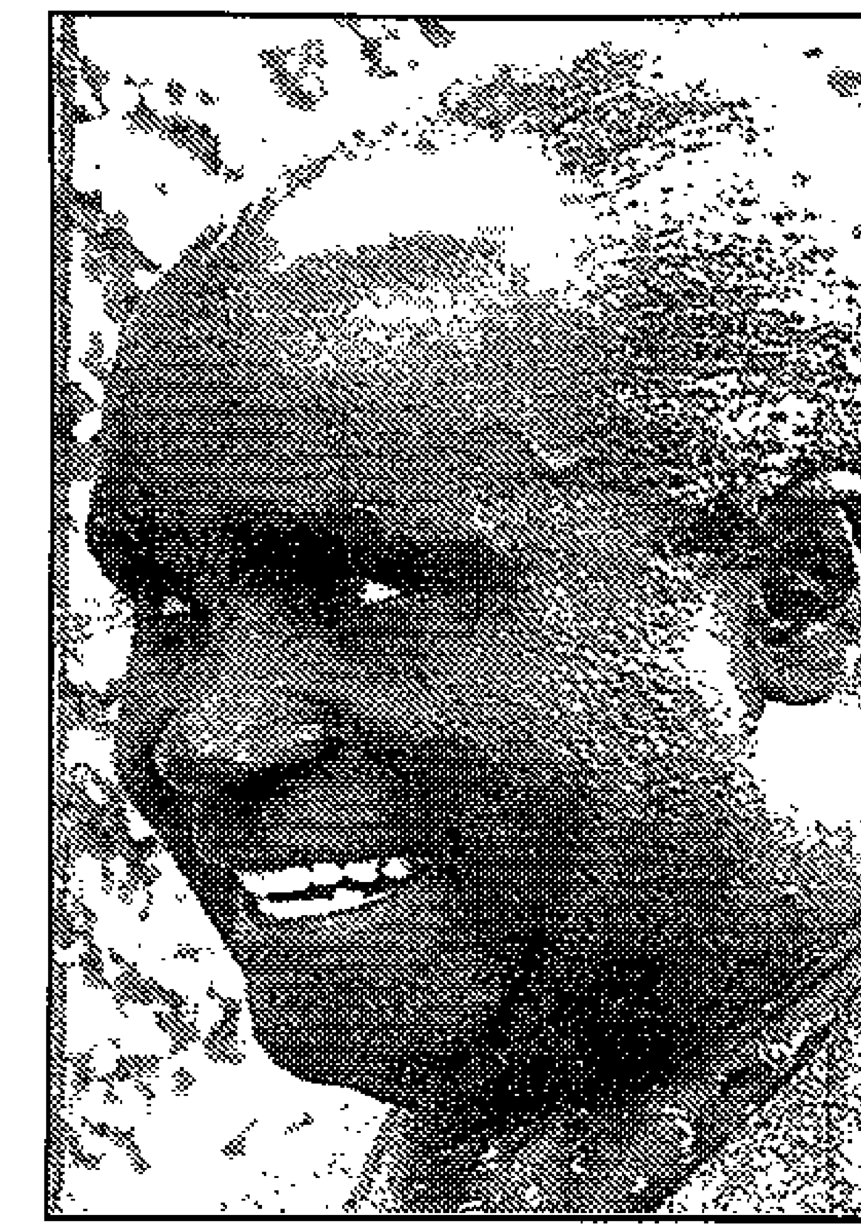
Mwaanga was detained for several months in the mid-1980s along with several businessmen for alleged drug dealing.

Chiluba's government ended decades of rule by President Kenneth Kaunda, an era that was peppered with accusations of nepotism and corruption and fostered one of the most bloated public administrations in Southern Africa. Many Zambians had hoped Chiluba would bring a cleaner and more efficient administration but so far their aspirations have not been met.

"The MMD was never about democracy but about power. The people surrounding Chiluba do not care if he remains in power the next 10 years. Their immediate concerns are about consolidating their economic positions and they will continue to fight each other to do this," one MMD member said.

By delaying action, Chiluba was creating vacuums within his government, said another MMD member.

"He will soon find himself surrounded by incompetents because he is not giving himself the time to organise his actions. It is a pity we missed the boat over the drugs issue and donors had to come in." — *Sapa-Reuter*.



Kenneth Kaunda ... where the buck started.

"The MMD could work if Chiluba were strong enough and said he was cracking the whip and getting rid of all those named in the allegations"

Zambia to expel foreign complainers

Star 7/11/94

■ STAR AFRICA SERVICE

Lusaka — The Zambian government will kick out foreign diplomats and representatives of donor agencies who continue to question the governance of the country, says government spokesman Remmy Mushota.

He was reacting in an interview to pressure by foreign aid donors on the Zambian government to stamp out corruption and drug trafficking in the Cabinet. (360)

Mushota said diplomats had international guidelines within which to operate "which some have chosen to ignore with impunity in Zambia".

He said no official complaints had been lodged by the Zambian government with the governments of the diplomats in question, but added: "The Zambian government will expel foreign diplomats who continue to question the governance of the country by the State."

Corruption

German ambassador Peter Schmidt said yesterday the resignation of Foreign Minister Vernon Mwaanga on Tuesday was not enough to appease the donors. He called for other Ministers to resign and for more serious government efforts to stamp out corruption.

Zambian newspapers yesterday carried reports alleging that several Cabinet Ministers had misappropriated and shared out between them a R142 million Japanese grant intended for small-scale business development.

Political analysts expect more Cabinet resignations as the corruption scandal continues to rock the government of President Frederick Chiluba. While he has not been linked to corruption, Chiluba is being accused of weakness or incompetence in failing to stamp it out.

The Anti-Corruption Commission, set up by the government, says it has begun investigating allegations by Mwaanga that some of his former Cabinet colleagues had long been engaged in corruption.

ZCI Fm 14/1/94

Waiting game

Activities: *Holds 27,3% of Zambia Consolidated Copper Mines.*
Control: *Anglo American Corp 50%.*
Chairman: *G W H Relly.*
Capital structure: *122,6m ords. Market capitalisation: R392m.*
Share market: *Price: 320c. Yields: 0,4% on earnings; p:e ratio, 242. 12-month high, 495c; low, 320c. Trading volume last quarter, 44 000 shares.*

Trying to call future moves in the copper market is bad enough, but to take a view on ZCI's prospects investors also have to decide what the Zambian government is going to do about privatising Zambia Consolidated Copper Mines (ZCCM). (360)

The Zambian government itself probably doesn't know the answer to that because it's waiting for the outcome of a study into the privatisation of ZCCM by a German consultant. There's also a World Bank study which has to be considered, given the importance of ZCCM to Zambia. The huge copper mining complex generates nearly 90% of Zambia's foreign exchange earnings and is its largest employer, with a workforce of about 50 000.

That is the real crux of the matter and probably why Zambian president Frederick Chiluba has stalled on the issue until now. Privatising and turning ZCCM around is likely to cause the country plenty of economic, social and political pain.

When former president Kenneth Kaunda was ousted in the 1991 elections and the new government announced its intention to follow a free market approach, the expectation was created that ZCCM would be swiftly privatised.

Anglo American Corp, Gencor and JCI all indicated they were keen to get involved with ZCCM. Anglo was the hot favourite because it had the inside track from its previous involvement with ZCCM before the mines were nationalised. Through ZCI, Anglo has 27,3% in ZCCM and it also has pre-emptive rights to buy the 60,3% held by the Zambian government.

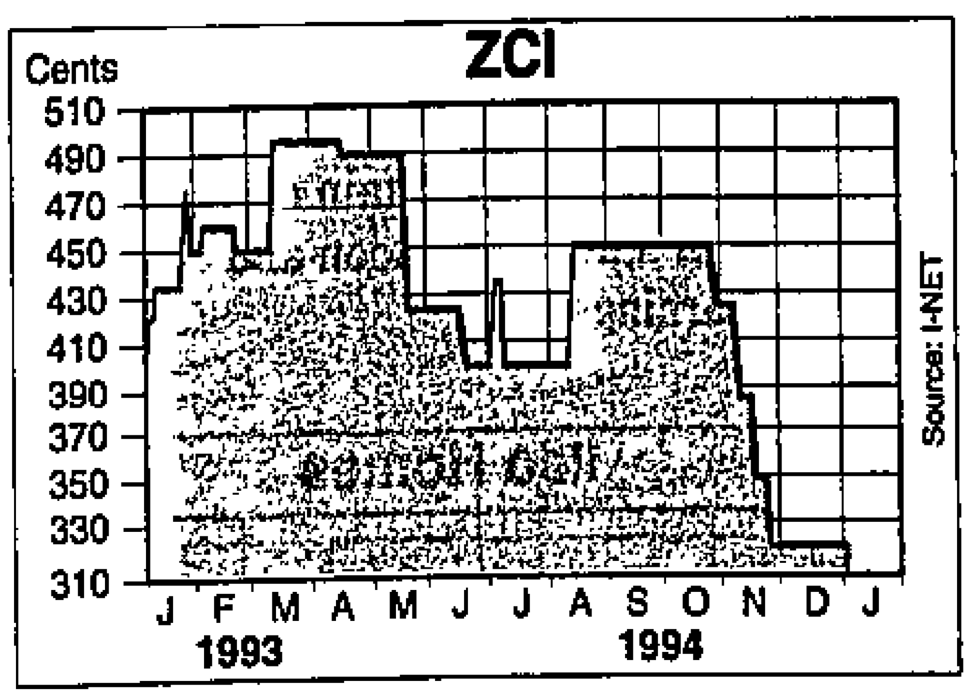
Fm 14/1/94 (360)

ZCI's price took off from a low of 200c in 1991 to 310c by March 1992 and a high of 495c in March 1993. From there it has been downhill, because nothing has really happened on the privatisation front.

It appears the Zambian government delayed any decisive action in 1992-1993 because ZCCM was performing well, by its standards, and revenues were buoyed by a steady copper price and the depreciation of the Zambian kwacha.

That was shortsighted. The copper price collapsed in the second half of 1993 and ZCCM ran into a cash-flow crisis, affecting its ability to service its US$900m debt and maintain production. Management is scrambling to cut costs and trim staff.

Time now appears to be on Anglo's side. It probably suits the house to let the crisis at ZCCM concentrate the Zambian government's mind on what has to be done to get its



most valuable asset back on its feet. When Anglo's interim results were released in early December, chairman Julian Ogilvie Thompson said that any decision on Anglo's involvement with ZCCM would have to wait until the World Bank and other relevant reports had been completed.

Anglo staff are now involved in long-term planning for ZCCM's future, looking in particular at the Konkola Deep Mining project aimed at maintaining production at current levels of about 430 000 t of copper when the Nchanga Open Pit reaches the end of its economic life.

That project entails sinking a new shaft system from surface to a depth of 1 470 m to mine identified reserves containing 340 Mt of ore at a grade of 3,8% copper. The Konkola shaft would mine this reserve at a rate of 6 Mt/year of ore to produce 180 000 t of finished copper and 600 t of finished cobalt annually. Estimated cost is $545m (R1,8bn) and the ZCI directors hope work will start in the 1994-1995 financial year. The project will take six years to complete.

It does not seem likely that kind of money will be provided by Anglo, the World Bank or anybody else without a suitable agreement to privatise ZCCM and set its operations on a stable footing.

Anglo executive director Jack Holmes declines to add to the statement in the ZCI report that: "Representatives of the Corporation are working with the Zambian government and ZCCM management in reviewing ZCCM's strategic options and endeavouring to ensure that its substantial new capital requirements can be secured on an acceptable basis."

Some weighty decisions will have to be taken by the Zambian government if ZCCM is to get the Konkola project under way in time to maintain future production levels. The share remains speculative. *Brendan Ryan*

Investor code criticised

(360) CT 15/2/94

JOHANNESBURG. — Zambia has forged what at first glance appears to be an attractive code of incentives for investors, but in certain respects it was still unconducive to investment, a senior banker from that country said.

Cavmont Merchant Bank vice president Mark Gibson said remaining impediments were due largely to its structural adjustment programme which has caused many companies to halt production and lay off workers.

Monetary policies for example, while reducing inflation, have caused a liquidity squeeze resulting in a decline in the capacity of lending institutions and increased borrowing costs.

He told a trade and investment conference however, that some areas of the economy offered significant potential, and considerable opportunities for south african companies.

NEWS FEATURE *Zambia illustrates the dangers of unfulfilled expectations*

The fragile path of democracy

Sowetan 4/3/94

■ VELVET GLOVE *Zambia's saviour has turned out to be a lame-duck:*

By Joe Latakgomo
Sowetan Africa News Service

A YEAR AGO this week Zambian President Frederick Chiluba declared a state of emergency, alleging a plot to overthrow his government by violent means.

On March 5 the Zambian nation woke up to the shock news that Chiluba had declared the state of emergency and ordered the arrest of several opposition politicians, including the sons of former President Kenneth Kaunda.

The action was seen by many as a smokescreen for the serious economic problems that the country faced as Zambia battled to extricate itself from the clutches of 27 years of a socialist economic and political regime.

The fragility of newly democratic regimes was demonstrated once more with Zambia's example. Intervention by the World Bank and the International Monetary Fund have not softened the impact of new economic and fiscal policies on the average Zambian, who had looked up to Chiluba and the Movement for a Multiparty Democracy for economic salvation following their election victory of October 1991.

For many, however, Chiluba has turned out to be a lame-duck president. His opponents accused him of being unable, or unwilling, to deal with allegations of corruption and drug-dealing in government circles. Chiluba had warned that "inside the velvet glove was a fist of steel", when responding to a growing demand for clean and accountable government, but the only show of steel was against members of the opposition.

Now into his third year of power following victory on the wave of pro-democracy sentiment there has been very little tangible improvement in the lives of the people of Zambia. Those who hoped multiparty democracy would solve problems are disappointed. For many the situation has deteriorated.

(360)

The price of consumer goods has gone up by as much as 200 percent. Inflation is racing way above 150 percent. Unemployment is rampant and the privatisation programme that was seen as a cure-all seems to have ground to a halt as resistance to it grows. Nobody in government seems to have fully grasped the vastness of the financial resources required to make the programme work. Health services, education and roads have deteriorated dramatically.

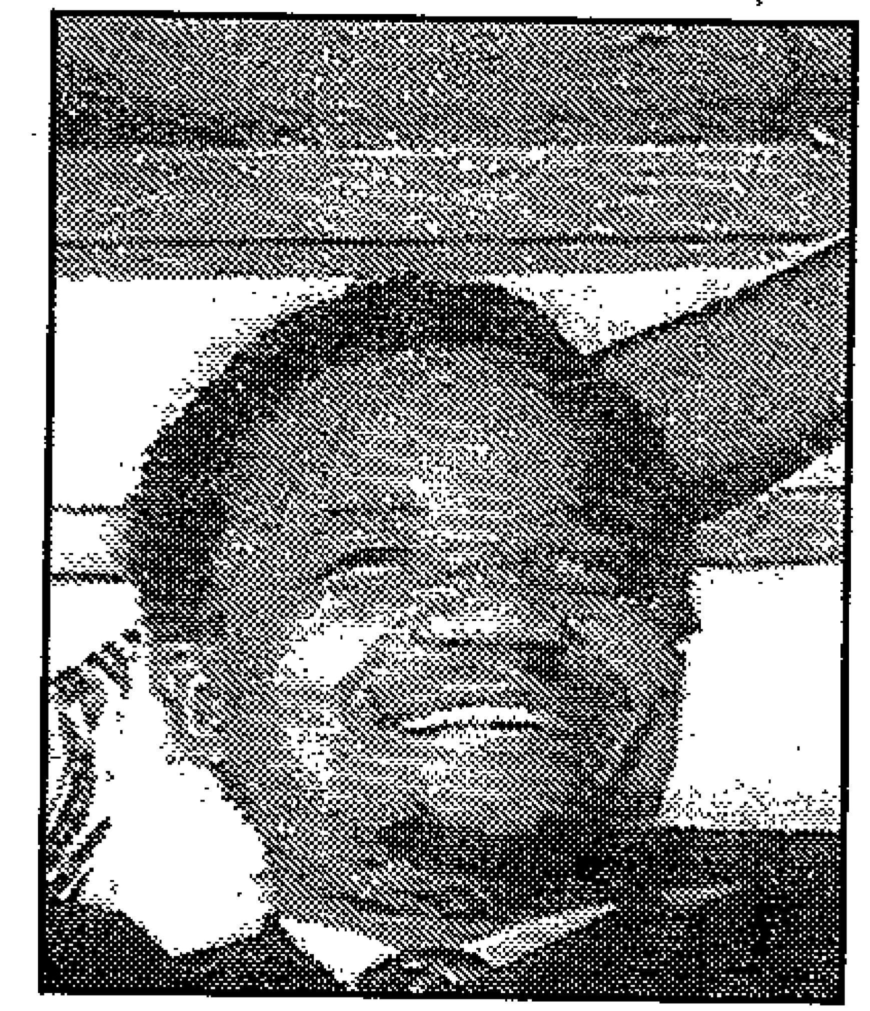
The predicted economic upturn after the initial pain of belt-tightening has not materialised.

This year Zambia will celebrate 30 years of independence, but the prosperity that uhuru promised has not come about. With an economy that was largely dependent on copper exports, on the back of the price of which the country borrowed heavily, Zambia went the way of all countries with such single-commodity dependence.

The economic ills were heaped on the shoulders of President Kenneth Kaunda and his United Independence Party and on the evils of the one-party state. But even Chiluba realises that he cannot continue blaming Kaunda, and that he must now begin to show that he has alternative workable policies.

Cuts in the bloated civil service have resulted in thousands of disgruntled civil servants. This was the unkindest cut of all — and the opposition was quick to exploit this — and other job losses and to extol the virtues of previous systems which at least guaranteed jobs and kept food prices artificially low.

The MMD consists of disparate forces, all of which demanded patronage in some form or other after the ousting of Kaunda's regime. Among those were unionists, businessmen, and ex-Kaunda party members, brought together by the common hatred of Kaunda. In trying to be all-inclusive, Chiluba welcomed people like former Kaunda foreign minister Vernon Mwaanga and Arthur Wina, against the wish of many MMD supporters. In a dramatic announcement on March 5 last year, Chiluba told the nation he had reimposed the state of emergency. He assured concerned donor nations that the state of emergency would not be kept in force "a day longer than is absolutely necessary".



President Chiluba

But cracks were already evident in the MMD, and have been for some time as rumours of drug trafficking by high officials, including cabinet ministers, abounded in the nation. Chiluba said he would not act against the ministers as there was no evidence.

Late last year, donor nations made it clear they would not deal with Zambia unless the government fired those involved in drugs and other corrupt actions. Minister of Finance, Ronald Penza, virtually told Chiluba that the country had no choice and would have to meet this unprecedented demand.

The opposition has wallowed in Chiluba's woes. Many believe he cannot now win the 1996 elections, and are mobilising for the poll with promises like the re-nationalisation of assets that have been privatised so far.

Was liberalisation pushed too fast for such a fragile economy? It seems so, and the dangers of unfulfilled expectations are quite obvious for those — including South Africa — now going the path of democratisation.

Star 17/3/94

Outlook healthy in Zambia

(360)

Cont/

Zambian health officials talk of the closing years of the "Second Republic" (which ended in 1991) without much enthusiasm. The period was characterised by a declining economy and a health service plagued by drugs shortages, crumbling buildings and equipment, poor working conditions, and a widely demoralised staff.

But times are changing, a process nowhere better epitomised than in the grounds of Lusaka's University Teaching Hospital. Garden beds are colourful and carefully tended; lawns are beginning to look manicured. A notice says that the First Lady Vera Chiluba is responsible.

Inside the hospital attitudes are positive. Nurses smile as they pass.

Dr Nkandu Luo, head of pathology and microbiology, refers to the past as "very difficult"; she invariably had insufficient funds to operate her laboratories.

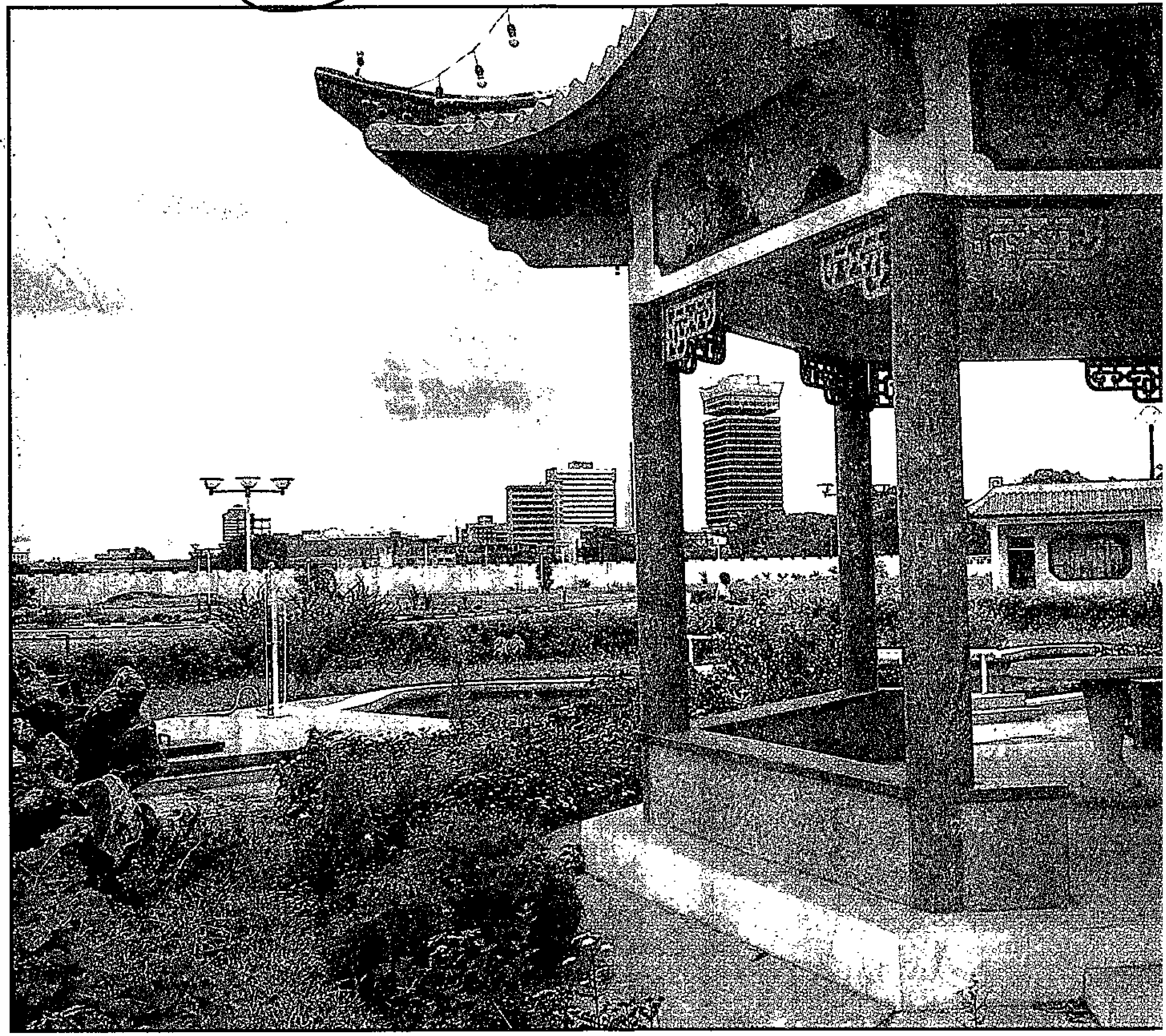
Just over a year ago, at the end of 1992, the Ministry of Health published major new health policies and strategies.

"Implementation will be difficult and will take many years to complete," the then health minister, Dr Boniface Kawimbe, said at the time. "But for the first time in our history we have a comprehensive set of policies in which all the aspirations of the Zambian people are expressed."

The core of these aspirations: to increase the life expectancy of Zambians which now stands at just over 55 for males and 57 for females; and to create environments, lifestyles and public policies which will support health for all.

How?

There's the familiar list of reforms: a move from curative to primary health care, but not at the expense of hospital infrastructure; increased intersectoral co-operation; more integration of the strengths and resources of the private health sector and ... [illegible]



Changing times . . . Lusaka, the capital of a country whose health services combine quality with financial affordability.

STAR
17-8-94

Cont.

vourite — more transparency and accountability in managerial systems.

Decentralisation is also being actively pursued.

Regional autonomy and responsibility (under the guiding hand of the Ministry of Health) is replacing the highly centralised system of the past, and is forcing hospitals especially to pursue improved management techniques.

As in Namibia, this process of decentralisation (and the move to primary health care) has been achieved by slimming down the central Health Ministry and redeploying the surplus human resources into newly created provincial and district management structures.

Even more interesting is Zambia's determination to make health services economically viable. "Cost recovery" is the new buzz term, but of course this method of financing is coupled with State financing via taxation and donor contributions (accounting for around 30 percent of total health expenditure) when looking at the health budget as a whole.

At the heart of the idea of cost recovery is user payment. Non-preventive and non-curative services are charged at full cost. Private doctors are also charged for using government hospitals for private patients. And ordinary Zambians now pay nominal outpatients' and hospital admittance fees. People who bypass clinics and health centres, coming straight to hospitals for treatment, are charged additional amounts.

Inevitably, in a country used to free health care, the introduction of medical costs has caused some consternation. Elizabeth Mataka, director of the Family Health Trust, reports that Aids sufferers are now bypassing the hospitals and coming straight to the trust's home-based care project for assistance.

Now a plan is being mooted to introduce a form of health insurance in which everyone will contribute K(kwachas) 500 a month (about R2,60). Can Zambians afford this?

Of course, say some, pointing to an average income which, in spite of considerable shrinkage at the end of the Second Republic, still stands at around K10 000 (R52) a month. But inevitably many people can find far less. Suggestions that the rural poor could pay in kind has led to some ridicule. How are the clinics to financially evaluate all the chickens and packets of groundnuts they receive? And what are the clinics to do with this form of payment?

Jokes aside, however, and in spite of a range of severe problems, there is something deadly serious about Zambia's commitment to develop a health-care system which combines quality service with financial affordability.

STAR 17-3-94

HEALTH IN AFRICA

New policies taking root

Wide-ranging health policy reforms, including decentralisation and the abolition of free health care, are taking root in Zambia. Health Writer **DAVID ROBBINS** reports from Lusaka, on the lessons for South Africa.

High rate of urbanisation

Apart from South Africa, Zambia has the fastest rate of urbanisation on the continent. Lusaka's population was estimated to be 870 000 in 1988; today it's pushing towards 1,4 million — with serious public health implications.

The director of the University of Zambia's Institute of African Studies, Dr Oliver Saasa, explains the process:

"People from the rural areas move into unplanned settlements all round the city. Financial aid from the donor community — especially the Irish and Germans — helps in the upgrading of these settlements into site and service schemes.

"But the pace of the whole process is too swift, placing a constant strain on city infrastructure. I'm talking about sewerage, water supply, waste disposal, housing, roads and storm water drainage, the job market — in fact, almost everything on which orderly urban existence depends."

The result is unacceptably high rates of dysentery and cholera in the city's unplanned settlements, colloquially called "shanty compounds".

Dysentery cases are commonplace, and in public toilets all over Lusaka notices warn: "Wash your hands; boil drinking water."

Aftercare causes concern

Elizabeth Mataka is the director of Family Health Trust, a non-government organisation in Zambia which runs an anti-Aids programme, and other projects which concentrate on home care for Aids sufferers and Aids orphans.

She works closely with State hospitals and health officials, yet she admits: "I'm going to South Africa soon for some surgery.

"I know the doctors here in Zambia are excellent, equal to the best in the world.

"It's the aftercare I worry about: the hospital infrastructure, drugs availability, and so on."

Mataka acknowledges the improvements since 1991, yet old memories die hard.

She talks candidly of the "filthy hospitals and empty pharmacy shelves" which pertained towards the end of the 'Second Republic'.

"That's what happened, at least partially, as a result of trying to provide free medical services.

"I still don't think we're back to an acceptable standard."

TOMORROW

A former exile writes the biography of slain SACP leader Chris Hani.

NEWS FEATURE Scheme will produce 120 officers for the new South African army

Zambia to train MK troops

Sowetan 19/4/94

Sowetan Africa News Service

LUSAKA — Zambia has agreed to train 120 Umkhonto we Sizwe troops as officers who will be absorbed into the new South African National Defence Force.

ANC representative in Lusaka Japhet Ndhlovu said the training had been requested by ANC president Nelson Mandela when he visited Zambia in 1992. "Zambia could not afford to take on our cadres for military training then because of economic constraints but we have now been told that all is ready for the programme to go on," Ndhlovu said.

■ THE FUTURE

Force's new blood:

The ANC cadres will be trained at the officers training school at the Zambia Army Military Establishment training school in Lusaka, which has trained several other ANC cadres (360)

Ndhlovu also confirmed that South African exiles still living in Lusaka because they have not been cleared to return home will be allowed to vote in Lusaka in the election this month in South Africa.

A number of ANC exiles have not returned because they fear they might face criminal charges if they do. It is believed here that some are common criminals who fled from justice and are not political exiles as they make out.

Others were arrested for crimes including murder and armed robbery committed in Zambia and are either awaiting trial or serving jail sentences.

When the ANC cadres left Lusaka for home after their organisation had been unbanned, those remaining were left without a solid financial base and many resorted to crime, using the AK47 rifles issued to them by the ANC.

Ndhlovu refused to comment on the issue of criminal elements among the exiles beyond saying that most of them were solid law abiding citizens of South Africa.

Exchange controls a major block to foreign investment

BDay 13/6/94

JIM JONES 360

IS IT significant that the only three southern African countries to have abandoned experiments in command economic management in favour of market-driven recovery are those whose economies were near to destruction?

A combination of war and the post-independence nationalisation of private assets has left Mozambique one of the world's poorest countries; inept intervention by a Kenneth Kaunda more interested in humanist philosophies than in sound economic ones just as surely destroyed Zambia's economy; and the same mixture of socialist ineptitude under "Teacher" Julius Nyerere converted Tanzania from one of the African continent's richest countries at independence to basket case status.

The fact that desperation helped lead to the change was made plain when Zambian Finance Minister Ronald Penza addressed last week's meeting of the influential World Economic Forum in Cape Town. Penza told more than 300 foreign and SA business leaders that Zambia had made the hard choice of removing exchange controls because controls had led to capital flight. All the money that had left Zambia was gone, and unlikely to return while controls remained in place.

Today, Zambia is experiencing small but positive inflows of capital. Whether the message was fully accepted by SA's new economic mandarins remains to be seen. But, time and again at the forum, it became clear that the most important factor in encouraging foreigners to invest here will be the rapid removal of all exchange controls.

Why should foreign investors feel confident about investing in SA when the country's government expresses its own lack of confidence by maintaining restrictions on capital flows?

The question was not answered in the public forum by Deputy Finance Minister Alec Erwin, though he and other Cabinet Ministers made plenty of noncommittal expressions of good intent.

Of course, the short-term difficulty with our enfeebled foreign reserves will remain a drawback until we have completed negotiations for IMF support during temporary balance of payments setbacks. The country's reserves would be at risk to raids by predators such as George Soros if SA was not assured of prompt IMF backing. But that was no excuse, delegates made clear outside the conference room, for not setting a firm date for controls to go.

SA has just entered round two of a 10-round fight, according to US-based Alliance Corporate Finance Group chairman Frank Jackson. We came through round one — the election and transition to majority government — well ahead on points. Round two, aligning all the economic factors needed to attract foreign investment, will be more difficult but will provide conclusive proof of government's economic seriousness.

And while Jackson praised SA's government for aggressively promoting the country's investment merits, he left the audience under no illusions that the governments of China, Mexico and India were marketing their countries' investment attractions just as aggressively. In addition, none of those countries had a president who, like our Nelson Mandela, publicly expressed a personal antipathy to privatisation.

In the forum's concluding speech, Deputy President Thabo Mbeki eloquently explained his party's economic reconstruction imperative — the need to uplift the underprivileged. And, while he gave an emotional reason for the need for a truth commission, he left many with the view that SA's new government is not convinced that wealth creation can best be achieved by lifting all restraints on the economy.

The fund Jackson manages has already invested $60m or so in SA equities, through the finrand.

In Cape Town, he explained his investment logic by listing what he saw as SA's investment attractions: government policy; the critical mass of SA's market measured by GDP and stock market capitalisation; the prospectively large consumer base represented by our black population; our strong resource base; our low debt ratio; the recent 13% weighting in the International Finance Corporation's international emerging markets index; and our likely BBB national credit rating that will allow US pension funds to invest in SA stocks.

☐ MUGABE

Just as promptly, however, Jackson followed with what he called his "investment wish list". At the top he placed a non-inflationary Budget. That, he believes, will be a tall order to fill, but it will be necessary to prove that the ruling party is as good as its word.

Tied to this first "wish" is a need to energise black economic empowerment as a means of reducing demands on the state purse.

Then followed a string of specific demands for the removal of hindrances to foreign investment. Scrapping the financial rand and the prompt removal of exchange controls came first, overriding all else. But Jackson's other "wishes" were no less important.

He called for what he termed antitrust laws as an adjunct to unbundling and privatisation to improve market liquidity; for a streamlining of the JSE to cut the cost of registering share transactions; for reduced tariffs to stimulate competition; for a removal on the limitations on foreign ownership of SA inve ments; for no capital gains tax; a for a continuing demonstration th the government of national unity c work together.

"Keep on surprising us," was Jac son's injunction to the bevy of Cal net Ministers and union bosses at t meeting.

If we are to attract investme from abroad, we cannot afford send mixed signals to the intern tional investment community. Und pressure from the IMF, Zimbab has relaxed exchange controls y persists in nationalising well-ma aged private farms, justifying it wi populist rhetoric.

Criticism does not sit well wi Zimbabwe's President Robert M gabe, whose autocratic rule is bas more on an ability to dole out patro age than on sound market econom policies. He is one of his countr own worst enemies with his ra bling and prolix presentations to i ternational investors.

The contrast with presidents a cabinet ministers from Mozambiq Zambia and Tanzania is palpable

Tanzania's President Ali Hass Mwinyi had a more focused visi He supports regional economic in gration, but makes it plain that does not see that as entailing ec nomic domination by SA. He pr motes Tanzania's investment attra tions effectively and makes it cle that a common market, narrow based on free movement of goods, not the best option. A unitary mark that permits a free flow of peo and capital as well as goods is, believes, preferable.

But, perhaps, Zimbabwe has suffer as its neighbours did before abandons its half-baked econom policies in favour of those that w more surely stimulate its econom

There are many ways of skinni the economic cat, but it was clear Cape Town last week that SA h neither the time nor the luxury being able to implement appropria economic policies piecemeal.

Delegates to the World Econom Forum's meeting support SA, b they have few illusions about wh and when we must deliver if we a to attract the foreign investme needed to turn our economic aspir tions into reality.

FM 19/8/94

ZAMBIA

Mortal longings

Former Zambian president Kenneth Kaunda has re-entered the political arena. He is calling for early elections, saying there is no need to wait until 1996 when incumbent president Frederick Chiluba's first term of office comes to an end.

A month ago Kaunda announced his desire to return to politics at a meeting in Chipata, provincial capital of Eastern Province. He later denied he said any such thing, but soon embarked on a countrywide tour to "gauge" the political atmosphere.

When he arrived in Kasama, provincial capital of Northern Province and also home of the Bembas, who are said to be the more "political" Zambians, Kaunda announced to a surprised Catholic ordination gathering that he was worried by the way Chiluba is running Zambia.

The congregation jeered when Kaunda entered the church, but that was not enough to stop him from announcing his comeback bid. He said Zambians were unhappy about the alleged misery Chiluba had brought.

Kaunda, who announced that he has given Zambians two months in which to express their desire for his return, said there was no need to wait for the general elections in two years.

He said he sympathised with "poor" Zambians who were facing difficult living conditions. Apparently to convey his sympathy, Kaunda broke down, saying: "What sort of Christians do you claim to be when you can even demand a fee from the loved departed ones lying in mortuaries?"

But Zambians do not seem to take their former leader seriously. Many scorn him and attribute their suffering to his mismanagement of the country over 27 years. Wags claim that the old man has realised that the roads are being repaired under Chiluba and that is why he wants to come back. Indeed, Kaunda's sudden attempt to stage a return to power is baffling and suggests that he never really accepted defeat, though he bowed out gracefully enough when he was humiliated at the polls in 1991.

Kaunda, who had earlier said he would go to his home village in Chinsali should Zambians vote him out, claimed soon after the elections that something had gone wrong. He cried that he had no house to go to, even though it is widely known that he has a mansion in Chinsali. He complained that the new regime had denied him a pension, but after some delays it was paid. Some are now saying he must return the pension because he has re-entered the political arena.

If all the letters in the local press are anything to go by, Zambians will not have Kaunda back in office. However, his decision probably puts his former party, UNIP, in a more awkward position than anybody else.

UNIP spokesman Bwendo Mulengela says that should Kaunda stand as an independent the party will not challenge him. But the constitution does not allow for an independent presidential candidate. Mulengela, who also announced that certain chiefs had met Kaunda to persuade him to return to politics, has since been banned from issuing press statements. Two chiefs, Mwata Kazembe and Malembeka, have threatened to sue Kaunda for alleging they met him.

(360)

Political analysts say Kaunda's gambit could scare potential investors, given his record of State socialism. The Chiluba government has started a privatisation programme, which is seen as the only way to turn the economy round. This, and the freeing of the economy, has resulted in the retrenchment of more than 100 000 workers in a year.

The government says this will pass and Zambia will then become a good place to live in. Backing its claim is that inflation, which was above 200% in 1991, has dropped to about 50%. Interest rates, which were also above 200% three years ago, are expected to fall to about 40% by December.

It is difficult to say where Kaunda is drawing encouragement from. A few days after his announcement, Chiluba's party soundly beat UNIP and the National Party in parliamentary by-elections in the Chiluba constituency.

This seems to indicate that while Zambians may be suffering under a structural adjustment programme, they are prepared to wait for better times. ■

Kaunda hits the comeback trail

CIPress 7/9/94

LESS than three years after being swept from power, former Zambian President Kenneth Kaunda (70), is calling for elections "now, and not tomorrow". The move, reports ELIAS NYAKUTEMBA, has made President Frederick Chiluba nervous.

KENNETH Kaunda may be risking the respect and goodwill he earned by handing over power peacefully after losing Zambia's first multiparty elections for 30 years.

He says he intends returning to active politics.

President for 27 years, Kaunda was unseated when President Frederick Chiluba's Movement for Multiparty Democracy (MMD) defeated Kaunda's United National Independence Party (Unip) in 1991.

Soon afterwards, Kaunda announced his retirement from politics.

Reactions to Kaunda's decision to hit the comeback trail have been quick and sharp. On his return from a trip to Israel, Chiluba felt obliged to call an early morning news conference at Lusaka airport in which he launched a scathing attack on Kaunda as a "jailer" and "killer".

Many Zambians dismissed the attack as intemperate and a sign of Chiluba's nervousness.

If the attack was designed to nip Kaunda's ambitions in the bud, it failed. Kaunda seems set on emerging as the most credible opposition leader, and possibly as president for the second time.

He has been touring the country, campaigning for elections "now and not tomorrow". He asks for forgiveness for the economic downturn during his rule, which he attributes partly to his material support for liberation struggles in southern Africa. "Now that the continent is free, all of us should fight to improve our living conditions," he says.

His rallies largely go unreported by the state-run media, but have been drawing crowds not seen since the last election.

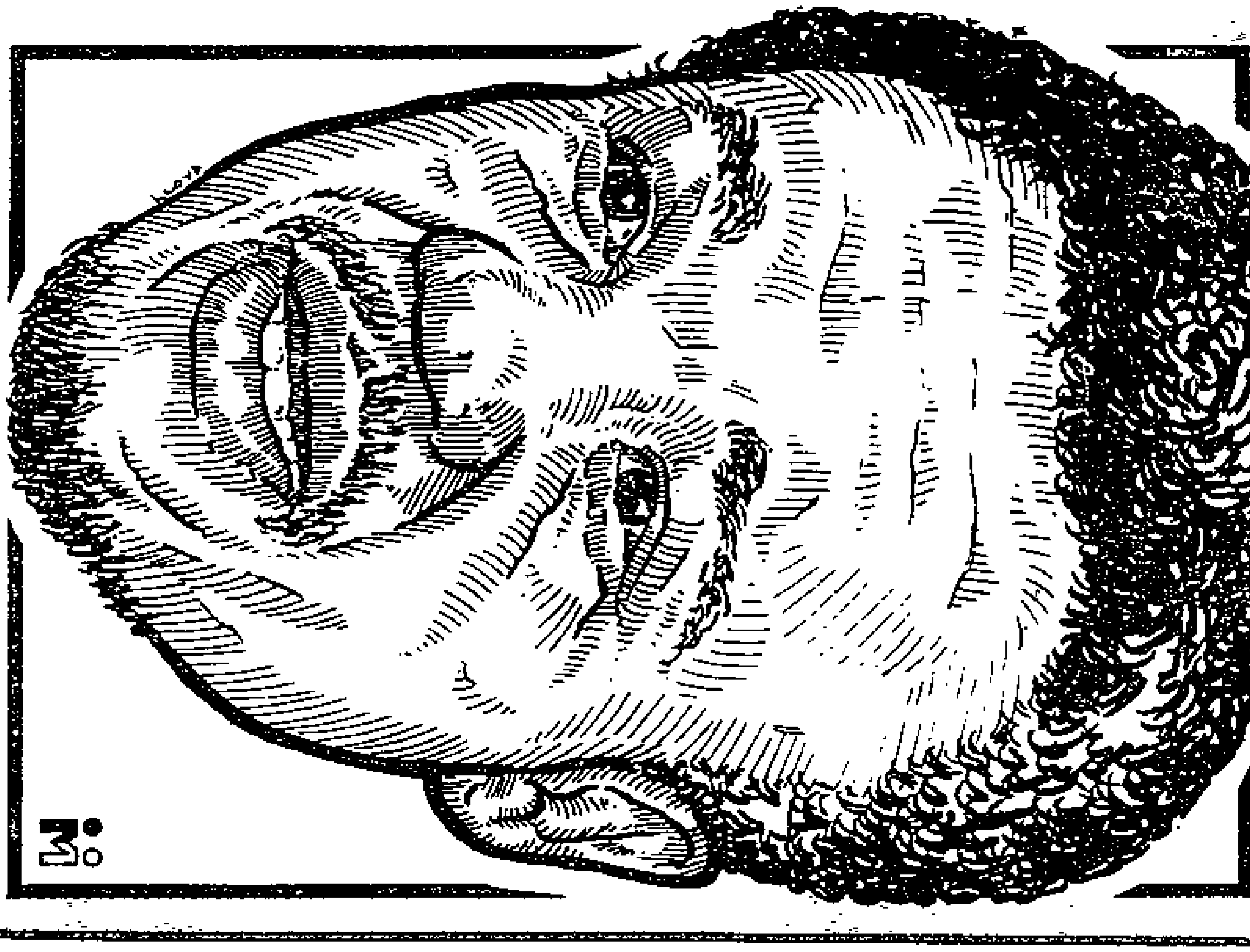
In Kasama, north of Lusaka, for example, many in the crowd of thousands are said to have been moved to tears when Kaunda wondered why Zambians were "so silent at a time when you have never suffered so much in history, when even the dead in mortuaries are being made to pay for spending their last few moments there".

The message hit home at Chiluba's most vulnerable point: The effects of the World Bank-dictate harsh economic reforms which Chiluba says ar necessitated by years of misrule but which Kaunc claims are forcing the public to pay more for ever thing from eduation to health and have reduce rather than increased jobs. (300)

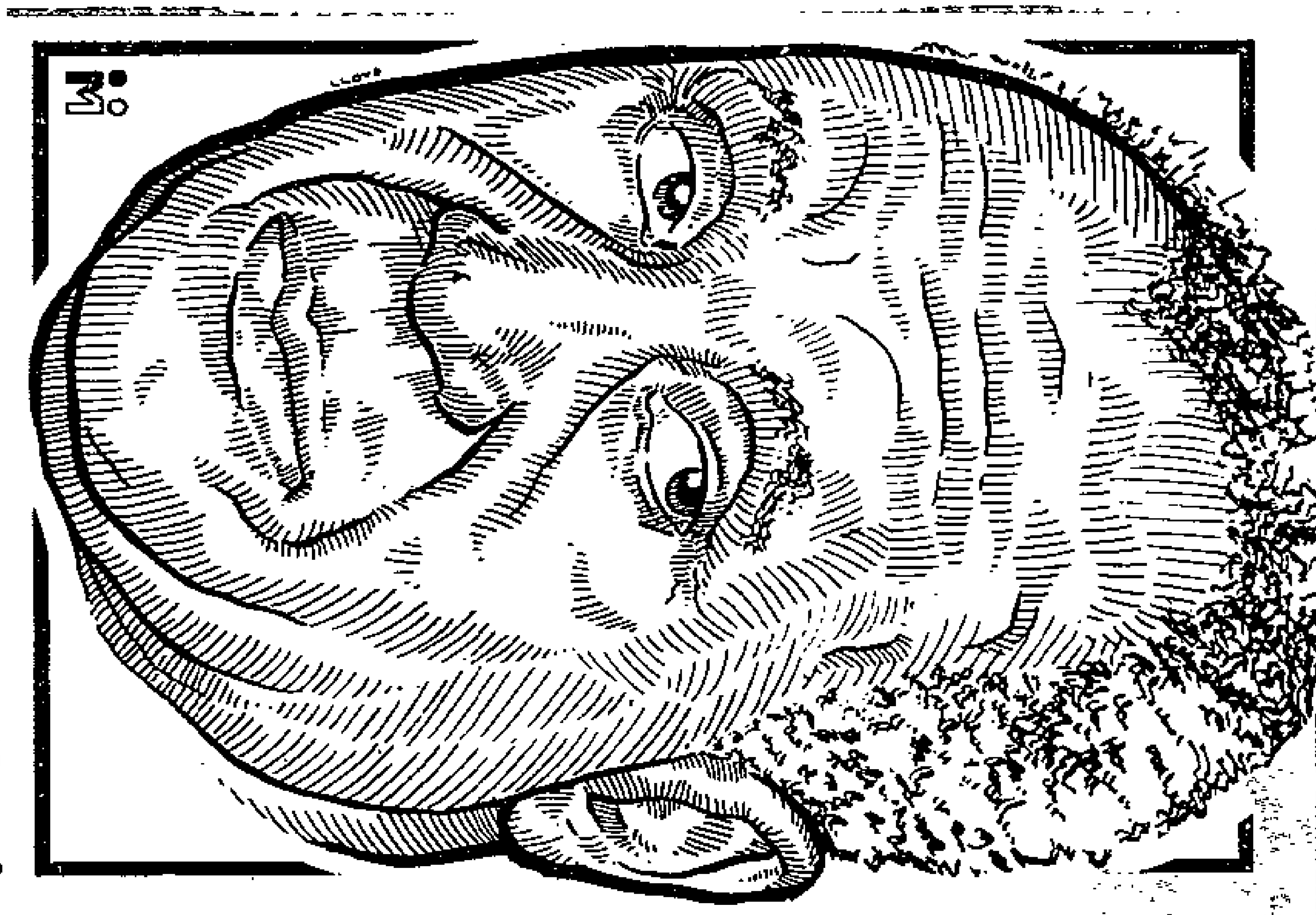
Official statistics say 110 000 workers have lo their jobs in the past two years. Independent est mates put the figure closer to 200 000 in a countr with a population of nearly eight million. The manu facturing sector has just warned that it could she a further 50 000 workers in the next six months ur less Chiluba reduces taxes on imported raw ma terials and subsidises exports.

The introduction of fees has virtually emptie many schools and hospitals. Says Jonathan Ntamb of the National Party, one of several oppositio groups: "These measures simply mean that voter should die in their homes and that their childre should not attend school. These are the crucial issue on the ground."

Kaunda's reading of the political scene seems ac curate, with Chiluba and his MMD failing to mak a mark as a vibrant leadership and instead gainin a reputation as a squabbling, corruption-riddle group. The official opposition has not proved con vincing either. – Gemini



UNEASY . . . President Frederick Chiluba has lashed out, calling Kaunda a "killer", but the people still attend KK's rallies.



ELECTION CALL . . . Kenneth Kaunda has demanded elections "now and not tomorrow" and has pleaded forgiveness

Xenophobia is the order of the day in Zambia, writes Richard Dowden

Guessing who's who in Zambia

Star 19/10/94

'One Zambia, one nation' was a common chant when Kenneth Kaunda ruled this southern African nation, and he employed it when opening and closing regional conferences and meetings with heads of state. It become as natural as Kaunda's white handkerchief.

While President Frederick Chiluba's ruling Movement for Multiparty Democracy (MMD) say their policies of democratic freedom and capitalist economic reforms are designed to benefit the entire nation, there seems to have been a change in tone.

Ethnic tensions in Zambia are minute compared to those in many African, and as well as European, nations, but there is an increasingly popular view that the MMD has become dominated by Bemba speakers from the Luapula and northern provinces.

Departures

The image has been fuelled by the recent departures from the Cabinet of former legal affairs Minister Ludwig Sondashi, a Kaonde from north-western province, and the former vice-president, Levy Mwanawasa, of Lamba-Lenje origin.

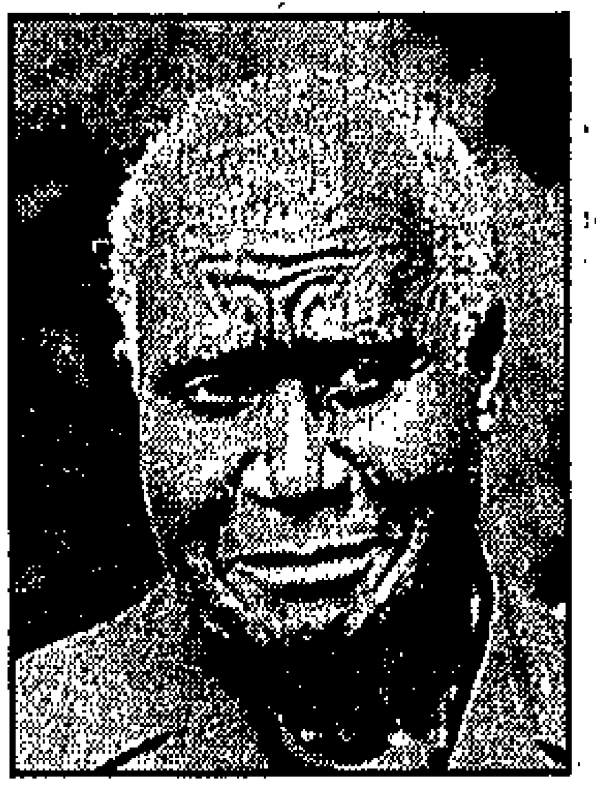
In Western Province, the royal establishment of the dominant Lozi people has been voicing increasing demands for autonomy.

The Litunga Ilute Yeta, the Lozis's traditional leader, wrote a letter this year to President Chiluba demanding that Lusaka respect the Barotseland Agreement of 1964 which integrated the former British protectorate of Barotseland into the newly independent Zambia.

The letter was said to have accused the government of meddling in the Lozis' disputes with their neighbours, the Nkoya people, who also inhabit Western Province.

In recent months, there has been a spate of reports about aliens. It seems aliens are everywhere in Zambia today, although they are not of the extra-terrestrial variety.

The best way to dirty political opponents' reputations is to suggest that they or their parents were not born in Zambia. The press is full of stories about people being screened to see whether or not they are true Zambians.



Kaunda . . . former president was once thought to be a Malawian.

Chiluba . . . present leader once accused of 'smoking dagga'.

The problem is not unique to Zambia. The alien issue has spread through southern Africa in recent years and has become a major political issue in South Africa, where widespread poverty and unemployment have sparked increasing hostility to thousands of Mozambicans, Zaireans and Zimbabweans.

In Angola, dozens of ethnic Bakongos were slaughtered in Luanda in January 1993 simply because they were believed to have been Zaireans from across the border.

In Zimbabwe, President Robert Mugabe's ruling Zimbabwe African National Union routinely launches verbal attacks against the white minority, in an effort, its critics say, to bolster its flagging popularity.

In Zambia, the MMD played the alien card during the October 1991 election when it accused President Kaunda of being a Malawian.

Ironically, the fact that he was from the relatively neutral eastern province helped him to maintain a relative political balance among the half ~~a dozen~~ main language groups. 360

Many Zambians were attracted to Kaunda's "one Zambia, one nation" notion, however, and a certain nostalgia for those days may explain why he has been attracting respectable crowds at rallies he has been holding throughout the country.

It may also provide a hint to why the government appears to be dragging its feet on its pledge to privatise Zambian Consolidated Copper Mines (ZCCM).

Anglo American Corporation is hoping to increase its shares, a notion that rankles Zambians.

"When we nationalised ZCCM, it was a source of pride to Zambians that we owned our wealth," said Masautso Phiri, editor of the independent newspaper, The Post.

"Now handing it over to foreign companies will not be very popular."

Dubious

The concept of being an alien in Zambia, however, is somewhat dubious since the nation is a mix of people which spilled over the borders from neighbouring countries such as Angola, Malawi, Zaire and Zimbabwe.

"Zambia is a nation of aliens anyway. When people start talking about checking into backgrounds, everyone gets nervous," says Phiri.

Perhaps the most bizarre case of alien bashing occurred with the detention and deportation of John Chinula, an MP said to be close to the sacked Sondashi, who accused President Chiluba of "smoking dagga".

Chinula, whom press reports have said was born in Kitwe on the Copperbelt, was bundled across the border into Malawi and so far has failed to gain entry back into Zambia. — The Independent News Service.

ZCCM's privatising options re-examined

CT 24/10/94 ~~358~~ 360

LUSAKA. — The Zambian government has appointed a team to further study the options offered for the privatisation of the Zambia Consolidated Copper Mines (ZCCM) by the German consultants Kienbaum Development Services, President Frederick Chiluba told a news conference.

"Government wishes to announce that it has commissioned a detailed analysis of the various aspects of the ZCCM issue with reference to the Kienbaum report," Chiluba said.

"This move has been taken partly because the Kienbaum report has not fully answered all of our concerns but has only offered us certain options".

Asked what the terms of reference for this team would be, Chiluba said it would "look at the best modalities and ways of attracting investment into ZCCM".

The Zambian president said the team comprised experts from the ministries of mines, finance and the parastatal holding company the Zambia Industrial and Mining Corporation (Zimco) who would "provide technical knowledge for us to make a decision".

On the time frame for the submission of the report, Chiluba said: "We believe it will be sooner than later. Long before the end of the year".

The major proposal offered by the Kienbaum report which came out in June, is the unbundling of ZCCM in five separate units to avoid undue influence on the government and economy of the country by any foreign investors that may participate.

Chiluba said although his government had not made a decision on how it would privatise Zambia's largest company, it did not favour unbundling because "there are more dangers this way" and that government prefered fresh investment into ZCCM while it remained a single entity.

"If unbundled, we will in a short time see the closure of some of the units. We believe treating it (ZCCM) as one unit helps one unit compensate the losses of the other and together they are a viable unit. This will help to resuscitate the company," Chiluba said.

He said ZCCM would not be tranched like other state enterprises that were lined up under a five-year privatisation programme.

"ZCCM is not being placed in the hands of the privatisation agency to be tranched. This company is not being sold. Fresh investment is being sought for ZCCM so that the proportion of share-holding changes.

He maintained that government would float 10% of its 60,3% shares to the Zambian public but said that other ways of opening up to private participation would be sought, including the creation of new shares.

He reiterated that his government would not be drawn into a hasty decision on the privatisation of ZCCM which reported net losses of 72,6bn kwacha for the financial year ended March 31, 1994.

"ZCCM is not a sacred cow in the privatisation programme. We shall go ahead as practically as possible and as carefully as the word care should mean," Chiluba said. — Reuter so manifestly be advanced by the advent of a major party with substantial support, particularly among Zulus (the largest ethnic group) that the IEC simply had to accept the challenge," observes the report.

This entailed identifying, equipping and staffing 549 voting station in the country. Amended instructions had to be passed to electoral staff around the country while the staff at some 10 000 voting stations each had to be increased by two people.

The new voting stations immediately exhausted the IEC's

that the election in KwaZulu took place at all was nothing short of miraculous. In the event the IEC met the challenge but the financial and administrative cost was high."

The identification of voting stations at a late stage proved to be a problem in other areas, in-

complicate and very nearly scupper" distribution of voting materials.

Complications in the IEC's operational field were compounded by the fact that the Department of Home Affairs's preliminary work on the election had been

tswana was [illegible] by the territory's administration until it was toppled in the second week of March. At the same time the Transkei administration put pressure on the IEC to dramatically increase the number of voting stations in its area.

Chiluba govt loses its shine

Star 27/10/94

ZAMBIA'S poor battle to make ends meet as IMF measures take their toll, reports Karl Maier from Lusaka

After paying for two bags of maize and for housing, Martin Lichomwa has little left over from the money he earns each month as a nightwatchman. It is equivalent to about R165.

"My salary is more or less enough for rent and food and to pay off my debts, but at the end of the month I cannot buy clothes or save anything," said Lichomwa, who works 12 hours a day, five days a week.

He does not even have enough money to buy a few imported goods to sell on the black market in his spare time.

"Things are more available now in the shops but the problem is that they are too expensive," Lichomwa said at his two-room brick home in the N'gombe township on the outskirts of Lusaka. "In the old days even if you had money things were not there to buy."

Landslide

Three years after taking power in a landslide victory over Kenneth Kaunda, the shine on President Frederick Chiluba's government is wearing off in the townships around Lusaka, where the pain of the International Monetary Fund-backed structural adjustment programme is increasingly severe.

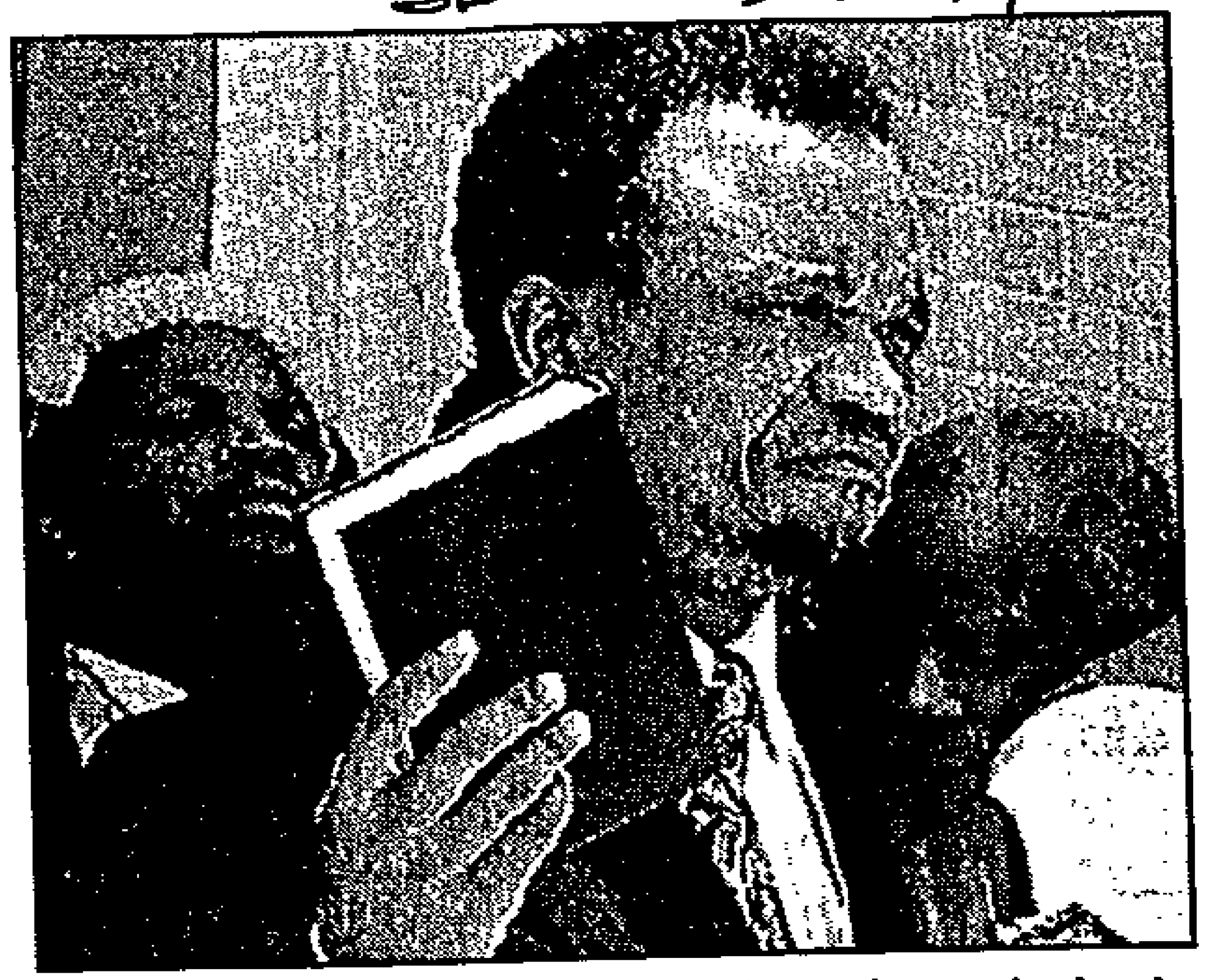
The Chiluba government has become a test case in Africa, promoting democracy and capitalism in order to reverse the continent's economic decline.

Whether or not President Chiluba's Movement for Multiparty Democracy wins a second term after elections in 1996, the successful passage of further reforms depends partly on continued Western financial support, as well as on increased economic prosperity for urban dwellers such as Lichomwa, who form nearly 50 percent of the country's 8 million people.

Public concern about the state of Chiluba's Cabinet is growing. At least a dozen Ministers and deputy Ministers have been sacked amid allegations of drug running and corruption. On Sunday, two deputy ministers were dismissed for "gross indiscipline and impropriety", after they criticised the government's plans to privatise the Zambian Consolidated Copper Mines.

Chiluba is widely credited with maintaining a more open society than his predecessor. Zambia's political openness wins points with town dwellers like Lichomwa. "At least there is freedom of speech, and you can say what you want," he said.

Some of Lusaka's elite would not agree with that assessment, especially journalists at the Post, a rowdy newspaper that was heavily critical of Kaunda but which, since the election, has turned its guns against Chiluba's party. The Post is facing nine libel cases lodged by the government or MPs.



President Chiluba . . . getting ready to throw the book at his opponents?

"We feel it is persecution, not prosecution," said Masautso Phiri, editor of the Post. Stories about corruption and drug running, not to mention headlines such as "Chiluba smokes dagga" and "Chiluba is a twit", have earned the government's wrath.

But the fact that the paper has been able to continue publishing has given people courage to air their grievances.

"I would like to tell Chiluba to bring down the prices of food," Lichomwa said.

"The general necessities are just too expensive. The government is fine, but it has not moved to help the social well-being of the people. We have no water, no health clinic and no school. It is too much to ask people to wait for so long. I would like to see some positive changes, but so far there are not any."

It is not surprising that the government lacks the funds to invest in infrastructure. Much of the aid (around R3,465 billion) pledged by Western donors this year has been used to help Zambia maintain its balance of payments and service its foreign debt, which, at R23 billion, makes the country one of the most indebted in the world.

Zambia is, in fact, a net exporter of capital to the IMF, to which it will pay the equivalent of at least R223 million this year to remain in the fund's good books.

360

This means the government, which has instituted a "cash budget policy" of spending only revenue it has in hand, cannot fulfill all the election pledges it made to the poor during the elections in October 1991.

As Lichomwa was speaking, five children of his neighbours were sitting on his veranda. None of them was in school. The only school in the N'gombe township is private, and its monthly fee, equivalent to about R56 a pupil, is too high for most families, not to mention the additional cost of uniforms, books and writing materials.

Luckier

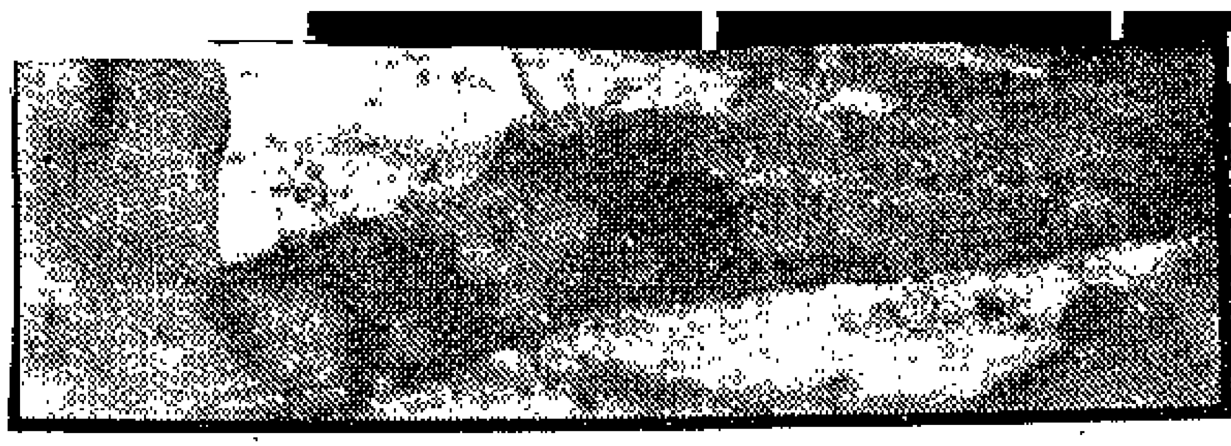
Lichomwa is luckier than many of his neighbours in N'gombe. His boss, a white Briton, helped to pay for Fabian, his son, to complete high school.

The nearest source of water is a pipe which works only sporadically about 500 m away.

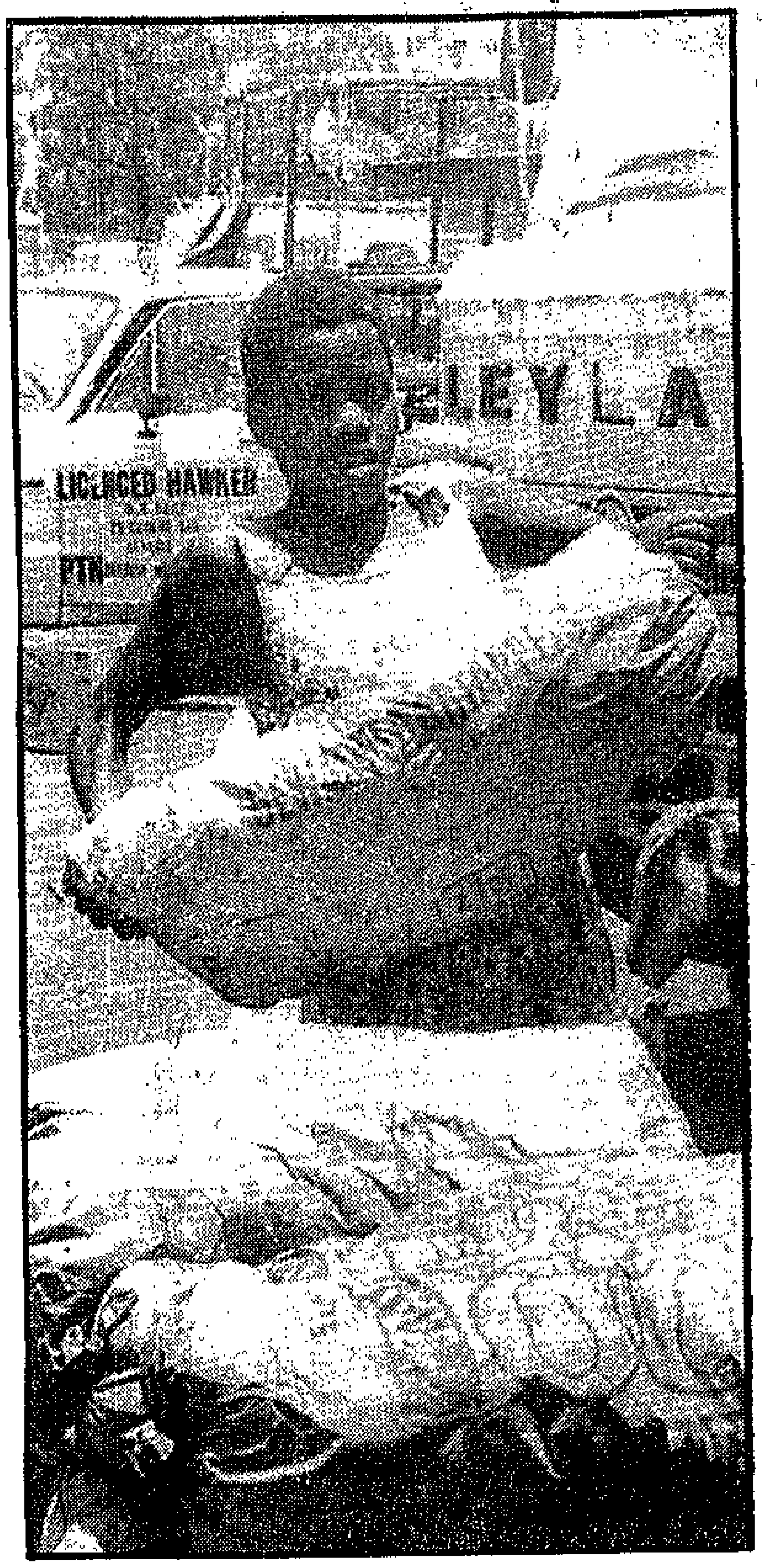
Lichomwa says conditions in Lusaka are better than those in the countryside. A Lozi-speaker, he quit his job as a maker of straw mats in 1983 and found work in Lusaka with the air force, tending a garden.

He left his mother and five brothers and sisters in the western province and has no intention of going back.

"There is no work there, just suffering and surviving." — The Independent News Service.



CHILD LABOUR . . . Sheer poverty and lack of basic services force children to drop out of school to help their families survive.



HEAVY BURDEN . . . To survive many kids have to do jobs like loading heavy sacks.

THIS WAY . . . Hungry kids crowd Lusaka's

Zambia

Wasted on the streets of Lusaka

C|Press 13/11/94

A RECENT survey in Zambia reveals that a large number of children are drinking beer and smoking dagga.

A university professor has written that a third of the country's children he interviewed this year drank beer and a fifth smoked marijuana.

Geoffrey Lungwanga, of the University of Zambia's School of Education, also found that Zambian children lacked proper protection from abuse.

Many children, he said, suffered from parental neglect, and others – usually girls trying to help their parents meet household expenses – had been forced into prostitution.

He said that poverty had increased because of the government's adoption of World Bank and International Monetary Fund structural adjustment programmes.

360

Zambia is a fertile nation and is also rich in copper but international copper prices are far below what they used to be.

Zambia is at present dependent for its economic survival on the goodwill of international donors.

For peasants and farmers the demands of the IMF programme has meant that the government has often not been able to pay them for their crops. In turn, this means that farmers have been unable to buy seed and fertiliser for new crops.

This chain of events has seen a steady increase in the number of impoverished and hungry rural families. And it is the children of these families who end up in the urban areas alone and starving.

Scrounging

But when they reach them, they find themselves at the end of the line of countless thousands of others in search of a job. So they usually end up on the streets, scrounging food and begging for handouts. They join the other street children, many of whom have had to leave school because their parents cannot afford the fees.

Education minister Alfeyo Hambayi says more than 145 000 children dropped out of Grade 7 alone last year. Grade 7 is the final year of primary school.

It is estimated that about 2,3 million young people out of Zambia's population of almost 10 million are unemployed and the annual dropout rate contributes alarmingly to this figure.

There are many more primary schools than secondary schools. But if parents cannot afford even primary schools, why should they be able to pay for secondary education?

As if the street children did not have enough problems of their own, they also have to deal with unsympathetic police. There are reports of brutality when children are taken to police stations for hawking their goods without licences.

The situation was even worse during the government of former president Kenneth Kaunda when paramilitary police were used to clear the streets of Lusaka and other urban areas of vendors.

In his study, *Street Children and Juvenile Delinquency in Zambia*, Lungwangwa says 60 percent of street children are harassed because their activities are considered illegal by the police.

He says street children are the victims of social and economic deprivation and most come from households of absolute poverty. "It is this poverty and destitution

Privatising: Zambian govt awaits buyers

~~359~~ (360)

CT 8/12/94

STOCKHOLM. — Zambian President Frederick Chiluba said his country had done its job by putting up a list of companies for privatisation and it was now time for buyers to respond.

Western aid donors have said they hope the voluntary liquidation of national airline Zambia Airways will quicken the pace of the country's privatisation programme.

There are many factors that go towards speeding up the process, one of which is the availability of buyers of those companies," Chiluba said.

The bureaucratic process was also slowing the pace but I think a lot has been done lately to improve upon that," he said.

Asked whether the privatisation process would be speeded up, Chiluba said: "As far as we are concerned the companies are there for sale. I don't think the blame is on our part."

Everything on our part has been done and we are waiting for people to react and respond to this," he added.

The privatisation agency has given out material to embassies around the world and is providing information on what may be expected of those intending to buy the companies, something Zambia has done to speed up the process, he said.

ICA

Donors promise $2,1bn to Zambia

PARIS — International donors pledged $2,1bn in aid to Zambia for 1995, but expressed alarm at rising poverty and urged the government to speed up privatisation. (360)

Much of the promised aid will come in the form of debt relief provided by the International Monetary Fund. Other loans and grants were pledged by the US, Canada, Japan and 10 western European nations.

The donor delegations, meeting under the auspices of the World Bank, noted that Zambia's economic reform programme had slashed the annual inflation rate from well over 100% in 1993 to less than 20% in the second half of this year.

But donors said the government should accelerate its privatisation programme, setting a timetable for ending state control of the huge copper monopoly, Zambia Consolidated Copper Mining. BD 13/12/94

The two-day meeting in Paris "revealed the grave situation facing Zambia's poor", the World Bank said, citing a sharp increase in poverty over the past 15 years.

Nearly 70% of Zambians live in households where basic needs are not met, chronic malnutrition affects 45% of children, and infant mortality has increased to 107 per 1 000, nearly double the world average.

Delegates also expressed concern about sporadic rainfall this year, and urged the government to establish drought relief contingency plans. — Sapa-AP.

Zambian farmers press for maize

LUSAKA. — The Zambia National Farmers' Union (ZNFU) urged the government to speed up the import of 252 000 tonnes of maize to meet a shortfall caused by poor rains.

ZNFU executive director George Gray said in a statement that initial indications were that the 2 600 union members, mainly commercial farmers who produce about 30% of Zambia's maize, were holding about 250 000 90-kg bags.

"Much of this may be for on-farm consumption with a portion being for sale," Gray said, adding:

"We are trying to refine these figures as we go round, but I would say this is the time to start looking at importing our maize shortfalls."

It is not clear how much small-scale farmers are holding or what stockpiles the government has.

(360) CT 27/12/94

Deputy agriculture minister Gibson Nkausu said this week Zambia would need massive imports of food next year because the prolonged dry spell had killed most of the maize crop in key agriculture areas.

The government has called for a meeting with donors and other interested groups for December 29 to determine levels of food imports needed next year to meet the shortfall.

The ZNFU statement said the government should import on commercial terms and not allow in highly subsidised grain.

"If we fail to compete we just have to switch to other crops," Gray said. — Reuter

A lesson in democracy

MRG 10/1/95

Reforms friendly towards foreign investment may be the donor world's solution for Zambia — but grand plans could face a backlash from people at grassroots level. The Africa Information Afrique News Service reports from Lusaka.

160

MOST Zambians are aware of the old saying that you can fool some people some of the time, but you cannot fool all of the people all of the time.

And, with this in mind, believing their government wanted to fool them all the time, they cast aside further government moves they believed were designed to mislead them. They rejected the Lands Bill of 1994, which the government presented to parliament before proper discussions with the people.

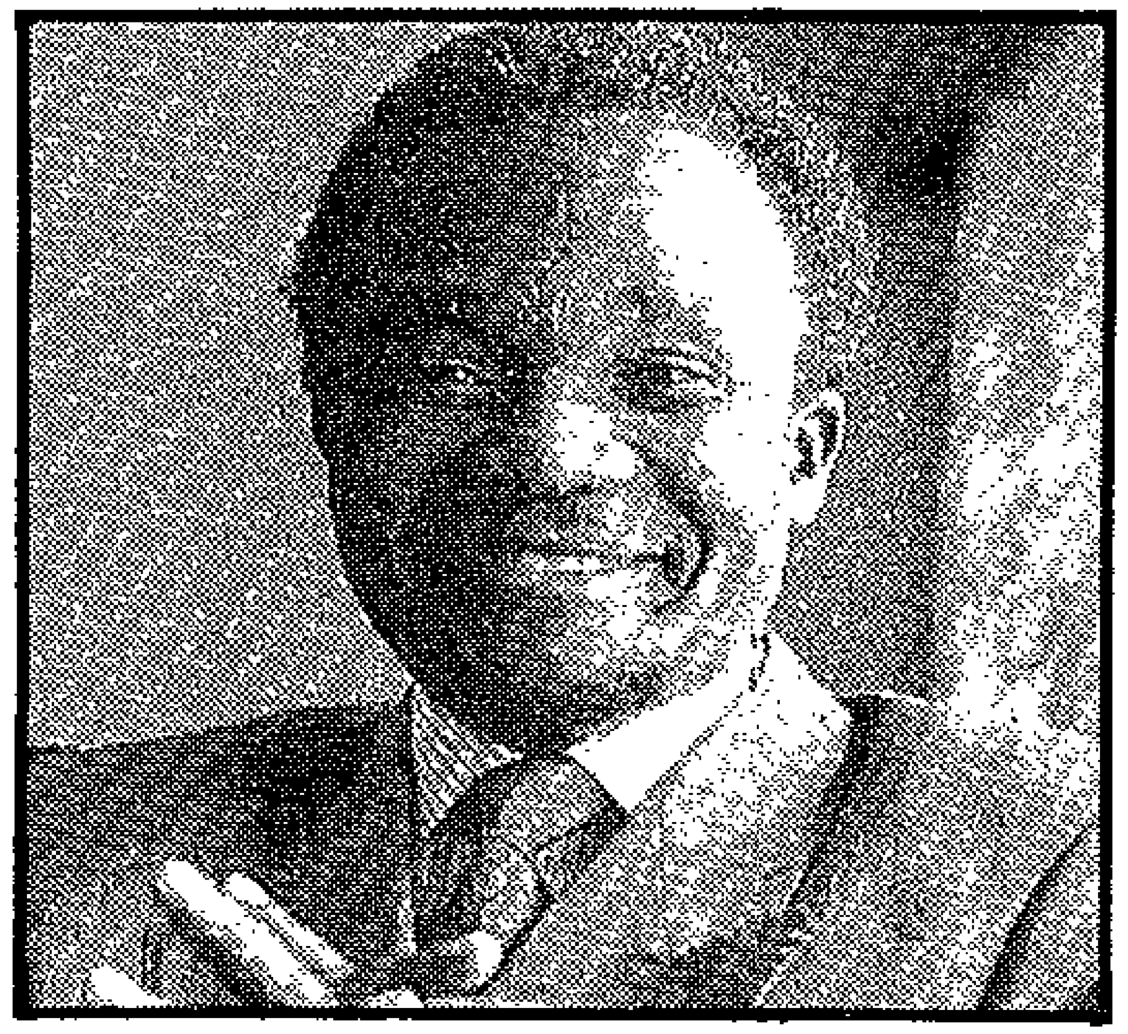
The bill, which aimed to convert customary land tenure into leasehold tenure under government control, was first presented to parliament in August 1994. MPs rejected it and asked the government to take it to the people at grassroots level for debate.

Believing that the government, from previous experience, was not being honest with them, traditional chiefs and their subjects totally rejected the bill. None of the six of the country's nine provinces visited by government delegations supported it. In four provinces, the chiefs and their people walked out of conference halls, leaving ministerial delegations alone on the stage.

Perhaps the most serious demonstration of the bill's rejection was displayed by the people of the Western Province. Also known as Barotseland, the fiercely independent-minded population sought a special deal for themselves when Britain's Central African Federation broke up. It was here where lands minister Chuulu Kalima's delegation was stoned and assaulted recently amid cries of, "This is our land, no one can get it away from us."

Although no one was hurt, the government was shaken so much that the following day Mr Kalima's delegation returned to Lusaka and held a Press conference at which he announced the indefinite suspension of all major meetings and conferences the government had arranged to discuss the bill.

President Frederick Chiluba lashed out at opposition parties who attacked the bill and directed the government and his Movement for Multiparty Democracy (MMD) party officials to discontinue the exercise to allow the people, particularly traditional rulers, time to think it over.



President Frederick Chiluba

The bill was condemned country-wide because it sought to vest in the president the final authority to give both customary and State lands to would-be developers.

People argued that, although the bill provided for consultation, chiefs would cease to have control over the land falling directly under the president.

As the majority of Zambians are poor, it is feared foreigners with money will eventually take over the country — with the original owners becoming squatters on their own land.

For its part, the government said the bill ought to have been accepted because it sought to "allow chiefs to have a say over land distribution".

Dazzled by the swiftness with which the bill reached parliament without proper consultation, Zambians now feel they can no longer trust the government because it is allegedly fond of misleading them with "sugar-coated political cakes" of unknown ingredients.

They said instances of cheating by government officials were so common that they had to be cautious when dealing with them.

They argued that the government cheated the nation when it passed legislation which now made it practically impossible for workers to go on strike.

The government was said, again, to have cheated on its intentions about real Press freedom by sneaking into the Parliamentary And Ministerial Code Of Conduct Bill, at committee stage, a clause requiring journalists — who write corruption allegations about MPs and ministers — to appear before a tribunal and substantiate the allegations.

Journalists feared the tribunal would force them to reveal their sources which, in itself was ethically unacceptable. They rejected the bill, although it only awaited the president's signature before becoming law.

Literally, all pressure groups, including the church, the opposition, the Press and the unions, rejected the Lands Bill.

"History is full of instances of bloody civil wars fought over land," Mine Workers' Union of Zambia president Francis Kunda warned.

Dr Moses Kaunda, an expert in land law, cautioned: "I hope the MMD government has learnt a lesson that in a democracy people's views count and that people cannot be fooled. You ignore them at your own peril."

17/1/95 360

BRIEFING

Edited by Mike Siluma

Reforms that may encourage foreign investment have been given a resounding thumbs down in Zambia where government spokesmen have been ignored — and even stoned — as they tried to explain their proposals to grassroots communities whose trust has long evaporated

'People power' turns back lands Bill

360 Star 17/1/9

Most Zambians are aware of the saying you can fool some people some of the time but you cannot fool all of the people all of the time.

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As the majority of Zambians are poor, it is feared foreigners with money will eventually take over the country with the original owners becoming squatters on their own homelands.

For its part, the government says the Bill should be accepted because it seeks to "allow chiefs to have a say over land distribution".

Dazzled by the swiftness with which the Bill reached parliament without proper consultation, Zambians now feel they can no longer trust the government because it is allegedly fond of misleading them with "sugar-coated political cakes" of unknown ingredients.

They say instances of cheating by government officials are so common that they have to be cautious when dealing with them.

They argue that the government cheated the nation when it passed legislation which now makes it practically impossible for workers to go on strike.

The government is said, again, to have cheated on its intentions about real press freedom by sneaking into the parliamentary and ministerial code of conduct Bill, at committee stage, a clause requiring pressmen who write corruption allegations about MPs and Ministers to appear before a tribunal and substantiate the allegations.

Journalists fear that the tribunal will force them to reveal their sources which is ethically unacceptable and have therefore rejected the Bill, although it only awaits the president's signature before becoming law.

Literally, all pressure grou including the Church, the oppc tion, the press and the unio have rejected the Lands Bill.

"History is full of instances bloody civil wars fought o land," Mine Workers' Union Zambia president Fran Kunda warns.

Dr Moses Kaunda, an exp in land law, cautions: "I hope t MMD government has learn lesson that in a democracy p ple's views count and that p ple cannot be fooled. You ign them at your own peril." — A ca Information Afrique.

Way paved for new Zambian airline

Own Correspondent

LONDON. — The collapse of Zambia's national carrier had acted as a catalyst for the probable creation of a new domestic carrier and the possible formation of a network of southern African regional airlines, Flight International reported this week. CT 26/1/95

South Africa's SA Express (SAX) has told Zambia that it is willing to fund 40% of the equity — representing $7m to $10m — of a Lusaka-based regional airline modelled on its existing operation.

The magazine said that Alliance, the newly formed group owned by South African Airways, Uganda Airlines and Air Tanzania, remained the most likely candidate to take over Zambia Airway's long-haul operations.

SAX financial director Michael Gray said Zambian demand could support a carrier initially operating two 50-seat aircraft, and, later, as many as four. SAX, which would shortly accept the last two of 12 de Havilland Dash 8s, would acquire further aircraft of the same type for the operation.

"We would run it almost as a second base using Zambian pilots and most other staff. We would supply training, maintenance, infrastructure generally and management expertise," Gray said. 360

In Zambia SAX is discussing cooperation with "tertiary operators" which Gray would like to see operating on some routes.

Chiluba sacks lands minister

LUSAKA. — Zambia's President Frederick Chiluba has sacked Lands Minister Dr Chuulu Kalima for "gross indiscipline and irresponsibility", a State House spokesman said yesterday. (360)

He said the president "has found it untenable to retain Dr Kalima's services", but gave no details of what led to the dismissal. CT 27/1/95

Dr Kalima has been in the post since late 1993.

Mr Chiluba warned last week he would deal sternly with corrupt government ministers as well as senior officials who prematurely and publicly accused colleagues of official wrongdoing. — Reuter

ZAMBIA (360)

Time flies

FM 10/2/95

Having restored a semblance of macro-economic stability, after three years of triple digit inflation and massive devaluation, President Frederick Chiluba's government desperately needs to kickstart the economy before the 1996 elections.

With inflation down to 35% in December and the kwacha stabilised, Finance Minister Ronald Penza, presenting the Movement for Multi-Party Democracy's second last budget before calling elections by October 1996, tabled a series of far-reaching reforms aimed at kickstarting the economy.

The combination of drought and falling copper production resulted in a 5,4% fall in real GDP last year, following growth of 6,7% the previous year.

The three main steps taken to revive investment and output, especially in manufacturing and agriculture, are:

- Cuts in import duties on raw materials and intermediate goods, which will improve the competitiveness of the ailing manufacturing sector;
- The introduction of Vat— from July this year; and
- The conversion of the statutory reserves of banks to bonds as a means of cutting bank lending rates.

Import duties, averaging 20% on a wide range of raw materials, have been suspended, lowering the input costs of manufacturers using steel, rubber, plastics, chemicals and newsprint. Vat will replace the 20% sales tax, costing the government about 12bn kwacha (US$17m) over a full year.

Penza promised basic foods, bus fares, house rents, education and health fees and airline tickets would be zero-rated but did not disclose what the Vat rate would be. Fuel taxes were raised 30% to make good the revenue lost in the changeover to Vat, though Penza says that, in the longer term, Vat will raise more revenue than sales tax while relieving industrialists from the cascade effect.

A novel measure is the conversion of statutory bank reserves (reduced from 29% to 27% of deposits) to interest-bearing bonds, to mature in stages over four years.

Zambia's banks hold $98m in such reserves which, because the central bank does not pay interest on them, raises the cost of funds to banks. By converting the reserves into bonds on which the banks will earn interest, Penza has effectively lowered the cost of bank funds. This will be passed on to borrowers in reduced prime lending rates.

Also positive was the Finance Minister's promise to cut the size of the civil service, maintain tight "cash limits" on government spending and retain a balanced budget (excluding interest payments and capital expenditure) while stepping up the rate of public sector investment.

Zambia plans to spend $1,2bn in 1995, of which $753m (63%) will be funded domestically and the balance from aid inflows. "The government has decisively rejected the destructive practice of deficit financing," he said, adding that steps would have to be taken this year to curb the rise in the public service wage bill.

Though 7 000 public servants, from a total of 130 000, are to be retrenched this year, the State's wage bill will still rise a whopping 50% to $140m in 1995, absorbing 12% of the total budget, including capital spending.

Part of this wage rise reflects the burden of redundancy payments and Penza warned civil servants the government simply cannot pay higher wages unless these are offset by increased efficiency and reduced costs.

Business, which has warned repeatedly that investors are being deterred by a deteriorating infrastructure, is pleased with the promise to step up public sector investment by 65% to $420m.

There is also a warm, if cautious, welcome for the often-repeated pledge to accelerate privatisation. Penza said more than 100 companies already approved for sale would go under the hammer this year.

Though the budget is good for business, it is not going to turn the economy around. For that to happen, Zambia needs good rain, a strong copper price (which it has) and, most important, the revival of its State-owned copper mining sector.

Penza is on record as saying a decision to privatise the State-owned Zambia Consolidated Copper Mines must be made by the end of March.

This seems unlikely. Pressure to privatise before next year's election will grow but the strong copper price and an improvement in the State-owned company's financial fortunes may lead him to postpone a decision which many of his advisers fear could lose him the election.

There is a danger that short-term political considerations will militate against the tough but essential decision to bring new equity, expertise and management to the industry that provides more than 90% of the country's foreign exchange.

Delay will be dangerous because the existing source of copper ore, Nchanga mine, will run out by the turn of the century and it will take at least six years to get the new ore source — Konkola Deep — into production at a cost of about $700m. There is no way foreign investors are going to put that kind of money into the company as it is now structured, which means that, if he waits for a new mandate, Chiluba is playing with the future not just of Zambian copper but of the entire economy. ■

Maize sees (360) kwacha dive

CT 23/2/95

LUSAKA. — The Zambian kwacha has come under renewed pressure in recent weeks as dollar demand from maize importers pulled the unit to two year lows, officials and bankers said.

The kwacha is trading around 860 to a dollar compared to 700 at the end of January.

Government officials and banking sources have attributed the slide to the high demand for foreign exchange by private traders importing maize to meet the country's 1995 expected maize shortfall of three million 90kg bags (270 000 tonnes).

ng struggling AP-DJ.

Lusaka Stock Exchange still has no share listings

LUSAKA — One year after the Lusaka Stock Exchange opened no shares have been listed, but it has recorded more than a thousand trades in unlisted shares valued at more than $375 000, manager David Lister says.

The exchange hopes to have its first listing in the next few weeks when the Zambia Consolidated Copper Mines' (ZCCM's) "B" ordinary shares application is processed.

Zambia's privatisation programme — on which the exchange pinned its hopes for increased activity through listed shares — has been slow with only 14 state enterprises privatised at December last year out of more than 150 under the programme which started in 1993.

In this year's budget, Finance Minister Ronald Penza directed the Zambia Privatisation Agency, tasked with the disposal of state firms, to sell more than 100 companies already approved for privatisation this year.

The exchange has expressed similar disappointement at the pace of privatisation, saying that equity listings offered companies financing for expansion and increased efficiency.

(360) BD 27/2/95

"Last year was very disappointing but this year we are expecting two to three major privatisations which will involve issuing shares. It could be a lot more positive," Lister said.

"Once we get listed shares it will demonstrate that shares can be sold to the public and other companies would then consider raising capital by issuing shares."

The exchange has accepted a third stock-broking company, Finance Securities, in addition to the two founding members, Cavmont and Meridien Securities.

Unlisted shares in seven companies, among them Standard Chartered Bank, Zambia Bata Shoe Company and Zambia Sugar Company continue to be traded. — Reuter.

Zambian economic reform 'on track'

Lusaka – Zambia's economic reform programme is so far largely on track and the government is avoiding risks that might derail it, diplomats and economic analysts say.

"Nothing dramatic has happened to send Zambia's programme off track and we as donors are still looking at it very positively," one Western diplomat said.

(360) Star 7/3/95

The government is involved in an intricate balancing act to induce growth, maintain fiscal discipline, reduce state ownership, attract foreign investment and secure debt relief, economic analysts say.

Donors expect debt to fall below \$5 billion by the end of the year. The country owes the IMF \$1,2 billion in arrears. — Reuters.

MONDAY
★ MARCH 13, 1995

AFRICA

Zambia asks Anglo for help

~~360~~ 360

LUSAKA: Zambia's reformist President Frederick Chiluba has asked South Africa's giant Anglo American Corporation to help restructure the financially crippled Zambia Consolidated Copper Mines (ZCCM). CT 13/3/95

Mr Chiluba, speaking at a meeting with visiting Anglo chairman Mr Julian Ogilvie Thompson on Friday, restated cash-strapped Zambia's commitment to the quick privatisation of ZCCM through the injection of fresh equity and efficient management.

NEWS *Plight of Zambians worse after 4 years of structural adjustment*

Chiluba's reforms under fire

(360) Sowetan 17/3/95

■ IMF CRITICISED *System enriches a few while most are becoming destitute:*

ZAMBIA'S PRESIDENT Frederick Chiluba is engaged in the usual African race — hoping that people will feel the benefits from tough World Bank reforms before they get tired of waiting, and tired of the government.

The dilemma is clear: people are chafing at the changes, but if the government slows down, it will lose donor support.

For plunging his country into rapid economic and political reform four years ago, Chiluba remains a darling of Western donors. But he is having trouble explaining to people why poverty, unemployment and corruption are growing.

The government is expecting to receive R7,3 billion from donors this year, which would bring total aid over the last four years to R16,5 billion.

The money has enabled Chiluba to chalk up some successes for the rickety economy. Inflation is down to 35 percent from 200 percent three years ago, interest rates have plummeted, many subsidies have been scrapped and money supply has been brought down to a more manageable level.

By sticking to the International Monetary Fund rule-book, Chiluba has freed trade, liberalised foreign exchange dealings and tempted foreign companies with a new investment code.

Chiluba and his supporters express confidence that the industrial chaos will be shortlived. "What we are seein' is as a result of our efforts to remove the distortions from a command economy," he says. "It's not long now before our people begin to see the fruits of a liberalised economy."

But on the ground, education, health and public transport facilities have deteriorated. The casualty toll has been painful and unprecedented. Formal employment, already reduced from 400 000 to about 200 000, is likely to drop by a further 50 000-80 000 jobs in 1995.

Criticisms are being fired from all directions at Chiluba. President of the Zambia Congress of Trade Unions Mr Fackson Shamenda said: "Chiluba promised honey. We have got misery. We can't accept that."

Shortages of essential commodities have been ended by flooding shops with imported goods, but few Zambians can afford them. Critics say local industries are unable to compete with cheap foreign imports.

They also point to a lack of economic growth and the government's failure to curb apparently rising corruption or to care for vulnerable groups, whose plight has been worsened by the introduction of fees for education and health services. Thousands of children have dropped out of school and many sick people are resorting to herbs rather than conventional medicine. According to a recent police report, more people are dying in their homes than two years ago.

Malnutrition has become more prevalent. At least 70 percent of the 8.5 million population are believed to be living below the poverty line, compared with 20 percent three years ago.

The rise in numbers of street-children is another indicator. The Red Cross says that their numbers have grown into the several thousands. Streets are full of vendors the government dare not chase away for fear of a political backlash.

Commented former President Kenneth Kaunda, who lost to Chiluba in the 1991 election: "What we have is a system which is enriching a few and turning the majority into destitutes."

Controversial Catholic priest Father Umberto Davoli, who is editor of *Icengelo* magazine, caused a stir during a live television interview by calling Chiluba and his government "an uncaring lot hell-bent on pleasing the IMF".

Calls for Davoli's deportation were countered by a series of media articles condemning the attacks on the clergyman as "racial and undemocratic".

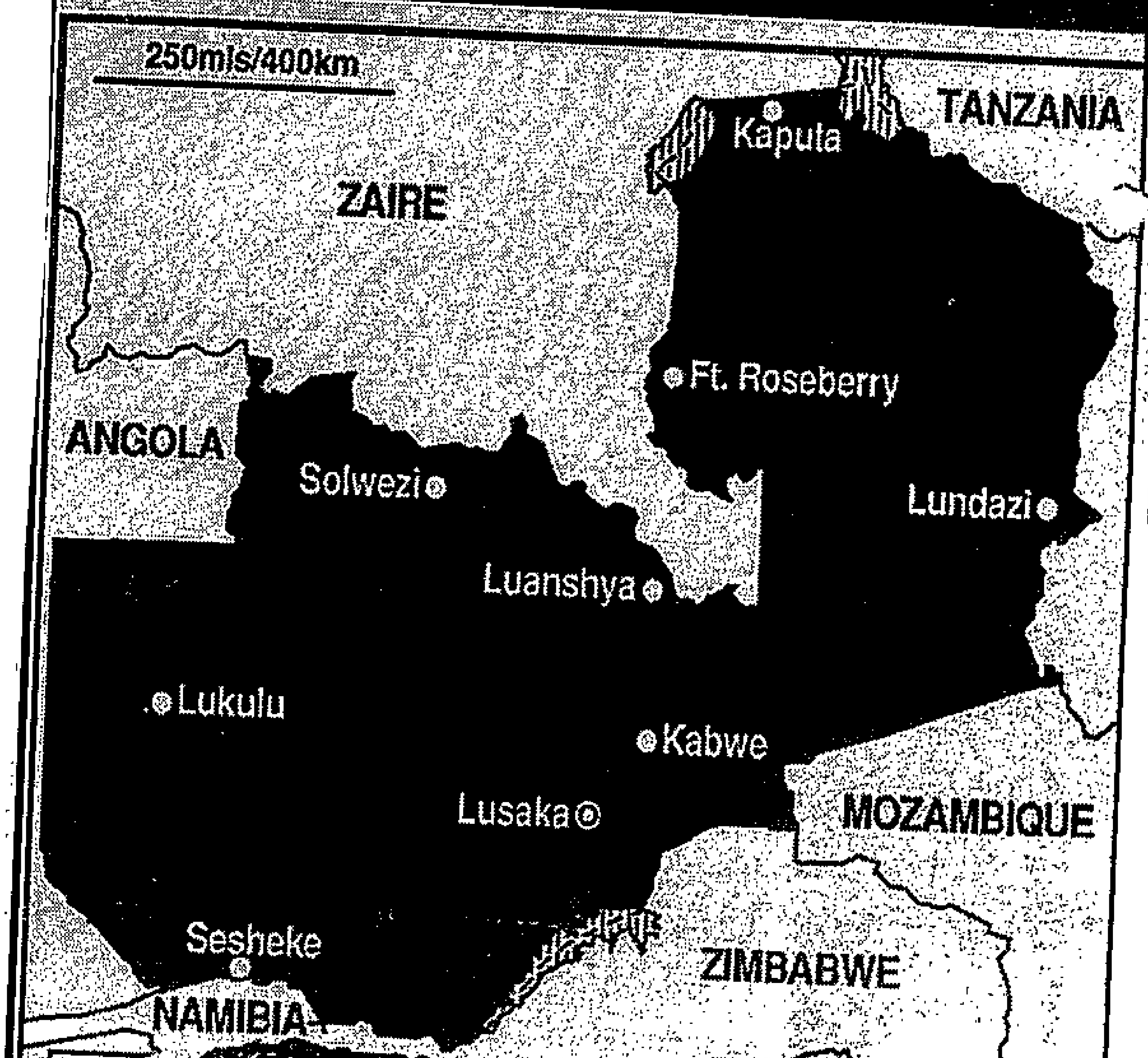
Father Umberto also lashed out at Chiluba's failure to stem corruption, immorality and drug-trafficking in high places. His views are shared by an increasing number of Zambians.— *Gemini News Agency.*

Cont

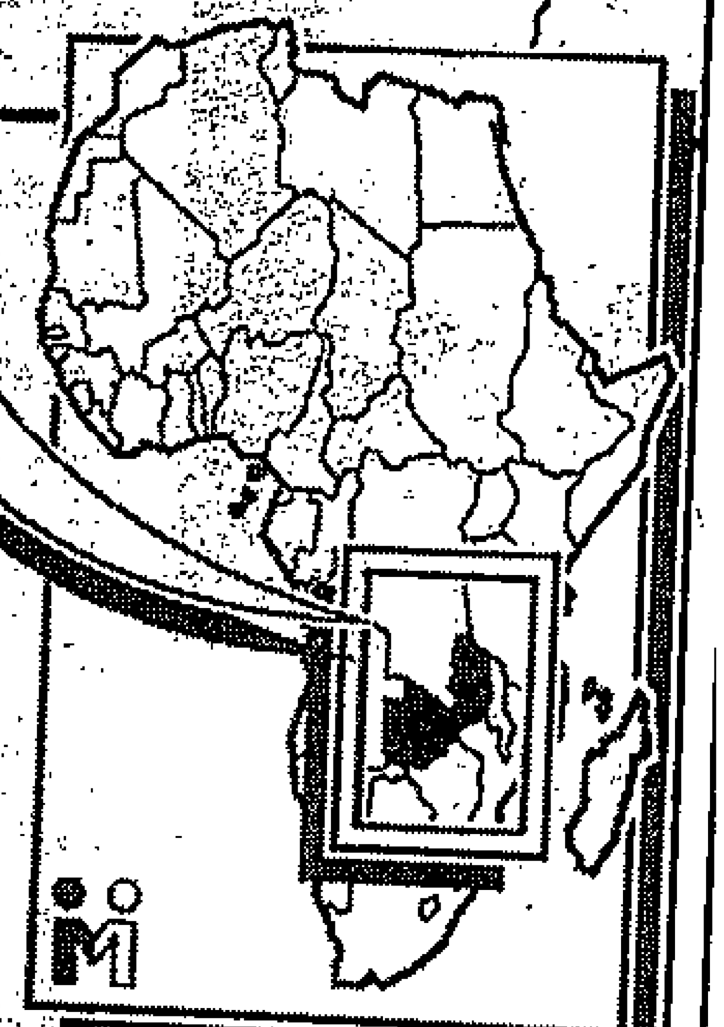
Sowetan

17-3-95

Zambia



President Frederick Chiluba



Area: **753,000 sq km**
Pop: **8.8m**
GNP per head: **$420**
Life expectancy: **49**

Kaunda back to fight corruption

NAIROBI. — Kenneth Kaunda, Zambia's founding father, said "massive corruption and mismanagement" had forced him to return to politics and make a comeback bid. (360)

Kaunda, who ruled the southern African nation from independence in 1964 until he was voted out of power in 1991, yesterday accused the government of Frederick Chiluba of betraying the people's confidence. ARG 25/3/95

"Zambia is in a state of devastation. People are up in arms against the new government," Kaunda told a news conference here.

The veteran statesman, whose rule under socialist tenets gave his people free education, housing and medical care, but nearly brought economic collapse, said President Chiluba had condoned corruption and drug-dealing by his ministers.

"The president should clear himself of these charges of corruption and drug-dealing being levelled against his government," he said.

Kaunda said he had succumbed to pressure from disillusioned Zambians to return to politics and seek the presidency in elections due next year. — Reuter.

New private Zambian airline takes off

(360)

AMANDA VERMEULEN

SOUTHERN Africa's newest airline, Zambian Express (Zamex) was launched in Lusaka at the weekend.

Zamex is 51% owned by Zambian businessman Rajan Mahtani while Canadian group SA Enterprises, which owns a minority stake in Thebe Investment's SA Express, has a 49% stake. BD 27/3/95

Zamex is the second privately owned airline to have received a licence to operate in the country after Aero Zambia received a licence two months ago. Air Zambia collapsed late last year.

The initial investment in Zamex was $32m, the cost of two new De Havilland Dash-8 50-seater turbo jet aircraft.

The new airline would fly between Lusaka, Livingstone and mining towm Ndola, but Mahtani said applications for further routes had been lodged with the Zambian Transport Department.

SA Express president and Zamex deputy chairman Bill Deluce said talks were under way to schedule flights to other countries including India, France and Namibia.

● Picture: Page 3

Three Zambian parastatals up for sale

(360)

ZAMBIA is offering three agro-processing and marketing state companies for privatisation, through tender, according to sale notices advertised in SA BD 4/4/95

They are The Dairy Produce Board, Lintco — the country's primary cotton ginnery and processing enterprise — and the Zambia Cold Storage livestock processing, storage and marketing enterprise.

For all three enterprises, the major operating units were available separately on a free-standing "going concern" basis, the Zambia Privatisation Agency said in the sales notices.

The deadline for bids is May 15.

In evaluating bids, major emphasis will be attached to the interests of farmers, producers and suppliers, and how to include or involve them in ways which build the agricultural sector and provide incentives and support their participation.

Similar attention will be paid to the overall potential for contribution to the development of Zambia's agricultural sector, value-added agro-processing capabilities and consumer economy. — Reuter.

Zambia suspends Zamex operations

BD 4/5/95

STEPHANE BOTHMA

FAILURE by the recently launched SAA-aligned Zambian Express Airways to employ Zambian nationals led to the immediate suspension this week of the carrier by the Zambian transport ministry.

On Tuesday Zambian Transport Minister William Harrington unilaterally cancelled Zambian Express Airways' (Zamex's) Livingstone-Johannesburg route, resulting in the airline ceasing all operations.

Zamex would be forced to wrap up its affairs and close down completely if the suspension was maintained, SA Express CEO Don Wallace said.

Zamex is an independently owned airline, controlled by Zambian interests and affiliated to the SA regional carrier SA Express of which SAA is a major shareholder. SA Express has provided logistical, technical and other support to Zamex, which last month started operating flights between Ndola, Lusaka, Livingstone and Johannesburg.

(360)

The Livingstone-Johannesburg route was the "umbilical cord" of Zamex, without which the airline could not operate, Wallace said.

Sapa-Reuter reports from Lusaka that Harrington said Zamex had violated a dry lease agreement which made provision for the employment of Zambian personnel by the carrier.

Until yesterday, Harrington said, all crew on Zamex were South Africans and maintenance and service of its aircraft were done in SA.

In addition, he said, Zamex had not yet registered its aircraft in Zambia nor with IATA. Zamex was also operating the Livingstone-Johannesburg route which was designated to another Zambian carrier, Aero Zambia.

Wallace said the Zambian transport ministry placed "unreasonable demands" on Zamex, but added that the parties concerned were prepared to "revisit the subject".

Meanwhile, Zamex MD George Lewis said they were in the process of employing 50 Zambians to meet the dry lease requirement as well as registering their aircraft in Zambia and with IATA.

The Zambian government is trying to create jobs for the 1 300 workers who lost their jobs last year when the national carrier Zambia Airways was liquidated because of huge debts.

"In an arrangement designed to prevent Zamex falling prey to the inefficiencies and financial losses which led to the demise of Zambia Airways, SA Express provides Zamex with central services and a transfer of skill and technology to the local personnel," Wallace said.

yesterday. Picture: NICKY DE BLOIS | succeed, we may be left

Minister announces names of housing board members

ROBYN CHALMERS

HOUSING minister Sanki Mthembi-Nkondo said yesterday that the new National Housing Board, with representatives from the regulators, suppliers and consumers of housing, reflected the housing process in SA.

Mthembi-Nkondo officially announced the members of the restructured board yesterday after months of speculation.

The board, to be chaired by National Housing Forum vice-chairman Ishmael Mkhabela, is the primary advisory body to the Minister and administers the national housing fund.

BD 5/5/95

She said the restructuring of the board was a result of changes in the field of housing since the elections last year.

Mthembi-Nkondo said the outgoing board, chaired by Joop de Loor, had "skillfully charted housing through a time of significant transition".

The original housing board was set up by former housing minister Louis Shill towards the end of 1993 and consisted of 18 representatives from government, business and the public service.

However, housing analysts said the Shill-appointed board was highly controversial and the government had pledged to restructure it after last year's elections.

Mthembi-Nkondo said deputy chairman of the new board was housing consultant Matthew Nell.

Other members included Construction and Allied Workers Union general secretary Matthew Oliphant, South African Homeless People's Federation executive member Rose Molokoane and Planact project manager Mpumi Nxamala-Nhlapo.

Big business was represented on the board in the form of Barlows executive director Andre Lamprecht, Standard Bank divisional director Jopie van Honschooten and Building Industries Federation of SA executive director Ian Robinson.

Chiluba overrules Zamex's suspension

STEPHANE BOTHMA

ZAMBIAN Express Airways (Zamex) yesterday resumed scheduled services between Zambia and SA after Zambian President Frederick Chiluba overruled a decision by his transport ministry to suspend the airline's operations.

(360)

Zamex, a local independent airline controlled by Zambian business interests and affiliated to the SA regional carrier SA Express, ceased operations on Tuesday after its licence was revoked by Zambian Transport and Communications Minister William Harrington.

Harrington earlier this week first cancelled Zamex's permission to operate its Livingstone-Johannesburg route before suspending all its operations from Zambia — claiming it failed to honour an agreement to employ Zambian nationals and had not registered its aircraft with IATA.

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ST(BT) 14/5/95

Textile boom

R (360)

ZAMBIA aimed to have a million hectares of cotton under cultivation within five years, and a consequent "boom" was expected in textile manufacturing.

Derek Crawford, vice chairman of the Textile Producers of Zambia and delegate at the 1995 Southern African Economic Summit, says major investment was being made in cotton growing in the area between Lusaka and the northern Copperbelt.

(360) CT 31/5/95

Newsmen lashed for abusing new freedom

LUSAKA: Zambian President Frederick Chiluba opened a press freedom conference yesterday by cautioning African journalists not to adopt a confrontational stance towards their governments.

Mr Chiluba also accused African journalists of abusing their recently-won rights to press freedom by reporting aggressively on democratic leaders who had removed the oppression of former dictatorial governments.

"This freedom creates anarchy," he said in his opening address to journalists from Kenya, Malawi, Botswana, Nigeria, Tanzania, Ghana, Swaziland, Lesotho, Mozambique, Zimbabwe and South Africa. They are attending a five-day workshop here.

"Regrettably, media institutions in Africa have graduated from operating in an environment of fear and uncertainty to a confrontational stance against those in authority in democratic environments."

He said while some media institutions "revolted against professionalism by employing untrained and unqualified journalists and editors", others were "hijacking the media scene to suit their own agendas".

"Freedom of the press goes with responsibility," he said.

Mr Chiluba criticised Zambia's media for what he termed unethical standards. — R[illegible]

Anglo waits for Zambian go-ahead on mine

CT (BR) 6/6/95. (360)

FROM REUTERS

Lusaka — Anglo American said it was waiting for the go-ahead from the Zambian government for a due diligence test of Zambia Consolidated Copper Mines as part of its privatisation process.

Andrew Mazoka, Anglo's managing director for central Africa, said Anglo intended to set up a consortium of investors to raise $600 million for ZCCM's Konkola Deep project, only after the due diligence exercise was completed and when the issue of ZCCM's privatisation had been finalised.

"Although the (due diligence) team has now scattered to do other pressing jobs, it can be regrouped at short notice. We are only waiting for approval from the government with whom we will conduct the exercise," Mazoka said. The government holds 60,3 percent of ZCCM and Anglo holds the second biggest stake at 27,3 percent.

Mazoka said both parties had had only one meeting on the planned restructuring of ZCCM so far.

The future of the Konkola Deep project, scheduled to replace the main Nchanga open pit mine, depended on the outcome of the exercise, he said.

Anglo rides to Zambian rescue

(360) Star 7/6/95

BY GARNER THOMSON
STAR FOREIGN SERVICE

London — Anglo American Corporation has confirmed new initiatives to rescue Zambia's beleagured copper industry.

A major investigation of Zambia Consolidated Copper Mines (ZCCM) has been agreed by Anglo and the Zambian government in order to thrash out the basis of a proposed Anglo-led international consortium.

ZZCM, 60%-owned by the government and 27% by Anglo, contributes 90% of the country's foreign earnings, but has been struggling under low investment and high production costs in recent years.

Anglo chairman Julian Ogilvie Thompson told the (London) Financial Times yesterday the plan was for the consortium to buy up ZCCM shares as the Zambian government reduces its stake.

It is in Zambian interests for the company to be privatised as soon as possible, Ogilvie Thompson adds.

Through Zambia Consolidated Investment, Anglo has first right of refusal if the governent sells down to 50%.

But, according to Ogilvie Thompson, while wanting to own more than ZCI's 27%, Anglo would stop short of acquiring more than 50%. That, he says, would be "unwise from a political and from an industrial relations point of view".

International firms buy Zambian companies

LUSAKA — International companies have won bids to buy four of Zambia's major enterprises this year under a five-year privatisation programme, says the Zambia Privatisation Agency.

Executive director Valentine Chitalu said "heads of agreement" had been signed with the companies — Tate and Lyle, the Commonwealth Development Corporation (CDC), Unilever, HJ Heinz and Lonrho Zambia. Draft sale agreements were being prepared, he said. (358)

The British-based Tate & Lyle — with an 11% original stake — and the CDC had won the bid for the Zambia Sugar Company in which the government had a 78% stake. BD 7/6/95

HJ Heinz and Unilever are in the process of acquiring Premium Oil and Refined Oil Products respectively, while Lonrho Zambia is set to buy the Copperbelt-based Northern Breweries. (360)

Anglo American of SA, through its Zambian subsidiary Zamanglo Industrial Corporation, is one of seven bidders wanting Chichele Lodge.

At least 17 companies have been privatised and 23 others are lined up for liquidation this year under the programme which began in 1992. — Sapa-Reuter.

Mistress claim: Two newsmen free

ARG 21/6/95

LUSAKA. — Police have freed the publisher and editor of a tabloid newspaper who were arrested after a claim that angered President Frederick Chiluba. They now await trial for criminal libel.

(360)

Weekly Post publisher Fred M'membe and editor Masautso Phiri turned themselves in after defying a challenge by Mr Chiluba to produce a woman the paper alleged was his mistress.

After reporting to police in Lusaka, they were formally arrested but released pending a court hearing.

Last week the president gave the newspaper 48 hours to produce a Zairean woman it said bore him an illegitimate child — or face prosecution for criminal libel.

Under Zambian law the state can prosecute for criminal libel if the alleged offence affects public life or endangers the nation's stability by defaming leaders in high office.

The Post's June 13 issue carried claims by Zairean trader Clementine Mutshinga Kabondo that she became Mr Chiluba's mistress in 1983 and was the mother of an eight-year-old illegitimate daughter.

The president, a born-again Christian, accused the newspaper of persistent personal attacks on him. Last year he filed a private libel action against Mr M'membe for publishing allegations that he had smoked dagga. — Sapa-AP.

(360) CT (BR) 28/6/95

Loan saves coal mine in Zambia

Lusaka — Investec and the Industrial Development Corporation have granted a $9,7 million loan to Zambia's single coal mine, Maamba Collieries.

The loan had effectively saved the operation from collapse, a spokesman for the coal mine said yesterday.

Maamba has also signed a supply contract with Johannesburg Consolidated Investments for the supply of a range of capital goods and spares for the rehabilitation of the mine. — Sapa

Kaunda making comeback bid as party leader

(260)

ARG 28/6/95

LUSAKA. — Zambia's main opposition party is involved in a leadership tussle, with former president Kenneth Kaunda attempting a political comeback.

The election for the leadership of the United National Independence Party (Unip) was delayed from Monday night to allow incumbent president Kebby Musokotwane to raise the required endorsements from all nine provinces, some delegates said.

Candidates for the party presidency needed the endorsement of 10 backers from each province.

"Dr Kaunda had to instruct some of his supporters from various provinces to assist Mr Musokotwane. He only had supporters from three provinces," said one delegate, Michael Mwape.

Electoral chairman Wilted Phiri declined to comment.

After 27 years in power, Dr Kaunda retired from active politics in 1992, a year after he was ousted by current state President Frederick Chiluba and his Movement for Multi-Party Democracy (MMD) in the country's first multi-party polls in two decades.

Kenneth Kaunda

Mr Musokotwane was elected Unip president with Dr Kaunda's backing, but the 71-year-old political veteran has turned on his former protegé, accusing him of failing to provide the party with strong leadership.

Under Zambia's current constitution, only the leader of a recognised party can run for the state presidency. Presidential and parliamentary elections are due next year.

But Dr Kaunda could face other obstacles. Mr Chiluba's government is to present a new constitution to parliament which would bar from the presidency anyone whose parents were born outside Zambia and who has served more than two terms.

Dr Kaunda's parents were born in Malawi, and he served six terms as president from independence from Britain in 1964 until his election defeat in 1991.

Mr Musokotwane, 49, fell out with most of the 30-member decision-making central committee after Dr Kaunda's decision to re-enter mainstream politics, leading to a division of the party early last year into two factions supporting the two leaders.

Analysts say the party split was likely to widen with Mr Musokotwane saying he would not work with Dr Kaunda if the political veteran won the leadership.

"Unip has no future under Kaunda. I will not work with him on principle ... I do not want to be used," the incumbent Unip chief said.

"Our weakness as a party derives from our inability to overcome individualism. Sapa-Reuter.

WORLD

Former president elected to head old party

Star 29/6/95 (360)

Kaunda to brave the next election

Lusaka — Former Zambian president Kenneth Kaunda yesterday bounced back to the presidency of the once all-powerful United National Independence Party (UNIP) and is preparing to challenge President Fredrick Chiluba at next year's general elections.

Kaunda (71) beat his former prime minister Kebby Musokotwane hands down at the party's highly-charged extraordinary congress held in the capital Lusaka.

The former leader scooped 1 916 votes against Muskotwane's 400.

"I thank God and the people of Zambia for giving me this opportunity to lead again," he said.

He added that his battle was not against Musokotwane but against Chiluba and his Movement for Multi-Party Democracy, (MMD) which Kaunda accused of plundering the country's wealth and causing untold suffering.

But Kaunda first has to contend with a new draft constitution passed more than a week ago which bars anyone with foreign parentage, who has served more than two terms as president before, from standing for the post of president.

Kaunda was president of Zambia for more than five terms and his parents came from neighbouring Malawi.

New tempo

Kaunda's storming comeback however, sets a new tempo in Zambian politics which, since his humiliating defeat in the 1991 multi-party elections, has seen only a weak and fragmented opposition.

With Kaunda back at the helm of the main opposition party, which he led for 30 years until he briefly retired from politics after his defeat to Chiluba, the battlelines for the 1996 elections are finally taking shape.

Most political observers and diplomats now say that Chiluba's ruling MMD (which is itself engulfed in internal squabbles) should start to oil its organisational machinery to fight Kaunda because the party has a real challenger this time.

"Kaunda is a shrewd schemer ... he knows all the political tricks in the book and he is not a pushover," said one African diplomat.

A leading Lusaka political analyst, Denis Wood, said of Kaunda's comeback: "It is an exciting prospect for the political arena in this country. It will put MMD on their toes and enable democracy to thrive."

Kaunda has accused the MMD leadership of thuggery, corruption and lacking a humane approach in the implementation of the World Bank and IMF-sponsored economic reforms.

Kaunda ruled Zambia for 27 years, 18 of them under one-party dictatorship.

But some people observe that for Kaunda, winning the UNIP seat is one thing and defeating Chiluba is another.

Despite the current economic hardships resulting from economic reforms, Chiluba still enjoys widespread support, especially from the youth and educated people who understand the reform process.

"The people of Zambia have not forgotten the damage Kaunda did to the economy of this country," said Dan Lota, a University of Zambia student.

"What will he bring which is new to improve our lives which he failed to do when he was in power 27 years?" said a woman street vendor.

There are also those who think Musokotwane could have made a better leader had he been given a chance to head UNIP without living under the shadow of Kaunda. — Sapa-AFP.

Zambian collieries look to JCI for assistance

(360) CT (BR) 4/7/95

By Derek Tommey
Mining Editor

A tangible sign that South Africa's hinterland is at last turning to this country for financial and technical assistance is in the announcement today that JCI Limited, the successor to the Johannesburg Consolidated Investment Company, together with other South African organisations, is to rehabilitate Maamba Collieries in Zambia.

JCI has entered into a one-year supply agreement as turnkey contractor. The contract calls for the supply of a range of capital goods and spares with a value of $9,8 million (about R35,6 million).

This will be financed by the Industrial Development Corporation by way of a Credit Guarantee Insurance Corporation-covered export credit, and Investec Bank by way of a commercial loan.

Maamba personnel will be responsible for most of the physical installation of spares and recommissioning of equipment under the supervision of JCI projects.

JCI will be represented on site by an engineering supervisor and the contract will run for 12 months.

The people providing the money — the IDC, Credit Guarantee and Investec Bank — also require that JCI Projects visit the mine quarterly for the next five years to ensure that sound management and engineering principles are maintained for the financing period.

JCI officials say the move will put the company in a position to assess and familiarise itself with conditions and circumstances in surrounding countries.

It will give JCI projects an ideal opportunity to exhibit its engineering skills and innovative techniques. It will also expose the projects division to a larger market which meets JCI's drive to ensure its service divisions have an entrepreneurial spirit and are internationally competitive.

Britain's Tate and Lyle buys Zambia Sugar Company

(360) CT(BR) 12/7/95

Lusaka — Britain's Tate and Lyle and the Commonwealth Development Corporation bought the Zambia Sugar Company, an official of the Zambia Privatisation Agency said yesterday.

The privatisation agency's chief executive, Valentine Chitalu, said Tate and Lyle had increased its shareholding to 51 percent from 11 percent with the corporation buying 30 percent.

The sale under Zambia's privatisation programme was expected to raise 47 billion kwacha (about R178 million), Chitalu said.

The remaining shares would be floated on the Lusaka Stock Exchange for sale to the Zambian public.

Chitalu said Zambia Sugar would increase annual sugar exports to 90 000 tons and increase tax revenue to the government from the current 10 billion kwacha (about R37,8 million) a year with an expected $20 million fresh injection of funds by its new owners.

He gave no details of the time frame of the expected injection of funds, and also ruled out retrenchments, saying the company, with 8 000 employees, would create more jobs under private owners.

CT (BR) 13/7/95 (260)

Zambian privatisation bids: Zambia's privatisation agency has invited bids for Zambia Horticultural Products. The Lusaka-based company is a multi-product fruit, tomato and meat processor with ancillary activities covering juice preparation and soft drinks bottling. It has a second unit in the agricultural area of Mkushi.

MAIL & GUARDIAN
July 14 to 20 199

Sex, lies and a pseudo president

(360)
WM 14-20/7/95

Aside from the scandal of an affair, Zambia's President Frederick Chiluba may not be who he says he is, writes **David Beresford**

DID the president have a lover? Does the president have an illegitimate daughter? Did the president fake his educational qualifications? Is the president the president ... or, at least, is he Frederick Chiluba?

The questions might sound like a trailer to a soap opera, but they are being seriously asked in Zambia today as the great dream of multi-party democracy threatens to crash around the feet of President Frederick Chiluba.

That "grand old man of Africa", Kenneth Kaunda — driven from power three and a half years ago in what the world saw as the turning point in the struggle for democracy in Africa — is reaching for a return to office here with ever-increasing confidence. And, judging by the scandals besetting his suc-

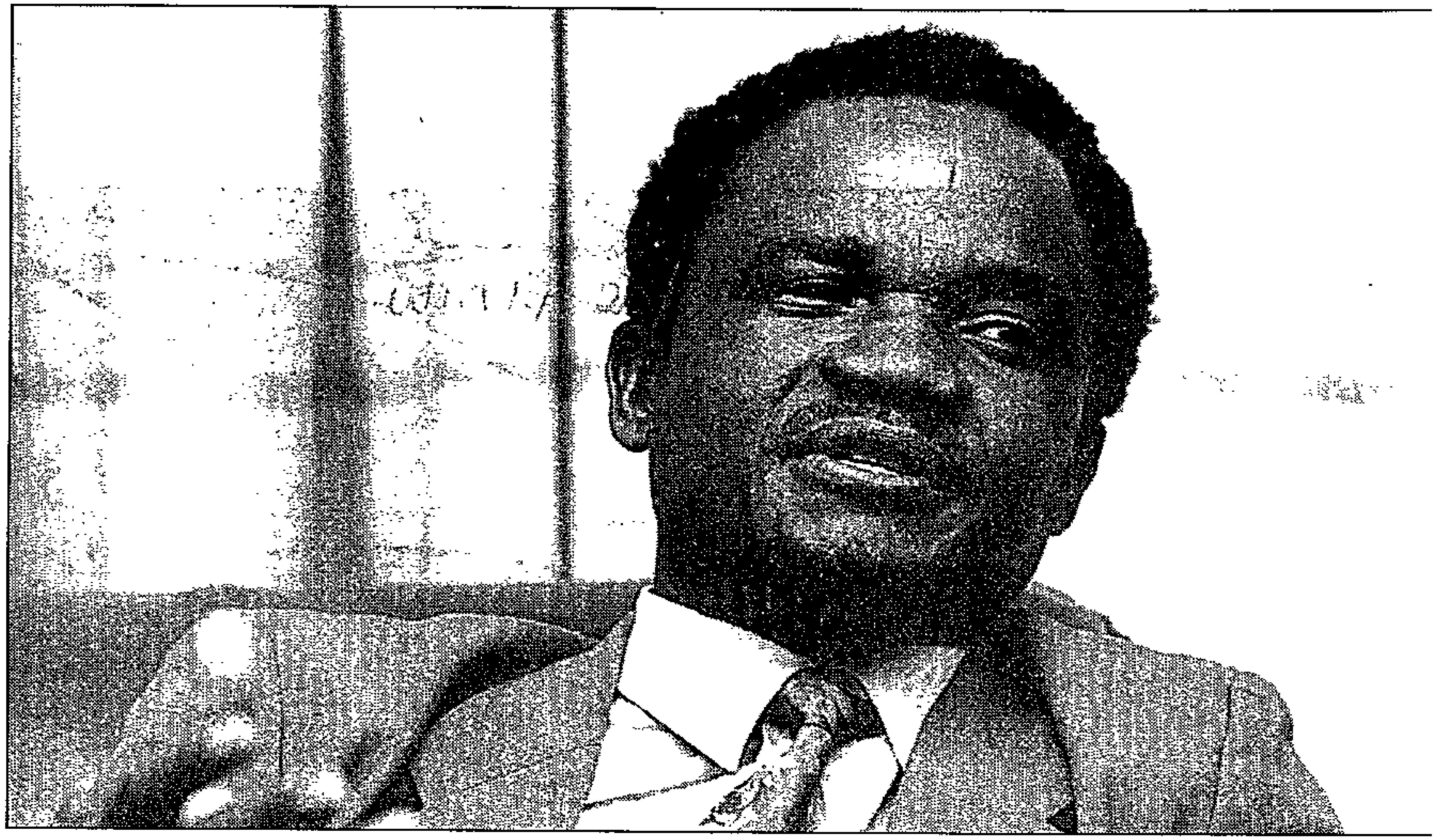
Frederick Chiluba ... if that is really his name. It is necessary qualification following claims by investigators that he is really Titus Mpundu, a child born in Zaire of Zairean parents.

"I want Zambia to know that Chiluba's father is not dead. I am alive and I am here," 76-year-old Luka Chabala Kafupi told a startled country recently through the medium of a campaigning Lusaka newspaper, *The Post*.

"The president has my picture. He came here when he was leader of the ZCTU (Zambian Congress of Trade Unions) and he found me working in the field. He doesn't come here any more. I don't know why."

Expanding on his presidential paternity boast, Kafupi announced that the president, aged 50, was his eldest son — born of an illicit affair with a married woman who died in child-birth.

The otherwise prurient intrusion into the affairs of the presidential parents was precipitated by a cynical move on the part of the Chiluba administration to try and block a return to power by Kaunda. In an apparent attempt to exploit the well-



Frederick Chiluba: Loses Mr Clean image as bizarre personal details are revealed PHOTOGRAPH:GISELE WULFSOHN

The Post, with help from investigators from Kaunda's United National Independence Party (UNIP), not only dug up Chiluba's alleged Zairean and illegitimate parentage, but uncovered another scandal about his educational attainments. They claimed that the president — under his real name of Titus Mpundu — had been expelled from school and, far from holding a university degree claimed by members of his family, failed to even pass his junior secondary education. Instead he borrowed an exam certificate from a school friend, Frederick M Chiluba — and was seemingly so enamoured of the name that he changed his own to Frederick Titus Jacob Chiluba

The editor, Fred M'membe, was one of 10 founding members of the MMD. He is currently on bail facing charges of slandering the president. The charge has nothing to do with the issue of the president's true identity; it relates to the publicity the paper has given to the cause of one Clementine Kabondo. Kabondo arrived in Lusaka from the country to demand maintenance from Chiluba for her daughter, who she says is the product of their 12-year affair.

The love lives of the president and his parents are not the only MMD scandals which have found space

nothing more than a ploy to secure the interests of those in authority who would otherwise have lost their savings with the bank.

Then there are the questions surrounding long delays in the release of a report on the 1993 air crash which wiped out Zambia's crack soccer squad. The authorities have imposed a ban on public discussion of the incident, on the grounds that it should not be "politicised" and have explained the delays as lack of funds to publish the report. *The Post* has suggested the real reason is that the report would show the government sent the country's national heroes to

... former president's parents were from Malawi ... once seen as the archetypal Mr Clean, "KK" has every chance of succeeding.

Where scandals are concerned there are few heads of state who have attracted as bizarre an assortment as

parents were from Malawi, they have produced a new constitution for the country, specifying Zambian parentage as a qualification for presidential office.

... the Post in discrediting the president has a certain irony in that the paper was launched in 1991, as part of Zambia's democratic renaissance led by Chiluba's Movement for Multi-party Democracy (MMD).

recently been delving into the affairs of Zambia's fourth-largest bank, the Meridien, which collapsed in May after the Chiluba government had printed "billions" in kwacha to save it. There are suspicions that the "rescue" was which was not air-worthy.

M'membe is savage in his criticism of the MMD, charging that is run by a collection of criminals, including "drug barons" involved the mandrax trade with South Africa.

BRIEFLY

RICHARD LEAKEY, the celebrated palaeontologist, has received "clear evidence" of plots to kill him since he launched a new opposition party in Kenya. Leakey, who has hired a team of bodyguards, said during a visit to London last week that he had been "staggered" by the ferocity of President Daniel arap Moi's verbal onslaught against his party, Sarafina. — *The Guardian*

OLIVER MSUYA and Yasin Sadiki, publisher and editor respectively of the Tanzanian newspaper *Shaba*, were awaiting trial in jail this week on charges of sedition.

The two were arrested after the paper published details of a letter in which Interior Minister Ernest Nyanda said he had been instructed by Prime Minster Ceopa Msuya to investigate and interfere with the activities of opposition leader August Mrema. — *IPS/Misanet*

PARAMILITARY police last week stopped and stormed into a British Airways Boeing 747 on the runway of the airport in Lusaka, Zambia, to fish out former Lusaka mayor, John Chilambwe.

The London-bound plane was delayed for more than 15 minutes as armed police officers raided the aircraft in search of passenger Chilambwe to stop him from undertaking an "official" visit to Moscow. Some passengers panicked. "I thought it was a hijack. I nearly fainted," said one passenger. — *The Post of Zambia*

Kenneth Kaunda, the Komeback Kid

(360) WM 14-20/7/95

David Beresford

AT 71 he is the "Komeback Kid." And the man Africa knows as "KK" is loving the role. "I'm going back to government; there is no question about it ... God willing," he adds hurriedly, hands gesturing prayer and eyes rolling meekly at the ceiling.

Kenneth Kaunda appears little changed since that traumatic moment, three and a half years ago, when he discovered that "his" people did not want him and shunted him off into the political wilderness with a shattering defeat in Zambia's first democratic elections.

He is a "grand old man of Africa" whom time has left looking little older. Where the grandiose is concerned his comparatively modest double-story house on the outskirts of Lusaka is a far cry from "State House," from where he ruled for more than quarter of a century. Certainly it offers little support for the long-standing charges that he robbed the nation during his years of power, stashing away untold millions in Swiss bank accounts.

It is a point he takes with an appreciative chuckle. "We're poor, but proud," he says, pointing out that his successor, President Frederick Chiluba, had gone to considerable lengths to sustain the charges of corruption. "They have had all the opportunity now to prove the allegations. All my colleagues in that government, without exception, are still here in Zambia; we haven't run away. If one millionth of the allegations that were made are correct, they would have taken steps to arrest us."

Instead the focus of corruption allegations has turned on Chiluba himself, a succession of scandals battering his administration. A fortnight ago they helped propel Kaunda back to the leadership of the opposition — the United National Independence Party (UNIP) — as the man to "save the nation."

'A man who loves God as greatly as I do ... can never be a dictator.' — Kenneth Kaunda

With little more than a year to go before the parliamentary term expires, local political commentators are giving Kaunda at least an even chance of a return to power, on the back of growing disillusionment with the record of the ruling Movement for Multiparty Democracy (MMD). It is a record which Kaunda enumerates with relish.

"This is a Cabinet of drug masters," he says indignantly, repeating allegations that involvement in the mandrax trade reaches into State House itself. And the country as a whole, he insists, is in a state of "devastation": agriculture has collapsed; 220 000 out of 360 000 jobs in the manufacturing industry and parastatals have been lost; the crucial mining sector is in an alarming state of decline and tribalism is once again rampant in public life.

Kenneth Kaunda: The Komeback Kid epithet may not be such a joke, the way things are going for Frederick Chiluba PHOTO: TARYN CASS

But Zambia does have democracy; will the Kaunda's return herald that of one-party rule? "We need a government of national unity to save the country from total collapse," he says, but assures that multi-party democracy is here to stay. "A man who loves God as greatly as I do, who believes in Jesus Christ as I do, who believes in the power of the Holy Spirit as I do can never be a dictator."

Would he change his approach to government? "I've learned many lessons. We made a mistake lumping together party and government. We subsidised consumption for too long — at some stage we should have subsidised production," he says, adding: "We made a success of this country" — citing the development of education, welfare, health, roads and black economic empowerment under UNIP rule.

To many of his critics one of Kaunda's fundamental mistakes in government was the nationalisation of the copper mines — which, he has boasted in the past, finally "buried" Cecil John Rhodes's dream of corporate dominance of Africa. He smiles wryly at the reminder and ducks the question as to whether he would countenance a return of foreign control.

But the crux of Zambia's economic plight is the imbalance in world trade, he says. Africa continues to sell at "giveaway prices" and is forced to "pay through the nose" to buy industrial and capital goods. Unless Africa organises regionally to fight back "there is no hope at all," Kaunda says.

Africa continues to suffer the heritage of slavery and colonisation; it is still paying the price of decolonisation and is a victim at the hands of a right-wing international media, he adds.

Zambia is banking on trouble

WM 21-27/7/95 (260)

Jowie Mwiinga in Lusaka

ZAMBIA'S Finance Minister Ronald Penza kept his job in a Cabinet reshuffle this week, despite the controversy surrounding the government's abortive and costly attempt to bail out the Meridien Bank BIAO.

President Frederick Chiluba dropped one minister and shunted six others around to strengthen his government. "Everything will be done to sharpen the front line, strengthen the mid-field and bolster the defence," he said.

While the opposition and even parliamentarians from the ruling Movement for Multiparty Democracy (MMD) have called for the dismissal of Penza, he was not affected by the reshuffle.

Chiluba said he had no evidence of wrongdoing to warrant Penza's dismissal.

"Penza did not act outside the options given by the experts assigned to look into Meridien Bank, although the option he adopted was somewhat costly," he said.

The Lusaka-based Meridien International, which controlled Meridien BIAO, was liquidated in April by the supreme court of the Bahamas after a claim by the Central Bank of Swaziland.

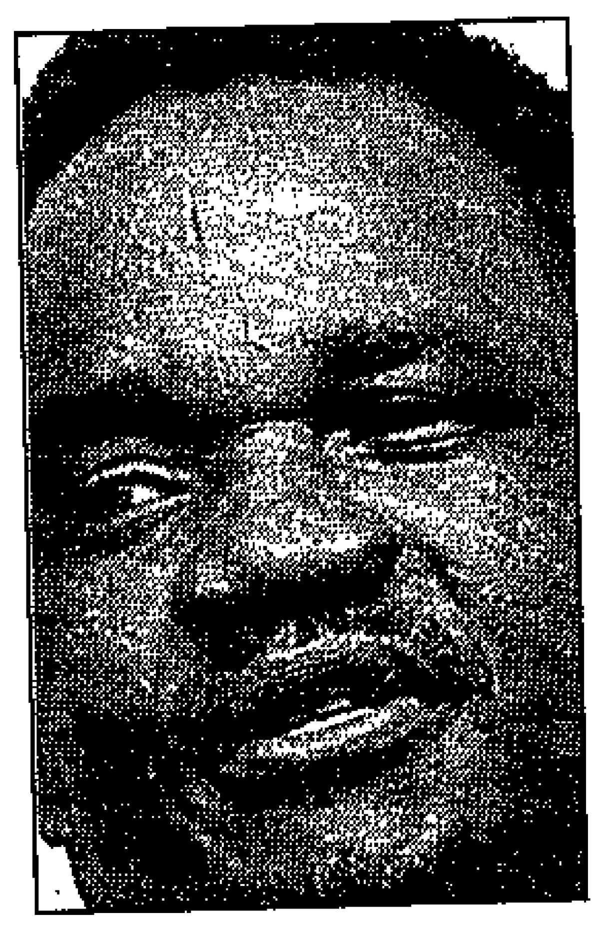
The liquidation move followed a liquidity crisis that started at the beginning of the year when clients began withdrawing their deposits from the bank's branches in 20 African countries following reports that it was headed for collapse.

The governments of several African countries, including Kenya, Burundi, Swaziland and Tanzania, responded by closing the bank's local branches or taking them over to protect depositors and prevent its collapse from causing upheavals on the money market.

The Swazi and Tanzanian governments later sold the branches in their countries to South African banks.

When in May news of Meridien's difficulties caused panic withdrawals in Zambia, Penza recommended that the government salvage the bank by lending it money to overcome its short-term liquidity problems.

Even though the government injected about $11,2-million into the bank, it still collapsed, costing Zambian depositors about $120-million



Frederick Chiluba

Penza then decided that the bank would be merged with the state-run Zambia National Commercial Bank. The Cabinet overturned his decision.

The bank's collapse plunged Zambia into one of its worst financial crises in recent years, causing the exchange rate to drop from around 750 kwacha to the US dollar early this year to around 915 to one in June.

Chiluba himself conceded this week that government may be unable to buy up grain produced by Zambia's farmers, as it usually does, because of the resources pumped into Meridien.

"It may be a case of opportunity cost, where the money used for one thing cannot be used for another."

He also said that efforts were under way with the help of international experts to locate the former chairman of the Meridien Group, Andrew Sardanis — a Zambian of Cypriot origin — and have him prosecuted for fraud.

Government's handling of the Meridien Bank saga and Chiluba's refusal to sack his finance minister have fuelled speculation that senior government officials may have benefited from the bank's demise, a claim the Zambian president says he can disprove.

He said the prosecution of top Meridien officials would bear out the innocence of his government, but to most observers, his Cabinet reshuffle would have made more sense if it had included Penza's dismissal.

The only member of the Cabinet to have been dismissed is Works and Supply Minister Andrew Kashita. No reason was given for his sacking.

Simon Zukas was removed from the helm of the agriculture ministry for what Chiluba described as old age, only to be appointed to the Ministry of Works and Supply. — *IPS-AIA/Misanet*

Kaunda outlines comeback plan

(360)

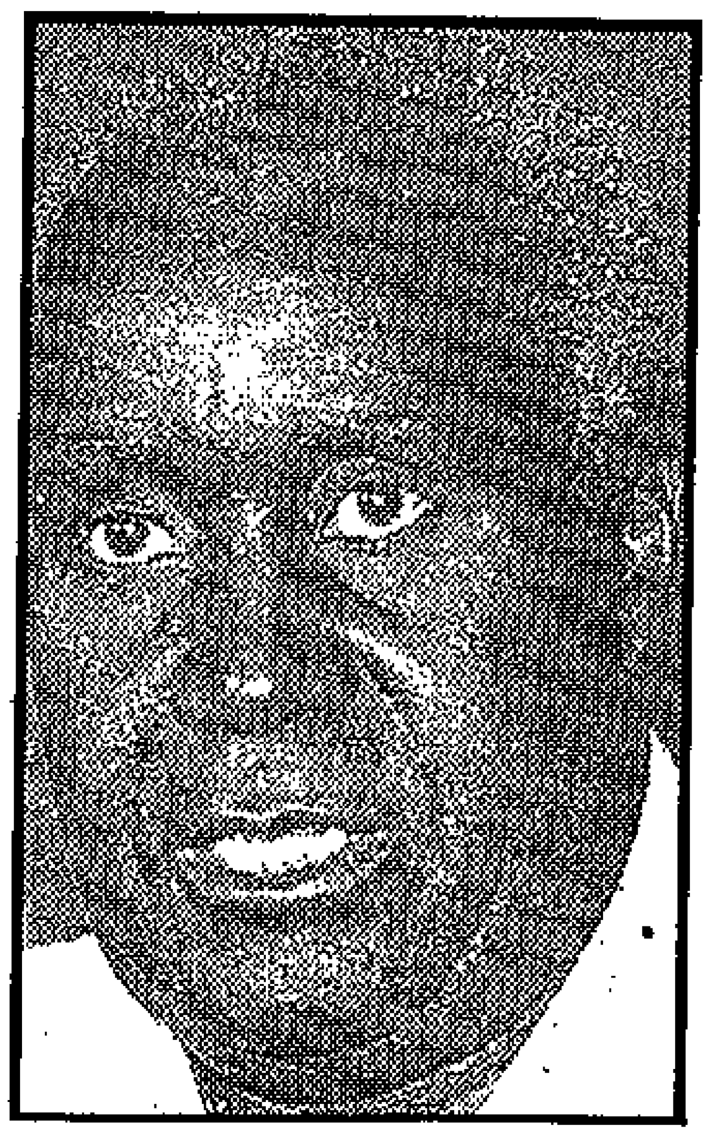
ARG 27/7/95

KAMPALA. — Former Zambian president Kenneth Kaunda has outlined how he will win back his old job, with policies that include the slowing down of privatisation and the possible return of food subsidies.

Dr Kaunda, president for 27 years until 1991 and now on the comeback trail, dismissed his successors as a government of "crooks, thieves and drug dealers".

"Since we left, the agricultural sector has been badly mismanaged and we might have to go back to our policies to return food to the plates of most Zambians," he said yesterday.

"We would also have to revisit the privatisation programme, which has been used to enrich only a few government officials, and we would form a transparent government of national unity," he added.



Kenneth Kaunda

Across-the-board food subsidies made Dr Kaunda popular with ordinary Zambians but the country's economy, heavily reliant on earnings from copper, could not afford them after the price of the metal plunged.

After being defeated in pluralist polls in 1991, he retired from active politics only to return last month, saying he wanted to save the country from political and economic ruin.

He accuses the government of President Frederick Chiluba of mismanagement, corruption, abuse of office and tribalism in a country that has been spared the ethnic choas that has beset many African nations.

Western diplomats and independent economic and political analysts say the accusations are largely true and that reckless actions by Mr Chiluba's administration have rekindled Dr Kaunda's lost popularity and given him a strong base to re-enter politics. — Reuter.

(360) (82)

AKG 10/8/95

Aids prisoners to be released

LUSAKA. — The Zambian prisons department has announced a programme to release convicts infected with the virus that causes Aids. A spokesman said the decision aimed to lessen the spread of Aids in the nation's prisons.

Independent researchers say as many as 70 percent of convicts could be infected with the human immuno deficiency virus (HIV) that leads to fullblown Aids.

■ Reports by Sapa-AP.

Threat to media freedom in Zambia's new constitution

(60) WM 15-21/9/95

David Lush

THE entrenchment of media freedom in a new Zambian constitution is under threat following a move by the government to avoid holding a referendum on the adoption of the new constitution and Bill of Rights, the Zambian bi-weekly *The Post* reports.

Ironically, the report in *The Post* is technically in breach of a decree issued by President Frederick Chiluba on July 17 banning public debate on the draft constitution.

The report quotes unnamed sources within the Zambian government and the ruling Movement for Multiparty Democracy (MMD) as saying that the government will by-pass a referendum for the adoption of the new constitution by retaining the 1991 Bill of Rights.

According to *The Post*, under the 1991 constitution only a new Bill of Rights has to be subjected to a referendum, whereas other parts of a new constitution can be adopted by a simple vote in parliament.

Recommendations for a new Bill of Rights are contained in a report submitted by the Constitutional Review Commission (CRC) appointed by Chiluba in mid-1993.

The Bill of Rights proposed by the CRC would guarantee free expression, media freedom, and the freedom of artistic creativity; that all media be free from censorship; the independence of all public media; the right of journalists to protect their sources; that no laws can be passed restricting media freedom; and free access to official information

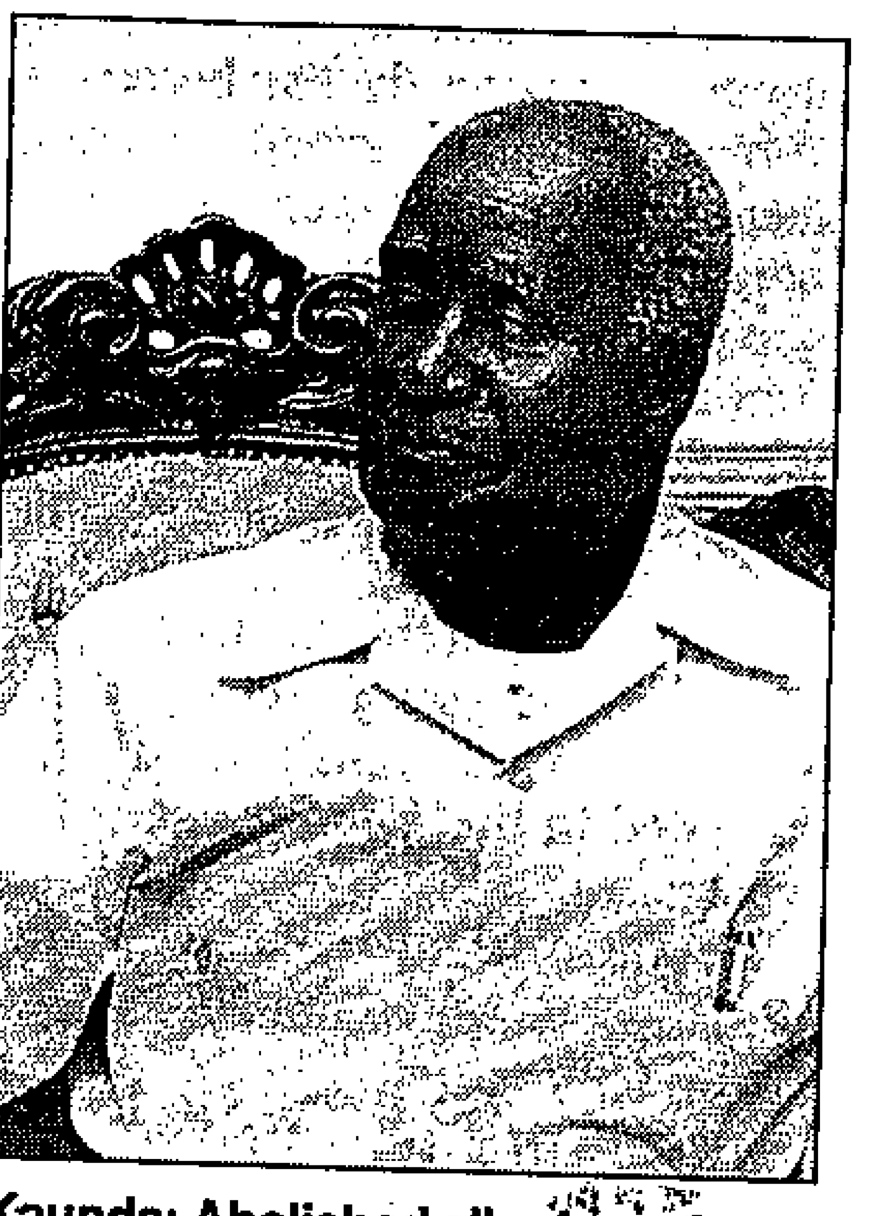
The CRC made public its findings and recommendations on June 26. However, publication of the report — the final draft of which was only fully endorsed by three of the original 25 commissioners, with a further three commissioners endorsing it with reservations — followed a series of leaks and attempts by the authorities to keep the report secret.

When the weekly *Sun* newspaper published details of the report in April, news editor Lweendo Hamusankwa was called in for questioning by the police on four consecutive days. However, the police were reportedly unable to formulate any concrete charges against either the newspaper nor Hamusankwa.

On April 23 the government successfully applied for a court injunction barring *The Sun* from publishing any further information relating to the proposed new constitution. However, the court injunction was suspended on May 3, and then overturned completely by the High Court the following month, by which time *The Post* had published the CRC's report in full.

Then on July 17, Chiluba banned by presidential decree any further public debate on the draft constitution pending the completion of a Cabinet White Paper on the subject. However, the presidential decree has so far had little success in stifling debate on the constitution.

Chiluba: 'We cannot be subjected to a referendum'



Kaunda: Abolished all referenda during his presidency

There is pressure from civic and human rights groups, the lawyers association, and the media for a new constitution — or any amendments to the existing constitution — to be adopted by public referendum, or by a broad-based constituent assembly.

Chiluba appears determined to resist putting the constitution to a referendum. "We cannot be subjected to a referendum. After all, Kaunda abolished all referenda," Chiluba told a press conference. "We are government and will decide on the method of adoption (of the constitution)." Chiluba further said the new constitution would be adopted by means of a vote in parliament — a parliament in which the ruling MMD has an 80 percent majority. — *MISA*

KK's secret bunker

Cont-d

(360) ARG 19/9/95

The Argus Foreign Service reports from Lusaka.

THE startling revelation that former Zambian president Kenneth Kaunda had an elaborate set of underground escape tunnels and nuclear-safe bunkers has been absorbed into the greater political confrontation between KK and present president Frederick Chiluba.

Zambia's next elections are due only late next year but with Dr Kaunda having announced that he is on the political comeback trail, the ding-dong battle has already begun.

Mr Chiluba's revelation of the extensive — and expensive — tunnel network was largely seen here as an attempt by him to discredit the former president. But what Mr Chiluba did not anticipate was that the bulk of the criticism from the public would be directed at him for compromising the security of presidents, present and future.

A former police chief in the northern city of Ndola said he was convinced Mr Chiluba's revelations had been a breach of the Security Act and another former Cabinet minister has charged that Mr Chiluba had broken his presidential oath.

With the security of the presidential escape hatch blown, the tunnels could nonethless be a national asset as a fine setting for a movie. It appears that there are two networks, one under State House and another under Bauleni Hill close to the township of the same name several kilometres away but not thought to be linked.

According to descriptions from journalists invited to view portions of the network, the entrance or exit from the State House escape route is through an unprepossessing house on N'Gumbo Road. Inside the house there is a conference room with a bar and in a corner behind a display cabinet, a security door.

FREDERICK CHILUBA ... criticised for blowing the security of the presidential escape hatch.

KENNETH KAUNDA ... on the political comeback trail and set for a ding-dong battle with President Chiluba.

Steps or a lift reportedly descend through five floors from the rundown N'Gumbo Road facade. There are self-contained flatlets, a kitchen, and surveillance equipment as well as water tanks and air purifiers.

Four diesel tanks fuel generators and there is also a telecommunications room described as "modern" but dating back to the era of its construction said to have been between 1974 and 1976.

The complex was insulated from outside attack and could house 12 people for 15 days.

At the lowest level there is a well-lit passage leading under President's Lane and into the State House grounds. Access ducts lead up to the President's office and other parts of State House.

Here the tunnel splits and leads either to an underground conference room or further along, to another exit/entrance in Lewanika Road.

Diagrams of the tunnels printed in the Lusaka press showed a third tunnel leading to the 18th hole of the golf course but no journalists were taken along that one.

The entrance to the second network east of Lusaka in Bauleni Hill is between two houses at the base of the hill. Behind the entrance is a 21m seven-storey complex rising into the hill and fully equipped with a powerful generator, a high-tech 5kW radio, a telephone exchange, conference room, diesel and water tanks. It is designed to accommodate 48 people for 15 days and the finishes, like carpeting, are evidently of very good quality.

The entire network is maintained by a company called Zamcapitol but it is not known whether it is accountable to any government institution and as a result there are no reliable figures for the costs.

Zimbabwean guerrilla leader Joshua Nkomo is said to have used this facility during the Zimbabwean war in which Dr Kaunda supported Mr Nkomo.

A few kilometres further to the east is Dr Kaunda's former presidential residence and from here he would presumably have used the Bauleni escape hatch as it is about halfway between this country retreat and State House. Mr Chiluba has never used this retreat and the land has been given to highly placed officials.

It is thought highly unlikely that the State House and Bauleni networks are linked by underground tunnels because both are built in quartzite ridges and be-

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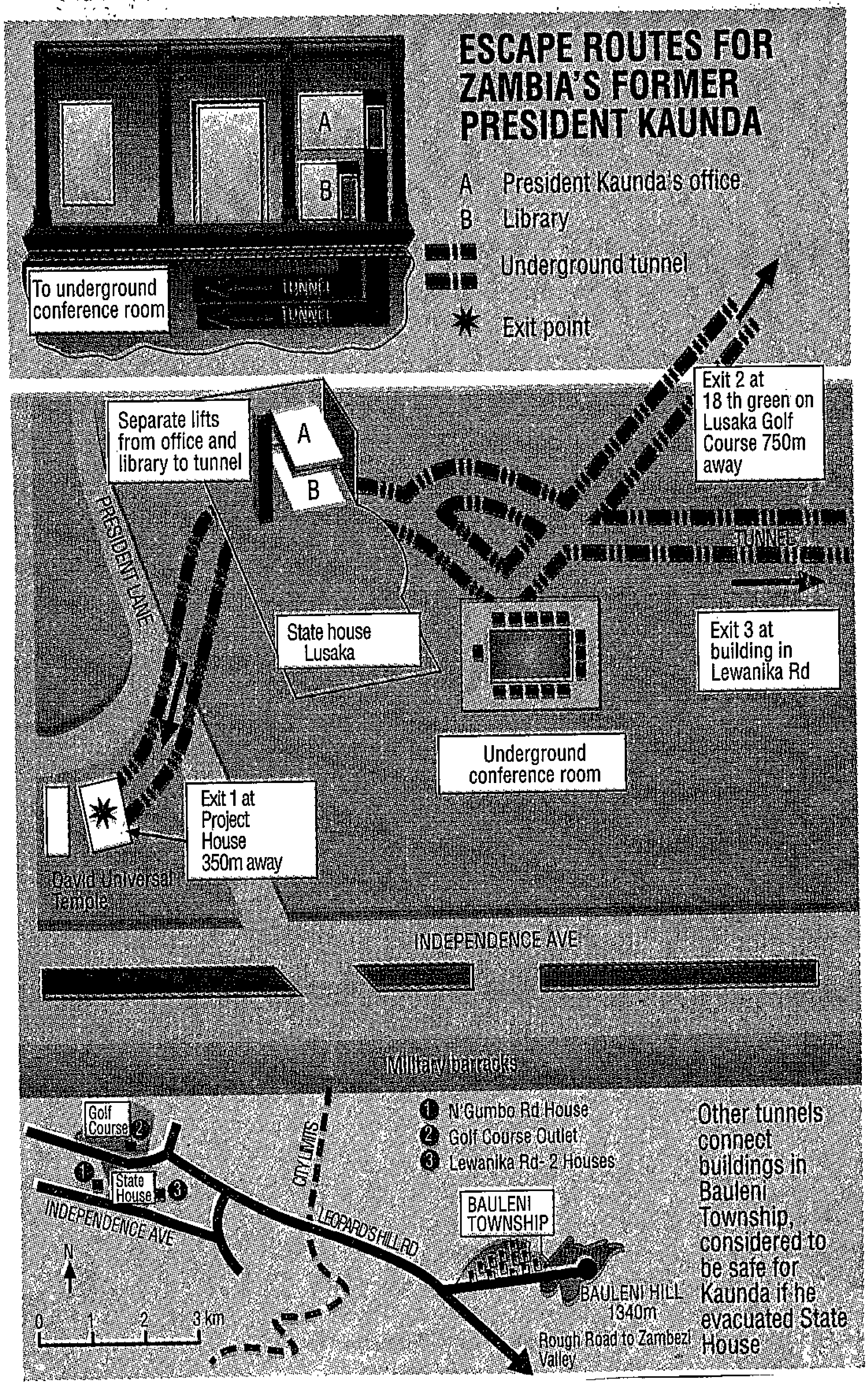


Zambia welcomes back SA companies

ET (BR) 19/9/95 26 (360)

By Max Phiri

Independent Foreign Service

Ndola — "The South Africans are back" screamed the publicity material heralding the participation of South African companies for the first time in the Lusaka agricultural show soon after Zambia liberalised its economy and markets.

It was no idle boast. South Africa is slowly helping to turn the country into one huge supermarket. It started with small entrepreneurs entering into arrangements with local shop owners. Then chains like Pep stores set up in the capital.

Now Shoprite Checkers has acquired a huge chain of former state shops under the privatisation programme. It has bought six shops at a cost of 2,4 billion kwacha (about R94,5 million).

Shoprite Checkers will spend another 13 billion kwacha to refurbish and develop the supermarkets, a development that has cheered Dipak Patel, the minister of commerce

"This is about the most exciting development we have entered into since the programme started," he said.

"Now we all picture the scene as it helps to whet our appetite, remembering the good old days and that these complexes will once again be in private hands. For months the structures, dotted around the country, have been ghosts of their former selves. The bailiffs moved in last week to collect the last item ... a stool used by the till operator, leaving bare walls and dangling electrical wires in what was once the prestigious Home Stores in Ndola."

The multipurpose supermarkets started off as a privately owned shop in the 1940s under John Tom, a Scotsman who had settled in Ndola.

It changed hands and OK Bazaars ran them before the era of socialist market economies set in. They were taken over in 1968 and renamed Zambia OK.

Ndola, which is linked to the copperbelt towns of Kitwe, Luanshya (formerly Roan) Mufulira, Chingola, Kalulushi, Chambeshi and Konkola (formerly Bancroft) was once a bustling manufacturing nerve centre, supplying spares and services to the mining conglomerate.

It meant the city had a fairly well paid population with the extra money to afford the numerous items of merchandise on offer.

One veteran, when reminded of the good old days, said: "I know it was nice. We had money then ... but now, I don't know. Anyway, let them come and give some competition to those small shops that have little to offer except high prices."

But the new breed of investor from the south is not likely to stop at this northern frontier. The copperbelt is a transit point for another market in Zaire's Lubumbashi region. There anything and everything goes — as it has done for years.

The liberalisation of the Zambian economy has become an added boon and the smuggling scourge has became a thing of the past. Money and goods flow freely between the two borders.

This includes durables such as bicycles and staple foods including maize meal. It is not unusual to see a stack of bicycles in a shop in Ndola in the morning and find the whole lot cleared by the afternoon.

Private enterprise is poised to prosper and do a full circle of how things were before and soon after Zambia's independence in 1964. The private businessman is back with the power of the rand, while the ordinary person waits on the pavement for a chance to get a job.

They realise that either way they have been the losers. The grabbing by the state of the properties did not leave them any better off than if they had been privately controlled. But they hope the private sector will inject the much-needed civic leadership that should clean up the cities and boost the spirit that led to the establishment of these unique enterprises.

(360) CT(BR) 20/9/95

Zambia imposes 5% import fee

BY MAX PHIRI

INDEPENDENT FOREIGN SERVICE

Ndola — Zambia has revised its system of preshipment inspection programmes and has imposed a 5 percent fee on virtually all imports into Zambia valued at $500 or more.

The fee became effective on Monday, and is expected to expire on December 31 next year.

"As a temporary revenue measure, a fee of 5 percent will be applied to cost, insurance and freight of imports into Zambia," a trade ministry statement said.

The measure entails the introduction of a new import declaration form which will be available from participating banks.

Some of the goods exempt from the measure include those destined for duty-free shops, approved exports processing zone enterprises, goods destined for approved manufacturing under bond and personal luggage, and goods imported under duty exemption in accordance with the terms of a technical assistance agreement with the government.

An import declaration and preshipment inspection are required but no fee is payable in the case of eligible goods imported under terms of an investment certificate issued by the investment centre.

New law will bar Kaunda from election

(360) CT 26/9/93

LUSAKA: The government approved a constitutional amendment yesterday that disqualifies former president Dr Kenneth Kaunda from fighting elections next year because his parents were born in Malawi.

The amendment, recommended by a state-appointed constitutional review commission, is expected to become law by the end of the year.

Information Minister Mr Amusa Mwanamwamba told reporters the review commission's report would be available for public debate for at least a month.

Dr Kaunda had vowed to regain power in next year's general elections, but his United National Independence Party said it would probably boycott the elections if the amendment was adopted. — Sapa-AP

Deportation sword hangs over Kaunda

LUSAKA. — Zambia's former president Kenneth Kaunda was facing deportation todayafter his political foe President Frederick Chiluba's government said he was not a Zambian.

Home Affairs Minister Chitalu Sampa said Dr Kaunda, 71, could be deported for allegedly ruling the country illegally from independence in 1964 until 1970 when he renounced his Malawian citizenship.

"The government is satisfied the former president is not a Zambian and necessary work is being done to see that the law is applied," Mr Sampa said.

The government said Kaunda had not applied for Zambian citizenship as required by law immediately after independence and his application for citizenship in 1970 was not done according to proper procedures. — Reuter.

360 ARG 17/10/95

Former president now a stateless person

'Alien' Kaunda to be booted out soon

Star 18/10/95 (360)

Lusaka – Former Zambian president Kenneth Kaunda is a stateless person who will be deported as soon as the home affairs ministry completes the paperwork, Zambian newspapers reported yesterday.

"The government is satisfied that the former president is not a Zambian, and the necessary work is being done to see that the law is applied," Home Affairs Minister Chitalu Sampa told the Zambia Daily Mail.

"Although we are still investigating the matter, we have of course established that Dr Kaunda is a foreigner and we shall accordingly deal with him just like any other alien."

Kaunda, who ruled Zambia for 27 years before being ousted in elections in 1991, was born in Zambia but his parents were from neighbouring Malawi.

Lawyers for the ruling Movement for Multiparty Democracy (MMD) said on television that the former president became stateless when he renounced his Malawian citizenship, but failed to apply to become a citizen of Zambia.

Prominent MMD lawyer Luminzu Shimaponda, who is also Minister of Lands and Natural Resources, said that when Malawi won its independence from Britain three months ahead of Zambia in 1964, Kaunda became a Malawian citizen by descent.

He said Kaunda did not renounce his Malawian citizenship until 1970 – when he was already president – and never registered for Zambian citizenship.

"Citizenship has to be obtained by application and is not automatic, as is being argued by his supporters," Shimaponda claimed.

"Right now, as I am speaking, Kaunda is a stateless person," he said.

The Zambian government said earlier this month that Kaunda, who is trying to make a political comeback, faced criminal proceedings for "masquerading as a Zambian" while he was president.

The government has also proposed amendments to the constitution that would make it impossible for Kaunda to ever run for the presidency again. If passed, these amendments would require presidential candidates to have been born of Zambian parents and would limit the presidency to two terms.

One of his aides said yesterday that threats of deportation would not sway Kaunda from vying for the presidency he lost to President Frederick Chiluba in October 1991. – Sapa-AFP.

Zambia may deport Kaunda

(260) CT 19/10/95 (360)

LUSAKA: Armed paramilitary police were deployed in the main streets of the Zambian capital Lusaka yesterday as tension mounted following reports that the government intended to arrest and deport former president Dr Kenneth Kaunda.

Meanwhile the former leader failed to respond to a police summons telling him to report to police headquarters.

"I have instructed our lawyers that he will only be able to report tomorrow," Mr Inyambo Yeta, vice-president of Dr Kaunda's opposition United National Independence Party, said yesterday. He said Dr Kaunda was in Chinsali, about 1 000 km from Lusaka.

Mr Yeta said the police had not disclosed why they wanted to see Dr Kaunda, but on Tuesday Home Affairs Minister Mr Chitalu Sampa said Dr Kaunda could be deported for allegedly illegally ruling Zambia from independence in 1964 until 1970 when he renounced his Malawian citizenship.

Citizenship

"The government is satisfied the former president is not a Zambian and necessary work is being done to see that the law is applied ... We are still investigating and shall accordingly deal with him just like any other alien," Mr Sampa said.

The government says Dr Kaunda had not applied for Zambian citizenship as required by law after independence and government legal experts say Dr Kaunda's application for citizenship in 1970 was not done according to proper procedures.

The deportation threat is the latest development in an intensifying political battle between President Frederick Chiluba, who defeated Dr Kaunda in a 1991 election, and the former president, who is trying to make a political comeback. — Sapa-AFP-Reuter

Minibus travel in Zambia has revolutionised journeys

(360)

Mow 19/10/95

PRIVATISATION of transport has made travel a new experience for many Zambians and, as Max Phiri reports from Ndola, it has also coined a new word – DCM.

No-one in Zambia seems to know exactly what the letters stand for but DCM has become a household term.

The DCM (the name given to the swift passenger services now plying the roads) Toyota buses have become synonymous with the success story of liberalisation in Zambia's transport sector.

While the liquidation of Zambia Airways and the United Bus Company of Zambia spelt doom for its employees and workers, the general public appears to have reaped dividends as the days of long queues and doubtful arrivals have become a thing of the past.

When the busing sector was dominated by one parastatal company, travel between cities and towns was a nightmare most people are happy to forget about.

When buses were available, the R40 journey from Lusaka to the Copperbelt took up to eight hours. It now takes under four.

The minibuses also make it possible for travellers to set off to more destinations at any given time because operators are not regulated by the hours they are on the road. They go where business takes them.

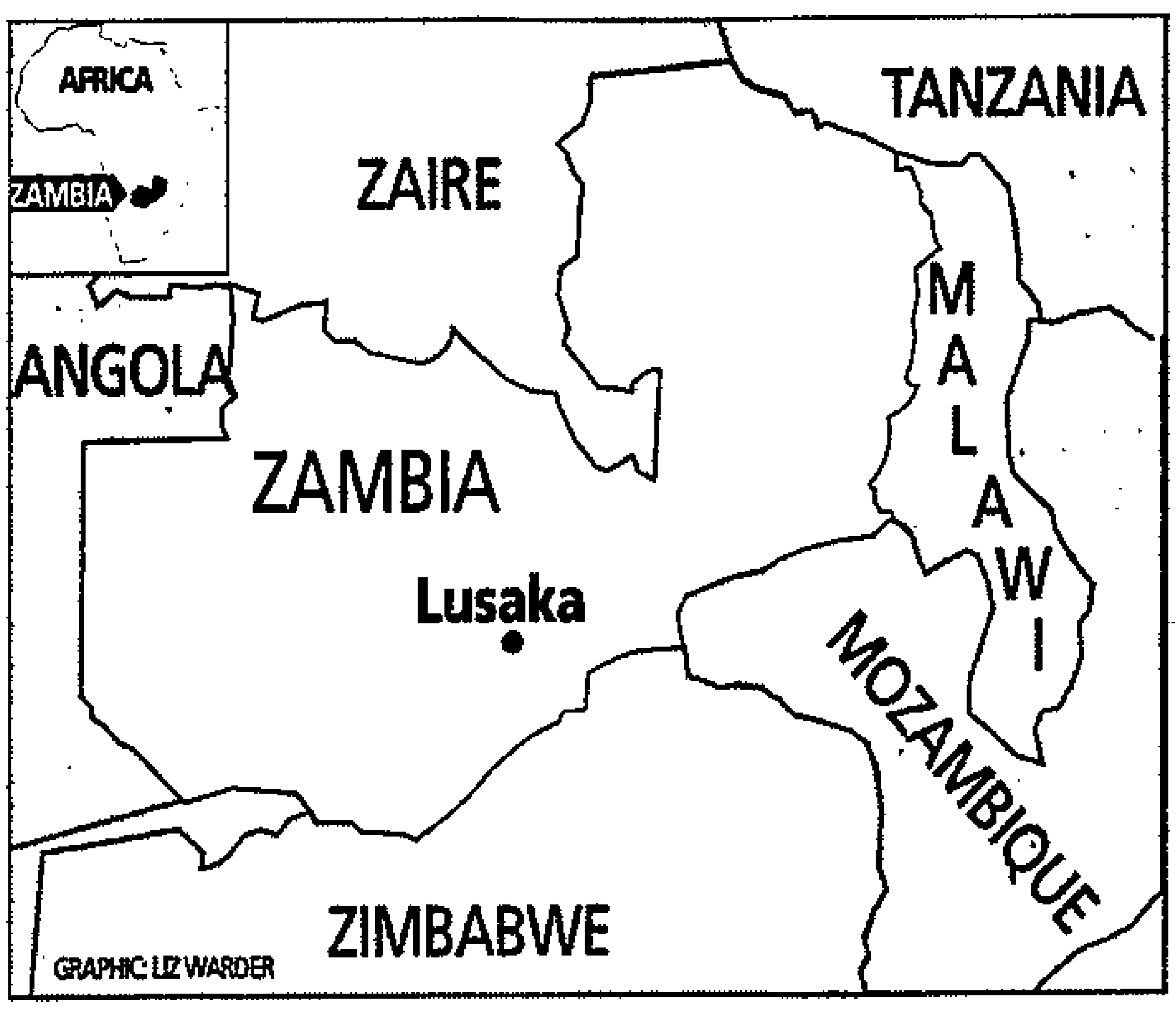
Three years ago it used to take two days to travel between Choma, south of Lusaka, to Luanshya on the Copperbelt. Now, the same trip takes less than eight hours, with connections in Lusaka and Ndola.

In this year's budget, the government removed the duty previously imposed for minibuses and spares for transport purposes.

Trade and Commerce Minister Dipak Patel arranged a deal with Toyota DCM of India to supply Zambia with vehicles.

With duty waived, the vehicles landed at Dar-es-Salaam through Dubai for prices as low as US$4 000 (about R14 600) and US$9 000 (about R32 900) for the posher types.

"These DCMs are not the original Toyota makes. They are fitted with shocks and other parts meant for vannettes (bakkies)," said a DCM driver on the road to Choma.



"That's why you feel bumps even on a smooth road."

Before the DCMs hit the Zambian market, Toyota minibuses came with flashy Japanese workmanship and were often too expensive for an individual taxi operator.

The concession on duty for the DCMs and similar vehicles expires at the end of the year.

An added incentive to ease the plight of travellers occurred when Zambia introduced Value Added Tax last July. Bus fares were among the exempt items, giving bus owners no excuse for raising fares.

A bus operator who makes two trips a day between the Copperbelt, in a 30-seater minibus, earns close to R1 200. Each passenger pays R20 one way. A tank of fuel for each leg costs R104.

The added efficiency has meant increased competition, and those not used to it are hankering for the "good old days" of control, with all its negative implications.

The Transport Association believes these traditional forces prevailed on police recently to ban small minibuses from covering long distance routes.

Others claim politics also played a part.

"Political heavyweights who have bought old buses from the liquidated UBZ have found they cannot compete," said one operator.

But a ban would lead to a shortage of efficient transport which the smaller vehicles provide.

"It will then force people to board trucks which are more prone to accidents," said businessman Andrew Banda.

But meanwhile, Zambian operators are smiling. – Independent Foreign Service.

Kaunda may be deported from Zambia as alien

MG 20-26/10/95 (360)

Joe Chilaizya in Lusaka

WHEN Reverend David Kaunda walked from Nyasaland to the Northern Rhodesian district of Chinsali, he had no idea of the effect his trip would have on the life of his son, Kenneth, born shortly after.

Little Kenneth grew to be a political firebrand and, when Northern Rhodesia became independent under the name of Zambia, he emerged as the country' first president and remained its head of state for 27 years.

Now Kaunda faces possible deportation after the government said this week that he had ruled the country illegally because he was not a Zambian.

In the latest twist in the increasingly bitter battle between President Frederick Chiluba and the former leader, Home Affairs Minister Chitalu Sampa said Kaunda, 71, could be deported for allegedly ruling Zambia illegally from independence in 1964 until 1970 when he renounced his Malawian citizenship.

Kaunda: The alien ex-president

"The government is satisfied the former president is not a Zambian and necessary work is being done to see that the law is applied ... We are still investigating and shall accordingly deal with him just like any other alien," Sampa told reporters.

Kaunda's humiliating electoral defeat in 1991 had prompted him to retire from active politics. However, late last year, he announced his political comeback. Since then, Chiluba has been fighting hard to have him declared a foreigner even though Chiluba himself has not conclusively disproved a claim that he was born in the Belgian Congo (now Zaire).

Constitutional amendments proposed by Chiluba in a white paper would allow only candidates born in Zambia to at least third-generation Zambian parents to run for president at elections due in 1996.

"This is a stupid law because no one in Zambia qualifies in that case," says constitutional lawyer Roger Chongwe. Technically, he says, Zambia only came into existence on October 24, 1964 — the day it became independent and its name was changed from Northern Rhodesia. "Therefore, the only real Zambians we have are those born on or after that date."

"Neither Chiluba, Kaunda nor anyone who will be of presidential age in 1996 qualifies. The only people who come close to qualifying are 31 years of age, but even they do not have third-generation Zambian parents. So Zambia will in effect have no president next year because of this stupid law which was directed at barring one person (Kaunda) from standing as president," Chongwe said.

The ultranationalism of Zambia's government has already claimed other victims. Opposition politicians William Banda and John Chinula were deported to Malawi early this year as part of orchestrations by the ruling Movement for Multiparty Democracy (MMD) to get rid of vocal opposition leaders.

The Malawian High Court declared in March that the two were not Malawians and ordered their repatriation.

Even members of the Chiluba camp could be affected by the proposed constitutional amendment, according to Banda. He said in a recent telephone interview that a number of Zambian cabinet ministers were actually of Malawian origin. — *IPS*

● Armed paramilitary police were deployed in Lusaka as tension mounted following reports that the government planned to arrest and deport Kaunda. Police dispersed Kaunda supporters trying to march on the police headquarters, where he had been expected to report. Kaunda's United National Independence Party warned that continued harassment of him by the ruling MMD was a recipe for violence.

Zambia stops Kaunda probe

CT 20/10/95 (360)

LUSAKA: The Zambian government has dropped its investigation into whether former president Dr Kenneth Kaunda ruled the country illegally as a Malawian for six years.

State radio quoted Home Affairs Minister Mr Chitalu Sampa as saying yesterday that he had told police to halt their investigation into Dr Kaunda.

Police had been due to question him after the government accused him of ruling the country illegally as an alien from independence in 1964 until he took out Zambian citizenship in 1970.

Dr Kaunda's opposition United National Independence Party (Unip) confirmed Mr Sampa's decision, saying: "We were told late this morning by the police ... that they have rescinded the decision to interview Dr Kaunda."

INVESTIGATION HALTED: Former president Dr Kenneth Kaunda

Police were on the alert in case of trouble after an erroneous report circulated on Wednesday that he had been arrested.

The government's accusations were the latest twist in an increasingly bitter confrontation between Dr Kaunda and President Frederick Chiluba, who won power in 1991 in the country's first democratic elections in two decades.

Dr Kaunda, 71, came out of retirement in July to regain control of Unip and plans to challenge Mr Chiluba in general elections due by next October.

Unip central committee member Mr Mike Kalia said: "The government changed its mind because of the expected reaction from our cadres who were ready to demonstrate support for their leader." — Reuter.

Investors losing confidence in Zambia, say analysts

(360

BD 25/10/95

LUSAKA — Tension between Zambian President Frederick Chiluba's party and former president Kenneth Kaunda was eroding investor confidence as the country marked 31 years of independence yesterday, political analysts and diplomats said.

They said foreign donors were disappointed by the failure of Chiluba's government to deliver on its manifesto for economic and political liberalisation.

"We are in the wilderness," said Zambia Research Foundation chairman Robert Sichinga. "The picture has become very clouded and unproductive. This government lacks credibility."

A diplomat from a donor country said there had been deviations and slippages in implementing the professed policies of Chiluba's Movement for Multi-Party Democracy.

"We feel betrayed because the manifesto was some form of contract between the party and donors," the diplomat said.

"We agreed to support this social experiment on that basis."

The analysts said poor government management was to blame for a 5,4% shrinkage in the economy last year. After achieving some stability in the past two years, the government was forced this year to introduce new taxes to close a 94-billion kwacha ($100m) budget deficit which led to suspension of its programme with the IMF.

Western donors are threatening to cut bilateral balance of payments support unless the government addresses concerns ranging from voter registration to constitutional provisions and perceptions that it has failed to separate its identity from that of the party. Donors have objected to the appointment of an Israeli company to update the voter register in readiness for the general elections next year at a cost of $18m and have expressed disquiet at the the ruling party's feud with Kaunda.

"There is potential for civil unrest in this country unless the government learns to handle Kaunda sensibly," a diplomat said.

"We are reaching the most important watershed as we move towards 1996 and there is a genuine desire among donors not to see Zambia go down the slope like Kenya. Greed among individuals could stop Zambia from becoming a democratic state."

Analysts said the government was neglecting issues like economic growth while concentrating on ensuring the political survival of individuals.

They gave the ruling party credit for moves to liberalise the economy by privatising big chunks of state enterprise, but said party policy in sectors like mining, agriculture, tourism, trade and industry was inadequate.

Unemployment and inflation have become the opposition's main campaign weapon against the governing party.

Kaunda has promised to reintroduce subsidies and stop the privatisation programme.

A typical Zambian earns 75 000 kwacha ($80) a month before tax, spends 30 000 kwacha ($30) on renting a two-room house and a similar amount on transport, leaving little else.

This year is seen by many as crucial for Zambia, in 1964 one of the continent's richest countries, where resources are concerned.

"This year will be a disaster because Zambia is heavily dependent on huge debt relief and balance-of-payments support, and I do not see any hope any longer with the present government under Chiluba," a Western diplomat said.

"There are a lot of indications that he just does not care." — Reuter.

Zambians in upr

upraor

(360) ARG, 28/10/95

Shops torched, riot police called in to quell violence as children disappear

ARG 2

■ Zambia's tourism capital has been rocked by anti-Asian violence in the wake of the disappearance of some of the town's children.

Weekend Argus
Foreign Service

LIVINGSTONE. — Residents of Zambia's tourism capital, outraged at the disappearance of seven children in three weeks, torched more than 50 Asian-owned shops.

The violence erupted when four suspects, all indigenous Zambians, led police to a popular furnishing shop alleging that the owner had sent them to capture the children.

Riot police battled almost the whole morning with angry residents who burnt cars, damaged and looted shops and beat up any person of Asian origin.

Crowds from almost every residential area poured into the town's centre to vent their anger. Limited numbers of police could not cope with the situation. They fired teargas, but to no avail.

This is the second racial incident this year in Zambia's drought-ravaged Southern Province. Earlier this year, residents ran amok in Mazabuka — southwest of Lusaka — when a businessman of Asian origin was implicated in a similar case.

Police Chief Brian Mantanyani confirmed that in the last month a total of seven children between the ages of five and 15 had been kidnapped and never heard of or seen again.

The children are reported to be dumped after having organs such as their hearts and kidneys removed, which are believed to be used for some charms.

A mother who lost her son in this way, Patricia Ndopu, said her child went missing at about 10am. He had been playing outside his home. She believed the six-year-old boy, Phlanun, could have been enticed with some sweets or food.

□ **HIRED AGAIN:** Shoji Yokoyama, lawyer for Aum doomsday cult leader Shoko Asahara, talks to journalists after Mr Asahara rehired him as his lawyer. He was fired on Wednesday on the eve of the trial.

Race across the Antarctic sparks rivalry

LONDON. — A Briton and a Norwegian renew their countries' old rivalry in the Antarctic next month, each trying to become the first to walk across the frozen continent.

Briton Roger Mear, 45, begins his trek on November 1. His rival, 33-year-old Borge Ousland, sets out a few days later.

Mear expects to take 100 days to walk from the Weddell Sea across the South Pole to Ross Island, dragging a 200kg sledge.

He will use a giant kite to drag him one tenth of the 2 700km journey but will otherwise be unaided.

Rival Ousland and Erling Kagge beat a British team to the North Pole on skis five years ago.

Further back in history, the Norwegian Amundsen beat Britain's Robert Scott to the South Pole in 1912. — Reuter.

Air France's struggle to leave Sydney

SYDNEY. — The last scheduled Air France flight out of Australia was stranded with some of its passengers here after a union imposed a sudden ban on the jet in protest against French nuclear testing in the Pacific.

The Transport Workers Union told the airline it had banned refuelling and baggage handling for 24 hours.

No previous warning had been given.

Flight 143, bound for Paris with 200 passengers, was the last by Air France, which decided earlier this year to axe its trans-Asia flights from Sydney to Paris as an economic measure.

It was the second Air France jet stranded by union action here this month.

The French Embassy said it "most vigorously condemns this action, which can only be compared to an act of piracy". — Sapa-AFP.

Arab League: NY mayor put on blacklist

ABU DHABI. — Arab states have blacklisted the mayor of New York for expelling Palestinian leader Yasser Arafat from a concert this week, the United Arab Emirates semi-official daily al-Ittihad reported yesterday.

Arafat, chairman of the Palestinian Authority, had asked Arab League secretary general Esmat Abdel Meguid to urge the League's 22 members to bar the entry of New York mayor Rudolph Giuliani.

"The Arab League secretariat has decided to put the mayor of New York on the blacklist in the Arab world and consider him as *persona non grata* who is banned from entering all Arab countries," the paper said in a front-page report from Cairo, where the Arab League is based.

Mr Giuliani had made it clear last week that Arafat and Cuban president Fidel Castro were not welcome at the concert. — Sapa-AFP.

Kaunda to the rescue

(360) Sowetan 2/11/95

Former Zambian president Kenneth Kaunda speaks exclusively to Political Correspondent **Rafiq Rohan** about the political decline in his country.

IF ANYONE IS CRYING for his beloved country, it is the former president of the troubled Zambia, Kenneth Kaunda. He bemoans the fact that his country under President Frederick Chiluba has descended to the lowest depths of corruption.

On his relationship with South Africa and the role it could play in Zambia, Kaunda said a lot could be learnt from the examples of unity achieved in this country.

"Zambia is so badly disunited today, and I say we need a government of national unity as a starting point to reconcile the country. What we are doing in Zambia today is fighting a second liberation from neo-colonialists who are very ugly in thought, word and deed."

Describing his relationship with President Nelson Mandela as "excellent", he said there were no debts to be settled because of the role Zambia played in the liberation struggle in this country.

Supporting the South African, Mozambican, Angolan and Zimbabwean struggles were a responsibility incumbent upon an independent Zambia, he said.

"In 1961 my party resolved that when we became independent, we would make Zambia the headquarters of liberation movements. Zambia's rebirth would have been meaningless without the liberation of our neighbours.

"We helped on the principle that God says man is made in His image whether you are black, yellow, white, Zulu or Xhosa. From that foundation we always believed that no one has the right to sit on someone's neck and oppress them.

"That's why we fought and did what we did. Nobody owes us anything. We do not expect anything in return from South Africa, Zimbabwe, Angola or Mozambique."

If there was a debt to be repaid, what he wanted was to see Africa uniting in the same way that Europe was, to stop Western countries "exploiting this continent".

Staging an aggressive political comeback to try to retrieve Zambia from the hands of "thieves and the corrupt", Kaunda is angry that all that was achieved during his administration has been undone by Chiluba.

Kaunda is now returning from retirement and his role as international peacemaker to try and win back his presidential title.

"We have a government that doesn't know if it is coming or going, and this has brought about a lot of instability in the nation. They have destroyed our greatest resources, agriculture and the economy. The people are very hungry and hungry people are very angry people."

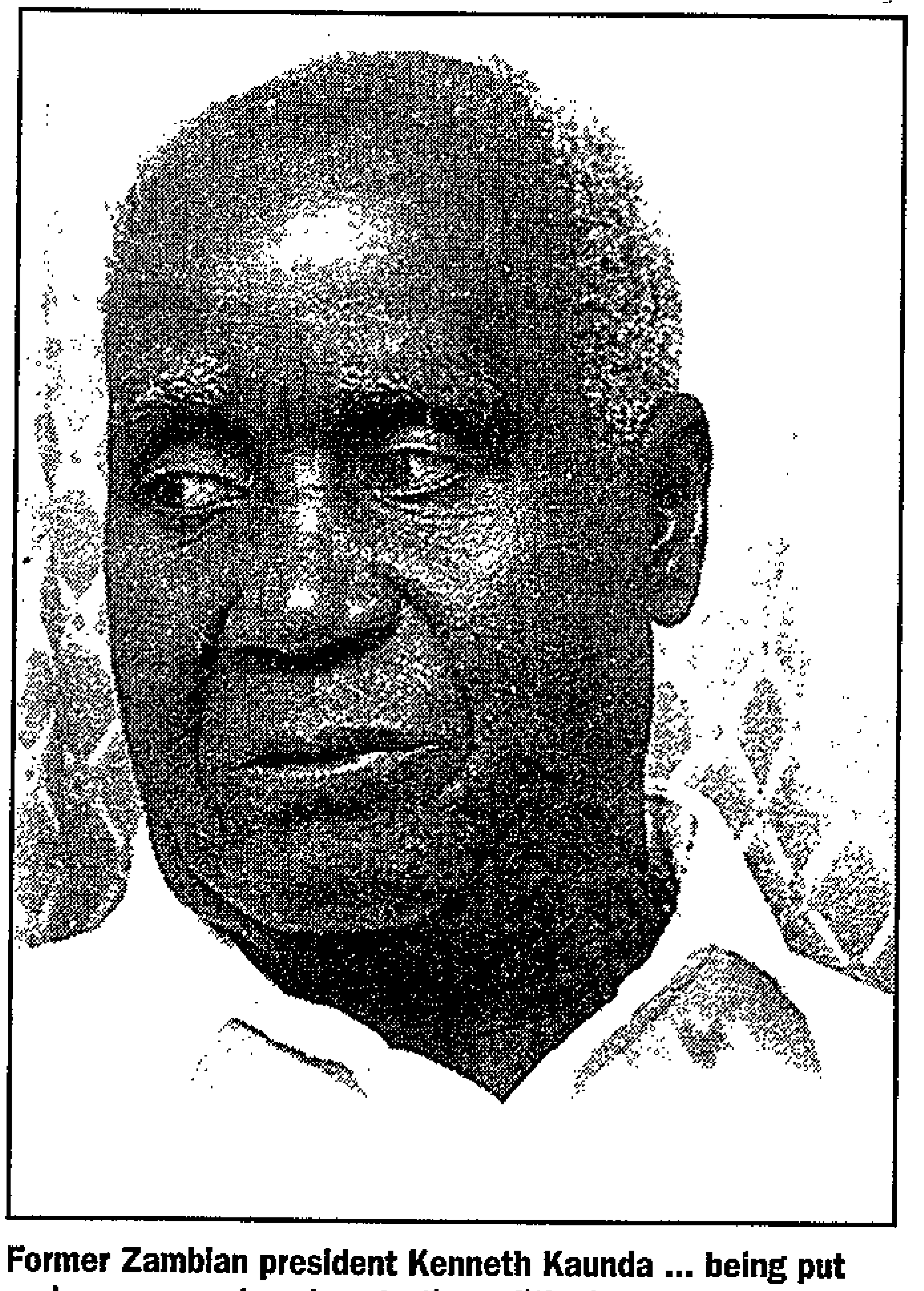
One of his achievements, he said, was to create jobs on a large scale: "We left 360 000 jobs in place but in the last four years 220 000 have been lost."

Kaunda said that he thought his retirement was permanent but, because of pressure placed on him by people unhappy with the government and from opposition political parties, he agreed to return to the political arena.

Unhappiness with the Chiluba government has also extended to foreign country donors, who have expressed concern at corruption and drug trafficking among senior officials.

Drug trafficking, Kaunda said, has become one of the biggest problems in Zambia: "We have become the Colombia of Africa because highly placed people are involved in drug-dealing.

"A senior government official resigned recently making the serious allegation that the president himself smokes *dagga*. The government took no steps to clear the president's name after such serious allegations were made."



Former Zambian president Kenneth Kaunda ... being put under pressure to return to the political arena.

Rumours also abound, he said, that the first lady was caught trying to smuggle drugs into the country.

Looking back at what has been happening in Zambia in recent years, Kaunda expressed concern at how far away from his "One Zambia, one nation" slogan the country has drifted.

"Industry and agriculture have collapsed totally because the vision has changed from benefits to the people to benefits to a few ministers and their families."

When he retired from politics, he started the Kaunda Peace Foundation "to help bring peace to troubled areas in the world".

"Last year some of the leaders of smaller political parties came to see me and said I am making peace in Africa yet my own country needs help. Paramount chiefs also came to see me and demanded, 'Your own country is on fire while you make peace elsewhere'."

He was thus pressured to return to politics, he said. Now he believed his duty was towards his own people and to rid the country of the corruption that has become a hallmark of the current government.

Sitting poised and self-assured, and sporting his trademark white handkerchief in a hotel room in Sandton, he decried the fact that Zambians are "so far from being a free people".

About his career, he said one of the highlights was to have been in South Africa last year to monitor the elections on his birthday.

Among the highlights, he first listed the independence of Zambia, then the independence of South Africa, Angola, Mozambique and Zimbabwe.

How does he want to be remembered? "I served God, my creator, to the best of my ability. I tried to be honest and truthful in all I said and did."

Asian shops reopen after govt ultimatum

Hindus appeal for fairness and offer help to the families of 'muti' murder victims after Indian trader is arrested

Star 9/11/95 (360)

BY JEALOUS BWALYA
Star Foreign Service
Livingstone

The trouble-torn Zambian town of Livingstone yesterday came back to life when almost all the shops belonging to Asian businessmen that were looted and burned down recently, reopened after an ultimatum by Home Affairs Minister Chitalu Sampa.

Police sent paramilitary reinforcements in troop carriers to patrol townships and the town centre after rioting sparked off by the arrest of an Asian businessman for the "muti" murders of children.

Meanwhile, the town's Hindu Association reacted to the saga by releasing a statement in which they condemned the killing of children and pledged to help the bereaved families in any way they could.

Association chairman Manu Bhukhans and secretary Harshad Barbhoo, also a town councillor, said the Hindu community condemned in the strongest terms the abominable act, but that the public should not judge the entire Asian community of about 800 because of a mistake made by one or two people.

"We mourn with the bereaved families and we are willing to assist in any way possible.

"The Indian community were aggrieved by the event in Livingstone because almost all of them were born and brought up there and consider it their only home," the statement added.

Water crisis threatens two major African cities

(360) (360)

□ UN predicts problem widespread in 30 years

ARG 27/11/95

HARARE. — Acute water shortages threaten two of southern Africa's main industrial centres, the Zambian copper-belt city of Ndola, and Bulawayo in neighboring Zimbabwe, with both being forced to introduce rationing.

In Bulawayo, Zimbabwe's second largest city, industries have been allotted only three-quarters of their average water use.

"This amount is not enough for running industry," said a spokesman for the Matabeleland Chamber of Industries.

The scarcity has forced at least one company, a towelling manufacturer, to relocate 50 percent of its operations across the border, to Francistown in Botswana.

Only two firms, the meat processing Cold Storage Company and Bulawayo Abbatoirs, have been exempted from the tight water restrictions.

The rest, including the leather, textile, food and beverage industries — the backbone of the city's industrial sector — have been denied concessions by local authorities.

"The situation is serious, but there is no panic yet," said Eric Bloch, an economist and a leading water campaigner for the city and its 600 000 population.

Similarly in Ndola, the heart of Zambia's copper, textile and engineering industries, some firms have not had water supplies for the past three weeks. While there is talk of forced closures, others are considering moving out.

Zambia Telecommunications, the country's sole telecommunications company, confirmed it was shifting its head office from Ndola to the capital Lusaka, 360 km south.

Town clerk Emmanuel Chenda fears Zamtel's move may be followed by other companies in the city of about 800 000 people.

"We may witness the death of a city in the very near future if the situation persists," he said.

The two cities are victims of a decade of poor rains. Ndola and Bulawayo are in difficulty now, but cities in Botswana, Namibia and South Africa will face water shortages within 30 years, the United Nations Development Programme predicts.

Bulawayo's woes however are not related only to the climate, Ndebele politicians from the area claim. Ethnic politics also plays a role, they say, and as a minority group they are neglected in development plans by a Shona-dominated government.

In 1983 Mr Bloch, himself from Bulawayo, stunned delegates at a Harare water conference when he said: "Nothing will be done until 3 million Shonas, or the president, are relocated to Bulawayo."

The Shona, President Robert Mugabe's ethnic group, make up 80 percent of Zimbabwe's 10,4 million people.

For years Bulawayo has pinned its faith on a long-proposed 450 km pipeline to tap the waters of the Zambezi River to the north. Activist Arnold Payne and many a Bulawayo resident accuse the government of misplaced priorities by refusing to allocate funds for the project.

To emphasise his point, Mr Payne pushed a wheelbarrow with an empty water drum from Bulawayo to Harare in September to coincide with the high-profile All-Africa Games, and then left it parked outside the parliament building.

Dismissing the criticism, Minister of Lands and Water Resources Kumbirai Kangai said funds had not been allocated for the proposed pipeline because a feasibility study to determine its cost had not been completed.

Kenneth Small of the Matabeleland Zambezi Water Trust is working on plans for the pipeline and dam system for urban, industrial, mining and agricultural usage.

The present water resources system for Bulawayo is primarily based on five dams 50 km to 80 km south-east of the city. The catchment areas for the dams is small, ranging from 36 sq km to 1 600 sq km, and is now insufficient.

"This system performed well during the period of good rains through the latter part of the 1970s," Mr Small said. "However, it has proved inadequate to the growing water requirement of the city with the coming of the dry years from 1983."

Mr Small said there had been no new major water supply built for Bulawayo in the past 20 years, except a pipeline for tapping one of the dams in emergency. — Sapa-IPS.

Zambian banks not headed for closure

BD 5/12/95 (360)

LUSAKA — Zambia's central bank yesterday denied reports that more banks were headed for closure in the turbulent financial sector in which three banks have collapsed over the past six months.

"At the moment there is absolutely no indication that any banks are about to close," central bank governor Jacob Mwanza said.

"That, however, does not mean that no bank can ever collapse."

Mwanza blamed media reports for a depositor's run on three banks that collapsed between May and November.

The Chronicle — an independent weekly — reported last week that more banks were headed for collapse.

"Some of the banks they mention as headed for closure are the strongest banks in the country," Mwanza said.

Three banks — Meridien Bank Zambia, Africa Commercial Bank and Commerce Bank collapsed following months of liquidity problems aggravated by a depositors run on them. Zambia now has 17 banks, most of them small indigenous institutions. — Reuter.

Zambian president fights claim he's alien

Z (360) Star 6/12/95

Lusaka – Zambian president Fredrick Chiluba yesterday sent a busload of government and foreign journalists to Zaire to check media reports that he was born there and was thus ruling Zambia illegally.

Chiluba's move comes in the wake of opposition calls for his impeachment after the daily Post newspaper reported last week that it had unearthed the president's birth certificate at Zaire's Chisambo mission hospital in Shaba province.

Chiluba, said by State House sources to have been enraged by the report and to have begun prayer and fasting over the issue, was originally supposed to accompany the journalists to challenge the Zaire authorities.

The Post said it had a duplicate birth certificate from the hospital and could prove that Chiluba's parents came from Zaire.

Officially there have been conflicting statements on the Zambian leader's birthplace, with some saying he was born of a Zambian miner in the Copperbelt town of Kitwe and others saying he was born in a village called Musangu in the northern Luapula province.

The story questioning Chiluba's identity broke early this year when a Zairean man known as Luka Chabala claimed he was the president's father.

Chiluba and his known relatives vehemently denied they knew the man, but the opposition called for DNA tests to check Chabala's claim.

"If it means mass demonstrations, even civil disobedience, we will do it," said Inyambo Yeta, vice-president of the main opposition United National Independence Party.

"Chiluba has violated the oath of office and the constitution because when he came to power he swore he was a Zambian." – Sapa-AFP.

Zambian copper firm loses $7m

(360)

ZAMBIA Consolidated Copper Mines, in which Anglo American has an indirect stake, suffered a 7,3-billion kwacha net loss for the three months to September against 5-billion kwacha profit for the same period last year.

Copper production fell 20 468 tons to 73 625 tons amid numerous operational problems which hit tonnage and grade constraints at Nchanga Open Pit.

The average sales realisation on copper, at 2,65-million kwacha/ton for the quarter was 69% higher than that of the 1994 quarter, due to improved selling prices and the depreciation of the Zambian currency.

Higher copper and cobalt prices and the kwacha's devaluation lifted total sales 77% to 397,36-billion kwacha ($418,3m). — Reuter.

BD 7/12/95

ZAMBIA (360) FM 8/12/95

Crunch month

Four crucial meetings in the first three weeks of this month will dictate economic and, to some degree, political initiatives in Zambia during 1996.

At the first, Anglo American Corp executives and Zambian officials will ponder the future of State-owned Zambia Consolidated Copper Mines, particularly the proposed US$600m Konkola copper mine.

Mindful of parliamentary and presidential elections scheduled for October 1996, Lusaka has been dragging its heels over the mine's privatisation.

Former president Kenneth Kaunda — who, after 27 years in office during which he came close to destroying the Zambian economy — has taken to the hustings to plead for a return to the past. Re-elected leader of the United National Independence Party that ruled Zambia from 1964-1991, Kaunda will challenge incumbent president Frederick Chiluba.

Both business and donors are aghast at the possibility of Kaunda's resurrection, though few expect him to win. At best, conventional wisdom says, his party might win a third of the votes, leaving Chiluba's Movement for Multi-Party Democracy in office for the rest of the decade to finish the reforms it started in 1992.

By Christmas, Chiluba expects to have privatised about 100 of the 217 State-owned businesses scheduled to be sold or closed. A number of big names have returned — or arrived — as a result of privatisation. They include Unilever, H J Heinz of the US, Tate

& Lyle, SA Breweries and Shoprite-Checkers.

But there has been little progress on Zambia Consolidated Copper Mines, despite the fast-approaching deadline for closure of the Nchanga mine, which supplies the Copper Belt's ore requirements.

When Nchanga closes in six years' time, the mines will have no ore supply unless a new mine — Konkola — is developed immediately. Anglo, with its 27% stake in Zambia Consolidated Copper Mines, along with pre-emptive rights, is the pivotal private-sector player both in its privatisation and the development of Konkola.

The Zambian government has long been keen to keep the two issues separate, but it's clear that, whatever formula is finally recommended by its advisers (Rothschild's Merchant Bank and UK corporate lawyers Clifford Chance), the two projects will be closely integrated.

For the government, the best option appears to be an announcement soon on developing Konkola, which would be a vote-winner for Chiluba and with the privatisation decision delayed until after the poll.

There are two major snags. First, such a manoeuvre is unlikely to spike Kaunda's guns. He will still claim the family silver is up for sale to the wicked Western capitalists, spearheaded by the old enemy (Anglo), whom he displaced by nationalising the mines 25 years ago, and also that many miners can expect to lose their jobs — as indeed they will, whatever happens.

The second drawback is the position of the donors, who will dominate the three other crucial meetings this month.

The first is an International Monetary Fund meeting at which Lusaka hopes to finally conclude its "rights accumulation programme," whereby $1,2bn in arrears is converted into an "enhanced structural adjustment facility loan" at 0,5%, instead of the 8% currently being paid. The rights accumulation programme should have been concluded in March, but the Zambians failed to meet agreed targets and the process has dragged on.

With all parties anxious to conclude a deal before the Paris Club meets to consider Zambia's request for $1,5bn of debt cancellation, the hope is that the programme will be finalised soon.

Assuming all goes well, the next stage is the Paris Club meeting of official creditors — at which Zambia hopes to see its debt burden reduced substantially. This will be followed by a donor consultative group meeting next week, also in Paris, at which donors are likely to pledge up to $800m in new aid for 1996.

A number of things could go awry at these four meetings. The donors are far from impressed with Chiluba's administration, with many accusations of corruption.

The recent award of the 1996 electoral registration contract to an Israeli company (one that did a poor job in Zimbabwe) that will cost $18m — after US multinational Polaroid put in a $4,3m tender — is a particularly sore point among the donors.

And government's efforts to have Kaunda disqualified from contesting the elections due to doubts over when he became a Zambian citizen (he was born in Malawi) infuriated donors.

Chiluba will come under intense pressure in Paris to clean up his administration's act in the field of governance, as well as maintaining a tight fiscal and monetary stance and accelerating privatisation. A recent donor meeting in Lusaka to discuss aid to agriculture ended without any new pledges from the aid community, pointing to tough negotiations in Paris.

The economy continues to deteriorate. After a 5% fall in real GDP last year, output is expected to decline another 3% in 1995. Good rains will make a difference in 1996, but with copper output running at half its peak levels of the early Seventies, the road to economic recovery will be long and hard.

That Kaunda is the wrong man for the job goes without saying, but whether Chiluba has the stomach — and the ability — to turn the economy around is increasingly problematical. ■

Failed banks tie up Zambian funds

BD 29/12/95 (360)

LUSAKA — Zambia's emerging stock market would struggle to trade for the foreseeable future due to a growing crisis in the banking sector, analysts said yesterday.

They said several key players were unable to participate in Lusaka Stock Exchange trades because their money was tied up in four collapsed financial institutions.

A Rothmans of Pall Mall Zambia public offer, which closed on December 7, was grossly undersubscribed because the pension schemes and other institutions expected to have participated had their money tied up.

Six institutional investors took up just 9,86-million of the 30,24-million shares available, representing 33% of the stock on offer.

Comapred with this, 20 institutions participated in an offer by Chilanga Cement earlier this year, picking up 74% of the total.

"We would have expected the institutional investors to take up a similar chunk of the offer in Rothmans, but their money is tied up in the fallen banks," said Nduba Namoonde, director of stockbroker Finance Securities Ltd.

Securities and Exchange Commission chief executive Mumba Kapumpa said that a knock-on effect on stock exchange activity from the collapse of the banks was inevitable.

"The problem is that there is not much liquidity in this country. When so many banks collapse, it is bound to affect the rest of the market."

Four financial institutions — Meridien BIAO Bank Zambia Ltd, Commerce Bank, Africa Commercial Bank and Co-operative Bank — collapsed between May and November this year.

Their failure leaves 16 banks in the country, down from 20 at the beginning of the year.

Several other financial institutions are dogged by liquidity problems precipitated by a partial run that the central bank says was caused by alarmist newspaper reports.

But the stock exchange still has high hopes for the future — pinned on the planned 1996 listing of "B" shares in Zambia Consolidated Copper Mines.

These shares are already traded in London and Paris.

The giant copper miner, although facing declining production, remains the economic engine of the country, bringing in over 85% of Zambia's hard currency earnings. — Reuter.

Zambian copper mines to start survival plan

BD 29/12/95 (360)

LUSAKA — Zambia Consolidated Copper Mines (ZCCM) would in the new year embark on a World Bank-tailored survival plan amid forecasts that copper production could fall further in the current financial year, CE Edward Shamutete said.

Shamutete said in a Christmas message published in the Mining Mirror, a ZCCM periodical, that the plan revolved around recommendations from a World Bank Technical Review Mission that appraised the company's operations in November.

"The action plan entails development and implementation of strategies to arrest the company's deteriorating cash flow position arising from the decline in production," Shamutete said.

The plan, details of which would be announced in January, was expected to run until March 31 1997. It would not affect jobs and benefits.

ZCCM failed to meet its production forecast of 423 000 tons of finished copper in the 1994-95 financial year to end-March, producing only 350 000 tons. Cobalt production, at 2 480 tons, was markedly lower than the company's projection of 3 300 tons.

The mining conglomerate forecast a finished copper production of 390 020 tons in the 1995/96 financial year, but that may not be realised either, Shamutete said.

"Production has been on the decline and it is possible that it could drop to below 310 000 tons ... by the end of March 1996," he said.

Early this month, the Consultative Group meeting on Zambia admonished the Frederick Chiluba government to effect speedy reforms to salvage the ailing mining conglomerate.

ZCCM is one of about 150 state run companies earmarked for privatisation under ongoing economic reforms. — Reuter.

ZAMBIA — GENERAL

1996

JANUARY — JULY

Talks on $600m Konkola project

Anglo may start mining in Zambia again

(360) BD 3/1/96

Madden Cole

ANGLO American could be poised to play a prominent role on the Zambian copper belt again for the first time since the mines were nationalised nearly 30 years ago.

Foreign newspapers reported yesterday that Anglo was discussing a $600m development of the Konkola Deep copper project with the Zambian government. Anglo spokesman Charmaine Russell described reports that a deal was imminent as speculation, but said Anglo was involved in discussions with the Zambian government.

The Zambian government said in January last year that the Konkola project, owned by nationalised Zambia Consolidated Copper Mines, would be a private sector-driven joint venture with the nationalised ZCCM having a minority shareholding.

Anglo had previously indicated it would consider taking a greater interest in ZCCM. It has held a 27,3% stake in the copper group since its nationalisation, through its 50,6%-owned Zambia Copper Investments (ZCI).

London media reports said Anglo had proposed to waive its pre-emption right on the Zambian government's 60% shareholding in ZCCM in return for a chance to develop Konkola. In October ZCI had written $42,6m off the value of its investment in ZCCM.

In his latest annual report, Anglo chairman Julian Ogilvie Thompson said privatisation was an antecedent to the development of Konkola Deep.

In March the Zambian government reaffirmed its intention to privatise ZCCM within two years. It was agreed that government and Anglo would carry out a financial and technical due diligence study of ZCCM, at the same time completing a feasibility study of Konkola. Earlier, the World Bank had suggested Zambia encourage private investors to buy stakes in an unbundled ZCCM.

London media reports said Gencor and British corporation, RTZ, among others, could become involved in the project. Gencor business development CEO Bobby Jurd confirmed last night that Gencor's interest in acquiring a stake in ZCCM remained unchanged.

"We would like to contribute to the further development of the copper industry in Zambia and Konkola is important to the future of ZCCM."

Market sources were not confident of a speedy solution to the issue. Frankel Pollak analyst Trevor Pearton said there had been a long debate on the project but he did not expect a quick resolution. "But in time some arrangement would be worked out."

A mining source said the deal was

Continued on Page 2

ZCCM

(360)

Continued from Page 1

BD 3/1/96

the key to the Zambian copper industry's future. "If it does not take place ZCCM goes phut, then the copper belt goes phut and then Zambia goes phut. So I am sure there has been some World Bank prompting for the country to restructure the copper industry."

Reuter reports industry sources said Zambia could formally ask Anglo to prepare a feasibility study and lead a consortium to develop Konkola in the next few weeks.

The Anglo-led consortium is expected to take a majority stake in the new Konkola project, with the government holding a minority.

ZCCM failed to meet its production target of 423 000 tons of finished copper in the 1994/95 financial year to end-March, producing only 350 000 tons. CE Edward Shamutete warned last week that output could fall further in 1995/96 to below 310 000 tons.

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January 6 199

THE REAL CHILUBA

Zambia's darling should fear the opposition adopting his own tactics to unseat him

Star 6/1/96 3(360)

By SAMU ZULU

Frederick Chiluba, who was sworn in as Zambia's second president on November 2 1991, is my long-standing friend.

It would be no exaggeration to add that, until 1990, when he officially became leader of the democratic forces which toppled former president Kenneth Kaunda in the October 1991 elections, Chiluba regarded me as his closest political ally.

Although he spent most of his 17-year tenure as chairman of the Zambia Congress of Trade Unions, before the elections, in the company of then secretary-general Newstead Zimba, now his labour minister, the relationship that developed between them was nothing more than professional camaraderie.

Although his cabinet is said to be a sanctuary for drug traffickers, no Zambian can beat him at presidential level

"You are his bosom friend ... I don't know him that well," Zimba admitted in 1984.

When, in 1991, I declined to be Chiluba's press adviser, Zimba lamented: "You have disappointed your friend."

Far from it. Chiluba remains the cherished crony he was in the 1960s when we frequently met, hobnobbed and discussed Zambia's future at Benson Kazembe's Highlife Bar in Chifubu township, Ndola.

In those good old days of my total devotion to journalism I did what will transpire in this article: praised Chiluba when he deserved it and castigated him if he went astray. After all, nobody is infallible.

However, even after a severe chastisement I was always free to darken the door of Chiluba's Ndola home and demand tea from his wife.

During a secret meeting in the late 1980s to discuss undermining Zambia's abhorrent one-party state, Chiluba agreed to be my chief campaigner if I stood as a member of parliament in Chifubu, near Masala, or in any of his copperbelt strongholds.

Although I have not rubbed shoulders with my old pal since 81% of the Zambian electorate swept him into the presidency – and in spite of the fact that I do not belong to his or any other party – I still know the "real" Chiluba better than many political analysts.

We wrote to each other even when I went to Canterbury University in New Zealand in 1979.

In spite of the hullabaloo surrounding the despicable behaviour of Chiluba's son, Castro, rumours that Chiluba has an illegitimate daughter, and although his cabinet is said to be a sanctuary for drug traffickers, there is no Zambian who can beat Chiluba at presidential level.

Says Dorothy Musangu, who was his Movement for Multiparty Democracy's first woman activist in Kafue: "Chiluba is the darling of Zambian politics, in good books with most, if not all, the 72 tribes in this country. He will win this year's election."

When former vice-president Levy Mwanawasa tried to oust Chiluba at last month's MMD convention, he was not only booed but managed to scrape up only 69 votes against Chiluba's 1 087.

Of course Kaunda (71), who is no longer a walkover, has made a political reappearance.

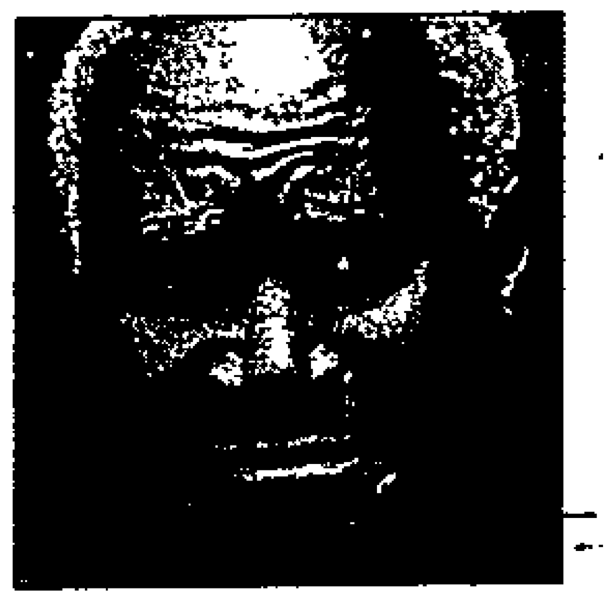
He still leads the United National Independence Party (Unip), Zambia's largest opposition group.

While his press adviser, University of Zambia lecturer Muhabi Lungu, has predicted Chiluba's defeat at the polls this year, nothing could be further from the truth.

Chiluba is being strengthened by the failure of the opposition parties and independent newspapers to prove his father is Zairean Luka Chabala Kafupi.

Kafupi's claim that he is Chiluba's father is arrant nonsense. Chiluba is a Zambian through and through, born to Jacob Titus Chiluba Nkonde and Diana Kaimba on April 30 1943.

Journalists dispatched to Zaire's Chisambo mission hospi-



KENNETH KAUNDA: The former president continues to attract big crowds to his rallies

tal proved that the birth certificate published in The Post newspaper was a fraud.

Ironically, the smear campaign bolstered Chiluba's clout.

Said James Kumwenda, a roving taxidermist who shuttles between Chipata on the Malawi border and Kitwe in Zambia: "We won't buy these tabloids anymore because they tell lies."

It should, however, be mentioned that MMD cadres should not have assaulted Post editor Masauso Phiri, his wife and his reporter, George Jambwa.

Chiluba, who is "sick and tired of these false accusations", would also be well advised not to carry out his threats to punish Phiri's newspaper.

Zambia would be dead without constant disclosures from independent newspapers, essential to ensure democracy.

In the most recent attack, Chiluba was accused by Rueben Musendeka, a classmate at Zambia's Johnston Falls school in Mambilima in 1960, of forging a Form 2 certificate.

This cannot be proved unless the president agrees to waive his immunity and appear in court.

"If you (his accusers) are sure that there is someone who lost a certificate, why can't you publish it and go to court and show it?" Chiluba retorted last month. "I don't have to sit in a class to have a certificate."

If propaganda, slander and other forms of skulduggery have failed to dethrone Chiluba, what can? Will he rule for ever? Is he really unconquerable?

The answer lies in the formula used against Kaunda in 1991. Without doubt, the unification of all opposition parties into a single entity would do to Chiluba what Kenyans failed to do to President Daniel arap Moi in their recent election.

Chiluba is aware of this danger, hence his tacit reference to it at the MMD's convention last month.

"The MMD in 1991 had no opposition to talk about, but the situation is going to be different (in this year's election). If our party does not become strong, the good offices, cars and houses some of you occupy will go to another party," he said.

Besides Kaunda, who continues to attract big crowds at his rallies, political heavyweights such as Chiluba's former legal minister Roger Chongwe, former land minister Chuulu Kalima, former Lusaka MP Ralph Shenton, former Unip secretary-general Humphrey Mulemba, and Northern Province politicians Dean Mung'omba (Chiluba's former right-hand man) and Derrick Chitala are capable of forming an opposition force to be reckoned with.

The question is whether Mung'omba's Zambia Democratic Congress Party will agree to play second fiddle to Unip, or vice versa. Herein lies Chiluba's hope of survival.

However, opposition parties have another equally powerful weapon.

In spite of the abundance of goods in the liberalised economy, their unsubsidised prices have

Everybody in the topsy-turvy world of African politics knows how easy it is to subvert a hungry voter

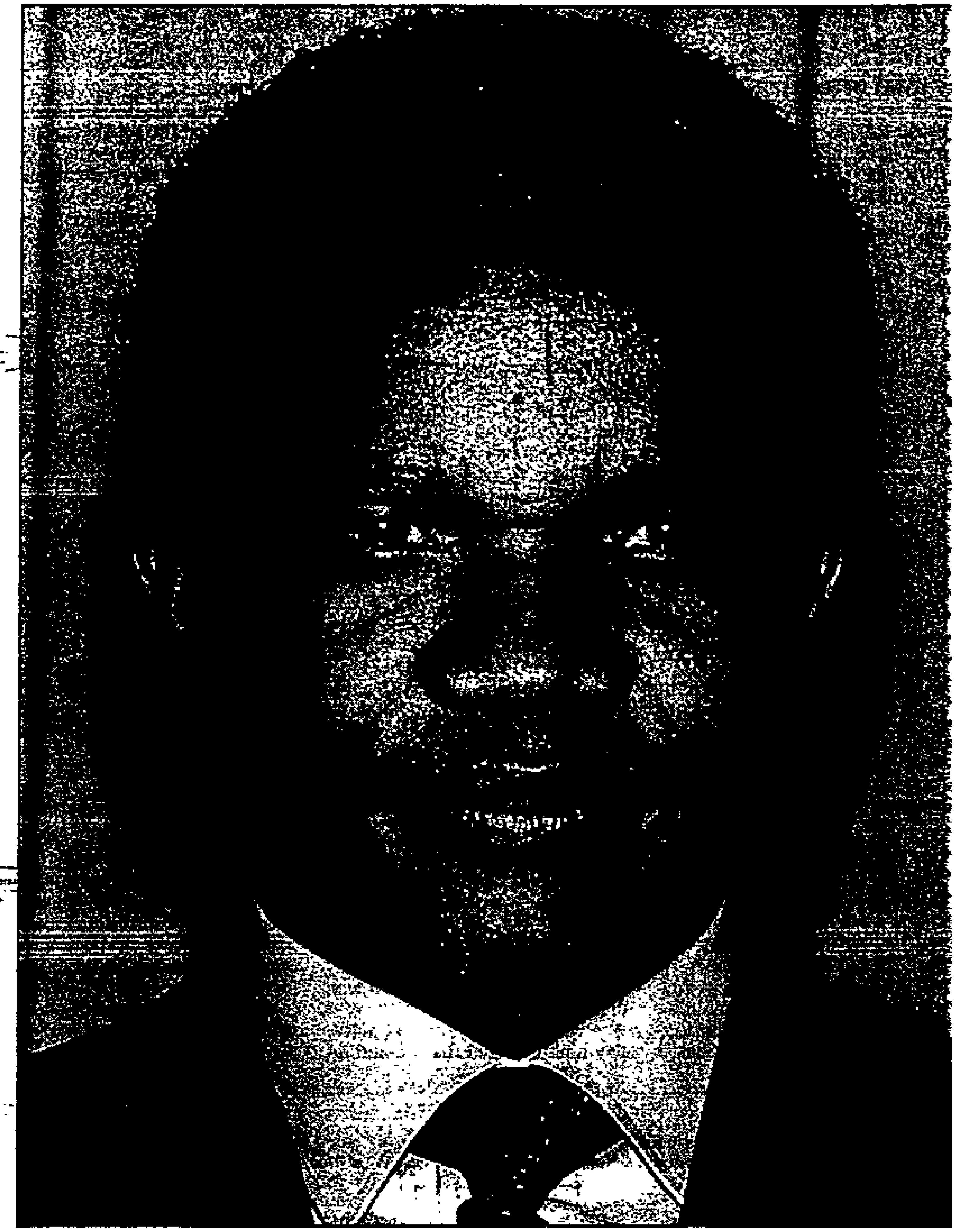
oscillated so much that the ordinary plebeian regards them as totally unaffordable.

This is the exact opposite of the equally daunting problems of the Kaunda era, when many people had money in their pockets but nothing to buy.

To put it succinctly, Zambians are as starved today as they were four years ago.

Everybody who is anybody in the topsy-turvy world of African politics knows how easy it is to subvert the mind of a hungry voter.

It is up to the opposition parties to sharpen their knives in this direction ... as Chiluba's MMD did against Kaunda.



CHERISHED CRONY: Former trade unionist President Frederick Chiluba is said to be in the good book of most – if not all – of Zambia's 72 tribes

Anglo gets green light in Zambia

(360)

FROM REUTER

CT (BR) 11/1/96

Lusaka — Anglo American and Zambia Consolidated Copper Mines have signed a letter of intent giving Anglo permission to develop the Konkola deep copper mine, a Western diplomatic source said yesterday.

However, the diplomat said no firm decision had been made on the fate of the rest of the copper mining company. He said President Frederick Chiluba had told ambassadors last month of the signing, confirming recent British press reports of the letter's existence.

Zambia was expected to ask Anglo to prepare a feasibility study and lead a consortium to develop the new mine. Anglo officials were not immediately available for comment yesterday.

Anglo has a 27,3 percent stake in the state-controlled mining company, the cornerstone of the Zambian economy. The group has been negotiating with Chiluba's reformist government on the restructuring and privatisation of the country's copper industry for the past year.

The $600 million Konkola project is viewed as central to the restructuring and privatisation process as the reserves at Zambia's main Nchanga open pit are likely to run out by the end of the century.

The company failed to meet its production target of 423 000 tons of finished copper in the 1994-1995 financial year, producing only 350 000 tons. Chief executive, Edward Shamutete warned recently that output could fall further in 1995-1996 to less than 310 000 tons.

Anglo called in on huge copper deal that could rescue Zambia's economy

(360)
ARG 13/1/96

LUSAKA. — Zambia has called in South African mining giant Anglo American on a huge copper deal which could rescue the country's struggling economy, Finance Minister Ronald Penza said.

"We have just signed a letter of understanding between the government of Zambia and Anglo American asking them to lead a consortium to develop the Konkola Deep mine," Mr Penza said.

Konkola, with reserves of 380 million tons, represents the future of the Zambian copper industry, the cornerstone of the country's economy.

Zambia's main Nchanga copper mine is expected to run out of reserves by the end of the century and the country desperately needs an estimated $600 million (about R2,1 billion) to bring the new mine on-stream.

Discussions will start in London next week on the best way to proceed with the development of Konkola. Zambia has appointed merchant bank N M Rothschild to negotiate on its behalf.

The move to call in private capital represents an historic change of course for Zambia, a quarter of a century after the copper mines were nationalised by founding president Kenneth Kaunda.

Other investors likely to take a stake include Japanese trading giants Mitsui and Mitsubishi, the International Finance Corp and Commonwealth Development Corp, Mr Penza said.

The government also plans to privatise other facilities within the state-run Zambia Consolidated Copper Mines Company (ZCCM), such as the Nchanga, Chambeshi, Nklana and Konkola North mines.

ZCCM accounts for 90 percent of the country's foreign earnings. But poor management and under-investment have almost bankrupted the company.

It failed to meet its production target of 423 000 tons of finished copper in the year to the end of March, producing only 350 000 tons. And it said recently that output could fall further in 1995/96 to below 310 000 tons.

Mr Penza said his government's free-market policies were starting to pay dividends and he predicted the economy would grow by six percent in fiscal 1996/97 to March 31 — helped by good rains — after shrinking five percent this year.

The minister, who presents the 1996/97 budget to parliament on January 26, also said he expected the annualised inflation rate to drop to 10 percent in December this year from 45 percent in December 1995.

The drought that had persisted in southern Africa for several years, slashing the 1995 harvest, had led to a drop in agricultural output of more than 19 percent.

But Mr Penza said he was optimistic for the coming year, in spite of economic hardship faced by many of the country's 8,7 million people as economic reforms bite home and an external debt burden of $6,2 billion.

"In 1996 the increase in new business and the changes within the manufacturing industry, coupled with good rains, make the prospects for both non-traditional exports and agriculture quite good," he said. — Reuter.

Anglo takes charge of Zambian copper mine

ANGLO AMERICAN is to lead a consortium to develop Zambia's Konkola Deep copper mine, says Ronald Penza, Zambia's Minister of Finance.

"We have just signed a letter of understanding between the government of Zambia and Anglo American requesting them to lead a consortium to develop the Konkola Deep mine," said Mr Penza on Friday.

"Discussions will start in London next week on how to achieve the joint venture."

Konkola is the main asset in the state-controlled Zambia Consolidated Copper Mines — Zambia's largest earner of foreign exchange.

Zambia had appointed merchant bank N M Rothschild to undertake negotiations on its behalf, added Mr Penza.

He said the government planned to privatise other mines such as Nchanga, Chambeshi, Nklana and Konkola North.

Mr Penza said the amount needed to develop Konkola had yet to be quantified, although sources have put the figure at about $600-million.

Asked which other concerns would participate in the venture, Mr Penza said: "Broadly defined, people in association with us. People like Mitsui, Mitsubishi, the International Finance Corporation, the Commonwealth Development Corporation and people owed money by ZCCM.

"What is due to them from ZCCM will be transferred through equity in the new company."

ZCCM's B shares, representing the non-government minority shareholding of 40,7%, will be listed on the Lusaka Stock Exchange on January 24. This includes the 27,3% stake held by Anglo.

The Konkola Deep project is central to ZCCM's restructuring since the reserves at Zambia's main Nchanga open pit are likely to run out by the end of the century.

ZCCM failed to meet its production target of 423 000 tons in the 1994/95 financial year to end-March, producing only 350 000 tons. Output this year could fall further to below 310 000 tons.

An Anglo American spokesman in Johannesburg confirmed the Konkola deal. — *Reuter.*

(360) ST(BT) 14/1/96

Privatisation takes another leap forward in Zambia

FROM REUTER CT (BR) 18/11/96 (360)

Lusaka — The Zambia privatisation agency is selling a state-run enterprise that manufactures compressed concrete sleepers for railway lines.

A spokesman for the agency said Zambia Concrete had a contract to manufacture concrete sleepers for the rehabilitation of 1 000km of the state-run railway line.

"Zambia Concrete has a captive market in compressed concrete sleepers, namely Zambia Railways, which has an annual requirement of 84 000 sleepers. Additional demand for sleepers will come from Tanzania Zambia Railway Authority as the railway line ages," the spokesman said.

The company should also see demand from the building and construction industry, he said.

Compressed concrete sleepers account for 95 percent of the company's total output, with the balance consisting of products for industry.

Zambian producers call for scrapping of tax exemption on imports

360

Ndola — Zambian manufacturers are pushing for the scrapping of tax exemption on imports destined for government use.

They claim government procurement officers have raked in millions of dollars a year through bribes from foreign suppliers.

In a bid to pressurise Finance Minister Ronald Penza to level the playing fields when he presents his budget later this month, the Zambia Manufacturers' Association has warned of redundancies and closures, a move the politicians would not welcome because of elections due to be held in October this year.

The association said there should be no exemption from duty on any goods coming into Zambia.

"Once the government pays the duty, this will end corruption in the government procurement department, as it will not be cheaper for them to import.

"It is well-known that any government buyer can get a 10 percent kickback from foreign suppliers," an association spokesman said.

Zambian manufacturers say that removing all exemptions on import duty would also discourage smugglers, who at present claim to be importing goods for the government, when the goods are in fact destined for the smuggler's use.

Zambia's manufacturing industry recently complained of the unfair competition created by imported goods but the government countered this by saying the manufacturers needed to be more efficient and competitive.

Government incentives given to new investors were meant to broaden the scope of investment in the country, which has remained static for years because of complacency among local businessmen.

The government has called for a session of parliament this week to present the budget for this year by the end of January.

The association warned the government to follow their fiscal plans for this year and not deviate from them as they did last year, which rendered the association's projections useless. — Independent Foreign Service

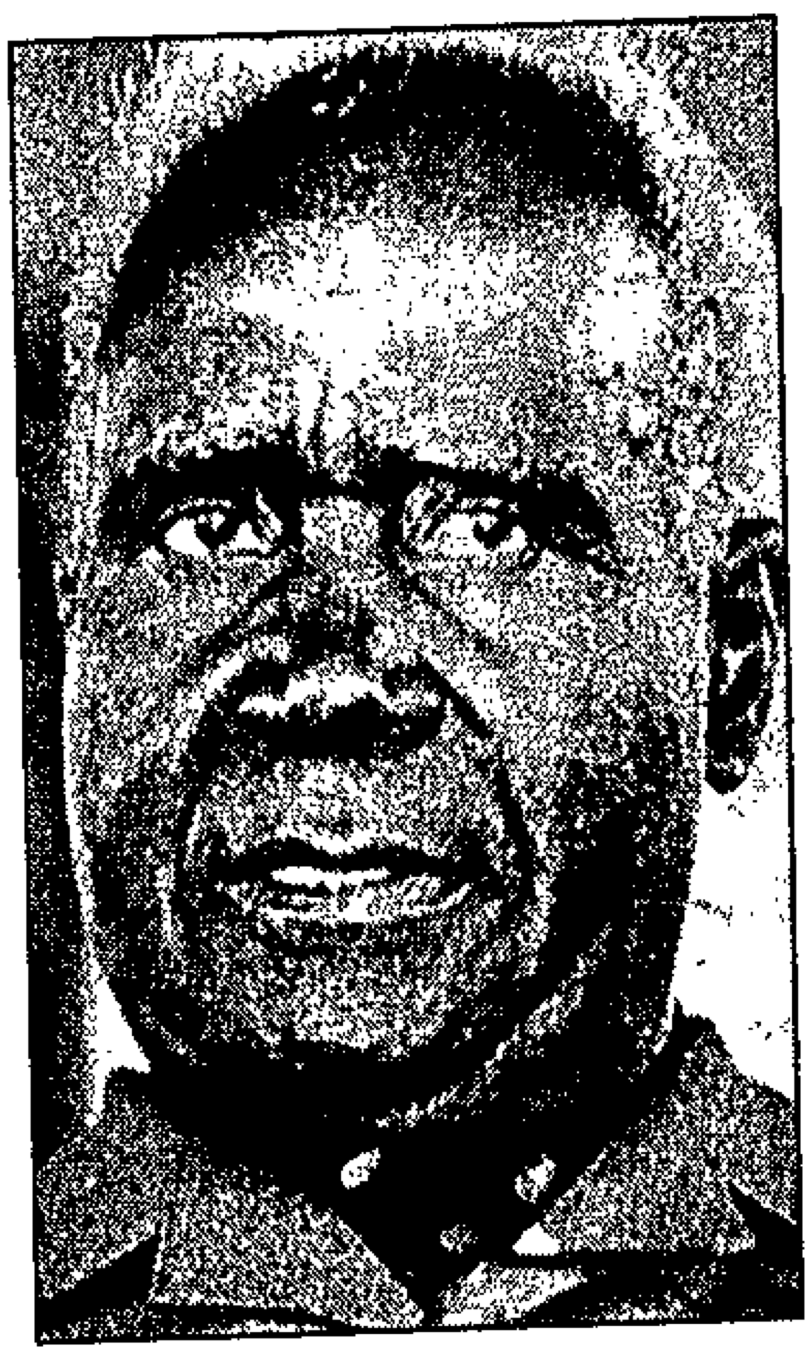
CT (BR) 19/1/96

Kaunda set to return as Zambia struggles on

(360) CT 29/1/96

IN 1991 Zambia became the first country in anglophone Africa to respond to the new winds of change that began sweeping across tropical Africa, fanned by reports of the spectacular developments that had just taken place in eastern Europe and in South Africa. "We want change," became a popular slogan in many parts of Africa: it expressed exactly what many Zambians were thinking.

Since independence in 1964 Zambia had been dominated by the United National Independence Party (UNIP) founded by Kenneth Kaunda in 1959. In 1972 Zambia was constitutionally made a one-party state and the regime became increasingly authoritarian.



KENNETH KAUNDA: Currently on the comeback trail, he is tipped for a possible return to power.

The 1970s brought Zambia mounting difficulties. In part these derived from its exposed position as a "front-line" state in the struggle with white-ruled Rhodesia and South Africa, but a deeper more fundamental cause of malaise derived from the way Zambia had developed under colonial rule.

The colonial period had brought spectacular success in one line of development – the expansion of copper-mining. The mines became magnets attracting people from all over the country; so there grew up along the line of mines a cluster of urban communities enjoying living standards far higher than those of the rural areas.

Had the copper industry continued to expand, it might have produced the wealth needed to bring widening prosperity to the whole country. But the end of the Vietnam war led to a sharp fall in the price of copper which pro-

won all 19 seats in the Eastern Province but was overwhelmed elsewhere. Shortly afterwards Kaunda gave up his leadership of UNIP and talked of retiring from politics.

Within a couple of years disillusionment with the new government had set in. It was not without some successes: much greater freedom allowed to the media, an imaginative "food for work" scheme which saved many lives during the drought of 1992, inflation reduced from over 400% in 1990 to 30% in 1994.

But in the townships the high price of food and a tough cutback in social services caused bitter resentment. Per capita income was lower than it had been in 1964 and 85% of Zambians were estimated to be living below the poverty line. At the same time the government was criticised by its creditors for failing to be vigorous enough in privatising the many inefficient parastatals and in cutting back the bloated civil service.

Tensions too began to emerge within the MMD. In part they were due to ethnic differences. President Chiluba surrounded himself with fellow Bemba. In 1992 some Lozi members of the government broke away and set up their own National Party. The MMD was further discomforted by allegations of ministerial involvement in drug-dealing.

"Grass-roots opposition politics has come alive again," *Africa Confidential* reported from Zambia in February 1994, "and human rights groups are mushrooming". In August the same well-informed periodical wrote of President Chiluba as looking more and state in the struggle with white-ruled Rhodesia and South Africa, but a deeper more fundamental cause of malaise derived from the way Zambia had developed under colonial rule.

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Had the copper industry continued to expand, it might have produced the wealth needed to bring widening prosperity to the whole country. But the end of the Vietnam war led to a sharp fall in the price of copper which provided over 90% of Zambia's exports. So, even more than other African states, Zambia plunged deeper and deeper into debt.

Overseas creditors then demanded as the price for continued aid that the government reduce its expenditure – and this at a time of worsening social conditions. In 1989 unemployment on the copper-belt was put at 70% and there were alarming signs of widespread malnutrition – a situation which became still worse when the government was forced to remove subsidies on essential foodstuffs.

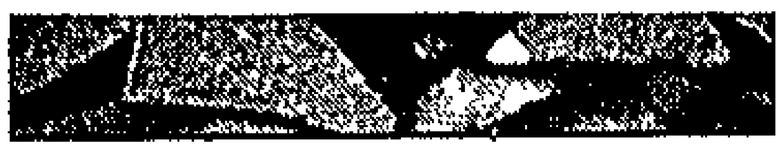
So alarmed did the MMD ministers become at Kaunda's re-emergence, they concocted a plot to deport him to Malawi on the grounds that, as his parents were born in Malawi, he was not a true Zambian citizen.

In June 1990 an announcement that the price of mealie meal was to be doubled provoked riots in Lusaka in which 27 people were killed. There was mounting evidence of Kaunda's deep unpopularity. In the new atmosphere of political re-awakening, a very disparate group came together to form the Movement for Multi-party Democracy (MMD).

It was a hotch-potch of a political party, its membership including businessmen and trades unionists, clergy and academics, with a number of politicians who had broken away from UNIP. They elected a Bemba, Frederick Chiluba, the country's most prominent trade unionist, as their leader.

The MMD had no clear ideology: how could it when it represented such a mix of freemarketeers, social democrats and old marxists? Its aim was simply to get rid of a corrupt and inefficient old regime and gain power.

Gain power it did – and very decisively in the elections which Kaunda very reluctantly conceded should take place in October 1991. Of the 150 seats in the National Assembly the MMD won 125 with 75% of the vote. UNIP



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"Grass-roots opposition politics has come alive again," *Africa Confidential* reported from Zambia in February 1994, "and human rights groups are mushrooming". In August the same well-informed periodical wrote of President Chiluba as looking more and more like "a beleaguered leader presiding over faltering economic reforms and a squabbling party".

At this point Kaunda, "Super Ken" to his supporters, decided to return to politics. He had been approached by a delegation of opposition politicians. "Old man," they said to him (Kaunda is 71), "things are not going well. Why don't you come back?"

In June, Kaunda was re-elected leader of UNIP and set out on a four-month tour of the country.

"What I found was devastating," he said in a recent interview (Guardian, December 15, 1995). "I have never witnessed such poverty. It was terrifying. Agriculture is dead."

He blamed the government for introducing privatised buying agencies for agricultural produce.

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But faced with demonstrations in Lusaka and protests by Presidents Mandela and Mugabe, the government was forced to abandon this Machiavellian tactic.

Elections are due to take place before October 1996. No one party seems likely to gain an absolute majority. Kaunda may well become president again but will he or any conceivable leader ever be able effectively to tackle Zambia's basic problems?

Perhaps the answer lies in an entirely new approach to politics, laying stress on community action at the local level and gradually reducing the role of a government that has so often shown itself to be incompetent and corrupt.

CT (BR) 2/2/96

Zambia looks at impact of SA water plan

FROM SAPA-DPA (360)

Lusaka — The Zambian government was studying the environmental effect of South Africa's plan to tap water from the Zambezi river for Gauteng, its water-starved industrial heartland.

William Harrington and Edith Nawakwi, the minister of the environment and the minister of energy and water development, confirmed in Lusaka yesterday that the Zambian government was evaluating an environmental impact study being carried out.

"The government is expected to come up with a stand on the issue because it is crucial," Harrington said.

South Africa is plagued by an erratic water supply in its industrial heartland and wants to draw water from the river.

South Africa does not belong to the Zambezi River Authority. Maximum support would be sought from the Zambian and Zimbabwean governments, which share the river as a common border, if the project were implemented.

New cobalt deposit found in Zambia

ET (BR) 13/2/96 (360)

By Ross Herbert

Cape Town — Caledonia Mining Corporation, a Canadian group, has made a significant cobalt discovery in Zambia.

The company said at an international mining conference last week that it had found "significant and unique" deposits of cobalt and copper in its 180km² exploration property near Konkola on the northern boundary of the Zambian copper belt.

The company drilled 29 test holes which produced average values of 0,12 percent cobalt and 0,17 percent copper.

Preliminary estimates pointed to less than 0,02 percent cobalt using chemical bleaching extraction.

The company did not put a value on the find but said "at current economics the average grade of 0,12 percent cobalt is equivalent to 6,3 grams a ton of gold or roughly 3,3 percent copper". The cobalt areas are thought to extend about 14km².

Drilling will start next month after the end of the rainy season.

Namibian Copper Joint Venture also announced that it had begun a feasibility study in detailed mine planning for the Haib copper mine in Namibia.

The mine, near the juncture of the Haib and Orange Rivers on the South African border, claims 303 million tons of 0,41 percent copper ore and 978 million tons of 0,19 percent copper ore.

The company is owned by Namibian Copper Mines and Great Fitzroy Mines of Australia.

Plans estimate a 25-year mine life, with production beginning in July 1998.

The company said the better-grade ore would be extracted by an electric cathode process, with lower grades treated with chemical bleaching. The mine would produce 85 000 tons of cathode copper a year, making it the world's fifth-largest cathode copper producer.

Zambia's miners worry about privatisation

(360) CT (BR) 20/2/96

BY MWAMBU WANENDEYA

Lusaka — Robert Pambwe is a supervisor in the Nchanga open-pit mine in the Zambian copper belt. His job is to ensure that the extraction of the copper ore from the open pit is done as efficiently and safely as possible with the ageing machinery the mine uses.

He earns less than $90 a month after tax and other deductions, but he is far from the bottom rung on the salary scale.

Proposed privatisation plans have made him as anxious about his future as many of the other 50 000 workers in the Zambian Consolidated Copper Mines (ZCCM).

For more than 50 years, copper has been the lifeline of Zambia, accounting for up to 70 percent of its foreign exchange earnings.

Now, a quarter of a century after copper production in Zambia was brought under state control, the government has announced plans to privatise the industry and has contracted the British merchant bank Rothschilds and lawyers Clifford Chance to oversee the process.

Many of the workers in ZCCM fear they will lose their jobs when the company is sold off. When workers like Robert Pambwe signed up with the company it was a job for life, with subsidised housing and education being included in a generous package.

But lack of investment and poor management has led to a decline in the amount of copper produced from an annual peak of 700 000 tons in the late 1970s and early 1980s to 300 000 tons now. The drop in production and the fall in the copper price has meant that ZCCM can no longer afford to pay many of its workers a living wage.

The Zambian government said it is determined to sell its stake in ZCCM, but with elections due later this year and privatisation likely to result in a large number of redundancies, the political will to carry out the sale could be challenged.

The government of President Chiluba, a veteran trade unionist, is already facing an uneasy stand-off with the unions over the rise in the price of maize meal, the country's staple food.

Vendors said the price of maize meal has been rising continuously over the past year. Last week the government announced the third price increase this year.

But it is not only the elections that have made the government drag its feet over the impending sale of its copper interests. The ZCCM directly owns hospitals, houses, schools, soccer and rugby clubs in the northern copper belt. Private companies are unlikely to buy non-profitable schools and clubs, and no decision has been made what to do with these amenities.

Anglo American, which owns 27 percent of ZCCM, has not yet revealed its cards on the proposed sale of the copper industry.

This too has led to some uncertainty, with a senior government minister accusing Anglo of lobbying to speed up the privatisation while refusing to provide fresh capital to enable ZCCM to operate efficiently.

"I object to the vendetta being waged against the ZCCM management," a senior government minister said. But he said that he did not expect privatisation to reverse the process under which almost all management positions have been filled by Zambian citizens.

The government has not made its position clear and union leaders have demanded that the government's policy on the impending sale be made public.

Earlier this week, the leader of the Mine Workers Union of Zambia, Ernest Mutale, demanded that ZCCM be sold as a single entity.

He said this was the only method that would be consistent with the union's desire to make the company more cost effective without large disruptions to the workers' lives that would result if the company was split up.

Risk

But the union's wish to have the company sold as one unit is unlikely to be fulfilled because few investors would want to risk the large sums of money involved.

It would cost up to $1 billion to open the new Konkola deep mine. With such large sums at stake, potential investors in ZCCM are warily eyeing the electoral prospects of former president, Kenneth Kaunda, who nationalised the copper mines.

Kaunda, who had been written off as a political force after his defeat in multiparty elections in 1991, ruled Zambia for 27 years. Last year he bounced back, retaking the leadership of the political party that he had founded and led. His chances of becoming president again are no longer dismissed as a joke.

While politicians and investors weigh up the prospects of making money from the sale of ZCCM, the mood of the electorate is variable.

Many of the younger miners hope that privatisation will come soon and increase their salaries, if they keep their jobs. Older miners, however, fear that their employment will be terminated by the new owners. — Independent Foreign Service

Zambians miss good old bad days

(360) BD 28/2/96

LUSAKA — Ronald Penza is finance minister in a government elected by the millions of Zambians tired of one-party rule. Now, four years after that election, he is arguably the most vilified member of President Frederick Chiluba's cabinet.

Penza's unpopularity stems from the zeal with which he has pursued a World Bank/IMF-driven adjustment programme that has left thousands jobless since Chiluba's government launched it soon after winning the October 1991 election, the country's first multiparty poll since 1968.

Elections are due again this year and, if the ruling Movement for Multiparty Democracy loses, the main reason is likely to be its Enhanced Structural Adjustment Facility, which it touts as the path towards economic well-being.

Penza believes that, with the facility, he has paved the way after 27 years of socialist-style economics under ex-president Kenneth Kaunda, which reduced a potentially rich country to ruin.

But, under the facility, the Chiluba government has scrapped food subsidies, causing prices to soar beyond what most of the 9-million Zambians can afford.

So far about 72 000 of the 750 000 people working for the state — the biggest employer in Zambia — have been laid off since 1991, while job losses in the private sector have been put at about 60 000.

Against a backdrop of galloping unemployment, collapsing industries and job losses, people here are hungry, angry and even willing to give a second chance to Kaunda. They fondly remember the days when the poor could get mealie meal almost free of charge using subsidised coupons. They also recall the free education and medical services Kaunda's government provided. Under Chiluba, all that has disappeared and now they even have to pay a storage fee to keep their dead in morgues.

Those who have lost their jobs as a result of the liquidation last year of state companies such as Zambia Airways and the United Bus Company of Zambia have fallen on hard times. Zambia Airways employees, used to years of luxury working for a prestigious monopoly airline, were left to fend for themselves before they eventually received their payoffs.

Their bus company counterparts were paid only 200 kwacha when their company was liquidated in January 1995. Last Friday, former workers staged a march in protest against government neglect, but were denied an audience by the vice-president, Brig-Gen Godfrey Miyanda.

Students at the University of Zambia in Lusaka and the Copperbelt University in Kitwe last Wednesday went on protest marches for higher meal allowances.

Penza was put out by the demonstrations. "Where do these people think I am going to get the money?" he asked.

This year, the finance minister presented a 1,16-trillion kwacha budget to parliament. Most of the money is expected to be provided by donors who want Chiluba's government to cut its spending, mainly by halving its bloated workforce of 750 000 in five years. These reforms have been on the agenda at every Paris Club consultation.

While the donors are no longer willing to fund a huge public service, public servants recently won a 75% pay rise from the country's industrial relations court.

Penza said the court was overzealous and ill-informed, described its ruling as "irresponsible" and refused to heed it. He now faces a charge of contempt of court for his remarks, made on national radio.

However, government back-peddled on his refusal and accepted the court's ruling. Chiluba added insult to injury, from Penza's standpoint, when he granted the university students' wish and increased the daily meal allowance to 3 000 kwacha. Where the money will come from is Penza's problem. Now high school students want their meal allowances increased and headed to State House on Friday to register their demand.

The increases come at an awkward time for Penza. He is due for a Paris Club meeting next month, where he may ask for more money and a rescheduling of the country's debts. According to last month's World Bank Bulletin, donors will be reluctant to consider lending more to Zambia if their demands, especially the public service cut, are not properly addressed. — Sapa-IPS.

Pay strike paralyses Zambian civil service

Lusaka – The Zambian government remained at a standstill yesterday as a nationwide strike by civil servants and public service workers entered its second day.

The Civil Servants' Union of Zambia called for an indefinite strike on Monday to press their demand for a 45% salary increase instead of the 11,5% that has been awarded.

The industrial relations court, to which the CSUZ appealed for a pay rise last year, awarded the 45% hike to the workers, who earn an average monthly salary of 70 000 Zambian kwacha (about R265).

Labour and Social Security Minister Newstead Zimba on Tuesday declared the strike illegal and urged the workers to go back to work or risk being fired.

CSUZ general secretary Japhet Moonde yesterday accused the government of deliberately provoking the strike so that it could fire workers to avoid paying them redundancy benefits as it implements civil service reforms.

The union represents 120 000 civil servants and public workers. – Sapa-AFP. (360)

Star 29/2/96

Muzzling the media watchdogs

(360) M+G 1-7/3/96

As elections in Zambia and Zimbabwe draw nearer, independent newspapers are under pressure to stem their criticism of the two Southern African governments, report **Stefaans Brümmer, Brian Latham** and **Andrew Meldrum**

THE leading independent newspapers in Zimbabwe and Zambia — which will both hold elections this year — are under pressure to silence their criticism of government and ruling party.

Should the newspapers, Zimbabwe's weekly *Financial Gazette* and Zambia's *The Post*, succumb to pressure, the governments of both countries will go virtually unchallenged in the media.

The *Financial Gazette*, facing collapse under financial and government pressure, has been ordered by its publisher to cut "political" reporting. And two editors and a columnist of *The Post* were in hiding this week after the latest government action against the paper, this time under anachronistic legislation empowering Parliament to sentence dissenters for "contempt".

For years, Zimbabwe's President Robert Mugabe has slated the *Financial Gazette* as an opposition mouthpiece and "pink press", a play on the colour of paper it uses. Despite its title — and newsprint colour — the *Gazette* has for years been Zimbabwe's foremost independent political paper.

But last week Elias Rusike, proprietor and chief executive of Modus, the company which owns the *Financial Gazette*, ruled that the paper should go light on politics, telling staffers to concentrate on policies, not personalities — particularly that of the president. The popular "Muckraker" column was also scrapped.

Earlier in February the publisher suspended editor Trevor Ncube for a month after he published a Reuters story which claimed that Mugabe had instructed his pilots to "jump the queue", ahead of South African President Nelson Mandela's plane, at Maseru Airport. Last week senior journalist Iden Wetherell, who is also a correspondent for the *M&G*, resigned, citing proprietorial interference.

Wetherell wrote to Rusike that Ncube's suspension was undeserved, and implied that Rusike had bowed to the will of Mugabe, saying: "Proprietors who bend to the will of politicians and party propagandists instead of defending their right to freedom of expression are unlikely to command respect at any level. Please convey that message to the other shareholders if they are proposing to remain in the newspaper business."

But the message is unlikely to have much effect. Modus sources say Rusike's determination to stand by his reporters' stories dwindled after he spent the weekend in police cells last May, locked up with Ncube after the *Financial Gazette* ran a lead story on Mugabe's "secret" second marriage.

When the *People's Voice*, the ruling Zanu-PF party tabloid, compared *Financial Gazette* reporters to modern-day Selous Scouts out to "poison the minds of the people", Rusike called a board meeting where he changed the paper's political direction.

Despite that, Mugabe's government has stepped up its campaign against the paper. Though the *Financial Gazette* is profitable, the state Zimbank has refused to reschedule its debts. Two front-page stories in the state-owned *Herald* newspaper have predicted the collapse of the *Financial Gazette* by June. The articles are seen as warnings to the business community to refuse assistance to the paper.

Rusike has seen his newspapers crumble in the face of government opposition. The *Daily Gazette*, which exposed corruption scandals, folded last year and the *Sunday Gazette* closed last month. The papers were widely read but advertisers shied away for fear of governmental disapproval. Rusike sought financial backers, but South Africa's Times Media Ltd, withdrew when the government blocked it from buying more than 25% of the publishing house.

Thus the silencing of the *Financial Gazette* will leave Mugabe and his government virtually unchallenged since the remaining media are either state-owned or party-owned. Coverage of the presidential race amounts to slavish reporting of Mugabe's speeches, while only the most scanty coverage is granted to opposition candidates Bishop Abel Muzorewa and the Reverend Ndabaningi Sithole.

Meanwhile, *The Post's* editor-in-chief, Fred M'membe, managing editor Bright Mwape and columnist Lucy Sichone are in hiding to avoid arrest for being "in contempt" of Parliament.

Paramilitary police visited the journalists' homes this week after they failed to appear last Friday before Parliament's Standing Orders Committee, which appears to have the power to impose sentences of up to 12 months, with or without hard labour.

The Media Institute of Southern Africa (Misa) said the journalists were "maintaining a low profile" as lawyers prepared papers challenging the action against them.

The contempt charges followed articles published by *The Post* critical of an attack in Parliament by Vice-President Godfrey Miyanda on supreme court judges who had ruled earlier that sections of the Public Order Act, which requires politicians to get police permission for rallies, are unconstitutional. The Public Order Act has been used, among others, against former president Kenneth Kaunda, who is on the come-back trail and wants to contest elections against President Frederick Chiluba and his ruling Movement for Multi-Party Democracy (MMD) later this year.

Last Wednesday Parliament's speaker found the trio guilty of contempt when Miyanda complained about the articles, and referred the matter to the orders committee for sentencing under the National Assembly Powers and Privileges Act, which Misa says originated in colonial times to stop blacks from contesting the utterances of MPs.

The Post said last Friday it had been informed that the committee had already decided on a four-month sentence.

M'membe, Mwape and co-editor Matsautso Phiri are already facing charges of illegally possessing copies of their own newspaper (an edition that had been banned) and under the Official Secrets Act (after *The Post* revealed what it said was the authorities' secret plan to push through the country's disputed new Constitution).

Two Zambian journalists jailed

(360) CT 5/3/96

LUSAKA: Two Zambian journalists from the independent Post newspaper have been jailed after giving themselves up to police who had sought them for more than a week, their lawyer said yesterday.

The Post's managing director, Fred M'membe, jailed with editor-in-chief Bright Mwape, were handed an indefinite prison sentence by the speaker of parliament, Mr Robison Nabulyato, after they were convicted of contempt for defaming the parliament.

"The two were taken to prison this morning after they gave themselves up at parliament," Post lawyer Mr Robert Simeza confirmed.

A columnist who was sentenced with them, Lucy Sichone, was reported still to be in hiding with her three-month-old baby. — Sapa-AFP other broker.

"The insured must demand an official policy document, together with a copy of an insurance application form. Policyholders should also understand the entire contents of their policies."

Groenewald stresses that the two safeguards should not be confused with each other. The financial guarantee will protect the insured should the broker fail to pass premiums to the insurer as required by the Insurance Act.

But, says Groenewald, rejection of an insurance claim need not, and often does not, relate to the nonreceipt by insurers of the premium. There are numerous other grounds for rejecting claims.

"This is where the need for professional indemnity insurance comes into play. There could have been negligence by the broker in advising his client on insurance affairs or in the intermediary's handling of the portfolio."

Groenewald says that, in such cases, intermediaries who hold professional indemnity insurance could be sued by clients. ■

ZAMBIA'S TRIBULATIONS

(360)

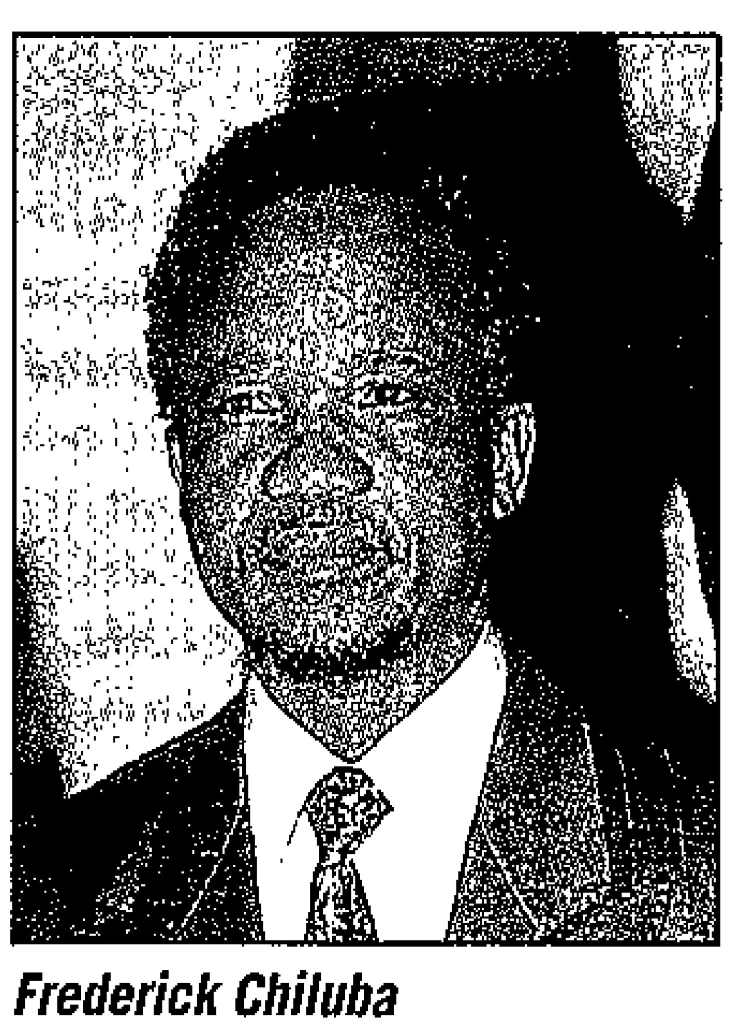
DONORS TRAPPED

FM 8/3/96

The IMF is having a torrid time in Africa. Successes in several Francophone countries and Uganda are being countered by delays and setbacks in Kenya, Ghana, Tanzania, Zimbabwe and Zambia.

Zimbabwe's shadow programme appears to have petered out, though World Bank officials, their commitment to transparency notwithstanding, refuse to discuss the matter.

In Kenya, President Daniel arap Moi's administration introduced an emergency minibudget in January in an effort to win over the IMF — from whom Nairobi hopes to borrow US$220m on highly concessional terms in the form of an Enhanced Structural Adjustment Facility.



Frederick Chiluba

In Zambia, only days after Finance Minister Ronald Penza unveiled a pre-election giveaway budget, with an estimated $100m in tax cuts, an IMF team arrived to reports that Lusaka had failed to meet a number of benchmark targets agreed with the fund late last year.

Penza introduced a raft of supply-side reforms that delighted the Zambian business community. He cut import duties and tariffs on raw materials, intermediate goods and capital equipment.

He changed the Vat regulations to allow farmers to claim back input costs and to reduce the tax burden on the country's troubled State-owned copper mines. He also cut the top rate of income tax to 30%, widening the tax bands and lifting the thresholds. Zambia now has just three tax bands — 10%, 20% and 30% — down from 15%, 25% and 35%.

To encourage firms to go public on the two-year-old Lusaka Stock Exchange, he cut the corporate tax rate for listed firms to 30% from the basic 35%.

Understandably, these reforms have been welcomed by business. So much so that some organisations took full-page ads in Zambian newspapers to thank and congratulate Penza.

The Minister had two objectives: to introduce much-needed supply-side reforms and ensure the ruling Movement for Multiparty Democracy is re-elected along with its leader, President Frederick Chiluba, in elections that must be held before the end of October.

The IMF team, though sympathising with Penza's political agenda, has its own technical obligations to worry about. Just over two months ago, the IMF Board agreed on a facility for Zambia if Lusaka satisfied a range of balance of payments, monetary and fiscal targets.

Sadly, few of these were met in the quarter to December 1995. Net foreign reserves have fallen sharply as Lusaka mistakenly seeks to stabilise the kwacha, while annualised inflation has moved above 50%. Money supply and government borrowing have also exceeded their targets.

Penza presented a balanced budget but critics say he overstated revenue and understated spending. He forecast spending below the inflation rate, but amounts set aside for debt servicing look substantially inadequate. Excluding foreign aid grants, the budget is in deficit by 9% of GDP. Given the probability of spending overruns in an election year, the actual deficit could be closer to 12%.

The IMF will urge Penza to tighten fiscal and monetary policy but it's hard to see the government reversing tax cuts or imposing new spending restraints only months before an election.

Supply-siders argue tariff and tax cuts will boost output, exports, employment and profits, resulting in increased tax revenues. That won't happen in time to close the budget gap in 1996.

To make matters worse, the budget depends on aid inflows which, in turn depend on Lusaka's ability to meet IMF targets. When donors pledged $300m in new assistance, it was conditional on Zambia satisfying the IMF.

If the team gives Zambia the thumbs down the whole budget strategy falls apart.

Lusaka is under pressure on other fronts, too. Donors, especially the British, want to see better governance and action against corruption. They are united in demands for accelerated privatisation. Lusaka has done better than any other African country, privatising more than 100 enterprises. And another 50 are likely to be processed this year. But critics focus on its failure to tackle State-owned Zambia Consolidated Copper Mines.

Last year, its copper production fell to 307 000 t — about half its output in the early Eighties. In desperation, the mines have called back managers who retired five or 10 years ago to try to turn the operations around. A World Bank team has drawn up a plan to help stabilise and improve the mines. But, as corporate turnaround specialists know, what is required is root-and-branch reform, including new control.

Chiluba is unlikely to risk radical change especially as ex-President Kenneth Kaunda, who will lead the opposition United National Independence Party challenge in October, is making some electoral hay by accusing the government of selling the family silver.

However critical donors may be of Chiluba, though, the last person they want to see back at State House in Lusaka is Kaunda, whose 27 years as President brought the economy to its knees. ■

COUNTERING TAX AVOIDANCE

IMPORTANCE OF DEFINITION

The parliamentary Joint Standing Committee on Finance has proposed rewording the general anti-avoidance section of

Outcry over jailed journalists

(360) M+G 8-14/3/96

Journalists rally in support of Fred M'membe and Bright Mwape, jailed for criticising the Zambian government. **Justin Pearce** reports

NEWSPAPER editors from South Africa and Namibia are to visit Zambian president Frederick Chiluba to demand the release of the two Zambian journalists who were arrested this week. The journalists face an indefinite prison term if a court application to secure their release is not successful.

South Africa's Black Editors' Forum, Conference of Editors and Freedom of Expression Institute (FXI), the South African Chapter of the International Press Institute and the Media Institute of Southern Africa have asked for a meeting with Chiluba to protest against the arrests.

Fred M'membe, editor-in-chief of *The Post*, and managing editor Bright Mwape were arrested on Monday on the orders of Dr Robinson Nabulyato, the speaker of Chiluba's Parliament, who also ordered they be detained "for an indefinite period" without trial. They are to appear in court on Tuesday after a *habeas corpus* writ, which limits the right of the state to detain prisoners without trial, was served on Wednesday this week.

Until then, they remain in custody. On Wednesday, Zambian Home Affairs Minister Chitalu Sampa published a statement in the state-owned *Zambia Daily Mail* saying the journalists were common criminals and would not be released.

The speaker is empowered to order a detention in terms of the Protection of Parliamentary Privileges Act, a law inherited from British colonial rule. Lawyer Sakibwa Sikota believes the law has not been invoked in Britain since the 18th century, and that it is at odds with civil liberties provisions in the present Zambian Constitution. The law will be tested against the Constitution at a supreme court hearing in May.

Last week, the speaker ordered the arrest and detention of M'membe, Mwape, and columnist Lucy Sichone, in connection with a column written by Sichone. Sichone did not report to Parliament for arrest with her colleagues on Monday, and her whereabouts are still unknown.

In the column, published on January 29, Sichone defends a supreme court ruling which served to strike down as unconstitutional certain sections of Zambia's Public Order Act, which limited the right of citizens to hold public gatherings. Vice-president Godfrey Miyanda spoke out in Parliament against the court's decision. Sichone's column lambasts Miyanda for questioning the authority of the court, particularly since it was the only courageous judicial intervention which secured Miyanda a fair trial when he was detained.

Fred M'membe: Detained for an indefinite period without trial

The arrest of M'membe and Mwape is the culmination of an increasingly acrimonious relationship between *The Post* and the Chiluba government.

When Chiluba's Movement for Multiparty Democracy (MMD) was campaigning for the 1991 elections, *The Post*'s recently-founded predecessor *The Weekly Post* was one of the few newspapers which was with him in his denunciation of corruption and incompetence by the Kenneth Kaunda government.

If Chiluba ever thought *The Post's* opposition to Kaunda would make the paper a natural supporter for his own government, he was wrong. *The Post* demonstrated its independence by refusing to let the new rulers get away with corruption or hypocrisy.

The result was what *The Post's* staff see as a systematic campaign against the paper, which ranged from members of the MMD Youth League storming *The Post's* office and threatening journalists, to a catalogue of criminal charges against the paper's employees. Sikota said he could not remember exactly how many charges were still outstanding against M'membe, in addition to the decree by the speaker, but there were at least eight. The most recent was a charge of criminal libel after the paper suggested that one of Chiluba's aides was untrustworthy.

Mosautso Phiri, who is acting as editor in M'membe's absence, said the harassment of the paper began in earnest in the middle of last year, when *The Post* suggested Chiluba had been born in Zaire, not Zambia. This followed attempts by the government to keep Kaunda out of future presidential elections on the grounds he had been born in Malawi.

The circumstances of M'membe and Mwape's detention were also extraordinary. Normally, the commissioner of prisons decides where prisoners are to be held, but in this case the chief inspector of police intervened and ordered Mwape be imprisoned in Kabwe, more than 100km from Lusaka. Sikota believes the government is deliberately trying to keep M'membe and Mwape apart.

In its haste to secure an arrest, Zambian police last week arrested two *Post* photographers and a security guard — all male — claiming to have mistaken them for the wanted journalists, despite the fact that Sichone is a woman.

The government mouthpiece the *Zambia Daily Mail* also accused the German embassy in Lusaka of sheltering the journalists — an accusation denied by ambassador Peter Schmidt.

Also, while the speaker claims to have the powers to impose an "indefinite" sentence on the journalists, Phiri says the law under which they were arrested does not allow for more than a year's jail sentence.

South Africa's Department of Foreign Affairs has also expressed concern over the arrests, as have opposition parties in Zambia. A member of the Zambia Democratic Congress said: "Chiluba is a worse dictator than his predecessor, who, at his very worst, never did what his government has done this week".

SA for democracy in Zambia

Sowetan 11/3/96 (360)

SOUTH Africa supported developing democracy in Zambia and would also support the government which won this year's elections, Foreign Minister Mr Alfred Nzo said at the weekend.

Speaking at a dinner hosted by Zambian president Frederick Chiluba, Nzo said South Africa would address the two countries' trade balance which favoured South Africa.

South African exports to Zambia between January and August last year totalled R828,4 million while imports from Zambia to South Africa amounted to about R57 million.

"In our view the welfare of Southern Africa is inextricably linked to a balanced economic development of the sub-region as a whole," he said

Young democracies in Southern Africa were fragile and needed to be nurtured if they were to endure.

Nzo said democracy demanded a commitment to protect human rights, promote individuals' freedom and uphold the rule of law. – *Sapa.*

Journalist who keeps writing as police seek her

(360) M+G 15-21/3/96

WITH a 2-million kwacha (R8 000) price on her head, two of her colleagues already in prison, and police searching her friends' homes for a clue to her whereabouts, Lucy Sichone still managed this week to publish her regular column in the outspoken Zambian newspaper *The Post*.

Dr Robinson Nabulyato, speaker of the Zambian Parliament, ordered the arrest of Sichone along with *The Post's* editor-in-chief Fred M'membe and managing editor Bright Mwape after the newspaper criticised parliamentarians' opposition to a High Court ruling which outlawed certain sections of Zambia's Public Order Act.

M'membe and Mwape reported to Parliament for arrest last week, but Sichone has avoided arrest for reasons which she set out in this column, written while in hiding:

LAST week's news was devoted to the surrender and committal to an indefinite term of imprisonment of Fred M'membe and Bright Mwape. The sentence was passed by Vice-President Godfrey Miyanda and Speaker of Parliament Robinson Nabulyato because Fred, Bright and myself did not acknowledge the infallibility of these two godheads.

I am still "at large", with a 2-million kwacha price tag on my head. I take issue with the description of being "at large" and with the price tag on my option not to submit to Nabulyato's unconstitutional decree.

Article 28 of the Constitution tells me that if any of my rights have been, are being or are likely to be contravened I should apply to the High Court for redress.

When Nabulyato issued his unlawful edict, application was made to the High Court that my right to personal liberty, protection of the law, and right to freedom of expression had been contravened. But the deputy chief justice doesn't believe that a contravention of my rights should move the court. He set the date for May 7 and advised that in the meantime we go and serve a prison sentence which offends against the Constitution, natural justice and plain common sense.

I asked myself: if the institutions which are supposed to ensure my rights and freedoms are unwilling to discharge this duty — who is going to save me?

The answer points to an individual — me. If today, Nabulyato can sign a warrant not provided for under any law, depriving me of my personal liberty, and I succumb, tomorrow, Nabulyato will sign a warrant for my execution.

It is such actions that define the sanctity of the rights and freedoms enshrined in the Bill of Rights and make it a sacred duty for me to defend them to the death.

My right to personal liberty won't be taken away without the due process of the law. If I am found tomorrow it must be understood that I, an unarmed woman with a baby on her back, will have to be executed for resisting the unlawful deprivation of my personal liberty.

My life will be my contribution to the struggle against all forms of slavery, dictatorship and tyranny. This is why I object to the cheapening of the issues involved in the Nabulyato saga to 2-million kwacha. Freedom is priceless: that is why Fred and Bright surrendered to imprisonment. It sows the seeds for Zambia's own collective dream of a government established on the principles of human rights.

Meanwhile I am not "at large": I am protecting my constitutional right to liberty, protection of the law, and freedom of expression until the matter comes before the courts.

This is an edited version of the column, which appeared in The Post

Zambian farmers scorn govt plan

BD 27/3/96 (360)

LUSAKA — The sugar-coated efforts of the ruling Movement for Multiparty Democracy (MMD) government to streamline and consolidate Zambia's battered agricultural sector have been met with contempt by the Zambia National Farmers' Union.

Through the agriculture sector investment programme, government has established a revolving fund to cover about 75% of crop financing for the 700 000 peasant farmers in the country. The programme is donor-funded, at a total cost of $350m.

But union executive director George Gray said he was sceptical about the programme's prospects of success.

"Our government is said to have released this money last year, but up to now we are not sure yet who is going to benefit from the programme," Gray said.

In what is seen by political observers as "an electioneering gimmick", President Frederick Chiluba has announced debt relief of $29m for up to 240 drought-stricken small-scale farmers who owe cash to three semi-public lending institutions.

The three institutions, the Zambia Co-operative Federation, the Credit Union and Savings Association and Lima Bank, were among the 10 private maize buying agents appointed by Zambia's government in 1994.

Many farmers have been unable to repay their total debt of about $50m because of disastrously poor yields resulting from prolonged droughts during the period since the ruling party came to power in 1991.

The other debilitating factor for the farmers has been government's move out of maize marketing sales, which has left the farmers at the mercy of unscrupulous private buyers.

The endless erratic distribution of fertiliser and other inputs in the past four years, has also put farmers in a quandary over how they are going to meet their financial commitments.

In addition to these problems, high interest rates on loans have put further borrowing beyond the capacity of most farmers.

Gray said he believed that "the only solution to help the farmers from their perennial problems is for government to reduce the prohibitive high interest rates on loans and accept the reality of subsidising the agriculture sector".

Union president Ben Kapita, like Gray, was unconvinced by Chiluba's pronouncements that the $29m debt-relief programme will assist small-scale farmers to produce and market their crops profitably.

"Why has it taken government so long to award farmers debt relief?" he asked.

"This planting season has already passed. The assistance is too late. I see this as a political gimmick by (this) government to woo the support of farmers to help win this year's elections," Kapita said.

Kapita's openness on the apparent electioneering overtures to the farmers by the MMD evoked a response from Finance Minister Ronald Penza.

Penza said that: "We are merely announcing what has been done. The government is doing everything possible to help the farmers."

Peasant Farmers' Union of Zambia president Patrick Kayeka, said: "We cannot support a system which has turned the farmers into beggars and paupers."

Kayeka commented that: "The MMD has let down the farmers as it has lamentably failed to address their problems. We are not going to compromise with this government which has neglected us."

Claims by Chiluba that Zambia's government has spent $144m supporting the agriculture sector in the past four years have also been rejected by the farmers.

This was because, as Gray remarked, "there has been no marked growth in the agriculture sector under the MMD".

Failure by the MMD to resuscitate the battered agricultural sector has led to some discouraged maize farmers thinking about quitting farming altogether.

Their exit from the agricultural sector would pose a threat to the declining food security situation in Zambia.

Kayeka said: "Farmers grow maize for income, but their maize is not being sold because of the poor marketing arrangements. Desperate farmers, especially those in the remote rural areas, sell their crops at give-away prices because of lack of storage facilities.

"This is all very discouraging." — AIA.

Zambian town faces collapse as Indians plan mass exodus

(360) ARG 6/4/96

Jealous Bwalya
Foreign Service

LIVINGSTONE. - This town, Zambia's tourism capital, faces economic collapse as the Indian community, the backbone of its commerce and industry, plans a mass exodus.

Last year the town was rocked by bloody racial riots sparked by the disappearance of 13 young children. The local black community speculated that the Indians were kidnapping them to remove their hearts.

Then a Zambian man, Thomas Zimba, 28, admitted kidnapping the children and led police to a wealthy Indian merchant who he said had "bought the human merchandise". Onlookers attacked his shop and by the time police had surrounded the town's business centre, the rioting had shifted to the residential areas, where Indian homes were torched and factories reduced to ash and rubble.

Two Indian men have been charged with the murder of the children and are being held in custody. The case is being heard in Livingstone by Lusaka High Court judge Mr David Lewanika. Judgment is expected on May 6.

But the Indian community is not taking any chances. Almost everything in the town up for sale - farms, supermarkets, bakeries, executive flats, houses and factories. A number of shops in Mosi oa Tunya Road are closing and others are up for sale.

Head of the Indian community Manu Bhukhans, owner of one of the town's major clothing factories and the biggest clothing shop, is also trying to sell his businesses.

The daily newspapers, Times of Zambia, Zambia Daily Mail and the Post, are filled with adverts every day announcing the sale of property, most at giveaway prices.

Said Mr Raj Patel, while selling his last possessions before leaving for a destination he would not name: "We have no choice but to leave. We don't know what the community is planning. If the accused are released, people may not be happy and riot again. If they are jailed, some of us will still be scared, because the people may just target anyone, out of sheer jealousy. There is no hope, no sympathy, no friendship - nothing for us," he said.

Estate agents say property values have dropped by 50 percent in the past six months. Politicians and local officials are deeply concerned because many local residents have already been retrenched. More than 6 000 people lost their jobs immediately after the riots when Indian businessmen decided not to rebuild their enterprises. Thousands more are expected to be on the streets soon in what town clerk Mr Coillard Chibbonta describes as the biggest blow to the town.

Many of the Indians have already sent their children to South Africa, Zimbabwe or the United Kingdom to be educated.

Most of the Indians are tight-lipped about their plans. "I don't know really. I may be going to India, South Africa, Namibia or Malawi. God knows," said Valah Patel, 48, who has sent his children to a boarding school in Bophuthatswana.

Moghanbhai Patel has advertised his 4 000ha farm with 363 dairy cows, 1 060 laying hens, 185 goats, 1 940 orange trees, tractors and several housing units for K200 million, even though it is valued at over K500 million.

Another farmer, six kilometres from the town's centre, said he was willing to sell his fruit farm with all seven housing units and workers' quarters at US$40 000, although the farm was valued at over US$166 000.

However, buyers are scarce as cash strapped Zambians sink lower financially under the burden of the structural adjustment programme (SAP).

Livingstone mayor Edwin Hatembo describes the exodus as "a terrible blow to the town, which should have been a tourism haven and an industrial hub between Lusaka in the north and Zimbabwe's Bulawayo in the south.

One of the country's major property evaluators and estate agents, Morris Mulenga, says: "Livingstone will become a ghost town.

"The departure of Indians may be seen as good riddance by the majority who do not understand why there are no jobs and why companies continue to close, but it will have a very serious effect on the town. The best the government can do is to turn the town into a duty-free zone and attract investment," says prominent Zambian journalist Kinny Ntambale, who specialises in tourism news.

But home affairs minister Chitalu Sampa said the government would ensure the safety of all Indians in Livingstone.

Officials have planned to meet the Hindu Association and the Muslim Society to dispel their fears.

Southern province police commander Epharim Mateyo is worried. Fewer jobs will mean an even higher crime rate.

But Rajan Patel stresses: "No matter what the government does, I will not stay. I have learnt enough lessons.

"Life is more important. Property is not life and blood. In the end I will take what I can get and go."

Government economist Leo Malata has adopted a wait-and-see attitude But in reality, most Zambians do not have the resources to run industry and neither have they the skill.

(360)

CT (DR) 11/4/96

Attempts to save cobalt project

Lusaka — An out-of-court settlement has been sought to save the Colossal Resources Corporation's cobalt extraction project, which was blocked last month by a court injunction, the company's Zambian partner said yesterday.

Colossal's attempt to exploit some 8,6 million tons of slag left over from Zambia Consolidated Copper Mines' copper smelting activities, was scheduled to start this month but Comecin, Colossal's original partner in the venture, filed an injunction last month to block the project after Colossal transferred the partnership to Qasim Mining Enterprise.

Qasim is challenging the injunction. The judgment on its application has been set for April 15. The company said yesterday it had offered to compensate Comecin for breach of contract. Comecin said it would consider settling. "We can be receptive to such an arrangement, but it would have to be on our terms," a Comecin spokesman said. — Reuter

Zambian government sells more companies

Lusaka — Zambia's privatisation agency said yesterday it had sold three more state-run concerns, bringing to 79 the number of enterprises it has sold under a privatisation programme.

The agency said it had sold two units of Zambia Steel and Building Supplies and a unit of the Supa Baking company to local investors. Valentine Chitalu, the chief executive of the agency, said two Building Supplies units, one in Lusaka and the other in the northern mining town of Kitwe, had been sold for $250 000 and $385 000 respectively. Supa Baking in Ndola had been sold for $380 000.

"The privatisation agency considered liquidating ZSBS and Supa Baking, but decided to restructure the companies and sell off the different units as separate legal entities," Chitalu said. He said 79 companies had been privatised, while negotiations for the sale of 12 others had been completed. Heads of agreement had been made on 27 others. — Reuter

(360) CT (BR) 11/4/96

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Chiluba makes a popular dream come true

ZAMBIAN president Frederick Chiluba has soared in populariy with an innovative new proposal on housing reports **JOE CHILAIZYA** of International Press Service in Lusaka.

ARG 22/4/96 (360)

POLITICS is, in part, about being able to sell an idea. The bigger the idea the better. And the one President Frederick Chiluba has hit on may well smooth his way into a second term later this year.

It is no less an attempt to fulfil the dream of every Zambian – to own their own home.

It may – at first glance – seem pie in the sky, but the proposal, based on the sale of council houses to sitting tenants, has won grateful applause, and the wrong-footed opposition whose only response has been to cry foul.

Last month, the government ordered all municipal and city councils to sell their housing stock to tenants, in a move aimed at promoting home-ownership among Zambians, in line with the government's free market credo.

But the councils, using current valuations on their property, pegged the prices beyond the reach of most council tenants. They set sale tags in the region of R5 000 for a one-bedroom home and R12 00 for three-bedrooms.

Even after the councils announced concessionary terms, allowing an initial payment of 10 percent of the price as a deposit with the remainder spread over 12 months, some complained it was still too far to stretch.

With the big idea seemingly about to bite the dust, Chiluba stepped in. After inspecting several council houses in towns up and down the country, he ordered that some be handed over free of charge, with the tenant only paying token fees for the transfer of title.

These houses were so poorly maintained by the councils that the tenants were risking life and property to remain under their leaking roofs. Two houses in the northern town of Chililabombwe collapsed shortly after Chiluba had passed through on his inspection tour.

Tenants unable to raise the prices are also being approached by people who can, with the intention of re-sale.

It has all been a publicity coup for Chiluba's administration which – in the run-up to the October general election – had been dogged by infighting, a bitter battle with the opposition over a draft constitution, and an economy that refuses to improve.

Opposition parties have slammed the government's move as pure politicking. "This is a vicious campaign gimmick aimed at hoodwinking the electorate from the economic hardships they are undergoing," secretary-general of the opposition United National Independence Party, Sebastian Zulu, said.

"In any case it is an ill-conceived plan which has not even taken into account the fact that it will take away from councils the main source of their revenue.

"On the other hand, giving away some houses for free is also ridiculous. The president is not a qualified valuer to declare any piece of real estate too worthless to merit a price."

There seems to be an element of sour grapes in Zulu's trashing of the plan.

UNIP leader, former president Kenneth Kaunda, led Zambia into independence in 1964 with a promise of "an egg a day for everyone". His inability to deliver on the better life, implied in that slogan, led to his humiliating electoral defeat by Chiluba, a former trade union leader, in 1991.

"UNIP and its president knows that Chiluba has just dealt them a sucker-punch from which they may not sufficiently recover six months before the scheduled presidential and parliamentary elections," council house resident Albert Sichone said.

"He did not promise pie in the sky but delivered on his promise in a very big way, and Kaunda knows that is what he should have done when he was in office and is just regretting that he never did. Obviously, Chiluba will get my vote for it.

"I have never owned a house in my life, and now I will own one."

In the townships the ruling Movement for Multiparty Democracy's slogan has changed from "The hour has come" to "The Hour ni nyumba or ni ng'anda", meaning "The hour is about owning a house".

MMD secretary Michael Sata says promoting home-ownership through the sale of council houses to sitting tenants was a platform in the party's 1991 manifesto.

"Let Sebastian Zulu cheat nobody. UNIP has no manifesto up to now, but we have and it is very clear on this issue. We made a promise to the people of Zambia and we are delivering (on that). Not like (former president Kenneth) Kaunda and his 'egg-a-day' promises."

Kitwe Town Clerk Ali Simwinga points out it is a fallacy to believe councils would collapse without revenue from house rentals.

"There are many ways round the problem. We shall not come out of the exercise empty-handed, because we shall get something from whatever we shall sell, and it is important that this money is invested very prudently.

"We can build new houses or we can place the money in profitable financial instruments."

He notes that the houses that will be given away "for a song" are only a handful, compared to those from which councils will get a reasonable return on the sale.

With the success of the exercise, the government went a step further, announcing it will peddle some 9 000 of its 15 000 housing units to civil servants below the rank of permanent secretary.

The government has promised to cover 80 percent of the asking price with a concessionary mortgage scheme. It is something of a revolution in Zambia where – as in much of the rest of Africa – the state provides civil servants with free accommodation until retirement, when they are then left without a roof over their heads.

The move has defused a row with civil servants over the government's refusal to award a negotiated wage increase of 75 percent, and is just in time for the election.

"I will now vote very, very wisely," civil servant Brian Chingoma said.

Sapa-IPS

Zambia's currency hits record low

(360) CT(BR) 22/4/96

By Joe Chilaizya

Lusaka — The Zambian kwacha has always behaved like a yo-yo, coming up only when the government intervenes. Left on its own, it finds the pull of gravity irresistible, and has now plunged to a record low of 1 280 against the dollar and 3 000 to the pound.

The central bank blames the kwacha's misfortunes on low production and the attendant decrease in earnings at the Zambia Consolidated Copper Mines (ZCCM).

The ZCCM accounts for 90 percent of the country's foreign exchange earnings.

Kabinga Pande, a spokesman for the Bank of Zambia, said the kwacha would stabilise once measures to restructure the ZCCM were effected.

But others see the kwacha's fall as the result of donors holding back funding at the instigation of opposition parties.

These parties want the government to shelve its plans to have a controversial draft constitution adopted by parliament, where it would be sure to pass since the ruling Movement for Multiparty Democracy (MMD) has an overwhelming majority there. Instead, the opposition wants the draft to be debated by a constituent assembly.

Some manufacturers forecast that they may have to close down temporarily or lay off staff to weather the currency crisis.

They say the kwacha's plunge was a big damper on their morale that had been raised by this year's budget, announced in January by Ronald Penza, the finance minister, which suspended various categories of duty on raw materials and machinery.

From the beginning of this year, Penza has had to do a number of juggling acts to negotiate his government's expenditure within his 1,6 trillion kwacha (R5,31 billion) budget.

Public servant wage increases, which had not been budgeted for, caused Penza difficulty in keeping within a limit of 13 billion kwacha that he had set for expenditure on public service reforms.

The government's difficulties increased when the opposition, especially the United National Independence Party and the Zambia Democratic Congress, started agitating for donor sanctions against the Chiluba government for its adamant stand on the constitution.

Kaunda barred from presidential elections

(360) Star 25/4/96

Lusaka – Zambia's ruling Movement for Multiparty Democracy yesterday declared that former president Kenneth Kaunda would not be allowed to run for the presidency in elections later this year.

National secretary Michael Sata – who had earlier said he would like Kaunda to take part in the elections so that he could be defeated once and for all – said the party would not allow him to do so.

A new draft constitution, expected to be put to the MMD-dominated parliament next week, would bar anyone whose parents were not born in Zambia from running for president. Kaunda's missionary parents had come from Malawi at the turn of the century.

Kaunda has vowed to break the law if he is not allowed to stand. He heads the country's largest opposition party, the United National Independence Party, and has been campaigning across Zambia.

Sata had said earlier this week that there was an unnecessary fear of Kaunda and the only way to prove a point would be through a ballot defeat.

Kaunda, who turns 73 at the weekend, ruled Zambia for nearly three decades before being defeated by President Frederick Chiluba in the 1991 elections. – Sapa-AFP.

Freedom for Zambian reporters

(360) M+G 29/3-3/4/96

Justin Pearce

ZAMBIAN journalists Fred M'membe and Bright Mwape have been released from prison, but M'membe still faces charges of contempt of Parliament.

M'membe and Mwape, respectively the managing editor and editor-in-chief of the independent daily *The Post*, have spent 24 days in maximum security jails, after the speaker of Parliament ordered their arrest in connection with *The Post's* criticism of remarks made in Parliament.

They were arrested in terms of a law allowing for indefinite detention, but on Wednesday they obtained a *habeus corpus* writ enabling their release. Judge Kabazo Chanda ruled that according to the laws of natural justice it was unreasonable to imprison the editors indefinitely.

However, the judge also declared that an article written by M'membe was in contravention of parliamentary privilege laws, and that Parliament must make a complaint with the Director of Public Prosecutions.

The article written by columnist Lucy Sichone, who has avoided arrest by going into hiding, was similarly in breach of the law, but Mwape's was not, the judge ruled. Sichone should appear before Parliament when sittings resume on April 13, the judge advised.

Shortly before the journalists' release, the International Press Institute, which represents editors and publishers from 85 countries, called for the journalists to be freed.

This week the case of Zambia was considered by the United Nations Human Rights Committee (UNHRC). The Zambian chapter of the Media Institute of Southern Africa wrote to UNHCR expressing concern about "the dramatic deterioration in media freedom and free expression in Zambia", while a report to UNHRC by Amnesty International drew attention to the government's failure to meet a range of human rights obligations.

(360)

ET (BR) 30/4/96

Focus on Zambia

Foreign and local investors get cold feet

BY SANDFORD MUSHIPI

Lusaka — Local and foreign investors in Zambia have put their plans on hold until after this year's presidential and general elections.

The volatile political situation has halted plans to buy state-owned enterprises or set up businesses. A controversial constitutional amendment, which would bar former president Kenneth Kaunda from contesting the presidency, has added fuel to the fire. Kaunda could be barred on the grounds that his parents were Malawian.

The amendment, scheduled for adoption by parliament next month, stated that only a second-generation Zambian could stand in the presidential elections.

Kaunda's call for civil unrest should he be barred from participating in the elections has sent waves of uncertainty through would-be investors.

Valentine Chitalu, the executive director of the Zambian Privatisation Agency, said enquiries from the local and foreign business communities had dropped.

External enquiries started to drop when Kaunda re-entered politics in 1994 and said he would nationalise all parastatal firms sold during the privatisation programme if he regained power. President Frederick Chiluba said Kaunda risked being dealt with mercilessly if he broke the law.

The Zambian kwacha has been badly affected by the state of uncertainty. It is pegged at 1 300 to the dollar and 1 860 to the pound. — Independent Foreign Service

Privatisation is the last great hope for Chiluba's shrinking economy

BY GREG MILLS

Johannesburg — President Frederick Chiluba of Zambia has embarked on a programme of privatisation that could not only provide a few lessons for South Africa but also lift his economy out of the mire.

Much was expected of his Movement for Multiparty Democracy when it took over from Kenneth Kaunda's United Independence Party in 1991 in Zambia's first multiparty elections in 23 years.

He will probably go to the polls in June with privatisation as his main theme. It is the key to his economic revitalisation strategy, along with cuts in duties on raw materials and intermediate goods, the introduction of VAT and the conversion of bank reserves into interest-generating bonds to cut lending rates and encourage investment.

In an effort to reduce the budget deficit, 72 000 of the 750 000-strong state workforce have been laid off since 1991, though further retrenchments have been curtailed because of budget shortages.

The cherry in the privatisation pie is the assets of Zambia Consolidated Copper Mines, which has been responsible for more than 90 percent of the country's export earnings.

The company has to be privatised to survive: production has slumped from a peak of 700 000 tons a year in the 1970s to 300 000 tons last year and it owes about $700 million.

Investment in new mines and equipment, modern management techniques and laying off 30 percent of the 55 000-strong workforce could make it profitable.

There is still great mineral potential in Zambia. Konkola's deep mine project contains 350 million tons of ore at an estimated grade of 3,8 percent, compared with the reputed 0,8 percent of JCI's Phalaborwa mine.

South African companies are heavily involved in the privatisation of Zambia's 217 state-owned companies.

Privatisation is imminent in the electricity, tourism, telecommunications and mining sectors.

The potential gains for South Africa are thus huge, both in terms of investment returns and spin-offs. About 70 percent of goods bought because of new investment will be from South Africa.

Despite these positive signs, Chiluba has found it most difficult to emerge from the economic nightmare he inherited in 1991, despite applying IMF and World Bank adjustment conditions.

The terms of the IMF's structural adjustment programme have been harsh. Zambia maintains an annual net outflow of capital to the fund of about $100 million in order to service its $1,2 billion debt.

The country's total foreign debt is $6,2 billion.

Though inflation has dropped from 190 percent in 1994 to 30 percent today, the economy contracted by more than 5 percent in 1994 and 3 percent last year.

About 70 percent of Zambians live without basic needs, malnutrition affects 27 percent of children and infant mortality is about double the world average at 103 a1 000 live births.

The Aids epidemic has also hit the country hard. About 1,1 million Zambians, of a population of 9 million, are HIV-positive, and about 60 000 died of Aids last year. Malaria and water-borne diseases are an even greater scourge.

Chiluba also has to face a challenge from Kenneth Kaunda, who has staged a political reincarnation recently.

His desire to take part in the election is something of a turnaround for a man who labelled multipartyists as "malcontents, drug pedlars and dissidents" in 1990.

Few expect him to win: polls are giving him only 23 percent of the vote to Chiluba's 51 percent.

Yet Chiluba's real battles are more with his own government, tarnished by allegations of drug smuggling and corruption.

The free fall in the value of the kwacha, from 64 to the dollar in 1991 to 830 a year ago to 1 300 now, has sent the price of fuel and imported goods skyrocketing.

For a government adept at juggling the demands of international creditors and local consumers, privatisation remains the light at the end of the economic stabilisation tunnel. — Independent Foreign Service

☐ *Greg Mills is national director-designate at the South African Institute of International Affairs in Johannesburg, which will stage a fact-finding trip to Zambia later this year*

Zambian opposition walks out

(360) DD 9/5/96

LUSAKA — Zambia's largest opposition party walked out of parliament yesterday during a debate on constitutional reforms that will effectively bar its leader from running in the upcoming presidential election.

About 20 members of the United National Independence Party — headed by former president Kenneth Kaunda — walked out after accusing the ruling Movement for Multiparty Democracy of making the debate a personal issue.

"There is a need for rational debate instead of personalising the issue," opposition MP Patrick Mvunga said before leading his colleagues out the door.

The draft Bill, which seeks to bar second-generation Zambians and former presidents who ruled for at least two five-year terms, is widely seen as directed at Kaunda, who ruled Zambia for six terms until 1991, and whose parents were Malawian.

On Monday, President Frederick Chiluba called an interparty conference to address concerns over the contentious Bill.

However, the meeting fell through when the president left because his attempts to chair the talks was refused. Kaunda has warned of civil strife if the law is changed to bar him.

The proposed Bill has drawn criticism from both local interest groups and western donors, and prompted the country's 30 opposition parties to team up in an effort to force the government to withdraw the draft Bill. — Reuter.

MAIL & GUARDIAN
May 17 to 23 1996

Kaunda threatens violence in Zambia

(360) M+G 17–23/5/96

Mail & Guardian Correspondent

ZAMBIAN politics are set on a potentially violent collision course for the first time since independence more than 30 years ago.

Former president Kenneth Kaunda says Zambians may resort to violence if he is not allowed to stand for elections later this year.

President Frederick Chiluba, determined to push through a new Constitution which will bar Kaunda from seeking re-election because his parents were Malawians, says he is determined on his course of action regardless of international criticism.

In an hour-long interview with Agence France Presse, Chiluba said the new Constitution would become law.

There is little doubt Zambia's Parliament will pass the new Constitution because Chiluba's Movement for Multiparty Democracy (MMD) has an overwhelming majority of seats.

An attempt at dialogue with about 30 opposition parties outside Parliament collapsed last week as Chiluba led his delegation in a walk-out when his party was denied chairmanship of the meeting.

Aides say he was also stung by the refusal of the other delegates, including Kaunda, to stand when he entered the conference hall. Asked whether this was the end of consultations with opposition parties on the Constitution outside Parliament, Chiluba said: "They decided to end it all themselves."

He admitted that barring Kaunda from the elections would make him a martyr in the eyes of the international community, "but not as far as the Zambian people are concerned, no". He insisted that the new Constitution is the will of the Zambian people expressed to an independent commission during exhaustive consultations.

Kaunda said he and his followers would "break the law" until "the prisons are too full to contain us". Because Zambians were hungry and desperate, uncontrollable violence could be unleashed, he warned.

Living in a borrowed house, behind high walls on a pot-holed back street of Lusaka, one of independent Africa's most influential early leaders sat among pecking chickens and plotted his return to power.

"According to the law," he said, "they were supposed to give me a house, an allowance, three vehicles, three security men, three office workers, three workers in my house. They abolished it ... They are just ugly robbers, they rob even the poorest of the poor."

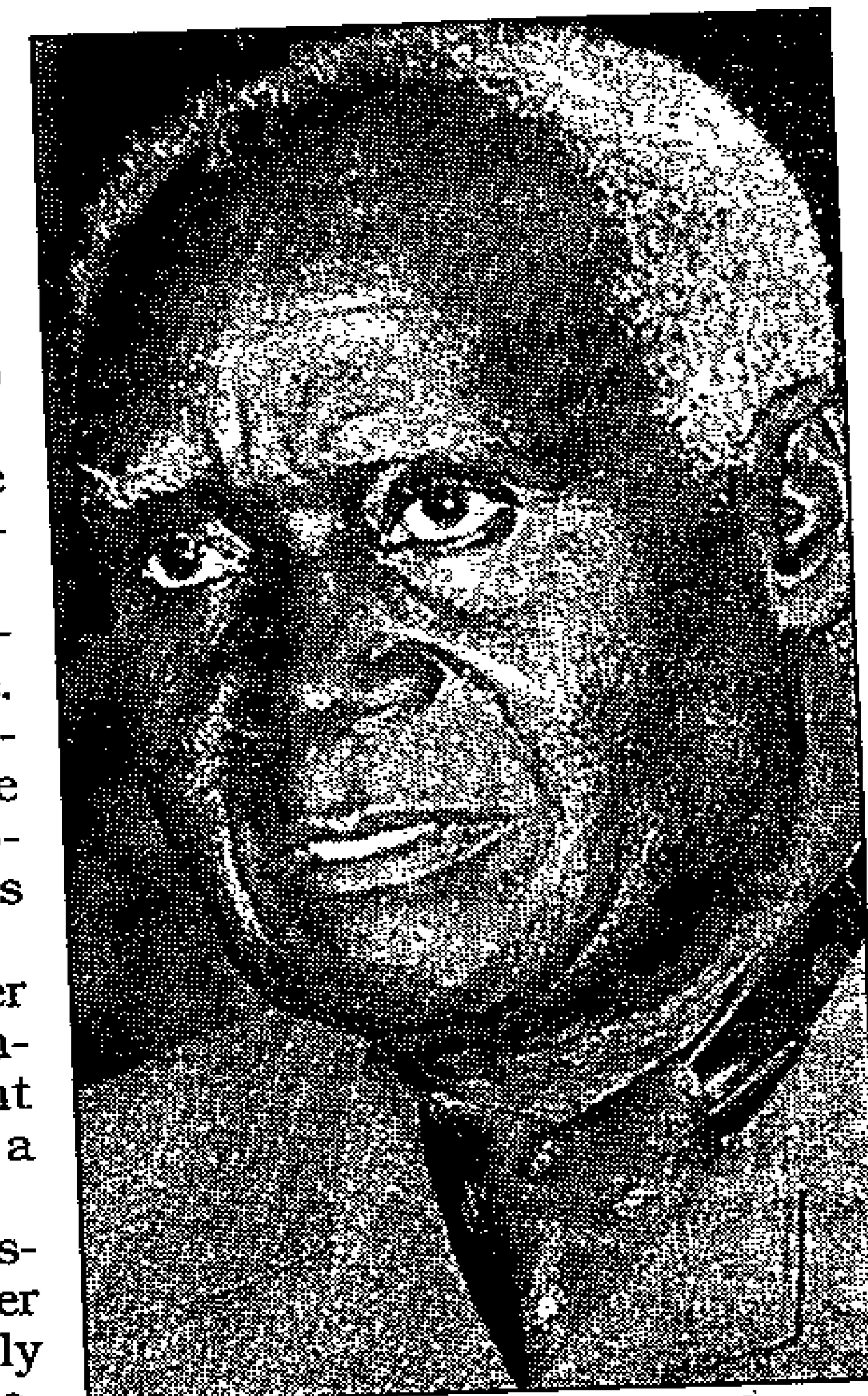
The move to block his bid for the presidency was "an action of dictators, of little, frightened men".

Kaunda maintains he is seeking re-election at the insistence of the people.

But the possibility of political violence and the civil disobedience promised by Kaunda and his supporters is making regional leaders uneasy.

South Africa's high commissioner in Lusaka has voiced Pretoria's concern, and Botswana's President Ketumile Masire has called for a meeting of regional leaders.

The British government has suspended aid of £10-million, and other Western countries are quietly expressing dismay at the disintegrating political situation in Zambia. — *AFP*



Kenneth Kaunda: Ready to 'break the law' PHOTO: AFP

Wall around Zambian leader's home blasted

Star 18/5/96 (360)

Lusaka – A bomb damaged the wall around Zambian President Frederick Chiluba's official residence hours after a dissident group called Black Mamba had threatened action, police said yesterday.

The shadowy group, which is sympathetic to former president Kenneth Kaunda, had given Chiluba's government until today to withdraw a constitutional amendment bill from parliament or suffer unspecified consequences.

In letters sent to media organisations, the dissident group said: "We are now informing both the government and the nation that if the bill is not withdrawn by 6pm on May 18 and a public announcement made to that effect, the Black Mamba will strike and it will strike very hard."

Spokesman Francis Musonda, who took reporters to the blast site, said no arrests had been made in connection with the explosion.

Black Mamba surfaced in March, issuing death threats to cabinet members over the amendment.

The amendment, if adopted, would bar Kaunda from running in elections scheduled to be held by the end of October.

The proposed changes would bar second-generation Zambians and former presidents who had ruled for at least two terms from running for president.

Kaunda fits into both categories. – Reuters

Defiant Kaunda warns of disobedience campaign

(360) ST 19/5/96

By CHRIS BISHOP: Lusaka

FORMER premier Kenneth Kaunda this week threatened a campaign of disobedience as the Zambian government prepared to slam the door on his political career, amid growing economic chaos.

Dr Kaunda, 72, and his UNIP supporters announced this week they were taking legal action against the government to challenge parliamentary efforts to bar him from this year's elections. The political turmoil is matched by economic upheaval created by a widening balance of payments deficit, blamed on South African trading groups.

Dr Kaunda believes these economic hard times are likely to fuel the anger of his loyal supporters, and their promised campaign of civil disobedience, if he is disqualified from the elections.

The former leader said from his Lusaka villa: "I am a believer of non-violence as a way of life, but if we have no other option my people will engage in disobedience and there will be trouble that nobody can stop. This signals the beginning of the end of the government."

Dr Kaunda then said that he could raise 1 000 youths at a moment's notice to follow him on to the streets of Lusaka.

The Bill that could end Dr Kaunda's political career says only those born of Zambian parents are allowed to stand for president. As he is of Malawian parentage he will be disqualified.

Parliament passed the second reading this week and is expected to complete the committee stage next week, enabling President Frederick Chiluba to sign the Bill into law.

Dr Kaunda is unlikely to be in Zambia for the final act, as he flew to Canada this week for a former heads of state conference attended by Jimmy Carter, Pierre Trudeau, James Callaghan and Helmut Schmidt.

But whoever inherits Zambia from the ashes of the power struggle is likely to face deep-seated problems.

South African trading companies, in taking advantage of a liberalised economy, are bringing consumerism to Zambia at a crippling cost to the balance of payments.

Price-rite, Steers, and McGinty's vie for the consumer's kwacha and others, including Pep Stores, are expected to follow. Zambia has little to offer in return, except cloth and minerals.

The Zambian Chamber of Industry figures show trade in the first quarter of this year running at a 13 to one advantage to South Africa. Zimbabwe exports seven times as much to Zambia as it imports in return.

Mark O'Donnel, a spokesman for the chamber, said: "The South Africans are being very arrogant. We sacrificed for them in the struggle and they have betrayed us. We need to protect our own industry to survive."

Henning Visser, a South African High Commission trade representative to Zambia, said: "Yes, they are certainly worried about it. They've made approaches to South Africa for easier access to the South African market.

"At the moment some of our import duties are quite high, but its receiving attention."

As Zambia continues to bleed hard currency, it appears that the parlous state of its economy could loom ever larger over its political squabbles.

Food firms hit by higher costs and reduced spending

BD 21/5/96

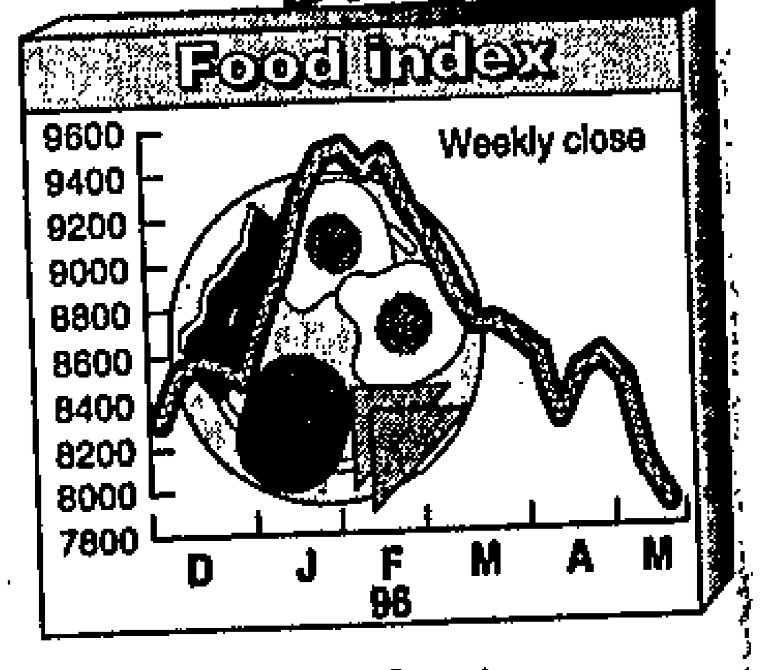
Jacqueline Zaina

THE JSE's food index, which has lost 25% of its value since the beginning of April, is expected to decline further this year as a result of higher input costs and additional constraints on consumer spending.

The index, which touched an annual high of 10 420 on March 29, closed at 7 838,5 yesterday.

BoE NatWest Securities senior analyst Syd Vianello said consumer-related shares, which usually grew in line with population growth, were not expected to perform well following the two recent interest rate hikes. The fall-off in these sectors, which included stores, was a function of the weakening of the economy.

While higher grain prices on the world market could strengthen the index by boosting food companies' foreign earnings, they would increase pressure on already constrained consumer spending, he said. This, together with the threat of growing unemployment, would further restrict growth in the food sector.



Shares with strong export revenues such as Delfood, Tiger Oats subsidiary Langeberg and Illovo Sugar were expected to outperform the sector, but the outlook for most food producers would not improve until interest rates started falling, he said.

Another analyst said increased competition from importers and foreign food companies, which were gaining market share, was also squeezing margins. Whether this was a long-term issue was unclear, but it had tarnished investor perceptions of local food companies' ability to grow.

Premier Food CE Gordon Utian said last week that it was too soon to quantify the effect of the interest rate hikes, but the outlook for the food sector was not positive. Inflation was gathering, interest rates and the petrol price were up, and the implementation of the new Labour Relations Act would add to costs.

"Consumers will be hard hit by price increases as companies are squeezed at the manufacturing level. We are expecting a difficult period."

Utian said consumers at the lower end of the market were exposed to higher levels of inflation than the general 7%, because a greater proportion of their income was spent on transport and basic foodstuffs.

While it was too soon to quantify the impact of recent economic developments on Premier Food's earnings, the company was "not an island", he said. Although it was in a recovery phase, it remained prone to the vicissitudes of the SA economy.

Division MD is replaced

Jacqueline Zaina

ERNST & Young is to reshape its management consultancy arm, replacing the division's MD and retrenching part of its 300-strong workforce.

Executive chairman Tom Wixley said yesterday the management consulting services (MCS) division had been underperforming, and the shake-up was part of a shift in focus from information technology consulting.

MD Gerry Baron had been replaced by Jan Venter, who would lead a small executive management team. Wixley said that it had become clear since Venter took over on May 1 that the division's financial results had been poorer than expected. The previous structure had led to delays in the decision-making process because of differing opinions.

"While the restructuring process will inevitably involve retrenchments, the MCS division will emerge leaner and more effective in addressing client needs," Wixley said.

Baron would leave E&Y shortly, and MCS partner Paul Matulovich had also decided to leave.

Wixley said Venter would build a market-driven, national practice, providing solutions to underperforming business and companies needing to catch up with global trends.

Anglo seeks toe-hold in Zaire

BD 21/5/96 (360)

David McKay

ANGLO American's plans to invest $100m in mining projects in Zaire could be an attempt to secure a toe-hold for future projects including gold and diamonds, industry analysts said yesterday.

The central African nation has been touted as, geologically speaking, one of the richest countries on earth, with huge resources of copper and cobalt from the Kitango copper belt, as well as resources of diamonds, zinc and possibly gold.

However, analysts said that Zaire had poor levels of infrastructure which had hamstrung attempts to export minerals through Zaire's main city, Kinshasa. Anglo recognised the difficulty of mining in the country, analysts said, but the company was increasing its presence in Zaire as it expected the situation to improve.

The group also did not want another mining house such as Australian rival Broken Hill Proprietary to pip it to the post. Anglo was, therefore, "putting down markers", one analyst said.

Another analyst said that Anglo was interested in access to the Kitango copper belt.

The Financial Times reported at the weekend that Anglo and its new bedfellow in Zaire, American Mineral Fields, were ready to invest money in reopening the 80 000 tons of zinc a year Kipushi mine and the Kolwezi tailings reclamation mine, owned by the state mining company Gecamines.

The two would share the immediate costs equally and be 50-50 partners in this project and others in Zaire.

The low-cost Kipushi mine, near the border with Zambia, was closed in 1993 due to lack of foreign currency. It also produced gold, silver, cadmium and geranium before it closed in 1993 due to lack of foreign currency.

An Anglo spokesman said the plans were still under negotiation. Only after the completion of a due diligence would a contract be signed with American Mineral Fields, he said.

Energy Africa strikes oil off Angola

BD 21/5/96

Samantha Sharpe

CAPE TOWN — Oil and gas exploration and production group Energy Africa has made a new commercial oil discovery off the Angolan coast.

The find was on Block 2/92, which Total Angola operates on behalf of a partnership of Total (40%), Angolan national oil company Sonangol (25%), South Korean company Daewoo (18,75%), Pedco (6,25%) and Energy Africa (10%).

Energy Africa technical director Adrian Nel said yesterday it was too soon to forecast the find's full potential, although it had been declared a commercial discovery in terms of an agreement with Sonangol.

He said initial testing had yielded a cumulative flow of 9 150 barrels of light crude a day, with further technical work needed before any development cost estimates could be made.

Nel said Energy Africa was well resourced to finance its 10% share of development costs. The group recently reduced by $250m the potential capital expenditure and exploration costs of its Kudu gas discovery after farming out 60% of its quarter share to Texaco Namibia Resources.

Energy Africa MD John Bentley said he was pleased with the discovery only six months after farming-in. Another well would be sunk this week and two more were planned later this year.

"This is an exciting discovery, which reinforces our confidence in the highly prospective western Africa region, where the group's exploration is primarily focused," said Bentley.

Energy Africa's interests in Angola also included a 15% interest in Block 1, with a 50% interest in Block 7, pending formal government approval.

Still fight in the old campaigner

ARG 27/5/96 (360)

Kenneth Kaunda served as Zambia's president for 27 years. Frederick Chiluba's government tried to prove he did so illegally. They couldn't and so they amended the constitution to block the old campaigner. VICTOR ZAZA of the Independent Foreign Service reports from Lusaka.

~~263~~

HOW does a citizen hold the hot seat of Republican Presidency for 27 years illegally?

Only the Zambian government, embroiled in establishing whether the country's first President (1964-1991), Kenneth David Kaunda, was a bona fide Zambian citizen and entitled to such high office can answer that question. But have they?

Zambia's parliament last week passed a bill that will ban the veteran politician from running for the office again.

The Constitution Amendment Bill, which passed its third reading, sets conditions for presidential candidates that rule out Kaunda, his party deputy, Chief Inyambo Yeta, and possibly a third contender, Zambia Democratic Congress leader Dean Mungomba.

Kaunda, 72, who served six terms of office and played a leading role in organising African opposition to white rule in South Africa, is barred from running again by a clause in the bill that sets a limit of two terms as president.

Western donors threatened to slap an aid freeze on Zambia if the bill went through parliament unamended, while Kaunda's United National Independence Party (UNIP) has predicted civil strife if Kaunda is barred from elections due in October.

Closing all loopholes, parliament amended a clause in the bill that would have banned Kaunda on the additional grounds that his parents were not born in Zambia.

The changed clause allows second generation Zambians to run for president provided their parents acquired Zambian citizenship when they came to Zambia. Kaunda's parents were Malawian.

Kaunda as a name in African political circles is first and foremost a nationalist in his "native Zambia" and a pan Africanist at heart as well as non-aligned movement supporter, having spent more than half of his age (72) in achieving his goals and political ideals.

With the stroke of a pen President Frederick Chiluba will try to wipe out all that Kenneth Kaunda fought long and hard for.

But Kaunda will be remembered as:

- Zambia's foremost freedom fighter who helped the country to attain independence in 1964;

Kenneth Kaunda

- The Organisation of African Unity's strongest ally from its inception in 1963;
- A Non-Aligned Movement activist for more than two decades.

To non-Zambians, Kaunda's credentials make him an indisputable Zambian leader in his own right.

But Chiluba is trying to re-write Zambia's history using the government and the government owned media to do so.

Following Kaunda's overwhelming presidential defeat in 1991, he earned the title of elder statesman from the new government which unseated him. His presidential retirement package was given wide coverage in the government media.

Kaunda stated he was retiring from active politics but soon made a U-turn.

The ruling Movement for Multiparty Democracy, the Zambian government and the government media unleashed a lethal attack on Kaunda accusing him of ruling Zambia for six years without formalising citizenship requirements.

One of its weapons was the widely read government daily paper, The Zambia Daily Mail which stated: "Kenneth Kaunda was born in Zambia of Malawian parents and was required to renounce Malawian citizenship before October 24 1965. You ceased to be a citizen of Zambia because you failed to renounce Malawi citizenship before that date according to Section 10 (1) of Zambia Citizenship Ordinance."

However, the then Minister of Home Affairs, John Mwanakatwe, (who chaired a constitution commission appointed by Chiluba) advised Kaunda that:

"I have considered the case fully and I am satisfied that you were unaware that you were a citizen of Malawi at that time ... at the time you ceased to be a citizen of Zambia and for this reason, I have deemed you never ceased to be a citizen of Zambia under Section 10 (4) of the ordinance". (sic)

But in his defence, Kaunda's affidavit to the Lusaka High Court stated:

"Between 1906 and 1924, all my brothers and sisters were born at Lubwa Mission in the Northern Province of the then Northern Rhodesia. I was also born on April 28, 1924, at Lubwa Mission, I am therefore Zambian by birth."

And the fact that Kaunda's UNIP party has less than 25 percent of the seats in parliament proves that the firepower had not left the old campaigner and that he still had enough fight in him to take on the Chiluba's Movement for Multiparty Democracy.

Civil strife looms in Zambia

(360) Sowetan 30/5/96

By Victor Zaza

LUSAKA – How does a citizen hold the position of president of a country for 27 years illegally?

Only the Zambian government – embroiled in establishing whether the country's first president (1964-1991), Kenneth Kaunda, was a *bona fide* Zambian citizen and entitled to such high office – can answer that question.

But have they? Last week Zambia's parliament passed a Bill that will ban the veteran politician from running for the presidency again.

The Constitution Amendment Bill, which passed its third reading, sets conditions for presidential candidates that rule out Kaunda, his party deputy Chief Inyambo Yeta, and possibly a third contender, Zambia Democratic Congress leader Dean Mungomba.

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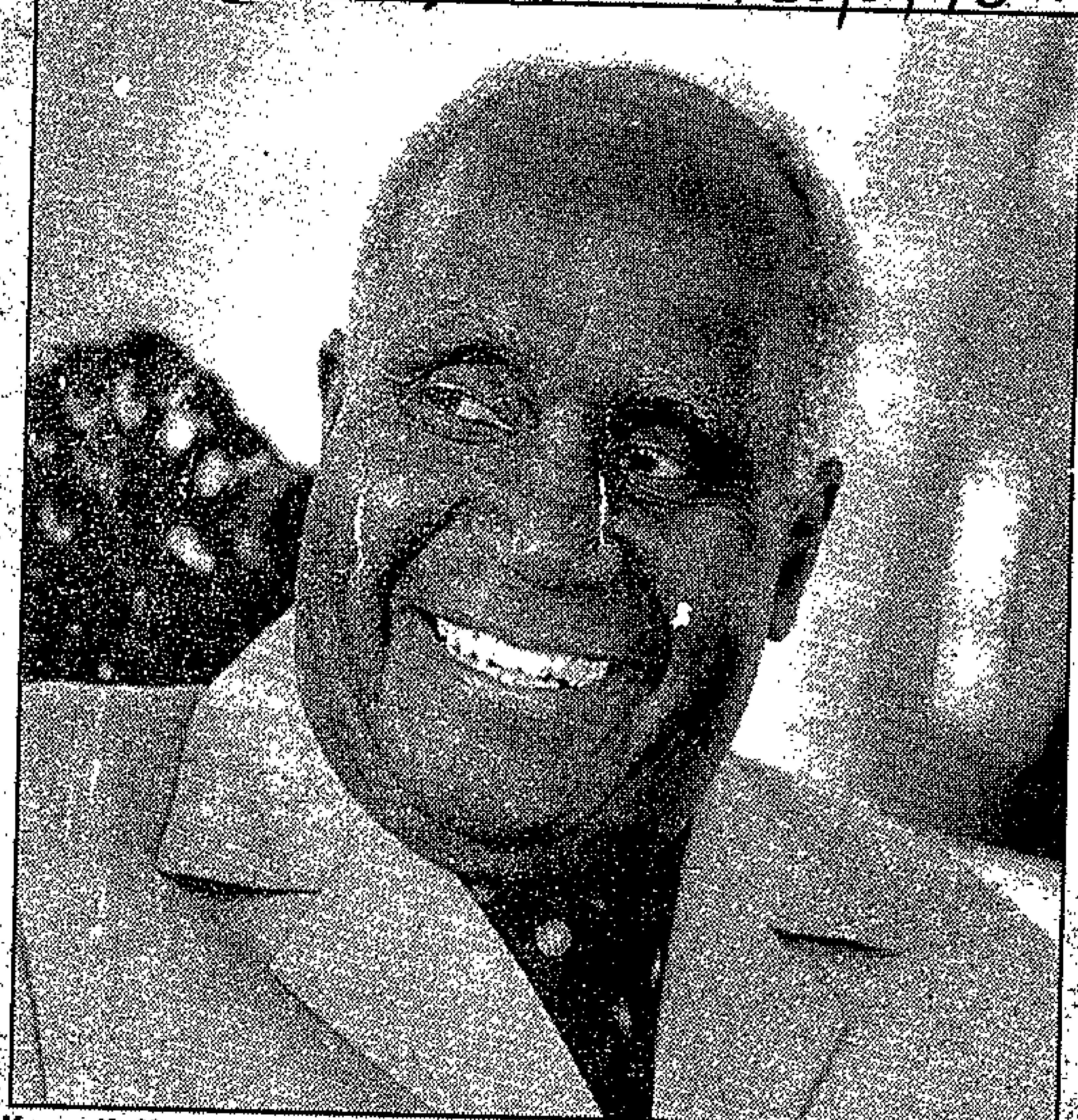

Kenneth Kaunda ... His party has predicted civil strife if he is barred from Zambia's elections in October.

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Closing all loopholes last week, parliament amended a clause in the bill that would have banned Kaunda on the additional grounds that his parents were not born in Zambia.

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Kaunda is, in African political circles, first and foremost a nationalist in his "native Zambia". But with the stroke of a pen, President Frederick Chiluba will try to wipe out all Kaunda fought long and hard for.

Yet Kaunda will be remembered as Zambia's foremost freedom fighter, who helped the country to attain independence in 1964 and as the Organisation of African Unity's strongest ally from its inception in 1963.

To non-Zambians, his credentials make him an indisputable Zambian leader. However, Chiluba is trying to re-write Zambia's history, using the government and the government-owned media.

Following Kaunda's overwhelming presidential defeat in 1991, he earned the title of elder statesman from the new government which unseated him.

Kaunda stated he was retiring from active politics but soon made a U-turn.

The Zambian Government accused him of ruling without formalising his citizenship. – *Independent Foreign Service.*

ACCUSED FACE DEATH PENALTY

Treason charges for Zambian opposition

CT 5/6/96 (360)

LUSAKA: Supporters of former president Kenneth Kaunda protested outside court yesterday during the appearance of the opposition leaders who have been charged with treason.

ZAMBIA charged nine opposition politicians with treason yesterday, accusing them of plotting to overthrow the government.

Those in dock included aides of former president Dr Kenneth Kaunda. They were remanded after being refused bail.

The maximum penalty for treason is death by hanging.

The politicians were also accused of masterminding a shadowy group called "Black Mamba", purportedly sympathetic to Kaunda, 72, which the government blames for recent bomb blasts.

Among the nine charged were leaders of Kaunda's United National Independence Party (UNIP), main rival of President Frederick Chiluba's ruling Movement for Multi-Party Democracy (MMD).

The suspects, including Kaunda's deputy Mr Inyambo Yeta, were not asked to plead. They were ordered to appear in court again on June 19.

Hundreds of UNIP supporters gathered at the courthouse where they taunted police who stopped them entering the building.

The crowd dispersed after Kaunda, who attended the hearing, asked them to leave.

"Go back home peacefully. Do not give the government an excuse to harass you," he told his singing, dancing supporters.

The nine were detained on Sunday and Monday after investigations into two recent explosions, one at the presidential palace in Lusaka and another at the offices of a state-run newspaper in the north of the country.

Another UNIP official was arrested early yesterday but had not yet been charged.

Black Mamba, in whose name death threats have been sent to officials and journalists, first surfaced when Chiluba's government proposed constitutional amendments barring Kaunda from contesting presidential elections in October.

Kaunda denies any link with Black Mamba, calling it a government plot to discredit him. He has also accused the government of conspiring to assassinate him and other UNIP leaders.

Both UNIP and opposition party Zambia Democratic Congress have said they will not recognise the changes in the constitution. The United States warned it may cut or freeze aid to Zambia after the government passed the new constitution. — Reuter

Kaunda's aides arrested in connection with explosions

(360) CT 4-6-96

LUSAKA: Zambian police arrested four key aides of former president Dr Kenneth Kaunda yesterday, a day after five men were detained in connection with a series of bomb blasts, officials of Kaunda's party said.

Mr Basil Kabwe, administrative secretary of Kaunda's United National Independence Party said the party's deputy leader Mr Inyambo Yeta was among those arrested yesterday.

The others were the security chief Mr Patrick Goma, finance chairman Mr Rabson Chongo and press officer Mr Muhabi Lungu.

Kabwe said police searched party headquarters.

"They said they were looking for subversive materials and explosives. They didn't find anything, but arrested our leaders anyway."

Police declined to comment.

On Sunday police arrested five men in connection with recent explosions at the official residence of President Frederick Chiluba and the offices of a state-run newspaper. Police have said other suspects were still at large.

Police said the five, including three retired army officers, were believed to be part of "Black Mamba", a movement purportedly sympathetic to Kaunda.

OUT IN THE COLD: Dr Kenneth Kaunda's challenge barred

Last week, police arrested two members of the Zambia Democratic Congress, an opposition party headed by former minister Mr Dean Mungomba, for unspecified reasons. Black Mamba, in whose name death threats have been sent to government leaders and newspaper reporters, first surfaced when Chiluba's government introduced constitutional amendments barring Kaunda from contesting this year's president election.

Both Kaunda's party and the Democratic Congress have said they will not recognise the constitution, which took effect last week.

Kaunda has denied any link with Black Mamba, saying it is a government plot to discredit him.

Kaunda ruled Zambia for 27 years since independence from Britain in 1964. Chiluba ousted him in elections in 1991. — Reuter

Fears of violence in Zambia

(360) M+G 31/5-6/6/96

As Zambia's constitutional debate hots up, there are real fears that the first political violence in decades could erupt in Lusaka, writes **Brian Latham**

ZAMBIA'S vibrant but eccentric press is carrrying reports claiming former president Kenneth Kaunda is training Arab "terrorists" in South Africa.

Kaunda has been barred from standing in elections, because a recent, and bizarre constitutional amendment bars "foreigners" from seeking presidential office. A foreigner has been defined in the amendment as someone who, like Kaunda, who was born in Zambia but whose parents were not. Kaunda's parents were Malawians.

For the first time in decades, there are real fears political violence will spill onto the streets of Zambia's capital, Lusaka. While Zambians often worried about foreign raids from then-Rhodesia and South Africa because of Kaunda's support for liberation movements, not since the food riots in 1991 has there been any civil disturbance in Zambia — and not since independence has there been any real political instability.

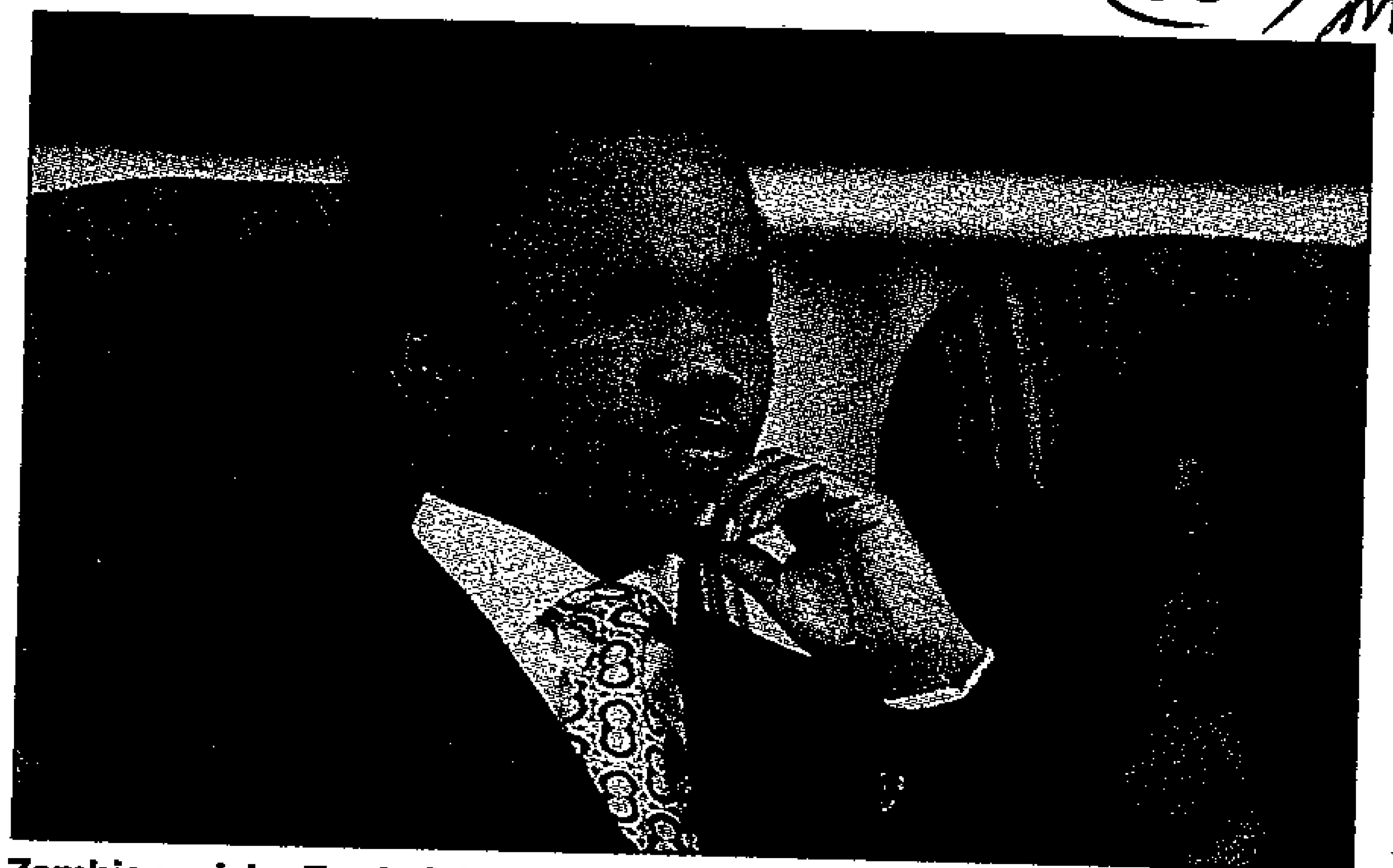
But as Zambia's constitutional debate hots up, opposition leaders are promising demonstrations and violence unless President Frederick Chiluba renounces his plans to prevent them standing against him in the country's elections this October.

And Zambia's press is adding fuel to the fire by alleging that ex-president Kenneth Kaunda is training Arab hitmen in South Africa, using the Johannesburg-based Kaunda Foundation as a front for the training operation.

Malcolm Freid, the foundation's head, says the allegations are "off the wall", adding that Chiluba's Movement for Multi-Party Democracy (MMD) is resorting to bizarre tactics because "it is frightened now — very frightened".

Kaunda's United National Independence Party, UNIP denies vehemently it is training people to invade Zambia and says it is opposed to violence. But Kaunda's deputy in the party, Senior Chief Inyambo Yeta, claims rioting may be inevitable "when democracy is suppressed" he said. "Extremists will come along and their frustration will lead to trouble. I wouldn't rule out violence."

And Kaunda has vowed to break the law, whatever the cost to himself: "We broke British laws to gain independence and freedom," he said. "And I will do it again now."



Zambian crisis: Frederick Chiluba may have to face angry opposition leaders if he prevents them standing against him in the October elections
PHOTOGRAPH: HENNER FRANKENFELD

Pro-MMD newspapers are stoking the fires. "Chiluba to be killed" said the *Weekly Chronicle*, next to a picture of Chiluba with the cross of a telescope sight superimposed on his face. And another newspaper, the *Sun*, which made the Arab claim, said the "terrorists" would invade Zambia and depose the MMD. The paper published an old picture of a Renamo guerrilla. Soldiers like this, pictured in Mozambique, are to move into Zambia, it claimed.

Kaunda returned to Zambia on Tuesday after attending a former heads of state meeting with James Callaghan, Pierre Trudeau and Helmut Schmidt in Canada. He was greeted by several hundred UNIP supporters at Lusaka Airport and led a peaceful demonstration into the city centre.

By the time the procession reached the city's main post office, it had swelled to more than 1 000 and Zambian police dispersed the crowd, with Kaunda asking his supporters to return to their homes peacefully. It is illegal to hold a demonstration in Zambia without giving 14 days notice.

Zambians interviewed in the streets this week said they expected trouble.

Plagued by desperate economic woes and rising crime rates, Zambians philosophically shrug their shoulders and say the controversial law to ban opposition leaders on the grounds of parentage is "unfair". "If KK is unpopular, let Chiluba prove it in the elections," was the almost universal reaction to the proposed Bill.

And Zambians do have staggering problems, even without the present constitutional crisis. Overwhelming unemployment, crime and an economy teetering on the verge of collapse are everyday issues.

Zambian businessmen worry that the country's trade imbalance is not sustainable and point to South Africa being more of a hindrance than a help.

With the constitutional crisis coming at a time of desperate economic constraints and fuel shortages, most observers feel Zambia is headed for unrest and civil disturbance which will further undermine Chiluba's attempts to rebuild his ailing country.

Don't freeze us out, Chiluba begs donors

(360)

LUSAKA: Several Western countries have reacted to recent amendments to the Zambian constitution by suspending, or threatening to suspend foreign aid to the country.

CT 7/6/96

ZAMBIAN President Frederick Chiluba yesterday urged donors not to cut aid to his country because its amended constitution bars former president Dr Kenneth Kaunda from challenging him in elections later this year.

The amendment bars second-generation Zambians and ex-presidents who ruled for at least two terms from running for president. Kaunda is excluded on both counts.

Chiluba, under siege by Western donors led by the United States, said the constitution was a Zambian decision and gave no indication that it would be changed to answer critics.

He said Kaunda, who was born in Zambia of Malawian parents, was a foreigner. Kaunda led Zambia from its independence from Britain in 1964 until he was beaten in elections in 1991.

"This new constitution is the will of the Zambian people. It is what they wanted and all I did was accede to their wishes," Chiluba said in an interview.

"Donor nations should not cut aid to Zambia because by doing so they will be treating the Zambian people unfairly," he said.

Nine opposition politicians, including senior Kaunda aides, were charged on Tuesday with treason and plotting to overthrow the government.

BARRED KAUNDA: President Frederick Chiluba

"Chiluba is not a democrat at all," Kaunda said. "He is bending the rules to suit himself and his party. He is creating ground for unrest in this country because Zambians will neither accept nor respect his illegal constitution."

Western donors who provide aid to Zambia have told Chiluba to withdraw the clauses or face an aid freeze that would bring Zambia's copper-based economy to its knees.

On Wednesday Norway suspended new aid to Zambia worth up to R174 million a year, saying it was "extremely concerned about recent political developments".

Britain will review the provision of government-to- government aid next week and the United States has warned Zambia that it is considering cutting or freezing aid.

"The situation in Zambia is very sad," Britain's Overseas Development Minister Lynda Chalker told a news conference in Harare on Wednesay night. "We are particularly concerned, with other donors, about the recent measures to restrain the eligibility of candidates for the presidency."

Britain has already withheld half of some R87m balance of payments support for violations of good governance.

But Chiluba defended his government's action, saying Kaunda was a foreigner who had fraudulently ruled Zambia for six terms.

"Dr Kaunda is a foreigner and Zambians want to be ruled by a Zambian," Chiluba said.

The arrested members of Kaunda's United National Independence Party are also accused of masterminding a shadowy group called Black Mamba, which the government blames for recent bomb blasts.

Kaunda said: "This thing is Chiluba's creation. It was created by his police and security forces to discredit us, to undermine us and democracy ... but the people and donors have seen through his dirty and cheap trick." — Reuter

Stubborn resistance: Kenneth Kaunda (left) at a legal, but heavily policed rally in Lusaka on Saturday
PHOTOGRAPH: SACHA J

Nzo ducks Kaunda's election dilemma

M+G 14-20/6/96 (360)

South Africa has chosen to ignore Kenneth Kaunda's plight, although he helped the ANC fight the apartheid regime, reports Judith Matloff

WESTERN donors have deplored moves by the Zambian government of Frederick Chiluba to prevent his rivals from taking part in October's elections. But South Africa is pursuing a foreign policy of quiet, if not silent, diplomacy.

Even the debt the ANC feels towards Zambia's former president Kenneth Kaunda for sheltering the movement during apartheid is apparently not enough to condemn efforts to disqualify him from running.

Foreign Minister Alfred Nzo says that Pretoria does not want to take the lead, preferring instead to leave it to Botswana President Quett Masire ,who is also the head of the Southern African Development Community (SADC).

But Masire is doing very little and the regional body is appearing spineless as one of its members nakedly flouts the regional trend towards democratisation.

After telling foreign correspondents at a lunch on June 7 that South Africa's foreign policy priorities include promoting human rights and keeping the peace in the region, Nzo lamented the "tragedy" occurring in Zambia which he said could lead to conflict there.

But he insisted: "It is up to the chairman of SADC to respond ... does it seek to be a dominating force in the region. We have made it clear we see ourselves as a nation among equals in the sub-region."

Pressed further, Nzo said Masire was considering convening a meeting of regional officials to discuss Zambia, but that no other action was being considered for the time being.

Kaunda said in a telephone interview that a recent visit to Lusaka by Masire was a "disaster" in terms of persuading Chiluba to reverse his non-democratic path. Kaunda said he would have liked a telephone call from his old friend, Nzo. But he expressed some sympathy for South Africa's reluctance to get too involved, saying: "I can well understand their position. The government here thinks they (the South African government) are too close to me. So that's why they left it to President Masire and SADC."

The SADC's passivity is in sharp contrast to 1994, when member states including South Africa threatened to intervene in Lesotho after the palace coup and in Mozambique after former rebel leader Afonso Dhlakama initially rejected his electoral defeat.

The Zambian silence follows South Africa's withdrawing its tough stance on Nigeria after failing to muster regional support last year.

Foreign donors, including Britain, the United States, the Netherlands and several Scandinavian countries, have threatened an aid freeze over the constitutional amendments passed by the Zambian Parliament last month which disqualify as presiden- ... ple who lived abroad for the past 20 years, or anyone who is not at least a second-generation Zambian.

This not only rules out Kaunda, whose parents were immigrants from Malawi, but also his United National Independence Party deputy chief Inyambo Yeta, and Zambian Democratic Congress leader Dean Mungomba.

Further concern has been raised over a charge of treason against nine political opponents, including Yeta and other senior Kaunda aides, for allegedly forming part of a shadowy group called "Black Mamba" which the government blames for recent bomb attacks. Kaunda denies any link.

Kaunda will not quietly accept the role of sidelined senior statesman and has threatened civil disobedience, such as staging unauthorised rallies.

The Chiluba government was clearly worried that a deteriorating economic situation could facilitate a comeback for Kaunda.

Kaunda left office after being overwhelmingly defeated by Chiluba in the country's first democratic elections in 1991, chastened by a popular rejection of his economic mismanagement.

Chiluba's adoption of donor-dictated austerity measures have worsened life for many Zambians who now look back nostalgically on the days of free education, food subsidies and state-protected jobs.

Western diplomats say that, ironically, Chiluba would probably have won the elections without thwarting his rivals. Now, however, he has eroded his credibility and elevated in popular esteem Kaunda, who was certainly no democrat during his 27-year reign as Zambia's first post-

Copper mines post net loss

(360) BD 21/6/96

LUSAKA — Zambia Consolidated Copper Mines (ZCCM), in which Anglo American has an indirect stake, posted a net loss of 29,9-billion kwacha for the year to March, against a net profit of 3,5-billion kwacha in the previous year. Copper production for the year was 307 071 tons — 43 405 tons lower than the previous year's production.

Cobalt production was 3 577 tons for the year.

ZCCM made a net loss of 31,8-billion kwacha in the three months to March, compared to a net loss of 10,8-billion kwacha in the corresponding 1995 quarter.

Total sales revenue for the March quarter was 523,8-billion kwacha, an increase of 16% over the same quarter last year.

"This arose as a result of the depreciation of the kwacha between the corresponding period of the previous year and the period under review," a spokesman said.

Copper production for the quarter of 82 696 tons was 108 tons lower than the 82 804 tons achieved in the 1995 quarter, the spokesman said.

He said the company had been faced with continuing ore tonnage and ore grade constraints at the Nchanga open pit mine, maintenance problems at the Nkana smelter and concentrator and low copper input at the tailings leach plant at Nchanga division.

Copper sales in the March quarter of 69 702 tons were 5 622 tons lower than the 75 324 tons sold in the same quarter last year.

This was due to transport constraints at the Tanzania-Zambia Railway Authority linking ZCCM to the port of Dar-es-Salaam.

Cobalt sales of 1 050 tons for the quarter were 136% higher than the 444 tons sold in the corresponding 1995 quarter. ZCCM forecast production of 82 000 tons in the current quarter — about 4 000 tons more than was budgeted for. Cobalt production is seen on target at 1 302 tons. — Reuter.

Sasko moves into Zambian market

Edward West BD 21/6/96 (360)

MILLING group Sasko is to provide technical and marketing support for a R45m wheat milling operation at Kitwe on the Zambian copper belt. It is to be financed by the Commonwealth Development Corporation (CDC).

Apart from the construction of the mill — a R17m contract was been awarded to LTA — the project also includes buying the Kitwe distribution centre of the Zambia National Wholesale and Marketing Corporation.

Sasko said the CDC was providing finance through equity and loans. Sasko had an option to buy up to 25% of the equity. Wheat would be supplied to the mill from CDC-owned farms near Luanshya.

"From the mill the new company will market and sell flour and bran to the 2-million people on the copper belt, as well as bakery products from the Sasko range," southern Africa director David Morley said.

Provision has been made to double the capacity of the mill at a further cost of R20m by the year 2 000.

The R2bn-a-year Sasko produces about 500 000 tons of flour and wheat products a year.

Once peaceful Zambia stumbling towards strife

Star 21/6/96 (360)

By Jowie Mwiinga
Lusaka

A bomb rips through Lusaka international airport, killing a policeman and badly wounding another. Anonymous callers hound journalists at a state-run newspaper with death threats. Nine opposition leaders are arrested and charged with treason.

Barely two months ago, incidents of this nature were as remote to Zambians as the war in Liberia viewed on television from the comfort of a living room. But as presidential and parliamentary elections scheduled for the end of October draw closer, Zambia, traditionally a haven of peace, appears to be tottering towards strife.

The source of tension lies in a new constitution adopted last month that changed the rules of the game for the elections.

It effectively bars key opposition candidates, most prominently among them former president Kenneth Kaunda, from standing, by disqualifying second-generation Zambians and former presidents who ruled for two terms.

Both categories apply to Kaunda. His deputy, Chief Inyambo Yeta, is disqualified by another clause that bars traditional rulers from politics. Another clause that requires presidential candidates to have resided in the country for 20 years could, depending on its interpretation, disqualify other candidates, leaving President Frederick Chiluba as the only serious contender.

The Law Association and the Catholic church have rejected the amendments, while opposition parties refuse to recognise the revised electoral law.

"No one will prevent me from standing," says Kaunda. "If they try to stop me, I will break the law."

As a protest, the United States and Norway have suspended aid to Zambia, and other Western countries threaten to follow if the amendments are not reversed.

The United States summed up the feelings of the donor community in a statement issued last month by the State Department, which "deeply deplores" the amendments "that limit the right to choose the president freely".

In this tense climate, a shadowy group that calls itself the "Black Mamba" has carried out bomb scares and death threats against government leaders. The government says "Black Mamba" is an opposition group, while the opposition claims it is a government scheme to discredit them.

In addition serious doubts about the electoral process would persist. Chief among these is the compilation of voter rolls carried out by an Israeli company, Nikuv Computers.

"Nikuv was contracted to rig the elections for the ruling party," claims Kaunda.

Given the level of distrust in the government, it is unlikely that opposition parties would accept an election defeat, even if their candidates were allowed to stand. – Star Foreign Service / Africa Information Afrique.

UN agency warns that protests could harm economy

Aid cuts 'may affect ZCCM'

CT(BR) 26/6/96 ( ) (360)

By Jowie Mwiinga

Lusaka — The United Nations Development Programme has warned foreign donors that cuts in aid to Zambia in protest at constitutional changes could have a severe effect on the economy and harm the sale of units of Zambia Consolidated Copper Mines (ZCCM).

Western governments, led by the United States, have said they will cut or freeze aid to Zambia in protest at changes that ban former president Kenneth Kaunda and others from contesting elections to be held by the end of October.

Political analysts have said the political climate could slow negotiations on the sale of ZCCM units and the development of Konkola Deep by a consortium led by Anglo American Corporation of South Africa.

ZCCM said the political climate would have little bearing on the company's privatisation, but the programme's report predicted increased capital flight and reduced direct foreign investment if aid was cut.

The report also forecast a shortage of foreign exchange, leading to the devaluation of the kwacha, rising inflation and the inability to service external debts.

Zambia's foreign debt stands at $6,2 billion.

"Acute scarcity of foreign exchange may at worst lead to default on World Bank and International Monetary Fund (IMF) loans, which could end their assistance to Zambia.

"A break with the World Bank-IMF and Zambia's loss of their 'certificate of respectability' would impact negatively on donors beyond the dominant members of the Paris Club Consultative Group," the report said.

The report predicted an increase in interest rates, leading to reduced borrowing and investment, and more external and internal borrowing with adverse macroeconomic results.

A shortage of foreign exchange and the possible emergence of a parallel market would reduce the availability of goods and services and erode standards of living.

"A number of ongoing or envisaged new programmes might be adversely affected, especially co-financed projects.

"Hopefully, withdrawal of aid should be selective to ease the plight of the poor.

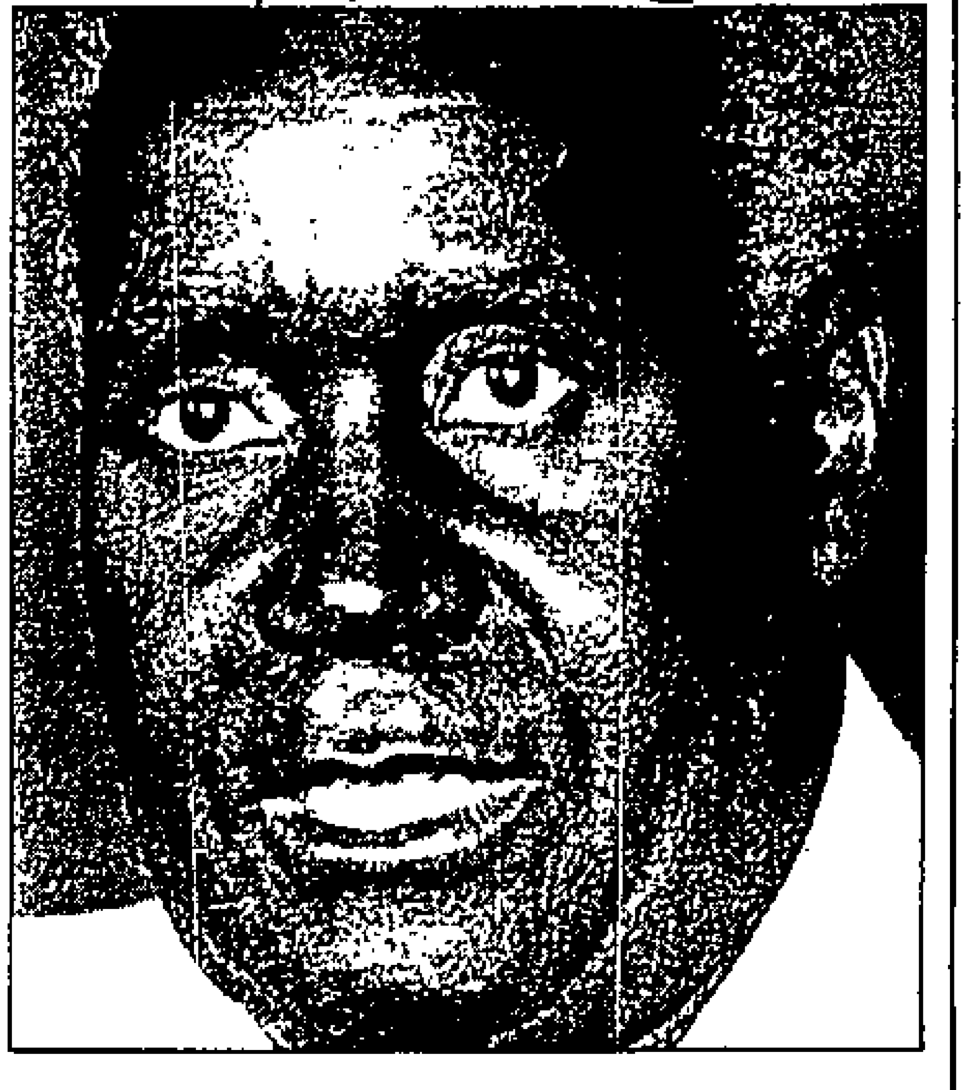
"Furthermore, in the event of aid cuts, public expenditure should be so redirected as to cushion the poor from the ensuing hardships," it said. — Reuter

Zambia on the brink of civil war

ET 26/6/96 (360)

COLIN LEGUM
CONTRIBUTING EDITOR

FREDERICK CHILUBA



KENNETH KAUNDA

BRITAIN and the US have responded to appeals from African leaders to intervene in the deepening crisis in Zambia — which is threatening to blow the country apart in the three-month run-up to the presidential elections in October.

The US has issued a statement deeply deploring the constitutional amendments adopted by Zambia's parliament which, among other things, forbids former president Kenneth Kaunda to run as a presidential candidate against his successor, President Frederick Chiluba.

Parliament says Kaunda was not born in Zambia, having come as a youngster with his Malawian-born missionary parents.

The US has declared that the amendments "seriously threaten the integrity and credibility of the electoral process and significantly undermine Zambia's democratic development" and has announced that as a result it is reviewing its bilateral and multilateral relations with Zambia, including assistance programmes, pending immediate steps to ensure free elections.

British Minister for Overseas Development Mrs Lynda Chalker warned that while the UK did not want to cut its aid to Zambia, its development partnership with that country was based on a shared commitment to democracy and to economic reforms.

Botswana's President, Sir Ketumile Masire, has taken the lead in rallying African support for the repeal of the constitutional amendments. In addition to his personal protest to Chiluba, he has urged Zimbabwean President Robert Mugabe to assert his right as chairman of the Frontline States to call a summit meeting to discuss the situation in Zambia. Masire has also urged action by the Organisation of African Unity (OAU).

Chiluba admitted that Zambia would face problems if foreign aid was cut off, but he suggested that the difficulty could be eased by Zambians working harder. He has given no hint that he might drop the amendments — in spite of the resignations, in protest, of two of his ministers. Veteran Leftist Simon Zukas, Minister of Works and Supply, was one of those who quit. In addition, all 30 opposition groups in Zambia, including Kaunda's United National Independent Party (UNIP), have registered their opposition to the amendments.

Meanwhile, all the early signs of an incipient civil war are present in Zambia.

● A mysterious group calling itself the Black Mamba is responsible for setting off a number of bombs at key points in the capital — and Kaunda's recent announcement that he is ready to break the law if the government prevents him contesting the presidential elections has been seized on by the government as evidence of UNIP's connection with the group.

Kaunda told me in London that he had no clue who was behind Black Mamba, but said he was seriously worried about a civil war developing in Zambia.

● Political arrests have increased sharply. On June 2, five prominent people, including three retired army generals and a police officer, were arrested in connection with the Black Mamba bombings.

Two days later eight UNIP members — including its vice-president, Chief Inyambo Yeta and retired General Joseph Chitomfwa, were charged with treason because of their alleged connection with the group.

● Student protests have grown. Police used tear-gas to stop a student march to State House on June 7. Tension within student ranks increased after the arrest of Emmanuel Tambo, president of the Students' Union.

A violent collapse of Zambia's political system would have serious implications for the entire Southern African region.

It would threaten the tentative stability of Angola and Mozambique, which are painfully recovering from decades of civil war. But a war in Zambia would affect not only its most immediate neighbours. It would also affect South Africa, which has important trade, communications and political links with the country. It would also undoubtedly hold up the negotiations with Anglo American, among others, over the privatisation of Zambia's fraught copper-mining industry.

What can be done to pull Zambia back from the brink of disaster?

All the major international organisations — the UN, European Union and the OAU — agree that the only way to prevent domestic conflict from escalating into serious violence is to institute an early-warning system. Diplomatic, economic and even military mechanisms need to be in place to cope if the threatened breakdown of Zambia's political system occurs.

The evidence of a disastrous violent struggle is already overwhelming. But the organisations agree that the situation is retrievable if South Africa and the other Frontline States, backed by the OAU and Zambia's donor countries, force Chiluba to scrap the undemocratic amendments to the constitution.

The only reason for the amendments is that the Chiluba government is afraid that Kaunda might defeat it — an irony, since it was Kaunda's voluntary abandonment of his single-party state that opened the way for the election of Chiluba's misnamed Movement for Multiparty Democracy.

Zambian police batter protesters

CT 28/6/96

(360)

LUSAKA: Zambian police used batons and teargas yesterday to disperse scores of opposition supporters protesting at the treason trial of their leaders, witnesses said.

Several people were hurt, some seriously, when police broke up the crowd outside the court where eight leaders of former president Dr Kenneth Kaunda's United National Independence Party (Unip) appeared.

The leaders have not been charged yet but are accused of plotting to overthrow President Frederick Chiluba's government and of masterminding a series of bomb blasts around the country.

An opposition official — not one of those on trial — was taken to hospital after being battered, and a photographer from the state-run Times of Zambia had severe neck injuries, witnesses said.

The court ordered senior police to control their men after defence lawyers said they had run amok.

The eight are accused of being behind the Black Mamba, a shadowy group in whose name bombs have been planted in several parts of Zambia to protest against laws barring Kaunda from running in presidential polls in October.

Bombs have exploded at the presidential residence, Lusaka's international airport — killing a policeman — and at offices of a state-run newspaper over the last two months.

Kaunda, who led the country from independence in 1964 up to 1991, has accused Chiluba's government of trumping up charges against Unip officials in an effort to discredit the opposition.

He wanted to challenge Chiluba for the presidency in the polls later this year but the amended constitution bars him, and possibly other candidates, from running for office.

The law rules out Kaunda because his parents were not Zambian but Malawian and because he has ruled for more than two terms already. — Reuter

AFRICAN BUSINESS

Many lives depend on Tanzania-Zambia train

CT(BR) 4/7/96 (360) ([illegible])

By Joe Chilaizya

Dar es Salaam — Few Tanzanian or Zambian officials are likely to have heard of Chozi, Idiga or Vwawa.

Fewer still would be aware that should their governments close the railway line operated by the troubled Tanzania-Zambia Railway Authority, most activity in those small, remote stations would grind to a halt.

The Tanzania-Zambia railway is a lifeline to villagers living along its route. When they hear the train coming, people bearing baskets full of produce rush to meet it.

They live for those 10 minutes when the train stops alongside the drab white station to change tracks or locomotives on its three-day journey between Dar es Salaam in Tanzania and the Zambian town of New Kapiri Mposhi.

A few are men, but most are barefooted women with babies strapped on their backs and heavy bags or baskets of produce on their heads.

"I've got to sell as much as I can, which normally is not much or anything at all because the train stops for just a few minutes," said Amina, a woman in the Zambian village of Chozi.

"Usually, we sell our produce very cheaply because there is too much competition among ourselves and those of us who are more desperate for cash end up lowering prices for everybody," she said.

But, unknown to Amina and her counterparts in Tanzanian villages such as Vwawa and Idiga, the railway authority is finding it difficult to keep afloat.

The railway was Zambia's answer to the closure of its routes to southern African ports because of Rhodesia's unilateral declaration of independence in 1965.

The 1 860km line was built in the mid-1970s with help from the Chinese government in partnership with the Tanzanian government. It cost $23 million.

The railway line was first meant to handle all of landlocked Zambia's freight and it did. But Zambia's dependency on Dar es Salaam port has lessened since the re-opening of the southern routes after Mozambique's independence in 1975 and the coming of majority rule in Zimbabwe in 1980.

As a result, the volume of cargo along the railway has been considerably reduced.

Total freight decreased from more than a million tons in 1992 to about 643 000 tons in 1994 — and with it the railway authority's earnings.

When they hear the train people bearing baskets of produce rush to the station

That has forced the two governments to take a new look at its operations.

Gilbert Mululu, Zambia's transport and communications deputy minister, said recently that the Tanzanian and Zambian Railway Authority needed to address its colossal overheads, the biggest of which is salaries.

About 6 000 Zambians and Tanzanians work for the railway authority, which has said it cannot continue to employ all of them.

In a planned restructuring of the company about 4 000 will be laid off, leaving about 2 000 on its payroll.

Travelling on the railway, it is hard to imagine it is not doing well. Its passenger trains are ~~almost~~ always full to capacity, with little or no standing room left at all.

Each passenger pays between $26 and $46 for the trip between Dar es Salaam and New Kapiri Mposhi, but most passengers board the train at one of the several small stations.

The train is the cheapest and most convenient link to the rest of Zambia or Tanzania for people living along the route.

The third-class carriages are usually so full that many commuters spill over into the second- and first-class corridors.

For those who can afford to pay for first class, it is a luxurious ride in great comfort along scenic landscapes.

However, most of the people who use the line do so out of sheer necessity. They would suffer greatly if the service were stopped, though the two governments seem unlikely to take such a drastic step.

There was talk that the Zambian government had lost interest in the operation, but it recently reiterated its commitment to the railway.

Sources at the railway authority's office in Dar es Salaam said there were plans to privatise the company. They said the Zambian and Tanzanian governments would put most of their shares up for sale to their citizens and the rest would be sold to outside investors.

"Rumour has it that a South African company has expressed interest in investing in the railway line, but it is all just speculation," one source said.— Sapa-IPS

Zambian minister is fired for misconduct

BD 16/9/96

LUSAKA — Zambian President Frederick Chiluba had fired Legal Affairs Minister Remmy Mushota for misconduct, a spokesman for the head of state said yesterday.

"It is true that Mr Mushota has ceased to be a minister," State House spokesman Richard Sakala said. (360)

The action followed recommendations to the president by a tribunal set up by the chief justice last year under the Ministerial and Parliamentary Code of Conduct Act.

The spokesman said Chiluba had accepted the recommendations by the tribunal that Mushota and member of parliament Patrick Katyoka had misconducted themselves early this year over the attempted cashing of a 210-million kwacha (about \$200 000) cheque at the Bank of Zambia (the central bank).

Part of the money was intended to be paid to Katyoka's company, involved in the printing of constitutional review material.

The tribunal was appointed after a complaint by a detained member of the opposition United National Independence Party (Unip), Brig-Gen Nicholas Zulu.

This complaint was lodged when media reports said Mushota was found at the central bank attempting to cash the money in April this year.

Mushota was instrumental in the drafting and implementation of a new controversial constitution barring former Zambian president Kenneth Kaunda from running for the presidency later this year. — Sapa-AFP.

Zambia in the firing line

(360) ARG 22/7/96

Foreign governments continue to pressure the Zambian government to broaden its consultation process on constitutional reform, and the US has cut back on aid in protest against a provision of the new constitution that will prevent former President Kenneth Kaunda from running for the presidency. But Japan has different ideas, writes JOE CHILAIZYA of International Press Service in Lusaka.

THE United States and Japan shuffled their bilateral aid to Zambia around this week with the US announcing an aid cut, while Japan stepped in with new monies.

The United States Agency for International Development (USAID) announced this week it will cut its aid to Zambia by more than 10 percent.

According to USAID Zambia Director Joseph Stepanek, this is partly in response to the Zambian government's refusal to withdraw new amendments to the country's constitution.

"The US government is concerned that the recent constitutional amendments limit the right of Zambian people to choose their president freely and seriously threaten the integrity and credibility of the electoral process," Stepanek said.

He was referring to the government's introduction of a clause barring all citizens whose parents are not born in Zambia from contesting in the presidential race.

The clause effectively blocks Zambia's first president Kenneth Kaunda from recontesting the presidency he lost to Frederick Chiluba in the country's return to multiparty politics in 1991. Kaunda planned to contest the presidency in the upcoming October elections.

"The amendments are seen to reverse the commitment to the open, multiparty democratic political system included in the agreement signed by the government of Zambia at the outset of the Democracy and Good Governance Project in 1992," Stepanek said in an interview.

The Democracy and Good Governance programme was initiated through an agreement between the two countries as part of the United States' initiative to encourage emerging democracies to firmly establish their newly-created democracies.

Zambia also re-affirmed its commitment to good governance at the Paris Club meeting last year. The US, according to Stepanek, believes that the government has reneged on its commitments.

He said that USAID has cut funding mainly to four projects amounting to R4,5-million.

These include a project to assist the government in its public service reforms, a project to upgrade equipment at the Zambia Institute of Mass Communications (ZAMCOM) and support to the National Democratic Institute (NDI), an election monitoring group which closed its operations in the country at the end of June.

The three projects are in addition to a programme to assist parliament improve its internal procedures and processes, which the US government suspended soon after Chiluba signed the Constitutional Amendment Bill into law on May 28.

Stepanek said that the cut in aid must also be understood in the context of a world-wide reduction in foreign assistance programmes by the United States' government.

"We Americans are also in an election year and we obviously are going to need a lot of cash to finance our own election programme and consequently cut some foreign assistance programmes," he said.

Staffing levels at the US. embassy in Lusaka have also been cut.

Zambian Finance Minister Ronald Penza said that the latest USAID action must teach Zambia a vital lesson – to lessen its dependence on donor aid.

"Zambians must begin producing and earning their keep. Even more, Zambians must learn to live within their own means, cut back on consumption and other luxuries until the economy picks up," Penza said.

But the Japanese appear to have a different view.

As Stepanek was announcing the US cut in aid to Zambia, the Japanese announced a bigger aid grant amounting to about R52-million for the rehabilitation of the country's roads.

The Japanese government has turned a blind eye to the controversy over the new constitution.

"Donor countries rarely act in concert over issues, because they are basically in competition for world markets and would actually eagerly wait for one to withdraw, so that they can take over that part of the market for their own products.

"I will not be surprised to see the Japanese assume a bigger share of the African market and completely dominate the region," a British diplomat, who declined to be named, said.

Western donors however have come out strongly in expressing their displeasure at the controversial constitutional amendment and have threatened at different stages to cut their aid.

Britain announced earlier this year that it was withhold R95- million in project aid to Zambia. Denmark and Norway also said that they may reconsider their bilateral aid programmes to Zambia.

Local opposition parties view the donors' actions as part of their successful international campaign to put pressure on the government to renegotiate the constitution by wider consensus through a constituent assembly.

Kaunda however, was disappointed when his old friends in the regional Southern African Development Community (SADC) did not vigorously take up the issue at a recent meeting to create a new SADC sector on political cooperation, security and democracy.

The Zambian so-called constitutional crisis, which was supposed to be the centre of attention at the SADC heads of state summit in Botswana, was upstaged by the border conflict between Namibia and Botswana, perceived as a bigger threat to regional security.

President Chiluba was reluctant to talk to his regional colleagues about his troubles at home and saw any foreign interest in the matter as blatant "indecent curiosity".

In a letter to his regional counterparts, reacting to Botswana President Ketumile Masire's call for a regional consultative meeting to discuss the Zambian situation, Chiluba said: "Are we also going to discuss the crisis between Botswana and Namibia, (President Nelson) Mandela's problems in KwaZulu Natal, how (President Robert) Mugabe ran against himself in Zimbabwe's last elections or the definitely volatile situation in Angola?"

The Zambian mission in the Botswana capital of Gaberone placed a full-page ad in the local papers declaring that there was no crisis in Zambia, and advised regional neighbours to desist from thinking that any election without Kaunda was not democratic.

"Please bear in mind that Zambia is not Kaunda, nor is Kaunda Zambia," the ad stated.

Sapa-IPS

Assets will be sold off in packages

CT (BR) 23/7/96

ZCCM creditors to discuss privatisation

(360)

By Jowie Mwiinga

Lusaka — The creditors of Zambia Consolidated Copper Mines (ZCCM) are scheduled to meet in London this week to discuss the privatisation of the mining conglomerate, a company spokesman said yesterday.

"A meeting of ZCCM lenders will be convened in London in the week beginning July 22, 1996. The purpose of the meeting will be to seek the lenders' support for the privatisation of ZCCM," the spokesman said.

"Where required by the rules of the London or Lusaka stock exchanges and of other regulatory bodies, ZCCM shall seek the approval of the shareholders."

The spokesman said NM Rothschild and Sons and Clifford Chance had been appointed as ZCCM's advisors on privatisation and the ZCCM board had adopted Rothschild's recommendations that privatisation be conducted in two stages.

"In stage one, substantial majority interests in all of ZCCM's major operating and development assets will be offered in separate packages to mining companies and other trade investors, with the intention of leaving ZCCM as the owner of minority interests in operations managed by the incoming investors.

"In stage two, the government ... intends to dispose of all, or a substantial part, of its shareholding in ZCCM, with these shares being distributed widely to the Zambian public and financial institutions in Zambia and overseas."

Zambia hopes to sell off ZCCM's assets in four packages.

The Konkola mine and concentrator, and the Mufulira mine, concentrator and smelter-refinery will make one package.

The Nchanga mines' tailings leach plant and concentrator, and the Nkana mines' concentrator, smelter and cobalt plant will make a second package.

The government is in discussion with an Anglo American led consortium

The Baluba and Luanshya mines' concentrator and smelter, the Ndola copper refinery, the precious metals plant and the Chambishi cobalt plant will make a third.

The company's electricity transmission, distribution and generation assets will form the fourth package.

The government is discussing the development of the first package with a consortium led by Anglo American.

The spokesman said the government would probably start inviting international tenders for the other packages next month.

"The government expects to retain shares in certain of the successor operating companies to ZCCM," he said.

The first stage of privatisation should be completed in the second half of next year. The second stage will go ahead in the first half of the following year.

The spokesman said ZCCM had awarded an option to Anglovaal to explore the Konkola North area.

"If the exploration yields positive results, Anglovaal will thereafter undertake a pre-feasibility study, an appraisal programme and a feasibility study, leading to the development of the mine, in which ZCCM will retain an interest of between 15 and 20 percent," he said.

Luke Mwananshiku, the chairman of ZCCM, said that the ZCCM board wanted privatisation of the company's assets to be completed quickly.

"We are convinced that implementation of these proposals is in the interests of all ZCCM shareholders," Mwananshiku said.

"By offering investors the opportunity to buy controlling stakes in its operations, ZCCM hopes that its assets will appeal to a wide variety of mining companies.

"A number of these have already visited the Copperbelt (province) and some are carrying out due diligence exercises." — Reuter

[Th]ursday July 25 1996

Constitutional amendments in Zambia are still in dispute

(360)

By Arthur Simuchoba

Star 25/7/96

Lusaka — Zambia's first parliamentary and presidential elections since the country became a multiparty democracy are due this October. But there is no telling under what constitutional arrangement elections will be held.

There has been a serious dispute over the new constitution which came into force on May 28, replacing the 1991 constitution, and the political situation in the country is unsettled.

Clearly President Frederick Chiluba and his inner circle, defence minister Ben Mwila, home affairs Minister Chitalu Sampa and minister without portfolio Michael Sata would rather see elections held under the disputed constitution.

Chiluba has in fact already said that it will be held as scheduled but under the new constitution.

But that constitution bars Zambian citizens whose parents were not citizens of Zambia from seeking election to the office of president of the country. In practical terms it bars Zambia's first president, Kenneth Kaunda, from being elected president again.

Kaunda's parents were Malawians but he was born in Zambia and has lived all his life in that country. Though defeated at the first multiparty polls in October 1991, he returns with a sizeable following.

Opposition parties, the church, trade unions, non-government organisations and ordinary people are opposed to the new constitution because of its inherently discriminatory nature.

It not only bars Kaunda from becoming president again, but also many members of the non-black minority whose parents were not citizens of Zambia. It also defines Zambia as a Christian nation, a provision particularly opposed by the church which maintains the country should remain secular.

The Zambian government appears to have banked on a divergence of views among the Western countries that have funded its economic and political reform programmes. But that did not materialise and concern over the political direction of the country is general. None of the Western countries is considering any new aid to Zambia.

The United States, for instance, reacted sharply to the passage of the constitution. A state department statement said the US government "deeply deplored the decision of the government of Zambia to impose constitutional amendments, on the eve of the first national elections in Zambia's democratic era, that limit the right of the Zambian people to choose freely". – Sapa-DPA.

Zambia in pre-poll constitutional fix

(360)

ARG 25/7/96

Question of candidacy mars prospects for October election

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Even Zambia's neighbours who are mainly members of the Southern African Development Community (SADC) are plainly nervous.

They have said they will not interfere in an internal matter, but are worried about possible turmoil in the country. – Sapa-DPA.

Zambian MPs' gratuity payment called 'daylight robbery'

Star 26/7/96 (360)

Lusaka – Controversy surrounding Zambia's ruling party intensified this week over revelations that parliamentarians voted themselves a special "gratuity" equal to more than five years' salary.

Parliament, which is 80% controlled by President Frederick Chiluba's Movement for Multiparty Democracy, approved tax-free payments of K30-million (about R107 000) to all 150 members of parliament.

On Zambian pay scales, such amounts represent a fortune to ordinary workers, who have reacted bitterly to the issue.

The gratuity would take a formal sector shop worker 50 years to earn at an average salary of about R178 a month, according to the Zambian Association of Chambers of Commerce and Industry.

"The decision taken by the government was daylight robbery," said Ben Kapita, president of the Zambian National Farmers' Union, who complained that the K4,5-billion allocated for gratuities is more than double the K2-billion spent on Zambia's national rural assistance programme.

"No MP can justify a gratuity that is 10 thousand times greater than the money that government is prepared to make available to (an individual) farmer," he said.

The law authorising the payments was signed by Chiluba in May, but remained out of the public eye until two weeks ago because the bill was never read out in parliament.

Chiluba, in an interview, defended the payments, saying end-of-session gratuities were a long-standing tradition. – Star Foreign Service.

► What's going on in Zambia
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What's going on in (

invited by the public relations company employed by Zambia's ruling MMD party, I
President Frederick Chiluba in Lusaka questioning him about declining internation

By Peter Sullivan
Lusaka

It is easy to associate smooth-talking with rascal. And President Chiluba is certainly smooth-talking. Some opponents call him worse than rascal. Yet he convincingly proclaims his innocence with reasoned argument.

On a range of issues discussed, he has some good points. On Press freedom we agree to differ.

What are the problems in Zambia? Why is the international world getting their collective undergarments in a knot over what appears to be a minor provision of a lengthy new constitution, a provision which disbars non-Zambians from standing for President? That is, of course, apart from the corruption issue.

Oh, and then there is drug trafficking. And drug taking. Perhaps I forgot to mention the Black Mamba gang? Yes, there is also the sudden gratuity to MPs. An increase in crime. And the question of whether the country should have been declared Christian in its new constitution, thereby offending all those who aren't.

So many issues, each given a smooth answer and a plausible explanation by the smiling president. But taken altogether, something does not gel. The international community, that useful phrase, simply does not gang up on a country whimsically or because, as Chiluba will have me believe, the British want to justify the absurdity to putting Kenneth Kaunda's name on the original constitution. The big debate all over town is why Chiluba and his MMD (Movement for Multiparty Democracy) decided to prevent Kaunda from running in the coming October elections.

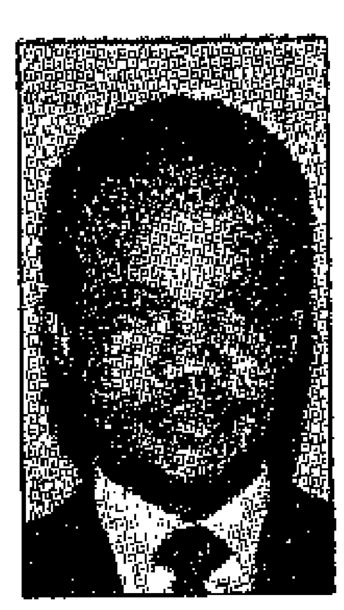
According to the prosecution, the MMD introduced a clause in the new constitution preventing anyone from becoming president for more than two terms (thereby eliminating Kaunda on count one) or becoming president if their parents were born outside of Zambia (strike two against Kaunda, whose parents were immigrants from Malawi). The second provision has the significantly named "donor community" downing cheque books. On the surface it does seem Chiluba is afraid of running against Kaunda. But many political observers believe he would easily beat the 72-year-old former president who virtually bankrupted a rich country. So why these clauses? Why not appease the donor nations?

Chiluba's defence is that he is not only carrying out the people's wishes, he has gone the extra mile already. Various commissions suggested future presidents had to be Zambian citizens, or second generation citizens, or even third generation citizens. Parliament only carried out the various commissions' wishes in passing the new constitution, he argues. His party has 80% of the seats in Parliament.

But to appease countries like the United States and Britain, he did propose an amendment to allow Kaunda to stand. He spoke to his ministers and deputies and instructed them to support him; he then spoke to his caucus; but by the time it came to a vote, the opposition party – Kaunda's – had walked out of parliament and he had to withdraw the amendment. What more could anyone ask, he asks convincingly.

Frederick Chiluba is not a tall man, but full of energy, with a broad smile which repeatedly lights his face. He oozes trust, and openness and conviviality. He has, he says, nothing to hide. And sitting in a comfortable white leather chair at State House, he does indeed have an answer for everything.

On each issue he stresses how well Zambia is doing, how things have changed in the five years he has been in power, what a transformation of the economy there has been, how food riots have gone away and what an evil ruler Kaunda really was. This gets a bit repetitive.



'We have gone from one to 34 and a half parties'

I ask if there is not some way we can help, The Star, the donor nations, South Africa, southern African nations, in getting him out of the unfortunate pickle he seems to be in. Could he not drop the silly clause? No, says he, it is the will of the Zambian people. His own constituency would be angry if he tried to break the law and allow Kaunda to stand. I am not convinced: "Your own MPs, perhaps, because some of them might lose their seats, but I think most Zambians would be delighted if you could find a way to allow Dr Kaunda to stand," I suggest.

"You do not understand the depth of feeling against Kaunda among the Zambian people. They would be angry, even riots, if I tried to do that, and it would be breaking the law at the very least or going against Parliament." he replied. Shrug of the shoulders, a wide but sincere smile, yet somehow I am still not convinced. We return to the subject again and again and again, but I cannot find a way around his logic.

President Chiluba ... smiling an

Perhaps I instinctively distrust the leader of a country where the major newspapers are owned by the government. In Lusaka only the Post – still called the Weekly Post by taxi drivers although it has been daily for a while now – has an independent line. That line is virulently anti-Chiluba although the editor, Fred M'mem-

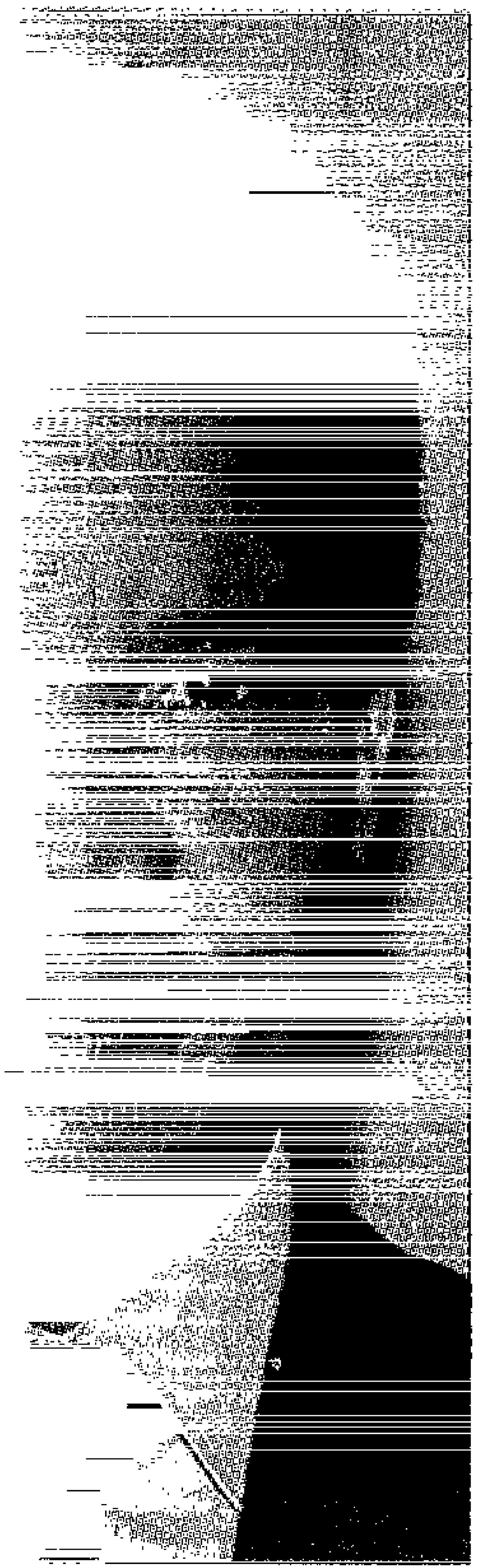
Cont-

)nce proud Zambia?

(360) Star 26/7/96

ıe Star's editor, Peter Sullivan, spent more than two hours this week with

respect for his country, which once occupied the high moral ground in Africa



..s to almost any question.

be, was a founding member of the MMD. He has been arrested and harassed, and believes Chiluba is running scared of the old man with a distinctive white-toothed smile and matching pocket handkerchief who dominated Zambia from 1964.

Even on this issue Chiluba is plausible: "That newspaper has attacked me personally, taken pictures and manipulated them, to show me with a woman and child I have never met. But I did not jail anyone, I am taking him to court. It is Parliament who had him arrested for refusing to appear before the bar of Parliament. Surely that is reasonable? Many other journalists have appeared before the bar, why did he refuse? You cannot just ignore the law because you are from the Press. You cannot just insult the Speaker."

He also banned an edition of the Post. "Because they published secret documents from Cabinet. You cannot allow that." We disagree. The documents simply showed a referendum was proposed. Journalism at its best, in my opinion.

We move to other topics. He stresses the transformation of the economy, the fact – indeed laudable – that there are no exchange controls. This did entail hardships, he admits, but says the people were willing to sacrifice. "They had a sense of self-esteem, of self-reliance, and of hard work. We have gone from one to 34-and-a-half political parties."

It begs the question. "Well," he laughs infectiously, "the half-a-party is only a husband and wife. So when they hold a meeting there is nobody for them to speak to."

Back to the central issue: why did he not hold a constitutional assembly as the commission recommended? Because his country already had a sovereign parliament which had been operating for years. Only war-torn countries or new democracies can have constituent assemblies, he claims.

On corruption: "You cannot take away corruption from any part of the world. We do have an anti-corruption commission. We try to bring them to book."

Drugs? "There have been accusations and counter-accusations about drugs." He waves his arms around, snow-white cuffs emerge from an impeccable dark suit. "The Americans and British mentioned certain names. They resigned from my cabinet, one of the best things for us. I was so happy they all stepped down. But there has been no proof forthcoming. 'Help me with information,' I asked the British and Americans. But there was none. So those people are back. My own anti-drug commissioner says he has nothing on them."

Does he believe there is **no** drug problem? "No, there **is** a drug problem. We are used as a transit lounge. From Asia to the southern countries. And now we are also consumers."

What about the gratuity voted to MPs by themselves? (About US $29 000 for 150 MPs, a lot of money in this economy.) "It is not my creation, it has happened since 1964. It is a tradition, and not a wrong one. Just now I admit the figures look a little awkward."

'The paper shows me with a woman I've never met'

He hastens to point out he earns about $400 a month, less than some president's clerks.

The country's new constitution provides no rules for strikes and lockouts, but both are in the laws governing the country. A former trade union leader who rose via the building industry, Chiluba sees nothing wrong with that. Unlike South Africa's unionists, he uses the privatisation word freely, believing it essential for growth in Zambia.

The Black Mamba gang? Eight of Kaunda's United National Independence Party (UNIP) members have been arrested and will appear in court in due course, charged with planting bombs at newspapers. Some believe the wrong people were arrested, the bombs planted deliberately to implicate UNIP.

Chiluba says the people support him, I should go ask them. But who to ask for opinions? Well, my three taxi drivers in Lusaka – admittedly a non-scientific poll – liked Chiluba but thought him indeed a rascal for not allowing Kaunda to stand.

One of them put it succinctly: "He does not want a challenger. If you are a real champion, you enjoy challengers. I think he is scared Kaunda would beat him."

South African acting high commissioner Sam Sterban says diplomats in Lusaka are disappointed.

"There is a feeling that Zambia set its own high standards in 1991 as a leader of democracy in Africa. Freedom of the Press, civil rights, a multiparty democracy, those kind of things they set as their own standards and now diplomats feel let down.

"We are partners with Zambia in SADC (SA Development Community) and instability in the region is a concern for us all. Perhaps if we all work in a fraternal way we can coax Zambia back to the high moral ground it occupied in 1991," he says.

Perhaps that is the best suggestion. Presidents Mandela, Sam Nujoma, Joachim Chissano, Robert Mugabe, Dos Santos and Quett Masire would be doing Zambia and its president a favour if a way could be found to allow Kaunda to lose the next election in a fair fight.

'Insane journalism, beyond dreaded yellow kind' keeps an eye on things

STAR 26-7-96

Peter Sullivan
Lusaka

Discussing freedom of the Press with President Chiluba is a little like discussing contraception with the Pope. You may think you are talking about the same thing, but your views come from very different paradigms.

He sees state owned newspapers as mere competers in the market place. Yet he, and his entire staff, are angered, frightened and furious by a small newspaper which constantly harries them.

There is a level of paranoia about independent newspapers which would be curious were it not for deeper and more sinister implications. At least one editor sits at a desk with his revolver on it, literally in fear of his life. I think he is right to be scared because the Chiluba government is irrational and vindictive about criticism.

Fred M'membe runs the Post, a daily thorn in the government's side. His newspaper pays a high price for paper and its journalists a high price for the criticism they enjoy heaping on government.

The former weekly's success has also incensed the two opposition newspapers in Lusaka both owned and run by government.

This article appeared in the Times of Zambia on Tuesday, across all 10 columns under a banner headline: "Visiting Aussie cleric shocked by irresponsible tabloids".

One needs to note the "visiting Aussie" is one Leonard Fwati, a Zambian clergyman residing currently in Australia. He is upset, the Times records, "over the yellow journalism found in practice in Zambia by newly-established newspaper (sic) – the so-called tabloids."

The report goes on: "Flipping a copy of one of the tabloids, tear-shedding Fwati cried: This is not only hard to believe, but a kind of insane journalism far beyond the dreaded yellow journalism ...

"Zambian journalism in his own words has been bedevilled in the third republic by journalistic rough-diamonds wanting to Carl Bernstein and Bob Woodward.

"But there is a marked difference: while the Washing Post (sic) legendary writers wrote solid and concrete truths to topple Richard Nixon from office, Fred Mumembe (The Post) and his cohorts for instance are applying despicable falsehoods to vituperate president Chiluba and topple his government."

(Why they miss-spell M'membe's name is a mystery, as is the reason for putting the president's name in lower case. When the bible is mentioned, it is in bold and with an initial capital.)

The sub-headline of the story says: "Quacks in journalism no matter how many awards they get from an ill-informed clique of unworthy so-called international news organisations, remain quacks".

In the middle of the story is a little block, highlighted: "Zambian journalism has gone to dogs ... what when the likes of Mumembe hardly makes a difference from a street bully. Editor-in-chief!"

Another quote highlighted says: "At the Post paper, reporters are made to work not as news gatherers, but as newsmakers themselves. Your written story is turned and twisted sensationally for achieving one end – the paper to sell."

Inside the story the newspaper puffs out its own chest: "Of course, under the MMD government, Zambia has become a country where thought is free, speech is free, press is free in a free democracy – four products of a liberal society. In practice when these freedoms get perverted – as the press freedom is – the society is invited to stop the rot.

"But, as luck would have it, we have two respectable papers – Times of Zambia and Daily Mail – unfailingly serving the Zambian society with professional integrity. Never faltering, year in, year out."

Yes, well. Government propaganda organs the world over carry similar trash.

The same newspaper carries a report that President Chiluba dismissed four youths from the party for tearing a bible in church dur- ... The youths were jailed for two to five years.

President Chiluba has been criticised for taking entourages overseas to church services, and for a clause in the new constitution declaring Zambia a Christian country. Diplomats estimate 70% of Zambians are Christian, although President Chiluba said he believed about 95% of the country was Christian.

On Wednesday the Post did not react to this criticism, but did carry a stinging attack in an editorial condemning Chiluba for using a public relations firm to bring in journalists and editors to interview him for the elections.

It concludes: "The best cure for President Chiluba's political illness, like with Aids, may lie in total abstinence from all forms of bad governance and making peace with his own people and the country's cooperating partners by resolving the constitutional and electoral process differences.

"All other forms of treatment for his political Aids is a waste of time and money. It won't work."

In a rather strange twist, underneath the editorial is one labelled "Opposing View" – which is also mildly critical – but this time critical of Chiluba's staff.

In Lusaka everyone's face lights up when you mention the Post. Clearly they love its gutsy journalism and with a circulation of about 15 000, the little newspaper of 12 tabloid pages (smaller than The Star's Tonight section) is the biggest seller. It costs 500 Kwatcha, about R2 a copy.

When I went to see the editor, he had a gun on his desk. For security, he said. I think he is going to need it, as the political temperature is at boiling point – yet elections are only due in October.

SA 2000

The final two articles in our series on the Rainbow Nation and issues affecting the future of South Africans will be run on the Inside page on Monday and Tuesday next week.

Turbulent poll ahead for Zambia

(360) Sowetan 26/7/96

Serious disputes are arising over new 'discriminatory' constitution

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Clearly president Frederick Chiluba and his inner circle, defence minister Ben Mwila, home affairs minister Chitalu Sampa and minister without portfolio Michael Sata would rather see elections held under the disputed constitution.

Chiluba has in fact already said that it will be held as scheduled but under the new constitution.

But that constitution bars Zambian citizens whose parents were not citizens of Zambia from seeking election to the office of president of the country. In practical terms it bars Zambia's first president, Kenneth Kaunda, from being elected president again.

Kaunda's parents were Malawians but he was born in Zambia and has lived all his life in that country. Though defeated at the first multiparty polls in October 1991, he returns with a sizeable following.

Opposition parties, the church, trade unions, non-government organisations and ordinary people are opposed to the new constitution because of its inherently discriminatory nature.

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Pres Frederick Chiluba

Kenneth Kaunda

constitution. A state department statement said the US government "deeply deplored the decision of the government of Zambia to impose constitutional amendments, on the eve of the first national elections in Zambia's democratic era, that limit the right of the Zambian people to choose their president freely".

Even Zambia's neighbours who are mainly members of the Southern African Development Community are plainly nervous. They have said they will not interfere in an internal matter but they are worried about developments in the country which point to possible turmoil.

Many of the leaders of these countries know Kaunda who hosted them in Zambia when they were leaders of liberation movements. There has been considerable external and internal pressure on the Zambian government to reconsider the constitution. But there is nothing so far to indicate it will comply. The question is whether Chiluba will resist the pressure to the end and the consequences of such a stance.

The US, which has already indicated that it is reviewing all bilateral and multilateral relations with Zambia including the aid programme, has named a new ambassador to Zambia.

Casts a long shadow

Internally, Kaunda casts a long shadow. He maintains nobody will stop him from standing as president and has been campaigning, saying that he will fight to ensure that elections are held under the 1991 constitution and for the country to revert to that constitution within two months.

The church, particularly the Catholics, seem set to pile on more pressure. Its bishops are clearly unhappy about the constitution and the manner it was adopted and they also take the view that it should be set aside and the 1991 constitution used instead.

President Chiluba's own position in Zambia is far from unassailable. The consensus for change to multi-partyism which ensured a landslide victory for him in 1991 has largely dissolved.

The president's popularity is hard to gauge but has decreased appreciably to give Kaunda a fighting chance of winning the presidential race. Chiluba's government has grown more repressive and intolerant of dissent. – *Sapa-DPA*

'Daylight robbery' – fury as Zambian MPs vote themselves a massive tax-free gratuity

ROSS HERBERT (360)
Foreign Service

ARG 27/7/96

LUSAKA. – Controversy surrounding Zambia's ruling party intensified this week over revelations that parliamentarians voted themselves a special "gratuity" equal to more than five year's salary.

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"The decision taken by the government was daylight robbery," said Ben Kapita, president of the Zambian National Farmers' Union, who complained that the K4,5 billion allocated for gratuities is more than double the K2 billion spent on Zambia's national rural assistance programme.

"No MP can justify a gratuity that is ten thousand times greater than the money that government is prepared to make available to (an individual) farmer," he said.

The law authorising the payments was signed by Mr Chiluba in May, but remained out of the public eye until two weeks ago because the bill was never read out in parliament.

In an interview Mr Chiluba defended the payments, saying end-of-session gratuities were a long-standing tradition in Zambia and not out of line with private-sector practice. He said he did not know how much he earned or how much members of parliament earned a year.

However, one of the first acts of Mr Chiluba's party upon taking power in 1991 was to rescind payments to members of the previous ruling party, Kenneth Kaunda's United National Independence Party. Since then, the government has battled in court to retrieve the gratuities.

The issue has increased suspicions among foreign donors, who had earlier begun freezing aid to Zambia over what one diplomat described as a pattern of increasing disregard for democratic processes.

The most critical issue is the new Zambian constitution, whose provisions prevent former president Mr Kaunda and several other prominent politicians from standing in presidential elections this October.

As a result of the constitution, the United States, Denmark, Norway and other nations have withdrawn foreign aid or stopped balance-of-payment support, without which it will be virtually impossible for Zambia to balance its budget or service its approximately R26-billion) foreign debt.

Mr Chiluba's reputation as a proponent of democracy has been further sullied by the recent jailing of two independent journalists for publishing articles drawn from supposedly classified government documents laying out plans for a snap referendum on the constitution.

In February the country's highest court struck down a colonial-era law requiring government permission for political meetings or protests. The law had been used to block rallies by Mr Kaunda and the editor of the opposition Post newspaper. After the court verdict, Mr Chiluba's party passed a new version of the law re-imposing government control of protest and assembly. – The Independent Foreign Service.

Zambia's new-found optimism begins to fade

ST (BR) 30/7/96 (38)

By Lamba Simpito

Lusaka — Ronald Penza, Zambia's finance minister, had much to be optimistic about at the beginning of the year as the national currency, the kwacha, was relatively stable.

Penza's projection then was that it would fall by only about 10 percent this year.

For the first time in four years, the rains had been good and Penza expected improved agricultural output and an average mineral production to underwrite a 6 percent growth of the economy.

"The government will ensure that the economic stability needed to support the rapid expansion of our productive capacity is maintained," Penza said in his budget address in January.

Unip warns of serious civil strife if Kaunda is barred from standing for presidency

Six months down the line, Penza finds his plans threatened by an angry donor community and apprehensive investors as political tension mounts in a country that has been described as a "model for Africa".

This comes in the wake of the peaceful transfer of power from Kenneth Kaunda to Frederick Chiluba in October 1991.

Election-year uncertainties, as Penza calls them, have led to a run on the kwacha with investors preferring to keep their money in hard currencies. As a result, the currency has plummeted 38 percent from K935 to the dollar in January to K1290 a dollar in July.

Interest rates have also shot up, short-circuiting any small chance of recovery that might have existed in the manufacturing sector. Inflation is rising.

The minister told Business Report: "Current interest rates are a reflection of the realities of our economic conditions. There is turbulence in the foreign exchange markets caused by election year uncertainties as people opt to put their money into hard currencies.

"This, coupled with maize imports at the beginning of the year, put tremendous pressure on our resources and hence the rise in interest rates and the rapid depreciation of the kwacha."

Any uncertainties the minister might have taken into account when he made his positive prognosis at the beginning of the year appear to have been derailed by the recent amendments to the constitution of Zambia.

Those amendments include two clauses barring candidates whose parents were not born in Zambia and former presidents who have already ruled for two terms from contesting the presidency.

Kenneth Kaunda, a former president who served five and a half terms and whose parents came from Malawi, is barred on both counts.

The United National Independence Party (Unip), of which Kaunda is president, has warned of serious civil strife if their leader is barred from standing for the presidency.

After several bombings in the capital, Lusaka and the Copperbelt town of Ndola, eight top Unip leaders, including Chief Inyambo Yeta, the party's vice-president, were detained and charged with treason. Four of them have since had a second charge of murder brought against them after the death of a police bomb disposal expert.

The constitutional amendments and the detention of the opposition leaders have outraged the donor community which has threatened to freeze or reduce aid to Zambia unless the government allows Kaunda to stand and ensures him and other detainees a speedy and fair trial.

Last week, the US cut aid to Zambia by $2,5 million. Several other Western countries have said they would not give new aid until the government backpedalled.

Interest rates have shot up, short-circuiting chances of recovery

Penza acknowledges that aside from capital flight, interest rates have risen because of increased government borrowing due to slow donor inflow, but claims there has been nothing unusual in the irregular release of cash by the donor community.

"At the beginning of the year, the donor inflows are always irregular. And yet we are required under the Enhanced Structural Adjustment Facility programme (ESAF) to be able to service our debt obligation," he says.

This being an election year, he expects that the highs and lows caused by irregular inflows will be more of a permanent feature due to the uncertainty in the economy.

"But in spite of these difficulties, Zambia remains committed to ensuring that our economic recovery programme stays on track and so far we are succeeding."

He is adamant that the changes to the constitution are not economic and should not, therefore, affect Zambia's agreements with her bilateral partners.

But the Americans warned last week that they were in constant consultation with the World Bank and International Monetary Fund, over Zambia's eligibility for continued support.

Penza remains unconvinced and is confident of IMF and World Bank support for a restructuring programme described as "the most stringent economic restructuring ever undertaken in Africa or perhaps in the world", by Gary Davis, the UN's resident co-ordinator in Zambia.

"Our support and the programme we have with the multilateral institutions is a purely economic and financial programme and in that context I don't see any problem in getting the support we need from both the IMF and the World Bank," Penza says.

He insists some donors "misunderstood" that the changes made to the constitution do not affect economic issues.

He also says that the bilateral partners will have "to live with these changes".

But many in the donor community remain unmoved. The German ambassador said recently, "There has been no change in our perception of the situation in Zambia".

In other words, Zambia could still have its economic umbilical cord cut by the mid-wives of the country's much praised restructuring programme.

But Penza cites the accolades the country received at last Friday's World Bank board meeting in Washington as evidence that its strict adherence to the ESAF will override any political glitches.

He points to recent investment pledges by three British firms, Tate and Lyle, the Commonwealth Development Corporation and Barclays Bank, as good omens for the Zambian economy.

With the mining industry expected to meet its targeted production of 330 000 tons and agriculture having performed better than forecast, coffee and tobacco production is up 40 percent from last year, Penza has predicted the economy would grow close to 6 percent.

If politics don't force the donors to pull the rug from under his feet, that is. — Independent Foreign Service.

Kaunda affirms plan to contest presidential poll

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LUSAKA — Former Zambian president Kenneth Kaunda had reiterated his intention to contest the country's presidential elections this year, despite the fact that he was disqualified as a non-citizen, Radio Zambia reported yesterday.

On his return from a four-week tour of Europe and Canada, Kaunda said his United National Independence Party had already done the groundwork for him. He said he would sweep the elections.

"My election campaign strategy has already been wrapped up for me throughout the country by my party's central committee. Make no mistake, I am standing as presidential candidate and no authority will move me," Kaunda said.

The former president, barred by the controversial new constitution from being elected president again because his parents were Malawians, said he was not worried about what the constitution said about his citizenship or the number of presidential terms he had served in the past.

"I am determined to show the world that I am very popular in Zambia. No law will prevent me from contesting the polls."

A government spokesman, Amusa Mwanamwambwa, said Kaunda as an elder statesman should respect the laws of the land and set a good example as a senior citizen. "This is not the time for political confrontation but for economic reconstruction by all concerned citizens, irrespective of political affiliation," the spokesman said. — Sapa-DPA.