ZIMBABWE – GENERAL

1994

Harare devalues dollar to beat inflation

S/Times

2/1/94

ZIMBABWE devalued its dollar by 17 percent yesterday as part of a package to liberalise the economy and make the currency fully convertible. (362)

Central Bank governor Leonard Tsumba did not give new rates but said the devaluation and the 1993 three-percent depreciation of the dollar would mean an overall 20 percent drop.

The devaluation follows changes on Friday to loosen foreign exchange controls and establish a two-tier exchange rate — one official and the other market-driven. On Friday Mr Tsumba said he hoped the Zimbabwe dollar would be a convertible currency within a year.

The fall in the local dollar was long expected because of Zimbabwe's inflation rate of 22 percent.

Imports will be more expensive but the government limited the inflationary impact by removing some import duties.

Acting Finance Minister Richard Hove said on Friday that local and foreign companies operating in Zimbabwe would be able to keep 60 percent of foreign exchange earnings.

The firms would sell the rest to the central bank which needs hard currency for fuel and other imports and to service Zimbabwe's foreign debt.

"An interbank market will thus be created in which prices for foreign exchange set by market forces will determine the rates of exchange for sales and purchases by the public," Mr Hove said.

"The introduction of corporate foreign currency accounts and the ability of exporters to sell a significant share of their earnings at a market-determined exchange rate will help eliminate the disincentive to export arising from previous surrender of cash to the central bank."

There was no trading yesterday, but on Friday the dollar was set by the central bank at 6,96 against the US dollar, 10,28 against Britain's sterling, 4,01 against Germany's mark and 2,05 against the rand.

The four countries are Zimbabwe's main trading partners. Harare is anticipating fierce market competition from democratic South Africa this year.

The Zimbabwe Stock Exchange (ZSE) ended 1993 on Friday at the year's high. Mr Hove last year increased the amount of shares that foreign firms can buy on the ZSE, offering a further incentive to invest in Zimbabwe which began a painful five-year economic reform programme in 1991 with the backing of the World Bank.

Devaluation 'may push up inflation'

B/Day 3/1/94. (362)

MICHAEL HARTNACK

HARARE — Zimbabwe's 17% currency devaluation and the removal of most foreign currency controls at the weekend might fuel inflation but would keep the country's exports competitive with SA's, leading economists said yesterday.

FMB Merchant Bank chief economist John Robertson voiced anxiety at the way in which the devaluation had been introduced. He said it was unlikely to close the 20%-30% gap between the official and unofficial rates at which the Zimbabwe dollar was being traded.

Before the devaluation, announced by Acting Finance Minister Richard Hove, the Zimbabwe dollar stood at about R0,49. When trading reopens today it is likely to slide to about R0,41.

Zimbabwe's senior finance minister and architect of its economic reform programme, Bernard Chidzero, has just returned from cardiac treatment in Europe, having been ordered by doctors to take a complete rest for at least four months.

Four years ago Robertson caused a row by urging a "more realistic" exchange rate policy and predicting a 4% increase in annual inflation beyond the 22% forecast. Zimbabwe's reserve bank threatened to obstruct FMB's daily operations if Robertson was not barred from public speaking after he urged a 20% devaluation and the removal of 20%-30% import surcharges. "That has to be seen as one of the things they are doing now," he said yesterday.

University of Zimbabwe head of business studies Prof Tony Hawkins said Zimbabwe's tariff regime had been in chaos following the imposition last month of increases of up to 100%, some of which were then suspended or modified. The tariff regime was now "totally confused".

"Once you abandon import control, which is essentially what (the government) has done, you lose control of your exchange rate," he said.

The government could not run away from the core issue of parastatals and government spending for much longer. The latest figures showed government borrowing had gone through the roof.

Government borrowing had totalled Z$1,7bn in the past five months, half of which was given to the Agricultural Marketing Authority to fund subsidies frowned upon by the World Bank. In the year to November 1993, there had been a 36% increase in Zimbabwe's money supply.

If Zimbabwe had an early general election this year President Robert Mugabe's government might, after returning to power, tackle reforms, but it was unlikely to do anything to worsen the economic plight of Zimbabwean voters before the poll, not due until July 1995.

Zimbabweans' annual holiday allowances have been increased to R7 000 a year. But, in line with the new foreign currency regime, travellers who do not earn foreign currency will have to buy it at the market premium — paying about R9 000 for their total allowance.

Meanwhile, diplomatic sources expect no moves to update Zimbabwe's 1964 "most favoured nation" trade pact with SA until after SA's April election. The pact has crippled Zimbabwe's textile exports.

Zim dollar down 17%

Star 3/1/94

■ BY ROBIN DREW
STAR AFRICA SERVICE

Harare — Zimbabwean pensioners living in South Africa face another 17 percent drop in income with the announcement that from Saturday the Zimbabwe dollar has been devalued by this amount.

Earlier slides during recent months mean the dollar has gone down by more than 20 percent. There are now officially just over two Zimbabwe dollars to the Rand.

The devaluation came with announcements of a major leap forward in the country's financial reforms aimed at making the Zimbabwe dollar a convertible currency.

There is now a two-tier exchange rate in place, with the Reserve Bank setting the offical rate and the markets through the banking sector setting the rate for all transactions other than certain government obligations.

Depreciation

The depreciation of the official rate is to bring the two exchange rates closer into line.

An important step has been the introduction of corporate foreign currency accounts in which exporters will depoosit 60 percent of their export earnings.

It is from this pool that people wanting foreign exchange for travel, business and education outside the country will obtain their currency at the prevailing market rate.

Holiday allowances have rocketed from about R400 a year to the equivalent of about R8 000.

Economists said the sweeping changes were in line with the announced economic reform programme and that the pace had probably been forced by the IMF following the recent donor conference in Paris. (362)

Many exchange control limits have been relaxed and the commercial banks will be given more leeway to approve transactions.

Zimbabwe set for healthy growth

B/Day 4/1/94

HARARE — Zimbabwe, whose economy crashed under the weight of a drought and recession in 1992, is likely to achieve one of its best growth rates this year propelled by better agriculture and manufacturing, economists said yesterday.

But the government had to rein in its huge expenditure and curb inflation to keep its economic gains on track, they said.

"Given an above-average farming season that we are likely to have this year, plus 8-9% growth in manufacturing, we are this year looking at 4% economic growth compared to about 1,5% in 1993," said Zimbabwe University economics department head Anthony Hawkins.

Zimbabwe's population grows 3,1% a year.

"The new year is going to be the best year since 1991, when Zimbabwe had growth of 4,5%, and possibly since 1988," Hawkins said.

The deputy head of the World Bank's mission in Zimbabwe, Stephen Brushett, said: "Our figures show that growth in 1993 should be between 2% and 3%. This year we are looking at between 5% and 7%."

The drought in 1992, the worst this century, crippled Zimbabwe's agriculture and manufacturing, another key sector, plunging by at least 4%.

A global recession exacerbated the woes, resulting in Zimbabwe's GDP falling 12%, its worst decline since the 1930s.

Hawkins said: "The one thing the government will have to watch is its expenditure, which is eating nearly 50% of GDP.

"According to central bank figures, the state has already overshot its own budget deficit of Z$2,1bn for this financial year which will end in June, by borrowing Z$2,5bn up to last month.

"Then there is inflation, which will be fuelled from the present 21% by an expansion in money supply, and last week's 17% devaluation of the Zimbabwe dollar, which is likely to depreciate further later in the year," Hawkins said.

(362)

Brushett, whose bank is the main backer of five-year economic reforms being implemented by Zimbabwe since 1991, said these were partly responsible for the projected growth.

"The reforms are responsible for a fair amount of this growth. They made the government give greater incentives to farmers and there were also measures to boost exports and open up the economy to private enterprise," he said.

Last year, the government allowed foreign investors to trade on the local stock market, boosting its key industrial index at least 130% in six months to December.

Last week the government increased shares foreign companies could buy on the local market and doubled dividend remittances for companies established before September 1979. Firms set up after 1979 and using funds from outside are already allowed 100% dividend remittance.

Also last week, Zimbabwe virtually abolished foreign exchange rules, allowing companies to keep 60% of their export earnings, thus encouraging exports.

Hawkins said: "These latest measures are good for investors. They are really a positive sign that the government is serious about the reforms." — Reuter.

Zimbabwe lashes out at banks

Star 5/11/94

Harare — Black industrialists have accused foreign-owned banks in Zimbabwe of stifling their efforts to share in an economy still run by whites 14 years after independence.

A campaign waged through vitriolic newspaper advertisements is backed by President Robert Mugabe's government.

Black businessmen say the banks deliberately deny them project loans. The banks say blacks lack collateral and their projects aren't viable.

Blacks have received $158 million of the $732 million loaned to various sectors in recent years, the banks say.

"This is clearly a misallocation of funds in a country where 99 percent of the population is black," says an advert placed by businessmen in the Sunday Mail.

The ad accuses the banks of backing Zimbabwe's 100 000 whites to perpetuate colonialism.

"With the liberation war still fresh in people's minds, blacks expect to receive assistance in overcoming the century of underdevelopment suffered during colonialism," the ad says.

"No doubt there will be those who cry out aloud that we are scaring away investment. Our answer to these zealots is that if there are investors coming to Zimbabwe because of continued institutional racism, they are well advised to stay away and keep their money."

It threatens popular demonstrations against the banks. (362)

Despite taking political power, blacks, outnumbering whites 10 to one, have remained on the margins of the economy.

The government, concerned about rising unemployment as it prepares for elections next year, has launched a resettlement scheme in which the state forcibly buys white-owned land to give to landless blacks.

Mugabe is concerned about bank failure to support black business. It is unacceptable that whites still control the economy, he says.

"They are a very protective clan, the white settlers here. They are still driven by a sense of dominance." — Sapa.

NEWS FEATURE *They should have copied Ian Smith ● Americans go in for mummification*

Life in Zim is still good

Sowetan 5/1/94

■ LUCKY WHITES *Plush properties maintained by domestic workers:*

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HARARE — The phones might not work properly, there is talk of corruption being rife and the queues at the banks and post offices might be longer — but life has changed little for Zimbabwe's whites who stayed behind after independence from Britain 13 years ago.

Some "ex-Rhodesians" who left might dispute this, but ask most of Zimbabwe's estimated 100 000 whites how bad things really are!

Evidently the wealthiest class in the country, along with the country's Asian population, yearly holidays to South Africa or overseas, houseboating on Kariba, or spending weekends at a cottage in Nyanga in the Eastern Highlands are par for the course for many Zimbabwean whites.

They still live in spacious houses on large properties which are maintained by domestic workers at a government-dictated wage of R90 a month.

The shops are full and no shortages are reported. In a country which used to import very few consumer goods, South African wines, Australian beer and Namibian fish now pack their shelves. Electronic goods, once exorbitant in price, are now freely available and much more reasonably priced.

Downtown Harare is still clean but child beggars are noticeably on the increase and target whites and tourists for cash donations.

As a result, most whites prefer to shop at places such as the newly constructed Sam Levy's Village in Borrowdale in the leafy northern suburbs.

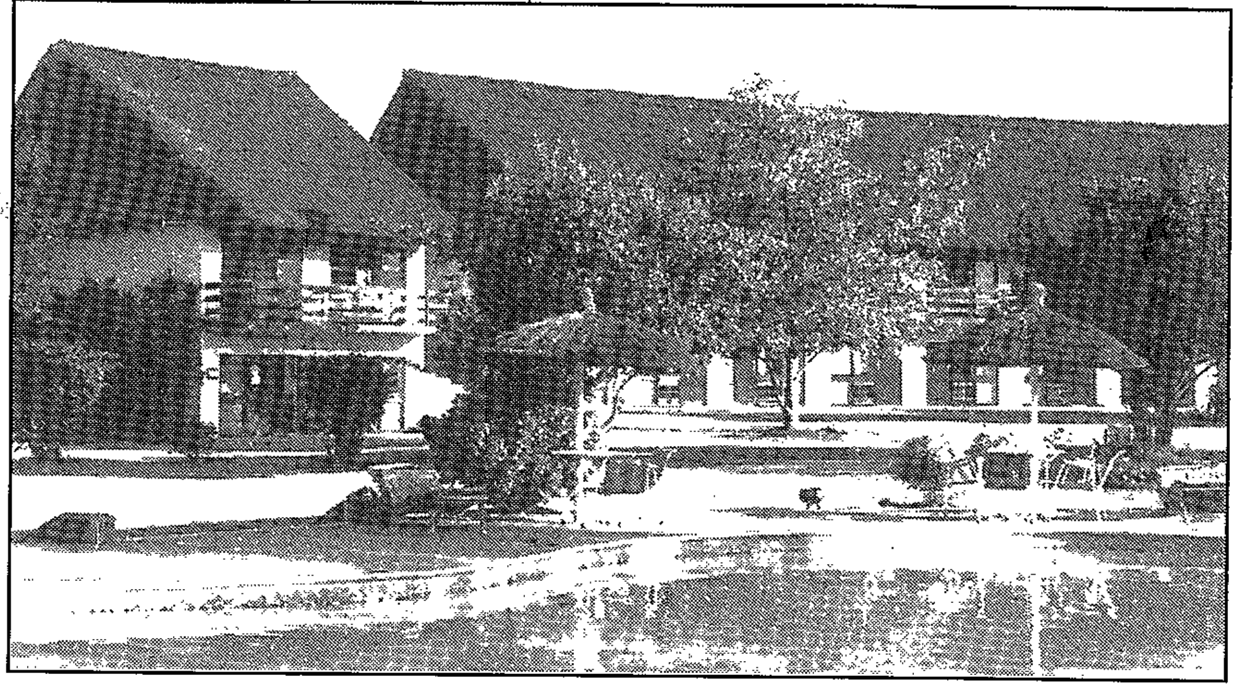
Although money is considered "tight" as a result of high interest rates, construction cranes adorn the capital's skyline as buildings go up on nearly every second block in downtown Harare.

The premium on the black market, which once saw the rand fetch more than three Zimbabwe dollars, has all but evaporated.

Most of this is as a result of Zimbabwe's Economic Structural Adjustment Programme, which has taken its toll on the country's poor as subsidies on basic foodstuffs such as maize meal and milk were lifted.

Most goods are bought with foreign exchange acquired through the country's Export Retention Scheme — the retained proportion of foreign exchange a company earns through its exports. The surplus not required by the company is traded on the Harare money market at a premium of between 20 and 30 percent to the Zimbabwe dollar.

Smaller shops sell goods brought into the country, usually from South Africa, by women shoppers finding a means to



A luxurious resort close to Victoria Falls ... most whites in Zimbabwe are still living the good life.

support their family. The popularity of this informal sector money earner is illustrated by the congestion the shoppers cause at the Beit Bridge and Plumtree border posts.

The women sell their goods for between two and three times what they paid for them. At one shop, a woman sold 50 oil seals, for which she had paid R12, for the equivalent of R25.

High unemployment, due to the inability of the economy to create enough jobs, has seen an increasing number of Zimbabweans unable to find employment in the formal sector. Adding to the people's woes is a drought-induced recession and a slump in commodity prices which led to a large number of retrenchments. Others jump the border and work in South Africa. The latest edition of the *People's Voice*, the official publication of the ruling Zanu (PF) party, quoted an unnamed South African Home Affairs spokesman as saying there were as many as 400 000 illegal Zimbabweans living in South Africa.

Meanwhile, after the Christmas Day service at the City Presbyterian Church in central Harare, former Rhodesian premier Ian Smith, public enemy in much of the world for most of the '60s and '70s, chats casually with worshippers.

Smith, who held on to power for 14 years after unilaterally declaring independence from Britain in 1965, has remained in the country since independence — although he has withdrawn from active politics. As he enjoys another beautiful day in the tropics and driving around in his modest Mazda 323, most "ex-Rhodesians" can only be envious that they did not follow. — *Sapa*.

Zimbabwe to rule on equity

HARARE — Zimbabwe's central bank will soon issue new rules for increased foreign shareholding in local firms announced last week. B/DAY

"Meanwhile, we have told the local exchange to continue operating normally," a central bank official said yesterday.

Last Friday the central bank said foreign investors would be allowed to buy up to 35% of shares offered by local companies, with each investor limited to 10% of equity offered. This was an increase from 25% equity that foreign investors could buy and a maximum of 5% for individuals which was announced in June.

"We are not reversing the rules we announced on Friday, but merely working out details on how the system will operate," the official said, declining to give details. 7/11/94

Industry sources said the new scheme had run into problems after it was found that only 20 of the 62 firms listed on the Zimbabwe stock exchange would have benefited because most firms were already 40% foreign-owned. (362)

Zimbabwe's stocks have risen by more than 130% since June, when the government lifted a long-standing ban on foreign investors trading on the local market.

Analysts estimate the investors, most of them from Britain and the US, have poured more than Z$100m into local stocks in the past six months. — Reuter.

ZIMBABWE

Fm 7/1/94

Breaking out

(362)

Zimbabwe's sweeping liberalisation of exchange controls will make life tougher for SA exporters. As part of its economic structural adjustment programme, Zimbabwe devalued its dollar by 17% on January 1, from Z$6,9 to the US dollar to Z$8,2, while abolishing direct import allocations and floating the currency.

Fm 7/1/94

This is going to make Zimbabwean exporters, especially of clothing and textiles, more competitive in the region.

From this week, exporters can retain 60% (50% previously) of export earnings in hard currency in foreign currency accounts held with a Zimbabwe bank. The balance of 40% must be sold to the Reserve Bank of Zimbabwe at the official exchange rate.

Exporters are required to use retentions within 90 days — by spending them offshore on imports or remitting dividends and paying royalties, or selling them in the domestic interbank market. Banks expect a modest premium of around 4%-5% above the official parity in interbank dealings, though this could rise unless Zimbabwe's weak export performance improves. (362)

Foreign companies will be pleased with the increased ceiling for dividends. Companies that invested in Zimbabwe before the start of the Lancaster House independence conference in September 1979 are now allowed to remit half their taxed profits, compared with 25% in the past. This limitation on dividends did not apply to firms that invested after 1979, which have always been allowed to remit 50%. Those that invested after May 1 1993 can remit 100%.

Ceilings have been raised for offshore payments for technical and management fees; and royalties of up to 5% of net sales can be remitted without prior exchange control approval. All payments for invisibles, including dividends, must go through the free market, attracting the exchange rate premium.

The abolition of direct import allocations means importers will no longer have to apply to the Commerce & Industry Ministry for foreign currency but will purchase their requirements — at a premium — in the free market. It's unclear how long the government intends to operate a two-tier exchange rate but analysts expect the two rates to be unified before the end of this year.

Devaluation will be inflationary but central bank Governor Leonard Tsumba expects the move to add only 2%-3% to inflation, which in November was running at 22%. The inflationary impact will be cushioned by the abolition of the 10% tariff on open licence imports and the 5% reduction of the import surcharge to 15%.

But import costs will rise with the abolition of subsidised forward exchange cover provided by the central bank. From this week, importers will be forced to cover forward in the commercial market at a much higher cost.

There is good news too for the Zimbabwe Stock Exchange. In July, foreign investors were allowed to buy up to 25% of the equity in quoted companies, with no single investor holding more than 5%. In the subsequent five months over Z$100m (about US$12m at the new parity) came into the market and industrial share prices rose 170% from their low point of 861 on the index, in January, to close 1993 at 2 325. Now the ceiling on foreign

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Fm 7/1/94

ownership has been raised to 35% with any single investor allowed to hold 10% of the shares in a ZSE-listed company. This move will push the industrial index to new highs before midyear, breaking the record of 2 710 set in September 1991. (362)

None of these moves came as a surprise since they are part of the trade liberalisation programme set out in the original structural adjustment document three years ago. They mean Zimbabwe has liberalised almost all regulations covering current payments, leaving the capital account to be freed later.

The business sector will be pleased with the changes. The mining houses and other exporters will benefit from devaluation and increased dividend remittability. The chances of attracting new inward investment have improved with the liberalising of dividend regulations, but the problem of blocked funds — profits earned during the Seventies and Eighties by foreign companies — remains to be resolved.

With trade liberalisation almost complete, the focus will shift to the public sector. Latest figures show public-sector borrowing out of control again in the second half of 1993, with a resulting surge in money supply growth from less than 20% at midyear to 36% in November. Since the July budget, the public sector has borrowed about Z$2,5bn, which far exceeds the projected budget deficit for the full year to June 1994 of Z$2,1bn. If structural adjustment is to stay on track and inflation its downward trend from an annual average of 42% in 1992 to an estimated 28% last year, fiscal and monetary policy will have to tighten — soon. ■

Zim ditches forex strictures

CT 7/1/94

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HARARE. — Zimbabwe, anticipating fierce market competition from a democratic South Africa, yesterday virtually abolished foreign exchange rules that for years stifled business growth.

It also introduced incentives to boost an export-led boom.

Acting finance minister Richard Hove unveiled the moves as the Zimbabwe Stock Exchange (ZSE) ended 1993 on new highs, lifted by a government decision earlier this year to allow foreign investors to trade on the local share market.

The ZSE's key industrial index soared to 2 325,26 points, up 19,07 from Thursday, to reach its highest level for this year — though still below its record 2 732,41 points reached in 1991.

Mining shares added 7,51 points to close at 515,79, a record high that eclipsed the 449,78 achieved on October 11, 1991.

"The ZSE's industrials have staged a stunning recovery from last year's drought-induced crash, moving up by at least 130% in the past six months alone," one trader said.

"As always, the stocks are a pointer in which direction the economy is moving. Things can only be good and we expect the shares to continue their upward march next year," he added.

Foreign investors, led by firms from Britain and the United States, have flooded the ZSE bringing in more than US$15m in the past six months.

Hove increased shares that foreign firms can buy on the ZSE, offering a further incentive to invest in Zimbabwe which, with the backing of the World bank, has been in the grips of painful five-year economic reforms since 1991.

He also announced changes that almost ended control and distribution of hard cash by the central Reserve Bank of Zimbabwe in a bid to allow companies to boost exports.

Analysts said Zimbabwe wanted to forestall competition expected from South Africa.

Hove told a news conference that local and foreign firms operating in Zimbabwe would from today be allowed to keep 60% of export earnings which they would use to import goods and capital equipment.

The companies would deposit their 60% share into corporate foreign currency accounts (FCAs), while selling the remainder to the central bank.

Individuals — both Zimbabweans and foreigners — have been operating foreign accounts since June, bringing about US$4,4m into the country.

"The objective of introducing the FCAs is to enhance the liberalisation of the current exchange control measures and phase out the administrative system of foreign exchange allocation (undertaken by the central bank)," Hove said.

"This will provide a mechanism for making the Zimbabwe dollar a convertible currency," he added.

Central bank governor Leonard Tshumba told Reuters: "We hope that the dollar can be convertible within a year's time."

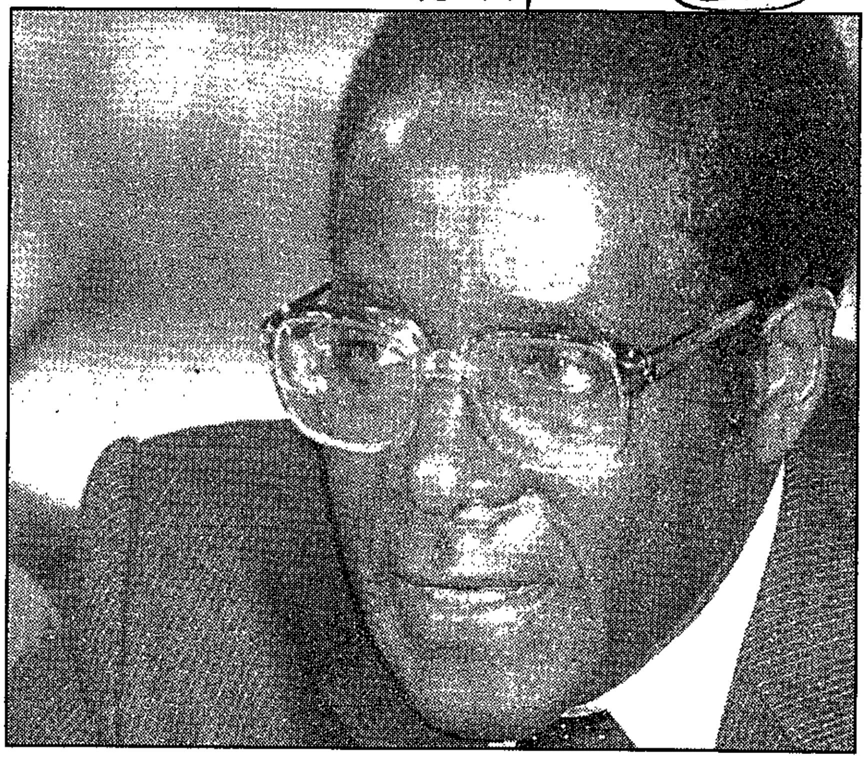
Hove said trade in foreign currency would from now on be conducted virtually by private commercial and merchant banks, leaving the central bank to purchase fuel imports, service Zimbabwe's foreign debt and pay for government imports.

"An interbank market will thus be created in which prices for foreign exchange set by market forces will determine the rates of exchange for sales and purchases by the public," he said. — Sapa-Reuter

Zimbabwe banks racist, say blacks

Star 10/1/94 (362)

SHOULD affirmative action be extended to Zimbabwe's black businessmen? Robin Drew of the Star's Africa News Service reports on a current, burning issue



Robert Mugabe . . . accuses whites of being a protective clan that looks after its own.

After nearly 14 years of majority rule, black businessmen in Zimbabwe are complaining they are still handicapped by racial discrimination — except that it is now financial rather than political.

They are demanding the government direct banks and finance houses to provide them with a bigger share of loans.

The banks argue, however, that it is inexperience and lack of collateral rather than racial discrimination that puts black businessmen at a disadvantage in raising loans.

The cry that blacks are disadvantaged because of the racially discriminatory practices of past white governments is not new. Since independence in 1980, blacks have complained that advancement in the private sector has not paralleled the Africanisation policies followed by the government elected under majority rule.

The same complaint is still heard and most recently it has been voiced by President Robert Mugabe, who has accused whites of being a protective clan which looks after its own.

Repeated accusations by black businessmen of racial discrimination in lending policies finally led the banks, together with the association of finance houses, to issue a breakdown of loans granted.

This showed that at the end of September last year, the total of loans and overdrafts to the private sector stood at just over 6 billion Zimbabwe dollars, of which 1,313 billion (22 percent) had been lent to black-owned businesses.

The institutions said they had gone to special lengths to assist black businessmen and over the past few years had financed 30 companies controlled by blacks.

But the institutions made the point that the ability of a business to succeed was the key criterion and as custodians of depositors' money, banks and finance houses had a duty to ensure investments were prudent.

This drew a demand from black businessmen that the government pass laws to target at least 80 percent of all investible resources towards blacks.

"This is our sweat and blood which we now demand back in the same way that we have fought and died for our land," said an advertisement in the press on behalf of the "struggling indigenous Zimbabweans".

Calling for demonstrations against banks and finance houses, the advertisement said no white person had brought money to Zimbabwe but had gained wealth through the exploitation of the blacks.

The advertisement included a biting attack on black "Uncle Toms" who went along with the wishes of their white masters. This was clearly clearly a jibe at leading black banker, I G Takawira, currently president of the Bankers' Association.

The drive for an aggressive approach has come from the Indigenous Business Development Centre, launched two-and-a-half years ago under the patronage of Mugabe, who last month slammed foreign (white) control of the economy.

It has also received strong backing from Vice-President Joshua Nkomo who has frequently warned that blacks must be given a greater share of the economy if another conflict is to be avoided.

The government has under consideration an "indigenisation policy" which includes recommendations by a parliamentary select committee calling for a special tax regime for black business people.

The benefits would include exemption from duties on machinery, tax holidays as long as eight years and a reduction in sales tax.

Of immediate concern is the control of Stanbic Bank Zimbabwe Ltd, which was recently acquired by the Standard Bank Investment Corporation of South Africa.

Black businessmen have said they want a substantial share in the bank, and a report at the weekend claimed that 80 percent of the shares would be allocated to black Zimbabweans through a scheme in which share stamps would be sold at post offices.

Stanbic chairman Lindsay Cook and managing director Hugh Ferguson saud the report was inaccurate and no agreement had been reached on any change of shareholding.

Mugabe's salary up by 64%

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Star 10/1/94

■ STAR AFRICA SERVICE

Harare — The announcement of a 64 percent increase in President Mugabe's salary plus higher allowances along with increases in salaries for ministers and MPs backdated to July last year has shocked Zimbabweans going through hard times.

While there is massive unemployment as economic reform takes its toll on employers, the increases followed calls by ministers for the ordinary people to be patient.

Increments for the civil servants, for example, varied between 2,5 percent and 10 percent, below the inflation rate which has fallen from above 40 percent to about 24 percent.

Mugabe's salary and allowances have gone up to Z$200 000 (about R80 000) while salaries for MPs went up by 46 percent to Z$48 000 (about R20 000).

Zimbabwe buys SA diesel taxis

EDWARD WEST

CAPE TOWN — Atlantis Diesel Engines and Nissan SA had begun exporting diesel-powered minibuses to Zimbabwe to take advantage of the deregulation of transport in that country, an Atlantis spokesman said yesterday. B/DAY 11/1/94

Although it was early days yet — only 30 Nissan E20 minibuses had so far been converted to diesel — the Zimbabwean government wanted to establish a minibus taxi industry similar to SA's and had removed import duties on the vehicles.

Diesel was also cheaper and more freely available than petrol in Zimbabwe.

The spokesman said Atlantis was lobbying for support locally to get government to increase the price differential between diesel and petrol to make diesel-powered minibuses viable in SA.

Conversion to diesel would ensure longer engine life and lower fuel consumption. Diesel was as environment-friendly as unleaded fuel.

SA exported large quantities of surplus diesel production.

A spokesman for the ANC economics department said it was investigating promoting diesel-powered taxis as part of a plan to make industry more competitive and to increase government revenue.

Diesel consumption would become entirely commercially productive and a future government could lower the tax on diesel to promote business. (362)

Petrol tax could be raised to increase government revenue as a form of wealth tax, the spokesman said.

Nearly 80% of SA's petrol was consumed by private cars, with only a small proportion consumed by essential services such as doctors.

The remainder was consumed by minibus taxis, he said.

The Atlantis spokesman said diesel-powered taxis were the norm around the world, but the local taxi and motor manufacturing industry believed that the price of diesel was not yet low enough in relation to petrol to make diesel-powered minibuses viable in view of the higher price of diesel engines.

Zimbabwe raises hospital fees by a whopping 800%

(362)

ARG 12/1/94

Argus Africa News Service

HARARE. — Huge increases in hospital and clinic fees in Zimbabwe have drawn bitter criticism but the government says it was forced to take the move to save the system from imminent collapse.

Charges went up by as much as 800 percent this week but people earning less than Z$400 (R160) a month get free treatment as long as they go through the referral route, starting with a local clinic.

Health Minister Timothy Stamps said it was unreasonable for people to complain. He told the national news agency, Ziana: "We are only asking people to divert some of the money spent on alcohol to their health."

No country, even the richest, could provide health services free for all or it would end up with no service to offer, he said.

Health fees up 800% in Zimbabwe

Star 12/11/94

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Health Minister Dr Timothy Stamps said: "We are only asking people to divert some of the money spent on alcohol to their health." — Star Africa Service.

Mugabe's pardons cause outrage

BDAY 21/1/94

MICHAEL HARTNACK

HARARE — President Robert Mugabe's speedy grant of pardons to two men jailed for shooting opposition leader Patrick Kombayi "openly incite government agents and Zanu (PF) supporters to break the law", Zimbabwe's Financial Gazette said on Wednesday.

The independent newspaper, which has a wide readership among international investors, said Mugabe had sent a clear message: "People employed by the state or members of the ruling party found guilty of murder, attempted murder or assault are likely to be pardoned by the president, whatever the courts may determine."

Mugabe last week made an immediate grant of clemency to the Midlands head of the Central Intelligence Organisation, Elias Kanengoni, and a youth organiser for the ruling party, Kizito Chivamba, who lost their appeals against effective six-year jail terms for the attempted murder of the former mayor of Gweru, a Mr Kombayi.

At the time of the shooting Kombayi was standing against Vice-President Simon Muzenda in the 1990 general election. Witnesses alleged the two men believed they were acting on Muzenda's authority, but he was never called to court.

Zimbabwe's Roman Catholic Justice and Peace Commission has already denounced the pardons as a threat to free campaigning in the next elections due before July 1995.

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A prominent ~~lawyer~~ in the Opposition Forum Party, led by retired Chief Justice Enoch Dumbutshena, said they were "the last straw in the constitutional crisis between the executive and the judiciary".

Mugabe has already moved to limit farmers' right of appeal against land nationalisations and used presidential powers to overturn a private civil judgment, and the authorities committed repeated contempt of court in their recent evictions of squatters from Churu Farm on the outskirts of Harare.

Zimbabwe's gold output best in 50 years

Star 26/1/94

Harare — Zimbabwe's gold production for 1993 reached 18 916kg, up a marginal three percent on the previous year's 18 270kg, and the highest in 50 years, according to figures issued by the Chamber of Mines in Harare this week. (362)

The output was valued at Z$1,47 billion ($175 million), making it the second most valuable export commodity, after tobacco, which earned $318 million last year.

Industry officials said last year's increase was a reflection mostly of improved water and power supplies.

The only major development expected in 1994 will be Cluff Resources' underground mine complementing open cast works at Freda and Rebecca mine at Bindura, which is expected to begin full production in the last quarter.

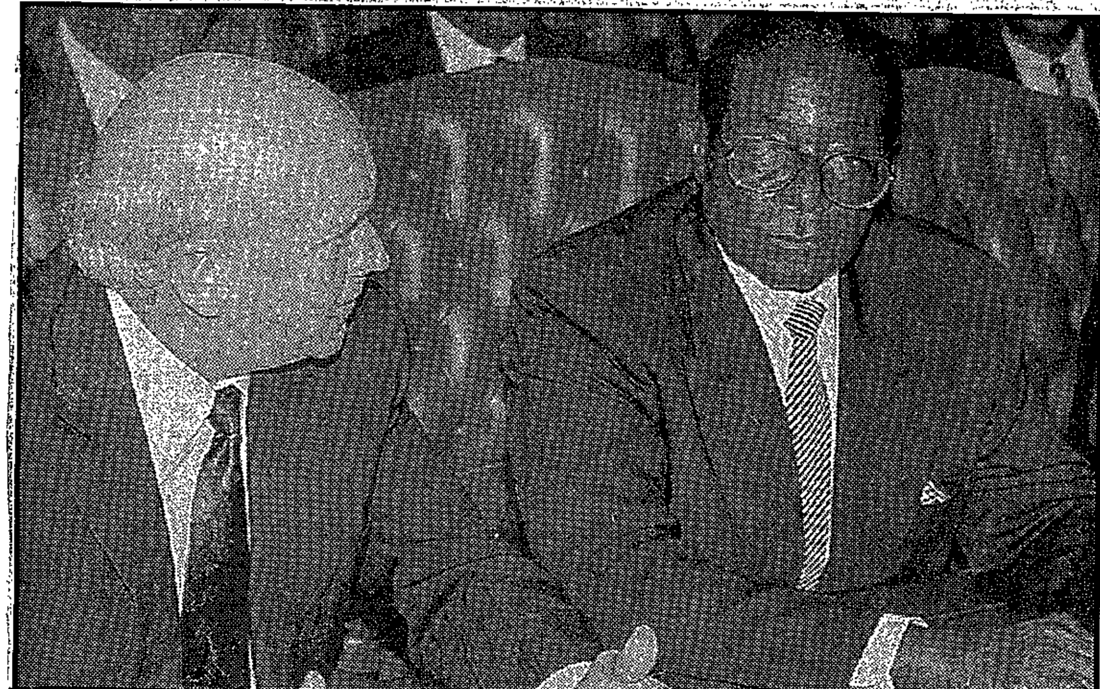
Cluff's output has been forecast to rise by about 300 kg a year.

Zimbabwe is the third biggest gold producer in Africa, behind South Africa and Ghana.

In the meantime Standard Chartered Bank has forecast the the economy, despite facing serious export problems, should grow by up to five percent this year.

The bank says the economy, in its fourth year of an IMF reform programme, is beset by a combination of falling tobacco earnings, a glut of maize, an unsustainable balance of payments deficit and a soaring debt burden. — Sapa

POLITICS



HISTORIC MOMENT: President De Klerk and his Zimbabwean counterpart Robert Mugabe speak at a press conference following discussions on the crisis in Lesotho.

ARG 27/1/94

South Africa buries hatchet with Zimbabwe

~~263~~ 362

GABORONE. — South Africa has buried the hatchet with Zimbabwe, its most hostile neighbour, and begun an era of regional co-operation with an initiative to try to resolve Lesotho's military crisis.

President De Klerk yesterday staged his first joint foreign mission with African National Congress leader Nelson Mandela, and agreeing with his Zimbabwe and Botswana counterparts to set up a joint task force to tackle the Lesotho problem.

Rival army factions in Lesotho have fought sporadically for two weeks.

The meeting in the Botswana capital was Mr De Klerk's first face-to-face encounter with his former enemy, Zimbabwean President Robert Mugabe.

"(It was a) very happy occasion, historical on both sides. It should have happened a long time ago," Mr Mugabe told reporters.

Mr De Klerk said: "South Africa is destined to play a role in the region ... today is historical.

"For the first time we as a country ... have become part and parcel of becoming involved in solving a problem which affects the region. It is a good beginning."

Before the summit, set up by Botswana President Quett Masire, Mr Mandela chatted informally over coffee in a hotel with Mr De Klerk about violence and campaign intimidation in South Africa.

The ANC leader said the meeting focusing on regional co-operation had given them a chance to rise above differences at home.

Mr De Klerk accepted that Mr Mandela was given equal treatment by Mr Masire who met their separate planes at Gaborone airport and referred to both as "president".

Mr Mugabe would not be drawn on what line of action the force might recommend to deal with the unrest in Lesotho.

Sources close to the talks said one option was a largely symbolic peace force comprising members of the Frontline States. — Sapa-Reuter.

Joined hands to clasp new era

Star 28/1/94

THE meeting between FW de Klerk and Robert Mugabe ends years of bad feeling between Zimbabwe and South Africa. Joe Latakgomo reports for Star Africa Service

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The handshake between State President F W de Klerk and his Zimbabwean counterpart Robert Mugabe in Gaborone on Wednesday was significant.

South Africans, whose view of progress made during the transition may be clouded by the detail of developments in the process, perhaps do not quite grasp the extent of our political revolution.

Only a few years ago, Robert Mugabe was still stridently anti-South Africa. No compromise with apartheid and no compromise with its practitioners, he declared.

Mugabe was often considered the last remaining *bittereinder* in his opposition to relations with South Africa. Tanzania, which was another of Pretoria's bitter critics, has somewhat warmed up in its relations with this country.

Often, Mugabe was accused of allowing politics to tie him up in economic knots. But even in current regional economic terms, there may be genuine fears of South African economic domination. Now, Zimbabwe is the dominant economic power in the region, and it may be that while De Klerk is having to deal with the reality of giving up political power, Mugabe has to deal with the reality of giving up economic power.

When Zimbabwe gained independence, following the independence of Mozambique and Angola, the then SADF chief General Magnus Malan termed these countries "the red girdle" around the waist of southern Africa. There were even warnings of a "Limpopo Curtain" — reference to the socialist leanings of the three governments.

And Mugabe has described South Africa as the enemy of the region. He accused it of aggression; he signed a peace pact with Mozambique and declared that an attack on Mozambique would be taken as an attack on Zimbabwe; he blamed South Africa for a massive arms theft from a top-secret armoury; for supporting the rebel Renamo movement in Mozambique, for allegedly sponsoring a coup attempt in Zambia, for sabotaging an army barracks, for attacks on Kazangula and slammed the invasion of Angola by the SADF.

Zimbabwe advocated sanctions against South Africa — it cost Zimbabwe dearly.

The battle-lines against apartheid were drawn when the term "Frontline states" was coined, made up of Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe.

Mugabe's critical voice was loud and clear at Organisation of African Unity summits. He promised financial support to liberation movements and was among the prime movers for the formation of the SADC to reduce economic dependence on South Africa.

South Africa ended Zimbabwe's preferential trade status, recalled its diesel locomotives and instituted visa requirements for Zimbabweans.

Following calls from Dr Witness Mangwende for mandatory sanctions against South Africa, which Mugabe softened somewhat, saying his country would abstain from voting on the issue in the United Nations, the then President, P W Botha, responded bluntly: Don't bite the hand that feeds you. This seemed to be an effort to placate the right wing, which had accused him of being "a soft leftie" in dealing with the "communists". The warning was enough to make Swaziland, Botswana and Lesotho explain that they could not support OAU calls for sanctions.

The tensions between the two countries continued throughout into the last two years. It was only last year that Mugabe gave permission for his ministers to talk to the Government. In September, at a summit of the SADC in Swaziland, hopes were raised for a meeting between De Klerk and Mugabe, but this failed to materialise — ostensibly because Mugabe had to leave Swaziland following the death of his brother, but probably because he did not think the time was ripe.

That the two erstwhile enemies could chat and laugh as they did in Gaborone is an indication of how South Africa is rejoining the world community, and particularly the African community. Has apartheid been "finally annihilated"? Mugabe must think so.

Millions for health care

HARARE — The World Health Organisation (WHO) has announced a $2,473m budget to help improve Zimbabwe's health care delivery system in 1994/95, the Ziana news agency reported yesterday. BDay

Fifty-seven percent of the $1,68m set aside for 1994 would go to primary health care disease prevention and control, and maternal and child health care, WHO representative Levon Arevshatian said. 28/1/94

The WHO had set aside $252 000 for disease prevention and control which includes support for rural programmes on communicable and non-communicable diseases, he said.

"About 4-million people are at risk from malaria in Zimbabwe. We have met health authorities to see how much money is needed to support malaria control programmes and we will assist in disease surveillance to make it easier to contain outbreaks."

He said a national programme was being developed to monitor tuberculosis which had been successfully controlled in the past but was resurfacing at an alarming rate.

The WHO had also provided consultants for Zimbabwe's cancer control programme. — Sapa (362)

Zimbabwe lowers limit on foreign equity

HARARE — Zimbabwe has reversed a recent decision increasing foreign participation on its stock exchange, market sources said yesterday. BDay

Foreigners were admitted to the market last June after a lengthy ban and were allowed to buy a total 25% equity in any quoted company while individuals were limited to 5%. 28/11/94

The Reserve Bank relaxed the restrictions at the beginning of the year, raising the total and individual ceilings to 35% and 10% respectively, but soon suspended the measures. "It has finally been resolved that foreign investment in listed securities remains at 5% and 25% limitations for the foreseeable future," one source said.

Welcoming the move, another source said: "It takes away the element of uncertainty for the time being. It's probably a wise move."

Another source, urging the government to increase foreign participation, criticised the change. "This shows that the government makes announcements first and then thinks about them afterwards."

The sources said the decision not to raise foreign-owned equity limits was because it would have benefited only a few of the 55 industrial and seven mining counters, as most already had extensive non-resident equity participation. — AP-DJ (362)

focus on Gaborone

Sowetan 28/11/94

After effectively eluding FW de Klerk for years, Robert Mugabe met his counterpart under the pretext of looking into the happenings in Lesotho. Political Editor **Mathatha Tsedu** reports on the historic meeting:

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STATE PRESIDENT FW de Klerk stepped out of his plane on Wednesday morning at Seretse Khama Airport, Gaborone.

At last he was to meet the one leader in Southern Africa, in Africa, that he had wanted to meet most but had been turned down.

Robert Mugabe, president of Zimbabwe, chairman of the Frontline States, had refused to meet De Klerk, banning even ministerial contact.

The ban was upheld until drought and a threat of mass starvation forced the then transport minister, Dennis Norman, to hurry to Cape Town for a meeting in 1992.

Late last year Foreign Minister Pik Botha hosted his counterpart, Nathan Shamuyarira.

But Mugabe himself remained elusive, and as the election dates were set and the campaign started up, it must have seemed to FW that he would leave office without shaking the hand that rocked Ian Smith out of office.

Then came Lesotho, and the rebel soldiers demanding a 100 percent pay increase, and the loyalists, fighting them.

Suddenly, Pik Botha was in Maseru to talk to the warring factions after a call for assistance from prime minister Ntsu Mokgehle.

Mountain fiasco

It was this fiasco in the mountains, where poorly armed rebels had skirmishes with the headquarters brigade that turned the tide in De Klerk's favour.

Pik's midnight calls to the United Nations, Organisation of African Unity and the Commonwealth, bore fruit.

The call came to De Klerk on Monday, from Botswana president Sir Ketumile Masire, stating that the Frontline States chairman, Mugabe, would like to meet him and ANC president Nelson Mandela in Gaborone on Wednesday morning to discuss the crisis in Lesotho.

Appointments were hastily cancelled, for this was the trip of De Klerk's lifetime.

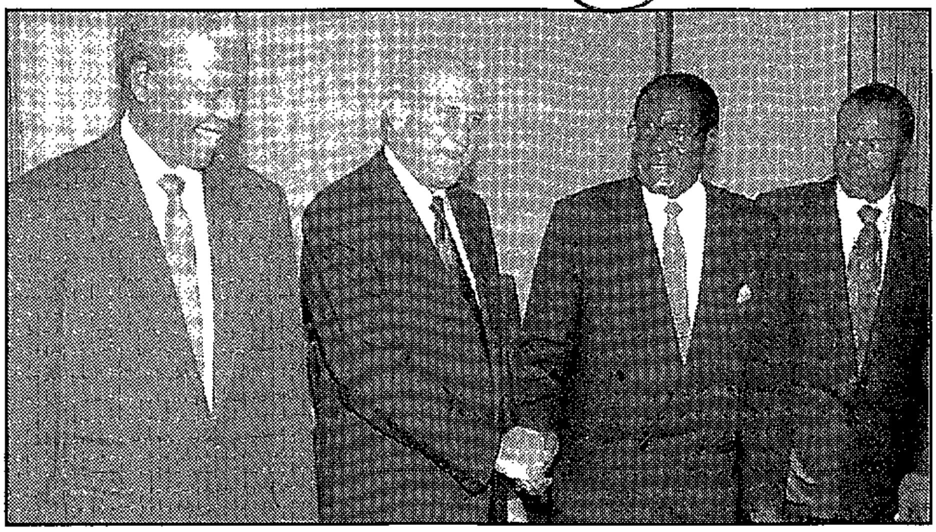
He had met the leaders of Morocco, Ivory Coast, Nigeria, Namibia, Zambia, Mozambique, Swaziland and Madagascar, but compared to Mugabe, all these trips and meetings amounted to nothing.

Mugabe, the man from just across the Limpopo, who mouthed socialist slogans and supported the armed struggle, but made purchases from South Africa at the height of sanctions, had turned him down.

This was his chance.

It would also come in handy in the elections, the picture of FW shaking hands with Mugabe, completing the opening of doors in Africa for the New Nats, which would make good poster material for the black farm hands to wave during the road show.

And so, at 9.07 on Wednesday morning, De Klerk stepped out of his ZS NAN private executive jet (which made no headlines when it was bought) on to the wet tarmac at Gaborone.



The handshake State President FW de klerk has been waiting for. Zimbabwean president Robert Mugabe greets De Klerk during a joint meeting with ANC president Nelson Mandela and Botswana president Quett Masire. PIC: AFP

He had reason to smile, for behind his jet was the Air Zimbabwe Boeing that Mugabe borrows from the national airline when he flies around.

His prey was here and he was stalking that prey with tenacity. He was met by Masire.

The purpose of the meeting was to be Lesotho, but even South African Government aides agreed that "that would also be discussed".

The main event was the meeting of FW and Mugabe.

And then there was Mandela, the shadow president, if media and opinion polls are to be believed.

His role was somewhat undefined, although he was accorded the status of a head of state, arriving in a smaller plane but met by Masire.

It was believed that Mugabe, a seasoned tactician who plotted the revolution that brought down Rhodesia, had made Mandela's attendance a condition of the meeting, ostensibly to ensure that De Klerk does not gloat in glory alone and abuse the meeting for electioneering purposes.

Many saw Mandela's presence as symbolic, a kind of passport to De Klerk's international pleasure, a necessary presence but effectively amounting to nothing if, indeed, Lesotho was the subject.

There is no denying that it was discussed but what input could Mandela make, by virtue of the ANC's involvement in the TEC, when that body was failing to deal with the East Rand violence, or effect a subpoena against a recalcitrant police commissioner in KwaZulu? But it was still important that he was there, for it showed that in the eyes of his African brothers, he was the shadow president. But Wednesday belonged to De Klerk, thanks to the rebels in Lesotho.

Backdrop

That the fighting in Lesotho only formed a backdrop through which the meeting could take place can be gleaned from the lack of urgency in the result of the meeting.

After listening to a briefing by deputy prime minister Mr Selometse Baholo, the presidents took no concrete action to halt the fighting.

Instead, a committee was formed, to look into the causes and recommend the way forward.

Questions abound. Does this mean Baholo's report which Mugabe said gave the delegations "a concrete picture of events in Lesotho" was rejected, inadequate or just simply unsatisfactory?

If, as Mugabe said, the situation in Lesotho was cause for "great concern", why not act on the report given by such an exalted person as the deputy head of Lesotho?

Or was the real purpose of bringing De Klerk and Mugabe together accomplished?

HIV infection of pregnant Soweto women rises to 6%

BDAY 31/1/94

KATHRYN STRACHAN

AN ESTIMATED 6% of pregnant women in Soweto — about 60 000 women — were infected with HIV, SA Institute of Medical Research spokesman Prof Alan Fleming said on Friday.

Speaking at a report-back from the Africa AIDS conference held in Morocco last month, he said the figure had risen from 5% to 6% in the past few months.

Johannesburg AIDS centre head Clive Evian said the incidence of HIV in pregnant women had risen from one in 330 to one in 17 in the past six years.

The UN World Health Organisation warned at the conference that AIDS could hit harder in southern Africa than it had in east Africa. Figures for Kenya indicated that every hour there were 25 new HIV infections, six new AIDS cases and five deaths from the disease.

However, a number of prostitutes in central Nairobi had begun to show immunity to the disease. While about 90% in the city were infected, the other 10% consistently tested negative although they did not practise safe sex.

In other African countries the figure seemed to be stabilising at an infection rate of 5% of the population. About 10-million people across the continent were infected with HIV.

AIDS in SA was following the same pattern as the rest of Africa, particularly in the trend highlighted across the continent of an abnormally high infection rate among teenage girls.

Figures for Zimbabwe and Malawi showed five times more teenage girls were infected than teenage boys.

Fleming said there had been a long overdue focus on youth at the conference. Child abuse and rape was an important factor in the transmission of HIV, he said, adding that 5% of the 2 000 cases of rape reported in Soweto each month involved children below the age of five. Sex and AIDS education for children had to become a priority.

Experiences in other African countries also showed the pitfall of leaving health departments to manage the epidemic, and the conference emphasised the need for intersectoral collaboration.

Ex-Rhodesians to be shut out

MICHAEL HARTNACK

HARARE — Zimbabwe's Home Affairs Ministry has published a draft Immigration Amendment Bill which would finally slam the door on most of the 200 000 white Rhodesians who left in the wake of the 1972-80 bush war. BDAY

Far-reaching changes, which are likely to be put before parliament when it reconvenes next month, would remove all right of re-entry for those who were born or formerly resident in Zimbabwe. 31/1/94

Government-controlled newspapers have claimed more than 30 000 wished to return because of political and economic uncertainty in SA. (362)

The draft Bill published with this weekend's Government Gazette also gives immigration officers the power to bar women whom they deem to have contracted "marriages of convenience".

Randburg council and Premier under attack

BDAY 31/1/94

LLOYD COUTTS

A RANDBURG blockwatch association has described a Randburg Town Council decision to allow Premier Food Industries to make land available to squatters in the north of the town as an act of bad faith.

It also attacked Premier.

The Three Rivers Blockwatch Association said the council had signed an agreement two years ago with the Bloubosrand Action Committee that no squatter settlements would be permitted in Bloubosrand Extension 1 or surrounding areas.

The Premier land at Number 5, Riverbend, was about 500m from Bloubosrand, it said.

The council had agreed also to resist strenuously and prevent any attempt to erect a squatter settlement in the area.

The agreement had been signed after weeks of confrontation — involving road blocks, protest marches and public meetings — between the council and the action committee.

Provision had been made for the erection of formal, affordable housing in the designated area.

"If the Randburg Town Council has disregarded their two-year-old agreement in such a cavalier manner, we and the Bloubosrand Action Committee feel that we are entitled to disregard paragraph 8 of the agreement with the council, which calls upon the residents to 'immediately stop the continuation of such actions as barricading public roads and the instigation of rates and taxes boycotts'," it said.

SA, Zim deal 'after April'

BULAWAYO. — Zimbabwe and SA would renegotiate their outdated trade agreement following the elections in April, Zimtrade chief executive Morrison Sifelani said late last week.

"At our last meeting last year, our SA counterparts advised us to cool it as they cannot make major business commitments at the time when the political situation in their country is still changing," Sifelani said. (362)

Talks began early last year on replacing the 1964 trade agreement, particularly with regard to Zimbabwe's important textile exports to SA. — Sapa CT31/1/94

Zimbabwe to slam door on expatriates

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From MICHAEL HARTNACK

HARARE. — Zimbabwe's ministry of home affairs has published a draft Immigration Amendment Bill that would finally slam the door on most of the 200 000 white Rhodesians who left in the wake of the 1972-80 bush war.

Far-reaching changes, which are likely to be put before parliament when it reconvenes next month, would remove all right of re-entry for those who were born or formerly resident here.

Government-controlled newspapers last year claimed more than 30 000 wished to return because of political and economic uncertainty in South Africa and other countries where they had settled.

The draft bill published with this weekend's government gazette also gives immigration officers power to bar women they deem to have contracted "marriages of convenience" with Zimbabweans to gain rights of entry and residence.

Publication of the draft bill follows a spate of cases in which immigration officers have sought to bar persons who held dual citizenship before President Robert Mugabe outlawed this in 1984.

In an interview before Christmas President Mugabe said a priority was removing control of the Zimbabwean economy from the hands of "local whites or foreign interests". CT 31/1/94

'Diamond find in Zimbabwe'

(362) 2b

31/1/96

Own Correspondent

HARARE. — A Russian mining company has reportedly discovered substantial pipes of diamond-bearing kimberlite in Zimbabwe.

"The company has discovered the largest known kimberlite locations stretching from Botswana through Mwenezi right up to Gonakudzingwa," (on the south-eastern Zimbabwe-Mozambique border), Minister of Mines Eddison Zvobgo is quoted saying in an interview with the semi-official "Sunday Mail".

Zvobgo said the private Russian company, which he refused to name, the De Beers group, and vice-president Joshua Nkomo's Development Trust of Zimbabwe had expressed interest in developing the kimberlite pipes.

Zimbabwe stocks 'set to soar'

HARARE — Zimbabwean stocks, bouncing back from a drought-induced crash in 1992, are expected to soar even higher this year because of good rains and renewed interest from foreign investors, industry analysts said yesterday. B/Day

They said the share boom, triggered by a government decision in June to end a long-standing ban on foreigners investing in local stocks, was expected to lift Zimbabwe's economy out of the doldrums. 1/2/94

"Given the good rains that we have had — and they seem likely to continue until the end of the season in March — the shares can only move higher to new records," an analyst said, summing up the mood in the market which crashed 70% in 1992.

Most local economists say the economy will grow at least 4% this year.

Market traders said competition between local and foreign investors, most of them British and American, to buy cheap share pickings had been the major factor in buoying the Zimbabwe Stock Exchange to record highs in the past seven months. (362)

"The good aspect of the share boom is that it is not only a few companies in one sector that are performing well but virtually all stocks across the board." — Reuter.

Mugabe: More black control

VICTORIA FALLS. — President Robert Mugabe has urged Zimbabwe's black majority to seek more control of the nation's economy, which is in the hands of whites and Asians. ARG 3/2/94

"Without economic power the political power that we hold is hollow," he said last night at a reception for officials and mostly black business leaders attending an economic conference.

Mr Mugabe said the first day was dominated by debate on what the government should do to help blacks acquire a higher stake in the economy, 98 percent of which is controlled by whites and Asians. — Sapa-Reuter 362

Star 7/12/94

Coetzee in Harare talks

BY ROBIN DREW (362)
STAR AFRICA SERVICE

Harare — South African Justice and Defence Minister Kobie Coetzee is due in Zimbabwe today for talks about a possible extradition treaty between the two countries.

Breaking the story, the independent Sunday Gazette said Coetzee would meet Justice Minister Emmerson Mnangagwa, Home Affairs Minister Dumiso Dabengwa and possibly Defence Minister Moven Mahachi.

The question of the release from prison of South African agents Kevin Woods, Michael Smith and Philip Conjwayo was also expected to be discussed.

Coetsee for talks in Zimbabwe

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ARG 7/2/94

ROBIN DREW
Argus Africa News Service

HARARE. — Justice and Defence Minister Kobie Coetsee is due here today for talks with Zimbabwean ministers as part of the process of rebuilding contacts between Pretoria and Harare.

News of the visit was broken by the Sunday Gazette, which said the question of the release from prison of three South African agents serving life sentences would be discussed.

While this may be raised now the issue has been made public, it is understood that it is not on the agenda for discussions which were to be mainly concerned with the need for an extradition agreement between South Africa and Zimbabwe.

Co-operation between the police forces of both countries has been hampered by the absence of such an agreement.

Mr Coetsee is due to meet his justice ministry counterpart Emmerson Mnangagwa and also the Home Affairs Minister Dumiso Dabengwa.

NEW SOUTH AFRICA

ARG 8/2/94 (362)

Great expectations and urban legends

HARARE. — Urban legend has it that maids and gardeners in South Africa are mentally rearranging the furniture in their employers' fine suburban houses in preparation for the day they move in and leave their township shanties behind.

In some African countries, such as Angola and Mozambique where entire white communities fled at independence in the mid-70s, that sort of move did happen.

But in neighbouring Zimbabwe, a small-scale but more realistic model for attempts to predict South Africa's future, it didn't.

And South Africa's whites, who nervously dismiss the stories with jokes about the "crisis of expectations" as blacks prepare to take political power after elections in April, look hungrily to Zimbabweans for reassurance.

What follows is a rough checklist of expectations fulfilled and unfulfilled in Zimbabwe nearly 14 years after elections ended a guerrilla war against white minority rule:

Housing. If any domestic workers moved into their employers' houses they bought them, probably at vastly inflated prices as property values rocketed after independence. The high-density townships of the country's major cities are bursting at the seams, with expectations of decent housing for all dashed. Formerly exclusively white upmarket suburbs are, however, now multiracial and apartment blocks in the city centres, once mainly white, are now mainly black.

Domestic workers. A Zimbabwean cabinet minister said shortly after independence that domestic labour was demeaning and would be phased out within 10 years as more jobs were created in industry and commerce. Now, middle-class blacks are enthusiastic employers of domestic labour alongside the 100,000 or so whites who remained in the country.

Education. A Zimbabwean success story. Before independence just a third of black children enrolled in primary school, now an education is available to all - free in the rural areas, while fees have recently been reintroduced in city schools. Some whites complain that the improvement is in quantity only, while quality of education has declined, but many government schools produce consistently good results.

Health. Another relative success story, although health services are feeling the pinch as Zimbabwe struggles to restructure its economy. Fees for treatment in ailing hospitals have recently soared, but it is in its primary health system that the government takes most pride. Vaccination programmes and rural clinics have extended basic health care to millions of blacks for the first time. The World Bank said in a recent report that progress in health and education since independence put "Zimbabwe's social indicators substantially ahead of other countries in sub-Saharan Africa."

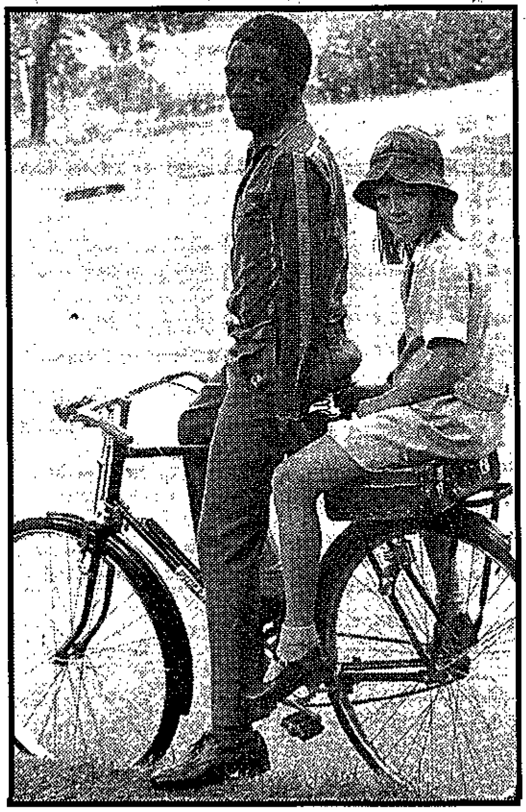
Jobs. The success in education has resulted in a new crisis of expectations - some 200,000 school-leavers seek jobs each year while only about 30,000 new jobs are created annually. In the years immediately after independence tens of thousands of blacks took over civil service jobs formerly held by whites. But retrenchments to cut government expenditure along with belt-tightening by private businesses have seen the percentage of the total workforce employed in the formal sector drop from 15 percent at independence to less than 12 percent now.

Land. Still a major bone of contention, with the government planning to nationalise millions of hectares of white-owned land for redistribution to blacks, but with no whites yet kicked off their property in the 14 years since independence.

So Zimbabwe's crisis of expectations has come and gone with the scoreboard reading win some, lose some.

But one warning against expecting - or dreading - too much too soon comes in the form of Zimbabwe's ubiquitous "Emergency Taxis," most of them battered Peugeot station wagons packed to the boot with black commuters.

They were officially named "Emergency Taxis" at independence because they were soon to be phased out by a new, improved public transport system. They're still there and they're still called "Emergency Taxis." - Sapa-AFP.



STATUS QUO: In Zimbabwe, gardeners still ferry primary school children to school.

Ministerial meeting with Zimbabwe breaks the ice

B/Day 8/2/94

HARARE — SA Justice Minister Kobie Coetsee and Zimbabwean ministers set in motion the first major co-operation agreement between the two countries yesterday after 14 years of frosty relations.

Sapa reports Coetsee, Zimbabwean Justice Minister Emmerson Mnangagwa and Home Affairs Minister Dumiso Dabengwa held talks on "common judicial matters" including the closing of legal loopholes used by organised crime and the resumption of an extradition treaty.

They also discussed the fate of five SA agents serving life imprisonment in Zimbabwe.

Observers said the meeting formalised the normalisation of relations between the two countries with the first meeting between President F W de Klerk and President Robert Mugabe on January 26 in Gaborone.

MICHAEL HARTNACK reports Zimbabwe and SA are to set up a joint working committee to revive the extradition treaty which lapsed in 1986.

Mnangagwa and Coetsee said the cases of Philip Conjwayo, Michael Smith, Kevin Woods, Barry Bawden and Denis Beahan, who serving sentences for espionage, assassination and sabotage, had been discussed "in general terms". (362)

However, Mnangagwa ruled out a speedy resolution to the issue.

"These fellows are Zimbabwean citizens so they fall into the category of our offenders," he said.

British diplomatic sources say Beahan, 43, a former paratrooper and Randburg security guard, and Smith, 39, are British citizens.

"At the appropriate time, we will release them. We have released so many people since independence and these will be treated just like any other citizens," Mnangagwa said.

Zimbabwean government sources said it was "most unlikely" the convicted men would spend the rest of their lives in prison. Last week Woods, Smith and Conjwayo were belatedly moved from solitary confinement to join Bawden and Beahan in Chikurubi prison.

Coetzee also held talks with Zimbabwe's Home Affairs Minister Dumiso Dabengwa and Defence Minister Moven Mahachi.

Coetsee said establishment of the working committee headed by Zimbabwe's secretary for justice Yunus Omerjee and the SA Justice Department director-general Jasper Noeth, offered an immediate prospect of relief in both countries for families of men who escaped paying maintenance by crossing the Limpopo border.

"We are always looking for ways to help wives and kids, rely on us," Coetsee said. "It was very gratifying from a personal point of view and a very successful visit.

"We achieved what we set out to do," he said.

Harmonising judicial co-operation would facilitate growing interaction by the business communities.

The working committee is to report on putting into effect the principles for a second meeting at ministerial level to be held in SA before the end of March, the ministers said after their meeting.

"The meeting was held in a spirit of co-operation realising that both countries share a common border and the same legal tradition," they said.

Plea to Swazi king

MBABANE — Swazi chiefs and KaNgwane headmen have appealed to Swaziland's King Mswati to incorporate the homeland into Swaziland before SA's April election. B/Day

At a weekend meeting, the king urged them to be patient as negotiations on adjustments to the border were "already under way". (362)

The chiefs said they had been asked by President F W de Klerk and ANC leader Nelson Mandela to vote for them, but they and their subjects owed allegiance to the Swazi king.

They said KaNgwane did not belong to Mandela or De Klerk but to the king. It had been taken from the Swazis by the English and the Boers. — Sapa. 8/2/94

TBVC states' recognition to end

PORT ELIZABETH — SA would stop recognising Transkei, Bophuthatswana, Venda and Ciskei at the end of April, a Foreign Affairs spokesman said yesterday. B/Day

The new constitution would come into effect on April 27, and SA would again become a sovereign state. SA embassies in the four homelands would be closed from that date.

However, Bophuthatswana Foreign Affairs and Information Minister Tom Setiloane said yesterday his government had received no official word that the SA embassy was to close.

Meanwhile, a Bophuthatswana spokesman said the government found "incomprehensible the furore" the ANC had raised about the roadblocks it encountered in the homeland at the weekend. 8/2/94

Bophuthatswana security forces were reported to have stopped ANC president Nelson Mandela's convoy on Sunday in Thaba 'Nchu where Mandela was to lay a wreath on the grave of former ANC president James Moroka.

The spokesman said: "Had the ANC bothered to notify anyone in Bophuthatswana of its intention to lay a wreath in Bophuthatswana's sovereign territory, there would have been no way its (ANC) members would have been stopped from entering the country". — Sapa.

Job-creation plan steams ahead

B/Day 15/2/94

HARARE — Zimbabwe's Zambuko Trust will this year disburse loans to finance job-creating projects worth nearly $Z3m, which will create 983 new jobs and sustain 1 967 others, Ziana news agency reports.

Executive director Evans Maphenduka said in Harare yesterday the majority of the jobs would be created in Harare, where the organisation hoped to give 600 loans worth $Z1,5m, creating and sustaining an estimated 1 030 jobs.

In Bulawayo, where Zambuko opened an office early this year, about 300 loans worth $Z450 000 would be given, creating and sustaining 600 jobs.

Maphenduka said in KweKwe, Zambuko would approve about 280 loans and Dombo-shava, 220 loans, creating and sustaining 1 320 jobs.

Zambuko was formed nearly three years ago to support job-creating projects implemented by the micro-enterprises sector.

Maphenduka said last year Zambuko Trust gave 520 loans worth over $Z988 600, which created 472 jobs and sustained almost 1 000 more. (362)

Most of the projects being implemented were in the manufacturing, agriculture, service and food sectors.

"The potential of the micro-enterprises sector to create jobs is massive, but the main problem faced is the shortage of start-up finance which we are trying to solve in our small way," he said. — Sapa.

rather than invest in new productive areas, in the development of our human

toral process i

Report by E Kamp, Sa

ANC leader met PW again

CAPE TOWN — The SADF had been correct in declining an invitation to an East Rand ANC rally welcoming troops to the embattled townships, ANC president Nelson Mandela told the IPI yesterday.

He said residents had warmly welcomed troops replacing the police's Internal Stablity division.

Mandela disclosed he had met former State President P W Botha for two hours on Saturday, and it had not been their first meeting.

It was quite reasonable of the SADF to have refused an invitation to be represented at Sunday's rally in the Radebe section between Katlehong and Tembisa, Mandela said.

"If they had accepted, they would have been identified with the ANC. They acted correctly."

Mandela said the SADF's attitude was that it was there to protect the rally, but not to be part of it. This showed how much progress had been made in the TEC's sub-council on defence.

Members of the ANC's armed wing, Umkhonto we Sizwe, and SADF troops were already billeted together in camps, he said.

"We are in constant communication with (Defence Minister) Kobie Coetsee."

Mandela repeated his earlier praise for Coetsee's courage, honesty and vision" in persuading government to speak to the ANC while it was still banned and he, Mandela, in jail.

"He is the man who made it possible for me to meet P W Botha — and I met him again on Saturday.

"Kobie Coetsee is in charge of the SADF. That army is under the man who started the process (of negotiatons)." — Sapa.

SA Press freedom 'critical' — Mandela

CAPE TOWN — A critical, independent and investigative Press was the lifeblood of any democracy and had to be free from state interference, ANC president Nelson Mandela said yesterday, ~~addressing~~ an International Press Institute gathering. Beeld

He said the Press needed constitutional protection so it could protect the rights of citizens. "It is only such a free Press that can temper the appetite of any government to amass power at the expense of the citizen."

Mandela welcomed recent efforts to diversify and unbundle the local Press, but said it remained to be seen how these changes would affect the diversity of viewpoints and how they would address previous imbalances.

Mandela said SA could ill afford saddling the re-regulated electronic media with the huge imbalances that had pervaded the print sector until recently.

Meanwhile, President F W de Klerk said it was a matter of great concern that the ANC was trying to secure programming influence over the SABC.

He said this had first become apparent in plans to appoint senior ANC members to the SABC board.

De Klerk said SA society and the negotiation process had benefited immensely from the "great upwelling" of debate in the country's media.

"The media must be completely unleashed and should be able to patrol the national territory unrestricted."

Reacting, the ANC described De Klerk's allegations as "pathetic" and questioned his use of a forum such as the International Press Institute for "cheap party political propaganda". 15/2/94

SABC chairman Ivy Matsepe-Cassaburi said the SABC board had no knowledge of any journalist being influenced or intimidated by any political organisation.

Matsepe-Cassaburi said the SABC board had initiated an editorial code of conduct to which all editors and reporters subscribed.

SABC CE Wynand Harmse said he was "upset and concerned" that De Klerk had publicly raised such questions without consulting the SABC board.

Report by E Kemp and E Oelofse, 141 Commissioner St, Jhb.

BRIEFING Edited by Mike Siluma

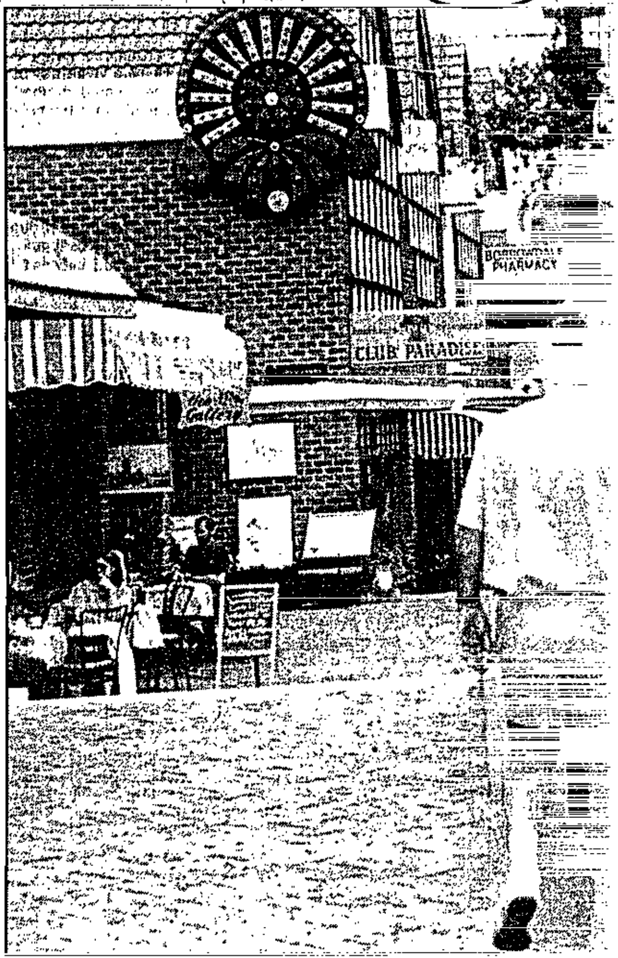
*Zimbabwe provides the closest indication of w[...] white South Africans under a black-dominated gov[...] Africa Service editor **Gerald L'Ange**, who has just vi[...]*

Star 18/2/94

Zimbabwe: mirror of SA

(362)

Mugabe . . . his policy of reconciliation was reputedly urged on him by Mozambican President Samora Machel.



The good life . . . whites take tea and stroll in a shopping centr[...] developer Sam Levy, who says: "Leaving Zimbabwe wa[...]

The end of white rule in South Africa will come at about the same time as Zimbabweans are celebrating the 14th anniversary of the end of white rule in Rhodesia.

Nine days before South Africans go to the polls on April 27 for an election that will bring in black majority rule, Zimbabweans will commemorate the day in 1980 on which political power was transferred to the majority through the ballot box.

All Zimbabweans are following developments in South Africa closely, knowing they will be affected by whatever happens there. But the interest of the whites is mixed with a sense of *deja vu*, for they have been down that road before. They feel that they can tell white South Africans something about living under black rule.

And their message is a positive rather than a negative one, according to opinions canvassed in interviews with whites across the spectrum in Bulawayo, Harare and surrounding areas.

Businessmen, farmers, accountants, restaurateurs, lawyers, academics, doctors, publicists, housewives and others who were questioned during a 10-day tour, were virtually unanimous in their general satisfaction with life in Zimbabwe and their determination to continue living there.

Some expressed unease about their future in a black-dominated society with a shaky economy and beset with corruption. But almost all said they believed they enjoyed a quality of life as good as anywhere else in the world and did not want to live elsewhere.

The impression gained is that Zimbabwean whites in general have successfully negotiated the traumatic surrender of special privilege and have come to terms with life as a racial minority bereft of political power. Those who could not make the adjustment have left, and most of those who remain appear to have no regrets about their decision to stay.

The victory in the 1980 election of a Zanu (PF) espousing socialism and intent on "indigenisation" sent all but about 100 000 of the 270 000 whites scurrying across the border. For a while, most of those who stayed felt lonely, vulnerable and fearful about their future as they saw blacks taking over the civil service, the police and the armed forces, and the new rulers enthusiastically implementing socialism.

Nearly a decade-and-a-half later, despite periodic sniping at the whites by President Robert Mugabe and some of his ministers, they appear to feel secure enough to look on Zimbabwe as their homeland and to give it their loyalty.

The sarcastic definition of a loyal white Zimbabwean as a Rhodesian who couldn't get his money out of the country is only partly true today. Restrictions on capital repatriation remain, but it seems that not everyone would want to get his money out even if he could.

White Zimbabweans tell stories, with wry relish, about friends and relatives who "took the gap" to South Africa and other countries and now want to return — but find that the government has lowered the boom on them.

Whites in general have clearly adjusted to their almost total lack of political power. Democracy is a relative term to them when they are outnumbered 100 to one by blacks in a country whose ruling party has no opposition worth worrying about and when their votes cannot affect the outcome of any election.

In the beginning, Zimbabwe was saved from what might well have been a complete white exodus by Mugabe's remarkable policy of reconciliation — a policy reputed to have been urged on him by Mozambican President Samora Machel after he had seen his own country economically gutted by the flight of the Portuguese. White Zimbabweans still pay tribute to the wisdom of Mugabe's decision, and to the political courage it took for him to implement it.

Economic realities have forced the government to abandon socialism — though not before severe damage was done — and a serious effort is being made to return the country to a market economy.

Pragmatism, in fact, seems to be the hallmark of Zimbabwe today, possibly stemming largely from Mugabe's first decision on reconciliation. The government's later decision to abandon socialism was equally pragmatic, as was its sanctioning of private schools and hospitals. The whites have pragmatically learnt to make the best of life in a black-dominated country.

Since census counts now ignore race, there is no demographic profile to support suggestions in some quarters that the white population is declining and ageing as young whites emigrate as soon as they finish school.

Some Zimbabweans maintain that opportunities for young whites are becoming progressively limited as blacks climb the social ladder and increasingly take the top jobs in commerce and industry — often through affirmative action policies pursued by major corporations to please the government.

This may be largely true, but it seems not to have deterred the many young whites who have elected to make their future in Zimbabwe.

Sarah Todd is an example of this. Sarah, attractive and vivacious, says she and her husband like living in Zimbabwe and would not want to live anywhere else.

Second to none

"Whites in Zimbabwe have a quality of life second to none," she said when approached while lunching in a Harare restaurant with a colleague from the design firm where they hold executive positions. Her friend nodded agreement.

Likewise, Andrew Laurie, who studied in England, has returned

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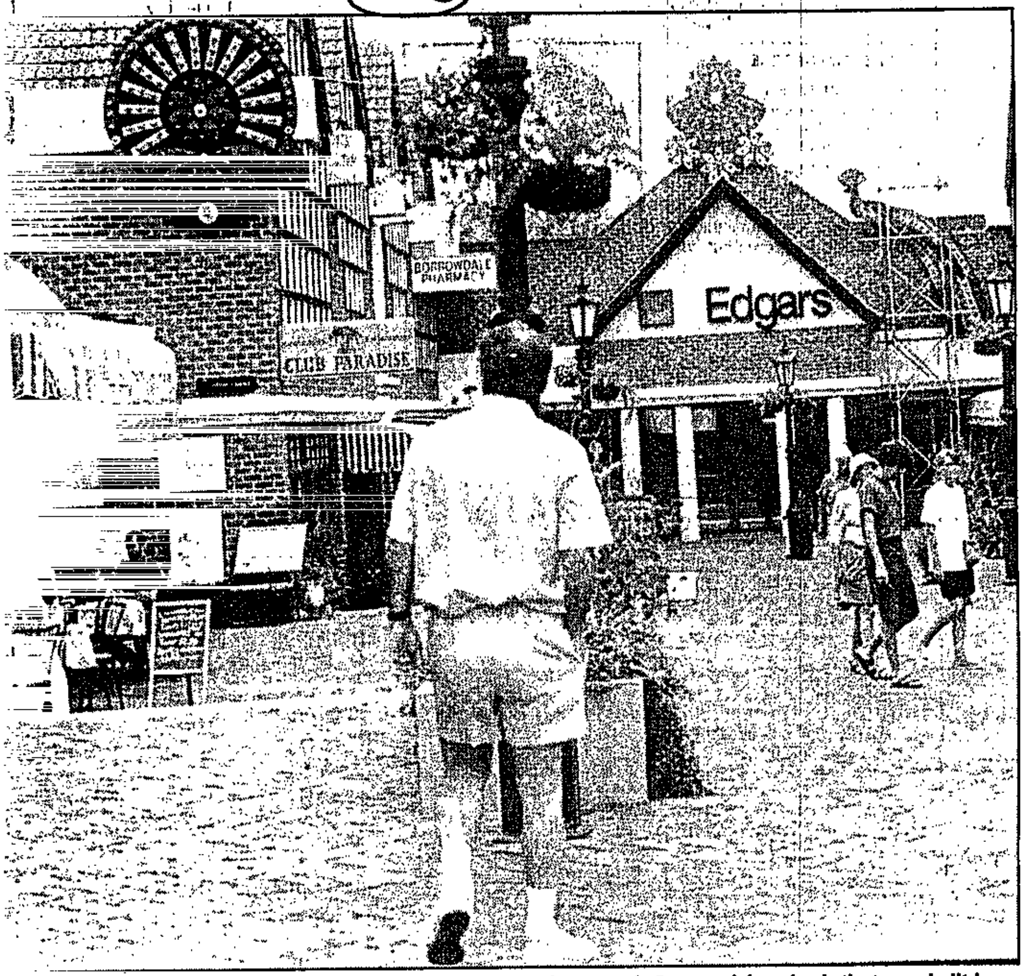
the closest indication of what life could be like for s under a black-dominated government, says Star
***Gerald L'Ange**, who has just visited that country*

Star 18|2|94

or of SA whites' future

(362)



life . . . whites take tea and stroll in a shopping centre in Harare's Borrowdale suburb that was built by developer Sam Levy, who says: "Leaving Zimbabwe was the biggest mistake some whites made."

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Likewise, Andrew Laurie, who studied in England, has returned to live with his English-born wife on his father's farm near Concession.

Culturally, the whites have of mutual choice rather than of had to become more insular as the culture of the black majority has been imposed on the organs of state. The statues of Cecil Rhodes have long been gone from their plinths, and towns and main streets with colonially connected or corrupted names have all been renamed.

But the Harare and Bulawayo Clubs continue to thrive, with a relatively small infusion of black members but without government interference.

The local television is a dreary potage of political correctness, but those who can afford satellite dishes can tune in to foreign TV. The leading newspapers are government mouthpieces. Bookshops are few, but then there weren't any more in Rhodesia either.

Adults still tend to mix socially with people of their own race, but this appears to be a matter of mutual choice rather than of racial discrimination. Children, however, are said to mix much more freely, having been thrown together at school and not having the discriminatory instincts inculcated in their parents.

For those who regard horse-racing as an index of the social health of a society, the good news is that the sport is flourishing at the Mashonaland Turf Club's Borrowdale Park in Harare, and at the Bulawayo track of its Matabeleland counterpart, providing employment for more than 6 000 people, including about 25 jockeys, and with 20-odd trainers working about 1 000 horses at any time.

Soccer is naturally the sport of the masses, but the traditionally European sports of cricket and rugby are thriving, as is hockey. The sports clubs appear to be doing well. Black Zimbabweans, introduced to rugby at school, are said to have taken to it in a way that promises to have an international impact.

The Harare Stock Exchange is on a bullish rise, with the value of shares traded last year up 236 percent from the previous year.

White lifestyles have changed little since independence. White faces are fewer in downtown Harare — still clean and bustling — but in the plusher suburbs, luxurious homes still stand amid immaculate lawns and pools, and it is impossible to tell from the outside whether they are occupied by whites or blacks. Suburban streets are reasonably well maintained and the grass verges mowed.

Telephone services are bad but improving. Municipal services such as water, electricity and refuse removal are good.

The courts, especially the High Court, have remained independent and respected. While the crime rate is high, whites in general seem to have no serious complaints about the adequacy of the policing.

In short, it seems that once a white Zimbabwean has come to terms with political impotency he can live a very comfortable, if somewhat cloistered, life.

Direct comparisons between the situation of Zimbabwe's whites and those in South Africa are not possible because the differences are great. Even though the Zimbabweans fought a civil war, there was always a friendlier relationship between blacks and whites in Rhodesia than those in South Africa, where the hurts of apartheid are deep.

In addition, Zimbabwe's whites were proportionately far fewer than South Africa's and its economy far smaller. The whites have been in South Africa far longer than in Zimbabwe. And violence between black groups poses a greater threat in South Africa than in Zimbabwe.

Nevertheless, the similarities in the situations of the two white groups are close enough to make comparison valid in the sense that both are cases of whites voluntarily entrusting their future to blacks whom they had previously dominated.

Zimbabwe's whites are still uncomfortably aware of resentment of what some blacks see as continuing white privilege. And their ostensible acceptance as fellow Zimbabweans is still tinged with uncertainty.

Yet the general picture is encouraging, rather than discouraging, for the whites in South Africa.

Mugabe warns on racism

Star 19/2/94

ROBIN DREW, Africa News Service

HARARE — A row between farming neighbours, one black and the rest white, has led to a scathing attack by President Mugabe on whites in Zimbabwe, whom he accused of still practising racism.

(362)

Mugabe, who went to the Marondera area to tour the black-owned commercial farm, reminded whites "whose hands were still bloody" that they must accept the reality of defeat or else the government would take "appropriate measures". These are taken to mean appropriation of their land.

Mugabe, noting that some white farmers had provided decent accommodation and conditions for their labour, said thousands of farmworkers were still living in squalor. He accused racial bigots of practising slavery.

MUGABE: Accept reality of defeat.

Zimbabwe's whites — been there, done it all

■ Zimbabwe provides the closest indication of what life will be like for white South Africans under black rule. **GERALD L'ANGE,** editor of the Weekend Argus Africa Service, canvassed whites in Zimbabwe and found them strongly positive about their situation.

ARG 19/2/94 (362)

THE end of white rule in South Africa will come at about the same time as Zimbabweans are celebrating the 14th anniversary of the end of white rule in Rhodesia.

Nine days before South Africans go to the polls on April 27 for an election that will bring in black rule, Zimbabweans will commemorate the day in 1980 on which political power was transferred to the majority through the ballot box.

All Zimbabweans are following developments in South Africa closely, knowing they will be affected by whatever happens there. But the interest of the whites is mixed with a sense of *déjà vu*, for they have been down that road before. They feel that they can tell white South Africans something about living under black rule, having had 14 years of it.

And their message is a positive rather than a negative one, according to opinions canvassed in interviews with whites across the social spectrum in Bulawayo, Harare and surrounding areas.

Businessmen, farmers, accountants, restaurateurs, lawyers, academics, doctors, housewives and others who were questioned during a 10-day tour were virtually unanimous in their satisfaction with life in Zimbabwe and their determination to continue living there.

Some expressed unease about their future in a black-dominated society with a shaky economy and beset with corruption. But almost all said they believed they enjoyed a quality of life as good as anywhere else in the world and did not want to live elsewhere.

The impression gained is that Zimbabwean whites in general have successfully negotiated the traumatic surrender of special privilege and have come to terms with life as a racial minority bereft of political power. Those who could not make the adjustment have left and most of those who remained appear to have no regrets about their decision to stay.

The victory in the 1980 election of a Zanu (PF) espousing socialism and intent on "indigenisation" sent all but about 100 000 of the 270 000 whites scurrying across the border. For a while, most of those who stayed felt lonely, vulnerable and fearful about their future as they saw blacks taking over the civil service, the police and the armed forces and the new rulers enthusiastically implementing socialism.

Nearly a decade and a half later, despite periodic sniping at the whites by President Robert Mugabe and some of his ministers, they appear to feel secure enough to look on Zimbabwe as their homeland and to give it their loyalty.

The sarcastic definition of a loyal white Zimbabwean as a Rhodesian who couldn't get his money out of the country is only partly true today. Restrictions on capital repatriation remain but it seems that not everyone would want to get his money out if he could.

White Zimbabweans tell stories, with wry relish, about friends and relatives who "took the gap" to South Africa and other countries and now want to return — but find that the government has lowered the boom on them.

Whites in general have clearly adjusted to their almost total lack of political power. Democracy is a relative term to them when they are outnumbered 100 to one by blacks in a country whose ruling party has no opposition worth worrying about and when their votes cannot affect the outcome of any election.

They still have economic power, though, and can use it to some extent to protect and promote their interests — but only on a sectional basis, through commercial, agricultural, mining and other lobbies.

Whereas in the early years of majority rule the government paid little attention to white lobbies, it now listens to them, according to business and farming leaders.

Attitudes of both the government ...

GOOD LIFE: Whites take tea and stroll in a shopping centre in Harare's Borrowdale suburb that was built by developer Sam Levy. "Leaving Zimbabwe was the biggest mistake some whites made," Mr Levy says.

changed since independence (a term now used as freely by whites as by blacks to denote not Ian Smith's unilateral declaration but the beginning of majority rule).

In the beginning, Zimbabwe was saved from what might well have been a complete white exodus by Mr Mugabe's remarkable policy of reconciliation — a policy reputed to have been urged on him by Mozambican President Samora Machel after he had seen his own country economically gutted by the flight of the Portuguese.

White Zimbabweans still pay tribute to the wisdom of Mr Mugabe's decision — and to the political courage it took for him to implement it.

Economic realities have forced the government to abandon socialism — though not before severe damage had been done — and a serious effort is being made to return the country to a market economy.

Indigenisation remains a worry for whites, though. Having taken it about as far as it can go in the civil service, the government is now trying to extend it into the private sector.

Attitudes on both sides have nevertheless mellowed; old enmities have softened into tolerance, compromise and pragmatism.

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ten through affirmative action policies pursued by major corporations.

Since the artisan trades, the civil service and the police and armed forces are dominated almost exclusively by blacks, it is argued that the only hope for a young white person graduating from school is either to go into one of the professions or to become self-employed.

This may be largely true, but it seems not to have deterred the many young whites who have elected to make their future in Zimbabwe.

Sarah Todd is an example of this. Sarah says she and her husband like living in Zimbabwe and would not want to live anywhere else.

"Whites in Zimbabwe have a quality of life second to none," she said when approached while lunching in a Harare restaurant with a woman colleague from the design and marketing consultancy where they both hold executive positions.

Her colleague, who prefers not to be named, said she and her husband felt the same as Sarah and so did her brother, who worked for a mining company.

Wayne Bailey, a young accountant, was buttonholed at the Old Hararians sports club in Harare, where blacks and whites were practising rugby together. Wayne and his fiancée, who had just returned from living in Britain, said they had no desire to live anywhere but Zimbabwe.

Likewise, Andrew Laurie, who studied in England, has returned to live with his English-born wife on his father's farm near Concession and says he is very happy helping to run the farm. He periodically visits England but prefers to live in Zimbabwe.

Culturally, the whites have had to become more insular as the culture of the black majority has been imposed on the organs of state. The statues of Cecil Rhodes have long been gone from their plinths and towns and main streets with colonially-connected or corrupted names have all been renamed. But the Harare and Bulawayo Clubs continue to thrive.

And other special elements of European culture that existed under white rule survive. The National Ballet, which produced such international stars as Merle Park and Jennifer Jackson, still functions and is still sending dancers to overseas companies.

Harare's Reps Theatre likewise continues to stage productions and the national orchestra to put on concerts. And the bellringers still swing on the ropes at the Cathedral of St Mary and All Saints in Harare.

The local television is an ex...

cal correctness but those who can afford satellite dishes can tune in to foreign TV. The leading newspapers are government mouthpieces. Bookshops are few — but then there weren't any more in Rhodesia either.

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■ **TOMORROW:** Whites may have lost political power in Zimbabwe but they have not lost influence — See SUN-

HANGING IN: Bedtime on the mountain — not for the fainthearted.

Hail the heroes of the Andes!

□ Weekend Argus Reporter **SHARKEY ISAACS** spoke to two Cape Town climbers who have just returned from an adventure of a lifetime.

TWO Cape Town climbers have become the first South Africans to conquer the treacherous south face of the highest peak in South America.

Bob Woods, 25, and Hennie Niemand, 29, reached the summit of the 6 962-metre Aconcagua — about sev- ... the height of Table Mo...

The idea was Hennie's and soon Bob became caught up in his enthusiasm. But mountain experts tried to discourage them.

"While climbing the peak we discovered that this attitude was based on ignorance of the biggest mountain peaks in the southern hemi-...

Election squeeze is on for taxpayers

■ As overseas funding for political parties dries up, the South African taxpayer is being squeezed instead. A report by **DAVID BREIER** of the Weekend Argus political staff.

TAXPAYERS are likely to cough up most of the R69 million for the State Electoral Fund for political parties contesting the April election.

The fund, to finance the election campaigns of registered parties, is due to be appropriated by parliament and paid for by the taxpayer unless money comes from foreign governments or other donors.

However, no foreign money has yet flowed into the fund, a spokesman for the Independent Electoral Commission (IEC) said.

Initially the fund was due to be only R22 million — R1 for each of the 22 million voters. But the Transitional Executive Council is expected to push this up to R69 million this week after IEC chairman Johann Kriegler suggested the lower amount was insufficient.

Political parties are clamouring for money as foreign funding dries up. With their application for registration as ordinary parties, parties like the African National Congress lost the huge cash donations that went with the status of "liberation movements".

Ironically, the flow of cash for these parties slowed just as the law preventing foreign funding of registered parties has been suspended.

The ANC's main donor for 23 years — the Swedish government — ended its donations on January 27. In the seven months preceding that date the Swedes gave R40 million to the ANC. But now the Swedes consider the ANC a normal foreign political party and are precluded from financing it.

ANC leader Nelson Mandela has been using every opportunity to get what he can from his overseas visits. He received about R5,5 million in pledges in the Netherlands this week for voter education.

Foreign Affairs Minister Pik Botha has written to United Nations Secretary-General Boutros Boutros-Ghali asking him to stop UN funding of the ANC and the Pan-Africanist Congress, now that their positions have been "regularised".

The ANC hopes to spend as much as R200 million on the election. Much of this comes from past foreign funding. The National Party is aiming at about R50 million while the Democratic Party will be happy with about R12 million.

There is little chance, however, that any of the R69 million State Electoral Fund will find its way into the coffers of the maverick parties which have applied for registration — there have been suspicions that some of these parties may abuse the fund.

The fund will be distributed only to parties whose registration is approved and who have been shown in an independent poll to have at least two per cent of electoral support.

Failing this, parties wanting a share of the fund have to obtain at least 10 000 signatures of voters from at least five provinces if they are standing at national level. Parties standing for one province only need 3 000 signatures.

The Auditor-General will scrutinise every party getting a share of the fund. If they pull a fast one, they face heavy penalties including a fine of up to R100 000, paying back all they received, forfeiting their deposit (up to R70 000) and curbs on their electioneering.

Half of the R69 million will be dished out before the election in equal portions to all registered parties which qualify — but parties standing in only one province will get a quarter of what parties standing at national level receive.

This means, for example, that if only seven parties meet the requirement of proven support they will each get about R5 million before the election.

The remaining R34,5 million will be distributed after the election. Of this, half will go in equal portions to every party that wins at least one seat. The remaining R17,25 million will be given to parties in proportion to the votes they received.

This distribution formula means that while the biggest party gets more money than the others, smaller parties with real support get a reasonable share and "joke parties" with no support get nothing if they fail to qualify for the fund, or relatively little if they fail to win a seat.

(News by D Breier, 122 St George's Mall, Cape Town).

Dutch open their hearts and purses for Mandela

■ In the history of Dutch political fundraising campaigns, nothing like the Mandela Show had ever been seen, or even been tried before, as the Weekend Argus correspondent in Amsterdam reports.

WITHIN minutes of Nelson Mandela's appearance on a prime-time celebrity television fundraiser in Amsterdam on Thursday night, the pledges were pouring in so fast that switchboards were jammed.

Extra operators were drafted in and after two hours nearly £1 million (R5,07 million) had been donated to help the African National Congress's election ...

Ball trophy he dedicated to the ANC leader when he, Gullit, was named European Footballer of the year in 1987.

The programme, called *Give South Africa ... Chance* ...

ing TV show that more than 2,5 million guilders (R4,4 million) had been donated and pledges were still pouring in. Mr Mandela said: "This is the most unforgettable moment in my life. You have made ..."

New foreign investment key to Zimbabwe's growth

BDay

MICHAEL HARTNACK

HARARE — Zimbabwe's biggest hurdle to economic development was the strongly held belief in government circles that foreign investment encroached on the country's sovereign independence and should be avoided if at all possible, Anglo American (Zimbabwe) CE Roy Lander warned yesterday. 25/2/94

"As a result of this belief the authorities have a continuing preoccupation with who will own new companies and this is interfering with the prospects of their ever being formed," said Lander, who is also chairman of Anglo's merchant banking subsidiary, FMB holdings.

Lander said economic conditions in Zimbabwe had improved considerably in the wake of the disastrous 1992 drought, with economic liberalisation measures beginning to take effect and exporters now able to retain 60% of their foreign earnings.

"But we still have much further to go," he warned. (362)

The attraction of venture capital into new productive investment remained one of Zimbabwe's most pressing needs. Foreign investors' new access to shares on the Zimbabwe stock exchange was of limited value, since most deals merely resulted in change of ownership of assets that already existed.

The country needed new productive assets, backed by new investors who would become "deeply involved in their ventures". Much more attention should be given to making Zimbabwe an "obviously attractive option for foreigners", said Lander.

Public sector spending remained extravagant at 40% of GDP, inhibiting domestic savings. "Employment growth remains a major casualty of these failings," said Lander.

"With the arrival of several hundred thousand well-educated young people on the labour market every year, and a huge technological gap that has to be closed, we cannot claim to be able to supply enough investment capital from our own resources to meet the development and employment challenges with which we are faced."

Lander expressed concern over the size of subsidies to parastatals. "Far higher levels of management skill are needed to make Zimbabwe's parastatals the valuable assets they once were."

Harare permits rally by opposition

HARARE. — The former head of the transitional Zimbabwe-Rhodesia government, Abel Muzorewa, and opposition politician Edgar Tekere held their first rally as a merged party without interference from the authorities. (362)

The rally, which drew a cross-section of about 5 000 supporters, was held under the banner of the Zimbabwe Unity Movement (ZUM), the new name for the two parties that joined forces four weeks ago in an ambitious bid to oust President Robert Mugabe in next year's election.

Until recently opposition parties have had problems holding rallies, with several banned by the police.

Yesterday's rally jointly addressed by the two co-leaders primarily introduced the new-look amalgamated party and also marked the launch of the party's 1995 election campaign.

The rally took place in Harare's largest high density suburb of Highfield. ARG 28/2/94

The leaders of the new party, which calls itself "a government-in-waiting", attacked the ruling Zanu-PF government for "making strides" in injecting corruption into the community, bringing hunger to the people and entrenching oppression.

Mr Muzorewa, a retired clergyman who made a surprise comeback to politics this year after resigning in 1985 to pursue clerical life, threatened that his party could boycott the election unless international observers were allowed to supervise it.

Mr Muzorewa headed a six-month government set up by former Rhodesian rebel leader Ian Smith to oversee the country's transition to black majority rule. He lost to Mr Mugabe mainly because of his apparent alignment with whites.

Mr Tekere was one of Mr Mugabe's righthand men during the armed struggle but was expelled from the ruling party in the late 1980s for criticising the party leadership.

He went on to form his own party. — Sapa-AFP.

ARG 2/3/94 (362)

Zimbabwe court lifts ban on political protests

HARARE. — Zimbabwe's Supreme Court has repealed a 34-year-old law used by the Rhodesian and the Zimbabwean governments to stop political opponents holding public demonstrations.

A full bench of five judges ruled that the section of the Law and Order Maintenance Act that made demonstrations illegal unless they had the approval of the police was ultra vires because provisions in the constitution's Bill of Rights guaranteed freedom of association and expression.

The two rights were "at the foundation of a democratic society" and were "basic conditions for its progress", said Chief Justice Anthony Gubbay in the judgment.

The clamp on demonstrations was introduced by the Southern Rhodesian government of Prime Minister Edgar Whitehead in 1960 as a strategy to control the black nationalist movement.

It led to widespread controversy.

However, President Robert Mugabe's government kept the law on the statute book after coming to power in 1980, and regularly invoked it.

The challenge was brought by six members of the Zimbabwe Congress of Trade Unions arrested in June 1992 for staging a procession here after police refused to approve it.

They pleaded not guilty on the grounds that the law infringed constitutional rights, and the case was referred to the Supreme Court. — Sapa.

Minister's deal angers Zim farmers

CT 4/3/94 (362)

By MICHAEL HARTNACK

HARARE. — Zimbabwe's white farmers are outraged by the allocation to the former agriculture minister of the first land taken over, ostensibly for peasant resettlement.

Now the Minister of Education and Culture, Mr Witness Mangwende has been granted a five-year lease to the 1 234-hectare farm, Bath, in the Wedza area, 100km south-east of Harare, although the land was supposed to be resettled by 33 families from nearby overcrowded communal areas.

Mr Mangwende will apparently get an option to buy with government assistance.

Mr Mangwende relinquished the agriculture portfolio two years ago after steering through parliament President Robert Mugabe's controversial land acquisition act, which strips the 4 400 white farmers of their right of appeal to the courts against nationalisation of the six million hectare "maize and tobacco belt".

"There is nothing sinister about the lease — it was leased under a specific and noble programme by the government to assist genuine black farmers regardless of their type of current employment," said a spokeswoman for the agriculture ministry.

Bath was among the first 70 farms officially seized for resettlement.

Plots had already been pegged for the proposed settlers.

The land issue has been one of the most bitter debates since Zimbabwe's independence, with Mr Mugabe and Mr Mangwende denouncing the "racist" distribution which gave 4 000 white farming families nearly 30% of the country's surface area.

Farmers described the transfer of the farm to Mr Mangwende as "cynical" and said it bore out warnings from western study groups two years ago that designated land was likely to end up in the ownership of persons with political influence.

Blacks seek bigger stake in Zimbabwe's economy

BDay 8/4/94

Own Correspondent

HARARE — "Indigenisation of the economy" is the new catchphrase on the lips of Zimbabwe's ruling elite and countless expectant black businessmen and entrepreneurs who believe the country's whites have had control of the economy long enough.

President Robert Mugabe's ruling Zanu (PF) has fallen in behind the rising clamour from black business hopefuls for radical changes to the system where 1% of the population controls about 90% of the economy.

The campaign for economic reform is being led by the Indigenous Business Development Centre (IBDC), which mirrors the frustration and impatience felt by blacks trying to go into business for themselves.

Zimbabwe's handling of the problem is attracting attention in SA, where a similar crisis of expectation, but on a much larger scale, is expected to follow the move to majority rule in April.

The banks have become the main target of IBDC rancour, mainly because so far they have shown no signs of accepting the organisation's argument that when it comes to issuing loans the banks are morally bound to abandon their traditionally conservative rules.

IBDC secretary-general Enock Kamushinda asserted that his organisation was fighting against "a racist banking system" inherited from the country's colonial past.

"The regulations that existed before independence 14 years ago and the attitudes of the banks have not changed. This is why we say there is institutional racism in the banks because money is not being made available to indigenous people," he said.

Kamushinda denied that the IBDC was asking for wholly unsecured loans from the banks.

"We have people with skills in all sorts of industries across the board. What we are saying is that these people should be afforded money to start up their own businesses and run," he said, adding that so far the IBDC and its 700 members were a long way from convincing the banks that they had a sound argument.

No doubt goaded by the IBDC and the thought of a general election within 12 months, the government and ruling party have readily accepted that something needs to be done, and quickly.

The government has announced plans to set aside Z$400m over the next three years for use as start-up capital loans to black entrepreneurs.

The chairman of Barclays Bank in Zimbabwe, Isaac Takawira, agrees on the need for business reform but does not accept that banks should have to abandon traditional policy and handle client and investor monies irresponsibly.

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"Not everyone who wants to become a businessman will in fact be successful," he said. "Therefore, we are saying that the banks should be allowed to look at these people and for us to support only those we think are going to be successful."

The banks have for some time had a joint loan vetting system which also involves the Reserve Bank. The system is thorough and also successful, only a handful of bad debts being incurred since independence. — Daily Telegraph.

ZIMBABWE FM 11/3/94

Janus face

SA business, awaiting its post-general election dispensation, could do worse than cast a wary eye over the latest developments in Zimbabwe. At the Victoria Falls recently the ruling Zanu-PF party held a meeting of its politburo — five years after the fall of communism, Zimbabwe is still locked into such outdated jargon — to discuss the economy.

The meeting was dominated less by the land issue, which has slipped out of the headlines at least temporarily, than by the new word that is sweeping Zimbabwe's business — indigenisation. It has its origins in claims by emergent black businessmen and politicians that, 14 years after independence, whites still own and run the economy.

The indigenisation campaign is spearheaded by the Indigenous Business Development Centre. Its president, former public servant Chemist Siziba, claims 95% of the economy is owned by whites, foreign and local. He has no factual data to support his claim. (362)

The centre is pushing hard for — and getting — preferential treatment from President Robert Mugabe's government. The fact that its officials were invited to make their case at a closed-door politburo meeting and, according to Siziba, promised a role in future policymaking affecting indigenous business, underlines political sensitivity over the issue.

The government is facing both ways at once on the matter. Publicly, it is opening up the economy to market forces with the intention of attracting new foreign investment. Publicly, the Declaration of Rights in the constitution precludes racial preferences but the centre has in the past refused to accept white or Asian members.

Publicly also, the government is increasingly committed to indigenising the economy, by which is meant raising Siziba's alleged 5% to something much higher. Initially, nationalisation was seen as the way forward but, with donors such as the World Bank clamouring for privatisation, this option has been closed off and Mugabe is fighting a rearguard action in support of commercialisation.

It's a difficult circle to square as Mugabe himself acknowledged recently. Black business people and politicians see Malaysia's indigenisation policies as a model to be copied in Zimbabwe but complain this won't be possible without additional capital. The government is responding with Z$400m (US$47m) in soft finance but, as long as it is loan capital rather than equity, at a time when prime lending rates are 28%, indigenous business will still struggle.

FM 11/3/94

Many question whether credit is the problem, pointing out that expertise, management and technology are in short supply in small business. A government-owned bank says it had $50m in arrears at the end of 1993, more than 80% of which is owed by black business.

The drive to attract foreign investment is jeopardised by demands that certain activities — specifically services and retailing — be reserved for black business. This raises a constitutional issue, since it is ultra virus, in terms of the declaration of rights, to discriminate on colour.

A further issue arises about the role of "growth points." These are designated rural centres where tax breaks are available to firms that invest. But where major Zimbabwean-owned businesses have gone into the growth points, there has been a bitter reaction from indigenous black firms that complain the field is being tilted against them.

Yet another problem is the claim by major supermarket groups that they are able to provide a better quality, lower-price service to black customers in rural and urban areas but are being prevented from doing so by black political pressure. (362)

Compounding it all is the liberalisation of the economy which has robbed some black businesses of preferential access to foreign exchange. Now they are being forced to buy their currency in the marketplace on equal terms with anyone else.

With an election no more than a year away, Mugabe is keen to throw a lifeline to the centre. But cynics believe government cannot offer much more than low-cost loans and rhetoric. With foreign investors increasingly targeting SA, Zimbabwe cannot afford to allow indigenisation to deter any multinational that might prefer to settle for the other side of the Limpopo. Sloganeering on affirmative action indigenisation will win Mugabe votes in 1995, but it may also cost him investment and jobs. So he will try to stay perched on a fence, looking both ways at once. ■

Protect us, cries private sector

BiDay 14/3/94

HARARE — Zimbabwe's private sector, which for decades campaigned for unfettered trade, now wants the state's protection against cut-throat competition caused by sweeping economic reforms.

"The reforms caught industry virtually napping," a senior private bank official said. "The sector is finding the going tough, because it was ill-prepared for the competition it is meeting.

"It did not have the required machinery or the skills and had operated in a closed environment of Rhodesia for too long," the official added.

Zimbabwe's World Bank-backed reforms, launched in 1991 and due to end next year, have resulted in the government scrapping state control in most sectors of the economy.

It hopes private enterprise can boost growth through exports.

But Zimbabwe's Textiles Association head Ray Wooley says his industry, a vital exporter employing more than 20 000 people, cannot cope and needs urgent state help. It has been hit hard by high costs of locally produced lint, the closure of its main SA market last year because of import duties imposed by Pretoria and fierce competition from imported new and second-hand textiles.

"These are major blows to our industry at a critical time. We are supposed to export to promote growth, but as it is I am not sure if the industry will export anything," Wooley said.

"The World Bank is insisting that our Cotton Marketing Board must sell us lint at international prices. But how can we compete when other producers such as China and India source their cotton locally at lower prices?

"We should also have a two-tier pricing system — a cheaper rate for local manufacturers and a higher international price for overseas manufacturers."

Wooley said Zimbabwean textiles manufacturers, who paid Z$6/kg for lint last year, were spending Z$13,20/kg with effect from March.

"This huge price increase, the loss of the SA market and the competition amount to too many body blows," he said.

The price rise follows World Bank recommendations that Zimbabwe cut its huge subsidies to state-funded organisations such as the Cotton Marketing Board and ensure that firms charge market prices for products to be self-reliant.

Wooley said: "I know people will say we are against free enterprise. There is no free trade at all in the world. All countries support their industries."

Wooley is not the only one to cry foul over reforms that have sent prices of most basic goods skyrocketing, triggering consumer resistance and popular discontent over President Robert Mugabe's economic policies. Many industries, especially small companies headed by blacks with little capital venturing into the free but tough market, have also complained loudly.

Zimbabwe's Indigenous Business Development Centre (ZIBDC), a grouping of black capitalists trying to wrest control of the economy from the country's minority 100 000 whites, has asked the government to introduce laws that favour its members.

The ZIBDC has also insisted that its members must be given loans by private banks even if they have no collateral security to "redress historical and colonial imbalances" and ensure they can compete in the market.

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Mugabe, who faces a general election that has to be held by next March, has backed the ZIBDC but rejected its calls for legislation discriminating against other races. The economy is expected to dominate the election in a country that hovered on the brink of collapse in 1992 when drought crippled its mainstay agriculture.

As well as hardships induced by economic reform, Zimbabwe has two-million unemployed out of a population of 10-million which grows at more than 3% a year.

About 300 000 students join the jobless each year, chasing only 12 000 jobs that industries can create. The economy, which declined an unprecedented 12% in 1992, grew just 2% last year.

An economic analyst said: "All these economic issues, unless urgently addressed, point to serious trouble for Zimbabwe in the near future. You cannot afford to create an army of angry, hungry and unemployed people." — Sapa-Reuter.

IMF loan to

'Nothing wrong' with govt seizing white-owned land

BDay 18/3/94

HARARE — Zimbabwe's Agriculture Minister Kumbirai Kangai said there was "nothing wrong" with government seizing white-owned farms and leasing them to cabinet ministers, MPs and civil servants.

Kangai said on Wednesday it was part of government policy to develop indigenous commercial farmers.

The minister also confirmed reports that the first farm to be seized in terms of the Land Acquisition Act was initially intended for 33 peasant farmers from an overcrowded neighbouring communal land, but was instead leased to Education Minister Witness Mangwende.

The law allows the government to force white farmers to sell their land and denies them the right to sue for unfair compensation.

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Mangwende bulldozed the policy into law two years ago, leading President Robert Mugabe's policy to correct imbalances in land distribution. About 4 000 white farmers own 11-million hectares of land.

Kangai said the government's resettlement policy was "very clear" in securing land not only for peasants, but also for people who happened to be senior government officials.

The government was in the process of "addressing the disparity of the position, and developing the indigenous commercial farmer", Kangai said.

"Mangwende happened to be an individual who had an application on our file," he said. "For that farm, for the people who applied, he was the most suitable. There is nothing wrong with that."

When charged that a similar case in Britain would have resulted in the minister concerned being fired, Kangai replied, "I am glad I am not in the UK." — Sapa.

Land scandal: Mugabe rapped

ARG 19/3/94

HARARE. — The Zimbabwean government has come under attack from one of the country's most respected and influential figures over the handing over of former white-owned farms to senior officials of the ruling Zanu (PF) party.

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Canaan Banana, former president, who is regarded as the country's elder statesman, said it had been "a dangerous precedent" to lease land to a cabinet minister when "the majority of people do not have anywhere to plough".

Government officials have confirmed that the first farm to be seized by the State under President Robert Mugabe's "revolutionary" policy of returning white-owned land to thousands of peasant farmers had been let to Witness Mangwende, former agriculture minister who led the enactment of the controversial policy in 1991.

The Rev Banana said the national resettlement policy had been put in jeopardy by the scandal. — Sapa.

Bigger Zimbabwe maize crop expected

Biday

HARARE — Zimbabwean farmers are expected to reap 2,3-million tons of maize from the crop soon to be harvested, 15%more than last year, according to the National Crop Forecasting Committee's preliminary report published yesterday.

However, production could have been far higher had it not been for the early end to the rainy season, the report said.

In the southern half of the country, which had heavy early rains, production was halved by long dry spells in the second half of the season. 23/3/94

The forecast committee predicted that large volumes of maize would be retained by farmers for domestic use and as cattle feed.

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About half the crop — 1,1-million tons — would find its way to the Grain Marketing Board, the state-owned company that controls the maize trade. — Sapa.

White leases cancelled

Zimbabwe officials get farms

Star 25/3/94

STAR AFRICA SERVICE

Harare — Zimbabwe's police commissioner, the commander of the air force and Higher Education Minister Stan Mudenge are among the latest top government officials to be allocated farms formerly occupied by whites whose State leases were cancelled, according to yesterday's Financial Gazette. (362)

There was a furore earlier this month when it was disclosed that Minister of Education Witness Mangwende, who formerly held the agriculture portfolio, had been granted the lease for a farm acquired by the government from a white farmer under the Land Acquisition Act.

Agriculture Minister Kumbirai Kangai claimed Mangwende was the most suitable applicant for the farm, earmarked earlier for resettlement by 30 black families.

Kangai has described the issuing of the farms to prominent supporters of the ruling party and government as part of the land redistribution exercise. He is reported to have said the names of the new tenants are now to be regarded as classified information.

Zimbabwe land scandal grows

(362) CT 28|3|94

HARARE. — The Zimbabwean government sank deeper into a land scandal as the country's independent press revealed damaging new details on how farms meant for resettling landless peasant farmers had been handed to senior government officials.

Independent newspapers last week published the names of a dozen senior figures who all leased large commercial farms at cheap rentals, farms which had been bought for the resettlement programme.

The programme still had 107 500 families to find land for under pledges made at independence in 1980.

The reports contradict the declaration of President Robert Mugabe last week while on an investment-boosting visit to Hong Kong, that the "unjustifiable reports" were not true.

Dr Boniface Ndimande, Permanent Secretary to the Ministry of Lands which issues the leases, said: "The white farmers have been leasing the farms for many years and no one questioned that. Now we give ourselves land, people think it is wrong." — Sapa

ANC plan 'will hurt Zimbabwe'

BDay 28-12-94

AMANDA VERMEULEN

ANC proposals to impose high taxes on tobacco imports as part of a financing scheme for its national health plan will be disastrous for Zimbabwe, says Zimbabwe Tobacco Association president Ian Alcock.

"Tobacco sales account for 30% of the country's annual foreign exchange earnings. A high tax on our tobacco sold to SA could mean a significant drop in our earnings if SA decides to purchase smaller quantities or opts for a cheaper supply."

The ANC national health plan proposes that dedicated taxes be imposed on tobacco and alcohol and strict controls be placed on advertising and sponsorships. (362)

Alcock said, however, he was confident world demand for Zimbabwean tobacco would continue to grow.

"Despite the enormous setback the ANC plan would be for our tobacco industry, we believe it will continue to grow as the world population increases and countries like China, previously inaccessible to us, step up tobacco imports."

Zimbabwe cigarette manufacturer Rothmans MD Mike Lynton-Edwards said the company would probably achieve a record profit this year.

Markets were opening up in the East and the former Soviet bloc. The number of smokers was also growing, despite anti-smoking campaigns.

Increasing legislation against smokers and cigarette advertising and a total ban on smoking in public places in many countries had not affected the number of smokers or the quantity of cigarettes they bought. "Cigarette sales are price sensitive and not affected by health issues. Anti-smoking lobbies are now opting for high taxes on cigarettes to discourage smoking — obviously health warnings have had little effect."

In countries where cigarettes were heavily taxed, organised smuggling operations had sprung up. Rothmans had been approached to supply cigarettes to sell on Canada's black market. Much of the smuggling was done by Americans living near the Canadian border. "Eventually Canada was forced to revise its taxing structure."

Report by A Vermeulen, TML, 11 Diagonal St, Jhb.

Outcry as top officials get land

Star 30/3/94

ZIMBABWE'S land redistribution programme is benefiting a powerful new elite, reports Robin Drew

The cartoon in Zimbabwe's hard-hitting independent Daily Gazette showed a fat, cigar-smoking bureaucrat in dark glasses ordering a trembling white farmer off his land and telling him he had to make way for "needy" people.

As the farmer creeps away, the grinning civil servant is shown thinking: "Hmmm . . . I wonder which needy Minister will get this lovely farm."

The paper and its stablemate, the Financial Gazette, have focused on the revelations that Ministers, top-ranking civil servants and senior officers in the armed forces and the police have been allocated farms expropriated from mainly white farmers, ostensibly for redistribution to black peasant farmers.

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The land redistribution scheme was proclaimed as a necessary measure to cater for the overflow from the overcrowded communal areas. The Land Acquisition Act provided for farmers to be bought out, whether they liked it or not, or for farms to be acquired through the cancellation of state leases.

But instead of providing land for peasant farmers, scores of farms acquired by the government under the Act have been dished out to government and party faithfuls.

Nearly 100 farms have been designated for acquisition by the government and the leases on 70 others have been cancelled.

In some cases, white farmers have been on the leased properties for up to 20 years under a lease-to-buy scheme. But when they tried to exercise their option to buy, they were told this could not be approved until the resettlement scheme was completed.

In the Chegutu area of Mashonaland Oliver Hall had been leasing Bushby Park Farm since 1977 when he was told last June that he had three months to vacate the peoperty. After only a month, however, a police Assistant Commissioner arrived with a letter from the relevant ministry instructing the Halls to move out immediately as the farm was now his. They did so that night.

The Daily Gazette last week carried prominently a story under the headline "Land Grab Scandal" about the commander of the air force, Air Marshal Perence Shiri, being allocated a 2 800 ha farm which was taken by the State from the farmer to whom it had been leased.

The Gazette claimed that it had reports of "excessive hunting " on the farm, but it was unable to get any comment from the air force chief.

Another senior government official has reportedly been awarded the lease on a 3 000 ha property, Wilderness Farm, whose present occupant took it over in 1973 on a 20-year-lease. He applied for title last June on the expiry of the lease only to be told that all leases had been cancelled.

Two serving Cabinet Ministers, Witness Mangwende and Stan Mudenge, have been named among the favoured who have been granted farm leases.

Agriculture Minister Kumbirai Kangai has defended the "tenant resettlement" scheme.

WORLD

Land deal disclosures may cost Mugabe votes

BIDay 30/3/94

HARARE — Zimbabwe's government, with an election only months away, has stepped into a political minefield by disclosing that it was leasing state farms meant for landless blacks to top officials.

Political analysts said the fallout from the controversial move, however well meaning under the circumstances, could cost President Robert Mugabe's government vital votes in the general election that must be held before April next year.

"Politically I think this decision was short-sighted and outrageous to ordinary people," said Prof Anthony Hawkins of Zimbabwe University. "It can't win Mugabe votes.

"Overseas investors, rightly or wrongly, may see it as corruption, taking away productive land from whites and giving it to rich people in the ruling party who know nothing about farming," he said.

The furore over land ownership — long a burning issue in Zimbabwe — has come when Mugabe is wooing foreign investors to try to arrest runaway joblessness.

In the past month hardly a day has passed without Zimbabwe's independent Daily Gazette newspaper naming top officials, including cabinet ministers, who it said were beneficiaries of the "land grab" policy.

The government has not specifically said if the named officials were involved. Instead it has defended its decision, saying it was part of empowering blacks to have a stake in an economy still dominated by whites 14 years after independence.

Agriculture Minister Kumbirai Kangai said the government wanted to maintain productivity of some of the state farms by giving them to black commercial farmers, and not subdividing them to resettle smallholder peasants.

Privately the government has been telling farmers that senior black government officials or businessmen were the only people who could get loans from banks to lease such farms.

Using 1992's Land Acquisition Act, the government has been forcibly buying farms owned by whites to resettle tens of thousands of blacks banished to arid regions by previous white governments.

But up to 100 000 other dispossessed blacks are still waiting for land promised them 14 years ago. "How do you reconcile leasing land to people who already have high-paying jobs with the fact that those in real need are still waiting?" a bank economist asked. (362)

Opposition parties have seized on the issue, accusing the government of turning the farms into "holiday resorts". "How is it that only (ruling) Zanu-PF party officials benefit from the scheme?" opposition leader Enoch Dumbutshena asked.

The white farmers have publicly remained studiously silent, although privately they make it clear they are outraged. "This is a betrayal of confidence," a leading farmer said recently, referring to the Land Acquisition Act.

The white farmers, owners of most of Zimbabwe's fertile land, had fiercely opposed the Act which bars them from challenging the price the state offers to buy their properties.

They agreed only after state assurances that the scheme would involve buying only "derelict or underutilised land" and was aimed at alleviating land hunger in the country.

But another farmer said: "As it is now, it is clear the government will do anything it wants with the land. It is not so much giving it to the needy but to its supporters." — Sapa-Reuter.

Minister denies land grab scandal

Star 31/3/94

■ STAR AFRICA SERVICE

Zimbabwe's Minister of Agriculture Kumbirai Kangai, himself a farmer, has vigorously denied claims that the policy of allocating farms taken from whites to black leaseholders, including top government people, amounts to a land grab scandal. (362)

He told journalists who peppered him with hostile questions that of the 98 farms dealt with so far, only two had gone to Ministers and three or four to government officials. The rest had gone to ordinary people who had applied for them.

Kangai attacked newspapers of the Modus Group — the Daily Gazette and the Financial Gazette — which have given prominence to the land issue under the billing "Land grab scandal".

He said the leasing of Stat[illegible]d been going on for years. "Many white farmers leased farms for many years and no one questioned this arrangement including the Catholic Commission for Justice and Peace (which has condemned the current issue of leases).

"Now that we lease land to black farmers it is alleged to be a scandal. In fact the scheme is being undertaken in the spirit of redistributing land to black people who can show competence and commitment to farming the land in the national intertest. There is nothing unethical about building indigenous commercial farmers."

The Minister said whites were not being driven off the land. Many of those who had leases cancelled had two or three farms. "Show me one person who can no longer farm," he said when asked if it was ethical to take away a farm from someone who had occupied it for 20 years.

Zimbabwe vows to intensify campaign for whites' land

HARARE — Zimbabwe's government, under attack for leasing state farms to top officials, yesterday pledged to step up the programme of grabbing white-owned land for use by blacks. B/Day

Agriculture Minister Kumbirai Kangai told a news conference the scheme, strongly opposed by Zimbabwe's 4 500 mainly white commercial farmers who control over 70% of the country's most fertile land, was aimed at creating a racial balance in land ownership. 3/8/94

"We are going to step up this programme because it is morally right to do that," he said of the scheme which aimed to resettle 100 000 peasants. (3602)

Zimbabwe's white community, which constitutes 2% of the 10-million population, controls the economy.

"We have an obligation to ensure wealth is equally shared here and I want everybody to know that we are, and will continue, carrying this programme without apologies."

Kangai angrily attacked Zimbabwe's independent Daily Gazette newspaper which has in the past month published a series of stories naming top officials, including cabinet ministers, who it said benefited from the "land grab scandal".

The minister said the paper had been hypocritical in not naming its own CE, Elias Rusike, as one of the beneficiaries of the policy — called tenant farming scheme.

He accused the paper of running a campaign to undermine investor interest in Zimbabwe, saying the leasing of state farms to individuals, including senior white government officials, had been done by previous governments before Zimbabwe gained independence in 1980.

"What we simply did last year was to cancel wholesale those leases because we would like the black indigenous people to have some of these farms," he said, adding that some Daily Gazette reporters were either ignorant of these facts or "subversive elements".

The furore over land ownership — long a burning issue in Zimbabwe — has come when President Robert Mugabe is wooing foreign investors to try to arrest runaway joblessness. — Reuter.

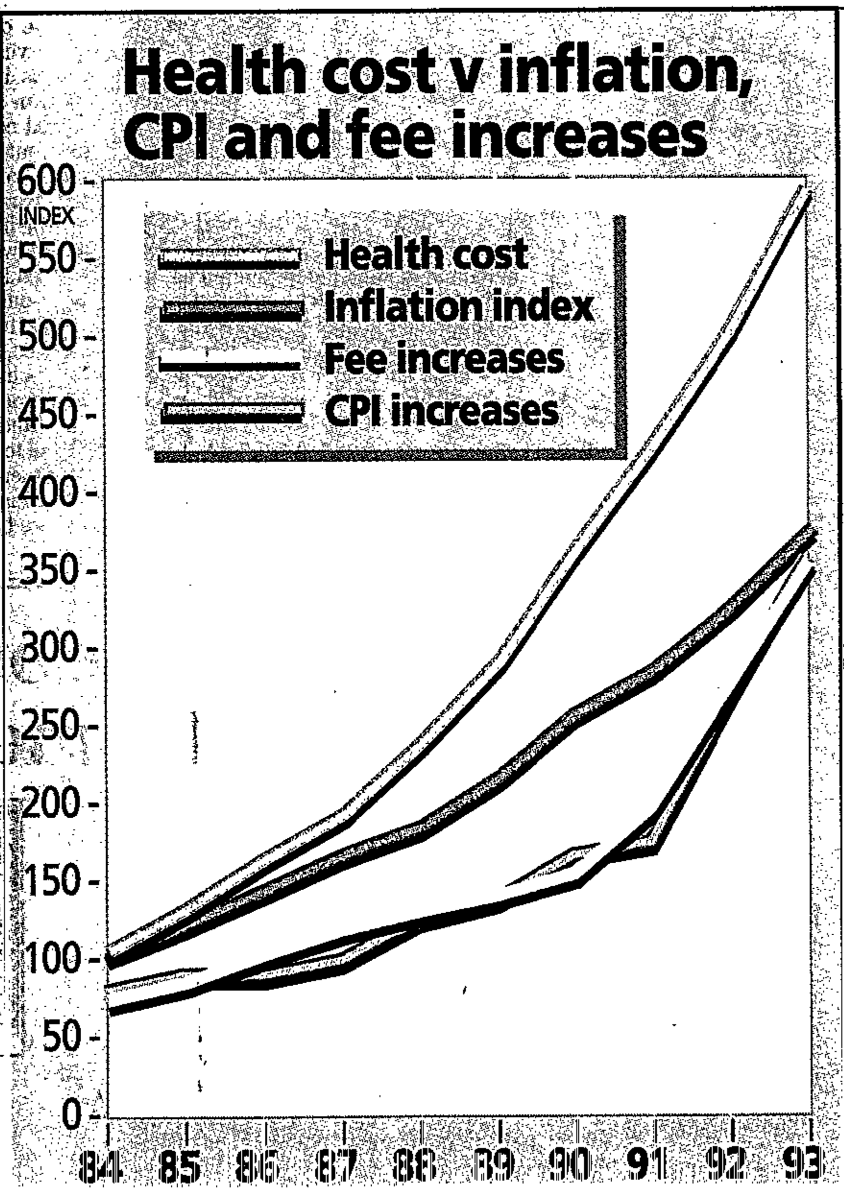
BRIEFING

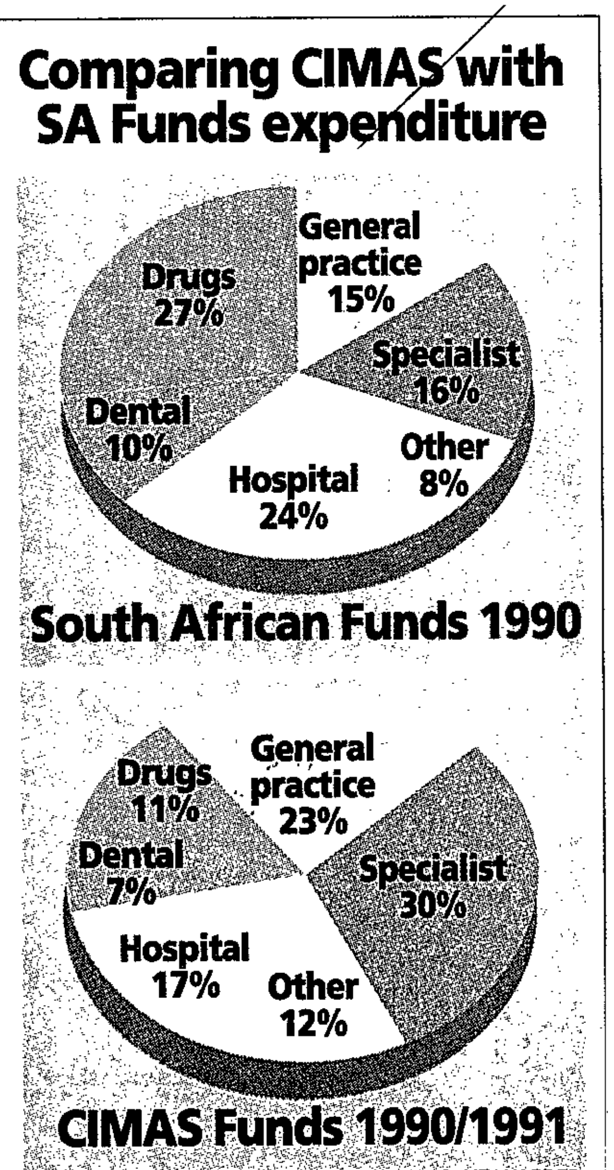
Edited by Mike Siluma

*What does the future hold for South Africa's ailing medical aid industry? With a new state policy concentrating on rural and preventive care, the emphasis will be different. Zimbabwe could hold important clues. Health Writer **David Robbins** reports*

Zimbabwe medaid in good health

Star 6/4/94





GRAPHIC: LIZ WARDER

In spite of some hostility in the early years of independence, Zimbabwe's medical aids are alive and well and offering cover to increasing numbers of Zimbabweans. Over 75 percent of members are now black; and the industry could soon be involved in a health-care-provision partnership with the State.

But it's been a rocky ride. Richard Hore, chief executive of Cimas, Zimbabwe's largest medical aid group, recalls being advised shortly after independence by a government official: "You'd better find yourself another job. There'll be no place for medical aids in socialist Zimbabwe."

The call, in the heady days of independence, was for free medical care; and this soon became policy — at least for those earning Zim$150 (about R75) or less a month. So far so good, except that there was no attempt to ensure that the system was not abused.

The result was gross overcrowding of Zimbabwe's government health care facilities. Consequent attempts by Cimas to build a private hospital for its members were thwarted by a government concerned with what it perceived as a perpetuation of white privilege.

Cimas abandoned the hospital idea, but went ahead, on the basis of membership demand, with the design of a private hospital medical aid scheme to supplement the existing scheme which provided general medical cover only. The State then attempted, through their own Tax Commission of 1985, to withdraw tax rebates on medical aid contributions.

"But we were able successfully to argue that medical aids functioned as redistributors of wealth, with the rich subsidising the poor (through a sliding scale of contributions) and the healthy the sick," Hore explains.

So the medical aids, and the tax rebates which underpinned them, survived; but only on condition that their accounts were submitted for annual audit by the Receiver of Revenue, and that medical aids imposed no restrictions on members with pre-existing medical conditions.

"These conditions haven't destroyed any of us," Hore says. "On the contrary, private medical aids have thrived. In the case of Cimas, the number of beneficiaries covered has increased from around 80 000 at independence to nearly 300 000 today, most of the increase coming from our black communities."

Even the Private Hospital Scheme, criticised at inception for being designed for rich whites only, now has a majority of black members.

Hore attributes the success of private medical aids in Zimbabwe — the provision, as he calls it, of a "First World service in a Third World environment" — to two main factors: a sensitivity to the market, and the containment of costs. (See box).

Sensitivity to the market over the years since independence has resulted in the design of several additional packages, including a Primary Package which costs around Zim$25 (R12) a month for members only (the cost shared by member and employer) and offers access to a general practitioner, a small drugs fund, a State hospital and specialist services. Over 30 000 people are already covered by this scheme.

(362)

"I believe that our future lies in catering to this end of the market," says Hore.

He points out that since independence, the Ministry of Health has initiated three studies on the practicability of introducing a national health service in Zimbabwe. Each time, the studies have revealed that the country's tax base is too small for this to be successfully achieved.

Meanwhile, the State health system is in financial difficulties, and the recent introduction of user charges is providing cost recovery of less than 2 percent when it was hoped for something in excess of 10 percent.

This can mean only that health care is slipping beyond the reach of large sections of Zimbabwe society.

A prominent health economist has recently proposed that "a compulsory health insurance scheme be introduced for those not covered by medical aids, and that such a scheme be administered by the existing medical aid societies", Hore explains.

"Now the Minister of Health has established a committee consisting of all interested parties, including representatives of medical aid societies, to examine the practicalities of introducing such a scheme.

"So after 14 years," Hore concludes with a smile, "the wheel has turned a full 360 degrees."

Containing costs

- The pie charts compare medical aid expenditure by Cimas (Zimbabwe's largest medical aid) with that of medical aids in South Africa. Of special interest is expenditure on drugs which jumps from 11 percent to 27 percent once we come south across the Limpopo.
- The graphs compare general national inflation with medical inflation; or, expressed differently, the comparison is between the consumer price index (CPI) and annual medical fee increases.

The difference between the two countries is plain to see. But how has the Zimbabwean medical aid industry succeeded where South Africa's has struggled?

Cimas boss Richard Hore has for many years negotiated successfully with health care providers (doctors, private hospitals, etc) on the basis that increases should be tied to the consumer price index.

"How we have held them to this often unpopular figure is simple," Hore says. "For those providers who adhere we pay direct for services rendered to our members. For those who don't, we pay our members direct and the providers are left to collect their fees. The administrative and other difficulties associated with the latter option go without saying."

Bountiful harvest

Star 8/4/94

BY ROBIN DREW
Star Africa Service

HARARE — Millions of dollars will be injected into Zimbabwe every day for the next six months during the tobacco selling season which began yesterday.

Nearly 1 800 commercial growers, mostly white, and 1 400 small-scale black growers have produced a crop of about 170 million kg.

Tobacco, lynchpin of the economy, last year earned producers R900 million.

This season, because of the world's over-supply position, producers cut back by nearly 50 million kg and concentrated on quality.

(362)

Troubled Zisco may be closed

Star 11/4/94

Harare — The Zimbabwe Iron & Steel Company (Zisco) has been warned by its auditors it may have to abandon normal business operations.

Zisco, the only integrated steelworks in Africa north of the Limpopo, posted a loss of Z$249 million for the year to June 30 1993, against a profit the previous year of Z$23 million.

Zisco, a vital component of the industrial sector, has been forced into a steady decline blamed mostly on the failure by President Robert Mugabe's government to make decisions indispensable to the company's survival and to meet promises of financial support.

Zisco has a rated annual capacity of 960 000 tons of liquid steel, but during the year produced only 371 233 tons, against a budgeted 591 000 tons.

Its main blast furnace, responsible for 70 percent of output, had to be decommissioned in March last year for a long overdue reline.

However, government assurances that the cash for it would be provided remain unmet.— Sapa.

(362)

Mugabe orders land deals probe

(362) CT 12/4/94

HARARE. — Zimbabwe's President Robert Mugabe has ordered an inquiry into controversial farm lease agreements made under the Tenant Resettlement Scheme, Home Affairs Minister Mr Dumiso Dabengwa said here yesterday.

Mr Dabengwa, who was responding to questions at a sub-regional seminar on human rights, said that as far as he knew Mr Mugabe was "unaware of what was happening" and had ordered an inquiry into the leasing of land, Ziana news agency reported.

So far 98 farms have been given to mostly senior government officials and civil servants under the scheme.

The inquiry comes as the ruling Zanu (PF) is reported to have called upon the Ministry of Lands, Agriculture and Water Development to cancel the farm lease agreements and distribute the land under the resettlement scheme.

Party secretary Mr Moven Mahachi was quoted as saying "the land belongs to the people and not to a few individuals". — Sapa

Probe farm land scandal, says Mugabe

Star 12/4/94

Harare — Zimbabwean President Robert Mugabe has ordered an inquiry into the farm land scandal in which government officials were given formerly white-owned properties.

Minister of Home Affairs Dumiso Dabengwa said Mugabe was not aware of "what has been happening" and had called for an investigation.

It was Mugabe's first public reaction to the scandal, which came to light early last month.

The scandal was exposed by local independent newspapers. They were threatened after they disclosed that State-owned farms were being leased to Cabinet Ministers, civil servants, high-ranking officers in the police, air force, army and intelligence service, and heads of government-owned companies.

The land was intended for the resettlement of peasant farmers in a bid to correct the unequal distribution of farm land, mostly owned by whites. — Sapa.

(362)

Mugabe orders probe into land leases

HARARE — Zimbabwe's President Robert Mugabe had ordered an inquiry into circumstances surrounding controversial farm lease agreements made under the tenant resettlement scheme, Home Affairs Minister Dumiso Dabengwa said in Harare yesterday. B/Day

Dabengwa, who was responding to questions at a seminar on human rights, said as far as he knew Mugabe was "unaware of what was happening" and had ordered an inquiry into the leasing of land.

So far 98 farms have been given to mostly senior government officials and public servants under the scheme. (362)

The inquiry comes when the ruling Zanu PF is reported as having called upon the lands, agriculture and water development ministry to cancel the farm lease agreements and distribute the land under the resettlement scheme. 12/4/94

Party secretary Moven Mahachi was quoted as having told the party's official news organ, the People's Voice: "The party's position is that the land belongs to the people and not to a few individuals"; and, "the lands ministry should cancel all these leases and continue with resettlement. State farms should not be allocated to a few black elite. The party should make sure that position is maintained." — Sapa.

ZIMBABWE FM 15/4/94

Short rein

After a marginal recovery last year, Zimbabwe's economy is set for its best year since 1991. Provisional estimates for 1993 show growth of 1,7%, after a revised 6,1% decline in 1992. Though some optimistic forecasters believe output could grow as much as 6% this year, the consensus is closer to 4%, especially after the early cut-off of rain and the abnormally hot weather in February-March. Crops planted late are a write-off in many parts and maize production forecasts have been lowered to around 2,1 Mt, from 2,5 Mt two months ago. (362)

The signs are that, with growth of 3,5%-4%, it will take until 1995 for Zimbabwe to regain the peak output levels reached in 1991. Per capita, Zimbabwe has performed worse than SA. Real income per head is back to levels of the early Seventies and 20% below the peak of 1974. Economists believe it will take until the turn of the century to return to income levels reached in 1991 — before the 1992 drought.

Last year's recovery was confined to agri-

FM 15/4/94 (362)

culture where production rose a record 62%. This estimate is widely seen as far too high and likely to be revised downward but it was enough to offset a 9% fall in industrial production and a 6% decline in mining. Industrial output last year was at its lowest since 1985; mining production hit an eight-year low.

Both will recover this year but it is going to take at least two years, possibly three, for manufacturing to make up the 22% fall of the past two years. The same applies in mining, where production will not return to record 1991 levels until next year.

There is no way agriculture will grow as rapidly this year as last because tobacco and cotton production will fall about 20%. But production and exports will be boosted as sugar output comes back on stream after two years of low production.

Mining is set for a limp recovery. Nickel will fare better than last year, gold volumes are increasing and ferrochrome production is expected to grow in the second half of the year. Manufacturing should enjoy double-digit growth, certainly for the first half, though clothing and textile sectors are warning of closures and retrenchment in the face of higher cotton lint prices and the abolition of the 9% export bonus.

The State-owned Cotton Marketing Board has raised its selling price of lint to manufacturers from Z$7,50/kg (R3,34) at the end of last year to Z$13,20 (R5,90) because of the rise in the world cotton price and the 17% devaluation of the Zimbabwean dollar in January. Last year the board was told to subsidise local spinners with the promise that the State would pick up the tab. It hasn't done that and the public corporation, under orders to commercialise, is now charging parity prices for lint.

Peter Dorward, chairman of Zimbabwe Spinners & Weavers, one of the country's leading textile manufacturers, says his company could be forced out of the export business by higher input costs. Peter Johnstone, president of the Zimbabwe Clothing Manufacturers' Association, is predicting export losses of US$55m and the loss of 23 000 jobs by year-end because the export bonus scheme was dropped in January. In the past year, Johnstone says 60 clothing firms have closed and another 20 are likely to follow if export incentives are not reintroduced.

Tobacco auction sales started on a slightly firmer note though, with leaf sales averaging $1,18/kg, not far below last year's seasonal average of $1,23. It's dangerous to read too much into the first few days of sales and it will take six weeks before the trend is clear but early signs are that flue-cured leaf will sell for up to $1,40/kg, putting a value of $240m on the crop, down 10% on last year but, in all probability, the bottom of the industry cycle.

None of this suggests the robust 5%-6% recovery being mooted by some, especially as the Reserve Bank of Zimbabwe, faced with 55% money supply growth in the year to January, is being forced to drain liquidity from the market and push up interest rates again. With elections due in less than a year, the Bank is caught in a vice-like squeeze with politicians demanding interest rate cuts while the IMF and World Bank demand monetary restraint. This year is shaping up to be a difficult one on the policy front, with World Bank economists warning that the budget deficit, far from being halved to 5,4% as promised, is likely to increase slightly to around 12% of GDP in 1993-1994, from 11% last year. ■

Farms scandal scuppered Mugabe's plea to investors

S Times 17/4/94

ROBERT MUGABE was about to face some of the world's most fickle financiers in Hong Kong to pitch a case for investment when he received a fax at his five-star hotel suite.

(362)

By JOHN EDLIN: Harare

It was a Page 1 exposé from Zimbabwe's independent Daily Gazette newspaper — owned by a ruling party loyalist but edited by a white Zimbabwean — reporting that some 90 farms seized or already owned by the state had been leased to black political toadies including cabinet ministers, civil servants and former security chiefs for a song.

That same story had already been picked up by international news agencies and was widely published in Hong Kong as the Zimbabwean president was enjoying his breakfast.

The white farms, it was made clear, were intended for one-million landless blacks to meet a promise the 70-year-old Mr Mugabe made at independence from Britain 14 years ago.

But the richest farms were allocated to the president's most trusted cabinet confidants and ruling Zimbabwe African National Union (Patriotic Front) cronies — and not the peasants.

Indeed, entire families dependent on income from those farms were being kicked off the land.

Mr Mugabe was livid. Not with the newspaper that reported the scandal, but Agriculture Minister Kumbirai Kangai, who had allowed it to happen and who allegedly acquired some of the properties for relatives.

Mr Mugabe tried to pre-empt vexing questions from the 100-odd would-be investors about how secure their stake in Zimbabwe would be, as foreigners, if the state was already taking land from indigenous nationals — albeit whites.

"It is by no measure an arbitrary and deliberate land-grab policy," Mr Mugabe insisted at the meeting.

Rather, he said, "it strengthens" the economic reform programme by redistributing wealth.

However, Hong Kong investors decided to turn their attention to one of the tiger economies of Asia, rather than putting money into an obscure landlocked southern African nation whose traditional links were — until recently — with collapsed and discredited communist nations.

Back home, while Mr Mugabe was preparing for an even more crucial meeting of investors in London, scheduled for May 19, pressure — from fragmented and disorganised opposition groups at home and donors abroad — mounted.

Mr Mugabe's trusted former president, Mr Canaan Banana, along with ruling party politicans who hadn't benefited from the land grab, stridently opposed a secret programme to hijack farms destined for the peasants.

Even the People's Voice, the ruling party's sycophantic weekly news-sheet, criticised the move, saying it was not what was originally intended.

In its latest annual report on human rights in Zimbabwe, the US State Department labelled the programme racist.

Mr Mugabe has now ordered an official inquiry into the whole affair — probably, foreign diplomats contend, to take the heat off him when he goes to London with his begging bowl.

"He can't stand up before a forum of European businessmen and justify what has happened over land," one Western diplomat said. "They won't buy it."

Speculation this week was rife that Mr Mugabe might sack the agriculture minister as a symbolic gesture.

But the question will remain, especially for the peasants hungry for land:

Was the seven-year Chimurenga (independence war) fought for freedom for the masses — or for the bank accounts of the dark-suited politicos?

Few of Zimbabwe's cabinet ministers fought in the war, yet they have prospered beyond the average Zimbabwean's wildest dreams, acquiring businesses, factories, mines and farms.

In contrast, thousand of largely illiterate former guerrillas — many of them disabled — don't receive a pension and are without land.

"There's plenty of land for us and the chefs (politicans)," said unemployed Mr Lackson Mlabo, who fought for Mr Mugabe and is now unemployed.

"But the chefs want to take everything. There could be another Chimurenga — blacks against blacks," he said.

Mugabe cancels leases on state farms

(362) ARGUS 18/4/94

New twist in Zimbabwe's 'land-grab scandal'

ROBIN DREW
Argus Africa News Service

HARARE. — President Robert Mugabe has cancelled all the leases on state farms issued to ministers and other top government people.

In a dramatic development in the affair dubbed the "land-grab scandal" in independent newspapers, which exposed the allocation of farms to senior civil servants and senior service personnel, Mr Mugabe said the land should not have been leased to individuals as it had been acquired for resettling peasant farmers.

He told the Zanu (PF) party newspaper on the eve of the 14th anniversary of independence that he had been left in the dark by the secrecy surrounding the tenant resettlement scheme, and future actions would be transparent.

Mr Mugabe said it had been decided to cancel all leases because of the outcry, and steps were being taken to inform all lessees that the government was taking steps to cancel the leases.

"Some might sue us for doing so," he said, "but we are cancelling the leases nevertheless, and we want to see the land immediately apportined to the people."

He said most of the leases had been issued to non-government people, although he saw nothing wrong in civil servants being awarded farms.

But in future proper procedures would have to be followed with a board to assess applications.

Before the president's announcement at the weekend, some ministers and ruling party MPs had slammed the system, which came to light through probing mainly by the independently owned Daily Gazette.

The newspaper and its staff came under fire from Lands Minister Kumbirai Kangai, who labelled them misguided, if not subversive.

He said the tenant farming scheme on land formerly occupied by whites was to promote black commercial farming.

This was not only to ensure continuity in production, but at the same time to establish a more balanced racial composition in the large-scale commercial farming sector.

party officials ● Peacekeepers in Bosnia

Mugabe acts on scandal

Sowetan 18/4/94

PUBLIC OUTCRY All leases on state-owned farms cancelled: (362)

HARARE — Zimbabwean President Robert Mugabe has ordered the cancellation of all leases of State-owned farms in an attempt to defuse the damaging scandal over land issued to senior ruling party and government officials.

In his first reaction to revelations of the leases by the country's independent Press, Mugabe was quoted in *The People's Voice*, the organ of the ruling Zanu (PF) party, as saying he was taking the action because of public outcry.

But there was immediate criticism that his moves were not enough.

In early March independently owned newspapers began a series of reports that listed the names of dozens of senior figures, including two cabinet ministers, MPs, a provincial governor, senior police, army, air force and intelligence service officers and civil servants that had been leased government-owned farms.

The properties included farms bought and seized by government to resettle land-hungry peasants, as well as about 100 properties previously rented by white farmers — some for as long as three decades — but who had their leases cancelled by the government in October last year as a prelude to releasing them.

Mugabe promised that the list of people who had been leased farms would be published and said in future leases of state-owned land would be done through "proper procedures".

He also questioned the secrecy under which the 100 farms had been leased.

"There must be fair play and the actions must be transparent," he said.

Applications for farms would have to be scrutinised by a board and farms available would have to be advertised.

"Yes, you have some civil servants, but I do not see why a person in government who is interested in farming should not have leased land," he said.

It would only be a scandal if "it was the majority of people in government who got leases". — *Sapa*.

★ Cape Times, Monday, April 18 1994 5

Mugabe to cancel all farm leases

CT 18/4/94 (362)

From MICHAEL HARTNACK

HARARE. — President Robert Mugabe has moved to cancel the leases of ministers and other prominent Zimbabweans to farms taken over from white farmers for peasant resettlement.

"Some might sue us for doing so, because a lease is a contractual agreement and you cannot violate it, but ... we would want to see the land immediately apportioned to the people," Mr Mugabe announced, through his party newspaper, The People's Voice.

One of those facing eviction is former agriculture minister Mr Witness Mangwende, architect of Mr Mugabe's controversial 1992 "land acquisition act", which limited white farmers' rights of appeal against nationalisation.

Mr Mangwende was given a 1 230ha farm at Wedza, 100km south-east of Harare, compulsorily acquired on the grounds that 33 peasant families were to be settled there.

Mr Mugabe promised to make public the names of the 98 "emergent indigenous commercial farmers" who had received state land.

"The land should not have been leased out in the first place, because it had been acquired for the purpose of resettling peasant farmers," Mr Mugabe said.

"Because of the outcry, and the fact that it is now seen as a scandal in which government ministries were favouring certain individuals, we have decided to cancel all leases."

Bid to delay integration - MK chief

SADF dragging its feet, says Modise

Star 18/4/94

Bloemfontein — Umkhonto we Sizwe commander Joe Modise accused the SA Defence Force yesterday of dragging its feet over the integration of various armed formations into an army for the future.

He said he suspected the SADF had its own agenda and wanted to delay the integration process in the hope that it could stay in command and determine who joined a new national defence force.

The SADF had in the past had facilities for an intake of up to 20 000 new recruits, but had now reluctantly identified three of its bases where MK members could assemble.

Modise, who has commanded MK since 1965 and is now a candidate on the ANC's national list, told Sapa he was resigning from the military. (Sapa)

He hinted that he may get involved in the proposed vocational training schools which the ANC hopes will absorb the thousands of unemployed and militant youths who lack education.

Norman Chandler reports that a major communications project is under way, aiming to help achieve a favourable climate for the establishment of the new South African National Defence Force (SANDF). The new force takes over next Wednesday from the existing SADF.

A spokesman for defence headquarters said it was hoped that the project would "establish unity, mutual understanding, acceptance and confidence".

One of the most important issues identified had been internal communication within the SADF. Regular communication bulletins were now being issued to all ranks. A one-hour radio programme at 7 pm on Wednesdays, broadcast on Radio 2000, would be introduced soon.

For the first time, special emphasis was being placed on communication with black people. "The SADF to date has had inadequate communication with them," the spokesman said.

An advertising campaign was part of this programme, and the objectives were to prepare members of the SADF for the transitional phase of integration into the SANDF, improve the defence force's image and create a favourable climate for the SANDF.

Mugabe intervenes to halt land grab

Star 18/4/94

BY ROBIN DREW
STAR AFRICA SERVICE

Harare — Zimbabwe President Robert Mugabe has intervened in the outcry over the issue of leases on State farms to Ministers and other top government people, and has cancelled all leases.

The affair has been dubbed the "land grab scandal" in independent newspapers which exposed the allocation of farms to top civil servants and senior service personnel. (362)

In a dramatic development Mugabe said the land should not have been leased to individuals in the first place as it had been acquired for resettling peasant farmers.

He told the Zanu (PF) party newspaper on the eve of the 14th anniversary of independence that he had been left in the dark by the secrecy surrounding the tenant resettlement scheme and that in future all actions would be transparent.

Mugabe said it had been decided to cancel all leases because of the outcry, and steps were being taken to inform all lessees that the government was taking steps to cancel the leases.

"Some might sue us for doing so," he said, "but we are cancelling the leases nevertheless and we would want to see the land immediately apportioned to the people."

He said most of the leases had gone to non-government people, although he saw nothing wrong with civil servants being awarded farms. But in future proper procedures would have to be followed, with a board to assess applications and advertisements placed for applications.

Before the president's announcement at the weekend, a number of Ministers and ruling party MPs had condemned the system.

Mugabe forecasts growth

B/Day 19/4/94

HARARE — President Robert Mugabe celebrated the 14th anniversary of Zimbabwe's independence yesterday with an upbeat economic forecast for 1994, citing an improved domestic environment and prospects for peace in the region.

He made no mention, however, of a controversial reform programme to recover white-owned land for black farmers, after cancelling all state land leases to individuals at the weekend in the wake of corruption scandals.

The economy had registered a 2% growth rate in real terms last year, compared with an 8% decline during the 1992 drought, he said.

Prospects for 1994 looked even brighter, with the economy poised to grow 4,4%, a figure which "with more effort and determination we can certainly exceed", he said.

Zimbabwe, now in the fourth year of a five-year economic reform programme backed by the World Bank, has adopted restrictive monetary measures which led to a drop in inflation from 49% in 1992 to 18% percent last December.

Other measures taken to liberalise the economy during the past year included abolishing import licences, deregulating many commodity prices, removing subsidies on staple foods and relaxing foreign exchange management.

(362)

But Mugabe expressed concern that many of the country's parastatals had performed well below their targets and still relied heavily on government subsidies.

Addressing thousands of people at the national sports stadium in Harare, Mugabe reviewed the country's successes and failures over the past year in agriculture, mining, manufacturing, health and housing, but he ignored the current hot issue — the land reform programme.

Dubbed the "land grab scandal" after widespread allegations of corruption and favouritism, the land acquisition programme has come under fire following Press revelations that it benefited senior government officials rather than the thousands of landless peasants.

Mugabe said at the weekend all leases would be cancelled because of the scandal — whether they belonged to government officials, non-government officals or to the private sector.

On foreign policy, Mugabe said the country had played a useful role in peacekeeping missions in Angola, Rwanda and Somalia. It had mediated alongside SA and Botswana in the Lesotho military crisis, and was sending observers to SA's elections next week. — Sapa-AFP.

Zim doctors continue strike

HARARE. — Zimbabwean doctors yesterday decided to continue their strike when negotiations with the government broke down.

Doctors went on strike last Friday, crippling health services countrywide. They are demanding a 40% salary increase, better accommodation and transport allowances. (362)

But the government has said doctors should resume work while it addresses their grievances. — Sapa CT 21/4/94

Zimbabwe gets down to the basics

Star 21/4/94

(362)

Clean living

Availability of clean water and safe sanitation can have a major impact on a nation's health. Officials in Zimbabwe have, for many years, been doing something about this. **DAVID ROBBINS** reports from Harare.

TOMORROW

One of South Africa's few black airline pilots is about to spread his wings over African skies.

Drive along any main road through Zimbabwe's hinterland and you'll see plenty of chimneys which tell you there's a Blair toilet underneath. And you'll see plenty of simple water pumps, some of which have been in operation since the 1930s.

The estimate these days is that around 350 000 Blair toilets are in operation in Zimbabwe. If it is assumed that each toilet is used by six people, then nearly a quarter of the country's 10 million people probably have access to a safe form of sanitation.

And this takes no account of the waterborne sanitation systems which exist in the cities.

Blair toilets — and bush water pumps — aren't gimmicks. They were designed in Zimbabwe and are part of the national consciousness.

Take O-level general science in a Zimbabwe school, and you'll be required to understand the principles of both, and to build your own, albeit in model form.

"Zimbabwe has always had a good grasp of environmental health, and from the earliest days the government took responsibility for rural water supply, and more recently for rural sanitation," explains Dr Peter Morgan.

Rural water

He is a British-trained marine biologist who first joined Zimbabwe's Blair Research Laboratory in 1972.

His job was to design a safe and cost-effective toilet which could be mass-produced. The result was the Blair, a variation of the pit latrine which incorporates a chimney or vent to reduce odours and trap flies.

Morgan's basic design has found its way into large sections of the Third World, including South Africa. In Zimbabwe alone, 50 000 were erected before independence in 1980.

An unusual, perhaps unique, feature of the Zimbabwean Ministry of Health is that it runs its own research institute — Blair — and the post-independence ministry has provided continuity and support to work started before independence.

Thanks to large amounts of foreign aid and some private initiative, a further estimated 300 000 Blairs have been erected in rural Zimbabwe since 1980.

But the toilets are not given away. A subsidy comes in the form of cement, while the individual family must provide bricks, sand, any other materials, as well as the cost of the labour.

The total cost of a Blair is around Zim$500 (R220), 60 percent of which has been in the value of the cement. Now the subsidy has been cut to 40 percent, as the population is weaned off external assistance.

"The success of the Blair toilet programme has been based on two crucial elements," says Morgan. "The first is the subsidy, which has made the toilets widely accessible. The second has been the active support given to the project by politicians, the government, and also by the press."

The bush pump was first designed in the 1930s, but has since been improved by Morgan. Working parts have been kept to a minimum, and the pumps in the field are ably supported by adequate supplies of standardised spares and a simple maintenance programme run by district development agencies.

Morgan retired from government service two years ago, but he has not been idle, and today heads the Mvuramanzi Trust, supported by British money, which works on water and sanitation initiatives in rural areas.

The trust's most notable achievement so far is in the protection of over 8 000 shallow wells, with a further 4 000 to be protected in 1994.

"When people think of water provision they too often think only in terms of reticulation and taps," says Morgan. "For many years I believed that the only way to extract clean water from the ground was by means of a pump. But the shallow well has immense potential.

"There are over 100 000 of these wells in Zimbabwe alone, and a lot more in the region as a whole, especially Zambia, Malawi and Mozambique. The wells are hand dug by the people who own them. But they're invariably unprotected at the top, susceptible to contamination by animals, and yield water of a very poor quality."

How to protect and upgrade them was straightforward enough. What was new was to persuade funders to move away from the concept of community provision of water supply to individual ownership.

Dividends

"But the move has paid dividends," says Morgan. "The pride of ownership is nearly always evident: many of the protected wells are beautifully kept."

Well-protection involves lining the hole with bricks and cement, building up the opening and covering it with a concrete slab, providing a lid, a simple windlass mounted in bearings cut from old car tyres and a bucket for the extraction of the water.

Is this solution too primitive to be widely popular? Morgan provides the answer when he says that hundreds of families are digging new wells to avail themselves of the subsidy of materials available through the Mvuramanzi Trust.

And the trust is making sure nothing will slow down the programme. It's premises in Harare are crowded with thousands of windlasses and well lids, and it has already trained 500 builders in the field to do the masonry work required.

'Missing link' to prevention of epidemics is education

Ask Dr Peter Morgan, chairman of the Mvuramanzi Trust, whether the Blair toilet and improved clean water supplies to rural communities in Zimbabwe have reduced disease, and he smiles.

"Many studies have tried to prove that this is the case, but these elements in themselves will not reduce disease. There's still the missing link."

Morgan's "missing link" has to do with education.

"It's not much of an improvement making use of a Blair toilet and then preparing food or eating it without first washing one's hands."

A Blair toilet with a washing facility? Morgan has already thought of it. He's fitted tanks with a simple stopper for control, and is now conducting tests on how they are being used, or why they are not being used. He's even provided some toilets with a tray on the roof so water for an afternoon shower can be heated by the sun.

"Technically, anything's possible," he says. "The ultimate answer with regard to disease reduction lies in behaviour change which takes advantage of the new facilities."

Good clean fun? . . . squatter camps pose health hazards for occupants. In Zimbabwe, officials have been showing how to deal with some of the problems.

No Zim land-grab probe

HARARE. — President Robert Mugabe has not, contrary to reports, ordered a commission of inquiry into a land-grab scandal involving senior party and government officials, it was reported here yesterday. 362

Mr Mugabe had instead made his own inquiries, the report said.

This follows remarks at a recent human rights convention by the Minister of Home Affairs, Mr Dumiso Dabengwa, that Mr Mugabe had ordered an inquiry into disclosures that state-owned farms had been distributed among officials, including two cabinet ministers and senior army officers and civil servants.

Many of the farms were meant to resettle peasant farmers.

"The word inquiry does not automatically translate into a commission," Mr Dabengwa was quoted yesterday as saying.

"The president went on to inquire about the scheme himself and got the reply he wanted, resulting in the action he has taken." CT 23/4/94

Mr Mugabe announced last week he had cancelled all leases to the estimated 180 state-owned farms, and denied there was a scandal. — Sapa

Wankie boosts profits as coal sales surge

HARARE. — Zimbabwe's largest coal producer, Wankie Colliery said turnover rose 57% to Z$445,3m for the financial year to February 28, 1994.

Chairman Ngoni Kudenga said in a statement the jump in turnover was mainly due to a price increase granted in March 1993 and a slight improvement in the volume of coal sales.

Total coal sales were 4 453 089 tons compared to 4 362 334 tons the previous year.

Net profit after taxation rose to Z$86,4m from Z$51,9m, he said. (362) CT 2/5/94

Kudenga said continued growth would be achieved because coal demand on the local market is expected to remain firm. — Reuter

Zim inflation rate soars

HARARE. — Zimbabwe's annual inflation jumped to 23,5% in March lifted by huge increases in the cost of medical care and food, the Central Statistical Office said at the weekend, Ziana news agency reports.

In February, the country's annual inflation was pegged at 19,1% and on the month it increased by 6% after a steady decline in the preceding two months. CT 2/5/94

The government has said it wants inflation to come down to 5% by the end of the economic reform programme in 1995 but economists, pointing to high money supply growth and undiminished government expenditure, have cast doubt on this.

Zimbabwe's inflation peaked above 48% in 1992 driven up largely by a severe drought and recession and had been in decline for most of last year.

The CSO said medical care costs increased by 179,5% on the year and 148% in February, pushed up mainly by increases in government hospital fees late last year. (362)

Food, and beverages and tobacco weighed in with the next highest increases, with rises of 26,9% and 20% respectively, the figures show.

Transport and communications rose 21,3% while the rent, rates, fuel and power gauge went up 18,3% — Sapa

ZIMBABWE

Only crumbs — after 14 years of independence

(362) ARG 2/5/94

CHRIS CHINAKA of Sapa-Reuter reports from Harare.

ZIMBABWE marks 14 years of black majority rule with many of its urban people too angry to celebrate.

They are fuming over government policies on land and jobs and perceived official arrogance.

Analysts say President Robert Mugabe must secure the future by urgently addressing such issues and tribal rumblings that threaten to rock his ship of state.

"There is growing anger on the ground, anger that the government has short-changed literally everybody except the top brass in almost very sphere," said one academic.

"Many people, including those in the rural areas where the government has its power-base, are now saying 'The whole cake of independence has gone to the top table and we are being asked to pick the crumbs'."

The Insider, a privately-owned Zimbabwean monthly newsletter, speaks of general discontent over the cost of living, which has risen sharply under harsh economic reforms imposed more than four years ago to repair the ravages of state mismanagement.

Public frustration has been fuelled by revelations that the government was leasing to top officials nearly 100 state farms grabbed from white farmers to resettle landless peasants. More than 100 000 peasants have waited for the land since 1980.

Mr Mugabe, saying he had no knowledge of the programme, has moved to cancel the leases of ministers and other prominent Zimbabweans.

"If he did not know of such a big thing then what is he doing in office?" asked Enos Nkala, a former close associate of Mr Mugabe and ex-treasurer-general of his ruling ZANU-PF party.

The scandal, coming just a year before a general election, has also sharply divided Mr Mugabe's cabinet.

But a weak and fractious political opposition has gained little from the "land-grab scandal", with quite a number of people ruling it out as a viable alternative government.

The ruling party still has a strong hold on the rural poor where its guerrilla war against white minority rule which led to independence in 1980 is still remembered fondly.

But even there the mood is slowly turning sour, mainly under the influence of town dwellers whose struggles against chronic housing and transport shortage and rising unemployment have passed into local folklore.

An estimated one-fifth of Zimbabwe's workforce is jobless.

A bloated civil service and current government spending, accounting for about 50 percent of gross domestic product, are seen by the public as a curb on industrial growth.

Zimbabwe's agriculture-based economy has grown too slowly to absorb hundreds of thousands of school-leavers and, until the launch of the World Bank-backed reforms, its business development was stunted by state controls.

The government record on these issues is routinely denounced in the private media.

One journal urged Mr Mugabe to sack "arrogant leaders who dismiss public complaints with nauseating contempt".

The independent weekly Finanacial Gazette newspaper commented: "It's time that our ministers and public servants realised that they have to take their responsibilities seriously and be accountable for all the decisions they make."

Law lecturer Kempton Makamure said many people had expressed their anger by refusing to register as voters for next year's poll. Less than 20 percent of the five million electorate have so far enlisted, only days before the roll is closed.

Zimbabwe also marks its independence amid growing concern over one of Africa's worst scourges — tribalism.

A number of parliamentarians have viciously attacked Foreign Minister Nathan Shamuyarira, widely regarded as Mr Mugabe's right-hand man, for allegedly stoking potential tribal conflict by leading a shadowy group dedicated to the supremacy of his Zezuru ethnic group.

"This is courting trouble," said ZANU-PF backbencher Lazarus Nzarayebani, in a clear reference to tribal wars that have wrecked many African countries.

Zimbabwe moves on land scandal

ARG 4/5/94

HARARE. — The Zimbabwean government, relenting to immense public pressure, has finally cancelled 72 farm leases under which senior officials had occupied state land forcibly acquired from white farmers for the resettlement of landless peasants.

Agriculture minister Kumbirai Kangai told parliament yesterday that the government was terminating the agreements to enable the mass resettlement programme to proceed speedily.

President Robert Mugabe announced in mid-April that the farm leases were being withdrawn after a public outcry that saw the scheme as a "land-grab scandal" — Sapa-Reuter

(362)

Zimbabwe seeking closer ties with SA

Argus Africa News Service

HARARE. — Zimbabwe is to adopt a policy of intensive engagement with South Africa emphasising closer co-operation in trade, tourism, energy, education, transport and defence.

Foreign Affairs minister Dr Nathan Shamuyarira said yesterday this new approach away from disengagement meant that relations between Harare and Pretoria would have to be strengthened in the post-apartheid era. ARGT 6/5/94

He said Zimbabwe would do its best wherever possible to help South Africa. (362)

Calling for an early end to the delays in negotiating an improved trade agreement with South Africa, the minister said Zimbabwe was looking towards a lowering of tariffs on its textile exports.

He ruled out the possibility of the regional bloc, the Southern African Development Community, being absorbed into the Southern African Customs Union ..

Mr. Shamuyarira last week announced that diplomatic relations had been restored with South Africa.

Star 5/5/94

Zim leases cancelled

Harare — The Zimbabwe government has finally cancelled 72 farm leases under which officials had occupied State land forcibly acquired from white farmers for the resettlement of landless peasants.

Agriculture Minister Kumbirai Kangai told parliament on Tuesday the government was terminating the agreements to enable the mass resettlement programme to proceed speedily. — Reuter (362)

Star 5/5/94

Zimbabwe voters shun registration

Harare — Less than half the expected number of Zimbabweans bothered to register as voters in next year's general election when the period for re-registration ended yesterday.

The government has extended the deadline by a month.

By yesterday morning, 2,2 million people had registered out of an extimated 5 million.

Disillusionment with the government's performance in improving living conditions for the vast majority and the absence of a credible opposition have been blamed for the low response. — Star Africa Service.

(362)

Eskom part of Zimbabwe power revamp

MICHAEL HARTNACK

HARARE — Zimbabwe's Electricity Supply Commission (Zesa) is leading the field in co-operation with the new SA as it plans a R10bn investment programme designed to see the two countries' power grids firmly interlocked. (362)

Zesa corporate planning senior manager David Madzikanda voiced hopes for the completion and introduction into service by mid-1995 of the single 400KV transmission line from SA's Matimba power station to Zimbabwe's Insukamini substation.

Zimbabwe aimed to import 400MW in 1995, 300MW in 1996 and 150MW a year until 2003, when the contract with SA would be up for renegotiation. 9/5/94

Matimba will give Zimbabwe a back-up against possible failures on the projected link-up between Bindura substation and Songo, where it will tap into a 400KV transmission line from Cahora Bassa. B/Day

Foreign Minister Nathan Shamuyarira last week expressed hope that the SA-Zimbabwe co-operation would see the Batoka Gorge hydroelectric project on the Zambezi, 54km below Victoria Falls, add to the power reserves of the subcontinent.

JOHN DLUDLU reports that an Eskom spokesman said he expected several million rands to be spent on the joint project.

ZIMBABWE Fm 20/5/94

Reaping the whirlwind

Escalating industrial — and student — unrest could hardly have come at a worse time for Zimbabwe's Robert Mugabe. He is on a state visit to the UK, scheduled to address an investment promotion conference in London this week.

Back home all is far from well. Voter registration for next February's elections has had to be extended for a further month — until June 4 — as less than a third of the voter population has bothered to register.

This is a far cry from the enthusiasm that characterised the first two majority-rule elections in 1980 and 1985 and — for Mugabe — is disturbingly reminiscent of the Zambian pattern. There, though there was no serious opposition to former President Kaunda until the 1991 poll, a declining voter turnout signalled that the people had lost confidence in their government.

Student unrest is the least of the president's worries but it is a sign of the times. Student demonstrations — for higher grants — turned ugly last week and Harare's University of Zimbabwe campus closed temporarily on Friday after skirmishes between the police and about 300 students.

The vast majority of the 13 000 student body is anxious to concentrate on studies but the militants have been roaming the campus with sticks and stones, breaking up classes. After their demonstration in Harare recently during which innocent civilians were assaulted and cars and buildings stoned, there is no sympathy for the students and the government is unlikely to back down over the grants issue. (362)

Junior doctors, on strike since mid-April, are a different matter however. There is widespread public sympathy for them because they are underpaid by regional standards. The University of Zimbabwe Medical School estimates that two-thirds of its graduates leave the country for further training and better pay, many going to SA and Botswana.

In retaliation, the government has dismissed doctors, dentists and physios, leaving private sector practitioners, consultants and the many doctors in the country, funded by NGOs (nongovernmental organisations) and aid agencies, to attend to patients. The weekly *Finance Gazette* reported recently that there had been a "dramatic increase" in deaths.

The medics' demand for a 40% pay award is strongly supported by the Zimbabwe Medical Doctors Association and it's a matter of time before the State climbs down. The Zimbabwe Congress of Trade Unions has

Fm 20/5/94

told its members to seek pay awards of at least 25% and Posts & Telecommunications have submitted a 25% demand. Schoolteachers, seeking between 40% and 60%, are threatening industrial action from June if their demands are refused — as they certainly will be. (362)

With average real (nonfarm) wages at a 20-year low, having fallen more than a third since the launch of the country's Economic Structural Adjustment Programme in 1991, industrial unrest is hardly surprising. Yet there is little the State can do.

The budget deficit, targeted to fall to 5,4% of GDP this year, from 11,3% in 1992/1993, is reportedly in excess of 10%. A team from the IMF has been to Harare to review the programme and look at disbursement of the next tranche of the country's Enhanced Structural Adjustment Facility (ESAF) loan. The fund, already unhappy with rapid money supply growth — over 40% in the year to February — is not going to allow any further backsliding on public spending.

But because Ministers, top officials and MPs received pay awards of up to 64% recently, the strikers are in no mood to listen to pleas of "can't pay, won't pay" from government.

The resurgence of inflation, back to 23% in March from 18% at the end of last year and set to average at least 23% over 1994, has compounded government's problems.

Officials complain of a vacuum at the top; Mugabe is more at home playing the international statesman with Nelson Mandela and John Major than dealing with the nitty-gritty of economic reform, which he doesn't really believe in anyway. Finance Minister Bernard Chidzero is ill and likely to step down soon.

For no good reason, the Ministry of Industry & Commerce remains vacant, four months after the death in a car accident of Chris Ushewokunze, the former Minister. There are new faces at the central bank and at permanent secretary level in both the Ministries of Finance and Industry & Commerce. Decisions simply aren't being made.

One positive move was Mugabe's belated decision to cancel farm leases granted to Ministers, senior officials and government backbenchers. Though the president claimed not to know that land acquired by the State for resettling peasant farmers had been leased to political cronies, the fact that he defended the process on BBC television in mid-April, just before cancelling the scheme, suggests otherwise.

The cancellation of 72 leases cleared the air ahead of the London investment conference. Business is hoping for an announcement of increased dividend remittability before the delegates leave for London next week. Privately, many in business fear that Mugabe and Zimbabwe have missed the boat.

"SA is the investment flavour of the year," said one industrialist this week. "We are going to be left with the crumbs under the table." ■

★ Cape Times, Monday, May 23 1994 7

Talks on 'doctor drain'

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CT 23/5/94

BULAWAYO. — Zimbabwe is seeking talks with the new South African government in an attempt to stop the flow south of Zimbabwean doctors, Health Minister Mr Timothy Stamps said here on Saturday.

Last week about 300 doctors at Zimbabwe's state-run hospitals ended, on what they called humanitarian grounds, a two-week strike over pay and improved conditions which left some people dead.

Between 1 500 and 3 000 Zimbabwean doctors are employed in South Africa, where they earn up to five times as much as in Zimbabwe.

Mr Stamps said the two governments would negotiate so "there is no pinching of doctors from each other". If the talks succeeded, no Zimbabwean doctors would be employed in SA government hospitals. Similarly, SA doctors who had fled the old apartheid regime would be repatriated. — Sapa-AFP

Nzo on SA, Zim relations

CT 27/5/94

HARARE — South Africa would do everything possible to strengthen relations with Zimbabwe, Foreign Affairs Minister Mr Alfred Nzo said yesterday after meeting President Robert Mugabe at Zimbabwe House. (362)

He told journalists that strengthening relations would be in the interest of the people of both countries.

Mr Nzo presented Mr Mugabe with two letters from President Nelson Mandela and a gold commemorative medal for attending the May 10 presidential inauguration. Mr Mugabe would not disclose the contents of the letters. — Sapa

NEWS

Zimbabwe opposition in tatters after ouster

Star 30/6/94

BY ROBIN DREW
STAR AFRICA SERVICE

Harare — Zimbabwe's main opposition party, the Forum Party, was in tatters yesterday after reports that a special meeting had ousted former Chief Justice Enoch Dumbutshena from the party leadership.

Delegates from five provinces of the party decided to put in his place as interim leader a Bulawayo-based executive member, Themba Dlodlo. Dumbutshena was accused of being dictatorial.

The move to oust him came after weeks of wrangling, including accusations that the party was being manipulated behind the scenes by whites.

The party was launched in March last year, when Dumbutshena described the occasion as the birth of an alternative government.

The weekend turmoil came as President Mugabe announced that a general election would be held in the first quarter of next year. He told delegates at the ruling Zanu (PF) party youth congress to undertake house-to-house action to mobilise support. He dismissed opposition parties as a pathetic assortment of ineffectual groupings.

"Underlying this so-called opposition," he said, "is a vain attempt to resurrect internal-settlement politics where white colonial settler interests hide behind black faces." (3622)

He was aware of discontent about wages and hard times brought about by economic reform, but the hardships did not compare with those suffered under settler rule. Counter-revolutionaries and reactionaries would never be allowed to take over the government, he said.

Mugabe called on the youth to convince the people that Zanu (PF) had not renounced its socialist goals. The changes had been taken to enhance the economic base to generate employment and increase incomes.

Mugabe outlines African vision

362

HARARE — Zimbabwean President Robert Mugabe yesterday outlined a "new vision for Africa" in which the continent would no longer be synonymous with economic mismanagement, civil strife, or human rights abuses, nor with poverty, hunger, ignorance and disease.

Opening a meeting of African presidents and representatives of Western donor nations, he said that "perhaps at no other time in Africa's history has the continent felt so acutely the need for partnership and genuine friendship than today".

Africa "is an essential component of the global polity", he said. "The failure or success of Africa affects the rest of the world, for the world is one. Global peace, economic prosperity and environmental regeneration cannot be sustained unless Africa is freed from the vicissitudes of poverty and war."

Mugabe said the troubled continent was embarking on a three-pronged programme of economic structural adjustment, political reforms and regional integration.

It was committed to "take charge of its own development and to learn the lessons of the past".

He said good governance had become accepted as vital throughout Africa as "democracy cannot be complete without it".

"Those African countries which have demonstrated seriousness about their political and economic reform efforts deserve support and co-operation more than ever before," he said.

Mugabe was speaking at the advisory committee meeting of the Global Coalition for Africa (GCA), a Washington-based organisation set up in 1990 with the assistance of the World Bank, to bring African and Western donor countries together.

The two-day meeting is being attended, also, by former World Bank president Robert McNamara and Dutch minister Jan Pronk, who is co-chairman of the GCA with Ketumile Masire of Botswana.

Those already here are due to be joined today by several other African presidents, including President Nelson Mandela.

A summit of the Frontline states is to discuss the future of that organisation. The seven-nation grouping, which spearheaded African opposition to apartheid, is expected to reform and rename itself, bringing SA into a regional organisation aimed at ensuring political stability and dealing with issues such as the continuing civil war in Angola.

Masire told the opening session that the elections in SA had been "one of the most important achievements in the history of this continent".

However, "the tragic events in Rwanda have come as a crippling setback to the process of peace and development".

He said the meeting would focus on three main issues: self-assessment of governance by African countries, "domestic resource mobilisation" and agricultural policies. — Sapa-AFP.

● MUGABE

AFRICA

Mugabe heads for new term as opposition splits

BiDay 2/6/94

HARARE — Zimbabwe's opposition, already sapped by internal divisions, has splintered further and cleared the way for President Robert Mugabe to walk back into power in general elections that must be held by next April.

Even without the latest problems afflicting the opposition, political analysts had given it little chance in the polls, the third to be held since Zimbabwe gained independence from Britain in 1980.

But a long-simmering feud within the main opposition Forum party burst into the open at the weekend, killing any hope that the opposition might field a significant challenge to Mugabe.

"With the divisions within Forum — the only party that most Zimbabweans thought could give Mugabe a bit of trouble — the president will literally walk back into power," Zimbabwe University political analyst Solomon Nkiwane said.

"We are looking at a very prolonged rule by Mugabe," he said of the 70-year-old Zimbabwean leader.

Forum rebels, angered by the party's soft line against Mugabe and his Zanu-PF party, unceremoniously ousted their leader, Enock Dumbutshena, at an emergency meeting on Sunday, accusing him of being divisive and dictatorial.

The rebels were led by Forum secretary-general Themba Dlodlo and party national chairman Agrippa Madlela, both left-wingers from the minority Ndebeles of southern Zimbabwe who have felt eclipsed by Dumbutshena, a member of the majority Shonas from the north.

"Besides obvious policy differences, the Forum split shows that tribalism is again rearing its ugly head," an African diplomat said, noting the centuries-old rivalry between the two tribes that has at times spilled into violence.

Dumbutshena, Zimbabwe's first black chief justice, responded to the rebel move by dismissing Dlodlo and Madlela and their supporters from Forum, charging that they were power-hungry.

"From our national executive of 22 only six people are behind this move to oust me and we are saying to them: 'go and form your own party'," Dumbutshena, 75, said.

When Forum was launched a year ago, it was billed as the biggest threat to Mugabe.

(362)

Three other smaller opposition parties are divided by personality and policy differences and lack credible leadership.

Forum had hoped it could draw support from growing numbers of voters angry at the high cost they have had to pay to rescue their economy from near collapse.

But Mugabe, who abandoned socialism in 1991 and embraced Western-backed reforms, has vigorously and successfully defended the bitter medicine that Zimbabwe's 10-million people have had to take, including sweeping price rises of most basic goods.

"Now that Forum has all but crumbled and given the fact that there is very little time before the elections, Zimbabwe is heading towards a de facto one-party state," a Western diplomat said. — Sapa-Reuter.

Mugabe's rivals in disarray

Star 2/6/94

THANKS to the disintegration of the rival Forum Party, Zimbabwe is heading towards a de facto one-party state, says a Western diplomat

Zimbabwe's opposition, already sapped by internal divisions, has splintered further, clearing the way for President Robert Mugabe to walk back into power in general elections that must be held by April next year.

(362)

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Long-simmering feud

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"With the divisions within Forum — the only party that most Zimbabweans thought could give Mugabe a bit of trouble — the president will literally walk back into power," said Zimbabwe University political analyst Solomon Nkiwane.

"We are looking at a very prolonged rule by Mugabe," he said of the prospects of the 70-year-old Zimbabwean leader.

Forum rebels, angered by the party's soft line against Mugabe and his Zanu-PF party, unceremoniously ousted their leader, Enock Dumbutshena, at an emergency meeting on Sunday, accusing him of being divisive and dictatorial.

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"Besides obvious policy differences, the Forum split shows that tribalism is again rearing its ugly head," an African diplomat said, noting the age-old rivalry between the two tribes that has at times spilled over into violence.

Dumbutshena, Zimbabwe's first black chief justice, responded to the rebel move by dismissing Dlodlo and Madlela and their supporters from Forum, charging they were power-hungry.

"From our national executive of 22, only six people are behind this move to oust me and we are saying to them: 'go and form your own party,'" Dumbutshena (75), said.

When Forum was launched a year ago, it was billed as the biggest threat to Mugabe, a tough tactician who marshalled his party during a guerilla war for independence and then took it to political victory.

Policy differences

Three other smaller opposition parties are divided by personality and policy differences and lack credible leadership.

Forum had hoped it could draw support from a growing number of voters angry at the high cost they have had to pay to rescue their economy from near-collapse.

But Mugabe, who abandoned socialism in 1991 and embraced Western-backed reforms, has vigorously and successfully defended the bitter medicine that Zimbabwe's 10 million people have had to swallow, including sweeping price rises of most basic goods.

"Now that Forum has all but crumbled and given the fact that there is very little time before the elections, Zimbabwe is heading towards a *de facto* one-party state," a Western diplomat said. — Sapa-Reuter.

'Let's free continent of poverty and war'

Mugabe spells out a new vision for Africa

Star 3/6/94

Harare — Zimbabwean President Robert Mugabe yesterday outlined a "new vision for Africa" in which the continent would no longer be synonymous with economic mismanagement, civil strife, human rights abuses, poverty, hunger and disease.

Opening a meeting of African presidents and representatives of Western donor nations, he said the troubled continent was embarking on a three-pronged programme of economic structural adjustment, political reform and regional integration and was committed to "take charge of its own development and to learn from the lessons of the past".

Good government had become accepted as vital throughout Africa as "democracy cannot be complete without it", he said.

But he accused the West of blackmailing poor African countries by linking aid to democratic government. (362)

"Donors should desist from blackmailing our countries saying we should have democratic governments before assistance is rendered. We know what political systems to adopt and what fundamentals are right for our people to bring about a change."

Mugabe said Africa had never needed partners and genuine friendship as much as now.

He added that global peace, economic prosperity and environmental regeneration could not be sustained unless Africa was freed from poverty and war.

Mugabe was addressing the Global Coalition for Africa (GCA), a Washington-based organisation set up in 1990 with the assistance of the World Bank to bring African and Western donor countries together.

The two-day meeting is being attended by the presidents of Botswana, Tanzania, Benin, Eritrea and Ethiopia, former World Bank president Robert McNamara and Dutch Minister Jan Pronk, who is co-chairman of the GCA with Botswana's President Ketumile Masire. They are to be joined today by a number of other African presidents, including President Mandela.

Masire said South Africa's April election had been "one of the most important achievements in the history of this continent", while "the tragic events in Rwanda have come as a crippling setback to the process of peace and development". — Sapa-AFP-Reuter.

Africa joins forces on peace for Rwanda

Star 4/6/94

HARARE — Fourteen African states, buoyed by the presence of South Africa's Nelson Mandela, offered yesterday to send troops to Rwanda to help end the bloodbath there.

They also voiced concern that Lesotho's armed forces were threatening the civilian government.

Mandela said South Africa had not been asked to provide troops for the Rwanda operation, but would provide a field hospital and 50 armoured personnel carriers.

The 14 African leaders, meeting at twin summits dealing with political and economic issues, said they were prepared to send their soldiers to stop Rwanda's war, which has killed 500 000 people and displaced 2 million others since April 6.

Zimbabwean President Robert Mugabe, who chaired both meetings, said the leaders had agreed to urge Rwanda's warring government and rebel troops to halt hostilities and observe a truce to allow elections to take place.

Rwanda's civil war was "genocide", he said, adding that a joint statement to be issued last night would "announce the readiness of our countries to provide troops for Rwanda or any other aid that would go towards the attainment of peace".

(362)

He gave no figures of numbers of troops likely to be deployed, but the United Nations says it wants 5 500.

Mugabe spoke after Mandela jetted into Zimbabwe's capital Harare and held urgent closed-door talks on Rwanda's crisis with other heads of state or officials representing them.

Mugabe noted that the Organisation of African Unity would discuss Rwanda at its summit in Tunis next week, but said the Harare talks felt urgent action was necessary nevertheless.

"Our statement will condemn the genocide, urge the parties to stop fighting and observe a ceasefire and enjoin the parties to engage in dialogue."

On the security of Lesotho, Mugabe said: "The situation in Lesotho is a serious cause for concern to all of us. It would appear that both the army and police forces have become internally destabilising instruments, threatening the life of the present government and even the lives of ministers."

Mugabe saluted Mandela for winning South Africa's election and taking charge of Africa's richest nation. "We cannot avoid to cheer and salute you and the people of South Africa whom we wish success as they embark upon a programme for the reconstruction and development of their country," he said.

He urged the Frontline club, set up in the 1970s and composed of Angola, Botswana, Namibia, Mozambique, Tanzania, Zambia and Zimbabwe, to review its role now apartheid was dead. — Reuter.

Zim farm 'scam': Officials told to go

(362) CT 8/6/94

HARARE. — Top Zimbabwean government and ruling party officials who benefited from a "farms-for-ministers racket" have been issued with official notice to leave the government-owned farms they secretly leased.

Agricultural Minister Mr Kumbirai Kangai was quoted in yesterday's Herald, Zimbabwe's main daily newspaper, as saying that the properties — many of them bought from white farmers to resettle peasants — had been leased to cabinet ministers, senior officers in the police, army, and air force, senior civil servants, officials of the ruling Zanu (PF) party and wealthy businessmen. All these had been given notice to wind up their business and leave the farms by August, said Mr Kangai.

However, it immediately became apparent that the government had not only cancelled the leases involved in the scandal, but probably all leases to those who have farmed them profitably for decades.

Officials of the Commercial Farmers Union said they were being inundated with pleas for help from leaseholders. Some had received letters saying their leases had been cancelled in November and they had to leave immediately. — Sapa

Mugabe orders that leases be cancelled

Star 8/6/94

End to 'farms for pals' racket in Zim

Harare — A bevy of top Zimbabwean government and ruling party officials, who benefited from a "farms-for-Ministers racket", have been issued with official notice to leave the government-owned farms they secretly leased.

Agriculture Minister Kumbirai Kangai was quoted in yesterday's Herald as saying that the properties — many of them bought from white farmers to resettle peasants — had been leased to Cabinet Ministers; senior officers in the police, army, and air force; senior civil servants; officials of the ruling Zanu (PF) party; and businessmen.

All these had been given notice to wind up their business and leave the farms by August, said Kangai.

However, it immediately became apparent that the government had not only cancelled the leases involved in the scandal, but probably all leases to State-owned land, including those held by whites who have farmed them profitably for decades.

Kangai . . . officials must leave farms by August.

Officials of the Commercial Farmers Union (CFU), most of whose 4 000 members are white, said they were being inundated with pleas for help from leaseholders.

Some had received letters saying their leases had been cancelled in November, and although they had not been informed of this, they had to leave immediately.

CFU officials said members would soon bring lawsuits against the State for breaking their contracts. (362)

Up to 100 farms seized under the government's expropriation policy had been taken over by government and party officials.

The first farm to be seized went to former minister of agriculture Witness Mangwende, who helped to bulldoze the legislation through.

President Robert Mugabe himself ordered that the leases be cancelled. — Sapa.

Mugabe tells journalist 'to go to hell'

ROBERT Mugabe told a Cape Town journalist he could "go to hell" after he asked what the Zimbabwean president called a racist question at a press conference in the city.

The reporter, Mr Sam Sole of the Sunday Tribune, asked Mr Mugabe whether, given the fact that politics in the region were moving away from apartheid, his government was going to move away from "the policy of blaming whites in Zimbabwe for your problems".

"That is a very naughty question. I don't accept it at all," replied Mr Mugabe.

"My government has embraced whites and you know that. We follow a policy of national reconciliation. Ian Smith (former Rhodesian prime minister) is still there. We blame him for the past, but we say bygones are bygones.

"But, we won't have whites who remain racist and if you are asking that as a racist I might as well say: You go to hell."

Mr Mugabe later referred to Mr Sole's question as "racist".

■ The Zimbabwean government has confiscated 17 commercial farms in terms of its controversial Land Acquisition Act, to redistribute land to black peasants.

No arrangements for compensating the owners has been made, officials of the Commercial Farmers' Union (CFU) said yesterday.

They said government officials had been posting or hand-delivering letters to farmers since mid-May stating: "The President has acquired this land."

The farms became the property of the State on March 16 and the owners were given three months to leave.

"In other words, the owners have been farming on property not belonging to them for three months," CFU director David Hasluck said. — Sapa.

(662) ARG 11/6/94

Stinging attack on IMF loans

From JOHN CAVILL

LONDON. — The number of Zimbabwean women dying in childbirth in Harare more than doubled in the two years after the country embarked on its structural adjustment programme imposed by the International Monetary Fund. (362) (186)

In a stinging condemnation of the impact of IMF and World Bank policies on Third World economies, the World Wide Fund for Nature and Christian Aid said yesterday they were "hurting and not working".

The report said the IMF and World Bank should "drastically revise the terms under which they lend money to poor countries, greatly increase their accountability and adopt more democratic working methods".

It claimed conditions set by the two institutions to reduce poverty and promote sustainable development had failed.

The report lists a string of examples of the damage done by similar programmes in Third World countries, saying growth had been in larger, richer countries with access to foreign investment and aid. They had not helped the poorer countries.

Citing Zimbabwe, the report said its programme had led to health spending falling by a third and a 14% drop in real per capita outlays on education.

Exchange controls a major block to foreign investment

BIDay 13/6/94

JIM JONES

360 362

foreign-ownership 95 14

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 investments; for no capital gains tax; and for a continuing demonstration that the government of national unity can work together.

"Keep on surprising us," was Jackson's injunction to the bevy of Cabinet Ministers and union bosses at the meeting.

If we are to attract investment from abroad, we cannot afford to send mixed signals to the international investment community. Under pressure from the IMF, Zimbabwe has relaxed exchange controls yet persists in nationalising well-managed private farms, justifying it with populist rhetoric.

Criticism does not sit well with Zimbabwe's President Robert Mugabe, whose autocratic rule is based more on an ability to dole out patronage than on sound market economic policies. He is one of his country's own worst enemies with his rambling and prolix presentations to international investors.

The contrast with presidents and cabinet ministers from Mozambique, Zambia and Tanzania is palpable.

Tanzania's President Ali Hassan Mwinyi had a more focused vision. He supports regional economic integration, but makes it plain that he does not see that as entailing economic domination by SA. He promotes Tanzania's investment attractions effectively and makes it clear that a common market, narrowly based on free movement of goods, is not the best option. A unitary market that permits a free flow of people and capital as well as goods is, he believes, preferable.

But, perhaps, Zimbabwe has to suffer as its neighbours did before it abandons its half-baked economic policies in favour of those that will more surely stimulate its economy.

There are many ways of skinning the economic cat, but it was clear in Cape Town last week that SA has neither the time nor the luxury of being able to implement appropriate economic policies piecemeal.

Delegates to the World Economic Forum's meeting support SA, but they have few illusions about what and when we must deliver if we are to attract the foreign investment needed to turn our economic aspirations into reality.

Zim, SA sign deal on bridge

CT 17/6/94

PRETORIA. — South African Minister of Transport Mr Mac Maharaj and his Zimbabwean counterpart, Mr Dennis Norman, signed a memorandum of understanding yesterday on a new bridge between the two countries at Beitbridge. (362)

The bridge, to be built by the Zimbabwean government, will be completed by the end of the year to handle increased traffic. — Sapa

Aids deaths

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GWERU. — Aids-related illnesses account for about 90 percent of deaths in Zimbabwe, the Ziana News Agency quoted Health Minister Mr Timothy Stamps as saying here yesterday.

More than half a million Zimbabwean children are expected to have been orphaned by the turn of the century.

Mr Stamps told 300 school principals — who had gathered here for a conference on Aids in schools — that the government could no longer refuse to address the pandemic.

Of Zimbabwe's 10,4 million people, 130 000 have full-blown Aids and a further 800 000 are HIV-positive. — Sapa-AFP

CT 17/6/94

Aids linked to 90% of deaths in Zimbabwe

ROBIN DREW
Argus Africa News Service

HARARE. — Ninety percent of deaths in Zimbabwe are now thought to be Aids-related, said Health Minister Timothy Stamps.

ARG 20/6/94

Health officials said estimates put the number of HIV-infected people at 800 000 and by the end of this year the number of full-blown Aids cases was likely to reach 120 000.

The figures were given at a conference of schoolteachers who were told that emphasis must be placed on protecting new generations.

Teachers were told they had to be in the forefront of the battle to teach children how to handle, control and prevent the spread of Aids.

Dr Stamps warned that condoms were only 80 percent effective in preventing the spread of HIV. Dedication to one faithful partner was the best way to counter the spread of the disease, he said.

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By the turn of the century Zimbabwe expects to have 500 000 Aids orphans in need of care.

Zimbabwe opens its arms to — and consulates in — SA

TOS WENTZEL
Diplomatic Correspondent

362 ARG 20/6/94

ZIMBABWE has opened a consulate in Cape Town, declaring itself "very happy" about the change in its relations with South Africa and anxious to renegotiate the trade agreement between the countries.

Acting Zimbabwean High Commissioner Chitsaka Chipaziwa, on a visit to Cape Town, said his government was particularly concerned about some import duties on goods such as textiles, which made them uncompetitive in the South African market.

Zimbabwe, he said, would strive for fewer restrictions in future.

The balance of trade was very much in South Africa's favour. In 1993, it exported goods valued at R1 748 million to Zimbabwe and imported goods valued at R664 million.

Mr Chipaziwa said Zimbabwe had never been in a position to apply sanctions fully. In the new era, it was poised to become a fully-fledged trading partner of South Africa. There could be a boom in tourism in both countries.

Mr Chipaziwa

Zimbabwe was looking forward to a speeding up of the movement of goods, services and people across a common border.

The issuing of visas was no longer one of the big functions of a Zimbabwean mission in South Africa. Visitors could obtain visas now at the Beit Bridge border crossing or on arrival at Harare Airport.

The opening of a consulate in Cape Town, with the opening of a High Commission in Pretoria — the Commonwealth equivalent of an embassy — and another consulate in Johannesburg, finally brought to an end the days of bitter enmity and the minimum of contact between the two countries.

Relations had been thawing gradually, but up to now there had been only a Zimbabwean trade mission in Johannesburg which maintained some tenuous contact during the apartheid era.

South Africa in turn had such an office in Harare and now also had a High Commission there.

Mr Chipaziwa said: "Restrictions in the cultural and sports fields also have been removed. The change of course came about because South Africa now has a democratically-elected and representative government.

"As President Mugabe has put it, Zimbabwe can now have restful nights instead of anxious nights during the dark times of destabilisation."

The new consulates will concentrate mainly on the development of trade links.

The Cape Town office especially would monitor political matters of importance to the southern Africa region, especially when parliament was in session. It also would look after the interests of Zimbabweans in the area.

The acting consul in Cape Town is Ms Faith Muguti. She came here from being first secretary (political affairs) at the Zimbabwean embassy in Addis Ababa. The offices are at 55 Kuyper Street in Zonnebloem, ☎ 46-24349.

2-million face food shortage

MASVINGO — At least 2-million people — a quarter of Zimbabwe's population — in remote rural districts face food shortages two years after surviving the worst drought in living memory.

Aid organisations say although Zimbabwe has surplus food in reserve , its southern areas are running desperately short.

"The irony of our problem is that we have plenty of food around but some areas have very little because the rains were poor and because individual family stockrooms are still empty after the 1992 drought," said an agriculture ministry official.

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A fifth of the 2,1-million people in Masvingo have registered for drought relief compared to about 80% during the 1992 drought. The Zimbabwean government spent about Z$2,3bn in importing and distributing food after the drought.

Queues for food aid have formed around the country.

Clinics in drought-hit areas have reported a sharp rise in manultrition-related diseases, while teachers say children need supplementary feeding.

An official said getting aid to the hungry has been slow because of transport problems and the need to verify claims for aid.

But some of the hungry are not convinced."There is no excuse for people to go hungry in this country. Some of our inefficient officials have a habit of hiding behind bureaucracy," said Shepherd Chemagora of Masvingo. "Why is it that transport is only in short supply when it comes to supplying essentials, yet these same officials find transport to take people to political rallies every other day?" — Sapa-Reuter.

ssive speech to ers- occupied the advertised sites.

Mugabe seeks SA trade deal

BIDay 21/6/94

HARARE — Zimbabwean exporters, crucial to the country's economic revival, hope SA's new government will quickly revive a preferential trade pact.

The Harare government says it plans "vigorous" talks with Pretoria to renew the pact, which dated back to 1964 but which SA's previous rulers allowed to lapse.

Economic analysts say the renewal of the agreement, which covered annual two-way trade worth at least $250m, could take time because Pretoria is preoccupied with domestic issues and the present trade arrangements suit it.

"It seems the South Africans are not particularly concerned to get the trade accord renewed too quickly because they benefit more as things stand now," a bank economist said.

"They want to give their industries time to prepare for competition."

Zimbabwe's President Robert Mugabe said during a visit to London in May that he hoped for a new trade pact towards the end of the year.

Political analysts said it appeared unlikely that SA would approve a bilateral agreement before a planned review of overall relations with the countries of southern Africa.

One analyst suggested other countries in the region, including SA's partners — Lesotho, Swaziland, Botswana and Namibia within the Southern African Customs Union, would oppose preferential treatment for Zimbabwe.

The same reaction might also be expected from other countries who are members of the 10-nation Southern African Development Community, which SA is due to join at its annual meeting in Tanzania in August.

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SA's new Trade Minister, Trevor Manuel, said last month he would promote a rationalisation of economic organisations in the region.

"We will certainly take the initiative, but it's not going to be unilateral stuff. It may be more protracted than we would like," he said.

In allowing the trade pact to lapse, thus imposing 50% duties on Zimbabwean goods, Pretoria said it was protecting its own industries, mainly textiles and clothing, from unfair competition. It hit most Zimbabwean exports to SA, its biggest trading partner in the region, and forced Zimbabweans to look for new markets in Europe and Asia which sharply increased transport costs.

The analysts saw the action by SA in part as punishment for Zimbabwe's continued hard-line attitude towards SA's white rulers.

Mugabe was one of the most vociferous opponents of apartheid despite his country's heavy dependence on trade and transport with SA.

Zimbabweans now are eyeing a range of SA markets, including the construction industry which they expect to boom as SA embarks on a programme to build millions of houses.

Kapil Kapoor, chief economist in Zimbabwe for the World Bank, said: "There is evidence of some vertical integration in the two countries' economies, with Zimbabwean manufacturers especially making components for SA firms, given the sizeable wage differential between SA and Zimbabwe." Sapa-Reuter.

THE STAR / MO

Fears of violence in run-up to Zim election

Star 27/6/94

(362)

Harare — President Robert Mugabe on Saturday urged Zanu (PF) supporters to intensify controversial house-to-house election canvassing that has triggered recent political violence.

Addressing the ruling party's consultative assembly in Harare, Mugabe said that even though small opposition groups posed little threat in the national election scheduled for next year, his party should not relax its preparations for the poll.

Youth-wing members involved in door-to-door canvassing have been accused of harassing opposition supporters in their homes.

The canvassing led the Forum Party of Zimbabwe (FPZ), the biggest opposition group, to advise its members to defend themselves with axes and spears.

The fears of violence in the run-up to Zimbabwe's third post-independence election intensified on Friday with Zimbabwe Unity Movement leader Edgar Tekere's call on able-bodied Zimbabweans, irrespective of their political affiliation, to form an "Angels-with-Swords" army to retaliate against Zanu (PF) attacks.

MUGABE tells his supporters to step up house-to-house canvassing

His call came days after two other opposition parties had told their supporters to arm themselves with spears and arrows in case of attacks by Zanu (PF) youths — and only hours after Mugabe had warned his political opponents that, if attacked, his party had more and better weapons than them.

Tekere suggested the opposition army should be armed with axes, spears, arrows and guns, but not bombs.

The looming violence was sparked by Mugabe's call last month to his party's youths to go on a house-to-house campaign to drum up support for Zanu (PF) ahead of the election.

The call was seen by the op position and human rights bodies as an incitement to the political clashes that marred the previous two elections.

Former chief justice and FPZ leader Enoch Dumbutshena responded by urging his supporters to keep axes and spears at home to defend themselves in case they were provoked by Zanu (PF). He said that the law allowed people to act in self-defence.

Zanu-Ndonga leader Ndabaningi Sithole supported Dumbutshena's call. — Sapa-AFP.

Strife in Zimbabwe wildlife department

■ BY ROBIN DREW
STAR AFRICA SERVICE

Chaos reigns in Zimbabwe's Department of National Parks and Wildlife Management following allegations of corruption, mismanagement and factional infighting.

Even the semi-official Herald newspaper warned last month that strong measures were necessary to avert a collapse.

Morale among officials is low and, according to reports, donor funding is being withdrawn.

The latest scandal to hit the headlines concerns claims that Vice-President Joshua Nkomo was allowing wealthy friends from Austria unlimited access to hunting in the Zambezi Valley.

When a senior official tried to defend Nkomo, conservationists hit back, saying political intrigue and high-level bureaucratic interference were common in the department.

Calls have been made for a commission of inquiry into the affair.

Zim parties want army

CT 27/6/94 (362)

HARARE. — Fears of violence in the run-up to Zimbabwe's elections intensified last week with the opposition wanting to start an army to counter attacks by the ruling Zanu-PF.

Leader of the Zimbabwe Unity Movement, Mr Edgar Tekere, called on Zimbabweans to form an "Angels-with-swords" army for retaliation.

Two other opposition parties had previously told their supporters to arm themselves with spears and arrows in case of attacks by Zanu-PF youths — and President Robert Mugabe had warned his political opponents that if attacked, his party had "more and even better weapons".

The looming violence was sparked by Mr Mugabe's call last month to his party's youths to go on a house-to-house campaign to drum up support for Zanu-PF ahead of the elections due early next year. It was seen by the opposition and human rights bodies as an incitement to more political clashes. — Sapa-AFP

PTO ⇒

SOUTH AFRICA

The world rejoiced on 10 May when Nelson Mandela was inaugurated as South Africa's president. It has been an extraordinary couple of months, so extraordinary that it is easy to forget the change that the country will have to go through as its new government takes hold and it is accepted back into the international community. Not least, for instance, the enormous demographic mismatching between its population and its business community.

Black people represent less than 1% of senior managers and 2.5% of managers, against a national black population of 75%. The same is true of the accountancy profession. Ten years ago, there were just five black chartered accountants in South Africa. Today, there are 64.

Black accountants who have qualified in the past have had to fight not only apartheid and prejudice, but an education system that is more of a handicap than an advantage. White schools always received a preposterously large share of education funding, and few black students have heard of concepts such as computer training, let alone experienced them. And once they leave school, they find that training offices only accept graduates, yet the cost of attending university amounts to four times a rural black family's average annual income.

'The drive to recruit more black accountants relates to South Africa's entire education system and not just to our institute,' says Peter Wilmot, president of the South African Institute of Chartered Accountants. The institute has around 13,500 members, of which between 600 and 700 are non-white. The institute is currently growing at a rate of about 3% a year, and has lost quite a number of its members to emigration in the past – either because of recession or their objection to the political climate.

The institute has already started adjusting for South Africa's 'emergence from isolation', modifying the profession's standards to accord with international requirements and encouraging a competitive atmosphere. 'The election was very positive and our clients are very positive,' says Mr Wilmot. 'The whole country is looking forward to a considerable economic upturn. I hope this mood will last.'

Nelson Mandela: Demographic mismatching to tackle

The institute has long recognised the need to promote the profession among the black community and in the late 1980s joined forces with the former Association of Black Accountants of Southern Africa to create a number of bursaries every year for disadvantaged South Africans wanting to study accountancy. At the same time, it also began encouraging firms to subscribe to a voluntary code of employment stating that at least 10% of their employees were black. 'The institute and the firms are making a large effort but it is not something that we are going to see happen overnight,' Mr Wilmot adds.

'We have been fairly successful in promoting the image of black accountants and accountancy as a profession for young blacks, but more can still be done,' says Juneas Lekgetha, president of what used to be known as the Association of Black Accountants of Southern Africa. As a reflection of the changing atmosphere in South Africa – and its success – ABASA changed its name to the Association for the Advancement of Black Accountants last year, and now has a large number of white members. 'Anyone who shares our vision can be a member,' Mr Lekgetha says.

The Association, along with the institute, has made a point of visiting black schools and has been highly successful in planting the idea of the profession in a younger generation that up to now has only had black doctors and lawyers to emulate, Mr Lekgetha believes. 'There are more role models coming through now, which makes a difference,' he says. Mr Wilmot agrees. 'If you asked a black child what he wanted to be, a lawyer or doctor was the thing. Accountancy was never a profession that excited them. But I think the message is beginning to filter through, because recently we have been inundated with enquiries about bursaries.

The ultimate aim, of course, is that the image of the profession and black accountants becomes so intertwined that the institute and the Association mean essentially the same thing. 'ABASA grew out of the apartheid day and now that things have changed, I suspect its need will fall away,' says Mr Wilmot. Mr Lekgetha, however, is not so sure. 'We have questioned this and we will continue to review our role. But this is not something that is going to happen quickly – I expect we will still be here in 10 years' time.'

CHANGING PLACES

It's that time of year when the presidential medal is slipped over the heads of new office-holders – the ACCA, CIPFA and the Scottish and the Irish Institutes of chartered accountants have all elected new presidents for 1994/95.

But this year is different in that tradition has been broken: Primrose McCabe has become the first woman president of the Scottish Institute. And because of that, she says, 'it makes it more important to do the job well'.

Mrs McCabe also bucks the presidential trend of having big-firm office-holders by being the senior partner of her own small, four-partner firm.

She plans to meet as many members as possible during the year and is on a roadshow this month 'to hear what members have to say and ensure that we are doing what they want us to do'. Quality is her theme for the year – which she feels should be put back on the agenda for members after it was lost sight of during the 1980s.

McCabe: First woman

John Moore, from four-partner Belfast firm Mooney Moore became the ACCA's new president last month and his focus will be on the smaller business sector. 'Discussions on restructuring the profession will also continue,' he said. 'Rationalisation will come, but I don't like to see railroading – at the end of the day it has to be what the members want. The better the discussions we have now, the better the eventual marriage will be.'

Joe Gannon, a partner in Gilroy Gannon in County Sligo, Ireland, became the new Irish president on 6 May, and Richard Tettenborn, treasurer of Staffordshire County Council, will take up the presidency of CIPFA in September.

Bad news and bad timing

FM 1/7/94

Exchange control liberalisation and government spending have shattered hopes of interest rate cuts in Zimbabwe this year.

At a time when recovery is flattening and President Robert Mugabe's government is anxious to kickstart the economy before February's general election, this is a big letdown for business and politicians.

With money supply up 37% in the first four months of 1994 and inflation rebounding to 23,7% in April, from a two-year low of 18,55% in January, the Reserve Bank of Zimbabwe was forced to tighten monetary policy.

The bank raised its rediscount rate from 28,5% to 30%, pushed up the statutory reserve ratios of banks from 13,5% to 17,5% from June 15 and closed its discount window, making the banks borrow from the discount market instead. The moves came as a surprise after repeated Ministerial assertions that lower interest rates were around the corner.

Just what role — if any — was played by the IMF, whose team was in town in May looking at the books, is unclear, but the episode at least has the ring of central bank independence, since the politicians are dismayed by this latest turn of events. Only now is reality beginning to sink in as the commercial banks push up lending rates by two percentage points to around 30,55%.

This is certain to provoke anguished howls from small-scale black business in particular but also from farmers and industrialists who, for once, will share the government's dismay.

In the past, it's been easy to attribute excessive monetary growth to high levels of government spending. This is only part of the story now. In its May bulletin, the central bank says that in the year to April, public sector borrowing increased by Z$2bn and net foreign assets $3,2bn. The latter represents inflows of direct and portfolio investment and some repatriation of capital as Zimbabwean residents and companies take advantage of the foreign currency accounts introduced over the past year.

While all this has been going on, private sector borrowing has been ominously flat, rising a mere 5% over the past year, which means it has fallen about 17% in real terms. This is perhaps the best indicator of the sluggish nature of the recovery, though some companies have substituted cheaper foreign borrowing for local funding, suggesting the situation might not be as bad as the bank lending numbers suggest.

The most recent industrial output figures show manufacturing production rose a handsome 19% in the first four months of the year. But the figure reflects the rebound from a six-year low, after two years in which industrial output plunged 17% to its lowest point since 1987. Indeed, in the first four months of 1994, manufacturing output was 13% lower than in 1992 and 5% down on 1991 levels.

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It was always clear that the country would experience double-digit output growth in the first half of the year but this is likely to have fallen below 10% by the final quarter.

The interest rate increase will retard recovery and deter investment. With Reserve Bank officials gloomily predicting inflation of at least 24% this year, down from 27,6% but still way above the 15% target, there is little scope for a rate cut during 1994. And wage pressures are building after government signalled to the private sector that awards of 15%-23% are acceptable.

Civil servants and the security forces are getting a rise of 10%-23% at a cost of $1,7bn. This will add 12% to government spending in the coming financial year, almost certainly forcing Finance Minister Bernard Chidzero, or his successor if he is not well enough to present the budget on July 28, to find new sources of revenue.

Spending cuts and cost recovery will figure in the 1994 budget because there is little scope for increased taxes except on luxuries such as alcohol and tobacco. Some import tariffs have been raised, more to protect manufacturing than to gather extra revenue.

Reliance on tight monetary policies to offset fiscal expansion seldom pays dividends. The government is conscious of this and of the growing impatience of the IMF and World Bank with Harare's failure to get its fiscal act together.

Whether July 1994 — just seven months ahead of the 1995 elections — is the right occasion for fiscal restraint is another matter. The politicians, already angry at what is happening to interest rates, want more, not less, spending and lower, not higher, taxes.

The most likely outcome is a smoke and mirrors budget that fudges the real issues, postponing painful decisions until Mugabe's ruling Zanu-PF has won its fourth successive overwhelming election victory, though on a low turnout.

Zimbabwe faces test land hearing

Star 5/7/94

Harare — Three Zimbabwean white farmers will test the validity of State legislation allowing seizure of their farms when they seek annulment of the law in Zimbabwe's High Court today, their lawyer said.

"The main argument will be that land designation — earmarking the farms to be bought by the government — is unconstitutional," lawyer Richard Wood told Reuters.

He gave no details, but said he expected the landmark court case to go ahead as scheduled, despite reports that it was likely to postponed.

President Robert Mugabe's socialist government, using the Land Acquisition Act passed in 1992, has "designated" some 70 farms, most of them owned by the country's white minority, in a bid to resettle hundreds of thousands of landless blacks.

The government says it is duty-bound to resettle the landless because they were illegally thrown out of their original homes by white governments of the former Rhodesia.

But Zimbabwe's 4 500 white farmers, owners of 70 percent of fertile land in the southern African country, complain that the law does not allow them to challenge the State's decision to take over their properties nor the compensation offered.

Mugabe, facing an election within the next 10 months, has said he will not countenance whites challenging the Act in court because they obtained the land illegally when whites settled in Rhodesia in the 1890s.

"The land belongs to blacks. The whites did not pay a penny for it when they illegally took it over. Let the people have their land," he said earlier this year.

The land question is a burning one in Zimbabwe, where tens of thousands of the 10 million blacks launched a guerilla war led by Mugabe and black nationalist Joshua Nkomo in the 1970s largely to get repossession of the land.

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The farmers also say that resettled blacks will not have farming skills and the resettlement plan could result in food shortages for Zimbabwe, normally a food exporter to its poorer neighbours.

The government says farmers use this and other reasons to hold back its moves to transfer control to blacks of the agriculture-based economy, still dominated by the country's 100 000 whites.

One political commentator, who declined to be named, said today's court case could have immense ramifications on the future of the government's resettlement programme and, possibly, future black-white relations.

"If the court throws out the government's right to designate land, the whole programme would be in trouble. Some hawks in government, maybe supported by most blacks, might want some action against those whites seen as unpatriotic," he said.

"On the other hand, if the government wins the case, the resettlement programme will be on course. But some investors might worry about their future in the country, rightly or wrongly, as this case is distinctly an issue about land and not property ownership in general."

Despite the 1970s guerilla war in which tens of thousands of blacks were killed, black-white relations in Zimbabwe have remained largely amicable. — Sapa-Reuter.

Zim trial: Prosecutor slams press

HARARE. — The prosecutor at the trial of a Scottish-born Zimbabwean doctor accused of killing five patients hit out yesterday at press coverage of the widely publicised case. CT 6/7/94

Dr Richard Gladwell McGown, 54, who has been practising in Zimbabwe since 1968, pleaded not guilty to five counts of culpable homicide when the case opened on Monday after several postponements.

The charges were levelled in 1992 after a parliamentary committee reported that Dr McGown had killed some patients while experimenting on the effects of high doses of spine-injected morphine on black women and children. (362)

Attorney-general Mr Patrick Chinamasa, on the second day of the trial, said he was particularly unhappy with the coverage by the semi-official Herald newspaper and the monthly magazine MOTO, published by the local Catholic Church. An issue of the magazine features a picture of Dr McGown's head on its front page labelled "untouchable".

The leading article accused Mr Chinamasa and Zimbabwean health minister Mr Timothy Stamps of trying to cover up Dr McGown's court case.

"They are convicting him and I must say I really take the strongest exception to newspapers and press reports usurping the functions of the courts," Mr Chinamasa said. — Sapa-Reuter

R17m now owing to council

CT 6/7/94

By EUNICE RIDER

THE arrears of City Council housing schemes have topped R17 million — about R10m up from last year — and the council believes people are holding back their rent because of the recession and in the hope of debts being writen off.

A senior council treasury official last night confirmed the council's housing branch figures claiming that tenants and homeowners had fallen behind by an average rate of R600 000 a month in the last year.

Further R10m

He said the problem of non-payment was aggravated by the economic recession and state announcements about the possible writing off of debts.

The official, who did not wish to be named, said the R17m in arrears to the council did not include arrears in rates payments or water and electricity supplies.

He said rates arrears amounted to a further R10m to R11m.

Mr Salie Manie, a National Assembley member on the standing committee on constitutional affairs, said the ANC would not call on people to pay their arrears until more representative local government structures were in place.

Write-offs

But people should not use the possibility of debt write-offs for unfair personal gain, he said.

Mr Manie said his general belief was that all people should pay for services rendered because without payment no services would be possible.

He said the possibility of debt write-offs were to have been discussed at local level but community leaders were still busy setting up more representative local government structures in the Western Cape.

BLIND AMBITION ... Mr André Vosloo, switchb
Brigadier David Ackerman when he congratulated
to qualify as a public relations officer.

Oliver 'made death threat'

Own Correspondent

PORT ELIZABETH. — "You'd better f*** off out of the house or I'll kill you," Brazilian murder accused Mrs Nina Oliver allegedly told a woman who had shared a house with attorney Mr George Kellerman.

This was heard by the George Magistrate's Court

Zimbabwe export conference

BIDay 7/7/94

HARARE — Leaders of Zimbabwe's key export industries opened their annual meeting yesterday, seeking sharper cuts in state spending and bigger investor incentives to lift the economy.

The Confederation of Zimbabwe Industries was also hoping President Robert Mugabe's government, which has been at odds with private enterprise in the past, would agree to more consultation with industrialists on development strategies.

Zimbabwe, undergoing painful economic reforms that have led to sweeping price rises, hopes its exporters will be the main engine for development, and lift the economy from annual growth of about 4% this year. Last year the agriculture-powered economy grew just 2% after plunging an unprecedented 12% in 1992, dragged down by the worst drought this century.

Confederation CE Mike Boyd-Clark praised state plans to trim the size of the army, to rein in state spending that eats up nearly 50% of GDP, but said industry expected bigger cuts to reduce a widening budget deficit.

Zimbabwe's deficit this financial year, which ends this month, is expected to be 10% of GDP. Government says it will halve this in the 1994/95 fiscal year.

Heavy state borrowing from the local money market in the past six months has pushed annual inflation up to 25% after it fell to 19% last December. This has triggered a sharp rise in interest rates to 36% from 28% a month ago.

(362)

The World Bank and the IMF, main backers of Zimbabwe's five-year economic reforms due to end next year, have often said that high state spending was threatening the success of the reforms.

Boyd-Clark said the confederation would urge government, whose ministers will attend the meeting, to take further steps to improve the investment climate. These could include cutting personal and corporate taxes and allowing all firms to remit 100% profit and dividends.

"Given that our main neighbour SA, is now free and perceived by many as having a better investment climate than Zimbabwe, our government has to take extra steps to ensure we don't lose out," he said. — Sapa-Reuter.

World Bank warns Zim

(362)

CT 12/7/94

HARARE. — The World Bank, main backer of Zimbabwe's economic reforms, warned yesterday that the reforms could crumble if the government did not bring about tangible benefits such as employment to ordinary people.

Mr Kapil Kapoor, the bank's chief economist in the country, said the government needed to sweep away remaining obstacles to investment and growth and generate employment for the unemployed, who are growing in number.

"Unless the economic reform programme is seen to generate benefits for everybody in this country, the very encouraging policy changes of the past two years will have been wasted," he told economists here.

"Indeed many of these changes might be reversed and an important opportunity for a fundamental restructuring of the economy will be missed," he added.

Zimbabwe's five-year reforms, due to end next year, have resulted in sharp price rises in most basic goods, prompting widespread public discontent.

Zimbabwe's unemployment stands at 25% of the workforce, he noted.

The new thrust of the reforms should be to boost competitiveness of Zimbabwean exports and increase investment, both local and foreign, he said.

There was also a need to privatise loss-making state-funded companies and to remove state legislation that hindered growth, he said. — Sapa-Reuter

SA may rethink trade pact with Zimbabwe

BDay 20/7/94

JOHN DLUDLU

THE SA government is considering Zimbabwean government proposals to change the current bilateral trade agreement, to reduce tariffs between the two countries.

The Trade and Industry Department said yesterday that government had received proposals from Zimbabwe to amend the existing agreement, which was signed in 1964. "These (proposals) are currently under consideration," it said.

The current agreement provided preferential tariffs on various products on a reciprocal basis. (362) (...)

The statement came after several public announcements by Zimbabwe's President Robert Mugabe on the need for a reduction of SA tariffs on Zimbabwean exports. The matter had been raised on several occasions with the officials of the former and current SA governments.

Mugabe and President Nelson Mandela have met twice previously to discuss the issue and its negative effect on Zimbabwean exports.

A leading Zimbabwean industrialist said Mugabe had come under pressure from industrialists to renegotiate the deal following the scrapping by SA of preferential tariffs on textile imports from Zimbabwe.

This measure had been taken by SA to limit the import penetration which was eroding profits in the local textile industry.

SA Foreign Trade Organisation economist Carlos Teixeira said it would be crucial for SA to reduce tariffs imposed on goods from Zimbabwe, which was SA's largest trading partner in Africa.

Teixeira said Zimbabwean products had continued to suffer the problem of uncompetitiveness caused by high tariffs despite the rebates they received in terms of the 1964 agreement. The scrapping of certain tariff agreements in 1992 affected Zimbabwean imports of foodstuffs, textiles and base metals.

Amendments to the existing agreement would have to fit within current regional arrangements like the Southern African Development Community, SA Customs Union and the Preferential Trade Area.

Negotiators had to be careful that bilateral agreements did not undermine efforts towards regional integration, Teixeira said.

A study by the African Development Bank on regional integration cited bilateral agreements as one of the barriers to regional economic integration initiatives.

Voter apathy as Mugabe men win

HARARE. — President Robert Mugabe's ruling Zanu-PF this week won two parliamentary by-elections by large majorities, dealing a blow to opposition dreams of ousting it in the general elections in March next year. (362) CT 22/7/94

But the by-elections also confirmed an overwhelming apathy among Zimbabwe's voters after 14 years of rule by Zanu-PF (Zimbabwe African National Union-Patriotic Front), and brought to light a new example of factionalism within the ruling party.

Just 23% of registered voters bothered to turn up at the polls for the urban constituency of Zengeza outside Harare, and only 21,7% voted in the rural Gwanda North constituency.

And in Zengeza, two candidates stood for the ruling party, each backed by a different faction.

Even the second-placed Zanu-PF candidate beat all opposition contenders, but the fact that he ran at all must be seen as an ominous sign of discontent within the party which has ruled Zimbabwe since independence in 1980. — Sapa-AFP

Macmed clinches major contract in Zimbabwe

MARC HASENFUSS 362
Business Staff ARG 23/7/94

MACMED Health Care is set to announce a key acquisition in Zimbabwe, directors revealed at the annual meeting in Cape Town yesterday.

MD Don McArthur did not attend because he is in Zimbabwe finalising the deal.

Directors noted that Macmed's recently awarded World Bank contract, worth R1 million, had helped the group secure the Zimbabwe deal.

They would not disclose the name of the company to be acquired, but said it was an operation similar to Macmed.

"Negotiations are almost finalised for the acquistion that will strategically enhance our export capabilities and full details will be disclosed within the next few weeks."

"The World Bank tender awarded a few months ago will pale into insignificance once MacMed has established itself north of our borders."

The group, which has earmarked exports as a big investment area for the year ahead, will use the Zimbabwe operation as a base for medical supply sales to the rest of Africa. Directors estimated that exports, mainly wound-dressings, bandages and adhesives, could make up about 10 percent of Macmed's turnover in the year ahead.

"Exports are the way to go, especially with the depreciating rand."

New Zim budget to lure voters

CT 29/7/94 (362)

From MICHAEL HARTNACK

HARARE. — Zimbabwe's Acting Finance Minister Mr Emmerson Mnangagwa tabled what he described as a "standstill budget" yesterday, evidently tailored for voters in advance of next year's elections here.

Mr Mnangagwa offered lower tax rates, restored export incentive payments of R23 million and continued subsidies of R500 million, although last year's budget deficit exceeded its target by 47%.

He hoped to reduce inflation from the officially conceded 25% to below 10%, limiting the deficit to five percent on this year's R9,4 billion budget.

Mr Mnangagwa said Zimbabwe was caught in a vicious circle from which the only escape was "making sure we spend in line with what we collect in revenue. We must have the discipline to live within our means if we are to reform our economy".

He increased the individual tax threshold from R2 700 a year to R4 000 (on which 20% is payable), with a new ceiling of R27 000 instead of R21 000, for a top tax rate down five percent to 40%. Company tax was reduced from 40% to 37,5%.

Professor Anthony Hawkins of the University of Zimbabwe's Department of Business Studies described the budget as "pro-growth and pro-investment", but warned the country was in a debt trap.

WANKIE COLLIERY

Needs strong nerves

FM 5/8/94

Nothing better encapsulates the phrase roller coaster than the recent performance of Wankie Colliery. It has yo-yoed around the income statement bewilderingly: disaster in 1990, looking good in 1991, dreadful in 1992, hopeful in 1993, opulence in 1994.

(362)

What a change the last year has seen. Turnover rocketed 57% to Z$445m (1993: $284m). Profit rose 66% to $86,4m, an improvement of 66% which is grossly understated because of a change in accounting policy.

Hard on the heels, however, of improved profitability comes, says chairman N Kudenga in his annual statement, the taxman. The directors believe they need to be prudent; so deferred tax provisions have been introduced at the whopping rate of

... around 77c instead of the 51c reported.

The latest report reveals that 5,4 Mt of raw coal were mined last year, to produce sales of 4,7Mt (1993: 4,6 Mt). This tiny increase sits strangely with the huge improvements in turnover and profit and illustrates that the arbitrary pricing system applied by the Zimbabwean government was at least stable during the year, a welcome change.

For all the startling improvement in income, however, the balance sheet provides the greatest interest. Borrowings have gone into orbit: $31,8m in 1992, $49,6m in 1993 and $184m this year. Of this, by far the biggest consumer is a coke oven gas pipeline project to transmit gas from the mine's ovens to the Hwange Power Station, the country's most important thermal generator; $92m has already been applied to the scheme, which will replace about 15 000 t/year of imported diesel fuel. MD Kudzai Bwerinofa says it will save Zimbabwe more than $30m/year in foreign exchange.

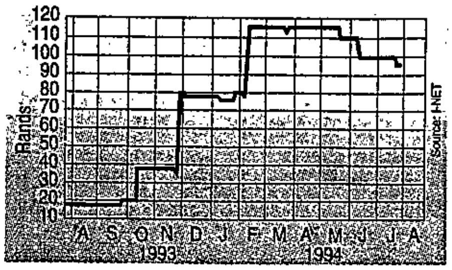
FM 5/8/94

In all, capex consumed $190m over financial 1994 with an open-cast supplementary stripping project swallowing $58m. Bwerinofa says this was essential because overburden depths were such that it was no longer possible to expose sufficient coal reserves to satisfy the market. And, by the way, the list of lenders provides a star-studded example to SA companies: International Finance Corp (an arm of the World Bank), Barclays, First National of Chicago, West Merchant, Commonwealth Development Corp.

When I last reviewed this company — almost a year ago — I described Bwerinofa as full of hope that consumption would increase in a resurgent Zimbabwean economy. And the chairman said he hoped

(362)

Wankie Colliery



Wankie would manage an 8c a share dividend. Given the difficulties associated with performing well in an interventionist economy, I said — tongue in cheek — that would be a tribute to the company's managers.

I have been proved comprehensively wrong. Bwerinofa and his team have indeed turned the tables. Modestly, he says: "We have achieved good results because we have worked as a team." Of course, sharing glory is the universal hallmark of good managers.

Nevertheless, and though the share price has moved to SA95c on a huge increase in the number of shares (created by a three-for-one bonus issue in October), I remain cautious about a company which has to operate in a tightly controlled economy. Its end-product selling price is controlled by government *diktat* and that nearly produced a disaster last year.

I would like to be more upbeat about Wankie — it deserves it. But companies operating under the thrall of a command economy have little attraction for me. This share is for those with stronger nerves than mine, though I am bound to say that Bwerinofa, in his response to this report, says: "I am sorry you don't have stronger nerves. Wankie shares are a good buy at current prices. Even I am prepared to buy and I have no nerves at all."

Well, he would say that. He holds 109 680 shares.

David Gleason

DATES TO REMEMBER

Last day to register for dividends:
Thursday Aug 11: Lonrho 10,97c.
Friday Aug 12: Cons Murch 35c; Corwil 6c; Lonsugar ▲120,51c; Stocks & Stocks 6c; S & S Hold 6c; Umdoni ▼3,95c.
Meetings:
Monday Aug 8: Cenmag (Meadowvale).
Wednesday Aug 10: Boumat (Sandton); East Dagga; Elcentre (S) (Bedfordview); Investec; Inhold; Natrawl (Durban).
Thursday Aug 11: Anglos; Saficon (Sandton); Sakers (Sandton).
Friday Aug 12: Bonnita (S) (Stellenbosch); Invicta (Constantia); Lebaka (S) (Pietersburg); Roychem; Sondor (Cape Town).

All meetings are in Johannesburg unless otherwise stated.
S = Special meeting.
▲ = After non-resident tax.
▼ = Per linked unit.

ZIMBABWE fm 5/8/94

Pro-business budget

Business has welcomed Zimbabwe's 1994 tax-cutting budget, though not without reservations about the government's continued failure to tackle the problem of semi-State reform.

With Bernard Chidzero too ill to present the budget, acting Finance Minister, Emmerson Mnangagwa read an essentially pro-business and pro-growth programme, while also managing to cut the budget deficit to a forecast 5% of GDP next year, from 7,9% to 1993-1994.

Deficit reduction has been achieved by the simple — if unhealthy — practice of carrying forward about Z$2,5bn (US$310m) in semi-State losses, while selling assets worth Z$1bn to boost revenue. (362)

From April, corporate profits tax will be cut to 37,5%, from 40%, and customs duty on imports of approved capital equipment has been abolished with immediate effect and the surcharge on imports reduced to 10% from 15%. The top rate of personal tax will fall to 40% from 45% and apply to taxable income of Z$60 000 and above, compared with Z$48 000 at present. Tax thresholds have been raised, tax bands widened and the number of bands reduced from six to five. From April, individuals earning less than Z$9 000 will not be liable for tax. The threshold is Z$6 000.

The only tax increases are abolition of the 5% depletion allowance for the mining industry, higher excise duties on opaque (traditional) beer and soft drinks and the broadening of the services tax. From January all services, except those specifically exempted by the Minister, will incur the

fm 5/8/94

10% sales tax.

Other positive aspects include tax incentives for export processing zones, the appointment of a Cabinet committee to oversee the privatisation and commercialisation of semi-State enterprises and the decision to sell unspecified government assets. The expectation is that the government will sell some of its equity in listed companies, like Delta Corp (formerly a subsidiary of SA Breweries), Finhold (formerly controlled by the Nedcor group) and the pharmaceuticals groups, Caps.

The decision to cut taxes was no surprise. This is part of the country's structural adjustment programme agreed with the World Bank and IMF. It's also a vote-friendly move in the run-up to elections that must be held by April.

More surprising was the decision to sell assets and press ahead with privatisation. Neither sits well with a government that still today claims to be one of the world's few remaining repositories of socialism. Scarcely had the privatisation initiative been announced, when the pro-government *Sunday Mail* came out strongly against the move.

Given the political sensitivity, and the administrative problems involved, privatisation is likely to be a slow process and little will be done until after the country has voted.

All of this suggests that the country's public finances are in good shape. They aren't. In the year to June the deficit (before aid grants) was Z$3,1bn. Had the semi-State losses been taken into account last year, the true deficit would have reached Z$5,5bn or a whacking 14% of GDP.

To keep the IMF and World Bank happy, and also to sweet-talk the electorate, the losses are being carried forward for a further year. Only Z$500m is provided in subsidies this year, which means that Z$2,5bn, including interest costs, will be left over until the 1995-1996 budget and beyond. The losses were largely incurred by the State-owned Grain Marketing Board and the National Railways of Zimbabwe.

Had they been included in the current budget (1994-1995) the deficit would double to 10% of GDP. (362)

There is disappointment too with government's failure to cut public spending. Though President Robert Mugabe promised to reduce defence spending the allocation rises almost 11% to Z$1,7bn or 9,5% of the budget. Education accounts for over 20% and interest charges for an alarming 18% (Z$3,2bn). Central government debt rose 28% last year alone, accounting for 72% of GDP. Most of this increase was attributable to devaluation rather than fresh borrowing.

Brushing these problems aside, Mnangagwa painted a rosy picture of business prospects. Inflation would slow from 23,6% at present to 15% by the year-end and 10% by mid-1995. Economic growth will accelerate from 2% last year to 4,4% in 1994 and 5% next year.

The growth forecasts are more robust than his predictions of inflation. With money supply having risen over 40% so far this year, the economy is set for continued high levels of inflation and interest rates. The central bank predicts inflation of 24% in 1994 while some private sector economists believe it will go higher.

The long-awaited announcement on export processing zones is getting a mixed reception. Firms that export the bulk of their production (at least 75%) will get a five-year tax holiday and pay 15% corporate tax thereafter. They will be exempt from capital gains tax, nonresidents tax on fees, dividends, royalties and interest and all sales taxes and customs duties. Very few Zimbabwe firms — outside mining and agriculture — export 75% of their sales and this would be a major constraint on new investment in export processing zones.

Overall, it's an election year budget. The government has probably done just enough to keep the IMF off its back but will have to move quickly after the elections to restore a semblance of order to the semi-State and public sector finances. ■

Harare — a city transformed

(362) ARG 6/8/94

■ The recent victim of drought and inflation, Zimbabwe's capital is experiencing a building boom — the biggest since it was the capital of the Central African Federation.
A REUTER report from Harare.

THE skyline of Zimbabwe's capital Harare, long dominated by decaying and flat 1950s buildings, is being transformed by a construction boom that mirrors the country's recovery from a severe drought and recession.

In the past year, several 20-storey office and shop buildings have suddenly sprung up, dwarfing Harare's old landmarks.

Away from the city centre proper, Mr Mugabe's ruling ZANU-PF party has completed building its towering pyramid-style headquarters adjacent to the futuristic, golden-coloured International Conference Centre.

Several other skyscrapers are taking shape nearby.

Leading mortgage houses and banks say the building industry has recovered from one of its worst downturns in years, and has been boosted by companies' expansion which in turn has necessitated the construction of more office blocks. Many families also are eager to buy or build new homes.

"Available office accommodation in Harare has increased dramatically in the past two years as a result of the most vigorous development phase the city has experienced in years," Zimbabwe's First Merchant Bank said recently.

Another banker said the construction industry was booming because firms and individuals lacked alternative forms of consistently high-yielding investment.

Office accommodation and housing rarely depreciate in Zimbabwe because of a critical shortage and a runaway population growth of three percent-plus annually. The population is nearly 11 million.

"The building industry is one of few forms of investment in the large commercial sector in which an individual can be secure that he will get a return on his money," the banker said.

"Although during the recession of the past two years some building did take place, it was insignificant compared to what is happening now," he said.

A businesswoman added: "The high supply of office accommodation in the city now has stabilised rentals in current price terms, and most of the space is being occupied as tenants upgrade from older buildings."

Most offices are being built with pension funds from the country's largest and oldest insurance company, Old Mutual.

One of Zimbabwe's latest skyscrapers, Karigamombe Building, has 21 storeys in the heart of Harare, offering a spanking new shopping mall and offices for companies and foreign diplomatic missions.

The headquarters of the central Reserve Bank of Zimbabwe, designed as a traditional cylindrical grain silo, will cost Z$130 million (R58,3 million) to build and will be 120 metres high when completed.

Despite the building boom, Zimbabwe's black-dominated construction union says workers remain poorly paid and lucrative jobs are awarded to foreign firms. The industry's average monthly wage is Z$400 (R180) compared to a national average of Z$600 (R270).

"Men and women who risk their lives on the building sites of these multi-million dollar buildings are paid very little, and in the case of accidents that sometimes lead to death, benefits are almost non-existent," a union official said.

Union leaders say bad working conditions led 100 000 construction workers to down tools nationwide to press for higher wages. The workers, who were still on strike last week, want a 25 percent pay rise. Employers are offering 19 percent.

"We are going to sit here every day until we get what we want," said one building worker at the new central bank offices. "The cost of living has gone up and what they are offering is not enough to feed our families."

Apart from office construction, Zimbabwe's government embarked on a massive project to build 20 000 houses annually to ease high demand for accommodation.

Mugabe vows to speed up land reform

ROBIN DREW (362)
The Argus Foreign Service

HARARE. — President Robert Mugabe today said he was determined to accelerate the pace of land distribution and resettlement of peasant farmers who would be provided with roads, schools and clinics in resettlement areas.

Urging all Zimbabweans to stand behind the government, he said land distribution remained central to the commitment to achieving economic freedom for the majority of the people. ARG 11/8/94

He told a Heroes Day gathering that unity of purpose was essential.

Referring to the recent strikes and unrest over pay, Mr Mugabe said he was dismayed to hear that certain sectors were reluctant to meet the reasonable wage demands of the workers. He urged businesses to play fair.

The ultimate goal in Zimbabwe, he said, remained the creation of a free, democratic and non-racial society.

Redistribution of land to be speeded up

CT 12/8/94 ~~271~~ 362

HARARE. — President Robert Mugabe promised yesterday to speed up the seizure of white-owned farms for distribution to the landless.

Mr Mugabe said "the same zeal, enthusiasm and dedication" that ended white rule in Southern Africa was needed to redistribute land.

The controversial redistribution programme has been plagued by corruption and mismanagement, and has been widely criticised.

Opposition groups accuse the government of pushing ahead with land reform to bolster its flagging popularity ahead of elections next year. — Sapa-AP

Zim feminists under attack

HARARE. — The battle of the sexes is hotting up in Zimbabwe, with cabinet ministers lashing out at women campaigning for equality.

Parliamentarian Mr Sydney Malunga said on Friday that demands by some women were unrealistic. (362)

He said culturally women were respected.

"When a beast is slaughtered, the women have the most tender meat while the men have to make do with trotters." — Sapa

UN slated

Mugabe rips into world agencies

(362)

CT 17/8/94

By ANTHONY JOHNSON

ZIMBABWEAN President Robert Mugabe yesterday urged Africa to spearhead an international campaign to "democratise" the United Nations, the World Bank and the International Monetary Fund.

Addressing a joint sitting of Parliament — the first African head of state to do so — Mr Mugabe said developing countries "seriously questioned the lack of democratic principles in the UN system".

He accused the World Bank and the IMF of becoming "less and less accountable to their member states" and said "the transparency of their operations is open to question".

MPs and senators — including former arch-foes from Nationalist benches — gave Mr Mugabe a standing ovation at the end of his address, but both the NP and the ANC last night diplomatically distanced themselves from his broadside against international lending organisations.

The NP's spokesman on foreign affairs, Dr Boy Geldenhuys, said despite his support for the Zimbabwean president's call for regional co-operation, his party did not believe in interfering with the norms and preconditions set by the IMF and the World Bank for assistance.

A senior ANC MP said while the ANC recognised the serious problems experienced by some African countries in being "dictated to by outside agencies bent on controlling their economies", this did not apply to South Africa.

The government was committed to "a pragmatic approach" towards international lending agencies. He added: "South Africa is in the fortunate position of having the expertise not to fall into the economic imperialism trap."

Speaking at the beginning of his four-day state visit to South Africa, Mr Mugabe said he wished to "seriously question the lack of democratic principles in the UN".

WELCOME . . . Zimbabwean President Robert Mugabe embraces Deputy President Thabo Mbeki on his arrival in Cape Town yesterday, while President Nelson Mandela looks on. Picture: ANNE LAING

This was "especially in respect of the Security Council, where five states possessed and exercised veto powers to the detriment of the smooth democratic operation of the whole UN".

This was particularly the case where decisions affected international peace and security.

Turning to the IMF and World Bank, Mr Mugabe said these agencies not only lacked accountability but were also taking over functions of UN specialised agencies. "This means they are delivering less and less facilities to the developing countries."

As the South African and Zimbabwean parliaments had the necessary legitimacy, they were able to make demands for the democratisation of these institutions, Mr Mugabe said.

"As guardians of good governance, transparency, accountability and the rule of law at national level, they are in a position to insist on the same values at international level."

Turning to conflicts, Mr Mugabe said it was "saddening that tolerance, unity and stability" did not exist in all parts of Africa.

"Fratricidal and internecine wars" in Somalia, southern Sudan, Rwanda and Liberia and the incidence of violence were "directly linked to political and ethnic intolerance".

"Religious intolerance perpetrated by Islamic fundamentalists is also tearing some nations apart and, as a result, Africa is getting more and more disturbed and disunited.

"Common action on problems affecting the continent is rare," he said.

Mr Mugabe said the role of the frontline states was being reviewed and it was "imperative we place at our disposal an effective mechanism for conflict prevention and resolution".

Mr Mugabe visits the PWV region today before going to the Eastern Cape tomorrow where he graduated at the University of Fort Hare.

Earlier in the day, at the start of his visit, Mr Mugabe received a red-carpet welcome at D F Malan Airport. A 21-gun salute greeted him as he stepped off the Air Zimbabwe plane on to the carpet and embraced President Nelson Mandela and Deputy President Thabo Mbeki.

● **SA, Zimbabwe to set up closer trade ties — Page 2**

● **Mugabe, down memory lane — Page 7**

'Giant strides' in land reform

From MICHAEL HARTNACK

HARARE. — President Nelson Mandela yesterday voiced admiration for the "giant strides" he said President Robert Mugabe had achieved in redressing the imbalance in land distribution inherited from Zimbabwe's colonial past.

Opening the Harare agricultural show, President Mandela said Zimbabwe and South Africa faced similar difficult problems, and alluded to Mr Mugabe's plan to redistribute the six million hectare "maize and tobacco belt" currently owned by 4 400 mainly white commercial farmers.

The plan has been the most fiercely criticised feature of Zimbabwean government policy for the past five years.

CT 27/8/94

"South Africa is keenly interested in your experience as we commence the difficult task of reconstruction and development," said Mr Mandela.

South Africa's basic challenge in agriculture was to develop the rural community, to enhance household incomes, guarantee food security and improve the quality of life in a sustainable manner, he said.

His government had a responsibility to broaden access to land and empower farming communities previously dispossessed by apartheid.

(362)

death toll from massacres and

But UN officials in Kigali

R800-m investment in platinum set to make Zimbabwe world's second largest producer

ROBIN DREW
Argus Foreign Service

HARARE. — Zimbabwe has received a huge injection of confidence with a commitment by two Australian companies to invest R800 million in a platinum mining project.

The investment will make Zimbabwe the world's second largest platinum producer after South Africa.

BHP Minerals, Australia's largest listed company, will hold 67 percent of the Hartley Platinum project and Delta Gold, one of the leading Australian mining companies, will hold the balance of the equity.

A mining agreement was signed yesterday with the Zimbabwe government. BHP vice-president Colin Palethorpe said it was a sign of the degree of confidence in the future of Zimbabwe felt by the mining companies.

Work will start immediately on the project 80 km south-west of Harare, midway between the towns of Norton and Chegutu. First production is expected in 1996 by which time 2 700 people will be employed.

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Underground mining methods will be based on the best practice in South Africa's platinum mines and the initial technical staff will be recruited from South Africa.

ARG 25/8/94

A statement from Delta Gold said the platinum resources in the Hartley complex were second in the world only to those of the Bushveld complex of South Africa.

The Hartley deposits could contain more than 200 million ounces of platinum group metals as well as significant quantities of nickel, copper, gold and cobalt.

'Extend war...

Aids disaster looms for Zim

5/9/94

BULAWAYO — Nearly one million Zimbabweans are HIV-positive and at least 120 000 have the full-blown Aids virus, the Ziana national news agency reported yesterday. (362)

In 15 years' time, one in three children may be an orphan, according to the Southern Africa Aids Information Dissemination Service. Sapa

Old hands lead Zimbabwe party

Star 16/9/94

BY ROBIN DREW
STAR FOREIGN SERVICE

Harare — Veteran Zimbabwean political figures Bishop Abel Muzorewa and Edgar Tekere who joined forces earlier this year have agreed to be joint leaders of a new party formed in association with former officials of the Forum Party and the United Front.

The formation of the new, as yet unnamed, party was announced yesterday at a press conference though neither Muzorewa nor Tekere was present.

Former members of the Forum Party said they had quit because they were convinced that only a united opposition could defeat Robert Mugabe's Zanu (PF) party in next year's general election.

They said Forum leader, former chief justice Enoch Dumbutshena and a senior lieutenant James Chikerema had refused to join. Dumbutshena was not available for comment.

Spokesmen for the United Front which came into being last year with the objective of uniting the opposition said the UF would be wound up. Its chairman Kingdom Sithole attended the launch. (362)

Officials of the steering committee of the new party include white members of the UF, one of whose originators was former Rhodesian prime minister Ian Smith who says he has been working behind the scenes to promote a united opposition.

Delegates flock to Zanu (PF) indaba

Star 22/9/94

■ BY ROBIN DREW
STAR FOREIGN SERVICE

Harare — Seven thousand delegates from all over Zimbabwe gathered in Harare for the third post-independence congress of the ruling Zanu (PF) party which began yesterday and will last until Saturday.

The last congress which took place at the end of 1989 put the seal on the unity pact with Joshua Nkomo's Zapu party.

It also saw opposition expressed to the legalisation of a one-party state and to the references to Marxism-Leninism as the guiding principle.

Now such thoughts are no longer even discussed. The intervening years have seen the adoption of economic reforms edging the country towards a market economy while the "in" terms are good governance, transparency, multiparty democracy and the need to encourage foreign investment.

President Robert Mugabe will stand unopposed for re-election as party leader.

(362)

The congress is likely to hear strong calls for a tougher stand on black economic empowerment and there is also bound to be criticism of the harsh effects on the people of the economic structural adjustment programme.

Matabeleland constituencies will also propose a change to the ruling party's symbol, a cockerel, as a way of consolidating the unity pact.

Redefine socialism – Mugabe

Star 23/9/94

BY ROBIN DREW
STAR FOREIGN SERVICE

Harare — Zimbabwe's ruling Zanu (PF) party remains sworn to socialism as its chosen ideology but the challenge was to continue to redefine it, party leader President Robert Mugabe said yesterday.

He told more than 7 000 delegates who jammed the International Conference Centre for the National People's Congress that the favoured brand of socialism must be consistent with Zimbabwe's culture and historical experience, the changing times and the aspirations of the people.

He termed it an ideological synthesis.

Five years ago, at its last congress, the party began the swing away from doctrinaire socialism and a year later the government launched the economic structural adjustment programme aimed at opening up the economy and allowing market forces to dictate.

Mugabe said yesterday that the economic reform programme had begun to bear fruit and this year the economy should see a 5 percent growth rate.

Mugabe urged delegates to be tolerant and to listen to the views of others.

The congress theme is mobilisation for economic development.

With political independence consolidated, the challenge was to achieve economic independence.

The congress had to gather ideas on how to maximise production and how to give blacks more economic power.

"Our people still suffer economic disablement as a result of myriad old laws, business practices and prejudices, themselves a legacy of a colonial past that sought a wholesale disempowerment of the blacks. This situation is unacceptable and connot be allowed to continue." (362)

Mugabe looked forward to a resounding electoral victory early next year. Zanu (PF) currently holds all but three seats in parliament.

The congress will end tomorrow after elections for the 160 Central Committee seats. From them Mugabe will choose members of the Politburo.

Mugabe still committed to socialism

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ARG 23/9/94

□ 'It remains our sworn ideology'

HARARE. — Zimbabwe's President Robert Mugabe, brushing aside the demise of communism, pledged his party's commitment to socialism and vowed to speed up control of the economy by blacks.

"Socialism remains our sworn ideology," Mr Mugabe told a crucial congress of his ruling Zanu-PF party charting new policies for Zimbabawe.

Amid applause from nearly 8 000 delegates assembled at the futuristic Harare Conference Centre, he said: "The challenge is to continue to redefine socialism in a manner consistent with our culture and historical experience, the changing times and the aspirations of our people.

"Naturally such an ideological synthesis calls for a committed and conscious cadreship which agitates for the realisation of our objectives."

Mr Mugabe's remarks came after sharp criticism by the country's opposition and state newspapers, which united in rare tandem yesterday to demand more democracy for Zimbabwe and a break with socialism.

Mr Mugabe said Zanu-PF found it unacceptable that the majority 10 million blacks, who outnumber whites by 10-to-one, were still marginalised in the control of the country's economy.

"The party continues to worry about the marginalisation of the indigenous people in the economic affairs of this country," he told the five-yearly congress which will also elect new leaders for the party.

"Our people still suffer economic disablement as a result of a myriad of old laws, business practices and prejudices, themselves a legacy of a colonial past that sought a wholesale disempowerment of blacks.

"Needless to say this situation is unacceptable and cannot be allowed to continue."

Mr Mugabe said his government was setting up an investment fund which, together with an improved business climate in Zimbabwe brought about by Western-backed economic reforms, should quicken the pace of transfer of economic power.

The government would also train managers and improve the business skills of blacks, and take measures to bring about "affirmative action in the public sector", he said.

He also pledged to accelerate a controversial plan that allows the state virtually to seize mostly white-owned farms to resettle thousands of blacks thrown out of their original homes by previous white governments. — Sapa-Reuter.

... more than ... Reuter. ... the militia today. —

Abiola, the businessman believed to have won the June 1993 election. — Sapa-AP.

Anti-white feeling whipped up in Zimbabwe

ARGT 26/9/94 (362)

ROBIN DREW
The Argus Foreign Service

HARARE. — Anti-white feelings are being whipped up in the media in Zimbabwe as the small white community, outnumbered 100 to one, is constantly accused of rejecting reconciliation and hanging on to its privileged position in control of the economy.

At the three-day congress of the ruling Zanu (PF) party the government was urged to take strong measures to promote black economic empowerment.

Vice-President Joshua Nkomo accused whites and the coloured and Asian communities of regarding their stores and companies as their government and of refusing to be part of Zimbabwe.

"We will receive you but it is you who are running away," he said when asked why there were only three whites among the nearly 8 000 delegates.

A full-page newspaper advertisement accuses whites of robbing Africans in colonial days and of still exploiting them.

A comparson was drawn of the struggle for existence by a typical black youth and the life of luxury enjoyed by young whites.

Streams of letters continue to be published in the Sunday Mail which has been running a series of articles about continuing racial divisions in Zimbabwe.

"Rhodie" elements are warned that their days are numbered and there have been demands for action against white racists.

● The old guard are back in power in the supreme organs of Zanu (PF). The congress has elected most members of the 180-strong central committee from whom politburo members are chosen.

Its number has been increased from 22 to 24 to include home affairs minister Dumiso Dabengwa, widely regarded as the most influential Ndebele politician after Joshua Nkomo, and veteran cabinet minister Enos Chikowore.

ARG 27/9/94

Zimbabwe warned of 'tourism saturation'

(362)

BULAWAYO — Zimbabwe has been warned not to over-market its tourist destinations because some of them are reaching saturation point.

Rail Safaris managing-director Geoff Cook, chairman of the Bulawayo Publicity Association tourism sub-committee, said Victoria Falls, for example, had been marketed extensively at the expense of other resorts.

He said tourists whose destination was Zimbabwe could be put off by constantly fully booked hotels and lodges.

"The dilemma is that if the Victoria Falls is full, no-one will want to come to Zimbabwe." — Sapa.

Two Zim parties unite to challenge Mugabe

(362)
CT 7/10/94

HARARE — Two Zimbabwean opposition parties said yesterday they had forged a new alliance to challenge President Robert Mugabe in elections next year.

Bishop Abel Muzorewa, who briefly ruled Zimbabwe before its independence from Britain in 1980, said he and Mr Edgar Tekere, a former Mugabe aide, would co-lead the new party, known as the United Party (UP). He and his United African National Council had already been working closely with Mr Tekere's Zimbabwe Unity Movement (ZUM), Bishop Muzorewa said. — Sapa-Reuter

Threat to boycott 'white' Zim firms

From MICHAEL HARTNACK (362) CT 11/10/94

HARARE. — A pressure group of militant black businessmen plans a boycott of old established Zimbabwean firms, including the Old Mutual, for allegedly ignoring its demand they sell off equity and subsidiaries.

In an emotional speech to a news conference at the weekend, the chairman of the Affirmative Action Group (AAG), Mr Phillip Chiyangwa, said he was going to create a "big problem" for the Old Mutual, one of Zimbabwe's largest financial institutions, for failing to appoint the group's members to its board and give them funding.

Some 75 firms last week received letters from the newly established AAG accusing them of impeding black advancement and demanding they sell off equity and subsidiaries.

The AAG has been accused of duplicating the work of the government-sponsored Indigenous Business Development Centre (IBDC), which has received over R100 million in state funding to advance black enterprise.

IBDC members alleged 90% of Zimbabwe's economy is still in the hands of 100 000 whites and 30 000 Asians 14 years after independence, although many economists hotly dispute this percentage.

In the latest of a series of emotive speeches since May, Vice-President Joshua Nkomo said last week: "To fight for peace, justice and equality is not racism".

In June he warned minorities who did not identify with the ruling party to "move out of our country before it is too late".

Workers deported to Zimbabwe

HARARE. — More than 20 000 Zimbabweans have been deported from South Africa and Botswana this year for illegally staying or working there, Zimbabwe Home Affairs (Interior) Minister Mr Dumiso Dabengwa said yesterday.

Mr Dabengwa said Botswana had expelled 13 643 Zimbabweans and South Africa had deported 9 871 by the end of last month.

Most of those deported were working illegally in the two neighbouring countries, whose economies have generally expanded faster than Zimbabwe's in the past few years. — Sapa-Reuter

OM rejects Zimbabwe sell-off demand

(362) ARGT 12/10/94

BRUCE CAMERON
Business Editor

OLD Mutual has rejected demands from a group of militant black businessmen in Zimbabwe that they "sell off equity and subsidiaries" to blacks and appoint more blacks to the board.

Some 75 Zimbabwean firms, including Old Mutual received the demands from the newly-established Affirmative Action Group last week.

Old Mutual chief operating officer Gerhard van Niekerk said in an interview today that Old Mutual operated in Zimbabwe as an assurance mutual within the laws of the country.

"We are registered and recognised by the government."

The laws included the appointment of a local board which held powers delegated from South Africa.

Old Mutual held and invested funds on behalf of Zimbabweans who invested their savings with the assurer.

"We are there to look after the accumulated funds of our policyholders."

Old Mutual invested the funds in companies in Zimbabwe and was the single biggest lender to the Zimbabwean government through the purchase of government stock.

"We have to be mindful to get the best value for our policyholders.

"If we had to arbitrarily dispense with our investments, we would still have to invest the money."

Mr Van Niekerk said the representation on the Old Mutual board in Zimbabwe was about 50:50 white to black but this included Mr David Smith, who had served as a Cabinet minister in the government of Mr Robert Mugabe.

He said it was unfortunate that when countries moved towards becoming non-racial societies they often sought more racial definition.

Mugabe puts pressure on farmers

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ARG 13/10/94

Compulsory free schooling plan

HARARE. — President Robert Mugabe said the government was working on legislation that would compel Zimbabwean farmers, most of them white, to provide free schooling and health care to workers and their children.

"We will soon work out methods of making it compulsory for farmers to build schools, clinics and good accommodation for their workers," Mr Mugabe told white farmers in Centenary, 120km north of Harare.

He accused some of Zimbabwe's white commercial farmers of perpetuating ignorance by refusing to implement a 1980 government directive that all children be given free schooling.

"We are going to prescribe rules and regulations on how farms should be run in terms of providing adequate services for members of their communities," Mr Mugabe said.

Many white farmers have built schools for workers and their children on their properties. The schools are run virtually independently of the state.

Mr Mugabe's remarks came amid a heated national debate over charges by some blacks that some of Zimbabwe's 100 000 whites, outnumbered 100-to-1 by blacks, were racist. At the weekend police clashed with black students who attacked several white-run restaurants they accused of barring blacks.

Yesterday the government said it had sacked a British manager of a state-owned hotel after workers charged he was a racist. Mike Blackhall, general manager of the Harare Sheraton, was also ordered to leave the country by November 4. — Sapa-Reuter.

It's not just Victoria that's falling

WM 14-20/10/94 (362)

The results of Zimbabwe's disastrous market reform programme will make it difficult for Mugabe's government to win over a sceptical electorate

By **Weekly Mail Reporter**

ZIMBABWE'S four-year-old market reforms have wreaked havoc among the low-income group, thrown thousands of wage earners into the street and put the government on the defensive following accusations that it had mortgaged the country to international lenders.

Since the launch of the economic structural adjustment programme — commonly known as Esap — in 1990, the cost of living has soared, while business activity has declined due to a combination of high interest rates and lack of domestic demand.

Current estimates show that more than 22 000 people have been retrenched from formal employment in both the government and the private sector, swelling the ranks of unemployed Zimbabweans to over 2-million.

Small businesses have been closing down almost every month, and large companies unable to service high interest-bearing debt have been forced to sell unviable subsidiaries or retrench hundreds of workers.

Economic hardship has affected virtually every income group, as shown by the high rate of repossession of property from people unable to pay mortgage loans borrowed when interest rates were below the inflation rate more than four years ago.

The private sector is blaming the government for most of the problems being experienced in the country of 10,4-million people, pointing to its excessive expenditure despite repeated pledges to cut non essential spending.

State borrowing from the domestic money market has exceeded estimates every year since the reforms were launched, and has been blamed for the current high inflation rate of over 24 percent and interest rates of nearly 40 percent.

With the reforms nearing their end, there are no signs that the life of the average Zimbabwean has improved and, with general elections a few months away, President Robert Mugabe's government faces the daunting task of promising a sceptical electorate that the government has the answer to their problems.

Business optimism has reached a low ebb, and manufacturing output has yet to reach the 1990/91 levels, when the economy registered an impressive growth of over six percent.

While government has made an optimistic prediction of a growth rate of four percent this year, compared with nearly two percent in 1993, economists believe Zimbabwe will be lucky to manage three percent.

The president of the Confederation of Zimbabwe Industries, which represents the manufacturing sector, [illegible] Wakatama, said [illegible] declining business [illegible] companies were being pushed to the wall by high interest rates.

In addition, he said the loss of the lucrative South African market, following the expiry of the preferential trade pact with Zimbabwe, had dealt a major blow to local companies, particularly the clothing and textile sector.

"An early conclusion to trade talks with South Africa could be a saviour to local manufacturers," said Zimbabwean economist Joe Foroma.

The government has also come under scathing attack from the British-based charity organisation Oxfam, which said in a recent report that Zimbabwe's market reforms had worsened the living conditions of the people, eroded health standards and left thousands in poverty.

Oxfam accused Zimbabwe of pursuing World Bank policies without taking measures to cushion the vulnerable sections of the population — like the unemployed and the poor — from the negative effects of market reforms.

President Robert Mugabe: Battling Zim[illegible] [illegible] ailing economy

But Zimbabwe's deputy minister of Industry and Commerce, Simon Moyo, believes the government is on the right course, saying the hardships being experienced were only temporary.

He said investment was increasing, while many companies had expressed optimism about future growth — claiming all this was due to the new market environment the government was introducing to rid the economy of three decades of state controls which had stifled private sector initiative.

Trade pact on cards

(362)

Weekly Mail Reporter

ZIMBABWE and South Africa have established a working group of senior government officials to review the outdated 1964 trade agreement and propose amendments aimed at enhancing two-way trade between Southern Africa's two largest economies.

Officials from the two countries, who met in Pretoria recently, have started consultations to investigate aspects of the agreement which need amending, before meeting again by the end of November this year to report back on their findings.

Businessmen in Zimbabwe are anxious that a new preferential trade pact be signed, to allow them to widen their share of the South African market.

Industry sources in Harare said South Africa should remove or reduce punitive tariffs on selected products, such as textiles and clothing, as the first step towards enhancing bilateral trade, currently amounting to over R875-million a year.

South Africa slapped high import tariffs on textile products more than two years ago, mainly to protect its own industry from cheap imports from the Far East.

The action by South Africa severely affected the Zimbabwean textile sector, which was forced to retrench more than 5 000 workers during the past 18 month.

WM(BM) 14-20/10/94

It is against this background that Zimbabwean businessmen are urging President Robert Mugabe's government to press for an early conclusion to the talks, which were started in 1992 but suspended just before South Africa's elections.

Presidents Nelson Mandela and Mugabe have expressed their commitment to a speedy resolution, saying it would promote development in the region.

Appeal to SA over migrants

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ARG 14/10/94

HARARE. — Zimbabwe has appealed to South Africa to halt mass expulsions of Zimbabweans living in the country illegally.

South Africa has already expelled 10 000 Zimbabweans this year.

Zimbabwean Deputy Industry Minister Simon Moyo said the implications of the deportations were "frightening" because of a lack of job prospects at home.

There are an estimated 300 000 Zimbabweans in South Africa, many of them believed to have fraudulently acquired residence or work permits.

"Zimbabwe is faced with a very serious problem as these people come back," said Mr Moyo.

"That is why I appeal to them not to carry out the deportations overnight but to do it in phases."

The South African authorities have made it clear that they also have a huge unemployment problem and that growing resentment of foreigners among ordinary South Africans has forced them to act against illegal immigrants. — Sapa-AFP.

Zim warning to black farmers

382 CT 24/10/94

BINDURA — Zimbabwean Vice-President Simon Muzenda has warned black commercial farmers that the government will designate their farms for resettlement if they fail to utilise them, the Ziana news agency reported.

He said on Saturday the government would not treat black farmers differently from white farmers in the designation of under-utilised land.

● Zimbabwean riot police and government officials yesterday forcibly evicted the opposition leader, the Rev Ndabaningi Sithole, and more than 1 000 tenants from his farm which the state wants to seize, witnesses said.

Human rights groups and Mr Sithole say the move is politically motivated.

Mr Sithole once headed the ruling Zanu-PF but was dethroned by President Robert Mugabe before independence in 1980.

Mr Sithole, a veteran of the pre-independence war, and leader of the small Zanu-Ndonga party, last week vowed to stay on the farm on the outskirts of Harare, saying civil war would erupt if Mr Mugabe's government threw him out. The tenants fear they may be sent to a refugee camp on the Mozambique border. — Sapa-Reuter

Zimbabwe looks to major new platinum venture

ARG 25/10/94 (262)

HARARE. — The Zimbabwe Mining and Smelting Company (Zimasco), successors to the mining operations in Zimbabwe of Union Carbide Corporation, said they hoped to begin drafting a formal feasibility study in up to six months to raise finance for the country's second platinum mine.

The Danford, Connecticut-based international chemicals and plastics conglomerate announced recently that a local management team had bought its interests in Union Carbide, Zimbabwe, whose operations are dominated by chromite mining and high carbon ferrochrome smelting, but has been developing plans to open a US-$125 million mine with an annual production of 140 000oz of platinum.

Mike Foreman, Zimasco's managing director, said the small Mimosa platinum mine near Zvishavane on the mineral-rich Great Dyke geological complex in the country's Midlands province had been dewatered and was due at the end of the month to begin operations on a pilot basis, producing about 6000oz of platinum from 150 000 tons a year.

"We are going to use the operation to answer some outstanding technical questions relating to the pre-feasibility study" on the establishment of a full scale mine, he said.

"We anticipate these will be answered in the course of the next three to six months. We will then be in a position to put together a formal bankable document and look to raise money, if the bankable document looks good."

He described the Mimosa mine project as "very similar" to Australian mining corporation BHP's US$250 million Hartley Complex platinum mine commissioned last month, and said results so far from the pre-feasibility study were "very encouraging."

Output of three million tons of ore a year was expected to be commenced by late 1986, and would be followed by a two-year construction period.

The Mimosa mine was opened on a small scale in the early 1970s, but had to be closed because of insecurity as the mine became a liability during the country's civil war. Plans to redevelop it picked up during the last five years.

So far US$4,5 million had been invested in pre-feasibility studies and the pilot plant, which included upgrading the mine's old mill.

The two projects would make a major difference to the country's economy, but their combined forecast production would amount to about five percent of world platinum output, which is dominated by the mines on South Africa's Bushveld complex. — Sapa.

A splintered opposition and an apathetic electorate is certain to return Zimbabwe President Robert Mugabe's widely criticised party to power, writes **Sibonginkosi Chigaru**

'No viable alternative'

Star 16/11/94

Zimbabwe President Robert Mugabe's Zanu-PF seems headed for another win in February elections, 'en though many Zimbabweans 'e disillusioned with the party at has ruled since independence.

Political analysts say a splinred opposition is likely to hand ugabe's party its third election ctory since 1980, despite wideread dissatisfaction over an iministration that has vacillati between socialism and hardosed IMF-mandated economic forms.

"Life was better before the economic reforms because we could afford basic commodities," said Reuben Moyo, an office messenger in Harare.

The harsh reforms that Mugabe started implementing four years ago have caused massive job losses in a stagnant economy and led to sharp price rises of most basic goods.

"Now too many things are too expensive and only those in highly-paid jobs will, if ever, benefit from the reforms," Moyo added, summing up the mood of many people.

The opportunity would seem ripe for Mugabe's opponents, but analysts and Zimbabweans say Mugabe will win because voters see no viable alternative.

"The opposition offers little for the voters, who appear to believe it is better to trust the devil they already know," an African diplomat said.

"Zanu-PF seems destined to rule Zimbabwe for a very long time," said John Makumbe, political science lecturer at the University of Zimbabwe. "The opposition is weak, splintered and confused."

Zimbabwe has eight opposition parties of any significance. The main ones are the Forum Party of Zimbabwe (FPZ) headed by former chief justice Enock Dumbutshena, Zanu (Ndonga) of veteran nationalist Ndabaningi Sithole and the Zimbabwe Unity Movement of Edgar Tekere, a former Mugabe aide.

But the FPZ, torn by power struggles and personality clashes, split into two factions earlier this year.

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A half-hearted attempt to forge a unified party by Tekere and Methodist churchman and politician Bishop Abel Muzorewa, who briefly headed a white-backed regime before independence, crumbled no sooner than it had got off the ground last month.

Attempts by former white premier Ian Smith to unite the disparate opposition ranks have come to nought.

"All the opposition leaders agree that they need to unite, but when it comes to delivering the goods it does not seem to be forthcoming," said Smith, who has spent the past four years trying to forge a united opposition alliance.

"They are putting themselves and their party first before the nation. That's a crime."

Smith was the last white prime minister of Rhodesia, the rebel state he led after declaring independence from Britain in 1965. For the next 15 years Smith fought against international economic sanctions imposed on his nation and a brutal guerilla war for black majority rule led by Mugabe.

Some analysts speculate that the turnout at the forthcoming polls is likely to be low because many of Zimbabwe's nearly 4 million registered voters out of a population of 10 million are apathetic.

"Some voters are likely to stay away from the election because they know the result is a foregone conclusion," a Western diplomat said. "They are apathetic and they don't want to know." — Reuter.

Mugabe . . . Zimbabweans trust 'the devil they know'.

ARGUS 19-20/11/94

Mugabe cools tensions over black economic empowerment

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ROBIN DREW
Weekend Argus Foreign Service

HARARE. — President Mugabe acted yesterday to lower the racial temperature in the debate on black economic empowerment in which threats have been made against the white community.

He told a public meeting that black Zimbabweans should not be too sweeping in their criticism of white attitudes to reconciliation.

"Some have responded, some are hard nuts. Give them a little more time," said Mr Mugabe.

Pray for them, rather than fight them, he said, although he added that shock treatment was sometimes necessary to "uncondition" people.

A spokesman for the Indigenous Business Development Centre said blacks were becoming impatient and angry and might have to resort to unconstitutional methods to obtain their goals.

Mr Mugabe said it was natural for any country to want to see its economy in the hands of its own people. In Zimbabwe, he said, to the audience's laughter, some people were more indigenous than others.

Speaking about land, Mr Mugabe said this could be seized, but the government had pledged to act constitutionally and former owners must be compensated.

"We have to pay those who seized the land from us," he said.

focus on Zimbabwe

Former Rhodesian premier Ian Smith, rebellious as ever at 75, blames the Zimbabwean government of **Robert Mugabe** for the poor economic state of his country and claims to have a large support from people of all races. Report by *Sapa-Reuter:*

Sowetan 2/11/94

HARARE — Ian Smith, the Rhodesian rebel leader who shocked the world when he declared unilateral independence from Britain, still lives in the nation now named Zimbabwe 14 years after Marxist President Robert Mugabe took over.

He plans to stay and help a splintered opposition try to unseat Mugabe, once portrayed by the Smith government as a blood-thirsty killer of whites.

"This is my country. I love it. I was born here," Smith told *Reuters* recently. "What I don't like is the government."

He accused Mugabe, a self-declared Marxist, of bulldozing the country into financial bankruptcy and making life intolerable for Zimbabweans, but said he would stay on.

"You don't solve a problem by running away from it," said Smith, now 75, white-haired and slightly bent but his trademark penetrating gaze undimmed by the years.

"I have been given opportunities to go away but what about other Zimbabweans who don't have the same opportunities? I can't leave them in the lurch. We have to try to save this country and the first prerequisite is to get rid of this government. I will do that to the best of my ability," he added.

Privileged living

Smith, fighting to preserve the privileged living standards of Rhodesia's 200 000 white minority, stunned the international community in 1965 with a unilateral declaration of independence (UDI) in the British colony, vowing to go it alone rather than accept proposals for black majority rule.

For more than a decade he fought international economic sanctions and a guerilla war for independence led by Mugabe and black nationalist Joshua Nkomo, now Mugabe's deputy.

At the height of the war which killed more than 40 000 people, most of them blacks, Smith declared that there would be no black rule in Rhodesia — "not even in a thousand years".

The African people of Rhodesia, he said, were the "happiest lot in the world".

During his interview Smith said: "Many people of all races, from all walks of life, come to me these days and say: 'Give us the benefit of your experience.' What do you say to such people? It's my country."

He said he would prefer to quit politics but he felt his services were needed to rescue Zimbabwe from economic collapse, which he blamed squarely on policies of Mugabe's government.

Since independence from Britain in 1980, Smith has not been active in politics. But in the past two years he has been trying to unite the country's eight splintered opposition parties to challenge Mugabe, Zimbabwe's sole ruler in the

Former Rhodesian premier Ian Smith

Zimbabwean president Robert Mugabe

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past 14 years.

"All of the opposition leaders agree that they need to unite but when it comes to delivering the goods, it does not seem to be forthcoming," Smith said. "While we've got to obviously go on trying, at this stage there is no united opposition and it is because the leaders of these various parties are power-hungry."

Smith pledged to continue his efforts but said the parties had no chance to unseat Mugabe in elections that must be held by next April.

Smith's remarks sparked an outcry from Zimbabwe's largely pro-government Press, but he does not regret what he said nor having taken Rhodesia to unilateral independence.

"I have no regrets. We gave Rhodesia 14 proud and fantastic years (under UDI). UDI had to come, otherwise the country would have gone down the drain in a short time. We created a fantastic country," he said.

But the independent *Financial Gazette* dismissed his remarks, saying Zimbabweans could not take him seriously.

"This is a man whose Rhodesian Front party inflicted on Zimbabwe incredible hardship, suffering, inhumanity, war and legislation we still have to endure despite its draconian implications," the paper said in an editorial.

"None of this has ever been properly explained, still less apologised for," it said, adding: "We do not advocate that he should be prevented from involving himself in politics, still less that he should be denied a public life, but Zimbabweans cannot take him seriously."

Smith said he had completed his memoirs, which should be out in 1995, and was working on a second book "about the great disaster after 1980".

"This will try to correct this country's history, which has been distorted by Communist propaganda."

He said he spent most of his time running his 2 500 hectare farm in central Zimbabwe and giving interviews to foreign journalists at his Harare townhouse.

"I have had my political life, a very good political life. I'm not seeking to be back in the political limelight," he said.

Zimbabwe's textile industry collapsing

Star 22/11/94

Harare — Zimbabwe's textile industry is near collapse, with exports expected to fall by half next year due to high production and material costs, an industry official said yesterday.

"Exports will fall by 50 percent next year as the industry faces high costs of production and materials which will contract it even further," Ray Wooley, chairman of Zimbabwe's Central African Textile Manufacturers Association, told Reuters.

"The local industry is near collapse..."

Wooley said more than 10 000 people in the industry, which employs two percent of Zimbabwe's labour force, would lose their jobs if business collapsed.

He forecast that the textile industry would in 1994/95 earn Z$350 million compared with Z$700 million in 1993/94.

Most textile and clothing firms in the southern African country have been having financial problems attributed to the high cost of cotton lint and the imposition last year of high import tariffs by South Africa, which used to be one of their biggest export markets.

No Govt aid

"There has been no government assistance to the industry at all. It (the Zimbabwe government) should bring down the cost of lint and give incentives to textile exporters," Wooley said.

But President Robert Mugabe's government, now following free market policies after flirting with socialism between 1980 and 1990, refuses to intervene, saying any state assistance would equal a subsidy.

"Our industry cannot compete with imported goods which are lucrative and have flooded the market because of problems in the local industry," Wooley said.

Last week, Zimbabwe's High Court authorised the liquidation of one of the country's largest textiles firm, Cone Textiles, which had heavy financial and operational problems. (362)

"The closure of Cone Textiles was a disaster as it was the biggest employer and earning the highest exports which exceeded Z$200 million. "More than 5 500 workers lost their jobs because of the liquidation," Wooley said.

"High interest rates have also been a problem, making it impossible for us regain our position," he said.

Interest rates in Zimbabwe have soared in the past year, jumping to around 36 percent from 20 percent, on the back of resurgent inflation fuelled by high state spending.— Reuter.

SA, Zimbabwe trade balloons

JOHANNESBURG. — SA's trade with Zimbabwe should reach R3bn or more in 1994, making Zimbabwe its biggest trading partner in Africa, Grindrod seafreight GM Mike Walwyn said.

The end of sanctions against SA and Zimbabwe's liberalisation of trade and exchange policies was the main reason for the boom in two-way trade, he said in a statement.

Imports (362)

According to his estimate, the value of SA imports from Zimbabwe should rise by 30,8% to R870m and exports by 20,5% to some R2,1bn.

But these figures could rise further with pre-festive season buying expected from Zimbabwe, he said.

According to figures from Customs and Excise for the first half of this year, two-way trade figures increased 60,4% over the same period last year. SA was becoming Zimbabwe's natural source for consumer goods and foodstuffs, he said. — Reuter CT 25/11/94

Economic reform has died and people have been left destitute

THIS MUCH . . . Zimbabwean President Robert Mugabe intends putting economic power in black hands

St Times 27/11/94

small educational book importing business has transformed itself into a mining empire, recently bought advertising space to air his view of the continuing contrast between white luxury and black distress.

Mr Boka alleged:

"As an African, to grow up to be 20 is a victory against the elements.

"The white man is likely to be born in a private hospital to the accompaniment of a shower of flowers and all the possible comforts of babyhood fit only for royalty."

Statistics show the wealth gulf between the races is partly an illusion caused by the emigration of 200 000 whites, mostly the poorer or artisan class, around independence in 1980. The whites who remain (the average age is 59) are inevitably the wealthiest professionals. The black population has meanwhile grown from seven million to 10,5 million. There are two million blacks unemployed and nearly a million homeless.

Poverty among black Zimbabweans, now experiencing markedly lower living standards than before 1980, was exacerbated by the "Robinson Crusoe economics" urged by government advisor Professor Roger Riddell during the 80s, says the head of business studies at the University of Zimbabwe, Professor Tony Hawkins.

Professor Hawkins believes Zimbabwe cannot improve the lot of its people without increasing, rather than decreasing, its links with the world economy.

In the short term this may mean more rather than less foreign faces around, disseminating skills to make exports competitive. (362)

Whites prosper because they remain Zimbabwe's links to the global economy, the ultimate source of wealth from exports such as tobacco and gold.

Some of the emergent black middle class who might have joined or replaced whites in this role have, instead, joined the 400 000 Zimbabweans in South Africa where young doctors, for example, earn seven times more than at home.

By contrast, Professor Riddell urged Mr Mugabe to press ahead with moves towards self-sufficiency and independence from foreign investment, reinforcing the inherited effects of 14 years of isolation and sanctions on Rhodesia's siege economy.

In the 80s attempts were made to nurture black businessmen by putting them at the head of the queue for scarce foreign exchange allocations by the government, which they illicitly resold to white industrialists at premiums up to 900 percent.

"Now, with the economic reform programme (backed by the World Bank since 1990) all that has died and these people have been left destitute," says economist John Robertson.

"They ought to have used that time and money to have built businesses. Now they are saying 'let's have another source of income'."

Mr Robertson says another grievance is the impact of Zimbabwe's 35 percent base lending rate on small black businessmen, who do not see that their plight stems from the government's chronic over-spending on the inefficient public sector, and resultant over-borrowing. Instead, they blame the white judicial officers, bank officials and auctioneers who put their sequestrated goods and premises under the hammer.

Vice President Joshua Nkomo, 77, himself the defiant respondent in one longstanding debt suit, claimed most repossessed property "ended up in the hands of whites", outraging the sacrifices of guerrillas who fought for a black-ruled Zimbabwe. His fiery speeches continue to alarm potential foreign investors.

Academic writer and pre-independence activist for Mr Nkomo's Zapu, Iden Wetherell, recently challenged claims that most of the economy remained in white hands.

Mr Wetherell noted that Mr Mugabe controlled a huge network of enterprises from the state-subsidised parastatals and the giant Delta and TA trading groups to Wankie Colliery.

Mr Robertson says that while white directors remain conspicuous among the 60 companies quoted on the Zimbabwe stock exchange, 28 000 small, black-owned businesses are failing to take advantage of opportunities created by the economic liberalisation programme because they will not hire skills from outside the extended family.

Mugabe talks tougher as election looms

Whites still hold the key to economy

Reports by MICHAEL HARTNACK: Harare

ALL Zimbabweans are indigenous, but some are more indigenous than others, says President Robert Mugabe.

"Whites have become indigenous, they say, over time," he told a "meet the people" session devoted to black economic empowerment last week. "But there are those who are indigenous indigenous."

Mr Mugabe's comments are the latest in a series of attacks by his party against the continued domination by whites of the Zimbabwean economy.

And in an apparent reference to Zimbabweans of mixed race, Mr Mugabe added: "others are only partially indigenous."

White, coloured and Asian contractors are specifically excluded from tendering for official contracts worth less than R4-million, under cabinet directives which defy Zimbabwe's constitutional ban on racial discrimination.

"We are in a situation where most of our resources are in the hands of foreigners," said Mr Mugabe, justifying the directives and the grant of R18-million special credits to black businessmen.

"Possession of political power we have. Possession of actual economic assets we do not have. That entitles us to see the economy is indigenised."

But former High Court Judge Washington Sansole, now an opposition politician, last week claimed there were "ominous similarities" between Zimbabwe and Nazi Germany as a result of the ruling party's attempts to divert economic discontent to the race issue in the run-up to next year's scheduled general elections.

Following Mr Mugabe's warning to whites of possible "vigilante action" against racism, university students have "declared war" on exclusive night-spots frequented by whites. The students threaten to stage invasions of private schools with mostly white pupils. Phillip Chiyangwa, head of the Affirmative Action Group, predicted Rwandan-style ethnic cleansing when businesses ignored his circulars demanding a transfer of assets to blacks.

Roger Boka, whose

Chiluba calls for buyers of privatised companies

BD 8/12/94

(360)

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 while on a private visit to Sweden.

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."

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 had done to speed up the process, he said.

Chiluba said that so far 13 companies had been privatised and 150 companies were in line for privatisation, adding that some of these may be sold to managers and workers who have been at those companies for a long time.

Western donors are worried over the slow progress of privatisation and of particular concern to them is the privatisation of the giant Zambia Consolidated Copper Mines (ZCCM).

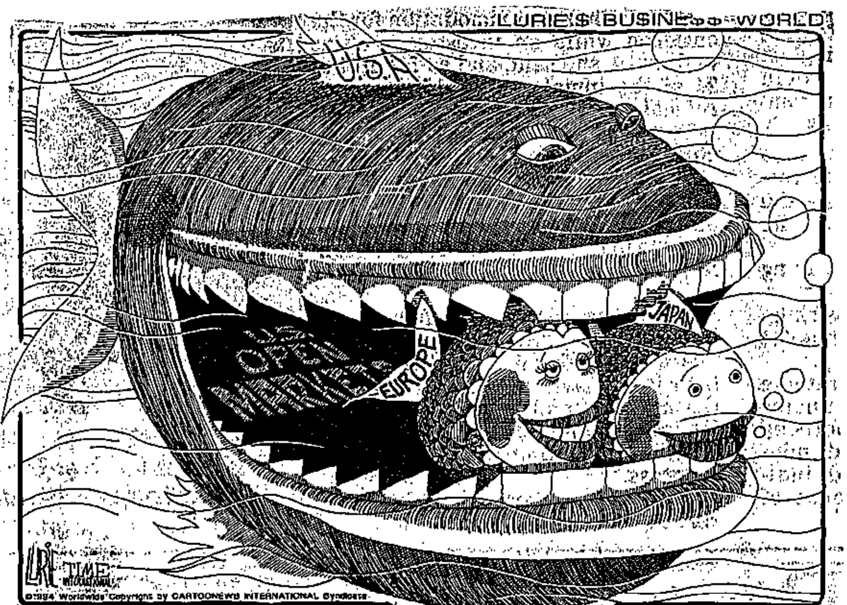
Chibula said Zambia's economy has been almost totally dependent on ZCCM, but noted: "We have said there is no sacred cow. ZCCM becomes quite naturally a part of this (privatisation) process." He could not, however, give any timeframe for the privatisation of ZCCM.

Finance Minister Ronald Penza left for Paris at the weekend to attend a consultative group meeting with leading Western donors, due to start yesterday. He will be seeking $915m to support next year's economic reform programme.

"We certainly qualify for continued assistance," Chiluba said, commenting on prospects for the Paris meeting, and added that $915m would partially be able to help Zambia achieve certain goals in restructuring and economic growth.

The ruling Movement for Multi-Party Democracy has been trying to reverse the nationalisation programme implemented under former president Kenneth Kaunda in the mid-1970s.

"We believe the answer lies in the private sector," Chiluba said. — Reuter.



GATT ATTACK . . . "It's so nice to be welcomed into the US economy."

Zim lifts restrictions on remitting profits, divs

(362) CT 16/12/94

HARARE. — Zimbabwe, wooing investors, has allowed foreign-owned firms to remit after-tax profits and dividends, a move welcomed by economists.

Bowing to demands from investors and Western donors, the government announced it was abolishing a rule limiting overseas remittances to 50% of profit and dividends by companies that invested before May 1993.

"All companies will be free to remit dividends worth up to 100% of their current net after-tax profits. This will only apply to dividends declared after January 1995," acting Finance Minister John Nkomo told parliament.

Companies investing in Zimbabwe prior to 1993 had been permitted to remit 50% of their profits while those who invested after May last year were allowed 100%.

The move was welcomed by economists and the Confederation of Zimbabwe Industries, the umbrella body of major exporters.

"This is a sensible step and will be welcomed by foreign investors who may have been sitting on the sidelines," Anthony Hawkins, an economics professor at the University of Zimbabwe, said yesterday.

The government's action had been made possible by an improvement in Zimbabwe's foreign reserves and balance of payments.

This had stemmed from reforms that allowed individuals and companies to keep virtually all hard cash. The government also opened up the local stock market to foreigners.

But Hawkins and another economist, John Robertson, said the government needed to do more to attract investors who saw Africa as a risk area for capital.

"We still have some company funds that were blocked in the 1970s by previous governments and subsequently by Zimbabwe. These need to be released quickly," Hawkins said.

The funds were blocked by the minority Rhodesian government to stem capital outflows after the government unilaterally broke away from Britain, triggering world sanctions.

"Zimbabwe's move on dividend repatriation is a great step forward but a range of other issues — such as a reluctance by immigration authorities to allow into the country needed and skilled expatriates.

"Foreign companies want to make their money work quickly by bringing in their experienced personnel, and not to wait for someone local to be trained in 10 years," Robertson said.

"We also need financial discipline by the government, which gives wrong signals on economic policies."

Zimbabwe gold output set to hit record 20 tons

(362)

HARARE — Zimbabwean gold output is set to reach a record 20 tons this year, boosting Zimbabwe's foreign currency earnings by more than Z$2bn, Ziana news agency reports.

The Zimbabwean Chamber of Mines said yesterday total output during the first 11 months of the year stood at 18,84 tons valued at Z$1,886bn. This compared with 17,17 tons valued at Z$1,26bn during the same period last year.

In 1993, about 18,8 tons of gold were produced, bringing in Z$1,4bn.

The chamber said the value of gold, Zimbabwe's second-largest single export earner after tobacco, had risen significantly due to firmer prices on the international market.

The price had remained steady at nearly US$380/oz, although it had failed to bridge the psychologically important level of US$400.

The bullish trend had helped restore confidence in the mining sector which expected to earn the country Z$4,5bn in foreign currency, representing 45% of Zimbabwe's total annual foreign exchange earnings.

Last year the mining sector earned Z$3,2bn in foreign currency.

The chamber said platinum was another major contributor to the general optimism in the sector. This was due to the recent commissioning of the Hartley platinum mine by two Australian companies, Delta Gold and BHP minerals.

The Z$1,8bn project is expected to create 2 700 jobs and earn the country nearly Z$1bn annually when in full production.

BD 21/12/94

Meanwhile, mining counters on the Zimbabwe Stock Exchange had not been severely affected by the late start to the rains and were still attracting equity investors.

Brokers said firmer prices on world markets had helped retain confidence in mining shares at a time when the stock market was experiencing a great deal of capital flight to the short-term money market. — Sapa.

Zimbabwean vintner bottles SA pinotage

(362) MICHAEL HARTNACK BD 2/12/94

HARARE — Zimbabwean wine lovers will this Christmas quaff 20 000l of SA pinotage which made history last month when it became the first shipment of its kind to cross the Limpopo in a bulk tanker, for bottling under a Zimbabwean label.

"I should be surprised if it's not in bottles already," said Cairns Holdings MD Tim Johnson, who imported the shipment from co-operatives in the Robertson area to blend with local pinotage from Cairns's Mukuyu Winery near Marondera.

Despite red wine production of 150 000l a year, Mukuyu is unable to meet rising demand from Zimbabweans who are switching increasingly from beer and spirits, on doctors' orders.

Zimbabwe's fledgling wine industry, which produced its first drinkable reds in 1987, came of age this year when Mukuyu Winery's manager and winemaker Berthold Seitz put Zimbabwe's first 1 400 cases of pinot noir on the market.

Pinot noir is a notoriously tricky wine to make and vintners until recently believed Zimbabwe was incapable of producing anything above SA "bag in a box" standards.

"We would have no difficulty selling every drop of this in SA," one visiting SA retailer said on tasting the latest vintage. However, Zimbabwe's three wine producers want to prevent a "wine drought" which might cause customers to drift away.

African Distillers' Stapleford Winery and Phillips Central Cellars, which rank behind Mukuyu in output, recently launched six new vintages of their own, including merlots and cabernets, which are selling at record levels.

Prices are roughly 60% of comparable red wines imported from SA.

Zim farm exports to surge

362 CT 28/12/94

HARARE. — Zimbabwe is set to earn Z$670m from livestock exports in 1995, Ziana News Agency reported yesterday.

In a brief to the Zimbabwe government, chairman of the Commercial Poultry Producer's Association, David Irvine, said the beef industry was expected to earn Z$550m in exports, dairy products Z$80m, poultry industry Z$30m and pork Z$10m.

Beef exports in 1994 were expected to amount to Z$530m.

Zimbabwe exported about 19 742 tonnes of beef to the European Union.

Irvine called on government to provide the Department of Veterinary Services with additional funds to enable it perform efficiently and effectively.

He said the department should be commended for its efforts to combat the spread of the highly contagious and fatal Newcastle disease.

The department had so far vaccinated over six million communal and backyard chickens since the outbreak of the disease in the southern regions of the country early this year.

"It is essential that the department's vaccination programme continues not only to protect commercial producers but communal producers as well.

"It is estimated that there are some 12 to 15 million chickens in the communal lands and these provide a very significant proportion of the protein requirements of the rural people." — Sapa

Zimbabwe _ GENERAL

1995

JANUARY _ MAY.

News in Brief

Bulawayo water rationed

BULAWAYO. — Water rationing here took effect on New Year's Day amid complaints from residents, particularly those housing more than one family, that the 610ℓ allocated per day was inadequate.

(362) CT 3|1|95

Mugabe urges unity and economic growth

Harare — Zimbabwean President Robert Mugabe on Saturday called for greater community interaction to smooth frayed race relations and help attain greater economic growth, Ziana news agency reports.

In his New Year's message Mugabe said Zimbabweans owed their peace to the successful resolution of the South African conflict and the dawn of democracy in that country.

He said peace in South Africa — crowned by the inauguration of Nelson Mandela as the country's democratically elected president — had opened up new economic opportunities for his country.

He said peace in war-ravaged Mozambique had also safeguarded Zimbabwean tranquillity.

Moves to end the Angolan war was welcomed by the whole southern African region, he added.

He expressed hope for a meeting soon between President Jose Eduardo dos Santos of Angola and Unita leader Jonas Savimbi.

Mugabe told guests at a State House reception: "The year 1994 has been a very peaceful and stable year."

He urged local firms to overhaul their technologies and improve the quality of their products so as to be globally competitive.

Mugabe also spoke out against a minority in his country that still clung to racist practices. — Sapa.

(362) Star 3/1/95

Fuel price hike for Zimbabwe

4/1/95

(362)

HARARE — Zimbabwe's fuel prices were set to rise by between 3% and 20% from midnight last night.

Transport and Energy minister Mr Dennis Norman said the government also intended to reduce the 40% price difference between petrol and diesel — which is heavily subsidised by petrol — to 33%. — Sapa

Zanu(PF) members defy party

5/9/11/95

HARARE. — Zimbabwe's former air force chief Mr Josiah Tungamirai will challenge one of the country's two vice-presidents in the general elections expected next month.

Mr Tungamirai will defy his party, the ruling Zanu(PF), in challenging Vice-President Simon Muzenda. (362)

Mr Tungamirai told a rally in Masvingo province he would contest the Gutu constituency, where Mr Muzenda also intends to stand.

Mr Muzenda has held a seat in the Midlands province, but wants to return to his home area.

Mr Tungamirai is one of several candidates in Masvingo province who have defied party rules in recent months as cracks appear in the formerly monolithic Zanu(PF) party structure.

★ Cape Times, Monday, January 9 1995 5

Concern over prison deaths

(362) CT 9/1/95

HARARE. — Some 311 prisoners died in Zimbabwe's crowded prisons in 1994, nearly three-quarters of them from Aids-related illnesses, the Sunday Mail reported yesterday.

Mr Yunus Omerjee, of the Justice, Legal and Parliamentary Affairs Ministry, told the newspaper that malaria, hypertension and heart failure also accounted for many deaths.

Mr Omerjee said the prison service was trying to control the spread of contagious disease by screening all new admissions and isolating those afflicted.

His comments came amid concern by the country's human rights organisations at the increasing number of prison deaths as well as reports of poor health conditions and abuse.

The country's jails, which were designed to hold 16 000 detainees, had 19 600 in 1993 following an amnesty that reduced the population from 21 000 the previous year.

The Sunday Mail said 1 008 foreigners were among the prisoners being held last year. — Sapa-AFP

311 die of Aids in full Zim jails

362
Sowetan 9/1/95

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Yunus Omerjee, of the justice, legal and parliamentary affairs ministry, told the newspaper that malaria, hypertension and heart failure also accounted for the death of some of the inmates who are held in prisons housing 4 000 inmates more than their capacity.

Omerjee said the prison service was trying to control the spread of contagious disease among inmates by screening all new admissions and isolating those afflicted.

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The *Sunday Mail* said 1 008 foreigners were among last year's prisoners. — *Sapa-AFP*

Breakaway politician to challenge vice-president

Dissident voices raised against Mugabe's govt

(362)

Star 13/1/95

Harare — Political in-fighting in Zimbabwe's ruling Zanu-PF party coupled with economic woes and growing anti-white feeling among blacks are clouding the outlook for February polls, political analysts say.

"A sense of frustration has permeated the political system in our society," politician and analyst Austin Chakaodza said.

Chakaodza and other analysts agree that Zimbabwe's main weakness is the lack of a credible opposition that could unseat a government that has ruled alone for the past 14 years.

With the opposition in shambles, the analysts say, dissident voices within the once monolithic Zanu-PF are increasingly being heard.

"Unless there is a challenge to the current leadership from within the ruling party, Zanu-PF is destined to rule for a long time because the opposition remains divided and directionless," said John Makumbe of the University of Zimbabwe.

Meanwhile, former air force chief and top Zanu-PF member Marshal Josiah Tungamirai announced at the weekend he will

WITH no outside opposition to speak of, Zimbabwe's ruling party is facing increasing discord from within

challenge one of two vice-presidents in a parliamentary seat in the polls.

He rejected calls from senior Zanu-PF officials not to defy party rules barring election challenges to the vice-presidents, saying he had long prepared to contest the Gutu constituency, where Vice-President Simon Muzenda says he will also stand.

"If a parent finds me already in the ring and insists on fighting, I cannot go out," declared Tungamirai, a powerful politician, military strategist and former guerilla leader.

Gutu constituency lies in south-eastern Masvingo province, scene of bitter in-fighting between top ruling-party officials allied to Mugabe and those against him in the past year.

Analysts say Masvingo's wrangles mirror intensified power struggles within Zanu-PF, with some leaders in the province already eyeing top posts in the event that Mugabe (70) or his two deputies, both approaching their 80s, either retire or die.

But Mugabe, a colourful and outspoken Marxist who masterminded the guerilla war that culminated in the independence of what was then called Rhodesia in 1980, faces a host of other problems.

Ordinary Zimbabweans, mostly those in urban areas, are up in arms over almost daily price rises of basic goods — a result of painful Western-backed reforms being pursued by the government after it made a U-turn and ditched socialism in 1990.

Only this week the government slapped a new tax to fund the cost of storing the staple food, maize, and help pay for a widening budget deficit, which aid donors want trimmed.

Taxpayers, already burdened by some of the highest personal tax rates in the world, reacted angrily, with the umbrella Zimbabwe Congress of Trade Unions threatening to call nationwide strikes if the "drought tax" was not rescinded.

"Mugabe is walking a tightrope," an African diplomat said. "He has to please Western donors backing his reforms while also ensuring that most voters are still happy. It's a tough task."

As the elections approach, "white-bashing" by Zimbabwe's majority blacks has also intensified, threatening to harm cordial black-white ties that have existed since independence.

Analysts say blacks, who outnumber whites by 100-to-one, feel left out in the running of Zimbabwe's economic affairs.

Charges of racism against whites are increasing daily and analysts say this could also scare away foreign investors which Zimbabwe desperately needs to curb runaway unemployment.

"Unemployment is the single biggest problem facing Zimbabwe now," a bank economist said. "It tends to be destabilising socially and politically and could unravel Zimbabwe's otherwise successful reforms." — Reuter.

(362)

Zimbabwe steps up hunt for diamonds

Star 18/11/95

Harare — Diamond exploration is proceeding apace in Zimbabwe, especially in the Zambezi valley, with the government granting additional exlusive prospecting orders.

At the end of last year, the government had granted 36 more exclusive exploration licences for diamonds, according to Zimbabwean Chamber of Mines figures.

Exploration firms have already discovered kimberlite pipes in the Zambezi valley.

Optimistic

"We are very optimistic that the kimberlites will contain diamonds. It takes a bit of time, what's happening right now is basic exploration," Mines Ministry permanent secretary David Murangari told Ziana.

The search for diamonds in Zimbabwe was intensifying, he said, with more local and foreign companies joining the list of those seeking exploration licences.

However, companies searching for diamonds in the Zambezi valley, the sub-region's largest wildlife area, has sparked heated debate as environmentalists fear ecological damage. — Sapa.

Anglo plans Zim expansion

(362)

HARARE. — Anglo American Corporation plans to spend nearly Z$500m on expansion projects at its three operating companies in Zimbabwe, Ziana News Agency reported yesterday.

In the latest issue of Anglo/De Beers' newsletter, Anglo public relations manager, Ezra Kanganga, said capital expenditure by the company was at its highest level ever.

CT 24/11/95

Anglo American Corporation is one of the largest employers in Zimbabwe.

Kanganga said capital expenditure would be directed partly towards improving recoveries of nickel, copper and precious metals within the group's mining operations.

Furthermore, Anglo would spend Z$170m to build a dam and canal system to supply water to the largest sugar producer, hippo valley estates, whose operations were crippled by a devastating drought three years ago.

Kanganga said most of Anglo's associated companies had plans to expand their operations, taking advantage of the liberalised Zimbabwean economy.

Anglo expanding Zimbabwe ventures

(362) Star 25/1/95

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Kanganga said most of Anglo's associated companies had plans to expand their operations, taking advantage of the liberalised Zimbabwean economy, which had seen new incentives introduced for both local and foreign investors. — Sapa.

Pepkor in Zimbabwean deal

YURI THUMBRAN

BD 25/1/95

PEPKOR had signed a multimillion Zimbabwean dollar deal to acquire shares in Zimbabwean clothing retail chain Power Sales Zimbabwe, Pepkor vice-chairman Arnold Louw said yesterday.

He said at this stage Pepkor merely had an agreement which hinged on Reserve Bank approval, and would therefore not give the value of the deal.

If the deal was successful, Pepkor would expand the activities of Power Sales in Zimbabwe, which would spearhead the group's drive into neighbouring states.

Sapa reports that Power Sales MD Clive Hunt told Ziana news agency in a separate interview that the agreement was subject to the approval of various authorities, including the central banks of Zimbabwe and SA. (362)

Pepkor set to move into Zimbabwean chain

(362) CT 25/7/95

HARARE. — Pepkor has signed a multi-million dollar deal to acquire shares in the Zimbabwean clothing retail chain, Power Sales Zimbabwe Ltd, which is still subject to approval by the Reserve Bank of Zimbabwe.

In an interview with the Ziana national news agency, the vice-chairman of the Cape Town-based company, Arnold Louw, said that "should the deal be successful", Pepkor would expand the activities of Power Sales in Zimbabwe.

Expand production

He would not put a value to the deal.

"We shall also endeavour to expand Power Sales' current production capacity to further exports to South Africa as well as globally," Mr Louw said. He declined to comment on how much Pepkor was prepared to invest in the expansion project.

Power Sales managing director Mr Clive Hunt told Ziana in a separate interview that the whole agreement was subject to approval by various authorities, including the central banks of Zimbabwe and South Africa.

"At this point, seeing that the deal is subject to approval from outside sources it would not be prudent to discuss any further details," said Mr Hunt.

Acquisition syndicate

Pepkor is a public limited company listed on the Johannesburg Stock Exchange with an asset value projected to run into Zimdollar 2,4bn ($300m).

If the Pepkor deal goes through, this will mark the beginning of a multi-million dollar acquisation syndicate of Zimbabwean firms by South African companies penetrating the sub-region.

● Pepkor yesterday announced the acquisition of a 23,4% stake in Waltons Consolidated Holdings in an R82,1m cash deal. Chairman Christo Wiese said it was intended eventually to take control of the company. — Sapa, Business Staff

Fine tobacco crop in Zim

362

Sowetan 26/1/95

HARARE — Zimbabwean flue-cured tobacco farmers are optimistic that the quality of this year's crop will be better than last year, helping to improve the country's foreign exchange position, *Ziana News Agency* reports.

Zimbabwe Tobacco Association president Peter Richards said the tobacco crop has not suffered from the late and erratic rainfall pattern this season compared to food crops.

"Most districts, with a few exceptions, are recording one of the finest crops produced for a long time," Richards said.

"If the rains continue to fall there is no reason to believe that the quality will be worse than last year and farmers will be satisfied with prices," he said.

The industry expected to produce at least 190-million kg of flue-cured tobacco earning in excess of Zd 2,5-billion (R1 000 000-million) to the grower this year compared to 169 million kg which brought in 2,3-billion (R900 000-million) last year.

Last year, a record 201-million kg valued at 3,5-billion (R1 690 000-million) of processed tobacco was exported, exceeding the previous year's record by 9 percent, Richards said.

The world market for tobacco was currently more buoyant than it has been for the previous three years.

"In speaking to many of our customers overseas, particularly in America, there is every reason to be optimistic," Richards said. — *Sapa*

IMF programme cuts Zimbabwe's textile industry

ST(BT) 29/1/95 (362)

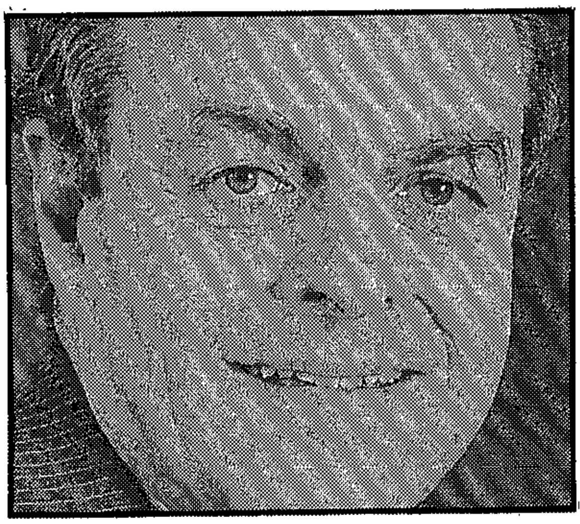
By CIARAN RYAN

DON'T make the same mistakes we did, Zimbabwe's textile industrialists urged SA Textile Federation president, Mervyn King, during his visit to Harare this week.

Four years into an IMF-imposed economic structural adjustment programme (Esap), Zimbabwe's textile industry is in tatters. More than 11 000 textile workers, 44% of the total, were laid off last year. A similar number were laid off in the clothing industry and thousands more in upstream supplier industries.

In Zimbabwe, where each breadwinner supports six or more dependants, this is a human tragedy of considerable proportions.

The most recent casualty is Cone Textiles, at Chitungwiza, outside Harare. It closed its doors in December with the loss of 6 000 jobs and nearly R200-million owing to creditors. Its cavernous factories, once the second largest in southern Africa after Frame, stand empty.



WISER ... Mervyn King, who says South Africa must learn from Zimbabwe's mistakes

"Esap killed us," says Cone's financial director, Kevin O'Toole. "With interest rates of 30% and more, and the Zimbabwean dollar depreciating by about 20% a year, no company with substantial borrowings can survive for more than two or three years."

Zimbabwe is in IMF receivership and yet remains stubbornly delinquent in meeting some of its commitments, such as privatising state-owned corporations and reducing the public sector. Zimtrade economist, Mike Humphrey, says the IMF will start applying pressure on Zimbabwe to fulfil all of its Esap obligations this year. With a general election just weeks away, the timing could not be worse for the government.

"We must learn from the mistakes of Zimbabwe," says Mr King. "It was forced to restructure too quickly and look what has happened. In terms of the general agreement on tariffs and trade, we are required to reduce our textile tariffs over 12 years. We have agreed to a 10 year phase-down, while the US has been given 15 years.

"South Africa has more to lose than Zimbabwe. Its textile industry saves R8-billion a year in forex, employs 80 000 directly and 280 000 indirectly and at the end of the 10-year phase-down period will be internationally competitive."

Esap, like most other structural adjustment programmes imposed by the IMF on countries with heavy balance of payments deficits, is a package of measures aimed at improving economic competitiveness.

It includes sharp reductions in import tariffs, floating the currency, liberalising foreign currency dealings, slashing the public sector, curbing credit demand through higher interest rates, and lowering inflation.

Zimbabwe was forced to drop duties on imported textiles to 15% from 65% over five years, inviting a flood of cheap Asian imports, aggravated by large-scale dumping which local customs officials appear powerless to stop.

Esap is not without its successes, says Mr Humphrey. Manufacturers are now able to source cheaper inputs, the devaluation of the Zimbabwe dollar has boosted exports, inflation is down to 24% from 40% and interest rates, which peaked at 42%, are now down to 30%.

But the textiles industry has been hardest hit by Esap. It accounts for 23% of the manufacturing sector, which in turn accounts for 25% of gross domestic product. It has several advantages over the SA textile industry.

Cone managing director, Victor Cohen, says for the price of one SA worker he can employ seven Zimbabweans or 16,5 Malawians, and they are more productive than South African workers.

Zimbabwean textile producers enjoy duty concessions in Europe under the Lomé Convention. Consequently, Europe was its biggest export market.

NEWS IN BRIEF

Strike at AECI plant

BUILDING at AECI's new lysine plant in Umbogintwini near Durban ground to a halt yesterday when contract workers downed tools over an apparent wage dispute.

The factory's main entrance was opened by mid-morning.

'Whites will lose jobs'

NEARLY 1-million whites would lose their jobs because of affirmative action, Free State University labour economics lecturer Louis Bothma said at the white Mineworkers' Union's annual conference in Midrand yesterday.

Through normal means, this would take about 30 years if no new whites were appointed.

Officers in SANDF

ABOUT half the 10 000 "non-statutory soldiers" integrated into the SANDF had been ranked as non-commissioned officers, Deputy Defence Minister Ronnie Kasrils said yesterday. Another 1 500 had been appointed as officers, he told a delegation of the French Institute for Advanced National Defence Studies in Cape Town.

Mboweni's honour

LABOUR Minister Tito Mboweni was not the first South African to be awarded membership of the World Economic Forum's Global Leaders for Tomorrow network, as reported yesterday. Mboweni's office has pointed out Sapa misquoted its statement, which said Mboweni was the first SA Cabinet Minister to receive the honour.

REPORTS: Business Day Reporter, Sapa.

Maharaj wants fuel levy back

BD 31/1/95

DURBAN — A road tax in the form of a fuel levy should be reintroduced to pay for upgrading and maintaining SA's roads, Transport Minister Mac Maharaj said yesterday.

Sapa-Reuter reports that he told a transport conference: "Since April 1 1988 the National Road Fund ceased to receive dedicated funds from a levy on fuel. This, together with the advent of a significant rate of inflation and the oil crisis in 1973, resulted in a significant decline in funds allocated to intercity roads to a level half that of 20 years ago."

Maharaj said roads vital to the country's economy could also be paid for by licence and toll fees.

He said these forms of payment "can be regarded as similar to harbour duties or aircraft duties charged to defray operation costs".

Social roads, which provided for accessibilty to schools, clinics and work places, should be a state responsibility and paid for through general taxation, Maharaj said.

He said national roads should be provided by the central government while other roads should be the responsibilty of provincial and local governments.

"Good roads have been described as the second most important catalyst in any country's development after education," Maharaj said.

He said the state subsidy for commuter transport should remain, but a "critical reassessment" of the nearly R2bn subsidy should take place.

"I am still of the opinion that the lowest possible level of government should be responsible for the planning, co-ordination and financing of public passenger transport services, since those authorities are in the best position to know the requirements of their constituencies," Maharaj said.

Maharaj also said that problems in the taxi industry had to be resolved urgently.

A task team to deal with the taxi industry should be appointed in February, when a national taxi workshop would be held.

"While the process of consultation is taking place the trouble in the industry is continuing unabated. This cannot be tolerated much longer," Maharaj said.

THEO RAWANA reports that Public Enterprises Minister Stella Sigcau said resources released by the sale of assets or privatisation should not be used to finance the Budget deficit but should be applied to debt reduction.

She told delegates a task group under her auspices would deal specifically with developing a blueprint setting out government objectives in undertaking restructuring, such as a regulatory framework policy.

Outlining the basic principles involved in the privatisation of public assets, Sigcau said: "Assets or enterprises that will have full or partial private sector involvement must empower the disadvantaged rather than enrich the affluent, in order to redress past inequities."

She said restructuring of transport assets must reflect the principles of the reconstruction and development programme.

Zimbabwe top trading partner in Africa

(362) BD 31/1/95

JOHN DLUDLU

ZIMBABWE emerged as SA's top trading partner in Africa between 1989 and 1993 with trade between the two valued at more than R2bn, a recent study by the Industrial Development Corporation (IDC) showed.

The report on SA's trade with Africa, compiled by the corporation's economics department, showed total trade between the two nations was worth R2,5bn, reflecting a 14% average growth between 1989 and 1993.

SA's exports of R1,8bn to Zimbabwe in 1993 represented an average growth rate of 16,5% between 1989 and 1993. Exports to Zimbabwe represented 24% of SA's total exports to African markets.

During the same period, SA consumed R669m worth of goods from Zimbabwe, a 9,2% average growth.

SA's next largest trading partner was Mozambique with whom trade had increased 38% to R1,4bn in the review period. Mozambique consumed R1,36bn worth of SA goods and SA sourced goods valued at about R61m in 1993 from Mozambique.

Also appearing in the top 10 African trading partners' list were Zambia, Malawi, Zaire, Mauritius, Kenya, Angola, Reunion and the Ivory Coast.

Top traded products included diamonds, used personal and household effects, unmanufactured tobacco and its refuse, cotton, soya beans, tea, television receivers, footwear and chemical products.

The list of top 10 SA export items included used personal and household effects, motor vehicles for goods and human transport, nickel mattes, wheat, mineral fertilisers, copper ores, insecticides and motor vehicles parts and accessories.

Zim largest exporter of tobacco in '94

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HARARE. – Zimbabwe last year became the world's largest exporter of flue-cured Virginia tobacco, with 192 135 tons at a value of $425 million (about R1 487m) marketed abroad, beating world leader Brazil, with 185 000 tons.

The Zimbabwe Tobacco Association said the country's leading position came about because of the export of unusually large stocks, and because Brazil was hit by bad weather and restrictions on its exports to the US, its main market.

The European Union was the largest buyer of Zimbabwean tobacco last year, accounting for 47% of exports. – Sapa

CT 1/2/95

A four-letter word that strikes fear in industry

Star 1/2/95 (362)

ZIMBABWE'S textile industry reveals a bitter experience for South Africa. David Braun reports

The 770 ha state-of-the-art plant operated by Cone Textiles, just outside Harare, is dark and silent. Work-in-progress worth R17 million litters the place.

Only a month ago, this R450 million facility employing 6 000 people was one of the largest textile plants in Africa. Now it is closed, perhaps permanently, a depressing monument to what is going wrong with Zimbabwe's Economic Structural Adjustment Programme (Esap). The people who worked there are without employment and their dependants are without a means of support.

To many of Zimbabwe's industrialists, entrepreneurs and ordinary workers, Esap is a four-letter word which has brought nothing but misery and disaster. Esap has been imposed on the country by the International Monetary Fund and many of Zimbabwe's financial donors. The programme is designed to modernise what had become one of the world's most moribund and over-regulated economies following 15 years of sanctions and a decade of incompetence brought on by a misguided attempt at command control.

But while Esap undoubtedly has brought much-needed improvement to the economy, and President Robert Mugabe's government continues to place much hope in its eventual fruits, not all of the economy's sectors have been able to make the sometimes harsh adjustments. Many of them are now saying that South Africa should learn from Zimbabwe's mistakes.

The beleaguered textile industry is a case in point. Once the employer of 25 000 people, generating in the region of R1 billion a year, Zimbabwe's textile industry is on the edge of collapse.

This bitter experience is sending chill winds of warning across the border where the R8 billion South African textile industry could easily go the same way.

In South Africa, the textile industry employs 80 000 people directly, and 200 000 jobs in supporting industries.

Mervyn King, chairman of Consolidated Frame Textiles and president of the Textile Federation, says South Africa does not need to grope in the dark when it has a light before it: the experience of what went wrong in Zimbabwe.

He is referring to the raging debate within South Africa about the time scale and extent of phasing down of im port protection for the local textile industry. The clothing industry, seeking cheap cloth, is in favour of a four to five-year reduction on tariffs.

The government has acceded to a General Agreement on Tariffs and Trade (Gatt) demand that duty levels be reduced dramatically within 12 years. A final decision has not, however, been made.

King says the Zimbabwe approach proves the folly of acting too hastily.

In that country, the subsidy on cotton and export incentives were withdrawn by the government unilaterally, without notice. Coupled with interest rates of more than 30 percent (brought on by Esap), an inflation rate of more than 20 percent (caused by the government's undisciplined spending), the massive and speedy decline in the international value of the Zimbabwe dollar, the worst drought in living memory in 1992, and the failure of the governments of Zimbabwe and South Africa to renew their preferential trade agreement at the end of 1992, the too-rapid phasing down of import tariff protection was more than the textile industry could bear.

Mugabe ... still places much hope in Esap.

In terms of Esap, import protection tariffs on textiles were reduced from 65 percent to 15 percent in only five years. King says that had the Zimbabwean textile industry been allowed an interval of at least 10 years it would have been in a far stronger position to cope with all the other variables.

"The textile industry in South Africa realises it must be streamlined and made more competitive internationally," says King.

"It supports the principles of Gatt. However, it must have 10 years to prepare. We need the time to retain our workers and to invest in capital equipment which would make us competitive worldwide. That cannot be done overnight. Give us the 10 years we need. If we can't get it right in that period, then we deserve to perish."

The SA and Zimbabwe governments are supposed to meet at high level in the middle of this month to discuss the problems of the textile industry and the terms of re-negotiating a preferential trade agreement.

The most pressing issues are the improving of policing against the smuggling of second-hand clothing into the region and the need for measures against the increasing practice of dumping cheap goods into southern African markets.

From the Zimbabwe textile industry's point of view, South Africa has much to lose if that country's economy collapses. Not only is Zimbabwe South Africa's biggest African customer, the destruction of jobs in that economy will exacerbate the flow to the south of illegal migrants in search of work.

While South Africa has to look to its own interests first, it cannot do so in isolation. In a hostile world where only the toughest survive, can South Africa really afford to see its hinterland, and, indeed, its very own industries and markets go down the tubes?

ZIMBABWE (362) FM 3/2/95

Tax by stealth

In one of the more astonishing examples of government disregard of parliament, Zimbabwe last week dribbled out a series of tax rises without bothering to inform parliament. Though MPs were in session, President Robert Mugabe's administration prefers to gazette tax increases or announce them piecemeal through the media.

At a news conference early in the new year, the acting Finance Minister had warned of a "drought levy" of at least 5% on company and personal income tax. But the final package, estimated at around Z$1,3bn (US$155m), was far broader than expected, suggesting the fiscal situation, far from being "on track" as claimed by World Bank spokesmen, was out of control.

To add insult to injury, the 5% surcharge on corporate tax is retroactive. Companies will have to pay the tax on earnings for the 1994-1995 tax year, with every likelihood that the surcharge will be extended to cover the 1995-1996 tax year too. The corporate tax rate, lowered from 42,5% in 1993-1994 to 40% in 1994-1995, is, therefore, increased to 42%. Individuals, promised tax cuts in last July's budget, from a top rate of 45% to 40%, will pay 42% from April.

These increases will bring in Z$350m (US$42m) in a full year, but with corporate tax being retroactive, the net tax gain will be Z$500m (US$60m). Sales tax has been increased with immediate effect from 10% to 12,5%, while the rate on cars is up 5%-20%. This measure will raise Z$600m (US$72m) in a full year.

To the Z$1,1bn raised by these two tax hikes must be added major increases in excise and customs duties on beer, wines and spirits and cigarettes, expected to raise a minimum of $200m over a year.

This represents a 10% tax increase, raising revenue from a forecast Z$12,9bn (US$1,6bn) to over Z$14bn. With 1994 GDP estimated at Z$47bn (US$5,6bn), the taxman is taking 30% of GDP and the tax increases come close to 3% of GDP.

The failure — so far — to give a budget statement to parliament suggests confusion and political expedience. Ministers and MPs face a tough challenge in the ruling Zanu-PF party primaries this month, though the subsequent parliamentary elections in March-April are unlikely to be more than a formality.

Candidates who make it through the primaries are virtually guaranteed a seat in parliament for the next five years, though on the back of a pathetically low turnout.

Ministers are embarrassed by the need to reverse tax cuts so close to the elections. The scapegoat is either the drought of 1992, blamed for huge losses by the State-owned Grain Marketing Board, or the potential drought of 1995.

Good rains over Christmas and in mid-January have raised hopes the current season may be just about average, at least in the north and east of the country, where the bulk of crops are grown.

Ministers don't want to admit the truth, which is that they came under intense World Bank/IMF pressure to do something drastic about the budget deficit, before the postponed Paris Donor Consultative Group meeting early in March. During December, Ministers were given a bleak message by the IMF and the bank — sort out the deficit, or call off the Paris meeting.

The result was a rash of muddled tax announcements with the drought — actual or potential — being seized upon as the most politically acceptable explanation for years of fiscal mismanagement which has left Zimbabwe with a public sector debt close to 100% of GDP.

Donor pressure extends also to privatisation. A leaked report says a Cabinet subcommittee has recommended liquidating some new public corporations created by the Mugabe government after independence (State Trading Corp, Urban Development Corp and Zimbabwe Development Corp), selling off its shares in formerly SA-owned companies such as Delta Corp (once owned by SAB), Astra Corp (Barlow Rand), Zimbabwe Newspapers (Argus Group) and Zimbabwe Financial Holdings (Nedbank-owned).

Other semi-State corporations are to be privatised or commercialised.

This last development shows just how little is left of Mugabe-style socialism. His claim, at last August's party congress, that Zimbabwe was — and would remain — a socialist state, looks as threadbare as the World Bank's claims that Zimbabwe's five-year economic structural adjustment programme is "on track." ■

Zimbabwe faces debt crisis

Harare — Zimbabwe is faced with a serious debt-trap situation, says a leading bank. (362)

Standard Chartered Bank says government debt has trebled in the past five years to over Z$28 billion (US$3,5 billion), excluding parastatal debt. Star 3/2/95

Debt will be close to Z$47 billion (US$5,9 billion), if parastatal debt is included.

"The decision to take over Z$4,3 billion (US$537,5 million) in agricultural parastatal debt is the thin edge of the wedge."

Other parastatal debt will soon have to be tackled, pushing the country into a debt-trap scenario.

With the takeover of parastatal debt, interest charges are now the largest single item in the budget, says the bank.

"This unsustainable situation will have to be tackled by a policy of domestic-debt reduction, achieved by selling off public sector investments to repay debt," the bank says.

However, the 1994 budget proposal to use such revenue to finance the budget deficit falls well short of what was required.

The privatisation revenue accruing to the government was used to fund recurrent expenditure instead of reducing public-sector debt. — Sapa.

Mowed down by a fast Gatt

ARG 4/12/95 (362)

DAVID BRAUN

HARARE. — A 70-hectare state-of-the-art plant operated by Cone Textiles just outside Harare is shuttered in darkness and silence. Work-in-progress valued at R17 million litters the plant, some in piles of cotton, some in great reels of yarn, some on looms, the rest of it in bales of fabric ready to be shipped.

Only a month ago this R450-million facility employing 6 000 people was one of the largest textile plants in all Africa. Now it is closed, perhaps permanently, a depressing monument to what's going wrong with Zimbabwe's economic structural adjustment programme (Esap).

The people who worked there are without employment and their dependants are without a means of support. An entire community's economy is in tatters.

To many of Zimbabwe's industrialists, entrepreneurs and ordinary workers, Esap is a four-letter word which has brought nothing but misery and disaster. Esap has been imposed on the country by the International Monetary Fund and many of Zimbabwe's financial donors.

The programme is designed to modernise what had become one of the world's most moribund and over-regulated economies following 15 years of sanctions and a decade of incompetence brought on by a misguided attempt at command control.

But while Esap undoubtedly has brought much-needed improvement to the economy, and President Robert Mugabe's government continues to place much hope in its eventual fruits, not all of the economy's sectors have been able to make the sometimes harsh adjustments. Many are now saying that South Africa should learn from Zimbabwe's mistakes.

The beleagured textile industry is a case in point. Once the employer of 25 000 people, generating in the region of R1-billion a year, Zimbabwe's textile industry is on the edge of collapse. In the past year alone it has been forced to retrench 1 1000 of its workers, impacting disastrously on supporting industries with the destruction of as many as another 50 000 jobs.

The closure of the Cone Textiles plant, which had been geared mainly for the export markets, has cost Zimbabwe a million dollars a day in lost foreign exchange earnings — a large sum of money for this economy.

The bitter experience of the textile industry is sending chill winds of warning across the border where the R8-billion South African textile industry, if it is not careful, could easily go the same way.

In South Africa, the textile industry employs 80 000 people directly, and another 200 000 jobs in supporting industries are said to be dependent on it. If this industry were to be destroyed it could easily affect the livelihood of more than a million people, if the workers' dependants are also taken into account.

Mervyn King, chairman of Consolidated Frame Textiles and president of the Textile Federation (Texfed) says South Africa does not need to grope in the dark when it has a light before it — the experience of what went wrong in Zimbabwe.

He is referring to the raging debate within South Africa about the time-scale and extent of phasing-down import protection for the local textile industry. The clothing industry, seeking cheap cloth, is in favour of a four to five year reduction on tariffs. The government has acceded to a General Agreement on Tariffs and Trade (Gatt) demand that duty levels be reduced dramatically within 12 years. A final decision has not, however, been made.

Mr King says that the Zimbabwe approach proves the folly of acting too hastily.

In that country, the subsidy on cotton and export incentives were withdrawn by the government unilaterally, without notice. Coupled with interest rates of more than 30 percent (brought on by Esap), an inflation rate of more than 20 percent (caused by the government's continued undisciplined spending), the massive and speedy decline in the international value of the Zimbabwe dollar, the worst drought in living memory in 1992, and the failure of the governments of Zimbabwe and South Africa to renew their preferential trade agreement at the end of 1992, the too-rapid phase-down of import tariff protection was more than the textile industry could bear. The result: rapid implosion of an industry which contributes one quarter of Zimbabwe's manfacturing sector, which in turn makes up a quarter of GDP.

With the exception of the drought and the demise of the preferential trade agreement, all the ingredients in the recipe for disaster may be attributed to Esap.

In terms of Esap, import protection tariffs on textiles were reduced from 65 percent to 15 percent in only five years. Mr King says that had the Zimbabwean textile industry been allowed a more decent interval of at least 10 years it would have been in a far stronger position to cope with all the other variables.

"The textile industry in South Africa realises it must be streamlined and made more competitive internationally. It supports the principles of GATT. However, it must have 10 years to prepare. We need the time to retrain our workers and to invest in capital equipment which would make us competitive worldwide. That cannot be done overnight. Give us the 10 years we need. If we can't get it right in that period, then we deserve to perish," he says.

Mr King rejects claims by clothing manufacturers that the import of cheap cloth would create many new jobs for the export markets. Provision is already made for cloth destined for export markets to be imported duty-free, and there is no sign that this is creating huge number of jobs.

The more likely scenario, he says, is that once the southern African textile industry has been destroyed, the region will be the dumping ground for other countries' clothing. The export jobs would all be in Asia and South America.

"International trade is a form of war. South Africa must safeguard its interests. It cannot be so naive in a brutal world," he says.

If there is still time for South Africa to avoid the pitfalls, is it too late for Zimbabwe?

The two governments are supposed to meet at high level in the middle of February to discuss the problems of the textile industry and the terms of renegotiating a preferential trade agreement. One of the most pressing issues is the aspect of improving policing against the smuggling of secondhand clothing into the region and the need for measures against the increasing practice of dumping cheap goods into southern African markets.

From the Zimbabwe textile industry's point of view, South Africa has much to lose if that country's economy collapses. Not only is Zimbabwe South Africa's biggest African customer, the destruction of jobs in that economy will exacerbate the flow to the south of illegal migrants in search of work.

Mugabe plans state asset sale to cut debt and please donors

(362) BD 14/2/95

MICHAEL HARTNACK

HARARE — Zimbabwe President Robert Mugabe's government plans to sell off a R400m chunk of its business empire to pull itself out of the red before it has to confront aid donors in Paris next month.

"By June we should have achieved that without having those securities or shares going into foreign hands," acting finance minister Emmerson Mnangagwa told The Herald.

With its five-year economic structural adjustment programme far behind schedule and no substantive heads at the helm of the finance and commerce ministries, Zimbabwe has to face a reckoning with IMF and World Bank heads on March 9 and 10.

A donor conference was put off in December as the imbalance widened between income and government spending, particularly on subsidies to parastatals and public sector salaries.

Last month the government imposed a 5% "drought levy", ostensibly to fund a maize stockpile in case rains failed, but in reality to bail out the R2bn debts of chronically troubled parastatals — the Grain Marketing Board, Cold Storage Commission and Cotton Marketing Company.

"We are able to be called for the conference and this means we have been accepted after meeting certain targets," said Mnangagwa.

Economist John Robertson predicted the government might reconcile its economic and political objectives by offloading shares to the controversial new National State Security Authority (NSSA). Since January 1 NSSA has been collecting 6% of the formal sector's wage bill in compulsory contributions, to the dismay of established pension funds.

Robertson said R400m would "make a sizeable hole" in Zimbabwe's estimated R1,2bn budget deficit. Sale to NSSA of government holdings in Delta (which owned OK Bazaars and breweries), Astra, Zimpapers and Zimbank could be defended as a "blue chip investment" for indigenous pension contributors. However, Mugabe would retain control of the companies through NSSA's board.

Looming drought to take fresh toll of Zimbabwe's crops

(362) BD 16/2/95

HARARE — Zimbabwe expects a big drop in crop production this year due to late and patchy rains, the head of the main commercial farming sector said yesterday.

Commercial Farmers' Union president MacSporran said output of cotton, soybeans, wheat and the staple maize crop were each likely to fall by more than 30% in the farming season ending in April.

"On the whole, the season is not looking good at all. We are looking at drops in output on a number of crops, including maize, because the rains have been very erratic so far . . . and we have a kind of semi-drought."

The rains — which normally fall from November to April — came two months late at the end of December and were reported to be patchy in some districts, including key farming areas.

"Some crops are a write-off after suffering from moisture stress, but others are still promising. But to do well, the surviving crops will still need some good rains in the coming days, otherwise the losses will be bigger," MacSporran said.

But he said output of flu-cured tobacco — Zimbabwe's main export — was likely to rise between 180-million and 185-million kg this year from 169-million kg in 1994, although its quality could be lower due to the rain pattern.

Soybeans and groundnuts appeared to be in satisfactory condition but were still expected to be slightly lower at 120 000 and 8 000 tons respectively.

Maize production was forecast to decline 30% to 1,1-million tons.

But grain officials say Zimbabwe's grain reserves of 936 000 tons were enough to see it through to the next season. It has already suspended exports of the staple.

Meanwhile Zimbabwe's wildlife, barely recovered from a 1992 drought, is threatened with more shortages of water and food, rains, national parks officials said yesterday.

Warning of an impending disaster in the country's largest sanctuary, Hwange National Park in western Zimbabwe which holds hundreds of thousands of animals, they said substantial rains were needed to boost grass and water supplies.

Some officials have said Zimbabwe could be forced to sell or cull 5 000 of its 80 000 elephants this year because of a shortage of water and deterioration in grazing in its main animal sanctuary in the northwest.

But National Parks Department chief warden Glenn Tatham said a strategy to deal with any eventual crisis would be worked out only after a review in March.

Colin Gillies, chairman of the Matabeleland Wildlife Society of Zimbabwe in western Zimbabwe, said that while water shortages had been alleviated somewhat by drilling boreholes in Hwange, "because of the lack of rain there won't be food to eat".

The Wildlife Producers' Association of Zimbabwe said its 680 members would meet tomorrow to decide on a course of action. — Sapa-Reuter.

Zimbabwe registers surge in major mineral output

HARARE — The volume of output of most of Zimbabwe's major minerals surged strongly in 1994 against the previous year, according to provisional figures issued by the Chamber of Mines yesterday. (362)

The statistics appear to support forecasts that 1994 will record the strongest growth in nearly 20 years, after the first half of the year recorded a 14% increase in the volume index of mining. BD 16/2/95

The most significant growth was in diamonds, up nearly 250% on the crest of expanded exploration in the last three years, while gold broke the 20-ton barrier for the first time in 50 years. The exceptions were asbestos and coal, which fell marginally, and iron ore, which is not exported.

The volume index for the first six months of the year rose to 109, after averaging 101,5 — 1,5% above the 1980 base — for the previous 13 years.

Chamber officials cautioned that the figures reflected only the major minerals, and a full analysis from the mines ministry could only be expected later this year.

Gold, the biggest export earner after tobacco, made 20 564kg, up 8,7% from 1993's 18 565kg, reflecting increased investment in production, while the value rose 19% to an estimated Z$2,05bn.

Output of diamonds rose to 150 683 carats against 43 850 carats the previous year. Most is from Australian-based Auridiam's River Ranch claim near Beitbridge. It was the first company to start production.

The value of last year's output is estimated at Z$60m, a figure that is expected to grow sharply as other companies begin producing. Value in 1993 was about Z$18,8m.

Nickel became the second most important mineral and the 13 005 tons produced, up 17% on 1993's 11 097 tons, was valued at Z$609m, up 35% on 1993. — Sapa.

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Cash crisis fuels Zim's racial tensions

(362) WM 17-23/2/95

Georges Marion reports from Harare on how moves to a market economy are changing Zimbabwe

MANY saw the recent trial of Richard McGown, a white doctor charged with killing several patients, as a sign of the worsening relations between blacks and whites. Yet things haven't turned out as feared.

The anaesthetist accused by some of using his black patients as guinea pigs for medical experiments was sentenced to a year in jail; six months of his sentence was suspended, and he has since been released on bail pending hearing of his appeal.

The controversy over McGown is likely to leave a few scars. Many blacks think the haughty and self-confident man illustrates the contempt in which the "Rhodies", who ruled Rhodesia before independence, hold their fellow black citizens.

Whites, on the other hand, see the fuss about the trial as a further manifestation of the harassment to which the black ruling circles are subjecting them.

"If such a misfortune could happen to a doctor, who is to say that tomorrow a white teacher might not be accused by ignorant members of parliament of indecently fondling his black pupils?" one journalist asked. He recalled how last year the manager of a big hotel in Harare was forced to leave the country in the face of a campaign alleging he fed thick steaks to his dogs while keeping his staff on short rations.

Yet there is nothing to show that Zimbabwe is on the brink of a racial confrontation. After years of a bloody war, and independence in 1980, the national reconciliation policy that Robert Mugabe has been pursuing has produced results. Blacks and whites mix only superficially, but they do live side by side.

In recent months, however, Mugabe and his vice-president, Joshua Nkomo, have indulged in careless statements — threatening to expel "whites who consider their skin to be more precious and more sacred than ours". The government daily *Herald* obligingly published articles and letters taking up the same theme.

Much of this edginess stems from the approaching elections. No one doubts that, in view of the divided opposition, the Zanu-PF, the former single party that has been presiding over the country since independence, will be the winner in the general election in March. But since Zimbabwe switched from socialism to a market economy in 1991, the regime has been going through a deep identity crisis.

In the past few years most Zimbabweans have suffered a dramatic drop in their living standards. Improved macroeconmic indices over the past two years have not been enough to offset the effects of the 1992 drought, the exodus from rural areas, the lack of jobs for the 250 000 students passing out of school every year, the steady decline of health services, and the threat of being laid off by a heavily overstaffed public service.

With seven million black farmers — 63 percent of the population — practising a subsistence economy on 40 percent the country's arable land, 4 500 farmers (mostly white) share 30 percent of the cultivable land. These descendants of the old settlers have resources and expertise, and their maize and tobacco provide Zimbabwe with a good part of its export earnings.

The government passed a law in 1992 allowing it to expropriate farmland at will. Officially, it is for settling some 160 000 black landless peasants. The white farmers protested that this was arbitrary confiscation, but the authorities retorted that they were being racist. In fact, given the commercial farms' indispensable foreign currency earnings, only a hundred or so have so far been expropriated.

Expropriated farms have been leased back to members of the ruling establishment, among whom are the army chief and the education minister, Witness Mangwende, who was the prime mover behind the 1992 act.

Similar tensions are surfacing in industry and business, where members of the former socialist establishment are spearheading the fight. Long protected by their political monoply, the opening up of the economy has taken away the resources of these former intermediaries between the state and the, mostly white, private sector.

Forced to redeploy, these middlemen are now trying to move into the white business stronghold, and are calling for a vigorous Africanisation policy. Within a few months, groups have sprung up accusing the white economic community of refusing to share for racial reasons. All ask for just one thing: bank loans at reasonable rates.

"It's not us, but the government that has fixed the interest rate at 35 percent to fight inflation caused by the budget deficit," explained one banker. He said his establishment would finance "any economically viable project".

Apparently caught unprepared, the government does not seem to have a clear policy. Officially in favour of Africanisation, it is becoming worried about the effect the quarrel may have on the foreign investors it needs. — *Le Monde*

Oil price

London oil prices were not received at the time of going to press.

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Zim pleads for textile tariff cuts

HARARE. — Zimbabwe asked SA yesterday for an interim tariff cut for its textile makers, brought to their knees after Pretoria slapped punitive duties on clothing imports in 1992.

Zimbabwe had made the request in response to concerns by its industrialists at protracted talks on a new trade agreement. — Reuter

CT 17/2/95

Bullets by the million from Zimbabwe factory

Star 17/2/95

■ BY ROBIN DREW
STAR FOREIGN SERVICE

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Harare — Zimbabwe is exporting small arms ammunition and explosives to at least six African countries, it has been disclosed here.

The announcement was made when President Robert Mugabe commissioned a factory on the outskirts of Harare which was built with Chinese and French assistance.

The plant has the capacity to fill anything from hand grenades up to 155 mm artillery shells.

Between 1 000 and 3 000 mortar bombs are filled each month.

A number of Chinese nationals are working at the plant which employs more than 300 people.

The small arms factory can produce up to five million bullets a month.

Zim dissidents 'want civil war'

CP 19/2/95

By ABDUL CARIMO

HUNDREDS of armed men called "Chimuenjes" are believed to be preparing to launch a civil war in Zimbabwe.

They are reportedly in a training camp inside Mozambique, informed sources disclosed on Friday.

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There are strong rumours that the Zimbabwe Unity Movement, led by former minister Edgar Tekere and to which the Chimuenjes owe their allegiance, is speeding up preparations for the establishment of military bases in Mozambique, particularly in the areas of Sussundange and Mossurize districts in Manika province.

The districts were previously controlled by Renamo during the civil war – which ended with the signing of the peace accord in Rome, Italy on October 1992.

Tekere was a minister in the Zimbabwean government several years ago but ever since has been a strident critic of Robert Mugabe's government.

The Dombe district, Renamo's former provincial headquarters in Manika, where the Chimuenjes found sanctuary, is where Tekere's soldiers were reportedly seen by the local rural community – moving about with heavy machine-guns and other weaponry.

Political observers and Western diplomats consider the latest move as "very dangerous" if the reports prove to be valid.

On Friday Mozambican President Chissano, who is to visit Zimbabwe, Malawi and South Africa soon, said he would discuss the matter with Zimbabwe president Robert Mugabe with the hope of finding a peaceful solution to the problem.

He said however, he was still awaiting hard evidence to support the rumours.

However, Dombe's local district administrative chief said armed groups were definitely moving into the area.

Supporters turn backs on Mugabe MPs

(362) BD 22/2/95

HARARE — Disgruntled supporters of Zimbabwe's ruling Zanu-PF shocked party leaders by widespread dumping of parliamentary representatives in primary polls ahead of upcoming elections, results showed yesterday.

In the Midlands province, seven out of 15 MPs were rejected in favour of political newcomers.

In Masvingo province, three more MPs were trounced while voting was halted in two constituencies by disputes over missing voter records.

Selection as a Zanu-PF candidate virtually assures a ride to parliament where the party holds all but three of the 120 elected seats and faces little challenge from a divided opposition.

Competition for selection has thus been keen, with President Robert Mugabe having to step in to protect Vice-President Simon Muzenda from being challenged by ruling out primaries in his constituency.

The elections are to be held late next month or early April, and Zanu-PF primaries will be completed over the next few weeks.

Meanwhile, Mugabe, who has been in power for the past 15 years, said yesterday he had no intention of stepping down "for the time being". The presidency will not be contested until next year. — Sapa-AFP.

NEWS Mugabe's old guard comes under attack by junior members of party

Power struggles hit Zanu-PF

Sowetan 24/2/95

362

HARARE — Zimbabwe's all-powerful Zanu-PF has survived vicious infighting in its top ranks, but the ruling party's monolithic image has been dented by the power struggles, say political analysts.

Party leaders, most of whom have in the past won elections virtually unchallenged, have had to fight unprecedented battles for party nominations to contest parliamentary polls due by the end of April.

Political analysts said the infighting, pitting mostly junior members against an old guard reluctant to relinquish power, has left President Robert Mugabe's party divided but intact.

"The party has not split ... but it is slightly weaker and divided," historian and political analyst Ngwena Madzirutande said.

"There are cracks ... and its image as a monolithic party has been seriously damaged. Dissent is on the rise," he said of the of the party which has held power since 1980 independence from Britain.

Despite this, the party, which holds 147 of the 150 seats in parliament, is expected to trounce a splintered opposition lacking dynamic leaders and viable programmes.

A few newcomers have won seats in Zanu-PFs primaries, which began last Saturday and are due to wind up next weekend, but the old guard remains largely in front.

Zanu-PF plunged to one of its worse crises in 15 years when powerful leaders from the populous Masvingo province vowed they would defy President Mugabe's orders to junior officials not to challenge seniors in the primaries.

They rebels backed down at the last minute for the sake of party unity. Party sources said Mugabe saved a split by resisting pressure from close advisers to expel the dissidents.

Analysts predict more fights down the road, however, as regions and politicians jostle for development projects and personal power while the current leaders refuse to make way for younger blood. — *Sapa-Reuter.*

News in brief

Border post closed

THE Zanzibar border post between South Africa and Botswana has been closed and the Platjan border post between Zanzibar and Pontdrift on the Northern Transvaal border faces closure because of the Limpopo River flood

The important rural vote

362 Sowetan 3/3/95

HARARE — Opposition parties in Zimbabwe need to capture the rural vote to make inroads on the ruling Zanu-PF dominance in Parliament.

This was said by Mr Ray Matikinye, information officer of Zimbabwe's southeastern Masvingo provincial government.

However, this will prove difficult during this year's elections — scheduled for April 8 and 9 — as Zanu-PF has a traditional stronghold among what it calls peasants, because of their role in the country's liberation war.

"It will be difficult to break the Zanu-PF stronghold in rural areas. The land issue will score points if opposition parties are to organise," said Matikinye.

Only three of 120 seats are held by the opposition.

Matikinye suggested that unemployment would be another issue to attract votes.

There has been a rapid increase in the number of school-leavers in rural areas and unemployment has become a major concern. About 300 000 school leavers compete for approximately 10 000 newly created jobs.

In many parts of the country, the general belief is that Zanu-PF will go back to war if it loses the elections.

When asked if he would accept a Zanu-PF election loss, provincial governor Josiah Hungwe replied: "I will resist."

This, linked with a general lack of information about opposition parties — which tend to have a greater presence in urban areas — and Zanu-PF's claim that the party dispensed drought relief, will make it difficult for the eight contesting parties to capture seats from the ruling party.

United Party's legal affairs secretary Mr Trust Sengwayo told journalists at the weekend he was aware his party, the only opposition standing in Masvingo province, was not known even 50km outside Masvingo.

Yet the party would field 120 candidates — one for each available constituency — with the hope of winning at least 40 seats.

Sengwayo said because of lack of funds, organising support was difficult, even in areas where the UP was known to have a lot of support.

While Zanu-PF received 32 million Zimbabwean dollars from the government for its election campaign, no opposition party has received support because they lack the required minimum 15 MPs in Parliament. — *Sapa*.

(362) X

Mine may be revived

JOHANNESBURG-registered Falcon Investments is seeking to revive a disused mine that has entered the hall of fame as the second largest producer of gold in Zimbabwe. BD 3/3/95

Falcon's operating division in Zimbabwe, Falcon Gold, is negotiating to buy the historic Globe and Phoenix mine at Kwekwe from the hotel and tobacco group Tabex. Globe and Phoenix began production in 1904 and up to its closure in 1972 yielded 1 260 tons of gold at an average of 27g a ton. Only the nearby Cam and Motor mine, also abandoned now, yielded more — 1 400 tons.

Aid for battling farmers

(362)

ST 5/3/95

By MICHAEL HARTNACK
Harare

PRESIDENT Robert Mugabe's government last week stepped in to spare 20 blacks who went bust when trying to break into Zimbabwe's commercial farming industry.

The 20, whose farms were due to be auctioned, were the worst debtors among 700 members of the Indigenous Commercial Farmers' Association which collectively owes the parastatal Agricultural Finance Corporation more than R25-million, said the association's chairman, Thomas Nherera.

He applauded the government rescue bid, saying auctioning of the farms would be a gross violation of Mr Mugabe's policy to empower Zimbabwe's 11 million blacks.

Zimbabwe's farming industry is controlled by 4 400 whites.

But Zimbabwean economist John Robertson warned: "Even if government had the legal right to set aside formal business agreements — which it does not — nobody is helped by the damage this does to the collateral status of the property and other assets that presently make the lending process possible."

BD 6/3/95

Harare probes 'vanishing' gold

362

Own Correspondent

HARARE — Zimbabwe's Central Intelligence Organisation (CIO) is investigating the suspected disappearance of gold worth millions of dollars from Zimbabwe's rich mineral fields.

CIO officers moved in over concern that gold mined by impoverished panhandlers is being bought by uscrupulous dealers and smuggled over the border to Zambia and SA. By law, all gold mined in Zimbabwe has to be sold to the Reserve Bank.

A source within the CIO confirmed officers had toured big farms, where most of the gold panning takes place, and said: "We want to know where all this gold is going. We think there are some powerful people involved."

Tens of thousands of poor Zimbabweans, driven by drought and harsh economic times, are descending on farms across the country to pan for gold. They work long hours in deep makeshift shafts, where many have died, for a grain of gold to earn about R25 a gram.

The panning is legal and licensed but there appears little control of the mining or checks on how much gold is excavated and declared.

Much of the precious metal is believed to be bought by Mercedes-driving dealers, who call at night to collect in exchange for wads of notes.

Expatriate Scottish farmer Ian Millar, 50, has had 1 500 gold panners digging up land at Barrassie Farm, near the northern mining town of Bindura, for the past two months.

He investigated and estimates they have extracted nearly R2,5m worth of gold. He believes much of it reached the black market where prices are 50% higher than those offered by the legal trade.

"I believe 70% of this mining operates outside the law. You can have a whole lot of people running around your farm with semi-legal qualifications and there is nothing you can do about it.

"Frankly, it stinks and as a landowner you are left out in the cold," Millar said.

Farmers also fear that the haphazard mining could cause long-term damage to their agricultural output. Millar said that more than R2,5m worth of irrigation equipment and 50ha of land had been put at risk by mining tunnels which were damaging the soil and water table.

Jerry Grant, of the Commercial Farmers' Union, said: "The situation is becoming a real problem across the country.

"It is totally depressing and disheartening for farmers." — © Telegraph plc.

Zimbabwe poll boycott threat

Star 7/3/95 (362)

Harare — The threat of an opposition boycott and a small revolution within President Robert Mugabe's ruling party have marked the countdown to Zimbabwe's parliamentary elections next month.

Eight political parties have announced that they will boycott the voting on April 8 and 9 unless changes are made to electoral laws which they say favour Mugabe's Zimbabwe African National Union-Patriotic Front (Zanu-PF).

One of their main complaints is that Mugabe — who does not face a presidential election until next year — has the power to appoint 30 MPs to the 150-seat assembly. This means that Zanu-PF has to win just 46 of the 120 contested seats to retain a majority, while an opposition party would have to win 76.

The opposition also complains that members of the Election Supervisory Commission are appointed by Mugabe, saying this creates doubts about impartiality.

Another complaint is that Zanu-PF is funded by the State, receiving about R14-million a year under a provision that any party with more than 15 seats is entitled to such assistance.

Political analysts accept that the opposition parties have a case, but say they left it too late to stop the election.

Analysts say that even if they do boycott the polls, their action is unlikely to have a major impact as the three main opposition parties were not party to the threat.

Zanu-PF's primary elections to select candidates for the 120 constituencies have been seen by many as the real contest, because nomination by Zanu-PF means a virtually assured seat in parliament.

It is in these primaries that discontent among the party faithful has caused a minor revolution, with about a quarter of all sitting Zanu-PF MPs having been ditched by their constituents. — Sapa-AFP.

BUILDING

ecretariat which said the following:

"At the last meeting of the Student Affairs Committee, the SRC proposed that the Committee recommend that the University ban all smoking in public indoor areas of the University. The Student Affairs Committee referred the matter to the Registrar for his attention.

The Registrar has instructed the Student Affairs Department to survey the attitude of the University staff to such a proposal. He has further recommended that this survey be effected through the notional 'owners' of buildings on Campus."

Because I am the "notional owner" of the Leslie Social Science Building, I have been asked to conduct the survey in this building.

I would be grateful if you would assist in this survey by completing the short questionnaire printed on the back of this letter and returning it to Mrs Yvonne Fisher in Room 4.23 of the Leslie Social Science Building by **12h00 on Monday 23 August 1993.**

I A Bunting

/d6yf/smokers

State Mr Warren Christopher arrives in the region in a bid to revive them.

Even before the meeting at

Palestinians — though not the three million refugees of the 1948 Arab-Israeli war — but never specified a timetable. — Sapa-Reuter

for Colonel Mengistu Haile Mariam and his family had been granted Zimbabwean citizenship.

Angola calls on UN for peace deadline

CT 8/3/95

LUANDA: Hit by almost 200 Unita rebel attacks a month, the Angolan government called yesterday for the UN to set and enforce a deadline for peace.

President Jose Eduardo dos Santos asked the UN to set a date for full compliance with a treaty the two sides signed in November, and to impose sanctions for violations.

Mr Dos Santos said the rebels have fooled UN peacekeeping monitors by switching from conventional warfare to hit-and-run "low-intensity combat" — despite the agreement which was to have ended 20 years of civil war.

"Unita has begun ambushes, kidnappings and sniper attacks," Mr Dos Santos said.

Government General Higino Carneiro said over 300 Angolans have been killed by Unita guerillas since the treaty signing.

Despite promising some 7 000 armed UN troops to shepherd Angola back to peace, the UN has so far put less than 40 unarmed UN monitors into the Southern African nation's battle zones.

UN chief Dr Boutros Boutros-Ghali warned this week he would not recommend the deployment of peacekeeping infantry to Angola until government and rebel forces fully comply with the ceasefire.

Anxious to avoid a repetition of Somalia, where fighting erupted on what should have been a humanitarian mission, the UN has said it will only send troops if it can verify the truce is holding.

The first infantry units are scheduled to be deployed in May, but Dr Boutros-Ghali said on Monday the move will be delayed unless government and rebel troops are sent back to barracks and demining operations get underway. — Sapa-AP

(362)

Maize harvests hit by drought

CT 8/3/95

HARARE: Southern African states face dwindling supplies of maize — the staple food — in the 1995/96 marketing year after drought sharply reduced harvests this season, regional food experts said yesterday.

Officer seized in Lesotho

MASERU: Soldiers in Lesotho had seized a senior defence force officer and were holding him hostage, state radio reported yesterday.

Riemvasmakers going home

CT 8/3/95

WINDHOEK: The repatriation of hundreds of Riemvasmakers from Namibia to South Africa began yesterday after a delay by floods in the desert areas where they were forcibly moved to in 1974.

— Sapa-Reuter

FRICA

IMF positive over Zimbabwe policies

362

BD 8/3/95

HARARE — Zimbabwe's annual inflation may fall to around 10% from the current 21% by the end of the year if the government severely cuts its spending, International Monetary Fund (IMF) representative Chungsuk Cha said yesterday.

He said there were positive signs President Robert Mugabe's government was ready and committed to implement a tough fiscal policy and some unpopular measures to help set the economy on a sustainable growth track.

"If this does happen and the government makes huge cuts in its own spending, inflation will fall to about 10% or 11% by December and should be around 15% by mid-year," Cha said in an interview on the eve of a meeting in Paris between Zimbabwe and Western donors.

"If that happens it will give a big lift to the whole economy. Interest rates (pegged at around 33%) will fall to reasonable levels and both domestic and foreign investors will respond."

Government spending — currently 38% of gross domestic product (GDP) — and heavy state borrowing over the years has crowded out the productive sector from a tight domestic financial market, stunting general economic growth.

"That must change ... and there are positive signs it is going to happen now," said Cha, who has been in Zimbabwe for about two years.

He pointed to government's cut-off of subsidies and commercialisation of some loss-making state-owned agricultural marketing boards, including those handling grain and cotton.

The IMF official also singled out the government's promise to sell off dozens of other state companies and its introduction in January, despite widespread public criticism, of a series of taxes aimed at boosting its coffers.

Cha said the IMF — which has lent Zimbabwe US$350m in the past two years to support its economic reforms — was convinced the government was now determined, after a number of false starts, to tackle spending and the budget deficit, currently estimated at 6,9% of GDP.

"We were happy to see Zimbabwe acceding in February to article eight of the IMF agreement ... which means there are no foreign exchange restrictions on all current payments, that the country's balance of payments account is healthy and foreign relations free of restriction.

"Behind this is a commitment that the government will manage its economy soundly ... and this is great news," he said. — Reuter.

IMF upbeat over Zimbabwe

CT(BD) 8/3/95 (362)

By Cris Chinaka

SAPA – REUTER

Harare — Zimbabwe's annual inflation rate could fall to half of the current 21 percent by the end of the year if the government severely cuts spending, the IMF said yesterday.

The IMF's representative in Zimbabwe, Chungsuk Cha, said there were positive signs the government was ready to implement a tough fiscal policy and some unpopular measures to help set the economy on a sustainable growth track.

"If the government makes huge cuts in its own spending, inflation will fall to about 10 or 11 percent by December and to 15 percent by mid-year," he said on the eve of a meeting in Paris between Western donors and Zimbabwe to review its economic reforms.

"If that happens, and we are hoping that it does, it will give a big lift to the whole economy. Interest rates (currently around 33 percent) will fall to reasonable levels and both domestic and foreign investors will respond."

Government spending — now 38 percent of GDP — and heavy state borrowing over the years have crowded out the productive sector from a tight domestic financial market, stunting growth.

Cha pointed to the government's cut-off of subsidies and to the commercialisation of some loss-making, state-owned agricultural marketing boards.

He said the IMF — which has lent Zimbabwe $350 million in the past two years to support economic reforms — was convinced the government was now determined to tackle spending and the budget deficit, currently estimated at 6,9 percent of GDP.

Weekend Star
March 25-26 1995

Historians intrigued by the concept of a truth commission

Burying Zimbabwe's hatchet

STAR 25/3/95 (362)

DESPITE President Robert Mugabe's touted policy of reconciliation, the racial divide still exists. Two researchers are bringing together people from both sides in their quest for an unbiased historical record of the war. BRENDAN SEERY reports.

FIFTEEN years after the end of the bloody bush war that took Zimbabwe to independence at the cost of more than 30 000 lives, wartime foes are coming together to talk about the past.

As war veterans, black and white, bury the hatchet to work on an accurate, unbiased military history of their war, they have a few cautious thoughts for South Africans who are about to begin their own national soul-searching through a proposed truth and reconciliation commission.

University of Zimbabwe history lecturer Martin Rupiah — a former Zimbabwe National Army colonel in the Parachute Battalion — and his research colleague, serving ZNA officer Lieutenant-Colonel Trust Mugoba, were in Johannesburg recently to speak at an Institute of Defence Policy seminar on military integration.

Danger

Both said they were "intrigued" by the concept of a truth commission, something Zimbabwe did not have.

Rupiah and Mugoba said the danger inherent in confessions of the nature envisaged by the truth commission was that the hurtful disclosures that would flow from them would be very divisive in South Africa, where the priority should be nation-building.

They were particularly concerned that ethnic and regional tensions could be aggravated if, during the course of commission hearings, fingers were pointed at the Inkatha Freedom Party.

The experience of Matabele- ... 1980s — when Robert Mugabe's North Korean-trained Fifth Brigade cracked down on the population in response to South African-supported dissidence and "banditry" — remains fresh in the minds of Zimbabwe's people.

Despite President Mugabe's touted policy of reconciliation, the racial divide still exists. There has been little real integration of society.

Bitterness about apparent white wealth and influence in the economy, compared with steady black impoverishment during the past few years, has fuelled the ruling ZANU (PF) party's political rhetoric in the run-up to elections scheduled to be staged later this year.

Rupiah and Mugoba have during the past year been putting out feelers to ex-Rhodesian soldiers and government officials living in South Africa, hoping to gather anecdotes and documents that will help add pieces to the historical jigsaw puzzle of the transformation from Rhodesia to Zimbabwe.

Some ex-Rhodesians who fled their country at independence in 1980 have already opened their personal archives — including copies of Rhodesian government and army documents spirited out of the country in 1980 — and memories to the Zimbabwean researchers.

Rupiah and Mugoba were in South Africa last year for a dinner with Colonel Ron Reid-Daly, former commander of the controversial Selous Scouts and other Rhodesian special forces veterans.

There was talk that the regimental colours and standards of the Selous Scouts and other units might eventually be "repatriated" to Zimbabwe.

Rupiah described that meeting as very useful and said it had led to a number of people sharing their experiences of the war.

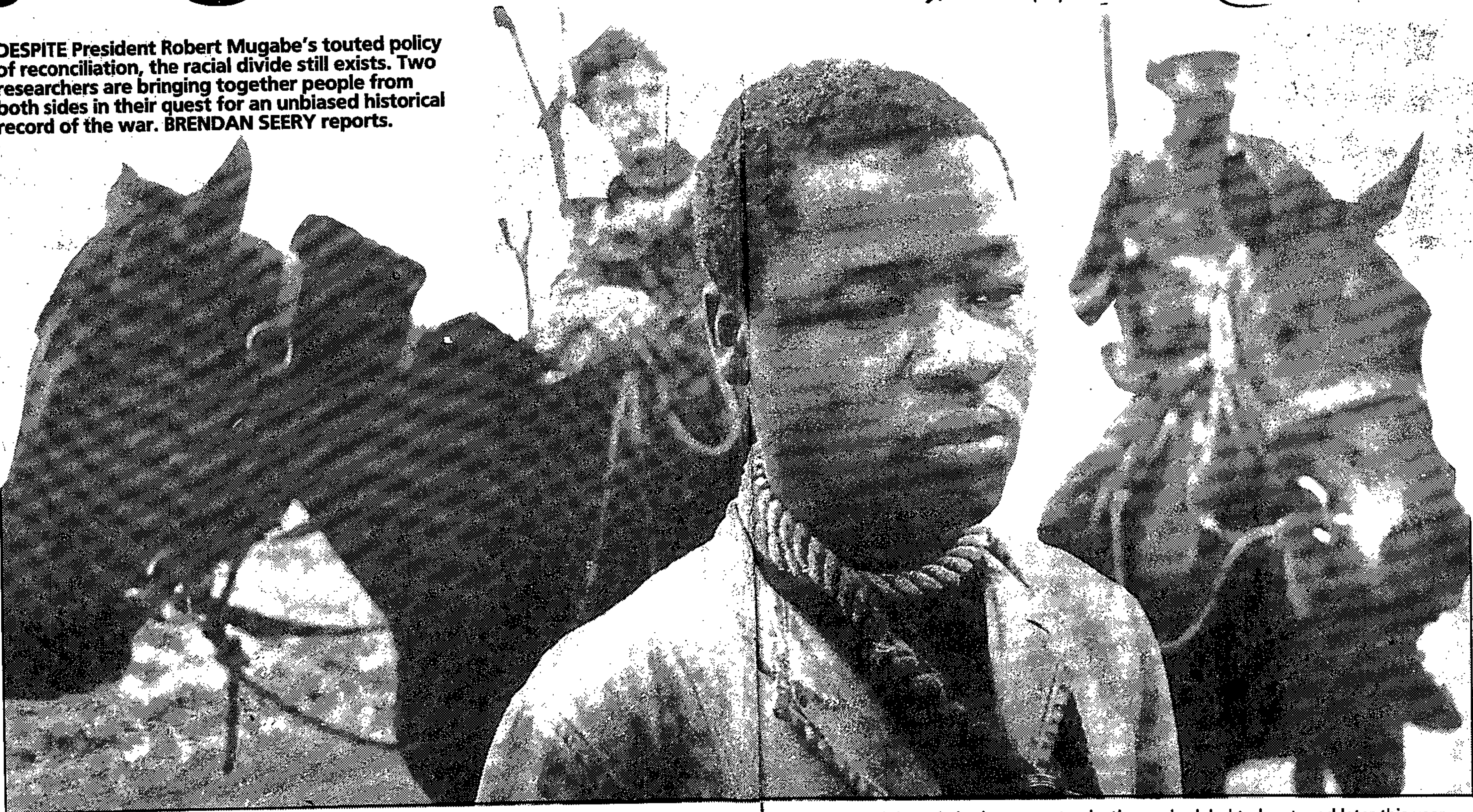
During the course of their research, the two Zimbabweans have spoken to a number of people intimately involved in the war, from both sides.

Disappointed

One person who granted Mugoba an interview was former Rhodesian prime minister Ian Smith who, according to the former guerilla, was "a bit of a sad man who can only say how his once-beautiful country is being destroyed".

Rupiah and Mugoba said they were disappointed they had not been able to contact Lieutenant-General Peter Walls, who was commander of combined operations at the time of the 1979 Lancaster House conference which led eventually to the Commonwealth-supervised election that put Mugabe and his ZANU (PF) in power.

Walls is now semi-retired from the security business he started in South Africa after retiring in 1980, soon after he rashly disclosed that there was a plan to launch a military coup to unseat Mugabe if he won the election.



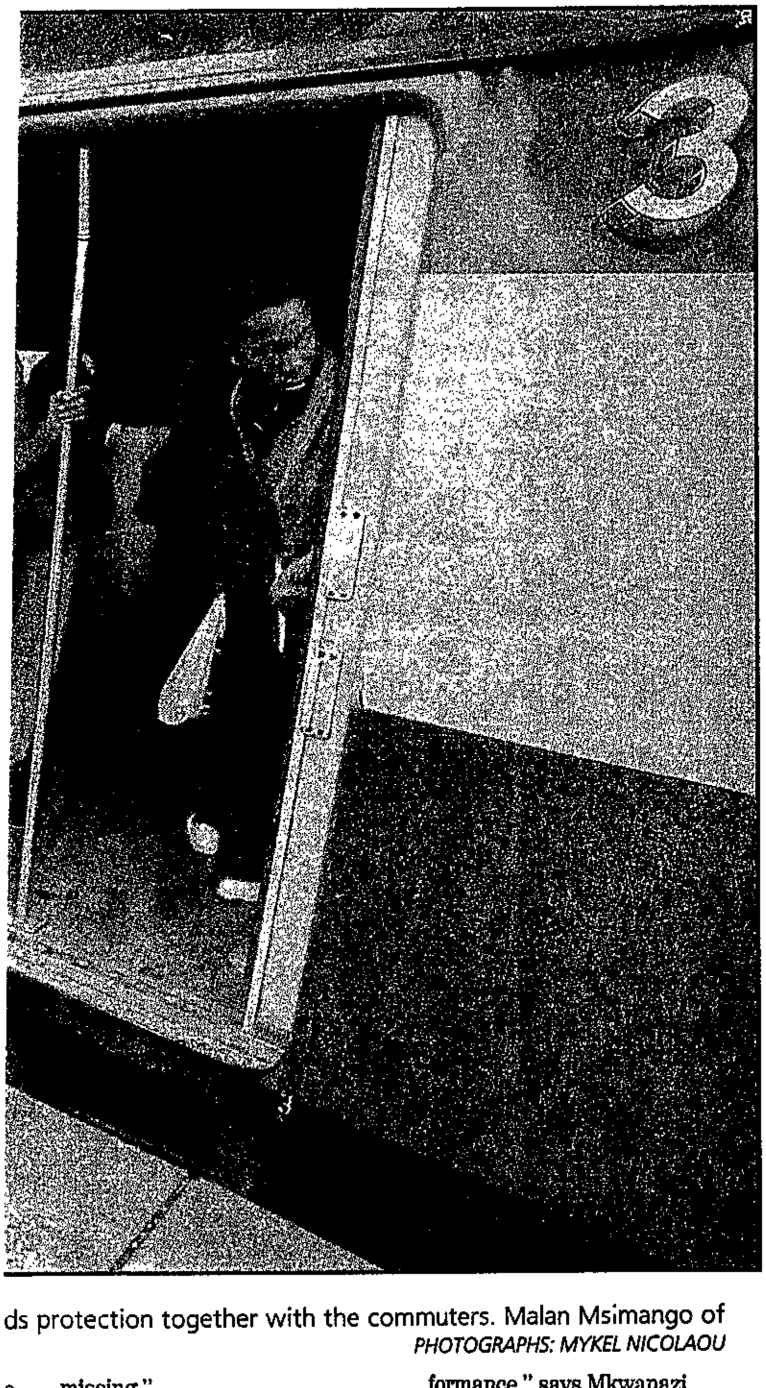
TAKEN HOSTAGE: Fifteen years since the war that claimed 30 000 lives, bitterness remains fuelling political rhetoric in the run-up to elections scheduled to be staged later this year.

; taking rail services for a ride

v station in life

Star 25/3/95

Dube to Jo'burg on the house



ds protection together with the commuters. Malan Msimango of
PHOTOGRAPHS: MYKEL NICOLAOU

e missing."

Mkwanazi is also critical of "the exclusive culture at the top" — one that excludes Africans

formance," says Mkwanazi.

He adds that he has already put his commitment to black economic empowerment into prac- ... transformation

cluding copies of Rhodesian election.

NEWTON KANHEMA

AS WE walked into Dube station in Soweto, heading for the train, we passed through two entrances without anyone asking us for tickets.

There were railway officials at each entry point, but nobody paid us the slightest attention. We boarded the train for the 30-minute trip into Johannesburg.

Each day, 35% of train commuters in Johannesburg do just that — jump on and off the trains without paying a cent.

While the number of South Africa's rail commuters continues to swell, the train services' administrators are not very encouraged as this increase is not reflected in their revenue.

"I was at the station last week and I saw that the trains were full, but this does not have a corresponding increase in the total fares we net," says Metro Rail Services spokesman Honey Mateya.

According to MRS figures, more than 660 000 train commuters evade paying fares daily across the country.

Mateya says Gauteng commuters are the biggest culprits, followed by the Western Cape (30%), Durban (20%) and Pretoria (18%).

Talking to passengers as we rolled towards Park station from Dube, we found people well satisfied with the railway service.

"Taxis are not safe. They are more expensive and the drivers are rude to their passengers. Trains are faster," said one commuter who did not want to be

traction. A return fare on a taxi from Soweto is R5 a day, which amounts to about R30, on average, spent a week by taxi commuters. In stark contrast, their counterparts travelling on trains spend only R8 a week for the same journey.

A monthly train ticket costs R39, while those travelling by taxi have to fork out R120 a month.

"I think the train is very safe and one feels more in control in a train. Taxis are expensive and the drivers behave like they own you. I also find the train faster during peak hour," said Alice Nhlapo from Zola.

At the stations, private and uniformed armed security men are visible, patrolling the stations around the clock.

Metro recently added facilities such as tuckshops and hawkers' stalls at some stations.

The revamped stations look decent, and during the busy hours the influx of commuters is handled smoothly, without any fuss or the stampedes common in many urban centres.

At present the rail services command 25% of the public commuter market.

But from last month, when the taxi wars resurfaced, the number of people catching trains has increased dramatically.

Although the taxi and bus industries transport 70% of public transport users, MRS is confident that it will be able to snatch another 5% of that market before the end of the year.

The biggest task, though, will

... if he won the

Mugabe guns for judge over bail

(362)

ST 12/3/95

ZIMBABWE entered a constitutional crisis this week as President Robert Mugabe's ruling Zanu (PF) party turned its sights from the white business and farming community to the judiciary, the last internal curb on its power.

Prominent law lecturer and human rights activist Derek Matyszak said Home Affairs Minister Dumiso Dabengwa had precipitated the crisis by ordering police to ignore bail orders endorsed by Bulawayo judge Feargus Blackie for a white farmer charged with receiving stolen property.

"People are looking so much at the racial card they are not looking at the constitutional one. What happens next time there is a judgment a minister thinks is invalid?" asked Mr Matyszak.

Retired Chief Justice Enoch Dumbutshena said there was "nothing unusual" in Judge Blackie endorsing a bail agreement late on a Sunday night, but legal sources said Mr Mugabe was likely to invoke his con-

By MICHAEL HARTNACK: Harare

stitutional powers to choose three lawyers to probe Judge Blackie's "misconduct".

The state-controlled media accused Judge Blackie of conducting a "kangaroo court" and demanded he "hang up his wig".

Mr Matyszak said Judge Blackie's actions were covered by a 1986 Free State legal precedent. Court papers also show that police belatedly agreed to bail when Judge Blackie arrived at the remote farming settlement of Nyamandhlovu. Earlier, the police had refused to co-operate with the judge over the telephone.

Mr Dabengwa has been embroiled in a series of immigration disputes in which Judge Blackie has ruled against him. The latest involves American Mary-Lou Ruwoda, whose Zimbabwean husband is trying to get her deported to evade paying her R4 000 maintenance.

Zimbabwean political observers believe the attack on Judge Blackie comes, significantly, on the eve of a general election, set for April 8 and 9, in which Zanu (PF) seems certain to retain all 117 of the 120 constituencies it won in 1990.

Only the entrenched 1980 Constitutional Declaration of Rights limits the party's power.

The white-dominated business sector has nervously retreated from politics after an 18-month battering about forcible "indigenisation".

Two of the country's five Supreme Court judges are white, including Chief Justice Anthony Gubbay, as are four of the 24 High Court Bench, but black and Asian judges are also noted for their independent-mindedness.

Former Chief Justice Dumbutshena, 75, was forced by Mr Mugabe to retire at the age of 70 after warning of "a descent into uncivilised chaos" should the state continue to defy judicial orders.

Legal sources said the attack on Judge Blackie may also be intended to "soften up" the judiciary before it rules on Mr Mugabe's constitutional right to take land from 4 400 white farmers.

(362)

Zim leader mum on attack talk

CT 13/3/95

HARARE: Zimbabwe Unity Movement (ZUM) leader Mr Edgar Tekere yesterday refused to comment on reports that a dissident group loyal to him was preparing to launch an attack on Zimbabwe from Mozambique ahead of the country's legislative elections, Ziana news agency reported.

"I have no comment on that issue. I want to concentrate on more pressing matters," he said.

Meanwhile an alliance of eight small opposition parties said yesterday it would boycott April elections, as the party in power held advantages that made it impossible to hold a free and fair vote.

Sapa-Reuter, AFP

Fairness of Zimbabwe elections questioned

(362) BD 14/3/95

MICHAEL HARTNACK

HARARE — Zimbabwean Health Minister Timothy Stamps stormed out of primary elections conducted by the ruling Zanu (PF) party at the weekend saying they were "not transparent" and "disastrous".

Stamps, since 1990 at the forefront of a fight against an AIDS epidemic that now infects more than one in seven Zimbabweans, was among nine sitting Zanu (PF) MPs rejected for constituency nomination in the April 8 and 9 general elections.

Deselection by his constituency could signal the end of the government career of Stamps, one of five whites among 150 MPs.

Other prominent sitting MPs defeated in Zanu (PF) internal balloting for the 20 Harare constituency nominations included SA-born Ruth Chinamano, widow of Zapu founder Josiah Chinamano, and prominent ex-guerrilla Margaret Dongo. Both challenged the fairness of the process.

All 20 Harare periurban constituencies were held by President Robert Mugabe's party at the 1990 general elections, and with the opposition in disarray seem likely to remain safe government seats. In 1990 Edgar Tekere's Zimbabwe Unity Movement (ZUM) won only two seats in his home city of Mutare despite capturing 24% of the vote countrywide. The Rev Ndabaningi Sithole's Zanu (Ndonga) won one seat in his home area neighbouring Mozambique.

Commenting on the Zanu (PF) primary elections yesterday the semi-official Herald dismissed the possibility of Zanu (PF) nominees suffering defeat and said: "In the majority of cases we may already have witnessed the general election itself."

Former Zimbabwe-Rhodesian prime minister, Bishop Abel Muzorewa, at the weekend announced that a small alliance of opposition groupings calling itself the United Parties would boycott the polls. However, three more credible challengers — retired chief justice Enoch Dumbutshena's Forum Party, ZUM and Zanu-(Ndonga) remain in the fight.

Sithole denounced Muzorewa's withdrawal and said: "He has always been a coward."

Former Rhodesian prime minister Ian Smith, who handed over power to Muzorewa in 1979, was quoted as saying: "If there were free and fair elections tomorrow, Mugabe would be out."

Smith alleged the polls were "already rigged" in favour of the ruling party and personality cults had further destroyed opposition hopes.

Only Zanu (PF) is eligible for a R14,5m state grant. The Herald, which usually reflects government thinking, said by defending his role in Rhodesia's 1979-80 transition to black rule, Muzorewa had "opened a pandora's box" and made the 1972-80 bush war a live election issue.

Zimbabwe wins reprieve in Paris

(362) CT (BE) 16/3/95

Zimbabwe has won some welcome concessions from its major donors — but has to show progress over the next two years

ANDY MELDRUM
THE ARGUS FOREIGN SERVICE

Harare — Hit by drought, battling a dissatisfied public and facing elections in three weeks, the Zimbabwe government badly needs the endorsement it won in Paris from its principal western donors.

Acting Finance Minister Emmerson Mnangagwa returned to Harare in triumph earlier this week, brandishing the Z$1,57 billion (R682 million) in grants and loans pledged by the Paris Club for balance of payments support and project aid.

"We are pleased that we received more than we asked for," Mnangagwa said. "This shows strong international support for our economic reforms."

But the assistance came with stiff demands that President Robert Mugabe's government slash its spending and privatise its massive state-owned corporations, which make up an estimated 30 to 40 percent of the economy.

Zimbabwe is not alone in having to face a gruelling examination of its accounts by its principal donors. Both Malawi and Mozambique are scheduled for similar evaluations this month, and Zambia is a regular visitor to the Paris Club. With the World Bank deep in negotiations with the South African government, it should also not be long before a delegation from Pretoria is summoned to Paris for an assessment of economic performance by an assembly of its main donors.

It is understood that the Zimbabwean delegation persuaded the International Monetary Fund, which sets the tenor of the Paris meetings, to agree that further reforms could be introduced gradually over a period of four years. But while the Club has been generous with the time frame, it is very firm in its demand that the Harare government drastically cut spending — currently a profligate 38 percent of gross domestic product — and reduce the size of its bloated civil service.

The relatively easy ride Zimbabwe had in Paris is partly explained by the fact that the IMF and the World Bank badly need success stories among their crop of structural adjustment programmes in 29 African countries.

As yet, the campaign has not notched up a single unblemished success. A handful of the continent's countries have shown some economic growth, but they remain plagued by other economic problems.

Zimbabwe is among the five African countries the IMF and World Bank cite as their most promising implementers of fiscal responsibility — hence their willingness to bend the rules a little in the interests of keeping the economic structural adjustment programme (derisively referred to in in Zimbabwe as Esap) on track.

Besides, the country has the undeniable argument that it has been hit by a season of bad rains, which has shrunk the expected staple maize harvest by 50 percent to 900,000 tons.

This too may explain why Zimbabwe was given a generous four years to sell its state-owned corporations. The parastatals — including numerous agricultural marketing boards, Air Zimbabwe, the national railways and the electricity supply agency — have burdened the government with a debt of Z$4 billion.

And by borrowing in Zimbabwe's private sector, the government has soaked up so much available money that interest rates are running at a ruinous 33 percent, frightening off potential investors, local and foreign alike.

This is where Mnangagwa emerged looking astute. He inherited the floundering Esap last year

CHIPPER *Robert Mugabe's government garnered more aid than expected*

when former Finance Minister Bernard Chidzero suddenly collapsed. With little background in economics Mnangagwa, currently also the minister of justice and previously the minister of defence, has managed to start patching up the dilapidated Zimbabwean economy.

He cleverly used the new drought to launch a "drought levy" of 5 percent, to be used to pay off some of the debts of the agriculture marketing board.

And, rather than handing out food on a large scale, the Mugabe government last week announced a new policy of food loans to rural farmers.

All heads of peasant households — who make up nearly 70 percent of Zimbabwe's 11 million population — will be loaned grain to feed their families, on condition that they repay in kind when their next grain harvest comes in.

By the standard of virtually all other African economies currently in structural adjustment, Zimbabwe's economic performance has been relatively good.

It is not suprising, then, that Mnangagwa won not only some fresh economic assistance from the Paris Club, but another two-year endorsement before having to report back.

But Paris will be expecting progress in that report.

Zimbabwe goes a bridge too far over the Limpopo

ST (BT) 19/3/95 (362)

THE SA government's decision to support the construction, tolling and privatisation of a second crossing at Beit Bridge is the cause of major concern among local and foreign carriers.

"Why is there a need for a new bridge now that extensions to customs-clearing facilities have alleviated the bottlenecks to a significant degree," asks the Zimbabwean Transport Owner's Association.

Zimbabwe's transport ministry says that the existing bridge is structurally unsound but to date, no hard evidence has been produced to substantiate this claim.

Notwithstanding strong representations to the SA Department of Transport by Sacob, the AHI, Safto, the RFA and SABOA to resist the Zimbabwean claims, an agreement was signed by the two governments in July last year to proceed with the plan.

A report in the Harare-based Financial Gazette said the Beit Bridge Rural Council was unhappy with a mandate granted to Vice-President Joshua Nkomo's Development Trust of Zimbabwe to build, own and operate the second bridge in conjunction with a Bulgarian civil engineering company.

"Dr Nkomo has not been getting good Press. Perhaps he should leave the DTZ to younger and more professional managers. Recent statements and developments linked to him have greatly undermined his credibility," said the gazette.

Construction of the new bridge is far advanced. But it is not too late for the SA government to reconsider its attitude towards sharing the toll levies which could provide a useful contribution to the cost of road maintenance and development.

□□□

SOUTH Africa's Ministers of Transport and of Safety and Security have formed a joint task group to discuss the future of road traffic enforcement in South Africa.

A number of issues will be addressed, including the role of traffic officers currently serving in the police forces of former TBVC states and self-governing territories, traffic policing functions presently performed by the SAPS and the structure, powers and functions of traffic departments.

The ministers have recommended that the enforcement of traffic regulations should not be merged with the SAPS. This recommendation will be evaluated by the JTG.

A further recommendation is for traffic policing functions currently performed by the SAPS — including accident investigation — to be transferred to the appropriate traffic police services.

□□□

ACCORDING to the most recent KwaZulu-Natal weighbridge statistics, the overloading problem is still with us. Based on 4 025 vehicles weighed in the province, 41% were overloaded. Of these, 19% were charged.

Only 5% exceeded the bridge formula (Regulation 365A), the worst offender being 33% overloaded.

The worst overloading incidents in November 1994 were:

□ Single axle, Cargo Master, hauling chemicals, 65%.
□ Tandem axle, Liebenberg Transport, hauling salt, 45%.
□ Tridem, Megatrans, hauling tar, 42%.
□ Bridge formula, Liebenberg Transport, hauling salt, 33%.

Doldrums seen for Zimbabwe Stock Exchange

(362) ARG 23/3/95

HARARE. — High inflation and interest rates are likely to keep Zimbabwe's stocks depressed for the next three months, although their price earnings ratios are at their lowest levels since 1993.

Market analysts said they expected the bourse to get no lift unless President Robert Mugabe's government took measures to slash huge public spending and contain annual inflation.

"The market is looking attractive but there are no incentives.

"So we should see a sideways movement on the index to just below the 3000 level for the next three months," Trudy Cashell, general manager of Quincor stockbrokers, told Reuters.

"The market is trading at very low average price earnings ratio of between six and seven percent. I don't think it's been this low for at least two years.

"Everything surrounding the market suggests there is potential to move up if all other factors transpire, that is inflation going down, reduction in interest rates," she said.

Interest rates of more than 30 percent have been drawing investors away from the Zimbabwe Stock Exchange (ZSE) to a high-yielding local money market.

Annual inflation is currently at around 21 percent.

"A reduction in interest rates is essential to ensure a revival of interest in the stock market.

"Interest rates are expected to remain high in the forseeable future," said Savvas Kyriakides of market analysts Dataworld.

On the ZSE the key industrial index which measures activity of 58 counters dropped below the psychological 3000 mark last week after two months of lacklustre trading.

"The stimulus that the market needs is positive government policy, that is, an achievement of lower inflation," Miss Cashell said.

Meanwhil the United Nations reports that Foreign Direct Investment (FDI) in Africa has remained stagnant at US$3 billion for the past two years in spite of the on-going liberalisation of investment regimes by some countries.

A number of African countries have for the past few years been implementing economic reforms to attract more foreign investment, but, according to the United Nations Conference on Trade and Development (UNCTAD), FDI has not grown as was the case with other developing countries.

BUSINESS

Gold boom seen for Zimbabwe

(362) ARG

HARARE. — Zimbabwe's gold output may reach a record 23 tons this year if production levels are maintained and there is enough water, an industry official said here.

However, Chamber of Mines chief executive Derek Bain said the mining sector was battling against a water shortage.

"On the whole, the industry is looking up.

"We should see some increases in production in a number of minerals, including gold where we have now revised the 1995 annual output upwards at 23 tons," Mr Bain said in an interview.

Zimbabwe is the third largest gold producer in Africa after South Africa and Ghana.

Earlier this year, Mr Bain projected Zimbabwe's 1995 output at 22 tons after a record 20 tons in 1994.

"There is some increase in production and the figures coming in suggest we will get around 23 tons if we get good rains and underground water to keep up production levels," he said.

25/3/95

Zimbabwe's agriculture-powered economy has been hit by a semi-drought.

Mr Bain said the mining sector was also beginning to feel the effects of dwindling water supplies, needed for processing, cooling and washing.

Mr Bain said the mining industry's earnings, which account for about 40 percent of Zimbabwe's exports, are expected to rise by 25 percent to Z$6 billion ($717,7 million) in 1995. — Reuter.

Increase expected in Zimbabwe's gold output

HARARE — Zimbabwe's gold output, initially expected to rise two tons to 22 tons this year, could reach 23 tons if current production levels were maintained, a top industry official said on Friday.

However, Chamber of Mines CE Derek Bain said the mining sector was battling against a creeping water shortage. "On the whole, the industry is looking up. We should see some increases in production in a number of minerals, including gold where we have now revised the 1995 annual output upwards at 23 tons," Bain said.

Zimbabwe is the third largest gold producer in Africa after SA and Ghana.

Earlier this year, Bain estimated that gold production, which peaked at a record 20 tons last year worth more than Z$2bn from 19 tons the previous year, would reach 22 tons worth Z$2,6bn this year. "There is some increase in production and the figures coming in suggest we will get around 23 tons if we get good rains and underground water to keep up production levels."

Zimbabwe's agriculture-powered economy has been hit by a semi-drought and Bain said the mining sector was also beginning to feel the effects of dwindling water supplies. "For example, about two gold mines have been severely affected, with one cutting monthly ore production from 19 000 to 10 000 tons."

But Bain said local and foreign investor interest in the industry remained high, pointing to a rise in applications for exclusive prospecting orders, especially for gold and diamonds.

(362)

The mining industry's earnings, which accounted for about 40% of Zimbabwe's exports, were expected to rise 25% to Z$6bn this year. — Reuter. BD 27/3/95

Zimbabwe gold production rises 17%

(362)

HARARE — Gold production in Zimbabwe during the first two months of this year went up 17% compared with the same period in 1994, and indications are that output for the year could exceed 22 tons, Ziana news agency says.

A Zimbabwe Chamber of Mines official said yesterday producers were expecting another good year despite the looming water crisis, as well as proposed increases in electricity tariffs.

"I do not think the producers are miserable. Of course miners, just like farmers, are not going to say everything is fine," the official said.

In January and February, 3 626,6kg of gold worth Z$366,351m was produced, compared with 3 059,3kg valued at Z$307,58m in the same period in 1994.

Output in 1994 was 20,5 tons, worth an estimated Z$2,05bn.

The higher output was attributed to increased production at the major mines, particularly Cluff Resources and Falcon Gold.

"I think we can safely say that output this year will reach 22 tons, judging by the performance so far." — Sapa.

29/3/95

Incompetence all round does nothing for tourism

Star 30/5/95

(288) (362)

THEY need to catch a wake-up out there, writes The Star's Marketing Editor, Graham Rees

Bureaucratic incompetence at Zimbabwean and Zambian border posts, and a competition-stifling deal between South Africa and Zimbabwe favouring state airlines, is hindering an ambitious project to boost southern African tourism.

Sun International and Zimbabwe Sun hotels and Sun Air have joined forces to link Sun City, Cape Town and Victoria Falls in a fast, comfortable and efficient tourism network. A third 101-seater DC9 jet has just been added to the Sun Air fleet to handle the new route.

Under a bilateral civil aviation agreement, Sun Air is unable to compete with SAA and Air Zimbabwe on the lucrative Victoria Falls route. This is despite the fact that SAA's flights are heavily booked and there is ap parently room for expansion.

Sun Air has to use Livingstone Airport in Zambia and ferry passengers from there by road through two totally inefficent border posts.

Sun Air chief Johan Borstlap explained that bilateral agreements specify the number of flights allowed between countries.

The flights allotted to South Africa have to be shared by all carriers in the country and that, says Borstlap, is where the problem starts.

"Because SAA and Air-Zim fly to the Falls they oppose Sun Air being granted rights. We have been told any application would be heavily opposed.

"Our original discussions with Air Zimbabwe were very favourable. Then they talked to SAA. Needless to say, they never came back to us," said Borstlap.

SAA spokesman Leon Els said merely that they did not award licences and referred questions to the Department of Civil Aviation. There a spokesman said he was unaware of any application from Sun Air.

The joint project, however, is still a viable one provided the Zambian and Zimbabwean immigration authorities either ease their tedious regulations or engage more efficient officials to handle border traffic.

A media party of 47 travelled from Cape Town, Johannesburg and Durban via Sun Air at the weekend to study the project.

The party hit their first snag at Livingstone Airport where just one official (albeit very friendly) was present to process passports and visas.

Zambia had virtually run out of visa application forms and none was available on the aircraft. Passengers had, therefore, to complete them as they queued in the humid arrivals building.

At the border post getting out of Zambia by coach caused another long, hot irritating delay.

Officials even wanted to retain unfamiliar passports such as those of the United Kingdom (European Community) until the holders departed but the visitors were having none of it. They eventually won the tussle.

That, however, was nothing compared to getting through Zimbabwe immigration. Friday afternoon walking traffic, a few cars and our coaches caused chaos, and a wait of almost two hours.

Under present conditions, the prospect of large parties of international visitors with a variety of passports arriving on a Friday afternoon is frightening.

Once in Zimbabwe, the party enjoyed a fabulous weekend staying in the elegant luxury of the new Elephant Hills Hotel, visiting the awe-inspiring Victoria Falls — the "smoke that thunders" and one of the seven wonders of the world — canoeing on the Zambezi, a river boat cruise, white water rafting and game viewing trips.

Golf is another big attraction.

The very much lighter traffic of Sunday morning enabled a smoother return crossing out of Zimbabwe and into Zambia, where the party visited some of the superb facilites such as the Chundukwa adventure camp and the Tongabezi safari resort by coach and boat.

The final irritation was inept officialdom at Livingstone Airport on Sunday afternoon. It took an average of three to four minutes for a lone official to process each passenger's documents.

The agony was still not quite over. Then came . . . the search.

Security is clearly necessary, but why such a minute search was necessary for people leaving the country was lost on me.

Every item in my luggage and my wife's was taken out for examination. This was despite it all having been through the electronic scanner. We were obviously not carrying bombs.

More distressing, however, was the reaction of the searcher when I said Zambian officialdom could endanger the country's tourist indsutry.

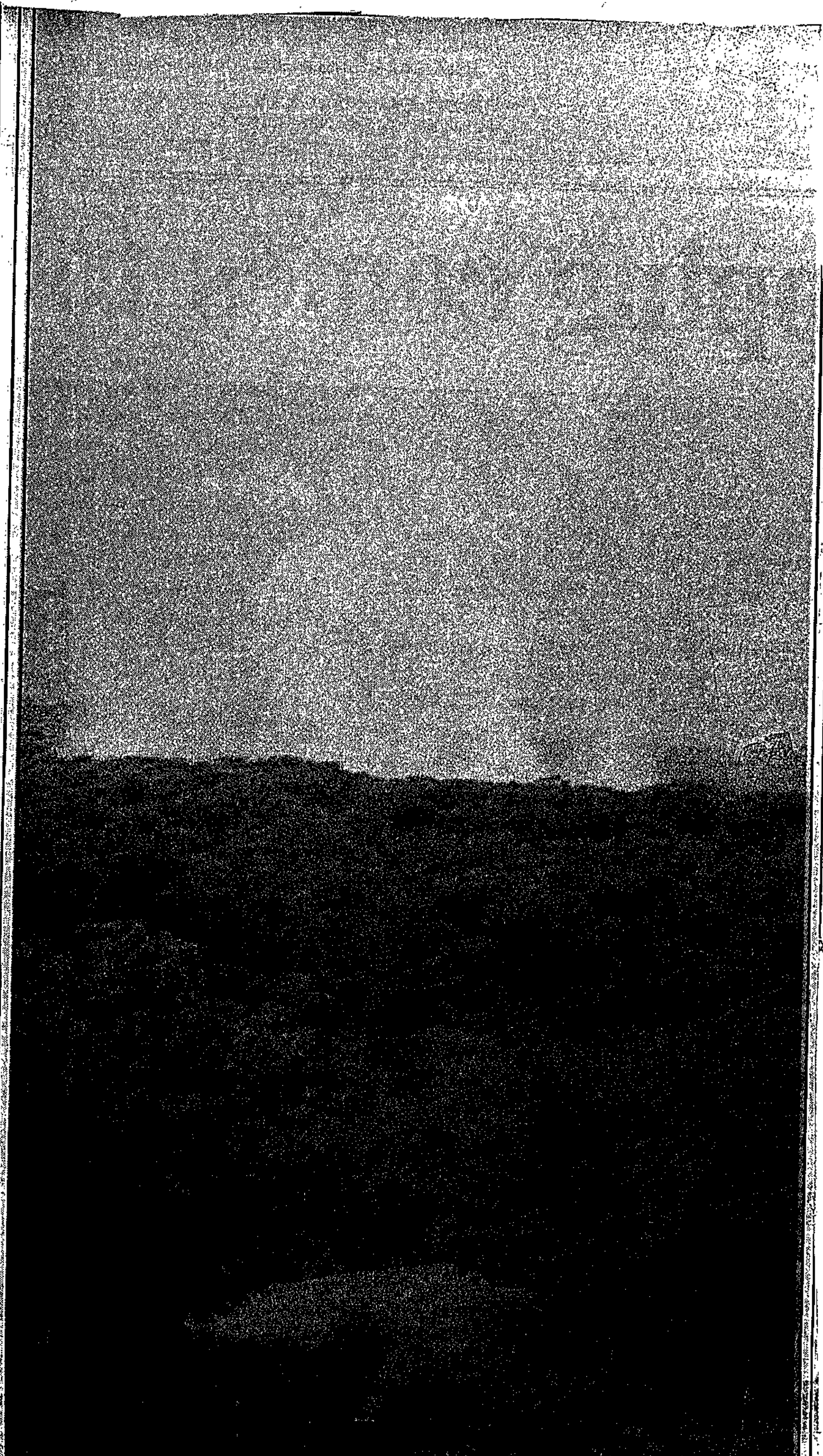
"No, definitely not," he said. "We are merely using procedures followed all over the world." Have I got news for him.

Rchard Carter, Sun International public relations executive, said it was to be hoped that both Zambian and Zimbabwean authorities become aware of the need to nurture their depressed tourist markets.

"People are eager to visit southern Africa . . . but they will expect to be greeted by happy, efficient officials."

Sun Internationl, Zimbabwe Sun and Sun Air have brilliantly got their act together. All they need now is for the Zim—Zam bureaucrats to catch a wake-up.

■ **Bottom line . . . our Sun Air DC9 had this message on the back of seats: "Fasten seat belts while seated". Come to think of it, when else would one do so?**



The smoke that thunders . . . the cloud rising high into the sky from the Victoria Falls can be seen many kilometres away. PICTURE: GRAHAM REES

Outcry as candidates say primaries 'rigged'

(362) CT 4/4/95

HARARE: Fresh protests have rocked Zimbabwe's ruling party over charges that some of its leaders rigged the latest primaries to choose candidates for municipal elections due later this month.

Political analysts, while believing the outcry poses no immediate threat to ZANU-PF leaders or President Robert Mugabe, say it could be part of a gradual break-up of their long, cosy dominance of Zimbabwe's politics.

"The level of dominance within the party is very high. In many cases the leaders just dictate their wishes, but under the guise of democratic structures, and they will continue to do so for as long as the (political) opposition remains weak and divided," said Mr John Makumbe, a political scientist at Harare's University of Zimbabwe.

"They don't see any immediate threat from such behaviour or reason to change," he said, adding: "But I see it as a process of self-destruction. Resentment is rising around them and in the long run, ranks will break."

Last weekend, in a replay of previous squabbles, over 200 ZANU-PF members charged they were grossly cheated at local government primaries for elections set for October 28-29 because some party leaders "purposely omitted" their names.

Hundreds of party supporters protested, saying the voting venues and voters' lists were changed without notice or at very short notice in favour of preferred candidates.

Conflicts within ZANU-PF are the heart of real political life in Zimbabwe because the party dominates all others so overwhelmingly that they pose no credible challenge. It holds 148 out of 150 seats in parliament.

ZANU-PF chiefs strongly deny they fake democracy, dismissing such charges as either sour grapes or malicious propaganda.

Earlier this year, ZANU-PF was also hit by a series of revolts over the conduct of primaries before April's parliamentary general elections. — Reuter

WEEKLY MAIL & GUARDIAN
March 31 to April 6 1995

Interest cripples Zim

WM(BM) 31/3-6/4/95 (362)

Zimbabwe's farmers are suffering under punishing interest rates. Lewis Machipisa in Harare reports

TWO years ago it was drought, a freak of nature, that crippled Zimbabwe's agricultural sector. Now the problems besetting the industry's recovery are entirely man-made.

At 32 percent, the country's interest rates are punishingly high, undermining efforts to resuscitate farming, the backbone of the economy.

"With punitive interest rates of more than 30 percent farmers are reluctant to borrow from commercial banks to finance the rebuilding exercise," says Paul d'Hotman, chief executive of the Cattle Producers Association (CPA). Financial institutions have stopped dishing out loans unless farmers clear their backlog.

"Some of the farmers have not repaid debts dating back to three years ago. We cannot be sympathetic indefinitely," said a spokesperson for the Agricultural Finance Corporation (AFC). As a result, d'Hotman says, ranchers are selling their cattle to meet debt obligations with a reported glut of beef at abattoirs around the country.

The CPA has appealed for concessional interest rates, allowing farmers to pay five percent in the first year, 7,5 in the second and 10 percent in the third year.

Beef exports normally earn the country more than US$30-million annually. But the 1991/92 drought, the worst in living memory which ravaged southern Africa, wiped out about 4,2-million head of cattle.

Tobacco, which accounts for about 30 percent of Zimbabwe's total exports, is having a similarly painful recovery. According to Peter Richards, president of the Zimbabwe Tobacco Association (ZTA), the biggest problem his members face is not the lack of capital but finding ways of repaying the interest. "The interests are crippling," he says bluntly.

Richards notes that the current high interests rates will only see the fittest survive.

The tobacco industry supports more than 500 000 families and earns the country more than US$400-million in foreign currency.

The reason for the country's high interest rates lies simply with mismanaged public spending and the public sector, say economists.

According to Professor Tony Hawkins at the University of Zimbabwe, the country "is in a serious debt trap with no less than 23 percent of this year's budget (and probably more) earmarked to pay interest charges. The national debt is estimated at 95 percent of GDP."

The government aims to cut the budget deficit this year to five percent of GDP from the current 7,9 percent. However, heavy subsidies to ease state-owned company losses are likely to mean the deficit will actually rise to 10 percent, analysts warn.

Agriculture, at 30 percent of GDP, is the most important foreign currency earner, the largest employer and contributes more than 50 percent of raw materials to industry. — *IPS*

Zim board fired before inquiry

(362) Star 31/3/95

Harare — President Robert Mugabe's government said yesterday it had fired the entire nine-member board of Zimbabwe's compulsory pension scheme to facilitate investigations into charges of rampant corruption.

Labour Minister John Nkomo said in a statement he had assumed direct control of the National Social Security Authority (NSSA), whose board chairman and deputy were dismissed a month ago for alleged misappropriation of funds, until the investigation was completed.

The NSSA was formed last year amid strong objections from Zimbabwe's business sector, which said the State scheme was simply duplicating existing pension funds. — Sapa-Reuter.

Zim Press struggles to shake off state control

362

HARARE. — For the first time since they shed their South African ownership nearly 15 years ago, the two private organisations that monopolise Zimbabwe's Press are making earnest attempts to rid themselves of the legacy that earned their newspapers the sorry prefix "state-controlled ..." in newspapers abroad.

A boardroom struggle is under way with the Zimbabwe Newspapers Group (Zimpapers) and the Zimbabwe Mass Media Trust (ZMMT), which owns the group, resisting manouevres by the government to plant its own appointees on their governing boards.

In the past, this led to serious manipulation of the local Press to the tune of President Robert Mugabe's ruling ZANU (PF) party.

Last week Zimpapers carried its annual results on the finance page of The Herald, the Harare daily.

They were signed by the group's chairman, respected Harare lawyer Honor Mkushi.

On the same page was a brief report quoting Zimpapers managing director Simba Makoni making the seemingly obvious statement that his company's rules laid down that its directors choose the board chairman.

Both items served as a direct rebuff to Information Minister David Karimanzira, who earlier declared that Mkushi's election as head of Zimpapers' board the week before had been "rescinded".

Mr Karimanzira has been trying unsuccessfully since the beginning of the year to install the government's own nominee, a businessman who is also a cousin of ZANU (PF) politburo member Nathan Shamuyarira, the party's chief spokesman and the man regarded as the real boss of Zimbabwe's media.

Lawyers say that ZMMT and Zimpapers have a watertight case for their independence and there is nothing legal the government can do to impose its will.

Gift

But, observers warn, the stakes for political control of the country's Press and of the ZMMT'S multi-million dollar investments are so high, anything could happen.

At independence in 1980 Zimpapers' majority shareholder was South Africa's then Argus Group, a vestige of the country's Rhodesian past Mr Mugabe was anxious to dump.

In 1981 the Nigerian government stepped in with a gift of $5 million (R17,5 million) which Mr Mugabe used to buy out Argus' 52 percent shareholding.

ZMMT was founded amid earnest assurances of Press freedom and it assumed the ownership of Zimpapers.

Mr Shamuyarira appointed as chairman of both Zimpapers and ZMMT Dr Davison Sadza, a medical doctor and a close friend since their schooldays.

Scandal

It set in motion an informal arrangement between the two that has enabled the government to dictate newspaper policy and practice to Zimpapers.

Journalists confirm that directives issued from Linquenda House, the Information Ministry's headquarters in Harare, were implemented by Dr Sadza who usually let the board know afterwards.

Orders ranged from the removal of three editors who annoyed politicians, to the mandatory use of the title "comrade" before the names of party members.

The relationship also established a system of political patronage which saw the appointment, among many others, of Davis Midzi as managing director of Zimpapers, and of Xavier Kadanhi to run ZMMT's Hunyani Holdings, the country's biggest paper and packaging group.

Both men are cousins of Mr Shamuyarira.

Denounced

Mr Midzi and his brother, former administration manager William Mutizwa, are facing charges of heading a Z$1,5 million (R650 000) swindle at Zimpapers.

Kadanhi was sacked from his job after being blamed for leading the once-blue chip corporation to ruin.

Sadza was denounced by minority shareholders for failing to detect the scandal at Zimpapers. He resigned at the end of last year, telling the Herald he had "done his bit and felt like a bit of a rest".

Simon Muzanenhamo, a businessman and cousin to Mr Shamuyarira, was the government's immediate choice to replace Sadza.

Instead, the ZMMT board sat in February and unanimously elected Mkushi.

A month later the Zimpapers board met and also chose Mkushi to lead the company until the next annual shareholders' meeting.

But Karimanzira issued a statement describing the announcement of Mkushi's election as "erroneous and highly misleading".

The response was the Zimpapers results with Mkushi's signature.

The notarial deed that establishes ZMMT allowed the government to appoint its first trustees but makes it clear that subsequent appointments are the sole right of the board of trustees.

The crunch

The document goes so far as to disqualify politicians from being trustees.

Zimpapers, a public company, is run according to company law, the laws and rules governing the Zimbabwe Stock Exchange and its own articles of association.

ZMMT, as the majority shareholder, can choose the board of directors, who then elect a chairman.

"There is not a single government ministry which is a shareholder of the group," Zimpapers' Makoni told Sapa.

"We are striving very hard to be on the cutting edge of competitive business in the '90s. We are not going to do that if we are not operating in accordance with the legal instruments of the company."

The crunch comes at the end of April when Zimpapers holds its annual shareholders meeting and elects a chairman. — Sapa.

Zim Press struggles to shake off state control

□ Government tries to install own nominee as head of board

ARG 1/4/95

(362)

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Kadanhi was sacked from job after being blamed

EVCON	12500	+50
CITYLDG	2300	
CITYLDG-D	2250	
DALYS	5350	
DISTIL	910	
DON	300	
M-NET	1150	
HRC	85	
INTELES	300	
KAROS	390	+1
KAROS-P	280	
KERSAF	3500	-10
KJARO	290	
KWV-BEL	980	
OAKFLDS	100	
SERVGRO	1225	+3
SA-BREWS	10000	-5
SAB-B-CP	9700	+10
SABRW-ACP	9800	+10
PURHLD	850	-2
PUR	1375	+2
TEERS	310	-2
W	350	
JNCRUSH	1250	2
JN-BOP	2300	2
JNCISK	240	+3
LJOY	560	+1
ANSUN	370	
D. - BUILDING & CONSTR.		
G-ALPHA	11500	
SREAD	120	+2
JMAT	1250	+10
AMIC	550	
NCOR	1225	+5
ERITE	575	
HOLD	650	
INAKER	1600	
HOLD	600	-2
OUP-5	625	-2
PSUM	3900	
CO	130	-1
T-A	1850	-5
ASONITE	1250	
TIS	725	-2
VCON	140	-1
ORTHLD	200	
PC	9400	-5
HOREDITS	300	+2
OLDSTEIN	550	-3
TOCKS	495	+2
&SHOLD	475	+
ORKCOR	260	
ND. - CHEMICALS		
AECI	2725	+2
CHEMSERVE	7100	+40
NGEN	2800	+5
ICKSON	85	
OMNIA	916	+1
SASOL	3425	+5
SASOL-CD	3425	+10
ENTRCHEM	1500	+2
RANSAF	120	
ND. - CLOTH.,FOOT.,TEXT		
ADONIS	140	
AF-OVER-A	1650	
AF-&-OVER	1650	
AF-OVR6PP	400	
ALLWEAR	195	+1
OLWEAR	170	
URLINGTN	350	
COASTAL	3	SUS
ONSHU	530	
ONFRAM	390	-1
UTRITE	95	+
A-GAMA	380	
ELSWA	200	
NSIGN	700	+7
ENIX	210	+1
RAME	600	-5
LODINA	120	-
UBINGS	1850	+2
ADE	200	
INIAN	1150	
ALS	110	-
OINTER	15	SUS
OINTR-CD	20	SUS
ROGRESS	200	SUS
EX-TRU-A	1850	
EX-TRUE	1700	
OMATEX	850	-2
A-BIAS	300	
EARCON	700	
EARDEL	735	-1
LOAK	280	-1
LOAK-D	290	
TERLING	25	
TREBEL	60	
EX-MILLS	90	SUS
E-J	190	
E-J-CP	125	
NISPIN	55	
ND. - ELECTRONICS		
DVTECH	17	
F-CABLE	500	
LTRON	675	
LTRON-N	675	
LTECH	7900	

Frightened Zimbabwe to cast its lacklustre vote

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ST 2/4/95

By MICHAEL HARTNACK
Harare

APATHY, intimidation and bureaucratic incompetence reigned supreme in Zimbabwe last week as it approached its fourth post-independence general election since 1980 next weekend.

"I had expected a heavyweight fight but this is only proving to be a featherweight," said an exultant President Robert Mugabe.

He was speaking to an election rally after being assured of victory because his ruling Zanu (PF) returned unopposed in 54 of the 120 constituencies.

Another 30 nominated seats are effectively the government's, giving it an 18-seat majority even if the minuscule opposition parties were to capture the 66 contested seats.

A record low turnout is expected, except in rural areas, where people have been warned this could mean non-arrival of drought relief trucks.

"Prices can be put up, people will be starving, mothers will see their children never find employment and exist on one meal a day, but they will rush to the airport to welcome the president," said retired chief justice Enoch Dumbutshena, 75, whose Forum Party ignored calls to boycott polls.

A reporter from the government-controlled daily, The Herald, spent five days vainly queueing to register as a voter.

A woman he spoke to voiced common fears of the ruling party youth wing when she said: "Those without the cards will be beaten by the youths. That is why I am here."

A man feared he would be fired if he asked for any more time off to register: "I do not eat a vote after all," he said.

Forum candidate Trudy Dickey was mobbed by women shouting "We only have Zanu here" as she tried to talk to street traders in her Harare North constituency. Her car was pummelled as she fled.

Other Forum candidates withdrew after their businesses were picketed.

Police arrested 13 Zanu (PF) militants when they attacked supporters of ex-guerrilla backbencher Margaret Dongo who opted to stand as an independent.

She was one of many outspoken Zanu (PF) members, including Health Minister Dr Timothy Stamps, who were "de-selected".

The government reportedly spent more than R15-million on voters rolls and registration cards.

However, many cards were issued for dead people while other voters — including the Sunday Times correspondent — were given two.

Another alleged extravagance is an imported R80-million French helicopter reserved for presidential campaigning.

However, opposition's biggest gripe is the R14-million state funding for Zanu (PF) while farmers and businessmen fearing victimisation cancelled donations to the opposition.

Said former Rhodesian Prime Minister Ian Smith, 75: "If there were free and fair elections tomorrow, Mugabe would be out. I told the opposition to unite, and I could get them some finance (but) everybody wants to be the leader."

Mugabe given easy poll by ineffective opposition

HARARE — With only days to go to a general election, Zimbabwe's splintered opposition parties have failed to capitalise on the country's economic woes to fight President Robert Mugabe's ruling party.

Political analysts say the opposition, whose weakness has become the focus of the April 8-9 parliamentary polls, has failed dismally to wring any advantage from the soaring cost of living and anger over alleged government corruption.

"There are no economic issues at stake in this election, no awkward questions to answer as far as (the ruling) Zanu-PF is concerned because the opposition is the main subject," said John Makumbe of the political science department at the University of Zimbabwe.

"All that Zanu-PF is doing is to abuse the opposition and waffle generalities on big subjects like the economy which normally decide elections," he said.

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Many Zimbabweans consider the elections a formality.

Zanu-PF, which has ruled since independence in 1980, won 45 of 120 parliamentary seats by default when the opposition failed to register candidates by the deadline last month. Some opposition candidates also dropped out.

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The opposition — with only three seats in the outgoing parliament — is expected to win at most seven seats from its field of 61 hopefuls. Thirty independents are also running against Zanu-PF for 66 seats.

Twenty seats in Zimbabwe's 150-member parliament are filled by presidential appointees and 10 others by traditional chiefs.

Kempton Makamure, also of the University of Zimbabwe, said if the opposition had brought the country's economic management to the fore, the election outcome could have been more uncertain.

"But there is so much confusion in the opposition, no one is articulating anything strongly enough or saying how they would manage things or tackle unemployment," he said.

Mugabe's government, out of necessity rather than conviction, adopted a five-year economic reform programme in 1991 to reverse the devastating effects of a 10-year experiment with socialism.

But the donor-backed reforms, largely endorsed by the opposition as being crucial to long-term growth, have led to almost daily price rises for most basic commodities. And the increases have angered most workers who have not seen real improvements in their wages.

The opposition Forum Party said: "There is widespread corruption and the government has not done enough to minimise the side effects of the reform programme. Maybe we are not loud enough, but the economy and fostering true democracy are our main issues."

Mugabe says the opposition has no case on the economy, because his record is excellent.

Acting Finance Minister Emmerson Mnangagwa has reaffirmed several times the government's commitment to cut jobs in the civil service, commercialise or sell loss-making state-owned companies and improve the investment climate.

Mugabe's government, with a reputation for populist programmes, has bulldozed through harsh economic reforms despite protests from interest groups in urban areas.

Critics say his government is able to tear down the comfortable cushion of subsidised health and education programmes built up in his first 10 years in power only because of a weak opposition.

Over the past four years Mugabe has slowly cut funding for health, education and social welfare, but a regular flow of drought relief to impoverished districts has kept his rural base happy. — Sapa-Reuter.

Zimbabwe hit by drought disaster

sowetan 6/4/95 (362)

By Robin Drew and Andy Meldrum

■ FAILED CROPS *Nearly half the population need food aid this year:*

HARARE — THE extent of the disastrous drought in Zimbabwe this season reveals itself in a simple statistic: the number of people needing drought relief is expected to soar to more than five million, nearly half the population.

Hundreds of thousands of peasant families will not be able to produce enough grain to meet household needs after widespread crop failure. Recent rains last month came too late to save many crops.

This year the government introduced a scheme in which able-bodied men are expected to pay back from their next harvest the food aid they receive in the weeks and months ahead.

After the catastrophe of 1992 when the country had to import two million tons of maize in a massive operation, the government established a stockpile of about 900 000 tons.

But because of the dramatic drop in yields this season, it seems that once again Zimbabwe will have to import about 200 000 to 300 000 tons to meet its needs, despite assurances from the government.

Chief executive of the Commercial Producers Association Mr Richard Amyot expects large-scale producers to come up with about 400 000 tons of maize, of which about half will be marketed. At the start of the season producers were hoping to market 800 000 tons.

"It has been a very difficult season," says Amyot. "It got off to a late and patchy start. We had to replant more than 33 000 hectares, which obviously increased costs."

Official crop forecasts paint a grim picture. The one bright spot is tobacco, which in the main has stood up well to the poor season. Farmers are still expecting a crop of 190 million kg, and were quick to react when an official forecast of a sharp drop turned out to be a mistake.

The storms that hit southern Zimbabwe at the end of March came too late to save the crops, but they relieved some of the pressure on ranchers.

President Robert Mugabe

Overall water storage in farm dams at present is down to 32 percent. This time last year it was 67 percent.

Of the major dams in the country, province by province, dams in Matabeleland are 45 percent full, Mashonaland 27,8 percent, Midlands 36,5 percent, Masvingo 12,7 percent and Manicaland only 9,4 percent full.

The biggest dam of all, Kariba, is only 21,1 percent full.

In Zimbabwe's second and traditionally thirsty city, Bulawayo, water is a political issue with every politician here promising a better supply.

The current drought forced this city of more than 1 million people to impose water rationing of 600 litres daily per household recently.

Just this week that was cut back even further to 450 litres, despite the hope that recent rains might have eased the pressure on the city's reservoirs.

"Bulawayo has been starved of water for years and the government has done nothing to help us get access to a secure supply of water," says parliamentary candidate Arnold Payne, standing by a colourful water bowser cart that is his campaign symbol.

To dramatise Bulawayo's desperate need for more water, Payne pushed the small 210 litre bowser from the Zambezi River, some 400 kilometres to Bulawayo.

"Bulawayo cries out for highly urgent problem solving to get the city a secure water supply," said Payne. "If I am elected to parliament, I will take action to bring more water to our city."

Not surprisingly, President Robert Mugabe also picked up the popular issue of more water for Bulawayo when campaigning in the city over the past weekend. Mugabe pledged his government's support to the R416 million project to build a 400 kilometre water pipeline from the Zambezi River to Bulawayo.

But Mugabe had a hard time convincing Bulawayo residents that his government is actually concerned about their city's water problems. During the severe drought of 1992, Bulawayo was reduced to water supplies of just a few weeks and the government took no action.

Angered after years of neglect by the Harare government, Bulawayo citizens themselves launched the Matabeleland Zambezi Water Project to build a pipeline from the Zambezi to Bulawayo. A team of Swedish experts is carrying out a feasibility study at a cost of R6,25 million.

Mugabe praised Bulawyo's fundraising efforts, saying it was one of Zimbabwe's finest examples in community self-help endeavours. And, aware of the popularity of the pipeline project, Mugabe pledged his government's support.

"As droughts have become increasingly perennial, more acute and disastrous in this part of our country in recent years, a water pipeline from the Zambezi through Matabeleland North to the city of Bulawayo appears to be a valuable solution," said Mugabe to the thousands attending a political rally.

The president pledged that the pipeline would be in his 1995-96 Public Sector Investment budget.

But Bulawayo residents cynically question whether or not Mugabe's campaign promise will materialise as a pipeline to resolve their longstanding water problems, or will remain just a political pipe dream.

Poll polka . . . a Zanu-PF supporter, dressed in traditonal Shona skins, performs a dance during an election rally in the northern Zimbabwe town of Chinoyi prior to this weekend's election. PICTURE

Zimbabweans pronounce on the government this weekend, but no party can bring them rain, their greatest need. President Mugabe, meanwhile, has already won before a vote has been cast, write **Robin Drew** *and* **Andy Meldrum** *of The Star Foreign Service*

Of polls and pipedreams

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Mugabe still in driver's seat

THE opposition is in disarray, Laurence Bartlett of The Star Foreign Service reports from Harare

The guerilla leaders who overthrew white rule in Zimbabwe 15 years ago look set to consolidate their stranglehold on power with a landslide victory in parliamentary elections this weekend.

President Robert Mugabe's ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF), brushing aside boycotts and charges of cheating, has left a divided opposition floundering as it heads for a fourth straight term.

Mugabe (71) himself does not face a presidential election until next year, but the austere intellectual has dominated the run-up to the vote.

The avowed socialist who runs an increasingly capitalistic country has drawn thousands of people to rallies, while opposition leaders have at times had to cancel campaign appearances because of poor attendance.

Analysts say this may simply be an indication that ZANU-PF's party machinery is working hard to avoid apathy producing an embarassingly low turnout at the polls, rather than an expression of popular support for a president whose recent economic reforms have caused widespread hardships.

But even if that is the case, it shows that the party that ousted Ian Smith's white-minority government in the former Rhodesia remains far better organised than the weak and amateurish opposition.

Before a single vote has been cast on Saturday, ZANU-PF has a majority in the 150-seat parliament because it is unchallenged in 55 constituencies and 30 other seats are under Mugabe's control.

That block of 30 seats — 20 appointed by Mugabe and 10 by a government-controlled council of chiefs — is cited by a number of opposition parties as one of the main reasons they are boycotting the elections.

But political analysts say the opposition has failed dismally to wring any advantage from the soaring cost of living and anger over alleged government corruption.

Many Zimbabweans consider the result a formality.

The extent of the disastrous drought in Zimbabwe this season reveals itself in a simple statistic: the number of people needing drought relief is expected to soar to more than five million, nearly half the population.

Hundreds of thousands of peasant families will not be able to produce enough grain to meet household needs following widespread crop failure. Recent rains last month came too late to save many crops.

This year the government introduced a scheme in terms of which able-bodied men are expected to pay back from their next harvest, the food aid they receive in the weeks and months ahead.

After the catastrophe of 1992 when the country had to import two million tons of maize in a massive operation, the government established a stockpile of about 900 000 tons.

> 'Bulawayo has been starved of water for years and the government has done nothing to help us get access to a secure supply.'

But because of the dramatic drop in yields this season, it seems that once again Zimbabwe will have to import about 200 000 to 300 000 tons to meet its needs, despite assurances from the government.

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"It has been a very difficult season," said Amyot. "It got off to a late and patchy start. We had to replant more than 33 000 hectares, (meaning) an obvious increase in costs."

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Hard time

Not surprisingly, President Robert Mugabe also picked up the popular issue of more water for Bulawayo when campaigning in the city over the past weekend. Mugabe pledged his government's support to the Z$1-billion (R416-million) project to build a 400-kilometre water pipeline from the Zambezi River to Bulawayo.

But Mugabe had a hard time convincing Bulawayo residents that his government is actually concerned about their city's water problems. During the severe drought of 1992 Bulawayo was reduced to water supplies for just a few weeks and the government took no action.

Angered by years of neglect by the Harare government, Bulawayo citizens themselves launched the Matabeleland Zambezi Water Project to build a pipeline from the Zambezi to Bulawayo. A team of Swedish experts is carrying out a feasibility study at a cost of Z$15-million (R6,25-million). The Swedish government is providing Z$11,5-million of that cost while the citizens of Bulawayo contributed Z$3,5-million.

Self-help

Mugabe praised Bulawayo's fundraising efforts, saying it was one of Zimbabwe's finest examples in community self-help endeavours.

Mugabe pledged his government's support for the pipeline project and said it would be in his 1995/96 public sector investment budget.

But Bulawayo residents cynically question whether or not Mugabe's campaign promise will materialise as a pipeline to resolve their longstanding water problems — or whether it will remain just another political pipedream.

'Snail's pace' trade talks with Zimbabwe

(3b2) JOHN DLUDLU

TRADE and Industry Department officials refused to comment yesterday on progress made in talks to review the bilateral trade accord with Zimbabwe, fuelling fears agreement would not be reached by June.

A departmental statement said "research" (analysis of trade statistics) by the two countries was continuing and a report on the outcome would be made soon.

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The department did not reply to requests for details of progress made in the talks or in discussions with labour and business within the National Economic, Development and Labour Council (Nedlac) trade and industry chamber.

The request for the review of the accord, in operation since the 1960s, came from Zimbabwe, and included a proposal for the reintroduction of trade preferences on its clothing and textile exports to SA.

Last month the department said the Zimbabwean data was not "sufficiently specific to allow an in-depth analysis of Zimbabwe's request" regarding the special dispensation on textiles and clothing.

Trade observers said yesterday it was unlikely that the talks would be concluded by June at the present "snail's pace".

ZIMBABWE (362)

The same again

FM 7/4/95

Zimbabwe's parliamentary elections this weekend are turning into the non-event that seemed likely. Even before the polls open on Saturday, President Robert Mugabe's ruling Zanu-PF is certain of a substantial, outright majority. Only 66 of the 120 elected seats are being contested, with Zanu having taken 54 seats unopposed.

A further 30 seats in the 150-seat National Assembly are reserved for MPs nominated by the President, whose six-year term of office expires in 1996. Eight of these must be provincial governors, 10 are traditional leaders and 12 are people Mugabe can nominate to fill certain posts in his government. Some of those to be nominated are certain to be Zanu-PF leaders who lost their seats in the party primaries last month or, in the case of Vice-President Joshua Nkomo, simply refused to contest a constituency on the grounds that he thinks he should be elected nationally.

With his 30 nominated members, Mugabe already has 84 seats and is likely to win virtually all the remaining 66. The fractured, demoralised and disorganised opposition has no leadership and no funds.

The Forum Party, led by former Chief Justice Enoch Dumbetshena, is contesting 30 seats and may win one or two, though the signs are that Dumbetshena himself will lose in Harare.

Zanu (Ndonga) — the party led by the Rev Ndabaningi Sithole, Mugabe's predecessor as leader of Zanu in the Sixties and Seventies, is contesting 30 seats. Its support is largely regional — in the eastern districts — and it is likely to win two or three seats, including Sithole's. The remaining 11 constituencies are being contested by smaller parties, some of them virtually one-man bands, including the bizarre Zimbabwe Aristocratic Party.

It will come as a surprise if Zanu loses more than five seats (in the 1990 poll it lost just three) in a low turnout. Indeed, because almost half the seats are uncontested, even the turnout numbers will mean little.

Whatever the magnitude of his victory, Mugabe will be unable to claim his policies have won the endorsement of the electorate. With unemployment officially estimated at 45% and rising, per capita incomes no higher now than at independence 15 years ago and real wages having fallen by a third since 1991, the government's economic track record is dismal.

Mugabe comes close to admitting this, telling a weekend election rally, attended by a mere 7 000 people, that the government was committed to "emulating" the Indian example where 60% of GDP was generated by the informal sector.

Inflation, which in last year's budget was forecast to reach 10% by the end of the fiscal year on June 30, is now running at 24%. The budget deficit, forecast at Z$1,4bn (US$170m) for the entire fiscal year, reached Z$2,9bn in the first six months to December 1994.

The government has since cut spending and raised taxes while making extravagant promises to the donor community at last month's Paris Consultative Group meeting to slash the deficit from 1995.

None of these economic issues was the focus of serious debate during the election campaign, which was more concerned with personalities, especially bickering within the ruling party, than with issues.

The Western donor view that, with elections out of the way, the new government will be able to bite the deficit bullet, ignores the non-event nature of the elections. A more positive scenario is that Mugabe will now appoint a new Finance Minister to replace the ailing Bernard Chidzero who has retired from politics, and a Minister of Industry (the post has been vacant since the death of the former Minister 15 months ago). The front-runner for Finance is the acting Minister, Emmerson Mnungagwa, who has no expertise in finance or business but is a political heavyweight. His main rival is Ariston Chambati, a politician, academic and diplomat turned businessman who is likely to take the Trade & Industry post or possibly Finance.

Some new faces in the Cabinet may help to freshen the image of a tired administration. Many of those Ministers have been in office for more than a decade, devoid of new ideas and at a loss as to how to handle rapidly escalating unemployment. Hence Mugabe's astonishing claim that his ideal is an economy in which 60% of GDP is produced by the informal sector.

More than just a few new faces will be needed to turn the economy around. Tough decisions — including privatisation — will have to be made. With the election out the way, the donors and the World Bank will be pushing for movement on this front — only to be told that Mugabe must put next year's presidential elections ahead of radical economic policies that fly in the face of his continuing commitment to socialism. ■

Mugabe taunts Zim whites

ARG 8/4/95

ANDY MELDRUM
Weekend Argus
Foreign Service

HARARE. — Voting in Zimbabwe's parliamentary elections begins today after an attack on the country's white minority created a touch of excitement in an otherwise ho-hum campaign.

Assured of electoral victory, President Robert Mugabe confidently took to the campaign trail at the last moment this week. He attacked unnamed "secret organisations for whites" and white-owned commercial farming on his whirlwind tour of the Mashonaland stronghold of his party, the Zimbabwe African National Union-Patriotic Front (Zanu-PF).

"Although the hand of reconciliation has been extended to whites, it cannot be stretched too far," said Mr Mugabe, who warned there were secret organisations of whites who clandestinely celebrated the anniversary of Ian Smith's creation of minority-rule Rhodesia.

Mr Mugabe also took a swipe at Zimbabwe's commercial farmers, most of whom are white, charging that they were just keeping "wild animals" on their land rather than farming for crops. Mr Mugabe said his government would step up its purchase of such under-used land for the resettlement of peasant farmers who needed land.

Vice-President Joshua Nkomo, travelling in a Mercedes, addressed rallies in southern Matabeleland and also included broadsides at the white minority in his politicking.

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"After the elections, we are going to deal with recalcitrant whites if they continue to separate themselves within clubs and schools," warned Dr Nkomo.

Jabs at Zimbabwe's small, but wealthy white community, now numbering about 80 000 out of 12 million, came as no surprise to diplomats and political analysts. Confronting widespread apathy, economic hardship and mounting corruption scandals, the Mugabe government has found whites — conspicuously well-off and sometimes downright racist — a useful campaign scapegoat.

This scapegoat served to detract from numerous charges of registration irregularities, intimidation and possible fraud.

However, in spite of the last-minute attack on whites, Zimbabwe's renowned easy-going relations between the races remains more or less intact.

There is little need for Mr Mugabe to lash out at whites or any other group, including the tiny opposition parties, because his Zanu-PF is sure of a ruling majority in parliament before a single vote is cast today and tomorrow.

But, the most hotly contested seats are Harare South and Gweru Central. Harare South has been ably represented by petite, pretty and fiery Margaret Dongo, who joined the liberation struggle againt Rhodesia at the age of 14.

The Zanu-PF party machinery, in a bid to reduce her support base, has redrawn the borders of her Harare South constituency.

See picture on page 4

Mugabe's secret kids overshadow elections

(362) ST 9/4/95

BY MICHAEL HARTNACK
Harare

ROBERT MUGABE . . . one of his children by a second wife could succeed him as head of Zanu (PF)

THE Zimbabwe parliamentary elections this weekend have been overshadowed by a report in a Swedish-funded magazine that President Robert Mugabe has secretly remarried and fathered two children.

The report — an open secret long whispered by Zimbabweans and in diplomatic circles — has major constitutional implications for the country.

Mr Mugabe, 71, has a seven-year-old son, Robert junior, and a daughter, Bona, five, either of whom could sustain dynastic succession along the lines now seen in North Korea, a nominally socialist country President Mugabe often cites as a role model.

Western diplomatic sources said their security men had noted the presence of the new "first lady", the former Miss Grace Marufu, during Mr Mugabe's trips abroad.

Horizon magazine said after "initial resistance" the ailing Mrs Sally Mugabe gave her blessing to a traditional Shona polygamous marriage before her death from kidney disease in January 1992, and Mr Mugabe paid an undisclosed lobola in December that year.

Junius Marufu, 80, Grace's uncle, told Horizon the Marufu family, from the Mrewa district 70km north-east of Harare, accepted Mr Mugabe as a son-in-law "because we were told the late Sally was aware the president was going to marry into our family".

With this weekend's elections already "in the bag" for Mr Mugabe's ruling Zanu (PF), Zimbabwean public opinion is likely to be less interested by the commonplace occurrence of a polygamous second marriage than the new first lady's tribal connections. She comes from the same influential Zezuru tribe as Mr Mugabe.

Zezurus, the most prosperous of Zimbabwe's Shonas because of their proximity to the capital, have often been at odds with the eastern Manyika and southern Karanga over the economic benefits of independence.

Grace was working as a state house secretary when she met Mr Mugabe in the late 1980s.

On the eve of this weekend's polls, a black commentator said Zanu (PF) was not a political party in the western sense.

"Rather, it is a loose conglomeration of individuals and tribal groups unified by their acquisitive pursuits of the spoils of patronage," he said in a critical article in the Financial Gazette, urging a boycott of the "sham" elections.

Zanu (PF) won 55 of the 120 constituencies unopposed. Many opposition candidates either dropped out or were disqualified in controversial circumstances. Zanu (PF) also gets another 30 nominated seats.

The director of information, Bornwell Chakaodza, has not yet responded to a written request for comment on the report which has been taken up by international news agencies.

Ex-PM was on a roll, but then he found he wasn't

By Sapa and CP Reporter

FORMER Rhodesian leader Ian Smith held power in the old days solely by denying the black majority of Rhodesians the vote.

But when he was yesterday not allowed to vote in Zimbabwe's latest election, some might have said there just might be a God after all. And what's more, that He had a sense of humour, too.

Smith — who lives in a central Harare constituency where the main opposition Forum Party leader former chief justice Enoch Dumbutshena, was running — turned up at the Alexandra Park primary school gymnasium voting booth shortly after 9 am to cast his ballot in Zimbabwe's first post-independence election.

The trouble started when he was asked to produce his identification card. He was not able to find it and was duly sent home to fetch it.

Perhaps grumbling to himself about just how short some people's memories were, he returned with ID in hand, only to be informed by the senior polling official that his name was [illegible]

CROSS . . . Ian Smith didn't vote.

[illegible]

He [illegible] apparently forgotten to register [illegible]

"This is the first time I've been denied my vote for a reason I can't comprehend," he told reporters.

He did manage a joke, however, saying "I think they know for sure my vote won't be for Mugabe," to laughter from officials.

Smith led the breakaway Rhodesian regime that declared unilateral independence [illegible] illegally [illegible] 1965. [illegible] became independent [illegible] majority rule [illegible] guerilla war.

President Robert Mugabe's ZANU-PF party [illegible] of a parliamentary majority before the two-day election started yesterday morning.

Talking to reporters outside, Smith accused Mugabe of running a dictatorship and of rigging the elections.

Smith said that for more than three years he had tried unsuccessfully to nurse the fragmented opposition into some form of united front to oppose the government.

Zim voters stay away on final day

CT 10/4/95 (362)

HARARE: Zimbabwean voters yesterday stayed away in droves from polling stations largely deserted for the second day of elections already won in advance by the ruling Zanu(PF) party of President Robert Mugabe.

Zimbabwe's last white leader, Mr Ian Smith, was one of a trickle of people to cast his vote on the last day of the lacklustre parliamentary elections after being prevented from voting on Saturday. "I received a personal letter from the registrar-general regretting that a computer error had me listed on the voters' roll under 'I' for Ian rather than 'S' for Smith," he said.

Earlier he said he would probably vote for the former chief justice, Mr Enoch Dumbutshena, who is leader of the opposition Forum Party.

Most polling stations around the country were reported to be deserted yesterday, continuing the trend of a low turnout set on Saturday.

Officials said just 24% of eligible voters cast their ballots on Saturday and added they expected yesterday's figure to be lower. They expected final participation figures to show between 40% and 50% going to the polls.

But voters appeared to see little point in voting in elections in which the ruling party was unopposed in 55 constituencies and where Mr Mugabe controls appointments to another 30 seats in the 150-seat parliament.

Mr Mugabe's press aides yesterday ignored reports that he had secretly founded a "Mugabe dynasty" after polygamously marrying a State House secretary, Ms Grace Marufu, in 1989. — Sapa-AFP, Own Correspondent

Poll turnout disappoints Mugabe

(362)

HARARE. — A little more than half of Zimbabwe's electorate voted in weekend general elections which had already been won in advance by President Robert Mugabe's ruling Zanu-PF party.

The turnout figure appeared to be a blow to the government's prestige after Mr Mugabe had appealed for a heavy vote to back his policies.

Vote-counting was due to start today for the 65 seats still at stake in the 150-seat legislature.

Zanu-PF won 55 seats without a contest, the president appoints a further 20 members and traditional chiefs fill the other 10 seats.

Election officials said 1,2 million people were reported to have voted by early yesterday afternoon. They anticipated a final vote of more than 50 percent, compared with 54 percent in last elections in 1990.

Zanu-PF, five opposition parties and about 30 independents, most of them rebels from the ruling party, contested the polls.

The main opposition leader, former chief justice Enoch Dumbtshena, who heads the Forum Party, has said he expects to win five or six seats.

Reuter correspondent Emelia Sithole, reporting from the eastern border town of Mutare, said veteran nationalist Ndabaningi Sithole, leader of the Zanu (Ndonga) opposition, expected to retain his seat.

ARG 10/4/95

Election officials told a news conference shortly before the polls closed they believed there had been no serious problems in what observers said appeared to have been the quietest elections since Zimbabwe's independence from Britain in 1980. — Reuter.

Zim voters 'trickle' to the polls

(362)

HARARE — Voting on the second day of Zimbabwe's parliamentary elections, with victory by President Robert Mugabe's ruling Zanu-PF party assured weeks ago, slowed to a trickle yesterday.

The turnout confirmed predictions of a low poll.

Registrar-general Mr Tobaiwa Mudede said 630 000 people — less than a quarter of the 2,6 million people able to vote — had voted on Saturday in an atmosphere of peace and calm.

There appeared little chance that voters would heed Mugabe's call to give his party a "thunderous victory" in the country's third parliamentary elections since 1980. Sowetan

He denied that the turnout had been low. Reports from polling stations in the country's main centres of Harare, Bulawayo and Gweru said voting had slowed to a trickle, with queues seen hardly anywhere.

Poll monitors described the pace of Saturday's voting as "moderate".

Mbare, Harare's oldest township, was humming with people yesterday morning, but the polling stations remained quiet and officials sat in the sun, warming themselves and drinking tea, disturbed only by the occasional voter. — Sapa. 10/4/95

PARTY UNITY DAMAGED BY INFIGHTING

Expected 50% poll 'a rebuff to Mugabe'

(362)

HARARE: President Robert Mugabe failed to get the show of support he called for, **SAPA-REUTER** reports.

THE Council of Traditional Chiefs elected 10 members to Zimbabwe's parliament yesterday as officials counted ballots for national constituencies after weekend polls won in advance by the ruling Zanu(PF).

Officials were still tallying the turnout but predicted a vote of just over 50%, an apparent rebuff to President Robert Mugabe who had urged a massive showing in support of his government, in power since independence in 1980.

Political analysts said he now faced a tough task in uniting his faction-ridden party after bitter infighting during primaries to select official candidates.

Zanu(PF), five opposition parties and about 30 independents, mostly rebels from within the ruling party who lost out in the primaries, contested 65 seats. Four opposition parties boycotted the poll.

NO SURPRISES: With 55 seats uncontested, President Robert Mugabe's victory is a certainty.

The ruling party had already taken 55 seats for lack of opposition, the president appoints another 20 members, while the traditional chiefs occupy the remaining 10 seats in the 150-seat legislature.

About 2,6 million people out of a total voting population of 4,8m were eligible to vote for the contested seats..

The main opposition leader, former chief justice Mr Enoch Dumbtshena, has predicted his Forum Party could take up to six seats, while another opposition leader, veteran nationalist Mr Ndabaningi Sithole, expected to retain his ZANU-Ndonga party seat in the eastern border area of Mutare.

Free and fair

CT 11/4/95

The opposition held only three seats in the last parliament.

The election commission said the polls appeared to have been generally free and fair.

The business community has largely discounted the elections because the result is a foregone conclusion.

Businessmen are now awaiting a cabinet reshuffle, with the key posts of finance and trade and industry to be filled.

Zanu-PF overwhelms opposition

ARG 3/1/4/95

ROBIN DREW
The Argus Foreign Service

HARARE. — Zimbabwe's ruling Zanu-PF Party has inflicted a crushing defeat on the opposition in the general election, taking all but two of the 120 elected seats in the national parliament.

Observers had calculated that the opposition might improve their former three-seat share in the parliament and perhaps even double this small representation.

But the results have shattered even these small hopes and the only voice of opposition in the parliament now is that of Zanu-Ndonga. Party leader the Rev Ndabaningi Sithole secured one of these two seats for himself, but the reach of Zanu-Ndonga remains confined to Mr Sithole's home province along the eastern border.

The Forum Party, led by former chief justice Enoch Dumbutshena, which was at one time thought to constitute a credible opposition, failed to gain a single seat.

(362)

Thumbs-up . . . supporters of Zanu celebrate their victory in Zimbabwe's general election in the Sunningdale township outside Harare yesterday. Zanu won a landslide victory to secure a fourth term in power. PICTURE: AP

Zimbabwe's Zanu-PF streaks home once again

Star 11/4/95 (362)

Harare — Zimbabwe's ruling Zanu-PF party has won nearly all parliamentary seats at stake in general elections held at the weekend, while the opposition was left with two seats, according to nearly final results.

With results in from 52 of the 65 contested constituencies, the Zimbabwe African National Union-Patriotic Front (Zanu-PF) had garnered 50.

The two other seats went to the regionally based conservative Zanu-Ndonga party of veteran nationalist the Rev Ndabaningi Sithole, in the Chipinge district.

The other main opposition party in the race, the Forum Party of Zimbabwe (FPZ) of former chief justice Enoch Dumbutshena, failed to win a single seat, and is unlikely to get any of the remaining 13.

With 50 of the 65 contested constituencies, Zanu-PF has a total of 135 seats in the 150-member house, as it has already secured 55 seats unchallenged, and President Robert Mugabe has control over the appointment of 30 other MPs.

Ziana news agency reported that violence broke out in the Sunningdale suburb of Harare after it was announced that maverick Margaret Dongo, former ruling party stalwart, had lost to the Zanu-PF official candidate, Vivian Mwashita.

The FPZ's hopes of participating in the new government have been shattered, but the party's second-in-command, Patrick Kombayi, is challenging some results and has called for a recount.

Five other opposition parties boycotted the polls, which local independent monitors said were free but not fair. — Sapa-AFP.

Zim results highlight inequities

(362) Star 12/4/95

BY ANDREW MELDRUM
STAR FOREIGN SERVICE

Harare — Zimbabwe's lopsided election results, giving 118 seats to the ruling Zanu-PF party and just two to the opposition, could galvanise civil society in a campaign for a more democratic constitution.

"The inequity in the voting process is very obvious," said John Makumbe, political science professor at the University of Zimbabwe. "We need a constitutional conference, with all interests in the country being represented, not just the ruling party.

"We need a new constitution which strengthens basic human rights and supports multiparty democracy. Zimbabwe has an anachronistic one-party-state constitution that lags far behind the constitutions of South Africa and Namibia."

Makumbe said he did not think President Robert Mugabe or his again-victorious party would be interested in redrawing the constitution.

"The party has inculcated a culture of fear so that nobody wants to step forward and challenge it. Most people knew things wouldn't change, so they weren't interested in the elections," said Makumbe.

"But that is dangerous because it gives Zanu-PF a licence to mismanage and to continue with corruption and nepotism."

Mugabe's party was guaranteed victory because 55 of its candidates were unopposed and another 30 parliamentary seats are appointed by the president, giving Zanu-PF a majority in the 150-seat parliament before polling even began.

Apathy

This meant too that more than 40% of Zimbabwe's registered voters could not vote because Zanu-PF won its constituencies by default. Apathy was widespread and about 57% of eligible, registered voters cast their ballots.

Academics such as Makumbe charge that widespread intimidation pushed many Zimbabweans, who were otherwise not interested, into voting.

The two other winners were the Rev Ndabaningi Sithole, leader of the Zanu-Ndonga party and one of his followers, Freddie Sithole, who took the Chipinge South and North constituencies respectively.

Bishop Abel Muzorewa and five opposition parties boycotted the elections, charging that the constitution gave too much power to the president and ruling party, including administration of voting and access to the state-controlled news media and state funds.

Zanu-PF wins major victory

HARARE — Zimbabwe's ruling Zanu-PF Party has inflicted a crushing defeat on the opposition in the general election, taking all but two of the 120 elected seats in the national parliament.

Observers had calculated that the opposition might improve their former three-seat share in the parliament and perhaps even double this small representation.

But the results have shattered even these small hopes and the only voice of opposition in the parliament now is that of Zanu-Ndonga. Party leader Reverend Ndabaningi Sithole secured one of these two seats for himself, but the reach of Zanu-Ndonga remains confined to Sithole's home province along the eastern border.

The Forum Party, led by former chief justice Enoch Dumbutshena, which was at one time thought to constitute credible opposition, failed to gain a single seat. (362)

Dumbutshena was defeated in Harare central where he managed 28 percent of the vote. Sowetan 12/4/95

The percentage poll was said by officials to total 57 percent, but observers to the apathetic polling have commented that this would appear too high. Maladministration also carved into the poll with nearly 107 000 people turned away because of inadequate documentation.

A number of parties boycotted the elections claiming the electoral laws gave Zanu-PF an unfair advantage and observers have commented that the poll was free but, because of the legislation, not fair. The law allows only parties with more than 15 seats to receive state money for their campaign — meaning that the ruling party was the sole beneficiary of this system. The last grant to Zanu-PF came to about R14 million.

The president also has the right to nominate 12 MPs to the house, another contentious ruling.

Further, eight provincial governors appointed by the president also become MPs and the 10 chiefs elected by the country's chiefs traditionally vote with the government. The election over the weekend was generally peaceful with few reports of intimidation. Monitors kept a close watch on all polling stations and the counting procedure. The Zimbabwe Council of Churches said their reports indicated the weekend elections had been generally peaceful.

Presidential elections will take place next year. — *Sowetan Africa Service.*

One-party state in all but name

Mugabe's monopoly

Star 15/4/96 (362)

HARARE — The recent election victory of President Robert Mugabe's ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF) not only assures the party of five more years in power but suggests it will remain entrenched in power well beyond 2000.

To many it seemed like Zimbabwe's general elections were over before they began: ZANU-PF won the majority of parliamentary seats by default because 55 of its candidates were unopposed, which meant the party secured control of the 150-seat parliament before a single ballot had been cast.

While the state-controlled media is still trumpeting the election results as a glorious victory, independent analysts are asking how long Mugabe's party will remain in power.

The lopsided win — with only two seats held by opposition figures now — exposes Zimbabwe as a de facto one-party state where dedication to multiparty democracy exists merely on paper, says John Makumbe, political science professor at the University of Zimbabwe.

"The results are an indictment on the whole political system. Politically, the country is stagnant. We have a political culture that is based on fear, first installed by the colonial regime and then extended by ZANU-PF's rule.

"People are afraid to question, to challenge," he says.

A beacon for multiracial democracy in southern Africa when it became independent in 1980, Zimbabwe is now seen as a virtual one-party state.

Makumbe suggests that Mugabe and his ZANU-PF heavies will continue to run Zimbabwe until maladministration of the country becomes so widespread that living standards fall and the country's much-vaunted infrastructure begins to crumble.

Other analysts and human rights activists suggest that the crushing nature of the election results is a result of Zimbabwe's constitution, which gives too much power to the president and the party in power.

They say the embarrassing failure of the opposition will galvanise a wide spectrum of Zimbabwe's civil society to campaign for a new constitution.

Without question, Zimbabwe's opposition in this election was inept, running lacklustre campaigns that failed to tap the widespread disillusionment with Mugabe's once-popular government.

Certainly they were hindered by lack of access to the state-owned media, which unabashedly promoted ZANU-PF. Another advantage for ZANU-PF was the R33,3-million paid to the party from state coffers over the past three years.

Conveniently, state funding goes only to parties that hold more than 15 parliamentary seats and only ZANU-PF has ever been in this position.

The numerous disadvantages that confronted the opposition parties cannot hide the fact that the majority of Zimbabwe's people still support Mugabe's party. But the failure of the country's significant dissatisfied population to win representation beyond two insignificant seats in the parliament shows a troubling flaw in the system.

Stung by the mismatched nature of the electoral contest, leading human rights groups, church organisations and academics have now vowed to campaign for the rewriting of Zimbabwe's constitution.

The current constitution was drawn up at Lancaster House in London, far away from the people and issues of Zimbabwe.

It was a compromise document drawn up by British diplomats to cobble over the huge differences between Ian Smith's Rhodesia Front and the nationalist movement led by Mugabe.

Since 1980 the constitution has had 13 amendments tacked on by the ZANU-PF parliaments. Critics charge that it is an old-style one-party-state document that gives scant protection to human rights and democratic pluralism.

If the election results prompt a concerted drive for a constitutional conference, then the 1995 elections will have had far more impact than simply ensuring another five years of power for the ruling party. — Foreign Service.

Zim seen as site for peace corps

HARARE — Britain was willing to use its military training team in Zimbabwe to train African peacekeeping forces, British Defence Secretary Malcolm Rifkind said yesterday.

"Zimbabwe is the country in southern Africa that has made the most important contribution of all to UN peacekeeping missions.

"I discussed with President Mugabe the possibility of the Zimbabwe staff college becoming a centre of excellence for the region," Rifkind said.

Zimbabwe has supported UN missions in Somalia and Rwanda, and has offered to send infantry to Angola.

Seats dished out by president

HARARE — Zimbabwe's President Robert Mugabe has appointed 12 members to his 150-seat legislature.

Topping the list was Vice-President Joshua Nkomo, who withdrew from the election. Others included retired air marshal Josiah Tungamirai, who was forced by Mugabe to give way to his second deputy, Simon Muzenda, after a bitter fight to represent Masvingo.

Another eight provincial governors were appointed.

A total of 120 seats could have been contested, but the opposition failed to field candidates for 55 of them. — Reuter.

Mugabe to marry again

OWN CORRESPONDENT

HARARE: President Robert Mugabe plans to take time off from his campaign for black advancement to have a white wedding this month.

Diplomatic sources in Harare confirmed Mr Mugabe, 71, was likely to formalise the position of the former State House secretary Ms Grace Marufu, 37, and their two children, with a lavish public wedding in the Roman Catholic Church.

The Marufu family has confirmed Mr Mugabe married under Zimbabwean customary law in 1987, paying lobola (bride price) for his second wife in 1992, 10 months after Ghanaian-born Mrs Sally Mugabe died.

Mrs Mugabe, whose only son died in infancy, reportedly raised fierce objections when Mr Mugabe took a second wife, but later assisted in the naming of Grace's two children, Robert, now seven, and Bona, five.

Although a polygamous marriage has caused no ripples in public opinion here, the existence of a "Mugabe dynasty" may have long-term constitutional implications.

WEDDING BELLS: Zimbabwean President Robert Mugabe is to remarry.

'Malicious prosecution cost Zimbabwe R2m in exports'

CT 17/4/95 (362)

OWN CORRESPONDENT

HARARE: Prominent white Zimbabwean farmer Mr Henry Elsworth says a malicious prosecution has cost the country over R2 million in export earnings, and scores of potential jobs.

Mr Elsworth, 65, was the victim of a "substantial miscarriage of justice" when he was convicted of stripping 12 women caught illegally gathering firewood, Supreme Court judges ruled last week.

Before Mr Elsworth had made his first court appearance in June 1993, President Robert Mugabe's government announced the takeover of his 10 000-hectare ranch outside Kwekwe as "just punishment".

"We are now on a holding exercise as far as the farm is concerned," Mr Elsworth commented.

"We had planned to put in two hectares of roses (for export) earning over R2,5m, and this would have created work for 150 people. That has all gone by the board."

The court found Mr Elsworth had been framed by the women in collaboration with the police.

Zimbabwe's not-so-happy birthday

By Emelia Sithole
SAPA-REUTER

Harare — Zimbabwe marks its 15th independence anniversary today amid concern about increasing economic hardship.

The country was just emerging from its worst drought in a century when it was struck by a new semi-drought.

This has withered prospects for strong economic recovery, forecast by some analysts at over five percent for 1995.

Interest rates of more than 30 percent are further hampering growth. Job creation is vital to cut rising unemployment — now at almost 50 percent.

Economists see no prospect of the central bank easing its tight monetary policy, in place since 1994, in a bid to rein in annual inflation estimated at 24 percent.

"The Reserve Bank of Zimbabwe's continued tight monetary policy has the undesirable effect of keeping interest rates high, which in turn constrains growth," Standard Chartered Bank of Zimbabwe said in its latest economic update.

"However, loose monetary policy would cause inflation to soar and this would be unacceptable," it added.

Robert Mugabe's Zanu-PF government embarked on a five-year Western-backed, market-led economic reform plan in 1991 after a

UNEASY CELEBRATION *Analysts remain sceptical regarding the Mugabe government's economic plans*

CT (BR) 18/4/95 (362)

10-year flirtation with socialism.

The government said it aimed to cut inflation to 12 percent this year.

Analysts are sceptical, however. They point to runaway state spending — accounting for 38 percent of gross domestic product — which they blame for fuelling inflation.

In a bid to widen its revenue base to meet most of its reform programme targets, the government raised taxes and introduced a drought levy which offset income tax relief announced in its 1994 budget.

"The levies come when individuals are still trying to get used to a forced pension scheme ... which takes 3 percent of monthly salaries of the majority of those in formal employment," Standard Chartered said.

The government has also scrapped free food handouts at a time when more than three million people face hunger.

Harvests of the staple maize crop this April are expected to be slashed to 873 000 tons from 1,8 million tons in 1994 because of erratic rains which started late in December.

"Mugabe's government, which has ruled since independence from Britain in 1980, plans a huge rally in the capital to mark the independence anniversary.

ROBERT MUGABE . . . in spite of his ostensible commitment to Marxism, he has been wise enough not to destroy the productive structure on which the economy rested, even though it was inevitably dominated by the settlers.

Did it work? Unquestionably yes. Independent Zimbabwe has been a stable and generally peaceful state, which has by and large built a solid structure on the uncertain foundations provided by minority rule.

...oug... was ... ...ugabe's expressed intention, he was again wise enough not to try to impose it over the opposition even of much of his own party. But it has nonetheless, since Zapu was forced into the fold, been one in all but name.

...res are a gre... than any legitimate economic activity could account for.

There is little culture of accountability, and the one independent daily newspaper has closed

● Professor Christopher Claphai is a Visiting Fellow at the Sout African Institute of Internationa Affairs at Jan Smuts House in Jc hannesburg. He writes in his per sonal capacity.

I was wrong about Mandela, says former enemy Smith

Fifteen years into black rule in Zimbabwe, Rhodesia's last prime minister Ian Smith continues to criticise President Robert Mugabe but takes his hat off to President Mandela. JUDITH MATLOFF reports for The Argus Foreign Service from Harare.

IAN SMITH, the last prime minister of white-ruled Rhodesia, paused from his diatribe about independent Zimbabwe for unexpected praise for his erstwhile foe Nelson Mandela.

He had just accused his black successor, President Robert Mugabe, of destroying what was once one of Africa's most developed economies, stamping out free speech, rigging votes, stirring up racial hatred, running a one-party dictatorship and basically destroying any hopes of democracy in the country.

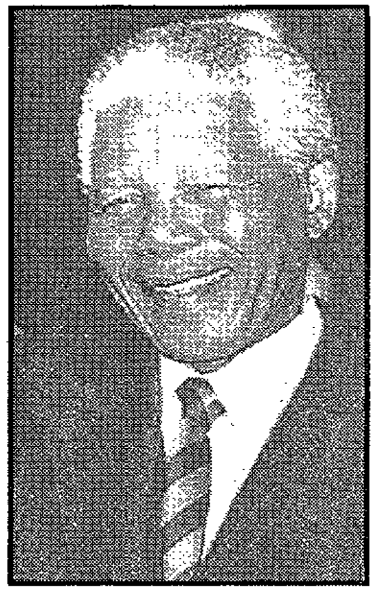
Mr Smith, 76, who ruled for nearly 15 years, now sees himself as the patron of all opposition groups. But he blamed in part his unsuccessful attempts to unite the fractured opposition over the past three years on a lack of state tolerance for dissent.

Moreover, he said the fact that the government had jettisoned its socialist policies for market-driven austerity measures inspired by the World Bank/International Monetary Fund showed how misguided it had been.

More than anything, Mr Smith was bitter that Mr Mugabe repeatedly refused to cross the golf course separating their residence to speak to him.

'Mandela has shown he is a man of great wisdom, maturity and compassion. He seems to care about all people, not just his supporters. That is the difference between that country and this country. I believe South Africans should count their blessings and realise how lucky they are . . .'

But Mr Mandela, Mr Smith said wistfully, had exhibited a political maturity and capacity for reconciliation which Zimbabwe sorely needed. South Africa had in a much shorter period made bigger strides towards a society with a thriving opposition than Mr Mugabe and his Zanu-PF had in 15 years in power.



South Africa, the newest black-ruled state, was a glowing example for a region where implicit one-party rule was increasingly the norm, Mr Smith said.

"I am agreeably impressed with the way things are going. I was initially fearful of Mandela and the African National Congress. But it is clear that was an incorrect assessment," Mr Smith said in an interview in his colonial-style Harare home.

"Mandela has shown he is a man of great wisdom, maturity and compassion. He seems to care about all people, not just his supporters. That is the difference between that country and this country. I believe South Africans should count their blessings and realise how lucky they are. I believe there is hope. They've only had a year. But so far I am taken aback by how well they have performed up to now."

Mr Smith reflected on the events leading up to Zimbabwe's independence. He was asked whether in retrospect he had acted wisely by the Unilateral Declaration of Independence in 1965, rebelling against Britain's pressure to end white rule. His intransigence led to stepped up guerrilla activity by black liberation fighters and an exodus by white settlers which contributed to a collapsing economy.

"Of course we made mistakes . . . but it's easy to be wise in hindsight. The truth is I wanted to have trusted the British," he said.

Mr Smith expressed disappointment in South Africa's erstwhile white rule for not backing him all the way.

Picture: GUY OLIVER, Argus Group Picture Servuice

MUGABE CRITIC: Ian Smith, Rhodesia's last prime minister, says there are two different types of president on either side of the Limpopo River. He has warm praise for Mr Mandela.

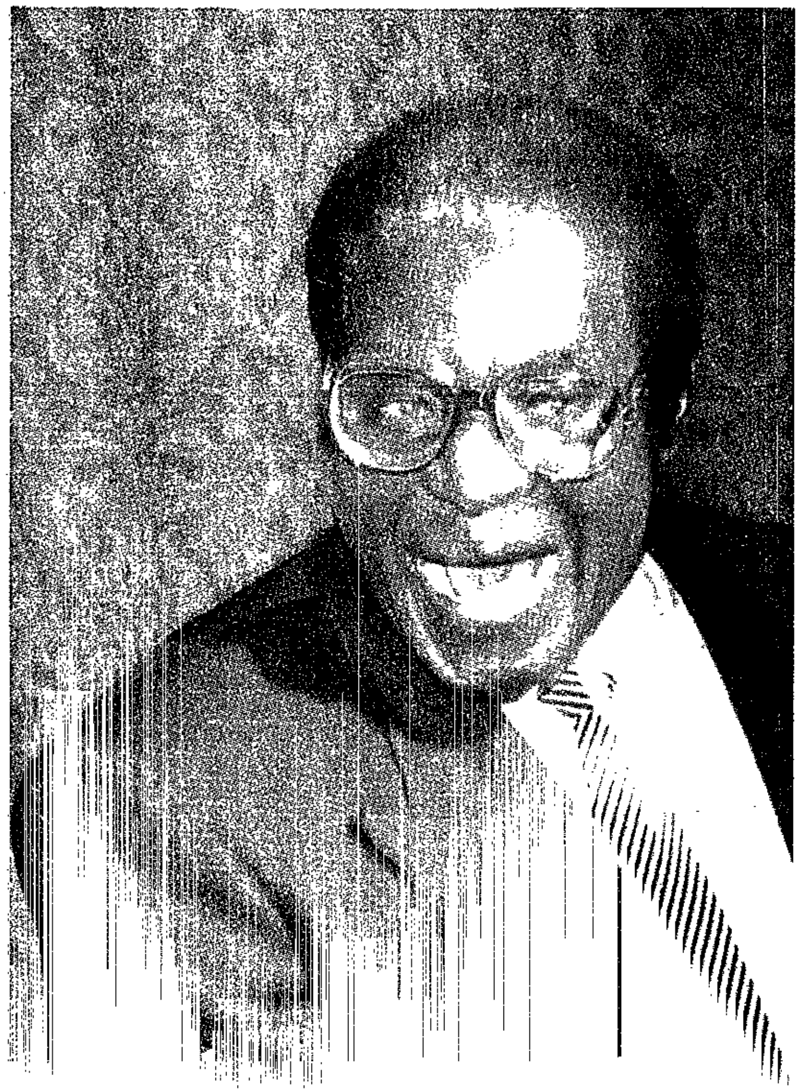
Uneasy Zimbabwe

24 HOURS NEWS WATCH

15 years of independence have brought lack of accountability and a one-party state in all ~~but~~ name

ARG 19/4/95 ~~(263)~~ (362)

President Robert Mugabe reluctantly signed the Lancaster House agreement, then forged a shotgun marriage with his nationalist opponent Joshua Nkomo. He has since ruled a surviving rather than a flourishing Zimbabwe, reports CHRISTOPHER CLAPHAM for The Argus Foreign Service.



ZIMBABWE'S independence 15 years ago opened a new era in Southern African history — it was the first time that power had been transferred from a settler government to majority African rule by constitutional negotiation rather than by violence.

Widely hailed at the time as a precedent for Namibia and South Africa, it eventually proved — in different ways, and after vast intervening suffering — to be just that.

For both sides, it involved major concessions: for the Europeans, the abandonment of white rule; for the Africans, the acceptance at least for a 10-year transitional period of much of the structure of European privilege which they had fought.

So reluctant was Robert Mugabe to accept the terms on offer at Lancaster House that he had to have his arm severely twisted by Samora Machel to sign on the dotted line that was to give him 15 years of as yet uninterrupted power.

But the price on both sides was nothing like that paid by the 30 000 Zimbabweans who died in the war that was needed to bring the par-

The one major scar on its record, as yet very imperfectly healed, was the brutal "pacification" of Matabeleland in the mid-1980s which, at the cost of several thousand further deaths, forced Joshua Nkomo's Zapu into a shotgun marriage with Mr Mugabe's ruling Zanu-PF.

It was ironical, though not altogether surprising, that the main losers in the post-independence decade were Zanu's partners (and hence rivals) in the Patriotic Front, rather than the ousted whites.

But in spite of his ostensible commitment to Marxism, Mr Mugabe was wise enough not to destroy the productive structure on which the economy rested, even though it was inevitably dominated by the settlers; and though that economy has scarcely flourished, it has at any rate survived.

And yet the impression remains of a country not altogether at ease with itself. For one thing, the legacy of liberation war — the "struggle" which still provides Zanu-PF with its own legitimating sense of its right to rule — fits uncomfortably with the idea of democratic and accountable government.

Zimbabwe has never become a

It may be disputed to what extent the failure of Zimbabwe's opposition parties has been due to the inadequacy of their own leadership and organisation, to what extent to a pervasive sense that they would never be allowed to enjoy the fruits of electoral victory even if they won it, to what extent to harrassment and the lurking presence of the Central Intelligence Organisation.

Zanu-PF has at any rate made sure that rivals fight under severe handicaps, by allowing generous state funding to itself but to no other party, by effective control over the electoral machinery, and not least by the right of the President, directly or indirectly, to appoint up to 30 members of parliament.

The recent lacklustre election, in which generous faith would be needed to accept even the official figure of a 58 percent turnout, is the result. Though Zimbabweans find it hard to envisage an alternative government, many of them are certainly unhappy with the one they have got.

Corruption, given the relative wealth of the economy, has remained discernibly lower than in Kenya, let alone Nigeria; but none-

for lack of funds — though not before it had exposed a blatant abuse of the government's compulsory purchase powers to divert valuable farmland into the hands of leading politicians.

Outside powers, such as Britain and the United States, have done nothing to hold the government to account in the way that they have done in Kenya.

Although Zanu-PF in a sense represents the Shona people who constitute about 80 percent of Zimbabwe's population, it escapes no one's notice that Mugabe's Zezuru clan has gained most from the division of the spoils.

Other Shona clans, and notably the more numerous Karanga, are looking for their share; and the sometimes vicious contests to secure the Zanu-PF nomination in the recent elections revealed both a certain amount of ethnic in-fighting, and a virtually total lack of concern for the party as anything but a vehicle for gaining power.

Zimbabwe remains a viable state, and traumatic upheavals are unlikely; but the passiveness with which Zimbabweans have accepted their political fate over the last 15

ZIMBABWE (362) FM 21/4/95

Economically apathetic

After Zanu-PF's landslide fourth successive election victory in Zimbabwe's parliamentary elections, many Zimbabweans appear indifferent to economic issues.

Their attitude is summed up in the State-owned *Herald* newspaper's editorial on Zimbabwe's 15th anniversary of independence this week. Pouring scorn on those who "put a dollar value" on independence, the newspaper says the country's 11m people should celebrate independence and a fourth term in government for Zanu-PF "regardless of the state of the economy."

Even the *Herald* admits all is far from well economically, though, characteristically, the blame for this, it argues, rests with external factors and not with government policies.

About 82% of those who voted supported Zanu-PF. President Robert Mugabe's party won 118 of the 120 elected seats — one more than in 1990 — and, with the 10 seats nominated by traditional chiefs and the 20 appointed by the President, has 148 of the 150 seats in the new parliament.

The surprise was the higher-than-expected turnout of 54% of the registered voters in the 65 contested constituencies. More voted in rural than urban areas and the opposition did marginally better in the cities where disgruntled black professionals and a handful of whites supported independent candidates or former Chief Justice Enock Dumbetshena's Forum Party.

Mugabe made little use of his nomination powers to bring in new blood, preferring to select those who, like Vice-President Joshua Nkomo, had refused to fight a constituency, and others, such as Health Minister Timothy Stamps who had lost out in the primaries.

Some analysts predict that the future will be little different from the past, especially over the next 12 months, when another election — this time for the presidency — will be held.

Others in business are confident that decision-making in two vital Ministries — Finance and Trade & Industry — must improve with the appointment of substantive Ministers replacing acting incumbents who have been in charge for the past year or longer.

One issue stands out above all others — the budget deficit. The new Cabinet must square its many electoral promises to spend more to improve living standards and tackle rapidly rising unemployment with a fiscal reality of a budget deficit running at more than 10% of GDP.

Mugabe's parliamentary victory and the *Herald*'s argument that economics does not matter should encourage him to grasp the fiscal nettle in the budget in July. ■

'We won't dance to anybody's tune'

Zim old guard still holds sway

Star 22/4/95 (362)

ROBIN DREW
AFRICA SERVICE

HARARE — Zimbabwe President Robert Mugabe has kept two whites in the new expanded cabinet following the recent general election.

Denis Norman moved back to Agriculture from Transport and Energy, and Dr Timothy Stamps has been retained as Minister of Health.

Stamps was appointed a non-constituency MP after he failed to gain a nomination from the ruling party.

Of major interest in the new cabinet will be the performance of Finance Minister Ariston Chambati, who has been brought into the government from the private industry, where he was chairman of the TA Group of companies.

His appointment had been expected in business circles. He replaces Dr Bernard Chidzero who has been ill for many months and has now retired from politics.

The new Minister of Industry and Commerce is Herbert Murerwa, who has been acting in that position for some months.

Another major change is the move from Foreign Affairs of Dr Nathan Shamuyarira, who goes to Public Service, Labour and Social Welfare.

Foreign Affairs will now be handled by a former academic and diplomat, Dr Stan Mudenge, who held the post of Higher Education in the old cabinet.

ROBERT MUGABE: Dramatic emphasis on land question.

A new portfolio has been created to concentrate on sport, recreation and culture and this has gone to Witness Mangwende, former Education Minister.

Two of the old guard now out of the cabinet are Joseph Msika and Didymus Mutasa who have been appointed to full-time posts in the ruling ZANU-PF party.

Announcing the appointments, Mugabe said it had been decided to split Agriculture away from Lands and Water Resources, which will remain the responsibility of Kumbirai Kangai, who will concentrate on Land Acquisition. Mugabe said he wanted "dramatic emphasis" on the land question.

There was a need to acquire as much land as possible for resettlement, he stressed.

Asked whether increasing the size of the cabinet was not going against the recommendations of international bodies, Mugabe said his government would not dance to the whims and caprices of the World Bank and the IMF.

Reacting to the appointments, Zimbabwe's business sector welcomed Mugabe's placing of respected technocrats in key ministries, but analysts said his political old guard might still slow down a drive to more economic growth, reports Reuter.

"We welcome these appointments. These are technocrats who should be able to get the work done," said Ted Makoni, president of the Zimbabwe National Chamber of Commerce.

"These are very important appointments, very welcome because you have people who have been in the business," said economic consultant Professor Tony Hawkins of the University of Zimbabwe's department of business studies.

But Hawkins said he was surprised that Mugabe, who has been under pressure to reduce his government team to help cut expenditure, had increased the size by two to 36.

"That's incredibly too big for a country our size," he said.

Political analyst John Makumbe said the retention of old politicians who had run the country with Mugabe since he came to power 15 years ago could hinder Zimbabwe's drive to boost economic growth and cut unemployment, estimated at 50%.

Mugabe's new cabinet sparks hope

ST 23/4/95 (362)

TOP Zimbabwean businessman Ariston Chambati was this week brought into President Robert Mugabe's cabinet to head the finance ministry, while former diplomat Herbert Murerwa took over the vacant commerce portfolio.

The long-delayed cabinet reshuffle also saw the sidelining of controversial former Foreign Affairs Minister Nathan Shamuyarira to the unpopular portfolio of Minister of the Public Service.

Mr Shamuyarira, 64, will have to implement tough public service retrenchments in line with economies agreed with the World Bank.

Zimbabwe's Economic Structural Adjustment Programme has floundered over the past year for want of direction. The plan's architect, the former Senior Minister of Finance, Bernard Chidzero, suffered a stroke in September 1993 and Commerce Minister Christopher Ushewokunze was killed in a car accident in January last year.

Despite protests from the business community, both posts were left vacant in the run-up to the April 8 and 9 elections. Several prominent figures received hints that they could be in line for cabinet rank if they steered clear of Dr Enoch Dumbutshena's Forum Opposition Party.

The coveted title of "Senior Minister", with its extra cash perks, has been dropped.

Meanwhile, Zimbabwe's 4 500 white commercial farmers cheered Mr Mugabe for bringing back Denis Norman as agriculture minister.

"A lot of the rhetoric has disappeared and there is a realisation employment and production are more important," said Peter Macsporran, the head of the Commercial Farmers' Union.

"There is enough land available (for peasant resettlement) and I am hoping the government will look at the principles of the Land Designation Act."

Mr Mugabe's 1992 repeal of entrenched constitutional safeguards against expropriation ravaged Zimbabwe's reputation with foreign investors. Continuing massive unemployment has seen 440 000 Zimbabweans trek to South Africa in search of work.

Mr Macsporran said he

By MICHAEL HARTNACK
Harare

was anxious about Mr Mugabe's "complicated" division of responsibility for the resettlement of peasants between Mr Norman, Lands Minister Kumbirai Kangai and Local Government Minister John Nkomo.

In an interview, Mr Norman predicted: "With the election behind us, the concerned parties will now take a long hard look at this issue: I shall work as closely as possible with Mr Kangai to try to take the heat out of this thorny question."

He said the emotive rhetoric surrounding land reform had began to die down even before last week's elections.

In a move to reassure whites, Mr Norman, who farms nearly 5 000 hectares near Harare, was given the agriculture portfolio in Mr Mugabe's first post-independence cabinet in 1980, but was dropped in 1985 when Mr Mugabe accused the country's 80 000 whites of supporting Rhodesian Prime Minister Ian Smith.

How curiosity killed Winston

By MICHAEL HARTNACK: Harare

ZIMBABWE'S tourism industry was in mourning this week for one of its most colourful personalities.

A large, black-bordered obituary notice in the main national daily newspaper The Herald announced that Winston Strydom, after spending most of his life on the wild southern shores of Lake Kariba, was "tragically killed by a crocodile on April 11".

However, Winston was not one of the macho fraternity of professional hunters and rugged safari guides who earn admiring glances from the women among the 500 000 tourists who visit Zimbabwe each year.

He was a fearless Jack Russell terrier who spent most of his life gambolling with the hippo and elephant at Sanyati lodge, a picturesque camp 40km from the town of Kariba, where he became a canine celebrity.

Tourist industry sources said six-year-old Winston's owners, Hans and Diana Strydom, entered a management deal for Sanyati earlier this year with former Rhodesian rugby player John Bredenkamp.

The Strydoms then moved to Pamuzinda lodge, 80km west of Harare — generally regarded as a much tamer spot than Sanyati, which boasts numerous predators.

"The Strydoms were not aware that there was a crocodile in the waterhole at Pamuzinda — Winston went to inspect and got eaten right away," said a friend.

"He will be sadly missed by many," said the Strydoms, who described Winston as "a beloved companion".

Mugabe captains ship, often in stormy winds

Star 2/5/95

(362)

ROBERT Mugabe rules a surviving rather than a flourishing Zimbabwe, writes Christopher Clapham

Zimbabwe's independence 15 years ago opened a new era in southern African history — it was the first time that power had been transferred from a settler government to majority African rule by constitutional negotiation rather than by violence.

Widely hailed at the time as a precedent for Namibia and South Africa, it eventually proved — in different ways, and after vast intervening suffering — to be just that.

For both sides, it involved major concessions: for the Europeans, the abandonment of white rule; for the Africans, the acceptance at least for a 10-year transitional period of much of the structure of European privilege which they had fought.

So reluctant was Robert Mugabe to accept the terms on offer at Lancaster House that he had to have his arm severely twisted by Samora Machel to sign on the dotted line that was to give him 15 years of as yet uninterrupted power.

But the price on both sides was nothing like that paid by the 30 000 Zimbabweans who died in the war that was needed to bring the parties to the negotiating table.

Did it work? Unquestionably yes. Independent Zimbabwe has been a stable and generally peaceful state, which has by and large built a solid structure on the uncertain foundations provided by minority rule.

It was ironical, though not altogether surprising, that the main losers in the post-independence decade were Zanu's partners (and hence rivals) in the Patriotic Front, rather than the ousted whites.

But despite his ostensible commitment to Marxism, Mugabe was wise enough not to destroy the productive structure on which the economy rested, even though it was inevitably dominated by the settlers; and though that economy has scarcely flourished, it has at any rate survived.

And yet the impression remains of a country not altogether at ease with itself. For one thing, the legacy of liberation war — the "struggle" which still provides Zanu-PF with its own legitimating sense of its right to rule — fits uncomfortably with the idea of democratic and accountable government.

Zimbabwe has never become a formal single-party state, and although this was Mugabe's expressed intention, he was again wise enough not to try to impose it over the opposition even of much of his own party. But it has nonetheless, since Zapu was forced into the fold, been one in all but name.

It may be disputed to what extent the failure of Zimbabwe's opposition parties has been due to the inadequacy of their own leadership and organisation, to what extent to a pervasive sense that they would never be allowed to enjoy the fruits of electoral victory even if they won it, to what extent to harassment and the lurking presence of the Central Intelligence Organisation.

Zanu-PF has at any rate made sure that rivals fight under severe handicaps, by allowing generous state funding to itself but to no other party, by effective control over the electoral machinery, and not least by the right of the president, directly or indirectly, to appoint up to 30 members of parliament.

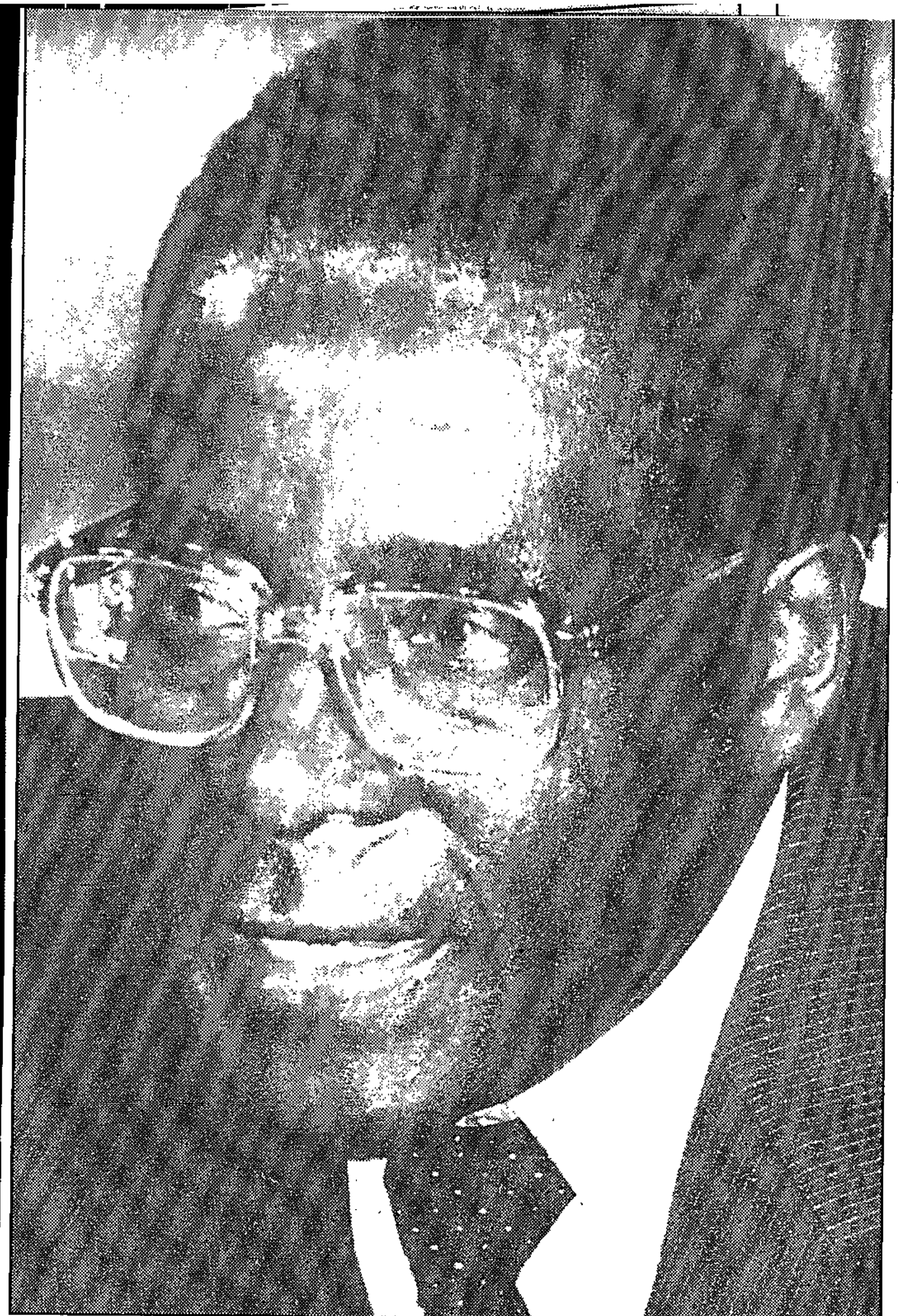
The recent lacklustre election, in which generous faith would be needed to accept even the official figure of a 58 percent turnout, is the result. Though Zimbabweans find it hard to envisage an alternative government, many of them are certainly unhappy with the one they have got.

Corruption, given the relative wealth of the economy, has remained discernibly lower than in Kenya, let alone Nigeria; but nonetheless some leading political figures are a great deal wealthier than any legitimate economic activity could account for.

There is little culture of accountability, and the one independent daily newspaper has closed for lack of funds — though not before it had exposed a blatant abuse of the government's compulsory purchase powers to divert valuable farmland into the hands of leading politicians.

Zimbabwe remains a viable state, and traumatic upheavals are unlikely; but the passiveness with which Zimbabweans have accepted their political fate over the last 15 years may be changing.

■ *Professor Clapham is a Visiting Fellow at the South African Institute of International Affairs at Jan Smuts House in Johannesburg. He writes in his personal capacity.*



Robert Mugabe . . . wise enough not to have destroyed the productive structure on which Zimbabwe's economy rested.

Black empowerment will be Zimbabwe's new watchword

(362) BD 3/5/95

MICHAEL HARTNACK

HARARE — After his party's resounding election victory last month, President Robert Mugabe pledged his government to an aggressive programme of black eco- nomic empowerment when he opened a new session of parliament yesterday.

He dashed the hopes of 4 500 white com- mercial farmers that last week's reap- pointment of one of their members, Dennis Norman, to the agriculture ministry meant a retreat from confrontation over land redistribution. He also declared that "indigenisation" would be a watchword for the urban economic sector.

Mugabe said his expanded 21-member incoming cabinet would adopt speedier ways of acquiring 5-million hectares of rural land for resettlement.

He said that under a new "national land policy" his government aimed to put an extra 8,3-million hectares in the hands of blacks in contrast to the present situation in which commercial farmers (75% of whom are white) hold 11-million hectares and black peasant farmers occupy the 19 million hectare communal areas.

Mugabe told the 150 MPs, who include only two opposition members from Nda- baningi Sithole's Zanu (Ndonga) party, that efforts would be made to encourage the participation of the "indigenous commun- ity" in Zimbabwe's industrial sector, and to create an economic environment favour- able to new businesses.

He acknowledged that high inflation (now estimated to exceed 23%), high gov- ernment budget deficits and 33-39% basic interest charges had inhibited growth of the "supply sector" during the five-year first phase of Zimbabwe's economic struc- tural adjustment programme, which is now drawing to a close.

AFRICA

Illegal prospectors 'wage war' on Zimbabwe mines

(362)

BD 9/5/95

MICHAEL HARTNACK

VICTORIA FALLS — an escalating Wild West-style mining war between up to 300 000 illegal gold panners and diggers, and established mining companies and farmers, was described at the weekend conference of the Zimbabwe Chamber of Mines.

Retiring chamber president and Falcon Mines Group director Roy Stephens said: "Very recently, on one of the gold mines in my group of companies, the underground workforce was subjected to armed attack by illegal operators using home-made hand grenades."

Stephens claimed state inaction had created "anarchy".

Illegal panning — and gold smuggling thought to run into millions of dollars each month — began soon after Zimbabwe's independence in 1980 when the 1982-84 drought forced 700 000 peasant families and 2-million urban unemployed to seek other sources of livelihood. Some former riverine forests now resemble battlefields from the First World War.

Stephens said three workers had to be treated in hospital for their injuries in the grenade attack by the "claim jumpers".

"A substantial force of police was required to re-establish our rights to mine on our own property," Stephens told Zimbabwe Mining Minister Eddison Zvobgo, who joined delegates for the three-day conference which focused on the environment and the government's economic liberalisation plans.

"The international community would be aghast at the stories which the chamber has on record, highlighting the total lack of government commitment to the security of mining rights," Stephens said in a speech ignored by Zimbabwe's state-controlled news media.

In their report for 1994 the chamber's 40-member council deplored an alarming increase in the illegal working of registered claims.

Those responsible had become "extremely aggressive towards security guards and others who challenged or attempted to restrain them. The illegal miners continue to operate with impunity for the most part."

"Political appeasement and unemployment have been offered as excuses but I would have thought there would be no excuse for the brazen disregard of the laws or for the persistent and wanton destruction which is taking place throughout our river systems," said Stephens.

Zimbabwe faced the "final and complete destruction" of its river systems if alluvial and related mining was not banned, he said.

"Who buys the illegal gold produced? How is it moved across our borders?" Stephens asked, noting that legal production last year increased two tons to 20 tons, the highest output since 1942.

Zvobgo said he planned to tackle the problem of illegal miners by amending Zimbabwe's Gold Trade Act. Old workings on unrehabilitated mine sites continued to dog his ministry as they attracted "illegal miners who sneak into unsafe workings, resulting in environmental damage as well as fatal accidents", he said.

Zvobgo aroused controversy when he said the parastatal Minerals Marketing Corporation would continue to hold its monopoly over most mining exports, despite calls for liberalisation by the chamber.

He pledged to improve efficiency at the corporation. Miners say it obstructs export sales and corresponding expansion of production.

Stephens said it was significant that all mining employees had opted to continue payments to the industry's own voluntary pension scheme despite being forced to duplicate contributions to the government's troubled new national social security authority, which faces investigation for fraud and waste.

Among visiting speakers was Gold Fields SA chairman and CE Robin Plumbridge who said countries such as SA could "no longer afford to operate their expensive capital assets for little more than half the available time".

Fruit exports from Zimbabwe to rise

MICHAEL HARTNACK

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HARARE — Despite increasing competition from SA and Kenya, this season's exports of fruit and flowers were set to break last year's R151,2m record total, Zimbabwe's horticulture promotion council said.

With the flower season now tailing off, about 6 900 tons had been exported to Europe. However, Zimbabwean farmers were having to cancel their bookings as transport costs were exceeding prices on offer in Amsterdam, said a spokesman.

Zimbabwe's horticulture industry blossomed in the 1980s as farmers took advantage of the vacuum created by the imposition of sanctions on the established producers from SA.

BD 9/5/95

The parastatal cargo carrier Affretair has now improved its service after 1993's R14,8m waste crisis, but growers claim its charges are still too high.

immediate access to European markets. Picture: RUSSEL ROBERTS

ST 14/5/95 (362)

Mugabe jails editors over 'slur'

By MICHAEL HARTNACK
Harare

IN a dawn raid yesterday Zimbabwean police detained the managing director, editor and deputy editor of Zimbabwe's major independent newspaper over reports of President Robert Mugabe's secret marriage to his 35-year-old secretary Grace Marufu.

The relationship, by which 71-year-old President Mugabe has two children, Robert, 6, and Bona, 5, was allegedly bigamous before Mrs Sally Mugabe's death in 1992.

Yesterday's raid was staged in a deliberate attempt to make prominent Harare businessman Elias Rusike, 50, and journalists Trevor Ncube, 35, and Simba Makunike, 30, spend the weekend in cells, said Iden Wetherell, a senior columnist for the weekly Financial Gazette.

He said the arrests on charges of "criminal defamation" were "designed to suppress any further speculation about the president's marital status".

There have been longstanding rumours about President Mugabe's relationship with the former Miss Marufu.

The nominal complainant against the newspaper may be Judge Paddington Garwe, who denies conducting a private legal marriage ceremony over

Zim govt jails dissident editor

CT 15/5/95 (362)

HARARE: The editor, deputy editor and publisher of an independent Zimbabwean newspaper will appear in court today in connection with charges of "criminal defamation" over its reports on President Robert Mugabe's alleged clandestine marriage.

Editor of the weekly Financial Gazette Mr Trevor Ncube, deputy editor Mr Simba Makunike and managing director Mr Elias Rusike were being held in police cells yesterday after failed attempts by lawyers to secure bail. They were arrested on Saturday.

The state-controlled Sunday Mail newspaper quoted unnamed police sources as saying the three would be brought before a magistrate "as soon as possible, possibly Monday morning".

It said the charges stemmed from complaints by High Court judge Mr Justice Paddington Garwe and Construction and National Housing Minister Mr Enos Chikowore, which the Gazette said three weeks ago had officiated at a secret wedding ceremony between Mr Mugabe and Ms Grace Marufu, his secretary. They deny it. The arrests are the most serious action taken yet by the government against the newspaper, which has maintained a steady stream of outspoken criticism of Mr Mugabe's government.

The controversy began in April when a magazine reported that three years ago Mr Mugabe had married Ms Marufu according to traditional African custom, after she gave birth to two of his children.

This was before Mr Mugabe's first wife, Ghana-born Sally, died in 1992. The Gazette reported that the pair were married again to make their union legal under Zimbabwe's Western laws. — Sapa

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Zimbabwe journalists in court over story

Star 15/5/96

Harare — The top three men on a Zimbabwe newspaper are due in court today charged with "criminal defamation" for reporting that President Robert Mugabe had a secret wife and children.

They are Trevor Ncube, editor of the Financial Gazette, deputy editor Simba Makunike, and Elias Rusike, managing director of the independent weekly newspaper.

The three were arrested on Saturday and all attempts to have them freed on bail have so far failed.

The charges stem from complaints by a High Court judge, Paddington Garwe, and Construction and National Housing Minister Enos Chikowore.

The Gazette had reported that they officiated at the secret wedding ceremony last April between Mugabe and Grace Marufu, his former secretary.

The controversy began early last month when Horizon magazine reported that three years ago Mugabe had married Marufu according to traditional custom.

This was before Mugabe's first wife, Ghana-born Sally, died of a kidney disease in early 1992.

Shortly after that the Financial Gazette reported that the pair were married again in a ceremony to make their union legal under Zimbabwean law.

Garwe and Chikowore denied they had been present, but the Gazette insisted its report was correct. — Sapa.

Jail for 3 Zim newsmen

(362)

Sowetan 15/5/95

HARARE — The editor, deputy editor and publisher of a critical independent Zimbabwean newspaper are due in court today in connection with charges of "criminal defamation" over its reports on President Robert Mugabe's alleged clandestine marriage.

Mr Trevor Ncube, editor of the weekly *Financial Gazette*, Mr Simba Makunike, its deputy editor, and Mr Elias Rusike, managing director of newspaper owner Modus Publications, were still in police cells yesterday after failed attempts by lawyers to secure bail. They were arrested on Saturday.

The state-controlled *Sunday Mail* newspaper quoted unnamed police sources as saying the three would be brought before a magistrate "as soon as possible".

It said the charges stemmed from complaints by High Court Judge Paddington Garwe and Construction and National Housing Minister Enos Chikowore, whom the *Gazette* said had officiated three weeks ago at a secret wedding ceremony between Mugabe and Miss Grace Marufu, his secretary.

The Sunday Gazette, the *Financial Gazette*'s sister newspaper, said yesterday Judge Garwe had on Thursday last week also instituted a suit for civil defamation against Modus. The arrests are the most serious action taken yet by the government against the paper, which has maintained a steady stream of criticism of Mugabe's government. — *Sapa*.

Release of Zim editor ordered

(362)

CT 16/5/95

HARARE: Senior government lawyers ordered the release yesterday of the editor, deputy editor and publisher of an independent Zimbabwe newspaper who were arrested at the weekend in connection with the reporting of a secret wedding of President Robert Mugabe.

Lawyers representing Mr Trevor Ncube, editor of the Financial Gazette, his deputy Mr Simba Makunike, and Mr Elias Rusike, managing director of Modus Publications which owns the newspaper, said senior public prosecutor Mr Duncan Dingana "does not believe the seriousness of the offence warrants arrest and (court) remand procedures".

If the attorney-general's office decided to prosecute, the three would be brought to court by summons, said their lawyer, Mr Erik Morris. Attempts were being made to locate the three to secure their release, he said.

The senior prosecutor's decision is seen as an embarrassing sequel, coming as it did on the eve of a state visit by Mr Mugabe to the US. — Sapa

Journalists charged for saying Mugabe wed

(362)

ARG 16/5/95

The Argus Foreign Service

HARARE. — The three Zimbabwean journalists arrested at the weekend for reporting that President Robert Mugabe had secretly married have been charged with criminal defamation and released until their trial date on June 15.

Zimbabwean human rights groups and journalists have reacted strongly to the arrests accusing the Mugabe government of heavy-handed tactics in an attempt to intimidate the country's small independent press.

The case has clearly become a political matter as Attorney-General Patrick Chinamasa, a member of the cabinet, stepped in late yesterday to reverse the decision reached in the Harare courts earlier in the day when senior public prosecutor Duncan Dingana released them without charge.

Apparently the prosecutor felt that the police did not have enough evidence to charge the journalists but the attorney-general quickly countermanded the decision.

Elias Rusike, publisher of the Financial Gazette, Trevor Ncube, the weekly paper's executive editor, and Simba Makunike, deputy editor, were released without bail after being held by police since early Saturday.

The Financial Gazette has repeatedly reported that Mr Mugabe secretly married his former secretary and mother of his two children, Grace Marufu, over the Easter weekend. The president has denied the story and so have High Court Justice Paddington Garwe and Public Construction Minister Enos Chikowore, who officiated and witnessed the wedding, according to Financial Gazette reports.

The State has charged that by twice asserting that their reports of Mr Mugabe's covert wedding were true, the journalists at the Financial Gazette have marked as liars Mr Justice Garwe and Mr Chikowore.

So far the police have taken no action against Horizon magazine, which published the initial report that Mr Mugabe had sired two children, now aged 9 and 6, with Ms Marufu. Horizon quoted Ms Marufu's father as saying the two had been married in a traditional African ceremony.

Mr Mugabe's first wife, Sally, died in 1992.

Furore over Mugabe's alleged 'secret wedding'

Zim journalists charged

(362) Star 16/5/95

Harare — The three Zimbabwean journalists arrested at the weekend for reporting that President Robert Mugabe had secretly married were charged yesterday with criminal defamation and released until their trial date on June 15.

The case has become a political matter as Attorney-General Patrick Chinamasa, a member of the Cabinet, stepped in late yesterday to reverse the decision reached earlier in the Harare courts when senior public prosecutor Duncan Dingana released the three without charge.

Elias Rusike, publisher of the Financial Gazette, Trevor Ncube, the weekly paper's executive editor, and deputy editor Simba Makunike were released without bail after being held by police since Saturday morning.

The Financial Gazette reported that Mugabe secretly married his former secretary and mother of two of his children, Grace Marufu, over Easter.

Controversy . . . Elias Rusike (right) and Trevor Ncube of Zimbabwe's Financial Gazette. PICTURE: AP

Mugabe has denied the story and so have High Court Justice Paddington Garwe and Public Construction Minister Enos Chikowore, who allegedly officiated at the wedding.

The State has charged that by twice asserting that their reports of Mugabe's covert wedding were true, the journalists at the Financial Gazette had marked Judge Garwe and Chikowore as liars. — Star Foreign Service.

Cabinet Minister Enos Chikowore about allegations in the newspaper that they had officiated at a state house wedding ceremony for President Robert Mugabe (72) and his former secretary, Grace Marufu (37). All concerned, including Mugabe, have denied that the ceremony took place.

Legal sources reported that senior public prosecutor Duncan Dingana had ordered criminal charges to be dropped saying the allegations and evidence to date were "not serious enough" to warrant arrest and remand of the journalists. He was overruled by attorney general Patrick Chinamasa who sits in Mugabe's cabinet. Criminal defamation is a rarely-pressed charge that requires proof of "potential disruption to the community".

The prosecution has aroused widespread concern among Zimbabwe's nascent civil society who fears that following its crushing electoral victory, Mugabe's Zanu PF party, which is unashamedly hostile to pluralism and an independent press, will proceed to punish its most prominent critics.

Mugabe has expressed his hostility towards the independent press on previous occasions, referring to it as "the yellow press". He is said to have become enraged when *Horizon* magazine disclosed details of his present relationship with Marufu last month, even though it had been rumoured in Harare for two years. There has been no attempt to deny that customary marriage exchanges have taken place between the families or that two children have subsequently been born, Robert Junior (6) and Bona (5), named after Mugabe's late mother. Marufu's first husband, an airforce officer, is reportedly claiming that Robert is his son. He has been posted abroad.

Sources in Zimbabwe's diplomatic community suggest that leaks about the couple have emanated from powerful political figures in the ruling party who fear that the emergence of a Mugabe dynasty may one day eclipse their chances of preferment.

Press freedom: Publisher Elias Rusike (above right) of the Financial Gazette and editor Trevor Ncube (above left) were released on bail this week. President Robert Mugabe (right) accused the two of defaming him for saying he had married his secretary in secret

The state media, which has remained obediently silent about the President's marriage until the recent disclosures, last week suggested that Mugabe might consider action in the civil courts against those seeking to "damage his reputation" ahead of next year's presidential election.

Althought official newspapers have been quick to suggest that the President's office has nothing to do with the current prosecution, it is difficult to conceive of such high-level action without Mugabe's knowledge.

The well-organised swoop in which a team of over 16 police officers took part betrays a politcial hand, editor Ncube believes. "This is an unambiguous attempt at intimidation," he said, adding that police interrogation focused on his sources in the wedding story.

The three journalists were picked up on Saturday morning and taken by detectives to their offices which were searched. No arrest or search warrants were produced, they said. Defence advocate Erik Morris claimed after Monday's hearing the timing of the arrests was clearly designed to maximise the period of detention.

"It seems to be a return to the glorious old Rhodesian Front days," Morris said, referring to the white monority regime of Ian Smith before 1980. "That is what used to happen then."

Students held placards outside the courtroom saying "Smith's laws again".

PHOTOGRAPH: PAUL WEINBERG

The *Financial Gazette* has been responsible for a series of disclosures highlighting official corruption, the most recent case involving a cellular phone contract.

Catholic Commission for Justice and Peace representative Mike Auret said the arrests were reminiscent of the Smith era and designed to "instill fear in the local media".

President Mugabe is in the United States this week working up investment for Zimbabwe. Commentators note his case for investing in a democratic Zimbabwe will now look threadbare. And stories about his private life are not likely to go away.

The International Federation of Journalists on Wednesday urged Mugabe "to take steps immediately to reassure the international community that Zimbabwe remains steadfast in its commitment to press freedom."

Justice Garwe presided over the trial of anaesthetist Richard McGown last year. On that occasion he declined to institute proceedings against a ruling party newspaper that gave prominence to calls for the "amputation of white limbs" if McGown was not found guilty. In the same case, Attorney-General Chinamasa said in response to defence pleas for action against those inciting violence and contempt of court: "That is the price you pay for a free press."

(362)
19-25/5/95

THE REGION News from Southern Africa

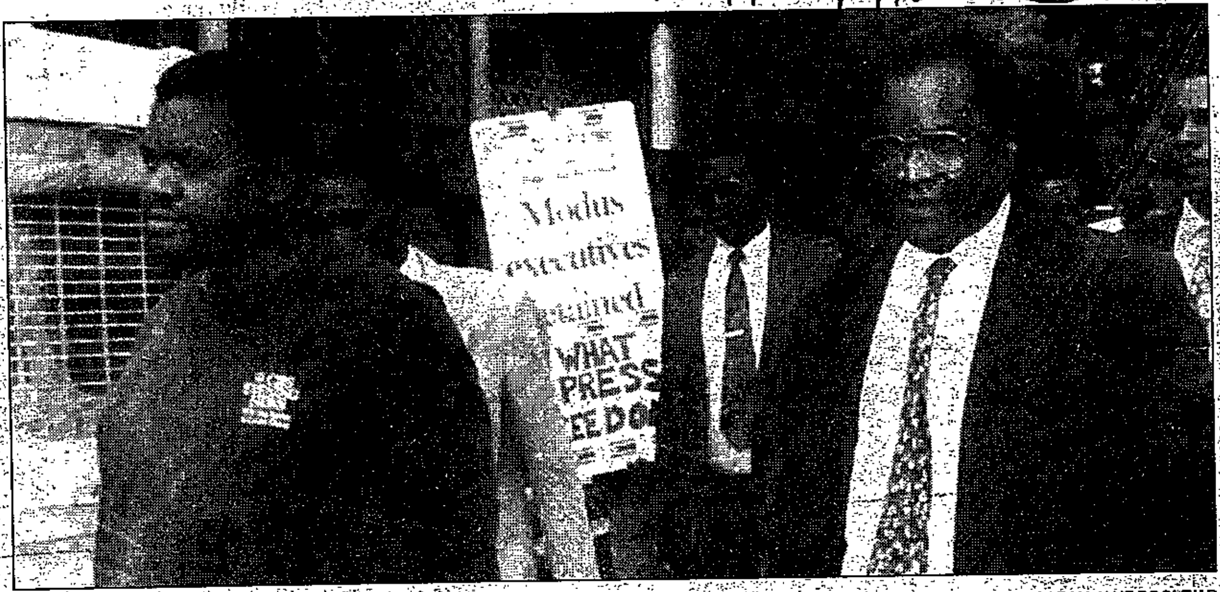
Mugabe cracks down on press

WM 19-25/5/95 (362)

Iden Wetherall in Harare

WHEN Zimbabwe's senior public prosecutor made it clear on Monday that the police had insufficient evidence to proceed with defamation charges against those at the helm of the contry's leading independent newspaper, and that arrests and charges were in any case inappropriate procedures in such a case, a telephone call from the attorney general's office soon put him straight. He was instructed to proceed anyway.

Proprietor Elias Rusike (54), *Financial Gazette* executive editor Trevor Ncube (33), and deputy editor Simba Makunike (31) were charged with criminal defamation after their arrest and detention over the weekend. The charges followed a complaint from high court judge Paddington Garwe and



PHOTOGRAPH: SARAH-JANE POOLE/AP

Threat to press freedom

ARGT 24/5/95 (362)

The Mugabe government's recent actions against independent journalists has put press freedom in Zimbabwe under a harsh spotlight. ANDREW MEDLRUM of The Argus Foreign Service reports from Harare.

THE Zimbabwe government's recent arrest of three leading journalists and subsequent use of criminal defamation charges against them raises the larger issue of press freedom in this southern African state.

Is the Mugabe government prepared to allow an independent press to function? The events of the past 10 days add new weight to this question.

Elias Rusike, publisher of the Financial Gazette, Trevor Ncube, the weekly paper's executive editor, and Simba Makunike, deputy editor, were charged and released without bail last week after being held by police for more than 48 hours.

Zimbabwean human rights groups and journalists charge that the Mugabe government is using heavy-handed tactics aimed at intimidating the country's tiny independent press.

The story that gave rise to the subsequent arrest of the three journalists was a sensational one: President Robert Mugabe had secretly re-married and fathered two children, according to the reports. By any normal news standards this was a good story at which any newsperson would want a fair go.

Notable then is that Zimbabwe's government-controlled press — which includes both daily newspapers, the national news agency and all radio and television networks — has not touched the fascinating story of the president's alleged marriage to a former secretary, Grace Marufu.

Nor has the "official" press reported anything about Mr Mugabe's two children with Marufu: Robert Junior, who is 9 and Bona, 6, who is named for Mr Mugabe's beloved mother and has recently begun classes at Harare's staid Dominican Convent School.

The only aspect of this controversial story that the government-controlled press has dared touch has been a denial — by Mr Mugabe — that he was married in a civil ceremony over the Easter holiday last month. The government mouthpieces also reported the denials by a High Court judge that he performed the ceremony and a cabinet minister that he witnessed the nuptials.

In the face of these denials Zimbabwe's leading independent newspaper, the weekly Financial Gazette, sadly opened itself to the defamation charges by insisting, in two editions, that its story was true. From this arises the legal case that the paper has labelled an official and two politicians liars.

The court case, set for June 15, will hear the Financial Gazette's defence.

In contrast, no action has been taken against the popular independent monthly magazine, Horizon, which broke the Mugabe marriage story last month and printed a picture of happy little Bona Mugabe going to school.

The Horizon story contained by far the most damaging information about Mr Mugabe: that he had sired two children out of wedlock before his first wife, Sally, died in 1992. Cannily, Horizon did not suggest that anyone was lying.

But the move against the Financial Gazette has not been taken lying down. Rights groups have noted angrily that arresting the three over a weekend resulted in them being in jail for more than 48 hours. This, it is charged, was clearly an intimidatory tactic against the independent press.

"It is a return to the Rhodesian Front days where police would arrest people on weekends in order to hold them as long as possible and avoid the obligation to bring the accused to court as soon as possible," commented the journalists' defence advocate Erik Morris.

Zimbabwe's human rights organisation, Zimrights, also protested about the heavy-handed manner in which the journalists were arrested.

From a government perspective, the greatest miscalculation was that this should happen — and happen so publically — just days before Mr Mugabe's visit to the United States. The action drew unwelcome attention to the fact that a free press does not thrive in Zimbabwe and the US State Department issued a formal protest to the Zimbabwe government about the arrests.

A neat measure of Zimbabwe's beseiged press freedom lies in the very glaring difference in attitude to this story of the "official" press and tiny independent press. But of arguably greater concern was the depth of political interference in the case when it arrived before the judiciary.

The arrests shackled the freedom of the press; subsequent events made inroads on the freedom of the judiciary when a decision by the Senior Public Prosecutor not to file charges for want of evidence was overturned by the highly political Attorney-General, Patrick Chinamasa.

On his instruction, criminal defamation charges were filed.

Criminal defamation has not been successfully used since 1958 when African Nationalist James Chikerema was found guilty of calling a Rhodesian cabinet minister a thief and was fined £100.

If the Financial Gazette three are found guilty as charged they will be liable for hefty fines and after that they might find themselves open to civil suits which conceivably could force the Financial Gazette publishers, currently under financial strain, to shut down.

It would be a terrible blow, indeed, to Zimbabwe's struggling free press.

Despite the meddling of the A-G, Zimbabwe's judicial system has remained reasonably independent and should be able to cope with the challenge of providing a fair trial to the journalists.

But what about Zimbabwe's press? Far too much of the news media in Zimbabwe remains under state control. There are numerous examples of how the narrow confines of what is good for the ruling Zanu-PF party determines how news stories will be dealt with in the daily newspapers and on radio and television.

The result is that most Zimbabweans do not look to the official media for the real news about what is going on in their country. Instead they look to the few independent weekly newspapers and handful of monthly magazines. And by acting against the three editors of the Financial Gazette as they have done, the Mugabe government has given a clear signal that even this limited freedom is too much for their tastes.

A question of freedom

sowetan-25/5/95

The Mugabe government's recent actions against independent journalists has put Press freedom in Zimbabwe under a harsh spotlight, reports Andrew Medlrum of the *Sowetan* Foreign Service. (362)

HARARE — The Zimbabwe government's recent arrest of three leading journalists and subsequent use of criminal defamation charges against them raises the larger issue of Press freedom.

Is the government of Prime Minister Mr Robert Mugabe prepared to allow an independent Press to function? The events of the past 12 days add new weight to this question.

Mr Elias Rusike, publisher of the *Financial Gazette*, Mr Trevor Ncube, the weekly paper's executive editor, and Mr Simba Makunike, deputy editor, were charged and released without bail last week after being held by police for more than 48 hours.

Zimbabwean human rights groups and journalists charge that the Mugabe government is using heavy-handed tactics aimed at intimidating the country's tiny independent Press.

The story that gave rise to the subsequent arrest of the three journalists was a sensational one: Mugabe had secretly remarried and fathered two children, according to the reports. By any normal news standards this was a good story at which any newsman would want a fair go.

Notable then was that Zimbabwe's government-controlled Press — which includes both daily newspapers, the national news agency and all radio and television networks — has not touched the fascinating story of the president's alleged marriage to a former secretary, Miss. Grace Marufu.

Beloved mother

Nor has the "official" Press reported anything about Mugabe's two children by Marufu: Robert Junior, who is 9 and Bona, 6, who is named for Mugabe's beloved mother and has recently begun classes at Harare's staid Dominican Convent School.

The only aspect of this controversial story that the government-controlled Press has dared touch has been a denial — by Mugabe — that he was married in a civil ceremony over the Easter holiday last month.

The government mouthpieces also reported the denials by a High Court judge that he performed the ceremony and a cabinet minister that he witnessed the nuptials.

In the face of these denials Zimbabwe's leading independent newspaper, the weekly *Financial Gazette*, sadly opened itself to the defamation charges by insisting, in two editions, that its story was true. From this arises the legal case that the paper has labelled an official and two politicians as liars.

The court case, set for June 15, will hear the *Financial Gazette*'s defence.

In contrast no action has been taken against the popular independent monthly magazine, *Horizon*, which broke the Mugabe marriage story in April and printed a picture of happy little

President Robert Mugabe

Bona Mugabe going to school.

The *Horizon* story contained by far the most damaging information about Mugabe: that he had sired two children out of wedlock before his first wife Sally died in 1992. Cannily, *Horizon* did not suggest that anyone was lying.

But the move against the *Financial Gazette* has not been taken lying down. Rights groups have noted angrily that arresting the three over a weekend resulted in their being in jail for more than 48 hours. This, it is charged, was clearly an intimidatory tactic against the independent Press.

Rhodesian Front

"It is a return to the Rhodesian Front days where police would arrest people on weekends in order to hold them as long as possible and avoid the obligation to bring the accused to court as soon as possible," commented the journalists' defence advocate Mr Erik Morris.

Zimbabwe's human rights organisation, Zimrights, also protested about the heavy-handed manner in which the journalists were arrested. From a government perspective, the greatest miscalculation was that this should happen — and happen so publicly — just days before Mugabe's visit to the United States.

The action drew unwelcome attention to the fact that a free Press does not thrive in Zimbabwe and the US State Department issued a formal protest to the Zimbabwe government about the arrests.

A neat measure of Zimbabwe's besieged Press freedom lies in the very glaring difference in attitude to this story of the "official" Press and the tiny independent Press.

But of arguably greater concern was the depth of political interference in the case when it arrived before the judiciary.

The arrests shackled the freedom of the Press; subsequent events made inroads on the freedom of the judiciary when a decision by the senior public prosecutor not to file charges for want of evidence was overturned by highly political Attorney-General Mr Patrick Chinamasa.

On his instruction, criminal defamation charges were filed.

Criminal defamation has not been successfully used since 1958 when African Nationalist James Chikerema was found guilty of calling a Rhodesian cabinet minister a thief and was fined R500.

If the *Financial Gazette* three are found guilty as charged they will be liable for hefty fines and after that they might find themselves open to civil suits which conceivably could force the *Financial Gazette* publishers, currently under financial strain, to shut down.

It would be a terrible blow, indeed, to Zimbabwe's struggling free Press.

Despite the meddling of the A-G, Zimbabwe's judicial system has remained reasonably independent and should be able to cope with the challenge of providing a fair trial for the journalists.

But what about Zimbabwe's Press? Far too much of the news media in Zimbabwe remains under state control. There are numerous examples of how the narrow confines of what is good for the ruling Zanu-PF party determines how news stories will be dealt with in the daily newspapers and on radio and television.

Official media

The result is that most Zimbabweans do not look to the official media for the real news about what is going on in their country. Instead they look to the few independent weekly newspapers and handful of monthly magazines. And by acting against the three editors of the *Financial Gazette* as they have done, the Mugabe government has given a clear signal that even this limited freedom is too much for their tastes.

Cancelling of Kariba fishing permits is to force whites out, industry says

Star 27/5/95 (362)

The cancellation of fishing permits for Lake Kariba has the Zimbabwe government accused of race-driven political manipulation once again. ANDREW MELDRUM of the Argus Foreign Service reports

Harare — Zimbabwe's fishing industry on Lake Kariba has cried foul and accused the government of attempting to force white-owned enterprises out in favour of black-owned fishing companies.

The Zimbabwe government's shock cancellation last month of all commercial fishing permits on Lake Kariba has traumatised the kapenta (sardine) fishing industry, which employs nearly 20 000 people and represents investments of R440-million.

"The effects will be catastrophic in terms of lost jobs, in terms of money invested in infrastructure that will lie idle and in terms of the hundreds of thousands of Zimbabweans who depend on our kapenta as cheap protein in their diets," said Malcolm Moodie, chairman of the Kapenta Producers Association.

Controversial

But the explosive political subtext of the row is race. Moodie and his colleagues have compared this action to the government's controversial Land Appropriation Act of last year which empowers government to redistribute half of Zimbabwe's white-owned farm land to black peasant farmers; the act allows government to decide on the land price and the farmer has no right of appeal.

The industry under the new spotlight, kapenta fishing, currently sees about 10 000 to 12 000 tons of the tiny fish drawn from Lake Kariba annually.

Notification of the cancellation of all fishing permits, effective January 1, 1996, was sent out on May 10 by the Department of National Parks and Wildlife Management.

President Robert Mugabe subsequently justified the action, saying the lake was being overfished.

But Moodie and other kapenta operators angrily deny this, saying the government is using it as a "smokescreen" to hide its intention to reduce the num ber of white-owned kapenta enterprises and increase the number of black-owned fishing companies, in line with the Mugabe government's intentions to increase "indigenous" businesses.

Moodie said that fishing yields are increasing, in fact, and cited a recent study by the Norwegian agency, Norad, that fishing could be increased.

"Redistribution is the reason behind all this," said Moodie. "Promises have been made by politicians that these fishing permits would be redistributed to certain sectors. But who will fund the new indigenous fishermen?"

Investment in mines soars: Investment in Zimbabwe's mining sector continues to soar, with current exclusive prospecting orders standing at a record 200 compared with 131 at the beginning of last year, mines minister Eddison Zvobgo said at an Africa mining investment symposium in Toronto, Canada.

CT (BR) 29/5/95 ~~(263)~~ (362)

Zimbabwe mining draws the investors

(362) Star 29/5/95

Harare — Investment in Zimbabwe's mining sector continues to soar with current exclusive prospecting orders (epos) standing at a record 200 compared with 131 at the beginning of 1994, mines minister Eddison Zvobgo said on Friday.

Addressing delegates at the second annual Africa mining investment symposium in Toronto, Zvobgo said about 135 epos still awaited gazetting, which was a clear indication that expenditure into exploration was on the increase.

An epo gives the holder an exclusive right to search for specified minerals in a given geographical location for three years.

Zvobgo said the most sought after minerals in Zimbabwe continued to be diamonds with 133 epos currently accounting for the mineral alone.

Some of the companies that had shown interest into exploration included Rio Tinto, Anglo American Corporation, Kinross, Falcon Bridge Ltd, Cluff Resources, Lonrho, Reunion Mining Plc, Delta Gold, Ashanti Mines, Antares and Trillion.

"The obvious outlook from all this exploration activity is, hopefully, the development of new mines in the short to medium term, but more importantly the tremendous interest that investors are now showing in Zimbabwe, particularly when viewed against a background of little investment into exploration being experienced throughout sub-saharan Africa," Zvobgo said.

The symposium, sponsored by the multilateral investment guarantee agency of the World Bank and the Canadian International Development Agency, aims to attract private investment into the mining sector.

It is being attended by ministers of mines and their technocrats from 28 African countries.

Zvobgo said Zimbabwe was now an ideal location for foreign investment because the country had liberalised its foreign exchange climate. — Sapa-Ziana.

Education reform, Zimbabwean style

BACKGROUND TO THE NEWS

ZIMBABWE inherited a racially based, unequal education system which needed transformation when the majority government took over in 1980 ... Education Reporter ESANN de KOCK reports on the Zimbabwean model of education today, as explained at an international workshop in Cape Town where delegates shared information with local educationists in support of the South African committee to review the organisation, governance and funding of schools.

(362) ARG 31/5/95

A NEW education policy framework, adopted after independence in 1980, has resulted in a reorganised, democratic education system in Zimbabwe, according to Jonathan Mukurazhizha of the Zimbabwean Education Ministry.

He told delegates that today Zimbabwe had a policy of equal opportunity in education for all, principle which had guided all policies and strategies for the provision of education.

However, although the Zimbabwean government accepted over-riding responsibility in establishing, running and financing schooling, it shared this responsibility with private enterprise and other initiatives.

For this reason, explained Mr Mukurazhizha, there was legal recognition in Zimbabwe for schools operated by various corporate and non-corporate bodies.

Under the Education Act, he said, schools were categorised as either government or non-government.

In the case of non-government schools, the owners were the responsible authorities, but these schools were still state-aided.

Mr Mukurazhizha said non-government schools included those operated by local government corporate bodies which included urban councils, district and rural councils.

Other non-government schools were operated by churches or missions, foundations or trusts, farmers, mines, the defence force and committees.

Mr Mukurazhizha pointed out that, since independence, the Zimbabwean government had built at least one government rural secondary school in each of the 58 districts.

As far as school governance was concerned, Zimbabwe had a highly centralised system of administration.

National head office determined all policies pertaining to education and had strong control of public education expenditure and finance, deciding on all major promotions within education.

However, some measure of decentralisation to the provinces had taken place.

Mr Mukurazhizha said the first task of the independent government of Zimbabwe was to dismantle the old discriminatory structures and institutions in education.

To do this, the government established and strengthened the planning capacities of all sector ministries, including education.

The state also abolished all forms of racial discrimination in the provision of education; scrapped the duality in the administration and replaced it with a unitary system of national education; introduced tuition-free primary education with the objective of making it compulsory; and made provision for all children to get secondary education if they needed it and could afford it.

Teacher education was also drastically expanded to respond more meaningfully to the demand.

Mr Mukurazhizha made it clear the crisis of expectation was something the education ministry had to cope with from the start of independence.

"Containing the ad hoc establishment of secondary schools became a consuming preoccupation of the ministry throughout the early 80s."

The ministry had to set guidelines and rules for the "rational establishment and registration of schools", to control the expansion process and to improve the quality and effectiveness of schooling.

As far as the governance of schooling in Zimbabwe was concerned, Mr Mukurazhizha said the structure comprised most of the categories of stakeholders.

In a government school, the main stakeholders were the state itself and parents. In a non-government school, there was again the state, the school's reponsible authority, parents and teachers.

In Zimbabwe pupils were not included in the main school governing bodies.

Financing of the education system, explained Mr Mukurazhizha, followed the same pattern as education expansion.

The system was and still is financed jointly by the state and private enterprise such as local government authorities, private enterprises and communities or households.

The remarkable expansion of the education system after independence was largely due to this joint effort, he said.

Today, the per capita grant was equal across all categories of schools, but varied according to location, including whether a school was located in a low density (former white areas) or high density (former African township) area.

Mr Mukurazhazha explained that the Zimbabwean government felt it needed to give financial support on a sliding scale even to the more affluent schools, "because these children are still Zimbabweans" and because it ensured the government had some form of control over these schools.

He pointed out, however, that the Zimbabwean education system supported the underprivileged while asking those with the means to contribute more.

ZIMBABWE - GENERAL

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JUNE - DEC

Grip on former SA firms eased

(362) BD 2/6/95

Martin Rushmere

HARARE — Ten years after the Zimbabwean government aggressively acquired majority stakes in key companies from their SA owners, Barlow Rand is poised to become the first to get back at least some of its stake.

Three other companies are also coming under the microscope for possible return to their former SA shareholders — Zimbabwe Newspapers, commercial bank Zimbank and the country's biggest industrial group, Delta Corporation, which also owns the OK Bazaars supermarket chain in Zimbabwe.

They are the best known of companies taken over by the government in its heyday of quasi-Marxism and hostility to all business links with SA.

President Robert Mugabe's government did not resort to outright nationalisation, but in the highly sensitive climate of the early 1980s foreign majority shareholders were left in no doubt they were being made offers it would be politically unwise to refuse.

In hindsight, the experiment in public ownership seems pointless, with the government shareholdings having achieved nothing except an outflow of scarce foreign exchange reserves. The international institutions that support Zimbabwe's economic structural adjustment programme now insist on privatisation.

Sources say discussions have started for the government to sell its 80% holding in Astra corporation, the new name for the old Barlows group. Its subsidiaries are Dulux Paint Making and Distribution, a Caterpillar earthmoving equipment franchise, electrical equipment manufacturing and an air charter company. Total asset and goodwill value is estimated at R150m.

Nothing is being said officially but it is understood that contact has been made with Barlow Rand.

"The thinking is that Barlow Rand could take up to 49%," says a source. "But it is also possible the group could be unbundled and specific companies sold to the South Africans."

Even more significant than this deal is Delta Corporation, Zimbabwe's biggest industrial company in terms of both assets and sales.

Delta makes Lion and Castle beer, has the Coca-Cola franchise, owns OK Bazaars and is majority owner of Zimbabwe Sun, the country's biggest hotel chain. Sales are R1,5bn a year, on assets of R1bn.

The group is 35% government owned, by the parastatal Zimbabwe Development Corporation — most of whose shares were acquired from SA Breweries. SAB still owns 22%, held by three offshore companies — Rainier, Tigatel and Browning.

In the past two months Mugabe's government has sold 10% of its stake to a mix of local institutions and foreign emerging market funds, for R35m. One of the local buyers is the Old Mutual, controlled by its SA parent group, which now owns 20%.

Discussions have been held about SAB getting a larger stake, according to stock market sources, but nothing has been agreed as yet.

Zimbank (formely owned by Nedbank) has been the subject of SA scrutiny from First National Bank. It is understood discussions were broken off after ruling party politicians insisted that managerial control must stay internal.

The most politically sensitive of the lot is Zimbabwe Newspapers, which has become virtually a ruling party propaganda machine.

The government solicited Nigerian aid funds to buy a controlling interest in the former Argus subsidiary soon after independence in 1980. the Zimbabwe Mass Media Trust which also controls the national news agency, Ziana, was hailed as a guardian of editorial integrity, but parliamentary reports have acknowledged day-to-day information ministry interference with editorial policy.

Any suggestion that Zimpapers revert to independent ownership is fiercely resented — but overtures have nonetheless been made in the past 18 months, say sources here.

New Argus group shareholder Tony O'Reilly, a personal friend of Mugabe, has been suggested as a probable investor.

US makes friends with Zimbabwe

(362) Star 3/6/95

By ANDREW MELDRUM
ARGUS FOREIGN SERVICE

Harare — The fact that the United States has announced joint military exercises with Zimbabwe, has had a senior general visiting Harare and has earmarked the country as a regional peacekeeping logistics base, signals an unprecedented warmth between the two countries.

In retrospect the protest registered by the US over the arrest of three journalists in Zimbabwe recently looks like a perfunctory gesture.

"I am proud to say that we enjoy very good, warm, cooperative relations with Zimbabwe. It is an honour to have such close relations with a international statesman of the stature of Robert Mugabe," effused US ambassador to Harare, Johnnie Carson, during the Zimbabwean leader's visit to America.

That set the tone. Next came the announcement this week that Zimbabwe will accept a US donation of two large transport airplanes offered a few months back and that joint US/Zimbabwean military exercises will be held.

A further boost still to military cooperation between the two countries was the five-day visit, also this week, of US General Charles Boyd, deputy commander-in-chief of the German-based US European Command.

Boyd announced that Zimbabwe was set to become a regional logistics base for the rapid deployment of UN peacekeeping forces in Africa.

The interpretation of these moves in Zimbabwe is that the Clinton administration is clearly working to establish Zimbabwe, as well as Botswana and South Africa (also both recent recipients of US transport plane offers), as friendly, stable southern African allies. Their valuable contributions to regional and continent-wide peacekeeping efforts, will reduce the need for US troops in Africa. In addition, this trio of friendly southern African countries is expected to be a springboard into new African markets for American firms and products.

Zimbabwean troops have already participated prominently in UN peacekeeping forces in Somalia and a 1000-strong battalion is currently preparing for deployment in Angola.

But such warm relations with the United States do not please all Zimbabweans. The country's leading independent newspaper, the weekly Financial Gazette, complained in its editorial last week that in its haste to assure friendly relations with Zimbabwe, the Clinton administration was wilfully overlooking many of the flaws in the Mugabe government.

"While welcoming American investment and goodwill, the last thing we want is a form of American patronage that consoldidates the remaining facets of dictatorship and discourages political and economic reform," said the Financial Gazette. By congratulating Mugabe on his recent election victory and making no mention of numerous irregularities, President Clinton makes the task of electoral reform even more difficult, it charged.

"Zimbabwe's hesitant transition to democracy is in serious danger of being derailed by uncritical support from well-intentioned friends abroad who think they are rewarding progress," said the newspaper.

Bata exports 'to net Z$35m'

GWERU — Zimbabwe's Bata Shoe Co expected to earn more than Z$35m in exports this year, MD Edwin Duthie said yesterday.

Ziana reports he said had it not been for high tariffs charged by SA, the figure would have been higher.

"SA would have been our major export market if it could only remove some punitive tariffs on our products," he said. (362)

He said the duty on canvas shoes destined for SA was so high that it was not a profitable export market.

Other major export markets were Zambia, Malawi, Botswana and the UK.

Zimbabwe's urban market was stable although the rural one had declined.

"Locally the urban market can be described as stable but the rural people have been struggling."

Bata employs about 3 500 people and manufactures more than 13-million pairs of shoes each year, 10% of which are exported. — Sapa.

BD 6/6/95

(~~2291~~) (362)

Zimbabwe urged to join customs union

By Cris Chinaka

CT(BR) 12/6/95

SAPA-REUTER

A leading South African farming official has urged Zimbabwe to join a regional customs union to help boost some of its industries, including beef. Beef is threatened by perennial droughts and a small export market.

Piet de Wet, chairman of South African agriculture commodities group Market Link, said at the weekend that Zimbabwe's backbone farming sector would create a guaranteed export market by becoming part of the Southern African Customs Unions (Sacu). Sacu is currently made up of South Africa, Botswana, Lesotho, Swaziland and Namibia.

Cattle

Officially opening the annual congress of Zimbabwe's Cattle Producers Association, De Wet called on governments and various economic sectors in the region to co-operate more on development issues.

He said some of the problems facing Zimbabwean cattle farmers, such as a small regional export market, were partly due to its absence in the southern African customs union.

"Zimbabwe must become a member of Sacu, an expanded but practical Sacu that would also include Zambia, Mozambique and Angola," he told about 200 delegates. He said Sacu would offer opportunities for cattle producers to develop a regional beef marketing and export plan. Cattle producers could also import from each other instead of sourcing from highly subsidised beef from the European Union.

Zimbabwe's cattle farmers produce about 120 000 tons of beef a year against a guaranteed 60 000 ton domestic market and a 9 500 ton export quota to the EU.

Rise in SA tourism benefits Zimbabwe

CT(BR) 13/6/95 (362)

BY AUDREY D'ANGELO

CAPE BUSINESS EDITOR

Tourism in Zimbabwe is getting a shot in the arm from South Africa's new popularity overseas, Air Zimbabwe's regional manager in South Africa, Charles Nyakabou, said yesterday.

He said this was why his airline had beefed up its services to this country and was introducing two flights from Cape Town, one also calling at Durban, next month.

"It is not easy to market Zimbabwe alone overseas, but we are benefiting from the rise in tourism to South Africa.

"Tour operators have asked us to provide services linking Cape Town with Victoria Falls so that foreign visitors can fly the Golden Triangle, with Johannesburg for Sun City the third point.

"Connections for tourists are improving all the time.

"Most of the visitors we get are from Europe, but the Asian market is opening up and we hope more Americans will come."

Zimalloys has outstanding year

Martin Rushmere (362)

HARARE — Zimbabwe's only low-carbon chrome producer, Zimbabwe Alloys, has recorded an outstanding year, with net profit rising 130% to R20m for the year to end-March.

The final dividend for the Anglo American sudsidiary was unchanged at 4c. Zimalloys attributed its good year to higher world prices, with turnover rising 25% to R200m.

However, it voiced concern at rising costs of production, which it called "disappointing". BD 15/6/95

It forecast firm demand this year and said profits were expected to be "substantially better" than last year.

Racial tensions mount as Zimbabwe students protest white controls

(362) ST 18/6/95

By MICHAEL HARTNACK: Harare

ANTI-WHITE sentiment and racial tensions continued to rise in Zimbabwe this week, despite the award of punitive damages against a group of black businessmen who insulted a white court official.

Students began a public sit-in in Harare to protest white control of the economy and vice-President Joshua Nkomo again called for the seizure of all white-owned land.

The action against the businessmen — who called Kwekwe messenger of the court, Murray Desfontaine, a dishonest racial terrorist — was the first case of its kind in the country.

Bulawayo High Court Judge Feargus Blackie said Mr Desfontaine, a former Rhodesian rugby international, deserved punitive damages for being attacked for doing his duty and ordered the Kwekwe businessmen to pay R26 000.

The ruling did little to deter the students who attacked white Zanu (PF) Health Minister Dr Timothy Stamps on the issue of Dr Richard McGown, an anaesthetist recently found guilty of culpable homicide as a result of the methods he used. Dr McGown is appealing against his six-month sentence.

The students repeated allegations, never made in court, that Dr McGown had conducted experiments on black women and children. Legal sources believe the doctor may launch a massive defamation suit whether or not he wins his Supreme Court appeal.

In another recent incident, President Robert Mugabe suggested that Kwekwe farmer Henry Elsworth should be thrown out of the country after a group of women caught stealing firewood on the farmer's ranch, alleged they had been stripped by Mr Elsworth.

A court subsequently found that the allegations were false, but Mr Elsworth, a Zimbabwean-born citizen and prominent conservationist, cannot sue President Mugabe, who is immune from civil actions. Mr Elsworth's 10 000ha ranch remains under threat of government takeover.

Similarly an inquiry into allegations of racism at the prestigious Plumtree school in Matabeleland found they were groundless, although three black investigators said the school could have done more to improve communication.

Zimbabwe's hotel and tourism industry was shaken last year when the general manager of the five-star Sheraton hotel, Mike Blackall, was accused in parliament of racism and given a few days to quit the country. A committee later conceded claims that Mr Blackall had kept a pack of dogs in the Sheraton penthouse were pure invention.

Another institution recently shaken by racial tension was the Anglican church. Bishop Peter Hatendi, 68, has finally vacated his post and Anglicans fear that rising racial tensions will dog his successor and split the Harare diocese.

Some sections of the church believe that Archbishop Kotso Makhulu has lost his African identity by marrying an English woman.

The long-standing farm takeover controversy has gained new momentum with a demand by militants within the Zimbabwe Farmers' Union for an end to riparian rights held by whites.

Economists predict that as the 11 million-strong population continues to grow at a rate of four percent a year, racial tensions are unlikely to ease.

They say competition for land, water and other scarce resources like jobs and houses is bound to lead people to exploit ethnic arguments to try to elbow their way to the front of an increasingly despairing queue.

Zimbabwe stokes up tobacco production

(362) ARG 22/6/95

HARARE. — Zimbabwe intends to increase its flue-cured tobacco output by 10 percent a year over the next three years to take advantage of a steady fall in the Brazilian crop size, a top industry official here said.

Zimbabwe Tobacco Association (ZTA) president Peter Richards told an annual congress of growers that they should aim to raise production to 2101million kg for the 1995/96 season from 190 million kg in 1994/95.

"What the ZTA is appealing for is a sustainable increment of about 10 percent a year over the next few years, resulting in the production of ripe traditional styles of tobacco," he said.

Mr Richards said Zimbabwe, the world's third largest tobacco producer after the United States and Brazil, should take advantage of a slight shortage in riper types of tobacco by gradually increasing output, with emphasis on ripe, grainy and oily tobacco.

He added that a steady increase in production should result in a steady price rise.

"Furthermore, there has been a steady slide in the Brazilian crop size, coupled with a rise in the cost of tobacco being offered in that country," he said.

"All this leads me to the conclusion that Zimbabwe finds itself in a very strong position, and stands poised to make further inroads into the performance of our competitors".

Mr Richards said the ZTA was recommending a higher crop size of 210 million kg for the coming season, in spite of water restrictions owing to a drought and a 50 percent cutback to 10 000 hectares in the area likely to be planted to irrigated tobacco.

"The need to move forward is so imperative that I will go so far as to recommend the construction of additional facilities by those farmers who can afford to do so without increasing their borrowings," he said.

Deputy Agriculture Minister Olivia Muchena cautioned farmers against a rapid rise in production, reminding them of losses they sustained in 1993 when there was an over supply of the crop on international markets, which led to "unacceptably" low prices.

She pledged the government would continue working with local banks to help growers.

Zimbabwe's flue-cured tobacco is expected to earn up to Zim $2,6 billion in foreign exchange this year, compared with Zim $2,4 billion last year. — Reuter.

Plastics technology helps ease Zimbabwe drought (362)

Zimbabwe's chronic drought is to be eased by state-of-the-art plastic moulding technology specially developed for applications in Africa by Pinetown engineering firm Duys Engineers.

Already a forerunner in the field of manufacturing rotomoulding equipment in South Africa, Duys Engineers has developed a R1 million rotomoulding machine which will be used to construct 15 000 litre polyethylene water containers which can be used to store water in remote areas where the drought is particularly severe.

The Duys rotomoulding machine is well suited to manufacturing operations in Zimbabwe. To fire the burner, it uses liquid paraffin, by far the most economical fuel available in Zimbabwe.

The operation is also fully computerised with a dial-in recipe facility for different moulds.

CT(BR) 22/6/95

Falling out with the IMF and the World Bank

(362) FM 23/6/95

In March, when Western donors gathered in Paris for a World Bank-organised donor consultative group meeting, the bank insisted all was well with Zimbabwe's economic structural adjustment programme.

Three months later, the IMF has suspended disbursement of its structural adjustment loans to Zimbabwe, freezing US$120m. The fund has not gone public on the matter but Western diplomats confirm teams from the two Washington-based institutions are in Harare to rescue the reform programme.

The problem is Zimbabwe's budget deficit. A year ago, acting Finance Minister Emmerson Mnungagwa forecast a deficit of 5,5% of GDP. Even the World Bank is now admitting the figure could be as high as 12%. Private-sector economists speak gloomily of 15%.

The figure will be known only when new Finance Minister Ariston Chambati, who took office in April, presents his maiden budget on July 27. Even then, smoke and mirrors will be used.

The IMF has told Harare it will not resume lending until Zimbabwe meets agreed-on targets under a "shadow programme" lasting at least six months. So Chambati must present a credible budget.

Zimbabwe is already highly taxed and, in January, a 5% surcharge was imposed on personal and corporate tax. Sales taxes and excise duties were also raised. Over a full year, the January tax increases will pull in an estimated Z$1,2bn ($150m) — or more than 2% of GDP.

Chambati's budget focus will have to be on cutting spending or raising revenue in other ways — user charges and, most important, privatisation.

It won't be easy to cut spending. At least a quarter of the budget goes on interest charges. The best way to cut spending and raise revenue would be to privatise public corporations. But Mines Minister Eddison Zvobgo last week ruled out privatising the State-owned Minerals Marketing Corp, which, he said, does not lose money and so should be retained. Though it does make a profit, it does so without adding value — merely by taxing the exports of the mining houses. For that reason, it should go.

The government has started selling its shares in companies listed on the Zimbabwe Stock Exchange — 20m Delta Corp shares were sold, most to offshore buyers.

Several others could be disposed of in this way: the Finhold banking group (formerly owned by Nedcor), Astra Corp (not listed but once controlled by Barlows), Caps Holdings (pharmaceuticals), the State's 49% stake in Olivine Industries (an unlisted joint venture with Heinz of the US) and its controlling stake in Zimbabwe Newspapers.

The proceeds should be used to repay public-sector debt — estimated at around 100% of GDP. The combination of debt repayment, an end to public corporation transfers, some cuts in military spending and lower interest rates as inflation falls would do wonders for the budget deficit.

There are three snags. First the political ambivalence over privatisation. Mugabe is a reluctant privatiser. Then there is the clamour for indigenisation to which Chambati has already tipped his hat by promising that 75% of Delta's shares will be sold to local investors. Because indigenous investors do not have the savings to buy privatised businesses, the government may be forced to provide the money, which defeats one of the main objects of the exercise. The third obstacle is Zimbabwe's highly centralised bureaucracy. It will have to sharpen its act if it is going to restore access to IMF funds.

Now, perhaps, World Bank officials will have to acknowledge it is the absence of political will that caused a crisis. And it will have to admit the problems that have plagued its economic reform programmes throughout Africa have not been resolved in Zimbabwe — not yet, anyway.

(362) 23-29/6/95

Zimbabwean sanctions against SA?

WM 23-29/6/95 (362)

Zimbabwe is considering boycotts against the Pretoria regime again — though for different reasons this time. Iden Wetherell reports from Harare

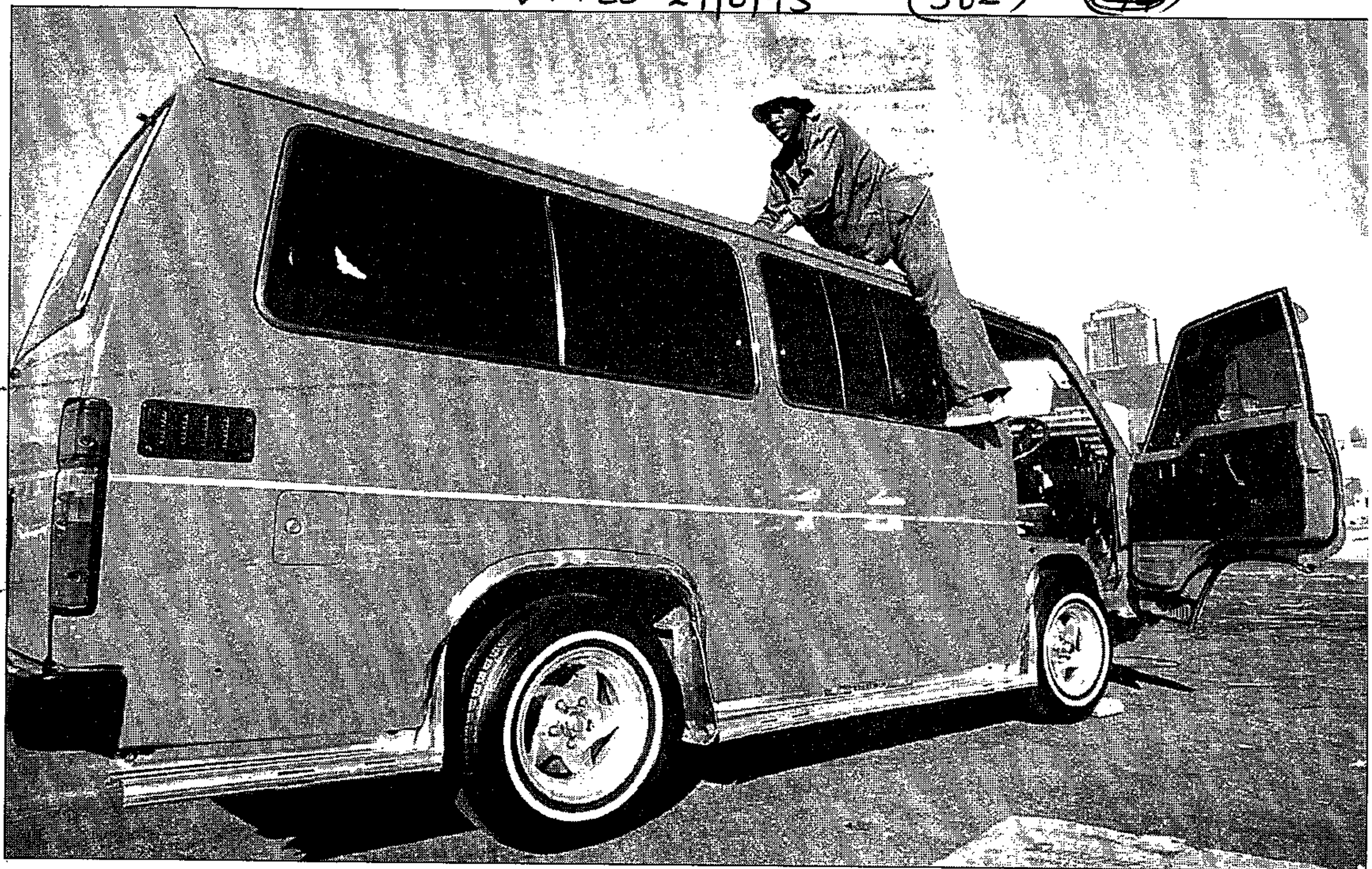
SHOULD Zimbabwe impose sanctions on South Africa? More than a year after democratic elections in the republic, it may seem a strange suggestion — but Zimbabwean manufacturers, expressing growing resentment that terms of trade between the two countries unfairly favour South African exporters, are calling for tough retaliatory measures.

Zimbabwe is awash with South African goods.

South African breakfast cereals and fruit juices crowd supermarket shelves, sleek new South African-made vehicles hog the country's roads and fast-food franchises with familiar names from south of the border jostle for space in suburban shopping malls.

In Zimbabwe's hitherto self-sufficient manufacturing sector, South African machinery, chemicals and plastics are aggressively pushing aside local products.

When the Harare government recently divested some of its shares in the giant Delta Corporation which operates hotels and breweries, South



...i takeover: The motor-manufacturing sector is particularly shrill in its complaints about unfair trade

PHOTOGRAPH: RUTH MOTAU

African breweries snapped [illegible] returning to occupy turf it lost at independence in 1980.

Black businessmen claim they were outmanoeuvred in the deal.

Meanwhile, Zimbabwean textilers and exporters in the agricultural and mining sectors are fuming that their products face insuperable tariff hurdles on the South African market.

Although the balance of trade has favoured South Africa for decades, in the past three years a floodtide of South African goods has swamped local manufacturers. The South African Foreign Trade Organisation [Safto] estimates South Africa enjoyed a trade surplus of R1,5-billion with Zimbabwe last year.

Zimbabwe has desperately been attempting to renegotiate the 1964 trade agreement which provided access for Zimbabwean products to the South African market.

When it expired in 1992, South Africa removed its long-standing suspension of duties on Zimbabwean textiles, providing a body blow to one of Zimbabwe's post-independence success stories. Thousands of workers have been laid off at some of the country's best-known textiles companies.

South African clothing manufacturers have lobbied against concessions to Zimbabwe's textiles industry on the grounds that imports would jeopardise their position. But Zimbabwean exporters claim that their place in South African clothing stores has been taken by a flood of imports from the Far East, rather than by any increase in demand for South African products.

When President Robert Mugabe visited South Africa last year, he secured an assurance from President Nelson Mandela that their respective trade ministers would hammer out an agreement on the vexed question of tariffs. But little progress appears to have been made since then.

Zimbabwe's motor-manufacturing sector is particularly shrill in its complaints about unfair trade. The proliferation of South African-made vehicles, including the ubiquitous minibus taxis, has put the squeeze on local assemblers.

At a time when Zimbabwe has abandoned its export incentive scheme and reduced tariffs in line with market reforms, local car makers point to South Africa's General Export Incentive Scheme, which offers South African vehicle exporters up to 50 percent of export value in credits and duty drawbacks, a scheme which will continue for a further eight years under World Trade Organisation concessions.

"The trade game is being played with different rules for the two teams," protests Bulawayo-based economist Eric Bloch.

Given South Africa's intractability on questions of access, he says, "Zimbabwe may have no alternative but to react in a manner similar to the United States' stance against Japan: imposing heavy tariffs directed against specific South African products."

Zimbabwe absorbs 28 percent of South Africa's exports to Africa. There are growing fears in Harare that, unless countered, skewed patterns of trade may force Zimbabwe into an expanded Southern African Customs Union.

Chairman of South African commodities group Market Link, Pieter de Wet, told Zimbabwean cattle farmers last week that Zimbabwe should think about joining up. But the call has only confirmed the fears of local manufacturers.

"We must keep our heads, whatever the pressures," said Confederation of Zimbabwe Industries acting chief executive Joe Foroma. "If we erode our industrial base, we will never catch up again. We do not want to become a commercial shop window in an extended customs union."

The prospect of de-industrialisation is very real. Zimbabwean manufacturers now pay more in duties on imported raw materials than South African companies pay to bring in their finished goods.

In the UDI years and under the post-independence command economy, Zimbabwe built up a resilient manufacturing sector supplying virtually all the country's needs. That is now under serious threat.

The perception that Zimbabwe is the victim of unfair trade practices by its powerful southern neighbour is likely to cloud relations between the two countries — an irony, given Mugabe's sacrifices in boycotting the previous regime in Pretoria.

But Zimbabwean consumers are mostly unsympathetic to the pleas of their manufacturing sector for support.

"How can these people bleat and expect any sympathy from us?" one Zimbabwean wrote to the local press recently, voicing a common complaint about local car assemblers. "For how many years did these firms treat us with absolute contempt because we had no choice?"

Foreign investors boost Zimbabwe's exchange

(362)

ARG 24/6/95

JOHN VILJOEN
Business Reporter

ZIMBABWE's stock exchange faces a problem familiar to JSE investors — a serious shortage of scrip. But ZSE chairman Mark Tunmer believes liquidity will improve as more companies use the market to raise capital.

Foreign investors are also enjoying increasing opportunities in Southern Africa as new exchanges — the latest is in Malawi — open for trading.

The ZSE was opened to unrestricted foreign investment in June 1993 allowing non-Zimbabweans to invest freely, provided scrip is available, without any reference to the central bank.

The impact of foreign investors, coupled with a 15 percent drop in money market rates and cuts to the capital gains and dividend witholding taxes has had a profound affect on the market.

When the first foreign trade took place on June 23, 1993, the Industrial Index stood at 995 and Mining at 198.

The Industrial Index reached 3 832 in March last year, a rise of 285 percent, and has firmed at a current level of 3 533.

The Mining Index reached a level of 987 in February last year, an increase of 399 percent. After the South African elections the index strengthened reaching a new high in September of around 1 300, which is where it currently trades.

Turnover has picked up dramatically, reaching about R1 billion in the year to June. About 66 percent of that was on behalf of foreign investors, Mr Tunmer said in an interview in Harare this week.

Total market capitalisation is Z$17,5 billion; about R7,5 billion.

"The interest in the Zimbabwean market on the part of the foreign investor, both individual and institutional, is very strong."

In theory about eight percent of market capitalisation was available to trade, and the R630 million in foreign investment inflows would be higher if there were more shares available, Mr Tunmer said.

"If the market was more liquid this figure would certainly be much greater. It is hoped that this situation will be alleviated as the value of market corporate activity increases.

"The trend towards using the market as a vehicle to raise capital should make trading on the ZSE much easier."

Market observers have their eye on what the Zimbabwe government intends doing with its shares in listed companies which amount to 10 percent of the entire market capitalisation.

The first likely sell-off is the state's 28 percent holding in Delta, the national brewery and Zimbabwe's equivalent to SAB.

Mr Tunmer and his firm, Edwards and Co, have been involved in the establishment of several exchanges in the SADC region.

After taking part in the opening of exchanges in Botswana and Swaziland, Mr Tunmer played a role in the formation of the Namibian stock exchange in 1993 and began assisting the Malawian Reserve Bank in December 1992.

Blantyre Hotels Limited is the first company to apply for a listing on the Malawi Stock Exchange and is expected to be on the board within the next few months.

Press Corporation Limited, one of the most profitable companies in the SADC region and a substantial contributor to Malawi's GDP, plans a public offer and listing of its shares in January.

A battle for Zimbabwe's ear

ST 25/6/95 (362)

By CARMEL RICKARD

STRIVE MASIYIWA is one of Zimbabwe's new generation of black business owners; if the established system is bad for business and bad for the country he does not hesitate to take it on, even if it means becoming the target of intimidation.

Fed up with the inefficiency of his country's monopolistic telephone company, and what he says is its dog-in-the-manger attitude, Mr Masiyiwa has gone to the country's highest courts to challenge its stranglehold on telecommunications.

Mr Masiyiwa, 35, runs one of the biggest black-owned firms in Zimbabwe. Now he wants to set up a cellular phone system in Zimbabwe.

He invited the government Posts and Telecommunications Corporation to join him in the venture. The corporation declined but refused him a licence to go it alone.

After a series of court cases Mr Masiyiwa found to his cost that the law gives the corporation a blanket monopoly on telecommunications.

But the corporation's limited resources and inefficiency has ensured that less than four percent of people in the urban areas have a phone. In rural areas, only about one in 250 people have access to a phone.

While South Africa supports 30 to 40 pager service companies, the Zimbabwe corporation has prevented a single supplier from operating there. Mr Masiyiwa has decided to challenge what he says is a hopelessly outdated approach.

Earlier this month he took a case to the Supreme Court in Harare to challenge the validity of the law which gives the telephone company powers to maintain a monopoly.

The case, argued by Johannesburg advocate Wim Trengove SC raised an important constitutional principle. Lawyers said that the Zimbabwe Bill of Rights guarantees every citizen freedom of expression, including the freedom to receive and impart information without hinderance. However, the constitution also says that the government's telecommunications monopoly is permissable unless it is not justifiable in a democratic society.

Mr Masiyiwa's lawyers argued that it was not permissable for the state to monopolize an important medium of communication such as telephones. Mr Masiyiwa commissioned a top US law firm to survey all such monopolies world-wide, and discovered that outside the former East Bloc, there was not a single telecommunications monopoly of the kind operating in Zimbabwe.

Commenting after the hearing this week, Mr Masiyiwa said a decision in his favour would open up telecommunications to competition which would benefit the people of Zimbabwe after years of "atrocious service" by the telephone corporation.

He anticipates a demand of at least 100 000 cellular phones over the next five to six years.

Mr Masiyiwa said he had been the target of intimidation, but that he was determined to persist. "I would have preferred to spend my money on other things than legal fees. But I am thinking about my country as well as my company."

He predicts that a successful outcome would have a great impact in the rest of Africa where many states have a similar monopoly in fact even if not in law. "We have had calls from all over the continent. People have been waiting for exactly this kind of challenge."

Judgment has been reserved, and is not likely to be given for at least another month.

Zim media top brass linked to scandal

(362) CT 26/6/95

HARARE: Eight senior executives of the government-controlled newspaper group were linked yesterday to a profiteering scandal that has rocked the state media.

The executives were named in allegations by suspended Zimbabwe Newspapers chief executive Mr Davis Midzi, who is on bail. He is facing corruption and money laundering charges.

Details of Mr Midzi's defence outline appeared in the Sunday Mail, one of five newspapers published by the state-owned group.

He alleged the chairman of the board provided poor quality Chinese newsprint at nearly double the price of locally available paper. Other executives sold cars, computers, printing materials and food to the group at inflated prices.

The editor of the main daily newspaper is alleged to have sold the paper a computer and a luxury car that were for his own use.

Mr Midzi alleged the transactions involved millions of Zimbabwean dollars. — Sapa-AP.

Methane discovered in Zimbabwe: A Zimbabwe mining company has discovered methane gas at a site in western Zimbabwe, in an exercise that could culminate in the country's first methane gas mine being developed. Paul Tromp, a director of Shangani Energy Exploration, said yesterday three gas-producing test wells had already been drilled over $177km^2$. "We have managed to produce some gas, but I am not at liberty to say how much," Tromp said, declining to say whether the company would proceed to open a mine. (362) CT(BR)28/6/95

Joint venture to boost mine safety: HL&H Mining Timber has embarked on an R8 million joint venture with the Swiss-based multinational MBT Holdings. Announcing this earlier this week, HL&H said MBT Holdings would contribute expertise and equipment that would improve mine safety underground. CT(BR)28/6/95 ([illegible])

Britannica goes on-line: Encyclopedia Britannica has announced an agreement with Time Warner's Pathfinder Internet subsidiary to integrate and market its reference works on the public computer network. Computer owners with access to the World Wide Web portion of the Internet will be able to reach Britannica On-line through Time Warner's on-line operation, called Pathfinder.

Agricultural co-op chamber formed: The Agricultural Co-operative Business Chamber (ACBC), representing co-operatives with a total annual turnover of R22 billion, was established on Monday at a special congress of the Co-operative Council of the South African Agricultural Union (SAAU). The chamber's chairman, Charles van Veijeren, said it would replace the council. CT(BR)28/6/95 (23A)

Zim students boycott over govt payments

HARARE: Students from the University of Zimbabwe and police clashed on campus here yesterday as the students set fire to grassland and continued their class boycott.

The protest is against government payments to students which, they claim, are lower than promised.

The fires caused no damage but the students' clash with about 100 police was reported to have resulted in broken windows in a number of lecture rooms.

The students have vowed to continue their protest. — Sapa

(362) CT 30/6/95

IMF punishes Zimbabwe: The International Monetary Fund, a major financier of Zimbabwe's economic reforms, has withheld some funding in a bid to force the government to show conviction in fiscal discipline. It has delayed disbursing the next tranche of financial support amounting to about $62,5 million.

(362) CT (BR) 30/6/95

Campus uproar: We want all our cash, say students

ARG 1/7/95 (362)

Foreign Service

HARARE. — Broken windows, barricades and charred grass mark the University of Zimbabwe, where four days of demonstrations and police action have left 25 students injured, six arrested and 8 000 barred from campus until next Wednesday.

Student unrest has become almost an annual event. Sometimes the inspiration is political, but this year money is at the heart of the trouble.

The university bursary department is blamed by students for starting the uproar by under-paying living allowances. When nearly 2 000 students gathered to protest, riot police sealed off the campus. Daily battles broke out between stone-throwing students and police lobbing teargas grenades.

Lack of money behind university fracas

Harare — Broken windows, slapdash barricades and charred grass mark the grounds of the temporarily closed University of Zimbabwe where four days of demonstrations have just left 25 students injured, six arrested and 8 000 thrown off campus.

Disruptions due to student unrest has become almost a yearly event. Sometimes the inspiration is political. This year it was money.

(362)

The chaotic university bursary department is blamed by students for starting the uproar by underpaying students their living allowances. Students charge that their grants were only Z$2700 (R1 173) for the second term and fell short by Z$300 (R130).

When nearly 2 000 students gathered to protest the underpayment, riot police sealed off the campus. — Independent Foreign Service.

Star 1/7/95

Zimbabwe nears a financial Rubicon

(362)

Tony Hawkins BD 4/7/95

HARARE — The first part of Zimbabwe's five-year Economic Structural Adjustment Programme is ending amid controversy about its achievements.

International Monetary Fund officials have confirmed that the fund has frozen disbursement of the final tranches of the country's Enhanced Structural Adjustment Facility following Harare's failure to meet fiscal and monetary benchmarks.

The root cause of the problem is government overspending and overborrowing, which has pushed the budget deficit for the fiscal year ended June 30 to an estimated 12% of GDP, more than double the original budget forecast of 5,5%.

Despite this, a World Bank official is quoted by the Herald Newspaper, which supports President Robert Mugabe's government, insisting that the programme remains "on track".

Private sector economists are bemused.

"If the fund has suspended disbursements, because targets have not been met," asks a bank economist, "how can the Bank continue to insist that the programme is on target?"

The answer is straightforward: in the Alice in Wonderland world of international financial diplomacy, words mean what World Bank officials want them to mean, regardless of the facts.

Obfuscation is crucial to reputation.

It has not taken long for journalists, who attended a World Bank-sponsored seminar in Windhoek in May, at which they were told of the Bank's new commitment to transparency in its dealings with the media, to learn that when push comes to shove, transparency is the first casualty.

Neither IMF nor World Bank officials are prepared to describe the status of Zimbabwe's reform programme in any detail.

Statements that the programme is "on track", contradicted by the IMF's conduct — as well as by its confidential reports, according to diplomats who have read the fund's latest report — serve no purpose other than to further undermine the World Bank's credibility in the eyes not just of the media, but of the private sector.

Economic reform programmes work only where private sector investors believe in their credibility.

If the business and investment communities are to become increasingly mistrustful of World Bank assertions, as is very clearly the case in Zimbabwe, then the Bank is doing itself and its client, Zimbabwe, no favours at all.

Zimbabwe's 1995 budget, to be presented on July 27, will provide an opportunity for new Finance Minister Ariston Chambati to clear the air and set the record straight.

Chambati's first budget is going to be an enormously difficult one.

If he takes the advice of the IMF, he will not only have to cut spending substantially — no easy task given the demands on the fiscus — but he will be required to raise extra revenue by increasing or broadening several consumption taxes, such as sales tax, and excise on fuel, drink and tobacco.

A tough budget is needed not just to satisfy the donor community but also to curb inflation, which is set to increase significantly in the third quarter from 20% in May, following increases in electricity rates and transport tariffs, higher food prices and, inevitably, some increase in indirect taxes.

Without fiscal restraint, real interest rates will also remain high — the Reserve Bank of Zimbabwe's rediscount rate is currently 29,5% — 9,5 points above the inflation rate.

The stakes are high. In the unlikely event of his shunning IMF, and World Bank, advice, Chambati must know that it will be impossible to put together an internationally-supported second phase of structural adjustment.

Accordingly, it is no exaggeration to say that the future of economic reform in Zimbabwe hangs on the country's next budget.

For this reason a tough budget is in prospect on July 27. — Reuter.

● **Hawkins is professor of business studies and director of the MBA programme at the University of Zimbabwe.**

Judgment reserved in challenge to land act

CT 6/7/94 (362)

From MICHAEL HARTNACK

HARARE. — The Zimbabwean High Court yesterday reserved judgment yesterday in the first challenge by three white farmers to the constitutional validity of President Robert Mugabe's land takeover plan.

Counsel for the farmers, Mr Adrian de Bourbon, said they did not contest the state's right to acquire property, but its right to acquire it without compensation, and the "designation" procedure under President Mugabe's 1992 Land Acquisition Act.

Once land had been "designated" it could not be sold, developed, or used to raise capital, but no money need be paid to a farmer until his land was bought by the state years ahead — if ever.

"The purpose of designation is to drive down the price of rural land and to stop development," he said.

Zimbabwe accuses SA of unfair trading practices

BD 6/7/95 (362) (574)

Michael Hartnack

SIMMERING Zimbabwean resentment over the long stalemated renegotiation of its SA trade pact boiled over yesterday when Industry and Commerce Minister Herbert Murerwa warned of probable retaliation by President Robert Mugabe's government for SA's "unfair trading practices".

Delays in updating Zimbabwe's 1964 "most favoured nation" pact, had "caused enormous difficulties for our industries through loss of markets", Murerwa told the annual congress of the Confederation of Zimbabwean Industries.

Murerwa complained that bankruptcies caused by the loss of SA markets had contributed significantly to Zimbabwe's unemployment total — now put at more than 2-million.

"The government has a responsibility to protect our own industries in the face of what amounts to unfair trading advantage by SA."

Business sources said Mugabe could have updated the 1964 pact on the turn with FW de Klerk's government in return for minor diplomatic concessions, but the incoming ANC-led administration remained preoccupied with its own internal problems.

SA Chamber of Business (Sacob) president Les Weil, speaking on emerging southern African markets, said to mobilise and use resources at a regional level successfully, there was a need for macroeconomic convergence.

"Co-ordination of monetary and fiscal policies to ensure the reduction and harmonisation of interest and inflation rates would be the first step towards achieving this in the region."

Weil said the EU had shown that in taxation, particularly on goods and services, harmonisation was a first step to an integrated approach to regional trade flows.

"Greater investment efficiency is a pre-condition for the mobilisation of resources."

In most member states of the SA Development Community there were controls on at least capital flows between countries. These controls should be reviewed to facilitate cross-border investment which had the added benefit of countering trade imbalances.

Trade between SA and Zimbabwe currently totalled more than R1bn a year, with the balance slewed 70-30 in favour of SA. With SA's trade with Sadec neighbours amounting to only 20% of its international total, Pretoria would stand to lose far more morally than financially from a trade war. A confrontation with Zimbabwe could damage SA's image in Africa.

World Bank urges Zimbabwe to lower its crippling interest rates

CT(BR) 7/7/95 (362)

By Emelia Sithole

REUTER

Victoria Falls — The World Bank said yesterday that Zimbabwe should urgently contain its high fiscal deficit and lower punitive interest rates to benefit more from Western-backed economic reforms.

Kapil Kapoor, a senior World Bank economist, said the present interest rates of more than 30 percent were crippling private sector growth.

"Zimbabwe has indeed made remarkable progress during the past five years in liberalising its economic landscape. Economic liberalisation has not only created new expectations and opportunities but has also given rise to new anxieties in the country," he said of the World Bank reforms launched in 1991.

"To capitalise on the changes introduced, it is imperative that government now focus its attention on increasing the outward orientation of the Zimbabwean economy and bringing down the cost of money," he said.

He cited the country's achievements over the past five years as: a boost in economic growth to 5,1 percent last year after negative growth of 8 percent in 1992; the relaxation of controls on investment and agricultural pricing and marketing; and relaxed foreign exchange regulations.

7/7/9

"The overall environment for business has improved with the one exception of fiscal deficit and high interest rates. If government can get a grip on the high deficit there's no reason why Zimbabwe should not have double digit economic growth," he said.

He said the budget deficit had fluctuated between 8 percent and 10 percent of GDP during the past five years. Local economists said it had increased to 15 percent of GDP, above a government target of about 6 percent for the financial year ended June 30 this year.

Kapoor said in addition to the central government deficit, public sector companies had also incurred large cumulative losses and this had increased borrowings and crowded out the private sector.

"During the last 12 months or so, credit to the private sector has only grown about 18 percent, which is a decline in real terms," he said. "Compared to this, credit to public enterprises grew by 39 percent, while credit to government grew by about 106 percent."

He said given Zimbabwe's large domestic debt of Z$30 billion ($3,75 billion) in a Z$50 billion ($6,25 billion) economy, it was also essential for it to speed up privatisation of state-owned firms so that it could use the proceeds to retire public sector debt.

Zimbabwe gets $73m in aid: The Commonwealth Development Corporation said yesterday it had so far committed loans and equity funds worth more than $73,7 million to various private sector projects in Zimbabwe. The British-based agency said in its annual report released in Harare the projects included low cost housing programmes in urban areas, electricity generation and transmission as well as expansion of the country's sugar estates, Ziana reported. The development corporation provides loan and equity finance to viable job-creating projects in developing countries. (362)

FG(2) 13/7/95

13 1995

Zim power crisis looms as Kariba dam level falls

HARARE. — Two power stations at Lake Kariba which provide electricity to Zimbabwe and Zambia are to be temporarily shut because of the lowest recorded rainfall in the Zambezi River basin.

The Zambezi River Authority (ZRA) said in a statement in Harare the level of Lake Kariba was now only 3m above the minimum 475m above sea level needed to turn the turbines of the power stations on the north and south banks of the dam wall.

Without rain, the lake was expected to be only a metre above the minimum level by November. With normal rain, the dam level should now have been 488m.

The power plants would be closed periodically to save water, Zambia Electricity Supply Corporation (ZESCO) said in Lusaka.

No comment was available from Zimbabwe Electricity Supply Authority (ZESA).

The ZRA said power would have to be imported from neighbouring countries. It said rainfall had been "the worst" since records were first kept in 1907.

(362) ARG 13/7/95

Zimbabwean jobs at risk

CT(BR) 19/7/95 (362)

FROM SAPA

Harare. — The Zimbabwean Chamber of Mines said yesterday that some mines were considering retrenchments and applying for wage-increase exemptions to remain viable in the face of rising input costs.

A chamber spokesman said costs in the industry had risen by 30 percent since the beginning of last year, yet revenue received by producers of such major minerals as gold and asbestos had not increased, due to static dollar prices for the minerals.

He said the industry was particularly concerned about the recent increase in electricity tariffs. These would further erode viability and put thousands of jobs at risk.

Power tariffs in Zimbabwe went up by more than 26 percent with effect from July 1.

Zim professor defies protests

(362) CT 20/7/95

HARARE: University of Zimbabwe vice-chancellor Professor Gordon Chavunduka yesterday defied calls for his suspension.

Prof Chavunduka threatened to act against protesters for disrupting lectures.

Students and lecturers marched to the city centre on Tuesday demanding that he and other high-ranking officials be suspended while allegations of financial mismanagement, corruption and nepotism were investigated.

● In a related incident, Polytechnic students threatened "mayhem" if their demand for a 300% grant increase was not met. — Sapa

Students march to demand 300% raise in their grants

(362)

HARARE — Hundreds of Harare Polytechnic students boycotted classes yesterday and marched to the higher education ministry offices to demand a 300% increase in student grants. BD 21/7/95

Student representatives met Higher Education Minister Ignatius Chombo, who promised to look into their grievances.

Chombo told journalists after the meeting the government would make an announcement "at the appropriate time".

But he said the government could not afford the 300% increase.

"We have got to be realistic. I think the government is only able to support a limited increase."

Students say their payouts are "far below" what they need to buy additional course material.

Students' representative council president Pedzisai Ruhanya said the students would prepare a document with all their grievances and hand it to the ministry so it could be presented to the cabinet.

Chombo said the ministry wanted to avoid interfering with the running of institutions of higher learning. Their own administrators should be able to deal with all complaints.

Zimbabwe's higher education institutions have recently been hit by a wave of unrest, the latest being demonstrations at Zimbabwe University, which led to its temporary closure about two weeks ago.

The university has reopened but students are still demanding an increase. — Sapa.

Imports and poor tobacco revenue hit Zimbabwe dollar

CT (BR) 25/7/95 (362)

FROM SAPA

Economic analysts have forecast that the Zimbabwe dollar will further weaken against major currencies by the end of this year, as import demand picks up and foreign exchange inflows associated with tobacco dry up, Ziana news agency reports.

Mervyn Ellis, a consultant economist, said downward pressures on the exchange rate were also building up in the market as a result of the anticipated increased outflows of foreign currency to finance food imports caused by the drought. Estimates show that about Z$1,2 billion is needed to finance over 300 000 tons of food imports, particularly maize.

Ellis said shortages of foreign exchange would also worsen as offshore funds to finance tobacco — Zimbabwe's largest export earner — stop flowing into the market towards the end of the year.

He said, these factors, coupled with the anticipated higher inflation in the second half of the year, could result in the Zimbabwe dollar ending the year quoted at nine to the US dollar, the major trade-weighted currency.

Standard Chartered Bank in Zimbabwe said renewed currency depreciation was expected to enable local exports to become competitive in the international market.

Ellis said the extent of currency depreciation would, however, be limited by the country's healthy gross international reserves.

Zimbabwe should 'take a leaf out of SA's book'

BD 25/7/95

(362)

Michael Hartnack

HARARE — Zimbabweans should "imitate South Africans and get on with the job", urged the quarterly economic guide issued by Anglo's merchant bank subsidiary, FMB.

The new SA continues to show up President Robert Mugabe's government by its greater commitment to fiscal reform, efficient use of taxpayers' funds, prompt payment of state creditors and signing of investor protection agreements, says the latest guide.

In addition, SA's approach to capital investment in infrastructure "has been to set priorities and get on with the job — our approach in Zimbabwe has been to see first if we can get somebody else to pay for whatever is needed.

"We do this even if its importance places it high on the priority list and its cost is well within our means," says the guide. It cites the building of a pipeline to bring Zambezi water to drought-stricken Bulawayo as the most crucial example.

"While getting things cheaply or for nothing might seem a good idea, our aid dependency is now standing in the way of our accomplishing vitally important projects that could impact upon the lives of millions of people."

The cost of the Zambezi pipeline will be 1,5% of total government spending since 1985, so it is well within Zimbabwe's financial and technical resources, says the FMB guide.

"But because government is still hoping the money will come from somewhere else, it has allowed the project to slip into the clutches of the international feasibility study industry and the newer environmental impact study industry."

If the project ever takes off, these studies will slow completion and burden it with fees to external agencies, the bank guide warns.

Referring to Mugabe's chequered relations with Matabeleland — scene of widespread human rights abuses in the early 1980s — the guide says the government seems yet to be persuaded of the importance of a region that contributes 25% of GDP.

"The whole country will benefit if these areas are assured of dependable water supplies. The expenditure of Z$2bn on a project that will help ensure a continuing flow of Z$10bn a year is readily justifiable," it says.

The guide says the new South African government has "distinguished itself by dismissing short term expedients that might have eased its immediate political path, but would have led to severe economic and budgetary problems before long, as happened here in Zimbabwe."

Zimbabwe's budget is 'a tricky balancing act'

CT (BR) 26/7/95 (382)

BY RICH MKHONDO

REUTER

Harare — Zimbabwe's minister of finance will deliver a budget tomorrow which his countrymen hope will ease their economic pains, rein in runaway state spending and convince Western donors that reforms are on course.

Economic analysts said yesterday that Ariston Chambati, the minister of finance, must perform a tricky balancing act when he unveils this year's budget.

"The government is coming under intense donor pressure to present a tough, deflationary budget," said Anthony Hawkins, a business administration lecturer.

The IMF has withheld disbursements under Zimbabwe's enhanced structural adjustment facility loan — a concessional facility for poor countries — which expires in September.

The IMF and other donors are unhappy with Zimbabwe's budget deficit and runaway state spending, which is fuelling inflation pegged at 21 percent from 19 percent last January, diplomats said.

Pre-budget estimates put this year's deficit at more than 12 percent of GDP, way above a target of around 6 percent set out last July.

The country faces economic stagnation, with high interest rates, 40 percent unemployment and ever-rising input costs.

"It is not just IMF and other donor-funding that is at stake, but a return to macro-economic stability with lower inflation and interest rates. The economy needs a stern dose of deflationary medicine in the coming budget," Hawkins said.

The foreign debt is estimated at $5 billion with a debt-service ratio of 36 percent of export revenue.

Earlier this month, the World Bank urged the government to reduce its budget deficit and lower punitive interest rates of more than 30 percent.

Kapil Kapoor, the senior economist for the World Bank in Zimbabwe, said in addition to the central government deficit, public sector firms had also incurred large cumulative losses of more than Z$1,6 billion (about R740 million).

Government spending frustrates economic activity

(362) ARG 26/7/95

HARARE. — High interest rates that have been blamed for frustrating economic activity in Zimbabwe are unlikely to fall in 1996 unless government expenditure is reduced drastically.

A spokesman for Zimbabwe Financial Holdings said that as long as government spending remained high, there were no meaningful prospects of a reduction in inflation and interest rates.

The banking group noted fiscal laxity was the major cause of the problems facing the Zimbabwean economy.

Inflation in Zimbabwe was now pegged at 19,9 percent as of June, although the recent rash of wage and salary increases, as well as hikes in food prices and electricity tariffs, was expected to edge the rate to more than 23 percent by the end of the year.

Nominal interest rates, at more than 33 percent, had more than doubled the cost of borrowing, and put paid to many plans by local companies to expand or refurbish plant and machinery and take advantage of a liberalised economic environment.

The spokesman said that owing to government reliance on domestic bank borrowing to finance recurrent expenditure, money supply growth had gone up from 28,7 percent in March to more than 30 percent in April this year.

"Such high rates of growth in money supply will continue to keep the rate of inflation high. . . Thus interest rates will have to remain high in order to curtail the inflationary pressures.

"This implies that monetary policy will remain restrictive in the next fiscal year, and continue to depress economic activity. High inflation will also put excessive pressure on the Zimbabwe dollar, and refurbishment of machinery will be even more costly."

Monetary policy alone would not achieve sustainable economic growth, and the situation demanded a tightening of fiscal policy as well.

"This is a mammoth task as there is very little room for manoeuvre for several reasons. Government expenditure will be pushed up by increasing social service requirements owing to harsh economic conditions and the drought.

"Preliminary estimates indicate that Zimbabwe will import food to the tune of Zim $1,7 billion owing to the drought. In addition, the expected review of civil servants' remuneration packages following the recent job evaluation exercise is expected to increase recurrent expenditure."

The spokesman said that although the government revenue base was low, there was no room for further tax increases without affecting economic activity.

In order to reduce government spending and improve efficiency, there was need to speed-up the commercialisation of loss-generating public enterprises, and to do away with unprofitable functions within government. — Sapa.

Zimbabwe is urged to deliver a tough budget

(362)

HARARE — Zimbabwean Finance Minister Ariston Chambati will deliver a budget tomorrow his countrymen hope will ease their economic pains, rein in runaway state spending and convince Western donors reforms are on course.

Economic analysts said yesterday Chambati must perform a tricky balancing act when he presents the 1995/96 budget.

"The government is coming under intense donor pressure to present a tough, deflationary budget," business administration lecturer Anthony Hawkins said.

The IMF has withheld disbursements under Zimbabwe's Enhanced Structural Adjustment Facility loan — a concession for poor countries — which expires in September.

The IMF and other donors were unhappy with Zimbabwe's budget deficit and runaway state spending fuelling inflation pegged at 21% now from 19% in January, diplomats said.

Pre-budget estimates put the 1994/95 deficit at more than 12% of GDP, way above a target of about 6% set out last July.

People say the country faces economic stagnation, with a harsh business climate of high interests rates, 40% unemployment rate and ever-rising input costs.

"It is not just IMF and other donor-funding that is at stake, but a return to macroeconomic stability with lower inflation and interest rates. The economy needs a stern dose of deflationary medicine in the budget," Hawkins said.

The foreign debt is estimated at $5bn with a debt service ratio of 36% of export revenue.

This month the World Bank urged the government to reduce its budget deficit and lower punitive interest rates of more than 30% threatening its industries for it to benefit more from economic reforms which started in 1991.

The bank's senior economist in Zimbabwe, Kapil Kapoor, said public sector firms had incurred large cumulative losses of more than Z$1,6bn.

Kapoor said this had increased government borrowing, crowding out the private sector and pushing inflation upwards and resulting in higher interest rates.

BD 26/4/95

Hawkins said: "While the new finance minister has little room for manoeuvre, failure to tackle the ballooning budget defict will result in sharply higher inflation and interest rates and renewed Zimbabwe dollar depreciation."

Commercial bank Standard Chartered said inflation was set to rise in the third quarter after averaging 21,5% in the first five months of the year in response to a round of indirect tax hikes anticipated in the budget, higher electricity and railway tariffs and increased food prices.

It said the budget must include public spending cuts, privatisation plans to offload state firms and increases in consumption taxes.

In letters to newspapers, readers accused the government of being a burden on the economy.

"And to insult our intelligence even further, the size of government has been increased, arguing that this was necessary to improve efficiency in policy implementation and control," said a letter in the independent Financial Gazette. — Reuter.

'Intelligence chief told of Mugabe's wedding'

CT 27/7/95 (362)

HARARE: A Zimbabwean journalist charged with defaming a judge and a cabinet minister in stories alleging President Robert Mugabe had secretly married said yesterday his source for the story was the country's intelligence chief.

Mr Trevor Ncube, editor of the independent Financial Gazette, told a court here he had no reason to doubt the truth of the reports, which were based on information from Mr Elleck Mashingaidze, head of the Central Intelligence Organisation.

Mr Ncube and two other journalists are accused of criminal defamation in reports that High Court Judge Paddington Garwe and Housing Minister Mr Enos Chikowore presided over Mr Mugabe's alleged secret wedding to his former secretary, Ms Grace Marufu, in April.

The trial continues. — Reuter

CT(BR) 28/7/95 (3b2)

Zimbabwe hopes to cut deficit

FROM REUTER

Harare — Ariston Chambati, the finance minister of Zimbabwe, yesterday announced a budget aimed at resuscitating his country's flagging economy.

Chambati, recruited from the private sector after parliamentary elections in April, pledged his government would take measures to cut government spending and cut the budget deficit from 13,4 percent of GDP in the last financial year to 6,7 percent this year.

The minister increased sales tax to 15 percent from 12,5 percent. He slapped a new 5 percent tax on electricity consumption while raising duties on petrol and diesel by 11 percent and 70 percent.

Total spending for the year was forecast at $2,6 billion. Revenue was forecast at $2,1 billion.

Zimbabwe offers timely lesson for white SA

BD 28/7/95 (362)

MICHAEL HARTNACK
in Harare

THERE is a timely lesson for white South Africans, particularly economists and businessmen, in current rising race tensions here.

All skilled consultants, and not just the medical profession, were jolted by the trial for culpable homicide of the country's most prominent anaesthetist, Dr Richard McGown, after a parliamentary outcry alleging he was careless of black lives.

Whatever the outcome of his appeal against his six-month jail term, the case frayed nerves among ethnic minorities who constitute 90% of Zimbabwe's chronically inadequate pool of professional expertise (14 000 skilled blacks have joined the trek to greener pastures).

While President Robert Mugabe continues his emotive campaign for black advancement in every sphere of national life, a spate of racial incidents has hit the overburdened formal employment sector.

Workshop owner Patrick Bland had his premises invaded by an enraged mob after newspapers disclosed he made a black employee stand in a 2m-diameter circle for six working days in a bid to force him to resign. Bland now faces a two-year jail term and R800 fine.

Another firm, refused labour ministry permission to fire an alleged "troublemaker", made him sit outside their premises all day.

A white service bay manager for the Lonrho motor subsidiary Zimoco was dismissed instantly for bringing a baboon's paw to work and making racial remarks.

Whites, meanwhile, see racist motives behind a spate of robberies, in the latest of which a preacher, Andy Shaw, 34, was killed while he prayed. The authorities say all are equally liable to fall victim to rising crime, but top executives report an impending exodus of fearful white middle managers.

Yet President Nelson Mandela's recent triumphs in race relations have been achieved without Zimbabwe's three massive advantages when it entered the era of black rule in 1979.

First, it had virtually no "poor whites" among a minority that from being approximately one in 10 (100 000 among 1-million blacks) in 1940 went to one in 16 (250 000 among 4-million) when Ian Smith declared Rhodesia's unilateral independence in 1965.

White numbers, peaking at 287 000 in 1974, have fallen since 1980 independence to about 80 000 (not counting about 20 000 expatriates, 15 000 Asians and 40 000 of mixed race) in a total population now of 11,6-million.

Second, SA under PW Botha provided for the incoming black government a godsend "bridge for a retreating enemy".

Among the 150 000 who went south were most Rhodesian "irreconcilables", becoming SA's race relations problem, not Zimbabwe's.

Third (as the British intended in terms of the Lancaster House settlement), the white exodus dropped in the incoming black government's lap tens of thousands of public and private sector jobs, plus thousands of vacant places in schools, and a bonanza of good quality housing at bargain basement prices for aspiring middle-income blacks.

Mostly, it was the wealthy, successful whites who remained, creating the popular illusion they all had the magic Midas touch.

Whites' halcyon days came in about 1990 when, after 10 years of Mugabean socialism, the World Bank backed former finance minister Bernard Chidzero's economic liberalisation programme.

Radical students cheered opposition leader Edgar Tekere when he defended white farmers and said the new black elite were "the main land grabbers" and the most exploitative employers.

MUGABE

"Smith was better than you," a drunk shouted at Mugabe, while whites chortled with an ill-timed complacency.

It is essential that South Africans learn from the causes of the current anti-white reaction. While whites blame simplistically the state media, the main factor may be the failure of the economic liberalisation programme to meet black aspirations. Economist Eric Bloch estimates 2,6-million — 65% of the employable population — remain unemployed as runaway inflation and 30%-40% interest rates (both stemming from unchecked state spending) destroy the climate of enterprise growth that was meant to accompany deregulation. The people see the result, not the cause.

"The people don't care about high interest rates, the size of the cabinet or ministers' sex lives," newspaper columnist Prof Ken Mufuka noted. "What the generality resent is if there is no cabinet representative from their home area." In contrast to Mugabean socialism, the economic liberalisation programme seemed a "white" economic panacea.

Whites — since 1980 in essence an unacknowledged liaison group between Zimbabwean society and the world economy — were placed to take direct advantage of it, but others could not.

Whites should have been chary of harsh, Thatcherite reforms, more ready to associate themselves with the voices of social conscience. They need to be a vector for moral as well as economic forces.

Black goodwill is their only survival guarantee.

LETTERS

Budget puts the squeeze on Zimbabwe

(362)

ARG 29/7/95

HARARE. — Zimbabwe's Finance Minister, Ariston Chambati, has unveiled a tough 1995-96 budget that puts focus on consumption tax hikes and squeezes most spending to keep fiscal deficit in check, Ziana news agency reports.

Mr Chambati, who took over from ailing Bernard Chidzero in April, estimated revenue would reach $Z18,3 billion, resulting in a budget deficit of $Z4,274 billion.

This deficit represents 6,7 percent of gross domestic product compared to an outturn of 13,4 percent in 1994-95 excluding inflows of international aid grants.

He said the budget deficit would be financed from $Z300 million net foreign inflows and $Z4 billion from the domestic market.

Mr Chambati said the 11 percent nominal increase in recurrent expenditure to ministries was "marginal" considering the high rate of inflation of 19,9 percent as of June.

As a result of insufficient resources, ministries had to reprioritise their activities in line with their provisions.

"There is need for a redefinition of missions consistent with availability of resources," Mr Chambati told parliament, pointing out that the credibility of his budget depended on a high degree of political commitment.

The government, he said, could no longer afford the "luxury" of overspending.

To avoid recurring massive overruns on expenditure, the treasury would introduce a stop-payment facility at the central payments office.

Sales tax on most goods and services has been increased from 12,5 percent to 15 percent with effect from next month.

A final tax on electricity of five percent was also proposed with effect from October.

Customs duty for petrol and diesel was increased from 75 cents a litre and 20 cents a litre, respectively.

Duty on imported clear beer, aerated beverages, wines, spirits and cigarettes was also increased. The increases ranged from 18 to 50 percent. — Sapa.

BD 1/8/95

Zimbabwean govt in gay rights row

(362)

Michael Hartnack

HARARE — Sue McMillan, MD of the Zimbabwean subsidiary of international publisher Harper-Collins, quit yesterday as a trustee of this week's international book fair, in protest against state interference.

Book fair organisers at the weekend caved in to demands by Information Director Bornwell Chakaodza for eviction of the Gay and Lesbian Association of Zimbabwe exhibit before President Robert Mugabe performs the official fair opening today.

The theme for the fair is "human rights and freedom of expression".

McMillan said in her letter of resignation: "I have concluded that if the trust can be manipulated by government on one issue affecting human rights in Zimbabwe, then all credibility has been forfeited."

Referring to establishment figures linked to the ruling Zanu (PF) party, she said: "It is obvious that some of the book fair trustees have no grasp of the concept of human rights... Some appear to believe that democratically agreed decisions made by a majority of trustees can be overturned by lobbying in high places."

McMillan said the trust would be "regarded with cynicism and derision", and confessed "feelings of foreboding" about future book fairs in Zimbabwe.

The week-long row provoked by the information ministry ultimatum to evict the association has led to a prediction that the fair, attended by exhibitors from 48 countries, would be held in SA next year.

Chakaodza was greeted yesterday with roars of laughter when he told writers and publishers in Harare for the book fair that Mugabe's government did not interfere in any way with the news media.

Justice Minister Emmerson Mnangagwa told foreign delegates to the writers' "indaba" that they were required to respect local norms, such as obhorrence of homosexuality, when in Zimbabwe.

"In our tradition we do not respect gays," said Mnangagwa.

In a letter to the book fair organisers last week, the information director expressed shock that the association had been "given legitimacy" by being allowed to have an exhibit.

The government strongly objected, and threatened to withdraw co-operation if the "values of gays and lesbians are forced onto Zimbabwean culture".

SA Judge Edwin Cameron was permitted to address a meeting convened by the association — the first of its kind not to be raided by police — but his speech urging tolerance for minorities went unreported by Zimbabwe's state-controlled media.

(362)

Debts cripple Zimbabwe farms

CT (BR) 3/8/95

By Cris Chinaka

REUTER

Harare — Zimbabwe's drought-hit farms are under pressure from mounting debts and high interest rates, industry and government officials said.

They told an annual meeting of the Commercial Farmers' Union that the agriculture industry needed major investment, especially in training, management, and water resource development projects to ensure its viability.

"At current high interest rates (above 30 percent), we are paying some $1,8 billion in interest, equivalent to 20 percent of our gross output this year. This is unsustainable," said Peter MacSporran, president of the union.

Agriculture-related industry accounts for 68 percent of Zimbabwe's economic output. The southern African country is self-sufficient in food except in years of drought.

Zimbabwean farmers struggling with debt

BD 3/8/95

(362)

HARARE — Zimbabwe's drought-stricken agriculture sector is under pressure from mounting debt and high interest rates, industry and government officials say.

They told an annual meeting of the local Commercial Farmers Union that the industry needed massive investment — especially in education, management, water resource development projects and research — to ensure its viability.

"But this cannot happen with the amount of debt the farmers currently have and the high cost of money," union president, Peter MacSporran, said.

The cost of borrowing money was now agriculture's single biggest input cost at around $523m this year.

"At current high interest rates (of above 30%), we are paying some $209m in interest, equivalent to 20% of our gross output this year. This is unsustainable."

MacSporran said hundreds of drought-hit commercial farmers were now laying off thousands of workers as they struggled to repay debts of more than $52,3m.

Agriculture Minister Denis Norman said that President Robert Mugabe was negotiating with commercial banks to try to introduce concessional interest rates for farmers, the backbone of the local economy.

Some 68% of Zimbabwe's economic activities are agriculture-related and this country has been self-sufficient in food production except in years of extreme drought.

Norman urged the industry, whose output of the staple maize crop fell by 54% to 839 600 tons in the season which ended in April, to aim to produce two million tons in the farming season beginning in November to meet domestic consumption and export targets.

The minister also urged farmers to take advantage of the government's liberalisation of agricultural marketing to boost production of other crops. — Reuter.

ZIMBABWE (362) FM 4/8/95

Budget 1995-1996

A 40% cut in capital spending — and sharply higher consumption taxes — will halve Zimbabwe's budget deficit in 1995-1996, provided Finance Minister Ariston Chambati can keep control of recurrent spending.

The omens are not good.

Last year, to June 30, government overshot its spending targets by almost a quarter, though Chambati blames this on a one-off "cleaning up exercise" of the vote of credit. This is the fund used as a conduit for donor lending to Zimbabwe for development projects.

On Chambati's calculations — which differ from those in the official financial statements released after the budget last week — the budget deficit of Z$7bn (Z$820m), 13,4% of GDP, will fall to Z$4,3bn this year (6,7% of GDP).

Privatisation — the sale of shares in State-owned industrial conglomerate Delta Corporation — brought in Z$525m and Chambati's budget suggests only another Z$300m will be raised through privatisation this year. However, economists believe that this is a minimum figure and additional sales of government assets would be used to fund spending overruns or even repay some debt.

In the current year to June 1996, government revenue will rise more than 20% due to:

- A 2,5% rise in sales tax, which applies to most retail transactions, to 15%;
- An 11% rise in petrol duty, 70% in diesel fuel duty;
- A new 5% tax on electricity consumption; and
- A 26% average electricity tariff hike, announced in June.

In all, the budget will take out Z$3bn (nearly 5% of GDP) in extra taxes in the coming year, while spending falls 8% (5% of GDP) in real terms.

As always, the success of the budget hangs by the slender thread of fiscal discipline. The country's record is dismal, and Chambati will have to change the public sector's corporate culture. He has not started well, threatening to use a stop-payment facility at the finance ministry — implying suppliers may not be paid when ministries

overspend, unless they demand payment upfront — and appealing to the parliamentary watchdog, the Select Committee on Accounts, to help curb spending.

Nor has the opaque presentation of the budget, with numerous discrepancies between the ministerial statement and the published numbers, created confidence.

The post-budget comment by permanent Secretary of Finance Charles Kuwaza — that business should stop "moaning and groaning" and get on with the job — outraged some in the private sector. They point to horrendous government overspending and surging interest costs that now exceed 10% of GDP and 29% of the budget.

Indeed, interest charges of Z$6,5bn, and an education budget of Z$4,6bn, absorb almost half of total spending.

The war of words with SA escalated when Chambati imposed a 10% increase in duties on imported vehicles and batteries. He also announced 15%-25% increases on imports of drink and tobacco, mainly from SA, largely for revenue purposes.

Business welcomed the reduction in capital gains tax — to 20%, from 30% — and the decision to allow exporters to deduct 200% of export market development expenses for tax purposes.

There was no mention of the IMF or World Bank and the fact that many of the IMF's suggestions for the budget — a switchover to Vat, harmonising customs and excise duties, lowering tariffs rather than raising them, further liberalising exchange controls — were ignored may not help Zimbabwe regain access to IMF lending. However, should Chambati manage to rein in public spending and bring the budget deficit down dramatically, then Zimbabwe should be back in the IMF's good books by mid-1996. The fund needs to see a track record of performance, which is where culture reversal must start. ■

AFRICA

(362)

Zim students set offices alight

CT 9/8/95

HARARE: University of Zimbabwe students allegedly set alight a number of offices at the institution on Monday night, it was reported yesterday.

Property valued at about R42 354 was destroyed.

The students apparently threw petrol bombs into the assistant bursar's office, the examinations and records office and the chief security office after ripping off the burglar bars.

They also broke windows in the administration offices.

Gays worse than pigs, says Mugabe

ARG 12/8/95

(382)

HARARE. — Zimbabwean President Robert Mugabe has renewed a scathing attack on gays and lesbians, calling them "worse than dogs and pigs", and told people to arrest any parading themselves and hand them over to the police.

Yesterday, just days after labelling homosexuals sodomists and sexual perverts with no rights, Mr Mugabe told thousands of people at a ceremony to commemorate Zimbabwean heroes that his government would never legalise homosexuality.

"It degrades human dignity. It's unnatural and there is no question ever of allowing these people to behave worse than dogs and pigs," he said to cheers from an audience of mainly black Zimbabweans, many of whom see homosexuality as un-African.

"If dogs and pigs do not do it, why must human beings? We have our own culture, and we must re-dedicate ourselves to our traditional values that make us human beings," he

Zimbabwe President Robert Mugabe has renewed a scathing attack on homosexuals, telling thousands of people attending a ceremony honouring the country's heroes to "hand them over to the police".

said both in English and his native Shona language.

"What we are being persuaded to accept is sub-animal behaviour and we will never ever allow it here. If you see people in your areas parading themselves as lesbians and gays, arrest them and hand them over to the police," he added.

Zimbabwean law is unclear on the status of homosexuals but under common law "unnatural sexual acts" are illegal with penalties ranging up to 10 years' imprisonment.

Mr Mugabe's remarks were outside his prepared speech but he said they were important for the occasion because Zimbabwean heroes valued high morals.

The Zimbabwean president made his first public attack on gays and lesbians last week after his government forced organisers of Zimbabwe's International Book Fair to bar homosexuals from taking part.

When he opened the fair, Mr Mugabe said Zimbabwe had a "whole formidable" set of morals and taboos which it could not abandon unless its society as a whole decided they were no longer needed.

He said he found homosexuality outrageous and condemned countries that legalised it.

World and local human rights groups have criticised his stance.

Demonstrators staged a placard protest outside the Zimbabwe Trade Mission in Johannesburg yesterday in response to the expulsion of Gays and Lesbians of Zimbabwe (Galz) from the book fair.

The National Coalition for Gay and Lesbian Equality has expressed outrage at the homophobic statements by Mr Mugabe, which have also been criticised by the SA National Gallery, Supreme Court judge Edwin Cameron and Nobel prize winning author Nadime Gordimer.

In Harare for the fair, Ms Gordimer was moved to instant protest, formulating a resolution describing the expulsion as contravening freedom of expression and calling for Galz's reinstatement. The theme of the fair was human rights.

Coalition spokesman Kevin Botha said: "Mugabe's shameless comment at the book fair that he believes gays and lesbians have no rights at all is reminiscent of former South African prime minister B J Vorster, who said blacks had no rights at all. It also rekindles the nazi amendment to the German penal code in 1935 providing for gay men to be deprived of their civil rights."

The silence of the Zimbabwe press and the vilification of homosexuals gave rise to concern for the safety of Zimbabwe's gay community.

About 100 protestors in Johannesburg yesterday carried placards reading "Vorster said blacks have no rights, Mugabe says gays have no rights", and "Zimbabwe needs a queen". — Own Correspondent and Reuter

Zimbabwe's gold production increases by 18%

CT (BR) 15/8/95 (362)

From Sapa

Harare — Gold production in Zimbabwe, one of the world's top 20 producers, rose 18 percent to 13 656kg during the first seven months of this year, Ziana news agency reported.

Derek Bain, the chief executive of the Zimbabwe Chamber of Mines, said yesterday the amount of gold produced was valued at Z$1,437 billion compared with the 11 591kg valued at Z$1,14 billion which was produced during the same period last year.

At the present rate of production, output was expected to reach 22 tons this year, bringing in over Z$2,5 billion in foreign exchange.

Gold is Zimbabwe's largest hard currency earner after tobacco. Last year output reached 2 056kg valued at just over Z$2 billion.

Economic analysts say the bullish sentiment in the gold mining sector and the mining industry in general could help prevent a rapid decline in the Zimbabwean economy. The economy was hit by another drought this year before it had recovered from the devastating 1991/92 drought which slashed the country's GDP by almost 8 percent in real terms.

The economy is expected this year to grow by between 1 percent and 2 percent from a growth of almost 5 percent last year.

Bain said although the water shortage was getting worse no mines had closed.

"We do not know what will happen in the near future," he said. Some mines had, however, taken some contingency measures like drilling more boreholes to sustain production.

Zisco loses millions on idle plant

(362) Star 16/8/95

Harare – The Zimbabwe Iron and Steel Company is losing about Zd60-million annually maintaining the Zd700-million sinter plant which was completed in April last year but is still not being used.

Zimbabwean Members of Parliament were told that the sinter plant could only start operating when the conveyer belt carrying iron from Ripple Creek mine and the blast furnace number four were fully functional.

"We are waiting for Ripple Creek iron ore restructuring project to be completed and for the rebuilding of blast furnace number four whose construction has been delayed," a Zisco official said.

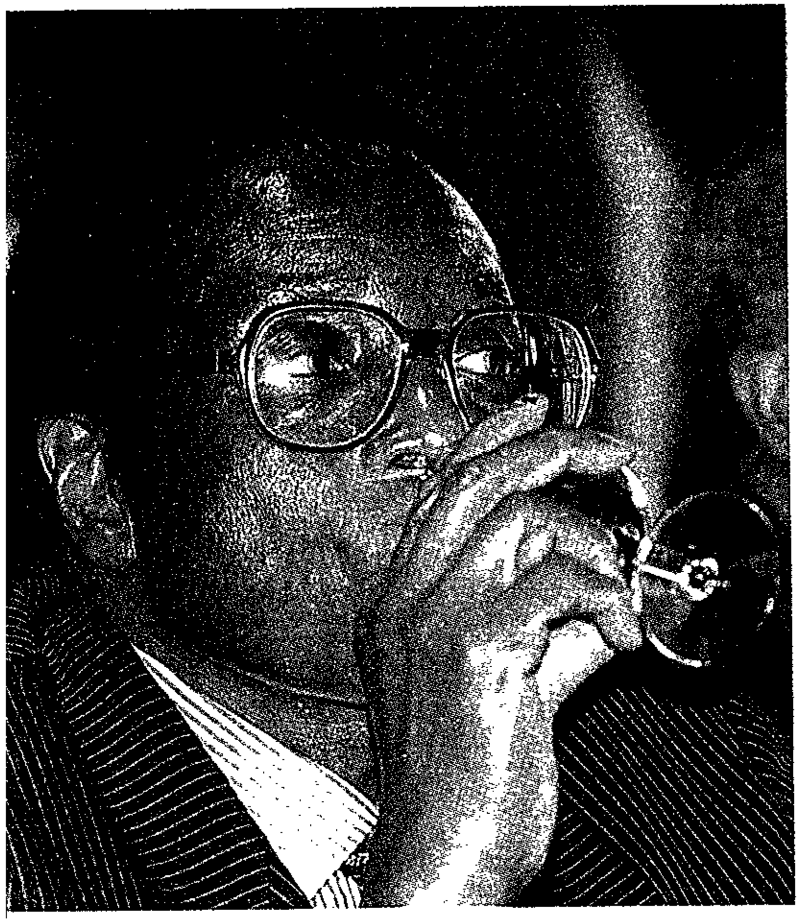
The plant was being maintained by the Zimbabwe Electricity Supply Authority. – Sapa.

Mugabe on the attack

President's lashing of gays seen as signal of repression against independent voices

ANDREW MELDRUM of the Independent News Service reports from Harare.

(362) ARLG 18/8/95



ROBERT MUGABE: Keeping one eye on next year's presidential election.

ZIMBABWE President Robert Mugabe's renewed weekend attack on the country's gay community signals his government's increased repression against any and all independent voices of civil society.

"It cannot be right for human rights groups to campaign to dehumanise us to the status of beasts," an irate Robert Mugabe told thousands at the Heroes' Day ceremony this past holiday weekend. "They want to reverse morality and have us follow immorality. This is what the world of lesbians, the world of gays would want us to have."

Switching to the Shona language, Mr Mugabe urged his followers to report any homosexual activity in the townships and to see that all gays are arrested.

The President's anti-gay tirade, his second in two weeks, drew a scattering of cheers but generally a bemused response from Zimbabweans who don't really consider homosexuality to be a burning issue.

Much more pressing to the general populace are economic hardships such as the recent price increases by 60 percent of basic food and fuel. Growing hunger in the rural areas as a result of the continued drought highlights the government's failure to reform land ownership and spur new rural development.

including women's groups, human rights groups and the Gays and Lesbians of Zimbabwe (Galz), as a cynical political ploy to distract popular attention from the country's burgeoning corruption scandals, economic mismanagement and gripping drought.

The overwhelming victory in April of Mr Mugabe's party — the Zimbabwe African National Union-Patriotic Front (Zanu-PF) won all but two of parliament's 150 seats — has emboldened the party and government to take repressive measures against independent critics.

Running battles between police and students have disrupted the University of Zimbabwe for six weeks. Initially the students peacefully protested against unexplained deductions from their living allowances and alleged mismanagement in the bursar's office. Three days of brutal police action quickly created a grim battle pitting the government against students and faculty.

Zimbabwe's small independent press is also under assault from the government, which already manipulates news through the state-owned monopolies of daily newspapers, news agencies, radio and television channels.

Three independent journalists are awaiting sentences after being conv[illegible] last week of question-

mation, as opposed to ordinary civil defamation charges, as a strategy of African leaders to settle personal grievances.

International Press Institute director Johann Fritz said recently in Harare that Zimbabwe, along with Togo, Ivory Coast, Cameroon and Zambia had all harassed journalists with criminal defamation suits.

Perhaps the most startling of the Mugabe government's efforts to restrict independent voices is the new law which empowers the government to control all non-governmental organisations. The Voluntary Organisations Act authorises the government to meddle in the affairs of non-government organisations, to remove board members it does not like and to appoint new board members acceptable to the government.

The new law allows the government to "virtually take over the running of non-government organisations on a number of vague and ill-defined grounds and lays the groundwork for abuse of [illegible]

Rights Association (ZimRights). He says the Mugabe government is frightened by the growth of civil society which feels free to criticise. Independent trade unions and women's groups are also seen to be heading towards conflict with the government.

But Zanu-PF's grip over Zimbabwe is not total. Last week fiery anti-corruption crusader Margaret Dongo won her court case to have her parliamentary election defeat declared invalid because of evidence of widespread state vote-rigging. It is expected several other Zanu-PF victories will be challenged in court by independents.

Robert Mugabe has one eye on the presidential election next year, which he wants to win by a tidal-wave majority to silence critics who suggest that after 15 years in power, and at 71, he should retire gracefully. Mr Mugabe has used other minority groups as scapegoats in recent years in well-publicised attacks against white farmers, Jews and white businessmen.

Mr Mugabe's new anti-gay crusade is viewed as an attempt to single out a new common enemy to galvanise an otherwise discontented public. A Zimbabwean newspaper columnist commented that with Mugabe's bitter anti-gay invective, it was "increasingly difficult to discern any difference between the way Moi mani[illegible] crusade is seen by members of Zimbabwe's fledgling civil society,

Press freedom advocates have identified the use of criminal defa-

says Ozias Tungwarara, executive director of the Zimbabwe Human

strategies and Zimbabwe's current political trends".

Poll 'cheating' gives Zimbabe's opposition rare rallying point

CRIS CHINAKA of Reuter reports from Harare.

ZIMBABWE'S fragmented and fractious opposition has found a rare rallying point in a landmark court decision it says confirms that President Mugabe's ruling party cheated at the polls.

The opposition believes last week's disqualification from her seat of an MP from the ruling Zanu-PF party over revelations of voting irregularities has given it ammunition in its fight to force Mr Mugabe to change polling rules and be more democratic.

High Court Judge George Smith ordered new polls in Harare South after state lawyers caved in to a challenge from outspoken independent candidate Margaret Dongo, who accused Zanu-PF's Vivian Mwashita of cheating in the April general elections.

Officials discovered when ballot boxes were reopened under court order that there were 1 024 more ballot papers in the boxes than the votes checked against the voters' roll.

The opposition, which remains largely divided by leadership quarrels and lack of coherent policies, has found the Dongo case a temporary rallying point, but analysts say the divisions run too deep for this to last.

"Some people may think the opposition is trying to boost its image, but we believe our electoral system must be able to survive judicial scrutiny," said Isaac Manyemba, a spokesman for United Parties.

"This case has exposed the whole electoral process. The balloon has burst. We now know that we cannot trust the very people who organise elections to run an honest election," Enoch Dumbutshena, president of the Forum Party of Zimbabwe, said in a statement.

"What Margaret Dongo has done is sufficient to discredit the whole electoral process ... and what Forum and other (opposition) organisations are going to do is to devote all their efforts and energies to challenging the constitution and electoral act."

Mrs Dongo, suspended from Zanu-PF before the April polls for insubordination and later expelled, lost by 1 097 votes to Mr Mwashita, an officer in Zimbabwe's Central Intelligence Organisation, who polled 6 287 votes in one of the bitterly contested areas.

Attorney-General Patrick Chinamasa agreed to Mrs Dongo's demand for a fresh vote after initially opposing it.

Zanu-PF chief political commissar Moven Mahachi said the ruling party's hands were clean.

"We did not and we never cheat (but) there may have been some problems," he said, blaming officials overseeing the polls.

Mrs Dongo said: "As far as I am concerned the election was rigged. That is how I interpret the court ruling."

Mr Mugabe's Zanu-PF, which won power at Zimbabwe's independence in 1980 by clinching 57 of the 80 parliamentary seats at stake then, has trounced the opposition heavily in subsequent polls in 1985, 1990 and in April this year.

Political analyst John Makumbe of the University of Zimbabwe said the Dongo controversy may be only the tip of the iceberg.

"I think we are going to see more cases of this nature going to the courts and it's quite possible that there were major irregularities in other constituencies," he said.

Already, the United Parties group which boycotted the April elections have filed a court bid to change electoral laws which they say are tilted in Zanu-PF's favour.

Political analysts say laws brought in by Zanu-PF, ranging from Mr Mugabe's presidential privilege of appointing 20 out of 150 MPs and a $4 million vote for the ruling party's coffers from the national budget, were enough to push the elections in Zanu-PF's favour before voting even began.

The main opposition Forum Party is challenging the ruling party's victory in a parliamentary by-election last month in Zimbabwe's central town of Gweru and the small right-wing opposition Zanu-Ndonga, a breakaway from Zanu-PF, says it will contest the results of at least half a dozen seats.

"It is good for the system to be challenged ... but more so it is important that Zimbabwe revisits its electoral laws to plug up the system and make it more democratic," Mr Makumbe said.

Zanu-PF controls 148 seats in the 150-seat parliament but opposition parties believe, perhaps wishfully, this does not reflect the true level of their support.

migoteu. Reuter.

State plan to buy posh homes rattles the peasants

ANDREW MELDRUM (362) ARLG 19/8/95
Foreign Service

HARARE. — A furore has erupted in Zimbabwe over the government's efforts to buy five posh properties in Harare's exclusive Borrowdale during a time of harsh austerity.

The five extensive properties, some more than 10 hectares, are estimated to be worth from R8,3 million to R14,5 million — far more than what has been allocated for peasant resettlement in the new budget.

It is believed the government wants to buy the properties because they overlook a residence that is understood to be used by President Robert Mugabe.

Neighbours have observed the presidential motorcade frequently visiting the residence.

They believe Mr Mugabe intends to use the property as a residence for Grace Marufu, his former secretary, with who, according to the independent magazine Horizon, he has fathered two children out of wedlock.

The 11-hectare property visited by the president is owned by Mr Mugabe's ruling party, the Zimbabwe African National Union - Patriotic Front (Zanu-PF), through one of its holding companies, M & S Syndicate.

M & S has extensive holdings, including the Zimbabwe Woolworth's store and more than 50 properties including houses, office buildings and farms.

It is said that the Ministry of Defence wants to buy the huge swathe of adjoining properties to ensure security around the party-owned residence.

The owners of the adjoining Borrowdale properties have been approached by a government property evaluater.

They have been advised by lawyers to comply with the government request if they wish to get full market value, according to the independent Financial Gazette. The weekly newspaper has not managed to get government comment about its efforts to buy the properties.

Elephants raid crops in drought-hit Zimbabwe

CT 23/8/95 (362)

OWN CORRESPONDENT

HARARE: An invasion of marauding elephants from Mozambique is destroying crops in drought-stricken north-eastern Zimbabwe, officials report.

While the environment ministry continues to stall on plans to "remove" more than 8 000 elephants by culling or transporting, young bulls have trekked into the Muzarebani area, where they are raiding granaries and destroying what litle grazing remains after a season of patchy rain, locusts and army worm.

A Department of National Parks spokesman said an elephant population count was to be attempted before strategies were devised.

Villagers in the Muzarebani area are reportedly reluctant to talk about the damage because they consider the elephants to be sacred and to have been sent by ancestral spirits.

Last year two people in the area were killed trying to frighten off crop raiders.

Conservationists say the elephants may be attracted by this year's glut of masau berries, a wild fruit. Elephants are raiding fruit spread out to dry to supplement the 10kg maize meal drought relief rations issued by the government.

Zimbabwe to localise tourism

FROM SAPA

(362)

CT (BR) 24/8/95

The Zimbabwe Council of Tourism said yesterday it supported the "indigenisation" of the tourism sector and was prepared to help aspiring entrepreneurs enter the industry, Ziana news agency reports.

However, David Chapman, the council chairman, said although meetings had been held with the government on the issue, there were no clear guidelines on how the process would be implemented.

"Indigenisation" is a loose term being used by both pressure groups and the government to explain the as yet undefined strategy of encouraging the participation of black Zimbabweans in the mainstream economy.

Some government ministers recently expressed concern about what they said was the lack of participation by black businessmen in the fast-growing tourism sector, one of Zimbabwe's major foreign currency earners.

Chapman, meanwhile, said the council would hold its first-ever congress in Harare on September 27 and 28, to coincide with the world tourism day celebrations.

The theme of the congress would be Tourism Towards 2000, and speakers and delegates would emphasise the importance of tourism to the Zimbabwean population.

"We shall examine the role of tourism in the overall economy, highlighting its potential to stimulate and lead national growth," he said.

He also said that he expected next year's tourism earnings would continue to grow at "a fairly good rate".

Support for Zim blacks in tourism

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(362)

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ARGT 24/8/95

ACCELERATOR

↑CENTRE

University council fired

(362)

HARARE. — Zimbabwe's government has sacked the 42-member ruling council of the country's main university after weeks of disturbances at the campus.

Higher Education Minister Ignatius Chombo told a news conference yesterday that he would appoint an interim council until a new ruling body was formed. ARG 24/8/95

Student demonstrations over grant payments led to demonstrations and looting at the university, causing an estimated Z$1 million worth of damage since June. — Sapa-AFP. ●

100 000 Aids orphans, minister warns

HARARE. — More than 100 000 children living on large commercial farms in Zimbabwe may be orphaned in the next five years because of the Aids pandemic, Agriculture Minister Dennis Norman said.

(40) (362)

The children might by then have lost both parents to the disease, he told a seminar on foster care for orphans, Ziana news agency reported.

Mr Norman called on farmers to draft a national programme to deal with the problem. More research was needed and the views of farmers were essential to tackling the problem.

ARG 24/8/95

About 15 percent of Zimbabwe's 10,5 million people live on commercial farms. — Sapa.

Zimbabwe's Chambati tackles official spending

(362) CT(BR) 25/8/95

By Andrew Meldrum

Independent Foreign Service

Harare — This is the winter of Zimbabwe's economic discontent.

The drought has shrivelled economic growth to just 1 percent, the budget deficit has soared to 13,9 percent of GDP and prices for staple maize meal have shot up 60 percent.

The harsh economic climate squeezes the general population and the business community is constrained by interest rates above 35 percent.

Not even President Robert Mugabe's government is comfortable.

It is under increasing pressure, at home and abroad, to carry out the painful measures needed to brighten the economic picture, such as reductions in government expenditure and the privatisation of the large state-owned corporations.

Taxes

Ariston Chambati, the new finance minister, did his best with the 1995/96 budget, presented to parliament at the end of July, to improve the economic outlook. He took measures to boost state revenue by increasing sales tax from 12,5 percent to 15 percent and by increasing taxes on fuels.

Although Chambati did not slash government spending, he took strict measures to stop ministries from overspending their budgets, as they have in the past.

The treasury has been strictly ordered to cut off payments to any ministry that spends its limit.

If he can hold the government to his budget he estimates he will bring Zimbabwe's deficit down to 6,9 percent of GDP of R19,6 billion by June next year.

The IMF has put significant pressure on Zimbabwe by suspending loans worth $100 million until it carefully examines Chambati's budget and overall government management of the economy.

A team of six IMF officials is expected in Harare in a few weeks to interrogate Chambati and other officials.

In the meantime, the World Bank has given a generally favourable endorsement to the budget.

"There are many positive aspects to the budget," says World Bank economist Kapil Kapoor.

"For the first time this government has acknowledged the private sector is the engine for economic growth.

"There has been an emphasis on the need for fiscal discipline and on new systems to ensure accountability."

It is not surprising that Chambati presented a budget viewed positively by the bank and Zimbabwe's private sector.

He is a well-respected businessman, who for more than 10 years was the chairman and chief executive of TA Holdings, Zimbabwe's largest locally owned conglomerate.

Zimbabwe's sky-high interest rates are widely seen as the biggest constraint on new investment, both domestic and foreign.

"If the deficit can be brought down to 6,9 percent of GDP, which appears achievable, then government borrowing on the local markets should be reduced," says Kapoor.

"That should reduce both inflation and interest rates. That would be good for the private sector and good for the economy as a whole."

Chambati set as his target bringing inflation down from 24 percent to 16 percent in June next year.

"That would imply a parallel reduction in interest rates by 10 percent to about 25 percent," says Kapoor. "If that can be delivered it would be very pro-private sector."

Tariffs

Another benefit to Zimbabwe's business and industrial sectors was the government's implementation of new tariffs to shield local industry from subsidised imports from South Africa.

Protective tariffs have been placed on second-hand clothes, cars, car batteries and engine parts.

"What is needed is a broad statement of the aim of tariff reform," says Kapoor.

He notes that the individual tariffs are welcome, but industry should know the government's overall strategy with the tariffs.

Another first in the new budget was the mention of privatisation by Chambati. The bank and the IMF have been calling on the government for years to privatise at least some corporations, including Air Zimbabwe, the national railways, the agricultural marketing boards and the electricity supply corporation.

Harking back to its socialist roots, the Mugabe government has stubbornly avoided selling off state holdings but confronted with the current harsh economic realities, the government is now contemplating some privatisation.

"Domestic debt is rising rapidly," says Kapoor.

"If the proceeds of privatisation are used to retire the government debt it would reduce pressure on the fiscus, reduce the debt burden and increase opportunities for the private sector.

"It could be very positive."

Other economists agree with Kapoor that Zimbabwe's new budget may be beginning to turn the economy in the right direction, as long as Chambati can ensure that the ministries stay within their spending limits.

Zimbabwe is to become a platinum producer

BD 29/8/95 (362)

Michael Urquhart

ZIMBABWE is gearing up to enter the ranks of the world's platinum producers, with new projects Hartley and Mimosa likely to add between 150 000oz and 300 000oz to world supply.

The Hartley mine, a joint venture between Broken Hill Proprietary and Delta Gold, will start stockpiling ore at the beginning of the year, and the production of platinum will start at the end of next year.

Hartley GM Colin Palethorpe said it would take the mine two years to reach full production of 2-million tons of ore — 150 000oz a year of platinum.

Mining had not started, but feasibility studies had shown the mine would be competitive with SA producers. Mining would take place at depths of between 100m and 500m, with a head-grade of 5,1g/t.

This was BHP's and Delta Gold's first venture into platinum mining, typically dominated by the SA mining houses. Palethorpe said expertise had been acquired from Zimbabwe and SA.

At the Mimosa project, being undertaken by Zimasco, the pilot plant had been upgraded to 250 000 tons of ore a year. MD Mike Foreman said it would be another six months before a decision could be made on whether to go ahead.

He said most of the metallurgical problems encountered had been solved by the purchase of a second mill but there was still a problem with the mine's platinum recovery factor. The upgraded mill would be run for six months to see if the recovery problem could be sorted out.

Once a decision had been taken to go ahead with the project, the next step would be to find backers for the $150m needed to fund it.

Palethorpe said he was not concerned about the effect the extra platinum would have on the world market.

Hartley's production represented only about 3% of world supply, and should be easily absorbed, he said.

NEWS FOCUS

Zimbabwean textile companies are fighting for their survival

(362) MD 30/8/95

Grant Moodie

THE textile industry in Zimbabwe is in the grip of a recession stemming from the decline in consumer spending power as a result of serious droughts in 1992 and last summer. It badly needs the type of help from SA being promised through a preferential trade agreement — to the chagrin of local producers.

In terms of the plan, Zimbabwean clothing and textile manufacturers will be able to buy materials in SA at preferential rates and re-export the products to SA duty free. The agreement, due to be implemented at the end of October, is being strongly opposed by the SA textile industry and labour unions.

Zimbabwe had been unhappy about the protective tariffs imposed by SA — its biggest prospective market — though it claimed volumes would still be only a small percentage of SA imports.

There was a partial recovery of fortunes for the Zimbabwean textile industry last year, but it was not enough to prevent the closure of Cone Textiles with its 6 000-strong workforce, as well as four smaller firms which affected another 1 500 employees. There has been little investment in the industry since.

The poor economic conditions have left textile managements with survival rather than expansion as their key task, says Central Africa Textile Manufacturers' Association chairman Ray Woolley, who is CE of David Whitehead Textiles — overwhelmingly Zimbabwe's biggest producer.

The dire situation in the past few years has been compounded by the international recession and Zimbabwe's economic structural adjustment programme, and consequent high interest rates. For David Whitehead it has been necessary to reduce borrowing by raising equity capital.

Interest rates in Zimbabwe were 15% to 20% before the programme. Subsequent budget deficits have pushed them upwards into the 30% to 40% range, and investment in the manufacturing sector has not been an attractive proposition.

Declining disposable income caused by retrenchments has hurt manufacturers of consumer goods, such as the textile industry, almost as much as the retailers.

The upside of the programme has been greater accessibility to foreign exchange and an increased variety of consumer goods being available. The removal of duties on capital items last year has eased surcharges on spare parts and raw material inputs, such as synthetic fibres and yarns, dyes and chemicals. But this came too late for David Whitehead to benefit fully, as capital equipment imported when duties and taxes were 45% of cost is still being paid for.

The international competition ushered in by the programme has exposed local producers to the dumping of excess production and smuggled goods onto a poorly defended market. This applies in textiles more than any other industry.

While the domestic market for Zimbabwe's textiles is being curtailed by imports, notably from the Far East, the prospects for increased exports are hardly rosier. The full implications of the new developments are not clear, but at present bulk production cannot be exported to SA because of the high protective tariffs stipulated by a 1964 bilateral trade agreement.

David Whitehead, though it is the country's biggest producer, has no exports to SA at all at the moment, and has been forced over the years to seek smaller alternative markets, although there is a knock-back effect in that some of the garment manufacturers the company sells to are exporters to SA.

Woolley's figures for Zimbabwe's textile exports, and particularly value-added clothing exports, suggest that they constitute about 2% of SA's textile imports, with the potential to increase to 4% should the current barriers be removed. Zimbabwe producers say this would have a minimal effect compared with the threat to SA manufacturers from Dubai, Pakistan, Indonesia, Taiwan and China.

Southern Africa's textile industry needs an effective customs policing system for its future well-being, they say. The Zimbabwean view is that it is pointless having 65% import duties if these are not applied strictly at points of entry, and if the industry is to contribute to the fiscus as it could, then high dumping tariffs are essential. With Africa being probably the world's least discerning market, it is an ideal target area for excess clothing at the end of a production line focused on sophisticated markets in North America or Europe.

In theory, because its imports usually have to pass through two border posts, Zimbabwe should be less vulnerable to smuggled goods than SA, yet shipments consigned to Zaire, for example, frequently end up on Zimbabwean shelves.

One advantage Zimbabwe's industries do have is the duty-free access to European markets facilitated by the country's membership of the Lomé Convention, although no more than 25% of an item's total inputs may be sourced externally.

David Whitehead's experienced workforce — very productive by SA standards — and its long-established customer base in internal and external markets hold out hope for its future.

Despite its problems, the balance sheet is still relatively healthy, and having a multinational company of Lonrho's stature as a major shareholder should give it a fair chance of fighting off foreign competition.

A disadvantage of being part of a limited domestic economy is having to deal with distant suppliers, as reliable local suppliers of materials and spares are scarce. The new deal with SA would be a boon in this respect.

Whitehead's crucial interaction with the Cotton Company of Zimbabwe (CCZ) has proved difficult of late. It has to buy on a short-term basis while international buyers are able to book and cover their requirements. Until recently Whitehead was forced to buy local cotton — irrespective of quality — resulting often in low inventories, with the knowledge that competitors were paying lower prices for their cotton.

It makes no sense to the textile industry that the requirements of local spinners for locally produced cotton are not regarded as being of paramount importance, and have to take a back seat to Zimbabwe's cotton exports — particularly to SA. Instead of the known figure for the textile industry's requirements — approximately 35 000 tons a year — being set aside, the cotton crop this year was hopelessly overestimated.

About 24 000 tons were committed to exports by CCZ on the strength of a 70 000-ton crop estimate, which after the drought turned out to be 35 000 tons, leaving textile producers with the neat figure of 24 000 tons to be imported.

The current malaise has caused the CCZ, farmers and the textile industry all to protect their own interests, which is not necessarily good for Zimbabwe. Matters are exacerbated by the lack of a trade and industry minister — the previous incumbent Chris Ushewokunze died in a car accident two years ago, and since then Tourism and Environment Minister Herbert Morewa has had both roles in an acting capacity.

This has not alleviated statutory regulations hampering manufacturing.

Ahead of the latest move by SA, Whitehead had been contemplating three possible courses:

- □ The dyeing and spinning capacity of its plants could be reduced to cut costs;
- □ A reduction in the current pricing structure for essential imports, such as cotton, which would have a positive effect; and
- □ Government assistance for exporting manufacturers through preferential finance, which would also make a positive difference.

Textile Federation of SA director Brian Brink said that while he sympathised with the predicament of the Zimbabwean textile industry, and did not necessarily dispute the figures given for SA imports, the issue was not a simple one.

"South Africans are not responsible for the problem," he said. "The real cause is the misguided policy of the Zimbabwean government.

"It needs to be convinced that Zimbabwe's textile industry is highly vulnerable, and has been thrown to the wolves as a result of IMF and World Bank financing conditions."

Brink agreed the volumes set by SA 30 years ago for Zimbabwean imports were no longer adequate. But if Zimbabwe were to be given special import preferences, the country could become a conduit for increased dumping on the SA market, much as Malawi, with its favourable trade agreement, is being used.

A more viable alternative for the SA textile industry was the possibility of joint ventures with Zimbabwean producers, bearing in mind Zimbabwe's favourable wage rates and high productivity levels.

SA company bids for Zimbabwean steel firm

Martin Rushmere (362) BD 31/8/95

HARARE — SA heavy engineering specialist Steinmuller has become one of the main bidders for a quoted Zimbabwe steel fabricator and engineering company, Zeco, which has been put into provisional liquidation because of massive losses.

Steinmuller is the latest SA explorer to probe the Zimbabwean industrial scene, for 15 years forbidden territory because of political taboos.

Trading in Zeco shares has been suspended at 10c and the company has warned that the losses are worse than originally thought.

No detailed comment has been forthcoming, but it is understood that the losses are about R80m, against an asset value of R70m. Bank borrowings total R40m.

Steinmuller is conducting a "due diligence" analysis of the accounts to ascertain just how bad the situation is, say Zimbabwe Stock Exchange sources.

Zeco's final results for the year to end-February have been delayed and the company has asked for permission from the exchange to extend the announcement beyond the maximum six-month limit.

If it disappears from the exchange because of bankruptcy, the Bulawayo company will be the first to do so in 25 years.

Although there had been rumours of trouble, no hint was given in the interim report for the six months to August, when the forecast was for a full year's net profit of R4m. Last year's net profit was R3,5m on turnover of R55m.

Zimbabwe may rethink limits of ownership

Martin Rushmere (362) BD 4/9/95

HARARE — President Robert Mugabe's government has been trapped by its own rules limiting foreign ownership in its bid to sell its shares in Zimbabwe's largest quoted company, Delta Corporation, financial sources here said.

They predicted the finance ministry would have to relax the 25% limit imposed on quoted companies at the height of Mugabe's "economic nationalism" phase after 1980 independence.

Foreigners now own 22% of Delta, a brewery, hotel, retail and soft drink conglomerate which has a turnover of R1bn on assets of about R2,5bn. The 25% limit on foreign ownership excludes the percentage held by foreigners as of June 1993.

Market sources in Harare said foreigners were the only serious potential buyers of the government's remaining 27-million shares in Delta, worth about R130m at ruling market prices.

Speculation by vocal "indigenous" black business groups that the government had banned the sale of any more shares to outsiders was discounted.

"The government is hungry for the money and will sell to whoever has it," said a broker in Harare.

"It is now desperate for cash and cannot afford to start going into the credit business. The international lenders are extremely unhappy about the size of government borrowings and are insisting that shareholdings in private companies are sold to get in some money. There are plenty of other quoted companies in which the state has a sizeable holding."

"The limits on ownership will have to be lifted if any sizeable outside interest is sought."

Zimbabwe funds released

FROM SAPA CT (BR) 7/9/95 (362) ~~321~~

Harare — Zimbabwe's central bank yesterday began the release of about US$12 million of profits and dividends belonging to foreign-based companies that have been sealed in a "blocked funds" system introduced 30 years ago by the former Rhodesian government to prevent the flight of capital.

Leonard Tsumba, governor of the Reserve Bank of Zimbabwe, said in a statement that restrictions on the repatriation of corporate blocked funds would be lifted "with immediate effect".

The release of the funds would be phased in and take place over three years.

The move follows a promise in January this year to release Z$100 million in blocked funds, at the same time that the government announced that for the first time in three decades foreign-based companies could remit abroad all after-tax profits and dividends.

Tsumba said that when the balance of payments was permitted, the bank would release "other blocked funds", a reference to an estimated US$35 million in blocked personal accounts.

Zim locals told to seize white land

CT 11/9/95 (362)

BULAWAYO: Vice-President Joshua Nkomo has urged his countrymen to seize white-owned land and criticised the slow progress in the government's programme to resettle landless peasants.

Mr Nkomo said land seized by white settlers before independence in 1980 should be returned to its "rightful owners", the Zimbabwe Inter-African News Agency reported.

"I challenge ... young party leaders, government and the black people in general to take back your land. The whites didn't buy it, they took it by force — so do the same," he said.

Ceremony

Mr Nkomo was speaking at a ceremony marking the start of construction of a cultural centre in Bulawayo on Saturday.

In July, the government said that since independence it had given land to less than one third of the 160 000 peasant families targeted for resettlement.

A shortage of money to compensate white farmers and carve properties into peasant smallholdings has held up the programme.

About 4 000 white farmers occupy about the same amount of land as one million indigenous families. — Sapa-AP

Preferential tariffs for Zimbabwe slammed

(362)

Star 12/9/95

BY FRANCOISE BOTHA

South African textile manufacturers have slammed the re-instatement of preferential tariffs on imports from Zimbabwe, saying it will re-open the sluice gates for dumping by producers from the Far East and will cost the local industry jobs.

The Textile Federation (Texfed) said yesterday that assurances by the government that a number of safeguards such as quotas, customs controls and the monitoring of import volumes would be established, could not be relied on.

Brian Brink, the executive director of Texfed, said the customs and excise department had acknowledged that it was unable to guarantee adequate control of imports into South Africa.

"Zimbabwe has bilateral trade agreements with Botswana and Namibia. If customs control of imports is already so weak, how can we ensure conformity to other trade agreements among southern African countries? The effect will be the re-routing of cheap goods from the Far East," he said.

The industry said strict safeguards to enforce certificates of origin had failed in the past. South African textile mills said it was well known that falsification of certificates of origin was carried out on a large scale

Texfed said it wanted to know whether this was done in spite of Zimbabwean government efforts to contain it, or whether it occurred with their tacit approval.

The customs sieve would not only let through cheap, re-routed imports, but also cost the local economy jobs, said Brink.

Assurances by government include an investigation of employment implications before the preferences are agreed to on Friday.

John Balladon, the chairman terry towelling Glodina, said Zimbabwe had one of the largest terry towelling manufacturing facilities in southern Africa and restoring the trade agreement could result in 25 percent of the South African market being lost to Zimbabwe.

IMF stops loans to Zimbabwe

ARB 15/1/96 (362)

□ *Mugabe told to cut state spending*

HARARE. — The International Monetary Fund (IMF) has suspended key loans to Zimbabwe until the Mugabe government reduces expenditure and privatises large, unprofitable state-owned corporations.

The suspended balance of payments loans are estimated to be worth $100 million (Zim $880 million), although neither the IMF nor the government has announced the exact amount.

Unless Zimbabwe successfully cuts its spending the World Bank and other western donors may follow the IMF's lead and withhold financial support. Further painful measures demanded are a reduction of inflation, currently at 24 percent annually, and the reduction of sky-high interest rates at 35 percent and more.

This economic pressure on Zimbabwe is compounded by the current serious illness of Finance Minister Ariston Chambati, who has been hospitalised for an undisclosed illness twice this month. His condition is serious, according to family members. Mr Chambati's current incapacity leaves the government without a strong leader in the finance ministry.

The IMF has placed Zimbabwe on a "shadow programme", which will put the government's economic performance under surveillance until March 31, 1996.

The IMF suspended loans for support of Zimbabwe's balance of payment because of its dissatisfaction with the government's continued high expenditure. Over-spending pushed Zimbabwe's budget deficit up from the target of six percent of GDP to an astronomical 13.6 percent this year. Zimbabwe's GDP is estimated at $5 billion (Zim $44 billion). To finance the budget deficit the government has borrowed heavily on the local market, taking up an estimated 60 percent of available capital. The shortage of capital has pushed interest rates up, which is seen as the most serious constraint on new investment, domestic and foreign.

Zimbabwean officials have downplayed the severity of the IMF suspension, but it means that the government will have to draw from its coffers to pay for its imports in foreign currency. This is not disastrous because Zimbabwe's current balance of payment is relatively healthy.

"We have five and half months' supply of foreign currency as import cover," said the government's senior secretary for finance Charles Kuwaza. "Yes, they will fall, but with our tobacco and mining sectors doing well, we will be able to cope. We must for the time being be prepared to ride the turbulent waves."

The World bank's resident economist in Zimbabwe, Kapil Kapoor, agreed that the IMF move should not throw Zimbabwe into an economic crisis. "It is not so serious, but it should prompt the government to keep to its budget pledges to reduce spending," said Mr. Kapoor.

"The government is sending a delegation to Washington next month to talk to the IMF, and hopes to renew the IMF programme in 1996." — Independent Foreign Service.

Tourism hope in Zimbabwe

HARARE— Zimbabwe's key tourism industry expects its earnings to jump to around Z$2,5bn this year from Z$1,5bn in 1994, a top tourism official said yesterday.

Nelson Samkange, director-general of the state-backed promotional Zimbabwe Tourism Development Corporation, said tourist traffic to the region had increased significantly due to relative political stability and since SA's elections last year.

Slightly more than 1-million tourists — the majority of them from SA — visited Zimbabwe in 1994, and the figure was expected to rise above 1,2-million this year.

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Zimbabwe's main tourist attractions are the Victoria Falls in the northwest as well as its wildlife parks.

Tourism accounts for 5% of the Zimbabwe's GDP. — Reuter.

BD 29/9/95

Libya poised to deport Sudanese, Egyptians

CAIRO — Libya has notified Sudan that 300 000 of its workers must leave the country but has given its neighbour three months to supervise the exodus, a Sudanese official said yesterday.

Meanwhile, about 1 500 Palestinians who were reportedly being deported had been held up at the coastal town of Tobruk, about 100km west of the Libyan-Egyptian border.

An international aid worker said the stopover apparently came amid rumours that Egypt had threatened to close its border with Libya.

But an official at Egypt's interior ministry denied a closure was being considered. He said 150 Palestinians were allowed to cross into Egypt yesterday en route to the Gaza Strip.

On Wednesday 25 Palestinians had crossed the frontier en route to Jordan, residents of the area said. More than 170 Palestinians crossed from Jordan to Israel on their way to Gaza.

Libyan leader Muammar Gaddafi ordered Palestinians to leave to show his displeasure with the Israel-PLO peace process. The latest pact, granting autonomy to Palestinians in the West Bank, was to be signed yesterday at the White House in Washington.

But Libya is also throwing out thousands of other workers, including Egyptians and Sudanese. The government says they lack proper work or residence permits. It has said it wants to open jobs for Libyan workers.

More than 1-million foreigners were believed to work in Libya, including an estimated 450 000 Sudanese and 30 000 Palestinians.

In Khartoum an official at the Sudanese Expatriate Organisation, Salah Amasaeb, said 300 000 Sudanese had to leave Libya, but Libya had given Sudan until December to organise their departure.

"They have appreciated the way we have taken up the matter, which is forming a high-level committee to handle the matter and our sending a team to Libya," he said.

Libya and Sudan signed an agreement in March 1990 for the free exchange of workers, goods and capital and called for their unification in four years. The pact has become practically meaningless. — Sapa-AP.

Mugabe government debt destroying private initiative

Michael Hartnack

(362) BD 29/9/95

HARARE — Private sector credit problems and the need to provide for R2,7bn public sector debt service and R2,2bn capital repayments now "cast a long shadow over the Zimbabwean economy", Anglo subsidiary First Merchant Bank (FMB) warns in its quarterly review.

In its recent budget "the government yet again appears to be trying to find ways of deflecting the penalties for its own lack of discipline onto the private sector", the review says.

"Despite certain ministries being totally unnecessary and the serious over-staffing and inefficiencies in many others, the pace of public-sector restructuring has been slow and hesitant.

"As the cost of maintaining each unnecessary government employee on the payroll is probably helping to destroy two or three formerly productive jobs in the private sector under current conditions, government's concern for the welfare of its own employees is misplaced and unhelpful," FMB adds.

Debt service now comes to 47% of this year's total expenditure. Zimbabwe had come to the limit of its debt-carrying capacity before it moved toward market oriented reforms in 1990, said the review.

While the private sector responded to soaring internal interest rates by trying to use money effectively, and by selling assets such as buildings in order to repay loans and avoid liquidation, President Robert Mugabe's government had continued to spend rather than invest borrowed money.

"By following a similar course and selling state-owned assets as so often promised, government could also repay a large proportion of its debt and relieve the whole country of the consequences of its debt service burden — the high interest rates and a substantial proportion of the high level of inflation that is rapidly eroding the population's already very modest standard of living," FMB says.

The latest government figures show a 0,2% rise in inflation to 23,7%.

Maturing special Reserve Bank bills were renewed for 91 days at the end of July at a discount rate of 29,5%, leaving the basic rate structure unchanged since December last year despite increased liquidity levels, FMB notes.

In an article in the latest journal of Zimbabwe's Institute of Directors, economist John Robertson notes inflation has destroyed half the value of the Zimbabwe dollar (currently 2,4 against the rand) since mid-1992, more than 90% of it since independence in 1980.

Row in Zanu-PF over poll 'rigging'

BD 4/10/95

(362)

HARARE — Fresh protests have rocked Zimbabwe's ruling party over charges that some of its leaders rigged the latest primaries to choose candidates for municipal elections due later this month.

Some political analysts, while believing the outcry poses no immediate threat to Zanu-PF leaders or President Robert Mugabe, say it could be part of a gradual break-up of their long and cosy dominance of Zimbabwe's politics.

"The bottom line is that the level of dominance within the party is very high. In many cases the leaders just dictate their wishes, but under the guise of democratic structures, and they will continue to do so for as long as the (political) opposition remains weak and divided," said John Makumbe, a political scientist at Harare's University of Zimbabwe.

"They don't see any immediate threat from such behaviour or reason to change. But I see it as a process of self-destruction. Resentment is rising around them, and in the long run ranks will break," he said.

Last weekend more than 200 Zanu-PF members charged they were grossly cheated at local government primaries for elections set for October 28-29 because some party leaders "purposely omitted" their names.

Hundreds of party supporters protested, saying the voting venues and voters' lists were changed without notice or at very short notice in favour of preferred candidates.

Conflicts within Zanu-PF are at the heart of political life in Zimbabwe because the party dominates all others so overwhelmingly that they pose no credible challenge. It holds 148 out of 150 seats in parliament.

Zanu-PF chiefs strongly deny they fake democracy, dismissing such charges as either sour grapes by losers or malicious propaganda by opponents.

"To portray Zanu-PF as a dictatorship is a false picture and could be painted by Satan himself," comments the party's weekly newspaper, The People's Voice, glossing over "small disputes that are normal of any party".

Earlier this year, Zanu-PF was hit by a series of revolts over the conduct of primaries before April's parliamentary general elections.

Party leaders reacted coolly to the latest charges. "The party will only carry out investigations (in Harare) if the complaints are aired through the proper channels," said Zanu-PF politburo member Emmerson Mnangangwa.

Last week, Mugabe and his politburo lieutenants threw out all but one of 18 candidates chosen by provincial leaders to fill the newly created posts of town executive mayors.

The 25-member politburo appointed its own candidates, saying: "We were not satisfied with all the people that had applied." — Reuter.

Merger to wrap up world's packaging leaders

(362) CT(BR) 5/10/95

FROM SAPA

Harare — Crown Cork and Carnaud Metal Box (CMB), both international companies, with plants in Zimbabwe, are to merge to become one of the largest packaging companies in the world.

Crown Cork's regional director, John Tasker, said in a statement yesterday that this would be a combination of the leading players in the North American and European packaging markets, with total sales of more than Z$10 billion.

CMB is a major European packaging manufacturer headquartered in Paris, while Crown Cork is also a leading worldwide producer of metal and plastic packaging products with its headquarters in Philadelphia.

The merger was expected to have a transaction value of Z$5,2 billion and was believed to be one of the largest in the packaging industry worldwide.

Crown Cork said it had already signed an exchange offer agreement with the largest shareholders of CMB, Compagnie Generale d'Industrie et de Participation (CGIP).

"CGIP has agreed to exchange its CMB shares for equity securities offered by Crown and would commence an exchange offer in Europe in which each CMB shareholder could elect either cash or equity securities following receipt of all necessary approvals," said the company.

Meanwhile, Crown's president, chairman and chief executive, William Avery, said: "We will be the world's premier packaging company, well positioned to serve customers that include global marketers of a wide range of consumer products." He said they would have a worldwide foundation for continued international growth.

Crown Cork has 152 plants in 42 countries.

No date was given for the formal creation of the new company, but it is most likely to be before the end of the year.

No comment could be obtained from CMB.

Key women advise Zimbabwe courts

(362) ARG 6/10/95

Staff Reporter

TWO women who play key roles in the running of South Africa's first specialised sexual offences court — in Wynberg — have been asked by the Zimbabwean government to help set up similar courts there.

Former prosecutor Denise Greyling and sexual offences victim support services co-ordinator Elzabe Dürr-Fitschen fly to Harare on Sunday.

Ms Greyling was prosecutor at the Wynberg court from its inception in 1993 until her transfer to the attorney-general's office recently.

Ms Dürr-Fitschen is attached to the Western Cape department of welfare.

They have been asked by Zimbabwe's department of justice to help set up "victim-friendly" courts and, more particularly, to train key personnel.

Cape Attorney-General Frank Kahn said the invitation from Zimbabwe was recognition for a project that had already won "remarkable" support from the community.

"I would submit that the victim of a sexual offence must be provided with a safe passage on the difficult and often frustrating path towards the eventual attainment of justice.

"In this regard the court experience must be made as comfortable as possible, thereby avoiding a double-trauma syndrome for the victim.

"It was with this specific goal in mind that specialised courts such as the sexual offences courts in Wynberg and Cape Town were created," said Mr Kahn.

The establishment of the Wynberg court was preceded by wide consultation between the Attorney-General's office, non-government organisations, social workers and other experts in the field.

A rape forum was established, which still meets quarterly to monitor the progress of the court and other matters that might arise.

Gloom as Zimbabwe sinks deeper into a debt trap

ROBIN DREW
Foreign Service

(362) 7/10/95 PRA

HARARE. — The extent of the debt trap into which Zimbabwe has plunged has been revealed by First Merchant Bank in its quarterly report.

It says the debt and the need to provide for the debt service now casts such a long shadow over Zimbabwe's economy that almost all the country's economic policies are having to be designed to accommodate it.

In the current year debt service will amount to 47 percent of total expenditure and net lending of R10,6 billion.

Total debt service payments come to almost R416 million a month, or R14 million a day.

In much the same way that Russia and its East European partners worked themselves deeper and deeper into debt while they were following socialist economic policies, Zimbabwe was also building up an unsustainable debt burden before it made its move to market economy principles, says the report.

The bank says the question of the limits of its debt-carrying capacity relates much less to the amount borrowed that it does to the way in which the borrowed money was used and the debt service that must be paid, whether or not the money was put to good use.

Because Zimbabwe appears to have used borrowed money so ineffectively, more money has to be borrowed to repay previous loans and recently with the steep increase in interest rates, the debt service burden has grown so quickly that money has had to be borrowed just to pay the interest on outstanding debt.

Urging the government to curb spending by getting rid of unnecessary ministries and serious overstaffing, the bank also suggested that the government follow the lead of businesses that liquidated assets to pay back loans more quickly.

By selling state-owned assets as so often promised, the government could also repay a large proportion of its debt and relieve the country of its debt service burden.

Debt trap takes a heavy toll on Zimbabwe

362

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The bank urges the government to curb spending by getting rid of unnecessary ministries and serious overstaffing. It also suggested following the lead of businesses that liquidated assets to pay back loans more quickly. – Independent Foreign Service

Star 7/10/95

Zim 'plotter' held

(362) CT 12/10/95

HARARE: The alleged leader of a rebel group accused of plotting to assassinate President Robert Mugabe and overthrow his government has been arrested, it was reported here yesterday.

Zimbabwean Mr Simba Mhlanga, 32, appeared in court here on Tuesday.

He was remanded in custody after he was arrested in Mozambique to answer charges of conspiracy to murder and engaging in acts of sabotage and terrorism.

Police have refused to comment.

Mr Mhlanga allegedly leads an 11-member group known as the Chimwenje Freedom Fighters that was trained in Mozambique to kill Mr Mugabe and overthrow the government. — Reuter

Delta Gold expands exploration activities

(362) BD 13/10/95

HARARE — The Australian developer of Zimbabwe's largest venture, the Hartley platinum mine, said yesterday it had embarked on another major exploration programme of base and precious minerals.

Delta Gold, the joint developer of the Hartley Mine with BHP Minerals, also of Australia, said its subsidiary, Masasa Mines, was concentrating on gold and diamonds in various parts of Zimbabwe.

"The diamond programme is in its fifth year and Masasa now holds some of the prime diamond exploration areas in Zimbabwe," Delta said in its 1995 annual report. Three areas were progressing into a detailed evaluation phase following identification of minerals. Diamond exploration activities were also concentrated in the south of the country and at Kariba in the north.

The company said Masasa had expanded its gold exploration activities to the Makonde area, north of Harare, and to the Midlands province. Other gold sites had been identified in Shamva, the Mashonaland area, the Midlands and Bulawayo. In addition Masasa was heavily involved in the exploration of nickel, and had taken a six-month option in the liquidated Kamativi tin mine.

Meanwhile, Delta said the Hartley platinum mine project was on schedule and ore stockpiling had begun. This would be used to commission the process plant now under construction. — Sapa.

Rains awaited to revive Zimbabwe's bourse

(362) ET(BR) 19/10/95

BY EMELIA SITHOLE
REUTER

Harare — Zimbabwe's share market should rise steadily in the next month on high hopes of good rains to lift the country's agriculturally based economy out of a drought-induced depression, market analysts predicted.

They said cheap prices on the Zimbabwe Stock Exchange gave scope for a strong rally if there were reasonable rains this year. The rains normally start in mid-November.

Foreign and local demand ahead of the rains had lifted the exchange's industrial index to new highs in recent days. It closed at a record 3874,47 points on Tuesday.

"We should see that trend continuing until the onset of the rains. Once they start and it looks like it's going to be a reasonable rainy season the pace should build up a bit," said Trudy Cashell, the deputy chairman of the exchange.

Agriculture comprises about 25 percent of Zimbabwe's economy.

Mike Tunmer, the chairman of the exchange, said speculative buying — although in thin volumes — mainly by local investors anticipating good rains, had seen a rise in trade in the past month. Market analyst Mike Huggett, of stockbroking firm Corporate Securities, said that most of the demand had been for heavily weighted stocks such as conglomerate Delta, and Barclays Bank of Zimbabwe.

Many other shares had yet to move and were unlikely to do so until the onset of the rains, he said.

"There has been some buying by local investors but there has not been big money from the institutional investors. Everybody is inclined to wait until the rains come," Huggett said.

The speedy appointment of a new finance minister to fill the post left by Ariston Chambati's death earlier this month could also provide a confidence boost for the exchange.

But Tunmer said the market would ease off towards the end of the year due to an expected increase in annual inflation and an attendant rise in interest rates.

Local economists expect annual inflation, which stood at 23,7 percent in August, to rise to about 25 percent by December, forcing up interest rates to over 30 percent.

"To maintain an upward trend in the market, we need to have falling inflation and interest rates in the new year, decent rains and stabilisation of the local currency," Tunmer said.

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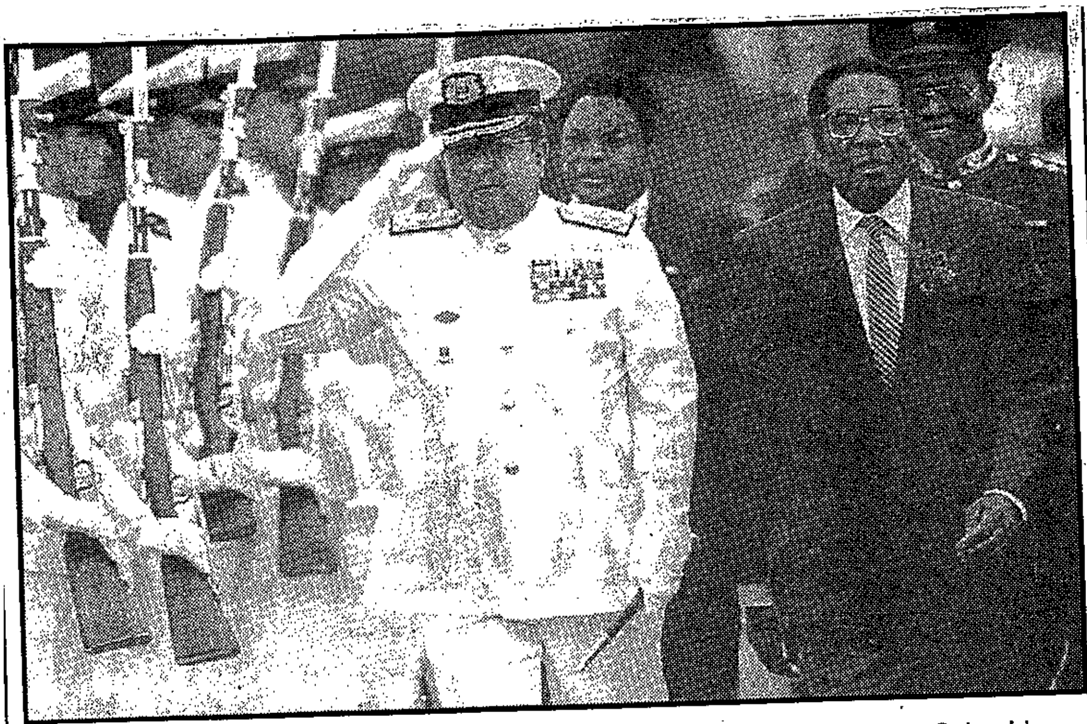


TAKING SALUTE: Zimbabwean president Robert Mugabe is escorted by a Colombian Navy admiral after his arrival in Cartagena where delegations from 113 non-aligned countries are meeting.

Election boycott a challenge to Mugabe

ARG 19/10/95 (362)

□ *Opposition demands change in electoral laws*

HARARE. — Most of Zimbabwe's opposition parties are to boycott local government elections this month as part of their efforts to press President Robert Mugabe's government to change electoral laws.

Political analysts and critics say the boycott — the second in seven months — is embarrassing to Mr Mugabe and his ruling Zanu-PF party, both facing growing accusations that they are playing a rough electoral game to stay in power.

Zanu-PF won office 15 years ago at Zimbabwe's independence and has swept three other five-yearly parliamentary elections in 1985, 1990 and this year's April polls, which were spurned by some of the main parties.

The April boycott over electoral laws, including those allowing Mr Mugabe to fill 20 seats with presidential appointees and traditional chiefs, left Zanu-PF the winner with 118 seats before polling even started.

It ended up controlling 148 of parliament's 150 seats after losing just two to the small rightwing Zanu-Ndonga party of veteran opposition leader Ndabaningi Sithole, who was arrested last Saturday on charges of plotting to assassinate Mr Mugabe and to overthrow the government.

The weak and divided opposition believes that whatever chance it may have had of winning seats has been shattered through the allegedly unfair practices, including an annual Z$30 million (R11,8 million) state grant to Zanu-PF and the appointment of some "biased" officials to run elections.

Analysts say Mr Mugabe was saved embarrassment in April by the participation of at least two national opposition parties — Zanu-Ndonga and the Forum Party of Zimbabwe.

But only Zanu-Ndonga is contesting the October 28-29 local government elections.

"I think it's embarrassing to claim you are a winner in elections in which everyone else says the rules are not fair," said political analyst John Makumbe of Harare's University of Zimbabwe.

Zanu-PF political commissar Moven Mahachi, whose party has already won 172 of 242 seats at stake in the October local government polls without any opposition, says those boycotting are doing so to cover up their lack of support.

"There is no question of us getting embarrassed. Our opponents simply have no support and we cannot answer for them," he says.

But independent groups, including Zimbabwe Human Rights (Zimrights), which monitored the last general elections, are supporting calls for changes.

"It is clear that the framework for the supervision and management of elections has serious weaknesses which ought to be rectified," Zimrights says. — Reuter.

Zimbabwe's old guard fights it out

(362) MG 20-26/10/95

den Wetherell in Harare

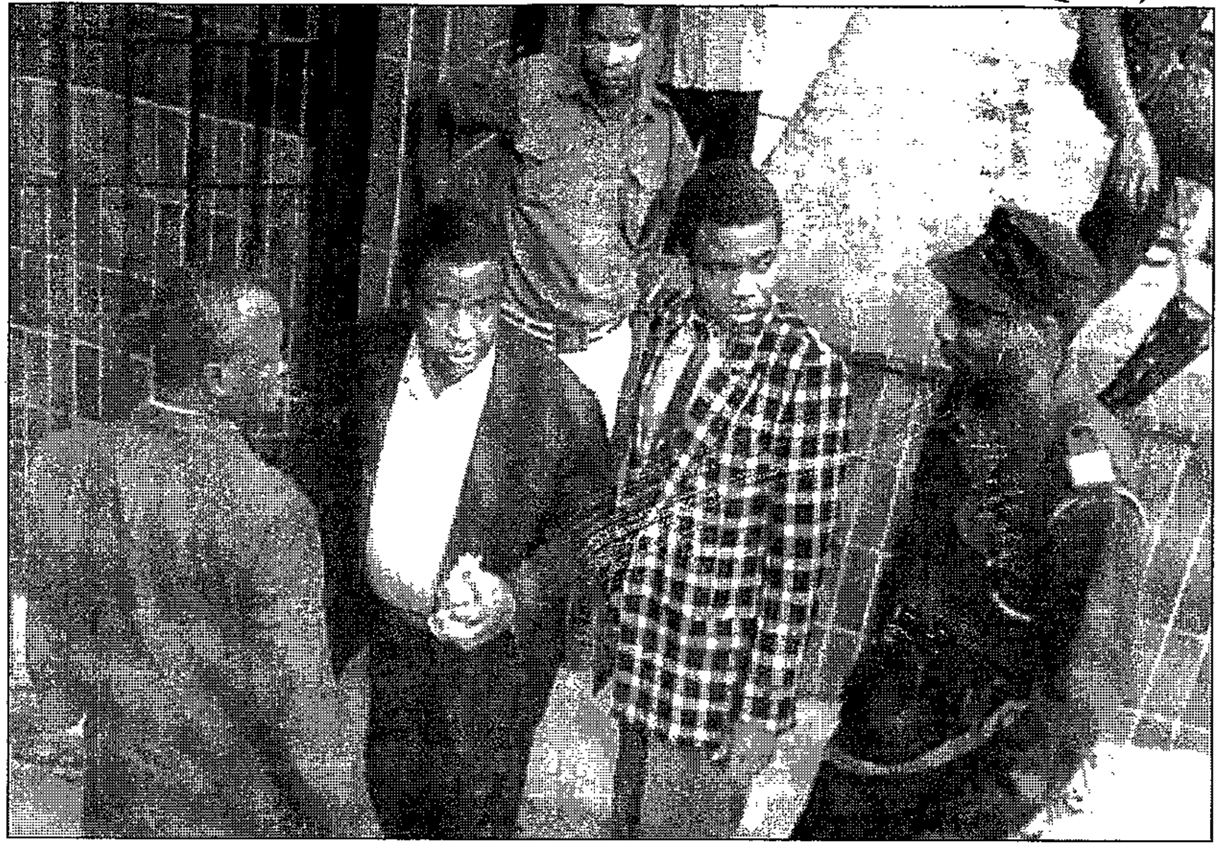
"THE duel of the dinosaurs" is how one of Harare's more jaded political commentators described the 2-year tussle between Zimbabwe's eteran politicians Robert Mugabe nd Ndabaningi Sithole which took a ew turn this week.

Sithole, now a veteran opposition eader, appeared in court on Monday n connection with an alleged plot to ssassinate President Mugabe.

Founders of the ruling Zanu PF arty, the two have been locked in nortal combat since the early 1960s when Sithole was Zanu president nd Mugabe its secretary-general.

Ironically, it was Sithole's involvement in an earlier assassination ttempt that marked the beginning of is eclipse by Mugabe — at 72, four ears Sithole's junior. During his 969 trial for conspiring to kill rebel Rhodesian leader Ian Smith, Sithole was induced to forswear his commitment to the armed struggle.

That proved the catalyst for his displacement by Mugabe in a detention-amp coup in 1974. Both men were released later that year as part of a olitical amnesty.



Ndabaningi Sithole (second from left) is escorted to the cells beneath Harare magistrates court PHOTOGRAPH: AP

Mugabe went to Mozambique where he placed himself at the head f guerrilla forces waging war gainst's Smith's minority regime. Sithole stayed behind and, together with Bishop Abel Muzorewa, negotiated a constitutional deal with Smith.

Condemned by Mugabe as a "sellout", Sithole's Zanu (Ndonga) party erformed poorly in subsequent elecons winning seats only in his Ndau-speaking Eastern Districts fiefdom.

In 1983, Sithole chose exile in the United States, where he had close nks with the right-wing Heritage oundation. At home, many of his upporters found common cause with Afonso Dhlakama's Renamo rebel movement, fighting the ruling Mozambique Frelimo party which was supported by Mugabe's government in Harare.

It is this particular ghost that has come back to haunt him.

The state alleges that Sithole recruited youths to undergo unlawful military training outside the country and that he maintained contact with a shadowy Mozambique-based force known as Zanu (Chimwenje).

Furthermore, it is alleged he had a hand in the latest incident, which came to light in August, when a member of Zanu (Chimwenje) was arrested with weapons, including a Claymore mine, close to a route taken by Mugabe's motorcade.

The first suspect's hearing was in camera. He was then described as a Mozambican but is now referred to as a Zimbabwean. A second suspect and alleged commander of the group, Simba Mhlanga (32), was picked up across the Mozambique border on October 4, leading to his arraignment last week.

Ministers made frantic attempts to prevent newspapers using the story but in a rare act of defiance the state-owned *Herald* splashed Mhlanga's court appearance on its front page.

Sithole's arrest came three days later. His lawyers complain he is being held so the state can pursue "blanket fishing allegations" that do not meet normal standards of reasonable suspicion.

When Sithole returned from exile in 1992, he criticised Mugabe's controversial Land Acquisition Act and proposed instead the establishment of smallholdings as a solution to land hunger. When he attempted to establish smallholders on his Churu Farm, near Harare, the government confiscated Churu under the new legislation. It is now occupied by supporters of the ruling party.

Sithole was elected to parliament this year and was due to challenge Mugabe in next year's presidential poll.

Although he had no prospect of success, the persistent refusal of several Eastern District constituencies to support Mugabe's party has infuriated leading Zanu PF officials who have threatened to withhold development aid.

Sithole might also have picked up support in parts of Matabeleland where discontent with Zanu PF is rife. The president is hoping for a landslide and wants to avoid a repeat of the last presidential contest when opposition leader Edgar Tekere won an embarrassingly large 20,4 percent.

Mugabe's security advisors must be congratulating themselves. The president's noisy motorcade has been the subject of outspoken criticism in recent years as it obtrusively forces traffic off the road. His handlers will now have every excuse to continue the practice.

Criticism has also been directed at attempts by the Ministry of Defence to buy properties worth $20-million overlooking Mugabe's weekend home in Harare's upmarket Borrowdale suburb. Those acquisitions may now seem justified even though the cost is twice the government's allocation for rural resettlement in this year's budget.

Presidential paranoia is largely misplaced. Zimbabwe's opposition has no history of violence. Opposition parties and civil society spokesmen have been pressing for an independent electoral supervisory body and a level political playing field so candidates stand an equal chance.

Mugabe said in April he was perfectly happy with the present arrangements whereby he appoints election supervisors who report only to him.

BD 23/10/95

AIDS kills 300 a week

AT LEAST 100 000 Zimbabweans would die of AIDS-related diseases within the next 18 months, Zimbabwean Health Minister Timothy Stamps said at the weekend.

"I am not trying to be alarmist, but this is the reality we are facing. We are burying them (AIDS victims) at a rate of 300 every week," he said.

(362)

Bindura expects loss after fire

CT(BR) 24/10/95 (362)

FROM SAPA

Zimbabwe's Bindura Nickel expected to lose about 750 tons of nickel production this calendar year, after a fire last week damaged a section of the plant's refinery.

A spokesman for Bindura yesterday said repairs would take about three weeks to complete, during which time the refinery would be out of commission.

This would "defer" nickel production by up to 750 tons.

He said the lost production would be recovered in 1996.

The company's four mines and smelter would continue to operate at normal throughput rates while repairs were under way.

In January this year Bindura lost six weeks' production from its Shangani mine following an accident with the ore hoisting system.

Losses from Shangani, which supplies about 33 percent of the smelter and refinery's feed requirements, were estimated at approximately 400 tons of nickel.

Bindura's start-of-year production target for 1995 was 13 780 tons of nickel.

Anger over Mugabe's Harare airport deal

CT (BR) 24/10/95 (362)

By Andrew Meldrum

Independent Foreign Service

Harare — Angry charges of nepotism and corruption are flying through Zimbabwe faster than a supersonic jet — over the award of the lucrative design contract for the new Harare International Airport.

President Robert Mugabe's cabinet has handed the Z$75 million (R31,25 million) airport design contract to a little-known Cyprus firm, Air Harbour Technologies, whose local agent is the president's nephew, Leo Mugabe.

Mugabe's design was chosen despite the fact that it was more expensive and has received a scathing report from the government's own transport ministry. Mugabe is also expected to win the building contract worth an estimated Z$1,2 billion (R500 million).

Harare cynics have said the success of Mugabe's firm was a *fait accompli* ever since the president's nephew entered the airport sweepstakes.

Two years ago the cabinet approved a design by the well-known French firm Aeoports de Paris (ADP). However, Mugabe managed to convince the politicians to throw it out and re-tender in order to get an airport that is "distinctly Zimbabwean" in style.

The winning results have been described by transport officials as: "An over-scaled and ill-considered control tower."

"Zimbabwe's government will have to finance the airport construction itself.

Although Mugabe's firm proclaimed it had extensive airport design and construction experience, the transport ministry's report said actual experience was "limited almost entirely to non-profit work and projects mentioned seem largely to be proposals, studies and unbuilt work".

Race on to save starving children

(3/2) Star 25/10/95

Bulawayo – World Vision International has launched one of the biggest relief operations in Africa to save the lives of 250 000 children facing starvation in Zimbabwe's drought-ravaged Matabeleland province.

The relief operation was launched recently in the Tsholotshe district, 115km south of Bulawayo, where 39 children have already died of hunger.

Besides poverty and drought, Tsholotshe is the district where most of the breadwinners were killed by Fifth Brigade soldiers after independence.

According to World Vision International director in Zimbabwe, Maxwell Chigwida, they were alerted to the seriousness of the situation by BBC radio reports.

The operation to feed children younger than five in the province will last for eight months.

Chigwida says 400 feeding centres have been established by his organisation.

"We are greatly moved by the deaths of the children and we decided to approach our donors for help. I am happy that today we are able to launch this programme," Chigwida said.

There were pitiful scenes at some of the feeding centres this week as relief started filtering through to the communities.

At Mvundlana school a few kilometres from Tsholotshe business centre, children fought to be first in the queue to get a plate of staple food – isitshwala and beans.

Tsholotshe MP Cain Mathema says 362 children in the district are malnourished.

The drought has become so critical in rural areas that some villagers have resorted to eating roots and boiled tree leaves.

According to Tsholotshe rural council chairman Judah Nthembu, food supplies do not reach the people in time.

"We have just buried two people who died of hunger."

There are also scores of villagers who have not benefited from the government's grain loan scheme because of poor distribution and food thefts.

At Mbamba village a few kilometres from one of the feeding centres, villagers this week held a rain making ceremony.

"In the old days we used to sing and dance for our ancestors and get rains afterwards, but now nothing happens," said 82-year-old Nikisi Ndlovu looking sadly at the clear blue sky. – Sapa.

Shortfall of funds hits 'green crusaders'

Star 25/10/95

Somerset West – Funding for nature conservation is becoming scarce, leading to the demise of many environmental groups, the director-general of the World Wide Fund for Nature (WWF), Claude Martin, said here yesterday.

Martin, speaking at the WWF's 11th annual conference in the farming town outside Cape Town, said some analysts interpreted the scaling down of conservation organisations as the "end of the Green Crusade" that peaked with the 1992 Earth Summit in Rio de Janeiro.

"What has been said by many is that the conservation movement is undergoing a rapid change because of the shortfall of funds", he said. "Money is more difficult to get and there is, in fact, a shakedown taking place and organisations are disappearing quite frequently."

However, the 35-year-old WWF – the largest private conservation body in the world, with about 3 500 employees – continues to grow, Martin said.

The three-day conference, the first the organisation has held on African soil, was opened by the Duke of Edinburgh, who is president of the WWF.

Prince Philip told the conference that the world recession had struck just as organisations such as the WWF were beginning to make a "significant impact".

"More people are certainly aware of the environmental crisis, but many of them are also beginning to feel that we should have solved the problems by now," Prince Philip said.

However, nature conservation is an ongoing task and will become more challenging as the human population grows and consumes natural resources, he told the meeting. About 100 delegates representing 24 national organisations and affiliated bodies are attending the conference.

Based in Gland, Switzerland, and active in about 60 countries, the WWF conducts high-level lobbying of governments and businesses and funds specific conservation projects.

The main issue at the conference is the WWF's "2000 Campaign" which aims to set various goals in reversing environmental degradation by the turn of the century.

The WWF has brought in a number of experts to focus attention on climactic changes resulting from human activities, fishing resources and forestry, according to the WWF's South Africa spokesman, Bun Booyen.

The conference, which is being held behind closed doors, ends with a press conference on Thursday to be addressed by Prince Philip, Martin and John Hanks, chief executive for WWF South Africa.

At the end of the meeting, the WWF will announce eight awards "to recognise the contribution to conservation by South Africans," according to a statement by the group. – AFP.

COMPANIES

CAPE

NEWS

GOVERNMENT

ECONOMICS

Analysts expect robust rise in SAB earnings

CT(BR) 26|10|95

BY JOHN SODERLUND

REUTER

South African Breweries, while unlikely to maintain the growth spurt shown in its centenary year, would turn in a robust increase in earnings for the first half of the 1995/96 financial year, analysts said.

SAB's results for the six months to September 30, due on November 8, would be held back by a slightly disappointing growth in beer volumes but other divisions in the group would compensate for much of this.

Analysts polled saw earnings a share rising 19 percent to 29 percent to between 148c and 160c, up from last year's 124,4c.

An interim dividend of between 56c and 60c from last years 47c was seen. Earnings for the full year to March 31 would come in at between 555c and 580c a share, 19 to 25 percent up on the 465,1c in its centenary year to March 1995, they said.

SAB hiked earnings per share 28 percent last year.

Analysts said the full dividend for the current year would be raised to between 241c and 250c, from 200c.

SAB's beer interests, which contributed 73 percent of total attributable earnings of R1,3 billion in the last full financial year, would be affected by a recent slowing in growth in domestic private consumption expenditure (PCE), said analysts.

Volumes

SAB forecast its growth in beer volumes with reference to PCE growth. It said earlier this year if PCE grew at a real 3 percent this year, beer volumes would expand by 5 percent.

Despite annualised real PCE growth of 3,5 percent in the first two quarters of this year, beer sales were unlikely to make the forecast 5 percent growth in the period to September 30 and would be closer to 4 percent.

Healthier hotel occupancies in SAB's Southern Sun group and an expected slashing of the loss from wholly-owned subsidiary OK Bazaars would help restore the balance.

SAB's retail and hotel subsidiaries, which include 65 percent of listed Edgars Stores, contributed 19 percent of attributable earnings last year.

OK Bazaars, with a turnover of R5,6 billion last year, halved its attributable loss to R36 million from 1993/94 and analysts said this would probably be cut this financial year to about R5 million.

Southern Sun would contribute an attributable profit of between R100 million and R110 million for the full financial year, up from R71 million.

This would be due to occupancy rates of over 70 percent for the six months under review, from 68 percent last year.

Earnings from major subsidiaries Edgars and Plate Glass and Shatterprufe Industries, which together contributed R352 million to SAB's attributable earnings last year, were expected to show steady growth rates.

Aid to Harare depends on IMF talks

(362) CT(BR) 26|10|95

BY ANDREW MELDRUM

INDEPENDENT FOREIGN SERVICE

Harare — Zimbabwe's major western donors will withhold future financial support until President Robert Mugabe's government reaches a new agreement with the IMF, warned Richard Dales, the British High Commissioner to Zimbabwe.

"Future British aid to support Zimbabwe's economic structural adjustment programme will depend on the outcome of negotiations between Zimbabwe and the IMF," said Dales, who was speaking in uncharacteristically blunt language as he finished his three-year posting in Zimbabwe.

Herbert Murerwa, Zimbabwe's acting minister of finance, is in Washington for negotiations with the IMF.

Last month the IMF suspended a $100 million loan to Zimbabwe in protest against the Mugabe government's continued high budget deficit, 13,4 percent of the GDP, which has resulted in prohibitively high interest rates of 35 percent annually and inflation estimated to be well above the official rate of 24 percent.

Dales' statement indicates that unless Zimbabwe reaches a new agreement with the IMF, Britain and other donors could withhold future aid.

Britain is Zimbabwe's largest single donor, having granted R266 million to support Zimbabwe's structural adjustment over the past five years.

Dales, who will be the director for Africa in the British Foreign Office, said Zimbabwe's high interest rates had discouraged British investment.

Mugabe would get no more financial support from the British government for land resettlement until new proposals to maintain agricultural productivity were put forward, he said.

☐ Meanwhile Sapa reports that Zimbabwe's annualised inflation declined 0,7 percentage points to 23 percent between August and September, a development which is in direct contrast to the upward trend in the prices of many goods and services.

According to statistics released yesterday by the Central Statistical Office, the All Items index — a measure of the increase in the price level — had gone up by 2,1 percent between August and September.

Economists have predicted that the inflation rate will rise to about 26 percent by the end of the year.

Zimbabwe to go ahead with airport

(362) CT(BR) 27/10/95

By Andrew Meldrum

Harare — Controversy continues to rage over the Zimbabwe cabinet's decision to award the Harare international airport tender to a little-known Cyprus-based firm, whose local agent is President Robert Mugabe's nephew, Leo Mugabe.

Five of the 23 cabinet ministers are reported to be opposed to the winning design by Air Harbour Technologists because of strongly negative reports by architectural, financial and engineering experts.

However, it appears that all the drawbacks to the Cyprus firm's design have been swept aside and the airport project is now set to go ahead.

Groundbreaking should take place before the end of the year, according to Simon Kaya Moyo, the finance minister.

In an effort to distance itself from the cabinet's award, the government's Tender Board has requested that the transport ministry put in writing the reasons for the selection of the Air Harbour design.

Payments of R3,75 million have been awarded to two Zimbabwean "facilitators" for the role they played in influencing the cabinet decision, according to Zimbabwe's independent weekly newspaper, the Financial Gazette.

Although the newspaper did not name the facilitators, it is understood that Leo Mugabe hosted a "victory dinner" before the official announcement of the design award.

Tip-off

Serious breeches in tender procedure took place to help the Air Harbour bid, according to the Financial Gazette report.

After a tip-off, the Cyprus firm redesigned its bid to counter strong reservations about its placement of the control tower far away from the runway.

The interior complexity of the Air Harbour design prevents any easy expansion of the airport. This is especially impractical as the airport is expected to draw significantly increased air traffic by 2010.

The financial drawbacks to the Cyprus tender are serious, according to Harare experts. About 75 percent of the capital cost is to come from export credit agencies with the government of Zimbabwe supplying the remaining 25 percent.

The finance scheme will supply a sovereign guarantee, according to the newspaper report. Such a guarantee will be difficult to get, considering Zimbabwe's problems with the International Monetary Fund and other major western donors.

The British and French designs, by well-known international firms, came with favourable financial schemes backed by their governments.

The Japanese government also offered financing worth R291 million, but withdrew it when the government scrapped the Tender Board's selection of the design by the Aeroports de Paris.

Although groundbreaking has been promised within two months, industry sources say it is impossible because Air Harbour Technologies still needs to complete final drawings, which could take up to 12 months. — Independent Foreign Service

Dismal turnout expected in Zimbabwe's local elections

BD 30/10/95 (362)

HARARE — Zimbabweans went to the polls on Saturday for local government elections marred by claims of irregularities and widely expected to be won by the ruling party.

Turnout was low at most polling stations around Zimbabwe, where voter apathy appears to be growing with each election.

"The turnout is tragic; people have just given up in this country as they feel there is nothing they can do to change the system," said Wilbert Mukori, an independent candidate.

Voting to choose executive mayors and councillors got off to a slow start, with voters trickling into polling stations by early afternoon.

The opposition Forum Party of Zimbabwe (FPZ) made an unsuccessful last-minute attempt to have the vote postponed because amendments to the electoral Bills are still pending.

The FPZ, under the leadership of former chief justice Enoch Dumbutshena, could not have its application heard in the High Court this week because of technical problems.

The case will be heard next week and the FPZ will be able to challenge the validity of the election results.

The polls are expected to be won overwhelmingly by the ruling Zanu-PF party of President Robert Mugabe, which has already secured most of the seats in the 11 urban centres where most of its candidates are unopposed.

In the capital, Harare, Zanu-PF is already assured of 20 of the 42 councillors, while in Bulawayo it already has 14 of the 23 wards because most opposition parties boycotted the poll.

In the central city of Gweru, elections are taking place in three wards and 12 ruling party candidates were declared elected unopposed.

The only opposition has come from Zanu-Ndonga of the Rev Ndabaningi Sithole, who is facing charges of conspiring to assassinate Mugabe.

Sithole's wife, Vesta, is the only opponent vying with the ruling party candidate in the race for the executive mayoral post in the capital.

With two seats in parliament, Sithole's party is the only one with representation in the 150-seat house.

The rash of new independent candidates, especially those who broke away from Zanu-PF, observers say, is an indication of political infighting in the ruling party. — Sapa-AFP.

Surprise wins for Zanu-PF rebels (362)

CT 31/10/95.

HARARE: Rebels from Zimbabwean President Robert Mugabe's Zanu-PF party scored surprise victories over party candidates in weekend local government elections, although the ruling party still has a firm grip on power.

Fifteen independents — 10 of them Zanu-PF rebels who defied party leaders to contest the polls — won council and mayoral seats, a small but significant victory for Mr Mugabe's foes, largely denied a political voice in 15 years of Zanu-PF rule.

Notable

The most notable win was notched by independent mayoral candidate Mr Lawrence Mudehwe in Zimbabwe's eastern border city of Mutare. He beat Mr John Mvundura of Zanu-PF who had the backing of a mammoth party organisational machine.

Mr Mudehwe won by 3 080 votes to 2 735 in municipal polls which were widely regarded by many Zimbabweans as a formality because Mr Mugabe's party had won most local seats before polling began. Many rival candidates failed to register in time. Zanu-PF took the remaining 55 local seats, bringing its tally to 227.

Zimbabwe's weak and fragmented opposition — which fielded 30 candidates — did not win any seats.

Political analysts said the independents' triumph was a slap in the face for Zanu-PF leaders who had called the 10 defectors "traitors unfit for office and deserving of no support".

The analysts said the low voter turnout, around 20%, was also an embarrassment to the ruling party which campaigned for a massive endorsement of its dominance.

Zanu-PF has suffered fierce infighting over the past eight months over disputes at primaries to elect candidates for April's general elections and also in the run-up to the local elections.

Rigging

Ordinary members accuse top party leaders of rigging the primaries to favour their own candidates, a charge the leaders deny and have generally answered by suspending or expelling their accusers. Zanu-PF controls 148 seats in Zimbabwe's current 150-member parliament. — Reuter

Zimbabwean trade details to be sewn up

BD 1/11/95

(362)

John Dludlu

GOVERNMENT is to meet business and labour representatives from the clothing and textile industries tomorrow to finalise details for reinstating trade preferences for Zimbabwean exports into SA.

The meeting will focus on establishing a committee to monitor monthly trade flows and a safety mechanism to ensure Zimbabwean imports do not hit local jobs and industry — fears long expressed by business and labour.

Under the terms of the deal, Zimbabwean clothing and textile exports will have better access to SA, under an agreement that lapsed three years ago. Government has recently completed a study aimed at determining the effect of reinstating the trade regime.

Trade and industry department chief director for trade relations Faizel Ismail said yesterday that the meeting would discuss the results of the studies which showed that the effect on SA jobs would be "reasonable".

Representatives of the Southern African Clothing and Textile Workers' Union, the Clothing and Textile Federations and government negotiators would have to decide on the level of import quotas as part of a mechanism to prevent damage to the local industries.

Another key component would be establishing a committee — comprising government, Clofed, Texfed and Sactwu — to monitor the implementation of the agreement, Ismail said.

The committee would receive monthly statistics on trade between the two nations, and if a sudden surge of Zimbabwean imports was picked up the safeguards would be activated.

Among concerns about the deal was the fear that Zimbabwean preferential access could become a conduit for cheap imports from Asian countries.

But the arrangement could also strengthen SA's hand in talks with the European Union for better access to the 15-nation single market.

Tomorrow's talks will be followed by another meeting with the Zimbabwean negotiators before mid-November.

The later talks are likely to focus on Sactwu's demand that the agreement includes social clauses, such as workers' rights to strike and collective bargaining, and a ban on discrimination.

Plot to blow up Mugabe: Sithole guard jailed

CT 2/11/95

(362)

HARARE: A 41-year-old security guard linked to an alleged treason plot by veteran opposition Zimbabwean politician the Rev Ndabaningi Sithole was given a 12-year jail term yesterday for possessing arms of war.

Malawian-born William Namakonya, who guards Mr Sithole's suburban Harare home, was told by Harare regional magistrate Mr William Cutler that the mention during his trial of armed men crossing into Zimbabwe, of acts of violence and assassination plots were not idle threats.

Namakonya was brought into court shackled to a prison warder and did not have a lawyer.

Conspiracy

He was caught with a landmine on August 18 just west of Harare on the road taken by President Robert Mugabe to his rural home.

He was the first of five people arrested in connection with an alleged conspiracy to blow up Mr Mugabe.

Mr Sithole, the leader of the Zanu (Ndonga) Party, which is supported by the minority Shangaan people of south-eastern Zimbabwe, is out on bail and is due to face charges of leading the aborted attempt.

Namakonya admitted possessing a Claymore landmine, an AK-47 assault rifle and ammunition.

He said Mr Sithole had told him to collect the weapons from the south-eastern border area of Chipinge. He also said Mr Sithole had sent him to undergo military training at a Renamo base in Mozambique. — Sapa

Zimbabwe launches small industries development project

From Sapa

Harare — The Confederation of Zimbabwe Industries (CZI) will next week launch a small industries development project intended to promote and facilitate sub-contracting between large-scale industries and small enterprises, Ziana news agency reported.

The director of the CZI secretariat, Patricia Henson, said this week the main purpose of the project was to encourage larger industries to concentrate on core activities and enhance profit, while bringing smaller entrepreneurs into the mainstream of the economy and promoting employment.

The project, called Zimbabwe Enterprise Development Centre, is being funded by the United States Agency for International Development (USAid) as one part of its Zimbabwe equity development programme.

A USAid-sponsored software specialist was already in the country, working on the business linkages project, which would initially be based in Harare, Bulawayo and Manicaland.

"A tremendous amount of effort has gone into the project and we have been fortunate in that helpful advice and expertise has been given to us," said Henson.

She said a grant would be made available over a two year period, after which it was expected the project would be self-financing.

"The project must be practical and our systems must be vigorously monitored to meet the targets we have set for ourselves and participants in the scheme."

(362) CT(BR) 3/11/95

ZIMBABWE (362)

Rocky road

FM 3/11/95

From all accounts, Zimbabwe's delegation to last month's World Bank/IMF meetings has had a torrid time negotiating a "shadow programme" with the IMF.

Despite repeated claims by the World Bank — and Whitehall — that Zimbabwe's five-year-old economic structural adjustment programme was on track, the wheels came off in May when the IMF withheld the final US$60m tranche of its loan because it failed to meet agreed benchmarks.

The budget deficit, targeted to fall to 5% by 1995, actually rose over the adjustment period since 1990 to 13,7%. There are no easy solutions, though government apologists continue to claim that the underlying structural deficit is being tackled. But this is masked by the heavy burden of interest charges that account for 10% of gross domestic product and 30% of the budget.

The IMF will have told Harare to cut spending, accelerate privatisation to raise revenue and instigate trade liberalisation, including tariff cuts and harmonisation.

With education, defence and interest charges absorbing almost 60% of the budget — and with capital spending cut to the point that it is almost 100% funded by foreign aid — officials are asking where spending cuts can be made. One medium-term option is to sell assets and repay debts, bringing down interest costs. But more than that will be difficult.

Health Minister Timothy Stamps has forecast 100 000 Aids deaths over the next 18 months. The latest United Nations Human Development report shows Zimbabwe with 86 Aids cases per 100 000 people. It's clear health spending will rise substantially over the next few years, leaving little room for manoeuvre.

Higher taxes will be needed, along with Vat which will take at least 18 months.

Zimbabwe has little choice but to accede to IMF demands. Though the balance of payments position allows some further easing of exchange controls on capital account, the country must have a Fund deal to maintain the flow of donor funds. Organisations like the European Union find it difficult to disburse funds to a country which does not have a fund programme in place.

Furthermore, Zimbabwe's dependence on aid exceeds 10% of gross domestic product — far more than is coming in either as direct or portfolio investment from abroad.

In September, Harare announced the release of blocked funds of foreign companies — not individuals — over three years. The country's balance of payments has improved markedly since 1992, with foreign reserves equal to almost six months import cover, while net foreign assets at midyear were only marginally negative at $100m.

From an investment viewpoint the release of funds will help the Reserve Bank re-establish control over the money supply. Governor Leonard Tsumba has set a money supply growth target of 20% for next year, and latest numbers show M3 rising 22% in the first seven months of 1995. This is down from 56% a year ago.

However, it is proving a costly strategy. Short-term borrowing by government is an estimated Z$10bn (US$1,1bn), at an average rate of over 25%. Treasury bill and special bill issues to mop up liquidity slowed monetary expansion at a cost of over Z$2,6bn a year to the taxpayer.

The authorities are committed to keeping the certificate of deposit rate above inflation (now 23% but expected to move up to about 25% by December). In the last fortnight, money market conditions have tightened markedly, partly because that rate had fallen close to the inflation rate, but also because the latest money supply numbers showed a huge jump in M2, which was what the Reserve Bank did not want to see.

Tsumba sees 1% growth in the economy this year, at best — largely because of last season's drought. But, like most other analysts, expects growth of over 5% in 1996, provided rains are good this year. Latest long-range forecasts are relatively optimistic, pointing to an average, or even above-average year, which means a strong rebound in agriculture with positive, knock-on effects for manufacturing, where output fell 9% in the first seven months of 1995.

This year's performance would have been a good deal worse had it not been for a surprisingly strong tobacco sector, buoyant mining, strong growth in tourism volumes and continued expansion in horticulture. In recent weeks, there has been some exchange rate relief for exporters, with the rate slipping from Z$8,6 to the US dollar midyear to Z$9 at the end of October.

Manufacturing is in the doldrums. With output running at 1987-1988 levels, it is time to rethink strategy. That will not be easy given the sector's belief it needs time (afforded by increased protection) to gear up for international competition.

Following the death of former Finance Minister Ariston Chambati, after only five months in office, the country cannot afford a re-run of the 1994 situation when there was no substantive Finance Minister. President Mugabe is under pressure to replace Chambati but some political analysts worry the Cabinet seat will be left vacant until after the presidential poll in April. ■

Mugabe . . . *to replace Chambati*

Burden of debt hangs over Zimbabwe

(362) M&G (BM) 3–9/11/95

Lewis Machipisa in Harare

THE weight of Zimbabwe's debt servicing obligations dominates government expenditure, warping priorities towards repaying donors at the expense of the rest of the economy.

In the present fiscal year, total debt servicing will come to US$722-million in interest payments and US$600-million in repayments of capital — equivalent to 47 percent of this year's total government expenditure.

From a debt of US$100-million inherited at independence, the figure has risen to US$4,5-billion.

"Government cannot blame the former white government because then Rhodesia under sanctions could not borrow money. At the current debt servicing we could have paid the debt we inherited in 1980 from the former government in three days," says consultant economist John Robertson.

"We have money too easily obtained and inefficiently used," says Robertson. "I am sure if the government worked for this money it would use it efficiently and wisely. Aid makes one feel comfortable about not being careful when using it."

The latest First Merchant Bank (FMB) quarterly guide to the economy notes: "In much the same way that Russian and its East European partners worked themselves deeper and deeper into debt while they were following socialist economic policies, Zimbabwe was also building up an unsustainable debt burden before it made its move to market economies."

Mismanaged borrowing has pushed Zimbabwe towards the limits of its debt-carrying capacity. The impact on the economy was one factor which forced the government into a policy u-turn in 1991 to embrace a donor-driven structural adjustment programme.

The government, however, did have something to show for its spending in the 1980s.

At independence, avowed socialist Robert Mugabe took over a country which under white minority rule had been run along apartheid lines. The government set about building a health care and education system that for the first time catered for blacks, particularly in the rural areas.

'The most worrying thing is that the money being borrowed is being used to repay old debt and not generate growth'

Life expectancy, only 45 in 1979, jumped to 64 a decade later. The infant mortality rate, 98 per 1,000 live births in 1970, fell to 46 in 1989.

However, while headway was made in health care and education, spending in other areas was far less enlightened — government machinery that at its height included 52 ministers, a stifling bureaucracy and support for loss-making state enterprises. An apartheid South Africa also meant a high defence vote.

And, under the cost-cutting reform programme, even successes achieved in the social sector are being reversed. Life expectancy slipped to 60 years in 1991 and infant mortality per 1 000 live births rose to 48. Education expenditure has declined sharply since 1991.

Servicing the loans made available by donors in the 1980s now amounts to around US$3,55-million a day. Interest charges alone accounted for 19 percent of 1994's US$2,1-billion budget.

"These amounts are frightening for a country like Zimbabwe. The most worrying thing is that the money being borrowed is being used to repay old debt and not generate growth," says businessman and economist Eric Bloch.

"Government has to reduce its spending and increase revenue. While borrowing may have been unavoidable in the past, it was what the money was used for that was the problem," says Bloch.

"With the long overdue change to positive real interest rates, the fact that a high proportion of the money borrowed previously must have been used unproductively has become even more obvious," notes the FMB.

"And as the new funds can be acquired only at rates that are well in excess of the more easily managed negative real interest rates of the past, the debt position is bound to grow worse," predicts the FMB.

Zimbabwe, an agro-based economy hit by successive droughts, faces a classic debt-trap of having to borrow to make its repayments on old debts — digging itself deeper into a hole.

Government is making repayments of debt capital totalling UD$600-million this year, but plans to borrow US$1,2-billion of which US$700-million will be new money, deepening the debt burden.

This year, recurrent expenditure — civil servants' wages for example — is expected to exceed total revenue by US$388-million. Budget estimates show that US$440-million will be sought from the domestic market, a prospect that will keep interest rates uncomfortably high, and crowd out private sector borrowers.

High interest rates have caused havoc. The combination of low savings and high nominal interest rates largely explains the low level of investment in the country during much of the reform period.

The investment to gross domestic product ratio, at 18,5 percent in 1993, was far below the 25 percent level estimated to achieve a five percent real economic growth rate forecast for 1995. — *IPS*

Two million work in SA's informal sector

M/G (BM) 3–9/11/95

Rowan Callaghan

THE informal sector provides jobs for almost two million people, according to research by Unisa's Bureau of Market Research (BMR).

The BMR study found that last year almost 1,6-million, or around 15 percent, of the total South African work force was employed in the informal sector.

This sector contributed an estimated R26-billion, or around seven percent of the official gross domestic product (GDP) figure, the total value of all goods and services produced by the economy.

Activities in this sector are concentrated in trade (48 percent)and community and personal services (17 percent), with contributions from transport (12 percent), construction (10 percent) and manufacturing (seven percent).

In the traditionally black areas of Gauteng like Soweto, Tembisa, Kagiso, and Mamelodi the research found that of the almost R16-billion spent at retail outlets, 28 percent went to the informal sector.

Mugabe's ruling party angry at independents

(362) BD 6/11/95

HARARE — Zimbabwean President Robert Mugabe alleged on Saturday that his ruling Zanu-PF party had been infiltrated by "unscrupulous chancers" as the party suffered humiliating defeats in last weekend's municipal elections where former party members won as independents.

Three former Zanu-PF party members beat the party's chosen candidates in local elections after they were disqualified or beaten in party primaries.

Some won in the party's strongholds, but probably the most humiliating outcome was the one in the eastern city of Mutare, where the prestigious executive mayoral post for the town was taken by Lawrence Mudehwe, an independent who had just been expelled from the party.

Mugabe accused Mudehwe, who decided to stand as an independent after the party nominated a former diplomat for the post in primary elections, of lack of commitment to the party.

"A cadre will not go against the word of the party leadership," he said.

"Those who want positions only should not be allowed to penetrate our party," Mugabe told a national assembly of his party's women's league.

Party members and some leaders in Mutare on Friday demonstrated over the polls.

They called for the nullification of the results as they charged that the elections had not been "free and fair".

They said they did not want to be led by an independent in the town. — Sapa-AFP

Forum

Mugabe urged to find quick replacement for late finance minister

(362) CT(BR) 6/11/95

From The Independent Foreign Service

Harare — Zimbabwe's business community is urging President Robert Mugabe to make a quick appointment to replace deceased Minister of Finance Ariston Chambati.

But many Harare political analysts expect Mugabe to wait for months before making the crucial appointment.

Confederation of Zimbabwe Industries president Jonah Wakatama called for a rapid replacement to be named to help the Zimbabwean economy which has seen key IMF loans suspended.

A finance team from Zimbabwe is negotiating with the IMF in Washington this month after attending the annual meeting of the IMF and World Bank in an attempt to get Zimbabwe back on track.

"The public must not expect the appointment of a new finance minister soon," said Trevor Ncube, editor of the Financial Gazette.

"The president will take his time to mull over the possible candidates."

Ncube said that the Zimbabwean president was hamstrung by bitter rivalries within his Zanu-PF party which is "torn apart by infighting, mostly ethnically-based".

But political considerations weigh as heavily as economic experience and Mugabe is expected to ponder the political implications of who should be the next finance minister.

Mugabe took two years to appoint a replacement for the incapacitated Bernard Chidzero before he selected Ariston Chambati. Many economic analysts fear Mugabe will not replace Chambati until his next presidential race expected in April next year.

A capable, politically informed person with the respect of both Mugabe's ruling party and Zimbabwe's white-dominated private sector is badly needed to re-orient the economy.

Zimbabwe's flower farmers flourishing

(362) CT (BR) 7/11/95

The country's communal farmers are poised to enter the multimillion dollar horticultural sub-sector, but it will all come to naught unless the national cargo carrier changes its policy

ıy SUNSLY CHAMUNORWA

Iarare — Thousands of Zimıabwe's communal farmers, long ondemned to back-breaking subistence agriculture, are poised to nter the multimillion dollar hortiultural sub-sector.

But expansion in Zimbabwe's astest growing agriculturally based usiness could be in jeopardy ecause the national cargo carrier Affretair) has the power of veto as ɔ which charters are allowed to ınd in Zimbabwe and which can ake fresh produce to the markets.

Affretair's closed skies policy as often resulted in local exporters aying a penalty of 20 percent over ıe existing market rates.

Nevertheless, the development is eing facilitated through the Hortculture Training Programme (HTP), hich is funded by French Co-opertion, and implemented by a parasıtal, the Agricultural Technical and xtension Services, to train several ıousand farmers at 18 sites across ıe country.

The HTP is collaborating with ıe new Food and Agricultural Irganisation (FAO) regional proct, Communication to Improve eople's Participation in Field rojects.

HTP officials say a core team of gritex staff and communication ersonnel are being trained to use ɔmmunication tools to train comıunal farmers in horticulture.

According to Philippe Savoure, ITP co-ordinator of French Coɔeration, and Jonathan Villet, chief chnical adviser at FAO, the HTP iitiative is the first rural developıent project in Zimbabwe to receive the extra FAO assistance.

They say several vital projects in priority areas such as health, literacy and the environment will also be assisted with similar advice and training over the next two years. These projects will be chosen in conjunction with the National Board of Zimbabwe for the Action Programme for Communication Skills Development. This is an inter-ministerial and non-government group affiliated with the FAO project which earlier this month received aid from the Italian government.

Under the HTP scheme, thousands of communal farmers will be trained in all aspects of horticultural production.

The communal farmers have not been involved in horticultural production because they did not have the know-how nor could they afford the cost of starting up.

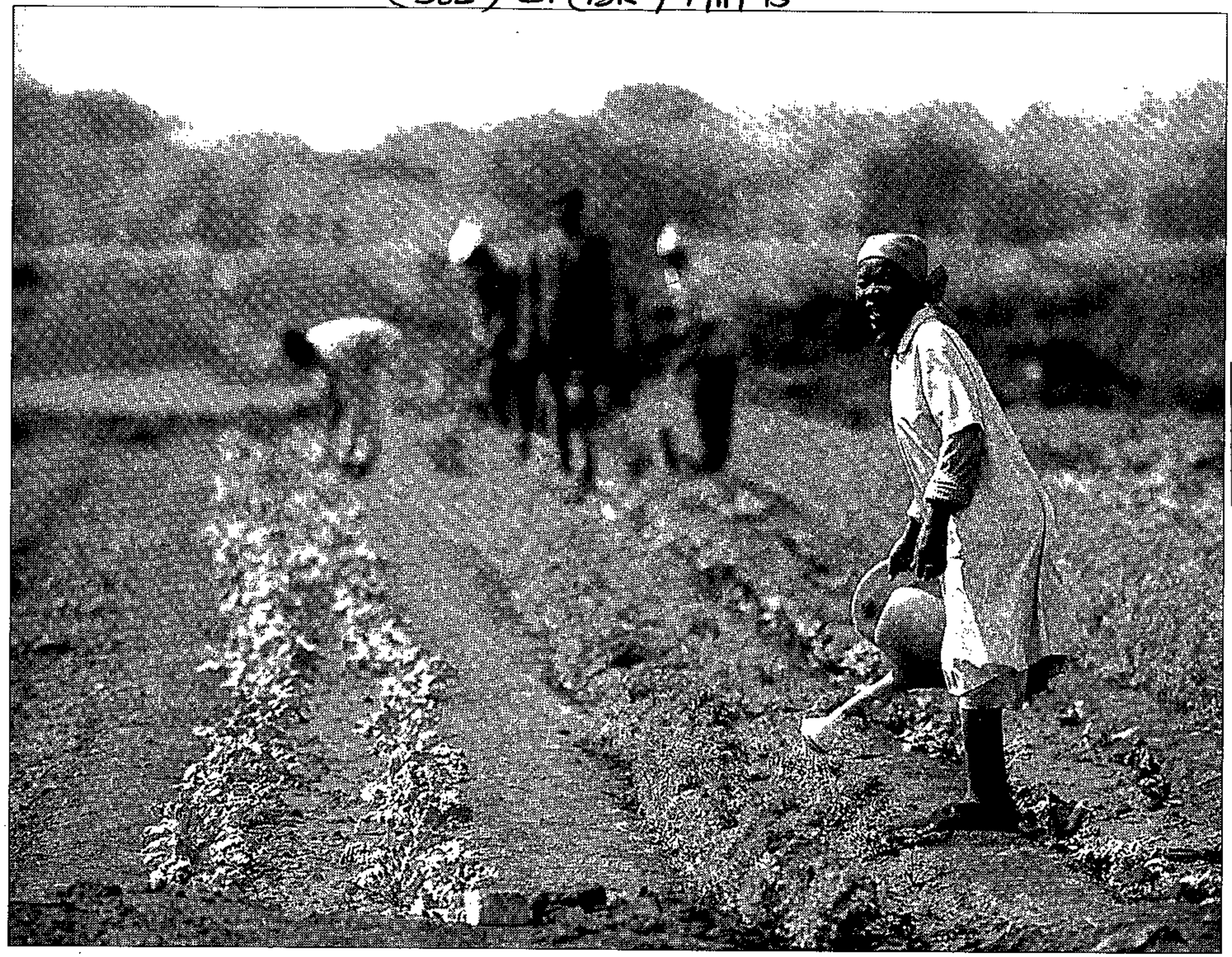
There is a need to invest in irrigation facilities and cold storage.

Only large-scale commercial farmers are involved in horticulture, which earned about $74 million last year. This year the sub-sector is expected to earn $89 million although indications are that this might have to be revised upwards if prices remain firm.

An official of Zimbabwe Tobacco Association says 80 percent of horticulture is accounted for by 1 600 commercial flue-cured tobacco growers.

ZimTrade, the country's export promotion organisation, says cut flowers account for 53 percent of the total value of horticultural exports and further expansion is expected.

Cut flower production is projected at 11 000 rowers this year.



BACK BREAKING *Sights such as this could disappear as several thousand farmers attend agricultural training programmes around the country*

Initially a wide range of summer flowers formed the bulk of exports, but freak weather conditions led to production under plastic greenhouses where the most important products were roses.

Other flowers include proteas, gladioli and chrysanthemums, but fine vegetables and soft fruit also contribute to export earnings. These include mange-tout peas, runner beans, courgettes, sugar snaps, baby corn, asparagus and baby carrots. Fruit production, however, remains the oldest activity in the sub-sector.

The horticultural produce is in vogue in Europe, and other markets such as the United States, Australia and Japan have shown interest in Zimbabwe's fresh produce.

Regionally the country exports to Malawi, Angola, Mauritius and South Africa. Growers are also looking for markets in Asia.

Zimbabwe's quelea a threat to neighbours

362

BD 8/11/96

HARARE — Zimbabwe's neighbours have expressed fears over the security of their seed crop because of the lack of control over that country's quelea population.

Failure to control Zimbabwe's quelea population, estimated at 500-million birds, has been blamed on bureaucratic bungling by the department of National Parks and Wildlife.

This situation was reported to be having an adverse effect on the regional quelea control programme, with Zimbabwe's neighbours feeling the security of some of their seed crops was under threat.

There is a regional understanding, through the Southern African Development Community food security unit, that member countries should help each other by controlling problem birds.

Zimbabwe's quelea population was not tackled last winter, the bird control unit reportedly lacking a tender authority to buy the necessary chemicals.

National Problem Bird Control Unit principal officer Headman Sibanda said he had Z$1,3m with which to buy control chemicals but could not do so until he received tender authority from head office.

The authority was supposed to be issued before winter so that measures could be taken to protect the recently harvested wheat crop.

"We were using chemicals left over from the previous season and up to now we have not acquired any for this season," Sibanda said.

Within three months the unit would also need to step up controls in communal areas, where farmers were expected to grow small grain such as sorghum and pearl millet, favoured by the birds.

"Our neighbours are concerned because what is happening now is that the birds are roosting here and then going to feed on the other side of the border."

Members of communal farmers' families usually take turns to guard against the birds when the seed crops are maturing in order to protect their yields from the birds. — Sapa.

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Zimbabwe 'missing the telecom boat'

(362) CT (BR) 8/11/95

FROM REUTER

Harare — Zimbabwe risks lagging behind the rest of southern Africa in the mobile telecommunications revolution because of government refusal to open the industry to private sector competition, according to South Africa's Vodacom.

Lionel Naude, the head of international business for Vodacom, told an investment conference that the country could install a mobile telephone system for a fraction of the cost of a fixed network.

Zimbabwe, with a population of 10,5 million, could achieve 10 percent telephone penetration at a cost of $680 million via a wireless system, compared with $1,7 billion using a fixed network, he said.

"But we have to see some regulatory changes ... Zimbabwe is the only country in the region hanging on to the state as sole supplier."

over an impending

Smith reflects about UDI thirty years on

(362) ARG 11/11/95

Foreign Service

HARARE. — Thirty years ago today Ian Smith and 15 Rhodesian cabinet colleagues met to sign the unilateral declaration of independence (UDI).

They had in fact agreed to do so at a meeting the day before, but Mr Smith said in an interview years later that he wanted to give the members time to reconsider.

"I said we should go home and have a good night's sleep," he recalled. "On the 11th we all met and I asked if anybody wanted to say anything. No one did."

Shortly after 10am the declaration was signed and the deed which was to have a traumatic effect on the lives of many thousands of people was done.

Mr Smith went home after recording a broadcast which informed the world of the Rhodesian decision to go it alone. While many white Rhodesians celebrated UDI that night, Mr Smith stayed alone in his room.

For the next 15 years, the Rhodesians battled on, aided at first by South Africa and Portugal, without whose support the story would have been different.

Petrol rationing, Press censorship and shortages marked the early days of sanctions and the propaganda battle raged. But from the end of 1971 the guerrilla war began in earnest and before too long all white men up to the age of 50 were called up, escorting convoys of civilian traffic, guarding key posts and backing up the farmers on "bright lights duty", the name given to town people posted to farms as extra defenders.

For Rhodesia's rural blacks life became tremendously hard. Squeezed by pressure from the security forces and the guerrilla units, subjected in many areas to martial law, thousands were moved into "protected villages" in an attempt to deny the guerrillas the support they needed.

Thirty thousand people, perhaps more, perished.

Mr Smith, now 76, puts the blame for the eventual collapse on South Africa and then Prime Minister John Vorster.

"It failed," he said, "because our friends, and we only had a few, turned against us. In the end it was John Vorster who decided our fate when he said, "We can't go on supporting you."

It was in 1976 that Mr Smith accepted the Kissinger package which would have led to majority rule in two years. It was, as one analyst called it, an astonishing volte face.

Although that package fell by the wayside, Mr Smith saw it as the beginning of the end.

After a couple of false starts with internal settlements and the short-lived Muzorewa-led Zimbabwe-Rhodesia reign, independence finally came to Zimbabwe in 1980 with the rise to power of Robert Mugabe.

Mr Smith, the farmer, stayed on, active in politics for the first few years, and later working behind the scenes to unite whatever opposition there was to Mr Mugabe.

Hawkers flood Zim market with SA products

(362)

Bulawayo – Street vendors and hawkers selling South African goods in Bulawayo are threatening to put many established shops out of business.

For many there is no need to travel to South Africa to shop for luxury or imported goods as these are obtainable right on their own pavements.

The goods, mostly smuggled, range from household goods to industrial hardware. Whites who once shunned vendors now buy South African wares from the pavement sellers.

These days, well-educated young men and women are found on the pavements selling mainly South African products.

The government has agreed to act against the vendors, although it was the ruling party that allowed them to operate in the first place. – Sapa

Star 11/11/95

No agreement on Zimbabwe textile tariffs

BD 14/11/95 (362)

THE Zimbabwe and SA governments failed to reach agreement yesterday on the reinstatement of preferential tariffs on Zimbabwean exports of textiles and clothing to SA, Ziana news agency reports.

Zimbabwe's industry and commerce ministry said a meeting held in Harare had "examined the draft proposals, and agreement could not be reached on the minimum level of the local content requirement of 75% as proposed by SA and also on the extent of the envisaged preferential rebates and quota levels."

The ministry said the meeting had agreed that SA should consult further regarding outstanding issues, and that the implementation date for the proposed tariff arrangement should not be later than February 1 1996. — Sapa.

Government repair delay costs millions

362

BD 14/11/95

HARARE — Repairs to the blast furnace at Zimbabwe's state-owned iron and steel firm Zisco have been delayed by the government's failure to release Z$800m needed for restoration work, says the company's acting CE.

As a result, Zisco — the country's only steel mill and the largest in Africa outside SA — was having to spend Z$2,5m a month to maintain a new sinter plant which it could not use, said Gabriel Masanga.

The new Z$700m sinter plant has been idle since its completion in March due to delays in rebuilding the main blast furnace which has been out of production for the past two years.

"The sinter plant will cost the company Z$60m in two years to keep it ticking. The present sinter plant is old and small," Masanga said.

He said if work on the furnace — which accounts for 70% of the company's production — had started last year, it would have cost the company Z$616m.

Although a contract to bring the furnace back to life was signed in January between Zisco and a British firm, Dave Sofresid, nothing could be done because the government had yet to guarantee the release of the money to the British concern. — Reuter.

Impasse disappoints Zimbabwe

(362)

FROM SAPA

Harare — The Zimbabwe National Chamber of Commerce (ZNCC) is disappointed that Zimbabwe and South Africa failed to reach an agreement on Monday to reinstate the preferential tariffs on Zimbabwean exports of textiles and clothing to South Africa.

Ziana news agency reports that the head of the ZNCC economic division, Edmore Tobaiwa, said yesterday that the stalemate was a major blow to the future of the local textile and clothing industry, which is going through a serious viability crisis.

Imports of clothing and textile products into South Africa attract a punitive 90 percent duty.

Figures showed that in 1994 Zimbabwe exported goods worth Z$1,9 billion to South Africa and imports from that country stood at Z$6 billion.

South Africa was also exporting close to Z$40 billion to the rest of Africa with imports pegged at Z$4 billion.

"These statistics show that trade is lopsided in South Africa's favour, a situation that is unsustainable in the long run," Tobaiwa said.

"There is need for South Africa to open up its borders" and to avoid "milking the rest of Africa to death," he added.

This week's meeting followed one held in Pretoria in August, but could not agree on the minimum level of the local content proposed by South Africa or the extent of the envisaged preferential rebates and the quota levels. South Africa wants a local content of 75 percent.

The meeting agreed South Africa should consult further on the outstanding issues, and the proposed tariffs should be implemented no later than February 1 1996.

CT (BR) 15/11/95

Amalia joins forces with Commonwealth

(362)

Michael Urquhart

BD 20/11/95

AMALIA Gold Mining has teamed up with British-based Commonwealth Gold to develop its interests in Zimbabwean company Minehead Mining.

The SA Reserve Bank's requirement that Minehead had to be funded from outside SA had prompted the joint venture.

Amalia said at the weekend that Commonwealth would pay it R5m in cash, followed by expenditure at Minehead which would give Commonwealth equity in the joint venture on a pro rata basis.

Amalia's contribution to the joint venture in the Zimbabwean company was R10m.

It said development at its SA gold mine was proceeding according to the prospectus, with No 3 level accessed at the Goudplaats section and No 2 level development values increasing steadily.

Cluff board confirms takeover approach

(362) CT (BE) 21/11/95

Harare — The Zimbabwean subsidiary of British-based Cluff Resources confirmed market reports yesterday that a takeover bid for its parent company had been made in London, Ziana news agency reported.

Cluff Resources' Zimbabwe deputy chairman David Long, and the managing director, Godfrey Gomwe, quoting a statement issued in London, said that an approach had been made to buy Cluff Resources, and that consultations were taking place with the company's financial advisors, Samuel Montagu.

"The board of Cluff Resources announces that it has received an approach that may or may not lead to an offer for the entire issued share capital of the company.

"The board is consulting its financial advisors, Samuel Montagu. The company will keep its shareholders informed of any material developments, but a further announcement is unlikely to be made for several weeks," they said.

Led by Algy Cluff, the British company has been one of the single largest investors in Zimbabwe, and is the majority shareholder in Cluff Resources Zimbabwe, which owns the country's largest underground gold mine, 80km northwest of Harare. — Sapa

Pep closes takeover deal in Zimbabwe

(362)

CT(BR) 22/11/95

By Maggie Rowley

Cape Town — Pep, which remains the greatest single contributor to the profit of the Pepkor group, has concluded a takeover in Zimbabwe which is awaiting ratification, Pepkor chairman Christo Wiese said.

The group, he said, believed southern Africa offered substantial opportunities for growth and although the rest of the region represented only 7 percent of the clothing, footwear and textile market, it already constituted 18 percent of Pep's turnover. It has also recently expanded into Zambia where it hopes to have 14 stores fully operational by the end of next year.

Wiese said some manufacturing activities would be moved across the border because the group was no longer able to manufacture low added value items competitively at the present locations.

However, the group was investigating the possibility of relocating some of these operations to other areas within the country where cost structures were still competitive.

Shoprite, with turnover of more than R7 billion, is the group's largest operating company in terms of turnover. It showed a 72 percent increase in interim profit before extraordinary items at R38,9 million, in spite of its higher tax provision at R9,6 million (R1,7 million).

However, he said margins would unavoidably come under pressure as the company defended market share in the face of expected fiercer competition.

In addition, two areas had hampered growth: the high crime level had forced Shoprite to spend an additional R15 million on security measures in the past six months, and the uncontrolled growth of informal trading which could be the dearth of conventional shopping.

Regarding Pepkor's acquisition of Walhold, Wiese said rather than diluting the group's focus, Walhold offered important areas of synergy with other subsidiaries and strong growth opportunities in the face of the emphasis on education.

Tax rates may decline

By Roy Cokayne

by the Cabinet that it had set a limit

Zimbabwe farm help still poor

Sowetan 24/11/95

BULAWAYO – Zimbabwe's estimated 320 000 farmworkers are reported to be living in squalid conditions, some even subjected to physical beatings by their employers, *Ziana* news agency reported yesterday. (362)

According to a report compiled by the British-based Panos Institute, farmworkers are the lowest paid formal sector workers. Most live far below the poverty line for a family of six.

The report will be released in Harare on November 28.

The country's 4 500, mostly white, commercial farmers own up to 80 percent of arable land.

Although the report acknowledged government and trade union efforts to improve workers' living standards, it said economic reforms initiated by the International Monetary Fund and the World Bank have eroded labour protection and aggravated the farmworkers' plight.

"They just want us to be down, down, down until we die," the report quotes a farmworker.

"The uneven balance of power between farm owners and their workers stems from unequal access to land and other resources, a reality which is fundamental to all other issues," said author Dede Amanor-Wilks.

Although Zimbabwe was the leading food exporter in the Southern African Development Community outside South Africa, and a world class producer of tobacco, sugar and coffee, commercial farmers' visible wealth starkly contrasted with the slum-like conditions of most farmworkers.

"Rising unemployment as a result of government reforms means that farm workers will be worked even harder with little hope of improving their income and living conditions," the report said.

The ministers of agriculture Dennis Norman and public service, labour and social welfare Nathan Shamuyarira will be present at the launch of the report. – *Sapa.*

Sithole asks Mugabe to quit

(362) CT 24/11/95

BULAWAYO: Zimbabwean opposition leader the Rev Ndabaningi Sithole has asked President Robert Mugabe to step down and "save our country from the destruction of your own making", the Ziana news agency reported yesterday.

"As a senior citizen and organiser and commander-in-chief of the armed struggle, which effectively brought independence to our country, I plead with you to abandon the presidency, bearing in mind that Zimbabwe did not begin and will not end with Robert Mugabe," wrote Mr Sithole in a letter sent to the president last Friday.

Yesterday he added that Zimbabweans demanded the president step down because for 15 years he had led a corrupt government.

The letter described Mr Mugabe as a non-elected leader who is solely responsible for the country's socio-economic hardships.

Mr Sithole said elections in 1980 and 1985 had been rigged by the British government to prevent the war from flaring up again.

The Zanu-PF ruling party had rigged the 1990 and 1995 elections while Sithole's house arrest, related to claims he was planning to assassinate Mr Mugabe, was a ploy to stop him from challenging the president, he said. — Sapa

Zimbabwean media try to break stranglehold

(362) ARG 25/11/93

■ Moves to democratise the Zimbabwean media are currently underway amid foot-dragging by a government that has enjoyed virtual media control during 15 years of independence, reports LIZWE MOYO from Bulawayo.

SPEARHEADED by the new Willie Musarurwa Trust, formed in memory of one of Zimbabwe's most respected journalists, and the Zimbabwe Union of Journalists (ZUJ), the Zimbabwe Media Council (ZMC) is pressing for an overhaul of rigid colonial laws that have hampered the free flow of information in Zimbabwe.

"While freedom of expression is guaranteed in the constitution the freedom of the media to operate freely is sadly lacking," says John Manyarara, a retired journalist and High Court judge.

Mr Manyarara is the first chairman of a 16-member council, comprising eight representatives from the media and eight from the public. The council, which has already drafted amendments to 11 acts to facilitate the free operation of the media, intends to extend its mandate to the protection of journalists from abuse by officials and the public and vice versa.

Outstanding acts of contention include the Official Secrets Act, Powers and Privileges of Parliament Act, the Censorship and Entertainment Control Act, the Printed Publications Act and laws on defamation.

But doubts prevail whether the council will be able to effect the changes as the Zimbabwean government has insisted on imposing restrictions to promote self responsibility. During a freedom of expression discussion last July, Justice Minister Emmerson Munangagwa, while admitting that media laws were flawed and required amendment, nevertheless reinforced the government's rigid position.

"The enjoyment of any freedom entails responsibility. This has called for the imposition of restrictions in order to balance the different rights and freedoms of different persons within a nation," he said.

This is the difficult starting point of the council: how to move the government to change the array of laws inherited from the colonial era. Though the laws are rarely invoked, on the few occasions they have been used they have had serious repercussions on the freedom of the media.

An outstanding example included the right by parliament and the courts to demand the revelation of journalistic sources. Two journalists working for an independent weekly, Trevor Ncube and Simba Makunike, were forced by parliament and the courts respectively to reveal their sources while a third, Basildon Peta, was arrested for breaching the Taxation Act after an investigative piece alleging tax evasion by ruling party-owned companies.

Contempt of parliament and civil and criminal defamation laws also leave the media vulnerable to actions as journalists can be sued for reporting defamatory statements made by legislators who enjoy parliamentary immunity. It is also criminal to publish certain facts which turn out to be incorrect even if the editor did so in good faith and in the public interest.

The law on criminal defamation was used with devastating effect for the first time in 1995 when courts invoked it to convict Mr Makunike after a publication of a story alleging President Robert Mugabe's secret marriage to his former secretary.

These are just a few of the constraints journalists have to endure. But the public, which has at times been wronged by the media, has questioned whether journalists need special protection when they are expected to operate within an ethical framework.

"There are a lot of people who cannot pursue matters in court who have been abused by the press and yet editors protect their journalists. Will the council discipline errant journalists?" asked Sheila Cameron, an educationist and music promoter.

Zimbabwe Union of Journalists president Kindness Paradza says that by seeking amendments the council intends to give balance, promote self-scrutiny and professionalism within the media. "The council is not going to protect reckless journalists. It will formulate a code of ethics and insist on professionalism as the first line of defence by reporting facts and commenting fairly," he says.

To ensure maintenance of professionalism the council will adjudicate on complaints of abuse by the media by encouraging members of the public to come forward and ensure that the offending journalist is disciplined.

A section of the media also views the council with scepticism.

An independent publisher, Modus, and the country's news agency, Ziana, have not yet joined. Journalists also say the first 15 years of independence have created a culture of self censorship and fear among themselves, especially where government is involved. They say the priority is to tackle the issue of media ownership.

The country's major dailies and weeklies, broadcast stations and the news agency are indirectly owned and controlled by the government. The government even has a monopoly on broadcast of radio and television programmes while the appointment of politically correct editors must be approved by the minister concerned and the president. The few independent newspapers that have struggled to survive have a narrow circulation.

"As a result, journalists work under fear of losing their jobs for publishing stories that affect the sensibilities of government. There is a sad deficiency of democracy in the newsroom which does not protect journalists from unprofessional editors and employers," says a journalist working for a local daily.

The inclusion of editors and publishers on the council has also raised suspicion among journalists. "How does an aggrieved journalist challenge an editor or publisher who is represented on the council without exposing oneself to victimisation?" asked Paul Nkala, a journalist who prefers a council run by independent eminent persons with no political leanings.

It appears the sacking of Mr Musarurwa in 1985 and Henry Muradzikwa in 1989 from the editorship of the government controlled Sunday Mail and the 1990 removal of Geoff Nyarota from The Chronicle for exposing a car scandal involving government ministers and threats by powerful politicians continue to haunt Zimbabwean journalists.

Mr Musarurwa and Mr Muradzikwa had published politically incorrect articles at the height of Zimbabwe's socialist thrust.

However, Mr Manyarara says the council will press for democracy in the newsroom without taking over the role of union.

Former guerrilla takes on ruling party Goliath

ROBIN DREW
Foreign Service

(362) ARG 25/11/95

HARARE. — A political battle in the David and Goliath mould is being fought in Harare this weekend in a parliamentary by-election, the outcome of which will have repercussions for the ruling party which is already suffering serious internal strains.

David is in the form of the slightly built Independent candidate Margaret Dongo who has taken on the giant of the Zanu (PF) political machinery represented by Vivian Mwashita.

It was Mrs Dongo, the 35-year-old mother of three boys, who caused a stir when she challenged the result of the April general election in her constituency — which she lost to Ms Mwashita — on the grounds of irregularities in the voters' roll. The High Court upheld her appeal and nullified the result.

That was a blow for Zanu (PF) which had won all but two of the 120 elected seats. Party heavyweights have been sent into Harare South constituency to back Ms Mwashita again and Robert Mugabe has made it clear he will be most unhappy if the result does not go in favour of the party.

At least five politburo members have spoken at meetings in support of Ms Mwashita who is regarded in political circles to be an operative with the feared Central Intelligence Organisation.

Margaret Dongo was up until the runup to the general election a staunch member of Zanu (PF). She worked for the party at one time and also served for several years in the president's office.

Articulate and outspoken she made enemies during her five years in parliament when she campaigned strongly for the welfare of war veterans, on gender issues and the promotion of black economic empowerment.

An ex-combatant herself, she went to Mozambique as a 15-year-old girl for military training and became a medical assistant.

"It was the experience in the bush which gave me the strength to operate the way I do," she said.

Disillusioned with the road the party has followed, she said, "I hate dictatorship. I believe allegiance must be to the people, not to the party."

Fighting elections as an independent has been terrible, she said. She has found halls booked for meetings locked, she believes she is under constant surveillance and her telephone is tapped.

She said Zanu (PF) wanted control of everything. What the leaders want is power.

Of President Mugabe as a leader, she said: "Either he has been misinformed or he is part of the game. I doubt if he could be misinformed after 15 years in power."

Her opponent, also an ex-combatant, was a close friend, say political sources. Once they were ideological soulmates.

Ms Mwashita is a faithful party cadre and has left most of the speech-making to party leaders.

Mugabe death plot – 'Sithole involved'

(362) ARG 25/11/95

ROBIN DREW
Foreign Service

HARARE. — Zimbabwean opposition leader Ndabaningi Sithole was directly involved in a plot to assassinate President Robert Mugabe, the High Court has been told.

The court was also told that the alleged commander of a group of Zimbabwean dissidents in Mozambique allied to Mr Sithole received military training in South Africa and Malawi.

Details of the military training were contained in an agreed statement of facts in the trial of Simba Mhlanga, who has pleaded not guilty to illegal possession of arms of war.

The court was also told yesterday that Mr Sithole was directly involved in plans to assassinate Mr Mugabe by blowing up his motorcade.

William Namakonya — who has already been jailed for 12 years after being convicted of possessing arms of war — made the allegation.

Namakonya said he and Mr Mhlanga carried out reconnaisance along a road regularly used by Mr Mugabe. He said they reported to Mr Sithole, the Zanu (Ndonga) leader, that they had found a suitable spot and that six mines would be needed for the attack.

He said Mr Sithole — who is facing charges in a separate trial of plotting to assassinate Mr Mugabe and overthrow the government — sent a letter via Mr Mhlanga to rebel leaders in Mozambique asking for three pistols, three AK-47 rifles and six mines.

Mr Mhlanga, who was arrested in Mozambique in October this year, said he joined Mr Sithole's party in 1978. He was sent to Malawi with 60 others and trained for six months by the Young Pioneers.

In 1980, he went to South Africa and received instruction in the use of AK-47 rifles and Tokarev pistols. He returned to Zimbabwe where he worked as a security guard for Mr Sithole until 1983, when he was sent to Mozambique and joined the dissident group known as Chimwenje.

They were told to fight alongside Renamo against Frelimo before returning to fight in Zimbabwe. However, after peace was reached in Mozambique, he and his colleagues were instructed to return to Zimbabwe.

In his defence outline, Mr Mhlanga, 32, said the Chimwenje group, numbering only 43 by 1992, were told to arrange their own return. He made efforts to get Mr Sithole (who then had returned to Zimbabwe from self-exile in the United States) to arrange their repatriation. All his visits since then were in connection with this and he had no intention of fighting the Zimbabwe government.

He decided to stay in Mozambique, had married and up to his arrest had been living as a peasant farmer.

The trial is continuing.

Mr Sithole is currently on bail after appearing in court over the alleged assassination plot.

He was ousted by Mr Mugabe from the leadership of the now-ruling Zanu-PF party in 1974 during Zimbabwe's independence struggle, and is one of only two opposition members of parliament.

The 76-year-old Methodist minister is on bail and is due in court again on December 1. — Sapa-Reuter-AFP.

Fiery, independent David takes on Goliath in Zimbabwe by-election

(362) Star 25/11/95

By ROBIN DREW
INDEPENDENT FOREIGN SERVICE

Harare – A political battle in the David and Goliath mould is being fought in Harare this weekend in a parliamentary by-election, the outcome of which will have repercussions for the ruling party, which is already suffering serious internal strains.

The role of David is being taken by the slightly built independent candidate, Margaret Dongo, who has taken on the giant of the Zanu (PF) political machinery, represented by Vivian Mwashita.

It was Dongo, the 35-year-old mother of three boys, who caused a stir when she challenged the result of the April general election in her constituency, when she lost to Mwashita, on the grounds of irregularities in the voters roll. The High Court upheld her appeal and nullified the result.

That was a blow for Zanu (PF) which had won all but two of the 120 elected seats. Party heavyweights have again been sent in to Harare South constituency to back Mwashita, and Robert Mugabe has made it clear he will be most unhappy if the result does not go in favour of his party.

At least five politburo members have spoken at meetings in support of Mwashita, who is believed in political circles to be an operative with the feared Central Intelligence Organisation.

Until the runup to the general election, Dongo was a staunch member of Zanu (PF). She worked for the party at one time and also served for several years in the president's office.

Articulate and outspoken, she made enemies during her five years in parliament, when she campaigned strongly for the welfare of war veterans, on gender issues and the promotion of black economic empowerment.

An ex-combatant herself, she went to Mozambique as a 15-year-old girl for military training and became a medical assistant.

"It was the experience in the bush which gave me the strength to operate the way I do," she said. Disillusioned with the way the party has gone, she now hates dictatorship.

"I believe allegiance must be to the people, not to the party," she said.

Fighting elections as an independent has been "terrible", she added.

She has found halls booked for meetings locked, and she believes she is under constant surveillance and that her telephone is tapped. – Independent Foreign Service

Star 25/11/95

Dissidents trained in SA and Malawi, Zim court told

(362)

Harare – The alleged commander of a group of Zimbabwean dissidents in Mozambique owing allegiance to Zanu (Ndonga) leader the Rev Ndabaningi Sithole received military training in Malawi and South Africa.

The High Court in Harare was told this in an agreed statement of facts in the trial of Simba Mhlanga, who this week pleaded not guilty to illegal possession of arms of war.

Mhlanga, who was arrested in Mozambique last month, said he had joined Sithole's party in 1978. He was sent to Malawi with 60 others and trained for six months by the Young Pioneers. In 1980 he came to South Africa and received instruction in the use of AK-47s and Tokarev pistols.

Peace accords

He returned to Zimbabwe where he worked as a security guard for Sithole until 1983, when he was sent to Mozambique and joined the dissident group known as Chimwenje.

They were told to fight alongside Renamo against Frelimo before returning to fight in Zimbabwe. However, after the peace accords in Mozambique, he and his colleagues were ordered to return to Zimbabwe.

In his defence outline, Mhlanga (32) said he had decided to get married and return to Mozambique. Up to the time of his arrest he was living as a peasant farmer, he added.

The trial is continuing.

Sithole is currently on bail after appearing in court on allegations of attempting to assassinate President Robert Mugabe. – Independent Foreign Service

Water crisis threatens two major African cities

(362) ~~(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.

Sanctions - Zim waits for guidance

Sowetan 27/11/95

(362)

Mugabe says he has to take his lead from monitoring committee

By Khathu Mamaila

ZIMBABWEAN PRESIDENT Robert Mugabe says his government will be guided by the decision of the monitoring committee of Southern African states on whether sanctions should be imposed on Nigeria.

Addressing the media shortly after opening the new Limpopo bridge together with President Nelson Mandela on Friday, Mugabe said his country and South Africa were part of the monitoring committee charged with putting pressure on Nigeria.

However, he said while he was in favour of sanctions, the committee had not met and he did not want to preempt its decision.

Mugabe was among the first African leaders after Mandela to call for the expulsion of Nigeria from the Commonwealth and it was expected that his country would take the lead in imposing sanctions on Nigeria.

Asked if he was backing down as sanctions could have an adverse effect on Zimbabwe, Mugabe said: "We do not buy oil from Nigeria. How will we be affected?"

He said world powers such as Britain and the United States should take the lead on sanctions because they had strong trade links with Nigeria.

'Fires of resistance'

Meanwhile, in an interview with a weekly newspaper, Mandela said the time had come for the Nigerians themselves to light "the fires of resistance" in their own country.

"It is of no use for Nigerian leaders to shout from abroad and not to ensure that the fires of resistance are burning inside Nigeria. To say that they (pro-democracy Nigerians) are dealing with a brutal government is no answer at all. In our case ... international support was subordinate to what we were doing inside. That is what is lacking in Nigeria," Mandela was quoted as saying.

AFRICA

'Attacks harm Zim tourism' (362)

BULAWAYO: Constant attacks by state-controlled media against the country's 80 000 whites harm tourism, Zimbabwe's Association of Tour and Safari Operators says.

"Altogether 90% of the high-paying tourists are whites and easily get scared off," chairman Mr Ronald Yeatman said at the group's meeting at the weekend.

CT 28/11/95

Zim rulers lose crucial by-election

HARARE: An outspoken opponent of President Robert Mugabe has won a parliamentary by-election which Mr Mugabe's ruling Zanu-PF party had declared it could not afford to lose.

Ms Margaret Dongo won the weekend poll with 3 075 votes to 1 630 votes for Ms Vivian Mwashita of Zanu-PF.

The by-election was ordered by the high court after Ms Dongo, a former Zanu-PF MP, complained she had lost the election to Ms Mwashita in April through rigging and gross irregularities.

Mr Mugabe raised the stakes by declaring that Zanu-PF, in power for the past 15 years and controlling 147 of 150 seats, could not afford to lose the Harare South constituency. — Reuter

(362) CT 28/11/95

Zimbabwe's inflation falls to 22,4%

CT (BR) 30/11/95 (362)

Harare — Zimbabwe's annual inflation rate fell by 0,6 percent to 22,4 percent last month.

The Reserve Bank of Zimbabwe said last month's decline followed another reduction of 0,7 percentage points in September.

The major contributors to the decline in inflation included foodstuffs, rent, rates and fuel, as well as miscellaneous goods and services, said the bank.

Food items recorded the largest decline of 1,6 percentage points last month.

Analysts, however, expected annual inflation to soar to 25 percent by year-end following a spate of price rises, the latest being the sales tax hike, from 20 to 25 percent, which comes into effect on December 1. — Sapa

Zimbabwe inflation dips

HARARE. — Zimbabwe's annual inflation rate fell by 0,6 percent to 22,4 percent in October, Ziana news agency reports. (362)

The Reserve Bank of Zimbabwe said the decline in October followed another reduction of 0,7 percentage points in the previous month.

On a monthly basis, the inflation rate declined by two percentage points to 0,1 percent in October, the bank said. ARG 30/11/95

The major contributors to the decline in inflation included foodstuffs, rents, rates and fuel, as well as miscellaneous goods and services.

According to the bank, food items recorded the largest decline of 1,6 percentage points during October, followed by decreases of 1,3 and 0,6 percentage points for furniture and household stores, and clothing and footwear, respectively.

But analysts expect the annual inflation to soar to 25 percent by year-end after a spate of price rises, the latest being the sales tax increase from 20 to 25 percent which comes into effect tomorrow.

The bank said the decline in inflation during the period under review was characteristic of the present depressed domestic demand. — Sapa.

Zimbabwe asks for Z$1 billion to buy out white-owned farms

CT 21/12/95 (362)

HARARE: Zimbabwe's cash-strapped government yesterday appealed for Z$1 billion (about R400m) from donors to help it buy mostly white-owned farms to resettle thousands of landless peasants.

The appeal by Lands and Water Resources Minister Mr Kumbirai Kangai followed remarks by President Robert Mugabe last weekend that his government should be allowed to seize white-owned farms for resettlement with or without compensation because the government had no money.

Analysts said the president's remarks could seriously damage Zimbabwe's already ailing economy and lead to the loss of crucial donor support for its second phase of economic reforms due to start in 1996. Mr Kangai told reporters: "The ministry is appealing to donor agencies to enable the resettlement programme to see the light of day. We need one billion (Zimbabwe) dollars for the next 10 years to complete the programme.

"There are a lot of farms we are offered ... but there's no money for land."

He declined to say if the government would take farms without paying the owners if it failed to raise the money.

The Zimbabwean government has sweeping powers under the Land Acquisition Act of 1992 to use private farms to resettle thousands of landless blacks forced off their land by previous white governments. But under existing laws it has to compensate the owners. — Reuter

First execution in Zimbabwe since '88

(362) Star 1/12/95

Harare – Zimbabwe has hanged a man sentenced to death in 1993 for murdering a policeman – the country's first execution in seven years.

Deputy Sheriff Charles Nyatanga said in a statement: "Following the decision of the executive ... not to grant pardon to or to reprieve or to exercise the prerogative of mercy in respect of the condemned prisoner (Morgan Dikwi), the sentence of death was carried out upon him today, 30th November 1995, at 8:30 am."

Nyatanga declined to answer any questions on executions in Zimbabwe but court officials said there had been a moratorium on hangings in Zimbabwe since 1988.

Local human rights groups have been lobbying in vain for the country's legislators to emulate South Africa and repeal the death sentence. – Reuters.

Zanu leader in court (362)

HARARE. — Opposition Zanu (Ndonga) leader Rev Ndabaningi Sithole, accused of plotting to assassinate Zimbabwe's President Robert Mugabe, was today warned to appear again on February 17 when he appeared before an Harare magistrate.

Mr Sithole, also facing allegations of recruiting people to undergo illegal military training and conspiracy to sabotage, is on bail and has surrendered title deeds to his Waterfalls home as surety, Ziiana news agency reported.

Police have arrested a number of people in connection with the alleged plot. — Sapa. ARG 1/12/95

Zimbabe resumes hangings

(362) ARG 1/12/95

HARARE. — Zimbabwe has carried out its first acknowledged hanging since 1988.

Morgan Dikwi, who shot a police inspector during an attempted robbery in 1992, was led to the gallows at Harare Central Prison at 8.30 am yesterday, according to a justice ministry announcement.

In 1993 High Court Judge George Smith noted that 120 Zimbabweans were on death row, some lingering for years before final decisions were taken.

Zimbabwe's last known executions, shortly before the visit of Pope John Paul in 1988, were kept secret for months afterwards to dampen church protests and have still not been fully confirmed.

The Pope vainly appealed to President Robert Mugabe for clemency in 1982 when two former French mercenaries in the Rhodesian army were hanged for murdering a storekeeper.

The Roman Catholic Commission for Justice and Peace believes that up to 35 people have been hanged since Mr Mugabe came to power at independence in 1980, when the former white-ruled Rhodesia became Zimbabwe.

Mr Mugabe initially declared himself opposed to the death penalty but stopped reprieving condemned criminals during an upsurge of political violence in western Matabeleland province. — Sapa-AP.

Zimbabwe development trust leaves a trail of controversy

BD 1/12/95 (362)

Michael Hartnack

HARARE — Zimbabwe's self-styled "black broederbond" is the driving force behind the toll bridge over the Limpopo River, which gives a private consortium a 20-year monopoly on all direct road contact between Zimbabwe and SA.

The bridge, costing between R20m and R140m, according to conflicting official figures, was said to be reverting to the ownership of the Zimbabwean government, which owns 30%, in 20 years' time. Former SA finance minister Barend du Plessis was believed to be a member of the consortium which arranged finance for the project.

After months of official denials, it was confirmed just before last week's official opening that the second-hand bridge, imported from Bulgaria, was the brainchild of the Development Trust of Zimbabwe, an organisation formed in 1989 to spearhead black advancement. The exact amount of DTZ shareholding was not disclosed.

Under the chairmanship of Vice-President Joshua Nkomo, the trust has left a trail of controversy since it acquired its first asset in 1989 — the vast 350 000ha Naunetsi Ranch, now embroiled in a land dispute with neighbouring triangle estates.

The DTZ sought rescheduling of the R6m state-guaranteed loan with which it bought the ranch when it revealed in 1993 that 20 000 head of cattle had "gone missing".

Critics allege the DTZ operates more like a monopolistic corporation than a charitable trust, but it remains free from the requirements of Zimbabwe's Companies Act, and was permanently exempted from taxation under the 1993 Finance Act. It is not required to publish accounts or disclose any details of its operations.

In 1990, Zimbabwe's state-controlled Herald newspaper said a cabinet report had described the DTZ as "a broederbond that would give Zimbabwe a much needed stimulus for economic independence", and had urged it be given wide latitude. Its "notarial deed" was deemed to have the force of law.

Beitbridge and Matobo rural councils have recently voted to block attempts by the DTZ to start large-scale mechanised gold panning along the Umzingwane, Shashane and Tuli Rivers in partnership with a Russian consortium, claiming this would cause massive environmental damage.

To Nkomo's fury, Bulawayo and Gwanda municipalities have forced the DTZ to hand back millions of rands worth of commercial and industrial stands, awarded to the DTZ at concessionary rates, when these lay undeveloped for years. Beitbridge rural council also claimed the DTZ had used Nkomo's "political muscle" to frustrate development by rival, and more effective, enterprises.

In northern Zimbabwe, the Muzarebani district council claims it lost thousands of rands through a logging project launched by the DTZ, then allegedly abandoned.

Zimbabwe's commercial farmers were outraged when 20 000 head of cattle mysteriously "disappeared" from Naunetsi Ranch. They said they would be designated for government takeover if they showed similar managerial incompetence. Police said they were withholding details of their investigation "because of the status of the complainant" (Nkomo).

Nevertheless, the DTZ is pressing ahead with a tourist project at Kariba, a coffee plantation outside Mutare, and plans with the Russian Ozgeo company to exploit six exclusive prospecting orders for diamonds, gold and platinum. The orders cover a huge area of southern and western Zimbabwe.

President Robert Mugabe's personal lawyer, Robert Stumbles, drew up the initial notarial trust deed on June 12 1989, with Mugabe as patron in his specific capacity as head of the ruling Zanu-PF party.

Ironically, the only white among the seven initial trustees (and head of the finance committee) was the former Rhodesian deputy prime minister David Smith, who broke with Ian Smith's Rhodesian Front soon after Zimbabwe's 1980 independence. He retired in 1993.

The trust's "head of corporate affairs" (chief executive) was Simon Moyo, who in 1994 became minister of transport. Wellington Chando, currently running the DTZ in an acting capacity, said Moyo last year became a full member of the trustee board chaired by Nkomo.

The deputy chairman is Liberty Mhlanga, head of the parastatal agricultural and rural development authority. Other trustees include Zanu-PF party moguls Didymus Mutasa, Eddison Zvobgo, Enos Chikowore, Dzikamai Mavhaire and John Nkomo. Prof Reg Austin, former Zimbabwe University law lecturer, joined the trustees in 1990 but has been out of Zimbabwe on UN work for the past three years.

The problems of the DTZ parallel those dogging Nkomo in his personal capacity. Matabeleland contractor Henry Grobler last year died insolvent after years of being unable to enforce his claims against Nkomo for a R13 800 debt. High court officers said Nkomo's armed bodyguards stopped them enforcing attachment orders.

Nkomo has made repeated attacks on Zimbabwe's financial institutions, as well as its white, coloured and Asian business communities, for their alleged "conspiracy" to drive emergent blacks into bankruptcy. He has also demanded municipalities donate land to the DTZ.

Zimbabwe to clean up its act as far as pollution goes

(362) Star 2/12/95

Harare – Zimbabwean vehicles that exceed maximum pollution levels will be pulled off the road next year as part of a campaign, started by a local conservation group and the police, to clean up the environment.

Environment 2000, an outspoken charity that for years has lobbied for a cleaner environment in Zimbabwe, says it is concerned about the murky urban skyline.

Under the proposed scheme, people would report defective vehicles to the police and call for their removal from the country's roads in an attempt to check rising pollution in urban areas.

Stationed at Environment 2000 headquarters in Harare, the police would receive and react to complaints about vehicles belching out smoke.

Zimbabwe has one of the oldest fleets of imported and poorly serviced vehicles in the world. The move by Environment 2000 comes in the wake of public pressure to curb the rising levels of pollution from vehicles in urban areas.

Excessive smoke from vehicles is a major contributor to air pollution, says Environment 2000. Zimbabwean laws empower the police to fine drivers and impound vehicles with unsafe smoke emission levels.

"We are sad to observe that very little or nothing is being done to enforce this law, allowing for unbridled pollution," says Don Middlemost, chairman of Environment 2000.

Removing dangerous vehicles from the streets is the latest in a series of projects launched by Environment 2000 in Zimbabwe in the past two years.

Zimbabwe first joined the Clean Up The World campaign in August 1993, when Environment 2000 launched a local version, the Clean Up Zimbabwe campaign. – Independent Foreign Service/Africa Information Afrique

Mugabe's plan to curb demos 'will erode rights'

CT 5/12/95 (362)

HARARE: Plans by President Robert Mugabe's government to introduce laws clamping down on protests are aimed at strengthening its power and eroding civil rights, political analysts and opponents say.

They claimed yesterday that the plans, announced by Home (Interior) Affairs Minister Mr Dumiso Dabengwa, were another sign of the government's growing intolerance of criticism.

"They want to rewrite the constitution in a way that some of the pillars of democracy — freedom of expression and movement — will be eroded," said Mr John Makumbe, a political science lecturer at the University of Zimbabwe.

He said the new laws would be tantamount to banning protests, a move Mr Mugabe has said his government is considering.

The move follows riots here three weeks ago in which protesters torched vehicles and looted shops after a demonstration against the deaths of two bystanders, allegedly killed as police chased thieves.

The opposition Democratic Party said there would be more violence if the laws were passed as this would be the only way people would find to express themselves.

Mr Makumbe said the planned measures failed to deal with the real reasons for demonstrations.

"It's an underestimation of the anger of Zimbabweans at the cost of living, high unemployment and all the hardships under Zimbabwe's economic structural adjustment programme." — Reuter

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Zimbabwe's wilderness threatened by mining

CT(BE) 7/12/95 (3b2)

By Brian Latham

Guruve, Zimbabwe — In Guruve, northern Zimbabwe, small-scale miners are destroying vast tracts of land. Along the environmentally unique Great Dyke and in Mavuradonha wilderness area, mine workers have left a trail of destruction that may never be undone.

Mavuradonha is being administered by Campfire, a highly successful organisation which helps villagers to benefit financially from protection and regulated use of the environment and wildlife in their areas.

In their search for chrome, the miners have felled thousands of trees and moved tons of rock.

The Great Dyke, which has very little top soil and a sub soil poisoned by an excessively high mineral content, is also being strip-mined, a practice universally denounced by environmentalists.

Bulldozers are driven up steep inclines to loosen the Dyke's top soil. Afterwards, workers with wheelbarrows collect the chrome.

Once the Dyke's top soil has been removed, grass does not grow again. When Zimbabwe's rains arrived in November, tons of soil and rock were washed into the Dyke's streams, silting up narrow gorges and dams.

The damage being done to the environment will not only hurt tobacco farmers in the Guruve and Centenary districts, affecting Zimbabwe's primary foreign currency earner, but it will also devastate Campfire's flagship project, the Mavuradonha wilderness area.

An official from Guruve's intensive conservation area committee says that Zimbabwe's Natural Resources Board had seen the devastation for themselves. An order has been slapped on the miners in an effort to make them comply with Zimbabwe's strict environmental laws.

But the miners, many of whom are members of Zimbabwe's Small-Scale Miners' Association, have ignored the regulations and deny they are breaking any laws. Giles Munyoro, who represents them, says he is an environmentalist and that no laws are being broken.

"Every white man has got very emotional," says Munyoro, alleging that the local tobacco farmers, who are predominantly white, want to shoot the miners.

"We'll denounce the foreign press," he said, "and get President Mugabe to take those farms from the whites so we can mine there. We don't want to grow tobacco, we want to mine."

Mine workers complain they are paid infrequently by their bosses in Harare. Many say they have not been paid for four months, despite a promise of Z$600 a month. And their village has turned into a sprawling compound of huts, with a meagre water supply and poor sanitation.

'We'll get President Mugabe to take those farms from the whites so we can mine there. We don't want to grow tobacco,' we want to mine'

Workers claim the managers, who market the chrome to the Japanese, use lack of money as an excuse for not paying wages. In Zimbabwe, it is an offence under labour legislation not to pay a worker within 14 days of his normal pay day.

The Japanese are alleged to be buying the chrome ore and exporting the unrefined product to Japan.

With no value being added to the ore in Zimbabwe, it is likely the country could potentially lose millions in foreign currency.

But it is the destruction of the Mavuradonha wilderness area that is likely to cause the greatest outcry.

Until recently, no humans lived in the sprawling local council-managed reserve. Now the presence of hundreds, and perhaps thousands, of miners and their families is causing erosion, deforestation and siltation in an environment that has remained unspoilt for millennia.

The wilderness area, which provides development funds for 60 000 peasant farmers in neighbouring communal lands, could well be choked to death as all its water becomes polluted by miners.

Masahiro Osawa, the general manager of the Japanese Itochu Corporation in Harare, the company buying chrome through the Mineral Marketing Corporation of Zimbabwe (MMCZ), says there is nothing his organisation can do about the environmental degradation or the non-payment of workers in Guruve.

"Our contract is with the MMCZ," he explained. "There is nothing we can do."

— Independent Foreign Service/Africa Information Afrique

CT 7/12/95

Ministers divided on tobacco

SOMERSET WEST: Tobacco and its associated health risks has left delegates to the 11th Commonwealth Health Ministers' conference here divided, with Zimbabwe saying yesterday it had no "moral problems" with continuing to harvest the cash crop. (362)

Zimbabwe's Health Minister Dr Timothy Stamps said he found it "offensive" that many of the countries complaining about tobacco-related health risks benefited hugely from taxes on cigarette sales.

The British government earned £8,5 billion (about R46,75bn) from taxes on the same amount of tobacco which earned Zimbabwe only R200 million in foreign exchange, he said.

Babri Masjid mosque in northern India which was demolished by Hindu fundamentalists in 1992. Picture: AP

Zimbabwe mining sector sees steady growth

(362) BD 7/12/95

HARARE — Zimbabwe's key mining sector boomed this year and was expected to grow steadily next year on increasing local and foreign investment, a top industry official said.

"I think we will continue in the current trend of steady growth.

"If we get good rains and world mineral prices are good, we may even see some phenomenal growth in some areas," said Chamber of Mines CE Derek Bain.

He said 90% of the southern African state was under mineral exploration, mainly for diamonds.

Local and foreign mining companies were sniffing around, individually or jointly, for new investments.

He cited Britain's Reunion Mining which, jointly with the state-owned Zimbabwe Mining Development Corporation, this year commissioned a copper mine in northwestern Zimbabwe.

"We have seen tremendous and sustained interest in our mining sector in the past three years," he said, pointing at rising new and rollover applications for exclusive prospecting orders.

Eighty-six of these orders were granted in 1993, 116 last year and more than 100 by September this year.

Zimbabwe's annual mining production, Bain said, was expected to rise by 20% this year, the same as last year.

But foreign exchange earnings, he said, could rise to up to Z$6bn from Z$5bn last year, surpassing the initial official estimate of Z$5,2bn, which is due also to a 9% fall by the Zimbabwean dollar against major world currencies.

"Although we are still compiling our figures, we have already seen (production) rises in a number of minerals such as chrome, iron ore and gold," he said.

Gold output rose to 20,16 tons in the first 10 months of this year, up 3,18 tons over the same period last year.

It is expected to rise to 24 tons for the whole of this year from 20,5 tons last year, and to climb higher to about 26 tons next year.

"We could probably reach the 1916 record high of 27 tons (of gold) by 1997," the Chamber of Mines chief said, adding, however, that production could be affected by drought.

Mining contributes more than 40% to national export earnings.

Zimbabwe is the third largest producer of gold on the African continent after SA and Ghana.

"Our developments may be hampered by lack of water ... and that is why we are all praying for rain," Bain said.

Production on some mines was affected by water problems this year when some dams and rivers ran dry and the underground water table fell down further down to a severe drought.

Weather experts say that Zimbabwe seems likely to get good to average rain during the farming season, which began last month. — Reuter.

Bread loaf a

diet of bread and beer, the latter also playing an important role in reli-

Christmas prospects dim for Zimbabwe's poor

BD 7/12/95 (362)

MICHAEL HARTNACK
in Harare

IT WAS a dark and stormy night. The beggar's child looked in from the wet pavements at the bright windows of the shops, full of luxuries. The poor flower seller trudged the streets hoping someone would buy the bunches he had bought at the municipal market that morning, so he would have money to take home to his family.

Think of a sentimental Victorian Christmas story cliche. It is the reality of Zimbabwe today. A million homeless and 2-million unemployed among a population of 11,5-million — in the tourist mecca of Kariba alone, 20 000 unemployed live among the luxury hotels and yacht marinas that have earned the nickname "the Rhodesian Riviera".

The fate of Dickens' Little Nel was a kind one. "It is sad to see an 11-year-old girl having a sexually transmitted disease," said a spokesman for Harare city health workers. With the covert resurgence of domestic slavery in the city, growing numbers of children are exposed to abuse.

Wealthy urban relatives "adopt" poor children from the eroded and drought-stricken rural areas. They are expected to be on call 24 hours a day, seven days a week, in return for their keep; to accept beatings (and worse) as their lot.

With the end of import controls, virtually anything can be bought in Zimbabwe today — at a price — from Grant's Scotch whisky at R38 a bottle to Sony CD-tape-stereos at R5 200. Gone are the days when parents who did not make trips to SA sewed their own rag dolls, looked askance at shops whose only children's tale was Lenin and the Stovemaker, and bought their sons miners' safety helmets (easily converted at home, with the addition of coarse netting, to look like soldiers' tin hats).

It is trite but true to say the gap between rich and poor (no longer synonymous with white and black) has widened enormously since researcher Verity Cubitt demonstrated in 1974 that 90% of urban families were below the R83 a month needed to meet the basic requirements of an average family with four children (average incomes for 1,2-million formal sector workers were about R100 a month at contemporary exchange rates).

Then, her "poverty datum line" study raised an international outcry about "inequitable wealth distribution among Rhodesia's 6-million people". It was fanned, said Ian Smith's government, by the "mischievous Argus Press". Last month Cubitt published a similar study, showing that an identical family would need R789, vastly more than the R90 legal minimum wage. This time her writing was ignored by the state-controlled news media, but the urban poor have, in any case, become apathetic about the whole political process.

Pity is reserved for the 7-million rural poor. The government's R400m grain distribution scheme — 85% funded by foreign donors — was scheduled to end at Christmas, and harvests are not due until April.

"Because of the good rains expected this year, we have to speed up deliveries before the roads get too bad in remote areas," said Deputy Local Government Minister Tony Gara. But many in outlying areas say they have received no grain since the disorganised inception of the programme in May.

Zimbabwe seems to have found a new Ebenezer Scrooge figure — whose heart will hopefully change come Christmas morning — in the form of the SA government. Confederation of Zimbabwean industries CE Joe Foroma hopes thousands of jobs will be saved in companies brought to the brink of collapse, by SA suddenly breaking the long logjam over updating the 1964 "most favoured nation" trade pact.

"There is a danger of de-industrialisation taking place," said Foroma as he reviewed SA's punitive import duties and subsidised exports, which now beat local products on price and quality. In Harare, 6 000 textile workers have lost their jobs.

President Robert Mugabe has donned a traditional scarlet cloak and white beard to play Santa Claus to himself and his 150 vice-presidents, ministers and MPs. They are getting pay rises of up to 147%, partially tax free, and 50% backdated to July. Public servants getting 8%-10% rises, far below the 25% official inflation figure, are less pleased.

Mugabe would like to keep the patronage carrot of the finance ministry (vacant since Ariston Chambati's death in October) dangling until next year's presidential election. Hopes of power may thus keep an array of talented figures out of the opposition camp.

Whoever gets the job will have his work cut out. He will have only one major advantage over a similar reformer in bygone days — since the fall of communism the world no longer confuses "wealth" with natural resources and no longer believes the poor can be saved by simply expropriating the prosperous.

LETTERS

Sales tax squeeze is on for Zimbabwe

ARG 9/12/95

(362)

HARARE. — The squeeze is on for cash-strapped Zimbabweans following a sales tax hike, the second in a year, aimed at improving the government's dismal finances.

Sales tax on luxury goods went up from 20 to 25 percent with effect from December 1 in a country that has witnessed real incomes eroded to their lowest level in 25 years.

In January, the government of President Robert Mugabe raised the general sales tax from 10 percent to 12,5 percent, motor vehicle tax from 15 to 20 percent and excise duty on alcoholic beverages went up by a whopping 48 percent.

Then acting Finance Minister Emmerson Mnangagwa said the increases were necessitated by the fact that government is in a "paradoxical situation" under which it has to borrow to finance interest payments on "vital projects it cannot abandon".

The tax increases were proposed by the World Bank.

The bank and the International Monetary Fund (IMF) are supporting the country's economic reforms, after a decade of socialist policies.

On average, prices of bread, school uniforms, alcohol and soft drinks have climbed by between 10 and 40 percent since the beginning of the year. — Sapa-IPS.

Zimbabwean economy hit as Aids ravages workforce

(362) (~~83~~) CT (BR) 12/12/95

By Susan Njanji

Harare — The Aids pandemic that is killing 300 people a week in Zimbabwe will hammer the economy, say industrialists and economists.

The Confederation of Zimbabwe Industries (CZI) says 10 percent, or 120 000, of the country's formal workforce will be lost to industry in the next two years because of incapacitation or death from Aids-related diseases.

The epidemic has hit the economically active 20- to 40-year age group hardest.

Zimbabwe is undergoing western-backed economic reforms, but according to experts commerce and industry now face serious shortages of technical and professional skills.

The shortage has been compounded by a serious brain drain to neighbouring countries where salaries and working conditions are much better.

Wellington Chadehumbe, president of the Zimbabwe Economic Society, said the long-term impact of Aids will be to dissipate Zimbabwe's human resource capital.

Aids will claim another 100 000 lives within the next 18 months in Zimbabwe

Zimbabwe has probably the highest literacy rate in sub-Saharan Africa, but this benefit is being undermined by Aids.

Companies are already losing productivity because of lost man-hours as sick workers seek treatment and healthy ones attend funerals of friends and relatives.

Last week the health minister, Timothy Stamps, agreed to shave his head as part of an Aids awareness campaign. His grey locks were auctioned for Z$25.

He says more than 100 000 people have died from Aids-related diseases in the past 10 years. Another 100 000 afflicted with Aids will die in the next 18 months in this nation of 10,4 million people.

Officials estimate that one million people, or 10 percent of the population, carry the HIV virus that causes Aids. They expect that more than 600 000 children will be orphaned by Aids by the turn of the century. About one quarter of pregnant women are HIV positive.

Recently 1,28 percent of new blood donors from high schools tested positive.

AIDS AWARENESS *Two children stand beneath a poster warning of the pandemic that is decimating Zimbabwe's economically active population*

The insurance industry, a major source of investment funds, says between 50 and 70 percent of claims on life and endowment policies are from Aids victims and there has been a marked rise in premature claims in recent years.

In a report this year, the Life Officers Association of Zimbabwe estimated that the incidence of death claims due to HIV-Aids has risen by 200 to 300 percent.

"The bottom line is that if we cannot contain Aids claims ... this will have an adverse effect on our operations," says George Dire, underwriting and claims manager of Old Mutual, the country's largest insurance company.

"Any diminution of our funds means less and less will be available for supporting investment and other national economic issues that are funded through the insurance industry," he says.

Household incomes are being strained as they are directed to the care of family members who are partially or completely debilitated by HIV-related illnesses at a time when the inflation rate is hovering at about 24 percent.

Destitution is on the rise as Aids sufferers, orphans and dependants cause greater demand on already overstretched public social-welfare services.

The heath-care system is being put under enormous strain by the demand for drugs and doctors. It is estimated that 27 percent of public health-care spending is devoted to Aids care and half of the hospital beds are occupied by Aids patients.

Economists say the success of the World Bank-backed economic reform programme, which is entering its second five-year term, is not solely dependent on Aids.

The major challenge posed by the deadly disease is that the government ought to cut expenditure, but the extent to which it can do so on the health and social welfare budget is now very limited.

"So macro-economic stability as indicated by lower rates of inflation and interest will be more difficult to attain," said Chadehumbe. — Sapa-AFP

Zimalloys' metal deal on course

CT (BR) 14/12/95

(3b2)

FROM SAPA

Harare — Zimbabwe Alloys, one of the world's main low-carbon ferrochrome (LCFC) producers, had reached basic agreement on a joint venture to produce the metal for major Japanese manufacturer Japan Metals and Chemicals (JMC), it was announced yesterday.

Bill Smart, the managing director of Anglo American-owned Zimalloys, said that by the middle of next month agreement was expected to be concluded with JMC and Japanese trading house Mitsui and Company, the third partner in the joint venture. If the agreement is concluded Zimalloys will sell JMC between 10 000 and 14 000 tons of LCFC a year, in exchange for JMC's superior production technology.

Smart said JMC's plant in Japan, which produces the same volume of LCFC for the Japanese stainless steel and speciality steel market, would be shutting down in the second quarter of next year, at the same time that the agreement was scheduled to come into effect.

Zimalloys would replace JMC's production, he said.

Smart said the announcement was preliminary and that the agreement was subject to approval by the relevant authorities.

He expected to be able to provide further details in mid-January. He said the deal was in line with similar agreements being made by Japanese producers with cheaper producers in countries like South Africa.

The supply would be conducted by a company in which Zimalloys would have a 50 percent share and JMC and Mitsui 25 percent each. The name of the company has not been decided.

Zimalloys' metal deal on course

CT(BR)14/12/95

(362)

FROM SAPA

Harare — Zimbabwe Alloys, one of the world's main low-carbon ferrochrome (LCFC) producers, had reached basic agreement on a joint venture to produce the metal for major Japanese manufacturer Japan Metals and Chemicals (JMC), it was announced yesterday.

Bill Smart, the managing director of Anglo American-owned Zimalloys, said that by the middle of next month agreement was expected to be concluded with JMC and Japanese trading house Mitsui and Company, the third partner in the joint venture. If the agreement is concluded Zimalloys will sell JMC between 10 000 and 14 000 tons of LCFC a year, in exchange for JMC's superior production technology.

Smart said JMC's plant in Japan, which produces the same volume of LCFC for the Japanese stainless steel and speciality steel market, would be shutting down in the second quarter of next year, at the same time that the agreement was scheduled to come into effect.

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(362)

ZIMBABWE

Achilles heel

PM 15/12/95

After a year of little, if any, real economic growth, the Zimbabwe economy is set to grow by more than 5% during 1996 if the reasonably good recent rains are maintained through to March.

Most forecasters predict zero or only marginally positive growth this year, attributable largely to last season's drought and a sharp decline in manufacturing. Though some analysts argue the economy's difficulties are purely drought-related, the 14% fall in manufacturing output in the first nine months of this year suggests the underlying causes are more fundamental.

SA's share of Zimbabwe's imports has risen from almost a third, in 1994, to an estimated 35%-plus this year. This import penetration is hurting manufacturing, and some economists predict the 1996 rebound in industry will be less robust than optimists (forecasting growth of 8%) predict. The economy would have suffered more had it not been for the strong performance of:

- Tobacco, where output rose more than 40% in value;
- Record production in mining; and
- Continued rapid expansion in horticulture and tourism.

In mining, exploration activity is at record levels and there are hopes for strong growth in diamonds, gold and platinum, with the Delta Gold-BHP Hartley platinum project coming on stream in 1997.

The rains have perked up in the past fortnight and most areas are now approaching normal seasonal falls, though the real test will come in February-March when, in the last two seasons, drought set in.

Maize plantings have been cut and the rebound in this sector will be weaker than in past years, but cotton output is forecast to double to 200 000 t, while tobacco and horticulture continue to expand strongly.

Manufacturing and construction are the problem. With government having cut its capital budget to the bone, to curb the budget deficit, the construction sector is facing a thin period. Manufacturing will recover somewhat, on the back of stronger domestic demand. But unless it can revive its export markets — textile production is down more than 60% — and compete with imports from SA and elsewhere, it will take until 1998 to regain its 1991 peak in output.

Inflation, which averaged 22,3% during 1994, is estimated to have been slightly higher (about 23%) in 1995.

If government can make its public spending cutbacks stick — problematic in a presidential election year — inflation should slow to about 16% next year, which will open the poor to a fall in interest rates.

Prime overdraft rates now exceed 30%, but should fall to 25% or lower during 1996. The Zimbabwean dollar fell an estimated 6% in 1995. As long as inflation is above 20%, the currency will have to depreciate at least 10%-15% a year. It is probably overvalued today and further depreciation is expected in the first half of 1996.

Much is going to depend on who inherits the poisoned chalice of Minister of Finance and his ability to curb big-spending Cabinet colleagues. The Finance post has been vacant for three months following the death of Ariston Chambati. But President Robert Mugabe has not been in any hurry to appoint a successor.

The president, who has spent a lot of time away recently, is facing re-election in March-April. To date, no opposition candidate has declared himself and it is possible Mugabe will be returned unopposed — possibly the most effective way the opposition could demonstrate its disapproval of the one-party nature of Zimbabwe.

Last April, the ruling Zanu-PF party won 148 of the 150 parliamentary seats in the general election. After the courts found the ruling party had stuffed the ballot boxes in one Harare constituency, government was forced to call a rerun. The second ballot went to independent candidate Margaret Dongo. This incident raised doubts about the fairness of last year's poll, but there is no gainsaying the party's popularity.

Though unemployment continues to escalate at an alarming rate and, despite a 35% fall in real wages since 1990, the party retains its stranglehold over the electorate.

If opposed, Mugabe will win a crushing victory in April, though the turnout is likely to be lower than he would like.

Zimbabwe is now on a so-called shadow programme with the IMF. Provided it meets fiscal and monetary targets over the six months to March 1996, it will be able to resume borrowing. And donors, who had suspended disbursements in mid-1995, will resume payments.

To satisfy the IMF, spending cuts are being imposed, bills are being paid late, workers are being laid off and the army is being trimmed (to 35 000 from 51 000 a few years ago).

Sales tax on luxury goods has been raised 5% and further tax increases — probably on petrol — are in the pipeline.

Privatisation will move up the policy agenda in 1996 when a second phase of the Economic Structural Adjustment Programme is launched. This ought to include public sector reform, a policy for industry, a strategy for beating unemployment and measures to integrate with the rest of the region.

These are all formidable structural problems. But the signs are that, after 15 years in office, Mugabe's tired, played-out team lacks both the commitment — and certainly the ideas — to tackle them. ■

Wits Council in do-or-die session today

Sowetan 15/12/95

By Pamela Dube and Khangale Makhado

THE WITS University Council meets this afternoon in a do-or-die session that has to lift the suspension on deputy vice-chancellor Professor William Makgoba or face Government intervention and mass action by students.

Also, black council members have threatened to walk out if today's meeting fails to review the suspension. One of them, the Reverend Frank Chikane, said he had declined reappointment to the council but refused to confirm that this was because of the Makgoba issue.

On Wednesday two prominent businessmen, Dr Nthato Motlana and Dr Enos Mabuza, quit citing differences with council over Makgoba's suspension.

The South African Students Congress (Sasco) yesterday threatened to embark on mass action when the university reopens in February unless Makgoba is reinstated.

Sasco president David Makhura said Makgoba's suspension "should be lifted. It is unjustifiable".

Makgoba was suspended a week ago by Wits vice-chancellor Professor Robert Charlton for "abusing his position" by obtaining and publishing information from the files of his 13 accusers.

Wits has maintained silence over the furore and attempts to get comment have been fruitless. Sasco also called on Bhengu to intervene saying the conflict at the university had reached destructive proportions. Bhengu on Wednesday issued an ultimatum to Wits authorities to resolve the current crisis or face government intervention.

"I urge them (the council) to resolve the matter as I have proposed." While silent on specifics of Government plans, Bhengu said "we have already discussed what we are going to do if the council does not agree to our proposal".

Pan Africanist Student Organisation general secretary Mr Clarence Hadebe said Bhengu should be "decisive on the matter because Wits owes accountability to the nation since it is a public institution".

Sasco general secretary Mr Oupa Bodibe said should government and the university fail to resolve the matter, Sasco would mobilise students to embark on a National Day of Action on Wits in February next year.

Holiday traffic set to peak

By Charity Bhengu

TRAFFIC flows on national routes are expected to increase by up to 75 percent over the next two days as a result of the start of company and industrial holidays.

According to the chief directorate roads of the Department of Transport, traffic volumes monitored on the N1 to date have shown a steady increase of about 100 vehicles per day going towards the Cape.

The National Traffic Information Centre said at least 348 people had died in 276 fatal collisions on South African roads since the start of school and business holidays on December 1.

NTIC said according to the police, of the fatalities, 35 were in the Western Cape, 40 in the Eastern Cape, nine in the Northern Cape, 43 in the Free State, 76 in KwaZulu-Natal, 16 in North West Province, 87 in Gauteng, 24 in Mpumalanga and 12 in the Northern Province.

The fatal collisions to date have cost the country more than R40 million. NTIC said that it was costing the South African economy about R120 000 per fatal accident. This included insurance, funeral costs, emergency and medical services.

Although traffic flows are expected to increase, NTIC has reassured motorists that the authorities will be stepping up ground and air patrols on specific routes.

Rich civil servants' kids get scholarships

(362) Sowetan 15/12/95

HARARE – Children of highly-paid Zimbabwean civil servants are among 68 students granted R1,4 million in state funds on Cabinet instructions after their parents claimed they were unable to pay for overseas studies.

The Financial Gazette named some of the students as the children of President Robert Mugabe's secretary Charles Utete, former Zimbabwe Air Force commander Josiah Tungamirai, former ambassador to Washington Stan Chigwedere and former high commissioner to Kenya Lucas Tavaya.

The scholarships are for institutions in Britain, Australia, Canada and the United States.

The largest sum requested, R65 000, was for the son of James Chitauro, permanent secretary in the Ministry of Higher Education.

Chitauro had pleaded with the Cabinet for the funds after being turned down by the Finance Ministry which had demanded "a clear policy" on the awarding of scholarships.

The newspaper said in an editorial the civil servants were "not satisfied with the fat salaries and perks they have got and shamelessly dig deeper into public coffers".

The news comes after Mugabe and his government got pay rises of more than 100 percent. – *Sapa.*

Rich Zim students supported by state

(362) Star 15/12/95

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The newspaper said in an editorial that the civil servants were "not satisfied with the fat salaries and perks they have showered upon themselves".

The revelations come two weeks after Mugabe, his ministers and MPs were awarded pay rises of more than 100%. – Sapa.

Mugabe: 'Take white-owned farms. . .'

(362) ARG 16/12/95

HARARE. — President Robert Mugabe urged his Zimbabwe African National Union-Patriotic Front (Zanu-PF) party to pressurise the Zimbabwe government to take over white-owned farms to redress land imbalances, regardless of whether the government had the money to pay for them.

Speaking to applause and ululation from 4 000 delegates at a two-day conference organised by Zanu-PF, Mr Mugabe criticised government officials for doing too little to obtain land for the landless.

"I know that people are complaining about the delay by government in acquiring commercial farms owned by whites. I agree that there is nothing being done to resettle people."

The government did not have the money to compensate farmers for their land, Mr Mugabe said, but added: "We want you at this conference to agree to resolve that government should take farms whether or not it has money.

"These farms must be taken from the white commercial farmers," Mr Mugabe said, speaking in Shona.

Government had to get the message that white farmers should leave their farms to the indigenous inhabitants, he said.

Some government officials were still trying to appease whites and still appeared to be afraid of them, Mr Mugabe said.

Since independence Zimbabwe had failed to meet its resettlement targets.

Only some 60 000 families have been resettled. — Sapa.

Govt shock for Zimbabwe sports clubs

(362) Star 18/12/95

By Robin Drew

Harare — Sports clubs in Zimbabwe are holding urgent meetings to discuss the impact of far-reaching shock regulations introduced by the government to ensure that black membership will increase.

The regulations enable the Sports and Recreation Commission to fix entry fees and subscriptions at no more than Z$200 (R80) unless the club obtains permission from the commission.

They also lay down that anyone refused membership can appeal to the commission. Clubs with under-used facilities can be forced to rent them out to other clubs with inadequate facilities.

The regulations requiring clubs to open their membership to all will apply only to those registered with the commission.

But members of unregistered clubs will not be allowed to compete in any district, regional, provincial, national or international event without the personal approval of the Minister of Sport. Appeals over rulings by the commission lie with the sports minister and with the administrative court.

Commenting on the issue, The Herald newspaper said a measure of panic seemed to have set in among members of established clubs and there were mutterings about closing down rather than obeying the regulations.

"Certainly, if the regulations are properly applied, a certain way of life will end forever, and not before time. For too long some sports clubs have been regarded by too many of their members as social havens insulating them from modern Zimbabwe," said the paper.

It pointed out that those who wanted exclusive social clubs had the constitutional right to use their own land and set these up. – Independent Foreign Service.

Court slates Zimbabwe phone service

ARG 20/12/95 (362)

HARARE. — Zimbabwe's telephone system is so bad it infringes on the constitutional right of citizens' to freedom of expression, according to a Zimbabwe Supreme Court ruling.

The court found that because the government's Posts and Telecommunications Corporation monopolised the industry, the introduction of a cellular telephone network owned by PTC could not be reasonably justified in a democratic country.

The PTC had argued that private control of such a system would cream off the corporation's profits in the urban areas and thus make it more difficult for the PTC to fulfill its mission of taking telephones to all parts of the country — even unprofitable rural areas. — Sapa-AFP.

Zimbabwean phone system unconstitutional

BD 20/12/95 (362)

HARARE — Zimbabwe's phone system was so bad it infringed citizens' constitutional right to freedom of expression, according to a Zimbabwe Supreme Court ruling released yesterday.

Sapa-AFP reports the court found that as the government's Posts & Telecommunications Corporation monopolised the industry, the introduction of a cellular telephone network owned by it could not be justified.

Five Supreme Court judges, headed by Chief Justice Anthony Gubbay, agreed that private cellular-phone company Retrofit should be allowed to introduce a cellular-phone system.

The state corporation had argued that private control of such a system would cream off its profit in urban areas, making it difficult to take telephones to all parts of the country, including unprofitable rural areas.

While describing this as "a commendable endeavour", Gubbay said it was not enough to justify the monopoly and rejected the corporation's plea for a five-year delay on lifting its monopoly to enable it to become competitive.

Michael Hartnack reports that the court heard evidence that thousands of subscribers had phones that did not work while thousands more waited for years to have phones installed. It was argued that this situation violated constitutional guarantees of freedom of expression.

Retrofit's Strive Masiyiwa was awarded costs but may not compete with the state's normal telephone service, which Gubbay called "notorious" and "delinquent". Legal observers said they believed the test case opened the way for challenges to state monopolies in many sectors of the economy.

Earlier this year some Zanu-PF party members imported Swedish equipment with the aim of pre-empting Retrofit's move into the market, but cancelled their bid in the face of litigation threats and pressure from international financial institutions.

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Zim gets private cell phone network

Star 22/12/95 (3b2)

Harare — Engineers are busy installing relay stations for Zimbabwe's first cellular telephone network, following a private entrepreneur's landmark court victory this week ending a state monopoly on communications services.

Strive Masiyiwa, chairman of Retrofit, the company in whose favour the court ruled, said yesterday an experimental service would be working by February, and a commercial service would be running in April.

The Supreme Court ruled on Monday that the refusal by the state-owned Posts and Telecommunications Corporation (PTC) to allow Masiyiwa to apply for a licence to run a private cell phone network was an infringement of Zimbabweans' right to freedom of expression.

The court said the PTC had failed to meet its responsibility for providing Zimbabweans with a reliable and accessible telephone system.

At present, callers are forced to make about four attempts to get through with each call, and there is a waiting list for telephones that would take 14 years to meet.

The PTC also planned to establish its own cellular system, but ran into trouble earlier this year when Norwegian communications corporation Ericsson was caught rigging the tender for the supply of the system with the help of top officials of the ruling Zanu (PF) party.

Court rules against state company

Ericsson's name is not among the six companies Masiyiwa says have been contracted to supply telephones.

The first phase of the system, run by Econet, a wholly owned subsidiary of Retrofit, would involve setting up a network between Harare and Bulawayo, and the urban centres on the highway between the two cities, at a cost of about R100-million.

Work had already begun in Harare, although the necessary licence had still not been received from the PTC, Masiyiwa said.

"I don't think we shall have any difficulties on this issue. The PTC knows that the people of Zimbabwe have had enough of their past."

Talks with the PTC would start "very soon", he added.

The second phase, scheduled to be commissioned by December 1998, would set up services south from Harare to Beitbridge, and east to Mutare.

The entire system would cost about R200-million. – Sapa.

BD 22/12/95

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(362)

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The second phase, scheduled to be commissioned by December 1998, would set up services south of Harare down to the border town of Beitbridge, and east down the highway to the eastern border town of Mutare, as well as in provincial capitals.

The entire system would cost about R200m and provide a capacity for 60 000 subscribers.

The PTC has 145 000 working lines, but Chief Justice Anthony Gubbay said the recent installation of a multimillion-dollar digital system had done little to improve the "delinquent service".

Econet also planned to provide a paging service and radio connections to rural areas.

Masiyiwa said the R100m for the first phase had been raised from 40 companies. Econet would be floated on the Zimbabwe Stock Exchange in 1999. — Sapa.

Mugabe runs the gauntlet of protesters

(362)

Michael Hartnack

BD 22/12/95

HARARE — President Robert Mugabe was yesterday confronted by the first mildly critical demonstration in his 15 years of power, when supporters of independent MP Margaret Dongo catcalled his arrival at parliament.

Dongo, a former guerrilla, was expelled from the ruling Zanu (PF) party when she refused to accept deselection as candidate for Harare south constituency. She won her seat back last month in the first by-election defeat of its kind for the government.

Dongo, apparently acting on a request from police, later emerged and led her supporters away before Mugabe had to confront them again after delivering his state of the nation address.

Previously, the riot police invariably dispersed demonstrators with baton charges and tear gas before they came within sight of Mugabe, 71.

Mugabe chronicled Zimbabwe's economic and social woes in his speech, blaming last season's patchy rains which devastated all crops except the money-spinning tobacco grown by white commercial farmers.

There was a moment of confusion when Mugabe, after saying inflation was already 26%, said it was "expected to rise to 25% by the end of the year".

"Oh, I have already said it is 26%," the president exclaimed.

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(362) BD 22/12/95

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Aids virus is biggest killer in Zimbabwe

(362)

CT 29/12/95

HARARE: About 90% of deaths in Zimbabwe were now thought to be human immunodeficiency virus-related, Health and Child Welfare Minister Dr Timothy Stamps said yesterday.

Speaking at a police parade here, Dr Stamps said the most vulnerable age group was 18 to 25.

Meanwhile, the Zimbabwean National Aids Co-ordination Programme said yesterday that estimates showed up to 25% of sexually active adults in the 15 to 49 age group might be infected with the human immunodeficiency virus (HIV) thought to cause Aids.

An NACP report was quoted as saying about 10% of Zimbabwe's 10,4 million people were infected with HIV and one in three babies born to HIV-positive women carried the virus.

"Almost all those with HIV are expected to develop Aids in time," the NACP said. "Average life expectancy may be shortened by perhaps 20 years, with a shortage of young and middle-aged productive adults and huge numbers of orphans — possibly one in three of all children — by the year 2010.

"Sex ratios will change as women die younger than men, and dependency ratios will worsen. All sectors of society and the economy will be affected."

The NACP said population growth would slow down and the population might even contract for a period, although it would gradually recover.

By mid-1995 there were 40 000 reported Aids cases in Zimbabwe. It is generally believed about two-thirds of cases go unreported. — Sapa

Unemployment a threat to stability in Zimbabwe

(362) BD 29/12/95

HARARE — Zimbabwe's largest merchant bank said yesterday that the country's unemployment crisis posed a serious threat to political stability.

First Merchant Bank urged the government to implement policies that would help stimulate investment and employment.

First Merchant Bank said that in the past six years, 820 000 people had completed school with four years or more of secondary education, yet less than 100 000 jobs had been created. In the next five years, another 750 000 would complete four years at high school and more than 50 000 would stay on to write A-levels.

"We can already see signs of a potentially destructive course as the river of unemployed becomes a flood of angry, disillusioned people," the bank said. — Sapa.