ZIMBABWE – GENERAL

1996

AUG. – DEC,

High Court victory for Zimbabwe gays

BD 1/8/96 (362)

Michael Hartnack

HARARE — Gays and Lesbians of Zimbabwe (Galz) won a High Court order yesterday setting aside as invalid the government's attempt to ban its exhibit at the international book fair, and prohibiting the authorities from future interference.

At an hour-long hearing in chambers, Judge Wilson Sandura ruled that the information ministry and the censorship board had exceeded their powers by promulgating an order banning the Galz exhibit without specifying what was "offensive or undesirable". Galz administrator Keith Goddard said his members planned to erect their counselling pamphlets display immediately.

They would take this action despite the danger President Robert Mugabe's government would invoke special powers to promulgate a second banning notice.

"We take the threats of violence from various groups very seriously and we are sure this is not going to be taken lightly.

"But we have taken every precaution to ensure public safety, including hiring security guards and asking the police to provide civil protection," said Goddard.

A radical student group threatened last week to burn down the entire fair, housing 250 publishers from 42 states, if Galz was allowed to remain.

The Publishers Association of SA, which withdrew after last year's eviction of Galz by Mugabe, issued a protest yesterday asking: "Who is going to be next on the Zimbabwe government's list?

"Does Pasa want to be associated with a book fair where the government interferes in such a heavy handed and crude way?"

Zimbabwe urged to stabilise economy

BD 1/8/96 (362)

HARARE — Zimbabwe's central bank governor urged the government yesterday to move fast to restore economic stability and cut high interest rates to spur growth.

In the bank's report for the year to March 31, Leonard Tsumba said the government should also quickly introduce comprehensive investment incentives and new, protective import tariffs to promote private sector growth.

"High interest rates, the consequence of the tight monetary policy aimed at curtailing inflationary pressures fuelled, in part, by heavy reliance on domestic financial resources to finance the fiscal deficit, continue to constrain economic activity.

"In addition, lack of a comprehensive investment incentive structure, unfair competition from subsidised imports, have dealt a severe blow to industry," he said.

He said local industries had had to shut down factories and fire workers, which led to a rise in unemployment estimated at a rate of 40%.

The country's agriculture-driven economy is expected to grow 7% this year on the back of a good rainy season from a 3% drought-induced decline in GDP last year.

Tsumba said the government should pursue efforts to control spending and broaden its revenue base.

It should also scale down borrowings from the domestic market as this was seen as crowding out the private sector.

Local economists blame state expenditure — which accounts for up to 40% of GDP annually — for high budget deficits and interest rates which have plagued the country over the past five years.

Last Thursday, Finance Minister Herbert Murerwa said the government had missed its target to bring down the budget deficit to 6,7% of GDP in the 1995/96 fiscal year. It wound up at 10,1% but is forecast to come down to 8,5% in 1996/97.

Tsumba said yesterday: "With a supportive fiscal policy, reflected in a lower budget deficit, below 5% of GDP, and a decisive move towards budget balance and reduced recourse to domestic borrowing, the tight monetary policy will be eased and, consequently, interest rates should decline and thus underpin needed investment growth." — Reuter.

SA accuses Zimbabwe paper of insulting Mandela

BD 2/8/96 (362)

Michael Hartnack

HARARE — The SA high commission in Harare accused the state-controlled Herald newspaper yesterday of insulting President Nelson Mandela in an editorial which suggested SA was reviving Cecil Rhodes's dream of dominating the region.

In a letter to the editor, a spokesman for the high commission said an editorial titled "SA cannot control whole region", ran "contrary to established facts and is insulting to SA and its partners in the Southern African Customs Union and the Southern African Development Community.

"To talk of a revival of the old dream of SA regimes before the arrival of democracy, a dream that goes back to Cecil John Rhodes, in the light of SA's stated foreign policy objectives in relation to the region is to insult Mandela and all those who have contributed to the new SA and to the ideals of a peaceful, stable and economically sustainable Southern Africa," the letter said. "To further accuse SA of an arm-twisting, big brother attitude, superiority, impoverishing its neighbours and delaying tactics is inconsistent with the facts."

It said: "The high commission is perturbed by an editorial premised on the self-declared basis of rumours, with no attempt at verification or objectivity."

Talks on bilateral trade had made real progress since June 10, and SA was co-operating with its neighbours to draw up a regional trade protocol, it said. SA was one of the largest investors in Zimbabwe last year and its assistance with the Maputo corridor "is hardly an example of a colonial attitude towards the region and impoverishing neighbours", protested the high commission.

The letter continued: "The Herald should become a vehicle for constructive dialogue among our people and those of the entire region."

The Herald is closely controlled by President Robert Mugabe's Mass Media Trust and information ministry, its editor receives regular briefings from ministers, and editorials usually reflect government thinking.

A letter published under the pseudonym Nicholas immediately below the high commission protest accuses SA of "doing anything and everything to lure from Third World Zimbabwe not only our doctors, teachers and journalists, but even holders of O and A levels".

Coffin boom in Zim

(362)

Sowetan 2/8/96

By George Manase

MUTARE – Small-scale coffin manufacturers in Zimbabwe are making serious inroads into that country's funeral industry.

The boom in the small-scale manufacturers is threatening the domination of the established funeral service industry.

Escalating costs of dying and an increase in the number of Aids cases are contributing to the boom.

For instance, a number of burials in a city like Mutare in eastern Zimbabwe rose by 20 percent between January and June 1994, according to latest official figures.

Mr Maxwell Makamba's business is one of the small coffin manufacturers flourishing as a result of increasing number of deaths.

"We are making coffins which are affordable to most people," says the 24-year-old enterprenuer.

Made of cheap wood off-cuts, the coffins cost about R90 each, about one-twentieth of the price of those produced by established funeral parlours.

Makamba, who established his enterprise in 1993 and now employs six carpenters, produces between five and 10 coffins a day. – *Africa Information Afrique.*

ZIMBABWE (362)

MURERWA FIDDLES

FM 2/8/96

Zimbabwe's 1996 budget has irritated the markets and the business community. Presenting his first budget on July 25, Finance Minister Herbert Murerwa left fundamentals unchanged.

The deficit for the year to June 30 1996 is 10,1% of gross domestic product, well above the 6,7% forecast a year ago. If once-off inflows — Z$590m (R267m) from asset sales and Z$781m (R356m) of central bank profits are excluded, the true deficit exceeds 12%.

Murerwa is relying on inflation at about 16% to carry him through the next fiscal year to mid-1997. Spending and revenue will increase with inflation, but recurrent spending will fall 2% in real terms. He predicts a 1996-1997 deficit of 8,5% of GDP.

The root of the fiscal crisis is public spending of 37% of GDP (down from 40% in 1995-1996). As Harvard economics guru Jeffrey Sachs noted in Harare last week, this is unsustainable. An 8,5% deficit is too large but, given the swingeing tax increases introduced over the past eight months, there is little room for further increases.

Murerwa introduced a 15c levy on every automatic teller machine transaction. The way the Finance Bill is worded, it appears this 15c levy will apply to all bank debits. It won't raise a lot of money but will add to bank costs — which will be passed on to the customer.

Business is depressed by the decision to convert the 5% drought surcharge into a "permanent" 5% development levy, thereby leaving direct tax rates effectively unchanged at 39,4% for companies and a top rate of 42% for individuals, cutting in at a taxable income of less than R27 000.

On the spending side, it's a familiar story. More than 80% of the tax take (25% of GDP) is earmarked for salaries and wages or interest charges (41%). The largest departmental vote is education, with 18,5% of total spending, followed by defence at 8%.

The budget deficit is forecast at Z$6,8bn (R3bn) before grants of Z$1,2bn (R500m), leaving a borrowing requirement of Z$5,6bn, almost all of which is to be raised in the domestic market.

That won't be difficult in a money market awash with liquidity. In the past year the authorities issued Z$13bn in special Treasury bills at a cost of 45% or more, to try to curb money supply growth. Even so, money supply is growing at rates ranging from 27%-40%, depending on which aggregate is measured.

It seems clear to all but the vocal, if diminishing, gaggle of apologists for government economic policy, that the liquidity overhang must spill over into the markets threatening Murerwa's optimistic forecasts for inflation and growth.

He is right to expect growth of about 7% this year — on the strength of the rebound from the 1995 drought, but his prediction of 5% growth in 1997 with inflation slowing from 22,5% in June to 16% by the end of this year and 13% by mid-1997 looks too optimistic.

The slowdown in inflation this year, from 28% in January, results from slower food price inflation, helped by an overvalued Zimbabwean dollar. Over the past year, the currency has appreciated 8%-10% in real terms and exporters are struggling to compete in regional markets. On purchasing power parity fundamentals, the Zimbabwean dollar should fall, but, with exports growing quicker than imports and with a steady inflow of foreign investment, the overvaluation could last for a while.

"Bold measures" to tackle the deficit problem were promised, but, aside from the usual hand-wringing about excessive public spending, nothing has been done to restore fiscal discipline and macro-economic stability.

The decision to put Z$200m into a national investment trust to finance the "indigenisation" of white-owned enterprises was welcomed by black business lobbies. The announcement of a consultative economic forum was received enthusiastically by formal business organisations, hoping the body would influence government policy-making.

Murerwa has not done enough to satisfy the IMF but his words — if not his deeds — suggest his head and heart are in the right place. Whether he can translate promises into action to the point where the IMF resumes adjustment lending to Zimbabwe remains to be seen. ■

ZIMBABWE (362)

PUSH TO INDIGENISE

FM 2/8/96

Zimbabwe's 30 000 economically active whites are being besieged by black empowerment lobbies that are growing more aggressive.

The recent outburst against 48-year-old Barry Hamilton, Standard Chartered Bank's new CE in Zimbabwe, was just the tip of the iceberg. The leader of the Affirmative Action Group, Philip Chiyangwa, threatened to make Hamilton's appointment "a nightmare."

His remarks echoed an earlier statement by a rival lobby, the Indigenous Business Development Centre, which accused Stanchart of "arrogance, defiance and outright hostility" in appointing an expatriate from London to replace outgoing CEO Jim McKenna, also British.

The centre demanded that the government amend the Banking Act to ensure the CE and a majority of the board of banks be "indigenous" Zimbabweans and that a substantial shareholding be in the hands of blacks.

These latest attacks were quickly followed by remarks from UK High Commissioner in Harare Martin Williams, who spoke about prospects for a Zimbabwe investment conference in London early next year. Ironically, Stanchart recently invested £30m in Zimbabwe in new technology and moved some of its regional office from London to Harare.

(White) Agriculture Minister Denis Norman, has been the target of vicious personal attacks by black business people and MPs and, despite evidence refuting the charges, former central bank governor Kombo Moyana was accused of "conniving" to maintain white control of the tobacco industry.

President Robert Mugabe recently named Anglo American and Lonrho as companies which refused to appoint black CEOs. He is keeping up pressure, on white farmers, for land redistribution. "One person, one farm" is the new credo; but some black politicians and businessmen each own several farms.

Mugabe's criticism of Anglo was sparked by the announcement that South African Philip Boum would replace Zimbabwean Roy Lander, who retires soon. Industry Minister Nathan Shamuyarira has since warned that Boum will not be given a residence permit.

Mining industry insiders say the government is putting pressure on Anglo to

"localise" ownership of some of its mines in Zimbabwe in return for a work permit for Boum. Other mining houses are under similar pressure. BMP Minerals, investing US$200m in the Hartley platinum mine — the largest single investment since independence in 1980 — has had endless difficulties securing work permits for the expatriates needed for its advanced technology.

Finance Minister Herbert Murerwa is expected to announce details of an investment trust to provide capital for black entrepreneurs and investors to buy shares in businesses, including public corporations that may be privatised.

But there is a question mark over how it will be funded. "It makes little sense," says one economist, "to privatise public corporations to raise money, then use that money to warehouse the same shares for eventual black purchase."

By creating the so-called "Reserved List" of industries — mainly in the services sector — in which indigenous shareholders must own at least 30% of the equity, the government hoped it had drawn the fangs of the black empowerment movement. It hasn't. Critics say the list has resulted in "front companies" in which blacks own minority shares but have no say in running the business.

The collapse of a number of white-owned businesses in recent months — notably textile companies Fashion & Industrial Holdings and Merlin Holdings — has led to accusations of "economic sabotage." Owners have been accused of putting their businesses into voluntary liquidation and then relocating. Relocation to Botswana, with its open-door entry to the Southern African Customs Union market is an obvious option for some troubled businesses.

Mugabe's strategy has always been to talk tough and act pragmatically, but there are signs that he has decided this is not enough. Just how he will attract foreign investment and promote indigenous business remains to be seen. Nigeria's experiment in indigenising business (recently abandoned) and recognition that foreign investment is the driving force in the world economy suggest that Harare will soon have to decide whether empowerment for a fortunate few is more important than growth and jobs. ■

Students face teargas with defiance

MtG 2-8/8/96 (362)

Brian Latham in Harare

IN what has become a perennial event, University of Zimbabwe students began rioting in Harare this week in protest against late payments of grants.

Attempts by the student union to discuss the issue with Zimbabwe's Minister of Higher Education Ignatius Chomba were blocked by riot police.

But students responded on Wednesday by setting up a roadblock on Harare's busy Second Street, forcing all traffic to use alternative routes through the city.

Avoiding the confrontational tactics usually favoured by Zimbabwe's heavy-handed riot police, the students were left to disrupt the heavy flow of traffic.

But when a passing police vehicle was stoned, the riot cops rained teargas down on a group of about 1 000 students who fled back to the university, setting light to the grounds on their way back to the student union offices.

But Zimbabwe's future lawyers and doctors claim the fight will continue. "We're being denied our democratic right to negotiate with the minister," said Fortune Nguni, acting president of the students' representative council, adding that the non-payment of grants would leave students starving.

And as Zimbabwe's premier academic institution simmered under a haze of teargas and smoke, students and riot police battled it out using hit-and run-tactics across the university's security fence.

Taunts flowed as freely as the hundreds of stones with jeering students hurling taunts and rocks at the police.

Responding with teargas, the police fired and moved on. But they were unusually cautious in their response, initially intervening only when damage to vehicles took place. By the end of play on Wednesday, students and riot police were playing a game of tag on the university's perimeter fence. But insiders warned that the running battles could continue for as long as a week, with students growing braver by the hour.

And their courage, met by whistles of approval, was demonstrated as teargas cannisters were extinguished by simply placing dustbins over the wildly smoking grenades. Seemingly oblivious to the fearsome burning smoke, students even managed to kick the grenades across the smoking lawns of the campus.

But with students from Harare's Polytech demonstrating earlier this week, these clashes with the police will upset Zimbabwe's education minister. It is an open secret that last year's riots were responsible for the graceful but early retirement of the university's vice-chancellor. The new acting vice-chancellor, Graham Hill, has taken over at a time when Zimbabwe's hot seat of learnng is more difficult than ever to manage.

Zimbabwe's 'miracle cure' fails to save the poor

(362) M+G (PMM) 2-8/8/96

Kevin Watkins

FIVE years into an economic reform programme that was supposed to transform Zimbabwe into Africa's answer to the Asian "tiger" economies, Edith Chido is still waiting to see the miracle unfold in Epworth, a dusty settlement a few kilometres from the capital Harare.

"They speak of the Enhanced Structural Adjustment Programme (Esap) on the radio, promising us a bright future if we suffer some pain now, but I can see no future," said Chido as she washed clothes outside the one-room wooden shack shared with her husband, their three daughters and the son of a sister who died recently from HIV-related meningitis.

Until last year, her husband earned about Z$70 ($6,90) a month, working in a textile factory. Then the factory closed. Now the family survives on less than Z$1 a day, which she earns from laundry work in Harare. Meal time is a helping of maize-based porridge or "sadza", and a watery cabbage sauce.

"More than 70% of the children here are malnourished," a health worker in Epworth said.

Epworth is a microcosm of a wider tragedy unfolding across Zimbabwe. The poverty of more than a quarter of the population is deepening, inequality is widening and unemployment has risen to more than 50%. Those in work have seen their benefits and security downgraded, along with their wages. Their real incomes have fallen by a third since 1990.

'Everybody must face up to the transitional costs of adjustment if we are to progress'

The pursuit of International Monetary Fund (IMF) budget targets under Esap has eroded the gains in health and education since independence. Health spending per capita has fallen by a third since 1990, bringing one of sub-Saharan Africa's most developed health systems to the brink of collapse. A recent report from Harare city council showed that infant mortality rates have doubled since 1990.

Part of the bleak picture can be attributed to Aids, which affects one million people — a third of the sexually active population. According to the World Bank, treating Aids-related sickness will require a fourfold increase in spending in the next decade, yet health-centre budgets are in terminal decline.

In education, real spending per primary school student has fallen by more than 30%, leaving schools to rely on levies and fees.

Yet the IMF believes Esap has been a qualified success. "The challenge now is to consolidate the gains of the past five years and to accelerate the reform process," said the fund's Southern Africa representative, Jurgen Reitmar.

Despite this, virtually all of Esap's macroeconomic targets have been missed. Inflation is more than double the 10% target fixed in 1990, real incomes have fallen, the Budget deficit has increased, exports have stagnated and manufacturing output and investment have declined.

In a best-case scenario, it will require annual growth rates of more than 5% to restore average incomes to their pre-1990 levels.

The World Bank and the IMF blame Esap's performance on two severe droughts. But high interest rates, the exposure of fragile industries to competition from imports and the collapse of the domestic market have also contributed. So has the decline of public investment.

But in the eyes of its supporters Esap's failure is temporary rather than structural. "Everybody must face up to the transitional costs of adjustment if we are to progress," the Deputy Finance Minister, Misheck Chinamas, recently told Parliament.

President Robert Mugabe is aware of the unpopularity of Esap — an acronym popularly reinterpreted as "eat sadza and perish".

During his election campaign earlier this year he denounced the IMF and the World Bank and promised a more humane reform programme. Today his officials are completing negotiations on a new five-year Esap.

The new programme will require the government to cut its Budget deficit of 13% to 6% within the next three years.

In theory, the Budget sustainability could be achieved by restoring taxes on higher income groups and reducing subsidies to loss-making parastatals. In practice, powerful vested interests make this a non-starter. The upshot is that the brunt of the next phase of structural adjustment will be borne yet again by the poor.

Kevin Watkins is a senior policy adviser to Oxfam

M+G 23/8/96

Sweet deal for Maputo

(362)

Vuyisile Hlatshwayo

AFTER four years of lying idle, the Maputo Sugar Terminal is now in full swing following overhaul and modernisation by the Swaziland Sugar Association and the Zimbabwe Sugar Association.

Since June 10 1995, the two associations have exported 283 000 tonnes to the European Union (EU). Mozambique and Zambia also send small consignments through the terminal.

In 1992, Swaziland and Zimbabwe clinched an eight-year lease to operate the terminal as a joint venture. Storage capacity is 140 000 tonnes, divided among three sheds. This year the two countries are expected to export 400 000 tonnes, rising to 500 000 tonnes next year.

Exports through Maputo were stopped in 1991 because of the extremely high prevalence of theft at the port, with Swaziland alone losing about 16 000 tonnes in that year. The two countries were forced to switch to Durban, 600km further away and about 20% more expensive.

Security measures have been stepped up, with liner trains travelling non-stop to Siweni in Mozambique where they are put under 24-hour guard. At Maputo, Manica Freight provides round-the-clock security guards and the fence around the terminal is electrified.

Swaziland will export 195 000 tonnes this year, mostly to the EU and the United States. Zimbabwe will export roughly the same. — *AIA*

Woman in line for Zimbabwe chieftainship causes row

(362)

LIZWE MOYO
Bulawayo

Star 5/8/96

A row over the succession of a woman as a chief in Zimbabwe's Matabeleland South province has brought about a clash between government claims of promoting women's equality and traditional customs mixed with straight prejudice.

At the centre of the controversy is 23-year-old school teacher, Nqobile Mabhena, who has succeeded her father in Umzingwane district as chief over 100 000 Sotho people, a distinct sub-group of the Ndebele.

Her elevation to the position is a quirk of nature – she is the eldest of the all-girl family left when her father died. If there had been a son he would have succeeded as chief, regardless of his age.

Zimbabwe's president, Robert Mugabe, has put his signature to the announcement of Nqobile's status but a determined group of influential politicians and chiefs wants her deposed.

Apart from the fact that they are opposed to a woman as a ruler, they say that while she may be an Ndebele she is not a Sotho. There have also been grumblings about her age, some saying she is too young.

"Under Ndebele custom and traditions a woman can never preside over a man, it is unheard of, it is a mockery of our culture," says Welshman Mabhena, governor of the neighbouring Matabeleland North province and one of the main objectors.

His opposition to the appointment is supported by a renowned historian on Ndebele culture, Pathisa Nyathi. "Let's stick to tradition upon which chieftaincy is based," he says.

"Under local custom a woman can never preside over a man"

Such is the hostility to the appointment that Nqobile (which means conquer) has effectively been blocked from carrying out her duties – taking the lead in traditional ceremonies, settling local squabbles and interpreting customs and values. The proposal put forward by her opponents is for a group of elders to act as her advisors, making the real decisions.

Alternatively, they are hoping she might marry into a non-royal household. Under local custom she would have to abdicate immediately, leaving the chieftainship to pass to the eldest son of the next most senior Mabhena household.

But Nqobile herself has equal determination. "I am fighting this because it is my right, sanctioned by our ancestral and traditional elders. I am not in it for the money (all chiefs get a government salary) but to carry out my responsibilities."

In support is an influential woman politician, cabinet minister Thenjiwe Lesabe, and other senior national figures. And another historian, Saul Gwakuba Ndlovu, supports her. "The construction of Zimbabwe subordinates many cultural norms and practices to its modern socio-economic values.

"There is no justification in denying Nqobile the right to succeed. The current dispute casts Zimbabwe's cultural image in the mould of the Middle Ages. The future belongs to the young just as the past belongs to the old," he says.

The appointment of a woman as chief is not new, and two currently preside in the Mashonaland province. Ndlovu points to national hero Mbuya Nehanda, a woman who reigned as a chief in the last century and was hanged in 1890 for leading an uprising against the colonial invasion.

The Ndebele make up 1,5 million of the country's 11 million people.

All sides are playing down the extent of the dispute, but something will have to be done if the issue is not to widen into a broader controversy over women's rights.

The way the government handles the matter will be a test of its sincerity in declaring that Zimbabweans have equal rights, regardless of sex and background. – Star Foreign Service/AIA.

Is all this glitz worth the price?

MILLIE PHIRI of Sapa reports from Harare on growing concern about the cost to Zimbabwe of the many international events which the country has agreed to host.

(362) ARG 12/8/96

ZIMBABWE has been earning a good reputation for its handling of world events, among them the Non-Aligned Movement (Nam) summit and the Commonwealth Heads of Government meeting (CHOGM).

The two international meetings brought a lot of prestige to Zimbabwe as well as financial gains through foreign exchange earnings.

But, Zimbabweans, struggling to make ends meet, are now beginning to question the wisdom of continuing to host major international gatherings that are a heavy financial burden.

Critics fear the long-term effects of continuing to hold such international gatherings could be disastrous.

When the government agreed to host the sixth All Africa Games in September last year at the height of a drought and economic hardships, many queried whether it was proper.

The All Africa Games left its mark on the economically battered nation, but hardly a year later, the government has agreed to host yet more cash-sapping international events, the World Solar Summit this September and the Organisation of African Unity and G-15 summits next year.

Zimbabwe needs to raise Zimdollars 55 million to host about 120 heads of government and state expected to attend the solar summit, although only about Zd2 million has been raised so far through donations.

Vice-President Simon Muzenda, who is chairman of state occasions, says ministries will have to divert some of the funds allocated to them in the July budget towards the solar summit.

This, despite the fact that ministries suffered budget cuts due to government's cost recovery measures forced by economic reforms.

The Zd30 billion budget presented recently made no mention of the financing of the planned summits.

When Zimbabwe hosted the Nam summit in 1986, it was a great honour for the young nation which had just attained its independence.

The conference discussed apartheid in South Africa and the world economic crisis.

Donations poured in from both local and international sources, resulting in the government saving the Zd13,5 million it had budgeted for the summit.

Harare, received a face-lift with the construction of villas in the Gun Hill suburb, improvement of roads and renovations of buildings.

A fleet of brand new Mercedes-Benz and other cars were purchased, at a time when the country faced a shortage of vehicles due to foreign currency problems.

In 1991, Zimbabwe hosted CHOGM at a time when government prepared to embark on economic reforms amid corruption allegations.

CHOGM, which included in its discussions the end of the Cold War, the need to reform the international economic system, human rights, good governance, and South Africa, was attended by 49 Commonwealth countries and more than 4 000 delegates.

Last year many government departments had to divert funds meant for development to organising the All Africa Games which were characterised by chaos.

Muzenda defended the holding of the games saying Zimbabwe had committed itself to hosting them four years back.

The games, attended by well over 5 000 athletes from 48 African nations were seen by few Zimbabweans and cost the government nearly Zd400 million mainly in renovating or building sporting facilities.

Although it was envisaged that other African countries would give help, very few donations were received.

Nearly a year later the organisers of the games still have to account for the funds entrusted to them to prepare for the event.

Morgan Tsvangirayi, secretary-general of the country's labour body, the Zimbabwe Congress of Trade Unions (ZCTU), feels it is a waste of taxpayers' money to continue hosting international meetings.

"It does not make sense to borrow to finance conferences in a nation where we cannot pay civil servants bonuses. We must consider where our mouth is," he says.

Deputy Finance Minister Misheck Chinamasa says the money to host the OAU summit could come from next year's financial budget and that other member countries are supposed to help.

But many of the OAU member states cannot even afford to pay their annual subscriptions to the body.

However, what is particularly worrying to some Zimbabweans is whether any evaluations are made to find out if there are any economic gains or losses after hosting these conferences.

A Zimbabwe National Chamber of Commerce (ZNCC) senior economist, Edmore Tobaiwa, says: "From an investment promotional perspective, holding international conferences boosts awareness of Zimbabwe as an investment destination.

"However, there is need not to fuel over-runs on fiscal expenditure as this will militate against the restoration of macro-economic stability, thereby dealing a severe blow on the country's investment drive."

Anglo to sell slice of Bindura to govt

Michael Hartnack (362) BD 12/8/96

HARARE — Anglo American executive director Nicky Oppenheimer has agreed to sell a 35% holding in Bindura Nickel Corporation to the Zimbabwean government after secret talks with President Robert Mugabe.

The move, which involves Zimbabwe's largest conglomerate, follows attacks on Anglo for alleged racism in its business practices. The move also contradicts World Bank and IMF demands for less state involvement in the private sector.

A statement said Oppenheimer had held two meetings with Mugabe since May, when he accused Anglo of conspiring to entrench "all white management, all white control, all white own-

Continued on Page 2

Bindura

(362) BD 12/8/96

Continued from Page 1

ership" while black empowerment pledges were being given in SA.

An editorial in the state-owned Sunday Mail yesterday called for a new "armed struggle" against minorities who it claimed owned 95% of the economy. Anglo currently owns 85% of the blue chip Bindura Nickel Corporation, which is 100km north of Harare.

The Herald said the new partnership at Bindura between government and Anglo, which would see its holding reduced to 50%, was expected to create thousands of jobs.

"The government sees this partnership as fundamental to broadening the indigenous ownership of the economy, a rolé Anglo has welcomed," Justice Minister Emmerson Mnangagwa said.

Sources said the move would be a new patronage "cake" which Mugabe could distribute at his discretion to key political personalities.

After Mugabe's attack on Anglo in May, Zimbabwean Leonard Chimimba was appointed GM of Bindura. However, Oppenheimer and Mnangagwa would not disclose whether the government veto had been withdrawn on Phillip Baum's taking over the post of Roy Lander, retiring head of Anglo Zimbabwe.

Last month Commerce Minister Nathan Shamuyarira said Baum would be refused a work permit.

Zimbabwe reconsiders levy

(362) CT (BR) 12/8/96

By Angus Gova

Harare — The Zimbabwean government will reconsider a controversial 10 percent levy on tobacco against a background of mounting local and international pressure and negative economic signals.

The crop is the country's single biggest export earner and is expected to bring in a record $500 million this year.

Buyers and sellers each have to pay 5 percent of the levy. Now the government is suffering a backlash, largely because the 10 000 black smallscale growers also have to pay the levy, which takes no account of the size of crop of individual growers.

Black farmers have made their displeasure felt, through the newly formed Indigenous Tobacco Merchants' Association, headed by Roger Boka, a businessman and entrepreneur.

It was he, ironically, who had campaigned for the levy to be introduced in the first place.

Notice is also being taken of Malawi's experience, where exactly the same measure has been introduced. The president of the tobacco association there, A B. Mzumacharo, says that the results were disastrous with a 17 percent drop in prices.

A similar effect has already happened in Zimbabwe.

Prices on the auction floor fell an average of 20 percent in one week as buyers looked elsewhere in the world for cheaper tobacco, one month into the selling season.

Prices fell about 20% as buyers looked elsewhere for cheaper tobacco

International pressure has also been felt with one of the world's largest buyers, Philip Morris Europe, saying that the measure has affected its confidence and long-term reliability on Zimbabwe as a large supplier of its tobacco.

As a result of these pressures, the government says that it will do an impact assessment at the end of the selling season to assess the effect of the levy.

However, the government needs more money urgently. It is increasingly under World Bank and International Monetary Fund pressure to slash its 10 percent budget deficit by at least half, to qualify for further donor support, as Zimbabwe enters the second phase of its economic adjustment programme.

Originally, the levy plan had been that the industry as a whole would be levied a total of 5 percent — 2 percent by sellers and 3 percent by buyers, but with the upbeat political mood, sponsored largely by the indigenisation euphoria (promoting more control by blacks over the economy), backbenchers in Zimbabwe's ruling Zanu (PF) party voted for 10 percent.

This is largely in line with popular perceptions that it was time "filthy rich" white commercial farmers gave a little back to the nation for national development, to quote one backbencher.

Peter Richards, the head of the commercial farmers lobby group, the Tobacco Association, at the time the levy was introduced, said: "Nowhere in the world do governments impose taxes on exports if they wish them to grow. In fact, developing countries offer generous export incentives to those industries that generate the foreign exchange which is the locomotive of a growing economy."

Industry observers are cautiously optimistic that the official rethink will result in at least a reduction to a 5 percent levy, split into 2 percent for sellers and 3 percent for buyers.

Few observers believe the measure will be scrapped, given the size of the budget deficit. — Independent Foreign Service/AIA

Anglo sale to Zimbabwe is 'on commercial terms'

BD 13/8/96 (362)

Reinie Booysen

THE proposed sale by Anglo American Corporation of up to 22% in Bindura Nickel Corporation (BNC) to the Zimbabwean government would take place on "strictly commercial terms", an Anglo spokesman said yesterday.

With a market capitalisation of Z$1 400m ($140m), the 22% stake to be sold to the Zimbabwean government has a current value of $31m. The sale would reduce Anglo's interest in Bindura from 72% to 50%.

Anglo said yesterday the terms of the government's acquisition had yet to be agreed, and the proceeds raised by the sale of these shares will be reinvested in BNC by Anglo American Corporation of Zimbabwe (AmZim).

It said Bindura was faced by large capital expenditure and AmZim was pleased that the government or its nominees "will be contributing to assuring the company and its employees' future".

It said: "In the past the government has aided Bindura in times of difficulty through granting loans, but on this occasion the assistance will take the form of a direct investment in the company. It is the government's intention to use the interest to take forward its plans to widen ownership of the economy,"

A memorandum of understanding signed on Friday by Anglo deputy chairman Nicky Oppenheimer and Zimbabwean Justice Minister Emerson Mnangagwa set out the "principles under which the government and AmZim would establish a partnership for the growth of the Zimbabwean economy and job creation".

Government-AmZim dialogue "will be formalised to provide a forum for continued discussions", Anglo said.

BD 15/8/96

Zimbabwe proposes partial lifting of elephant ivory ban

(362)

HARARE — Zimbabwe fired the first shot yesterday in a new round of its controversial battle against an international ban on sale of elephant ivory, announcing plans to put 33 tons of tusks on the world market.

The government's wildlife department said it had submitted the proposal to the secretariat of the Convention on International Trade in Endangered Species (Cites), which holds its next meeting in Harare next year.

"We hope to show our colleagues from the rest of Africa that a small experimental trade in ivory from the south will not affect their depleted populations or cause a resurgence of poaching," said the department's director, Willas Makombe.

The 33 tons of ivory, worth about \$4m, are already stockpiled in Zimbabwe and the department says the cash will go to rural communities which suffer crop damage and attacks from elephants, as well as into conservation.

This is a crucial element in Zimbabwe's argument for a lifting of the ban — it says income from elephant products is vital in convincing poor communities that the huge beasts are not just pests, and in helping it fund conservation.

It says that while countries in east and central Africa have seen their elephant herds decimated by poaching, good conservation measures in Zimbabwe have left the country with too many elephants.

The national parks and wildlife department said yesterday that Zimbabwe had more than 64 000 elephants, which was considered to be about twice as many as the country could support without environmental damage.

Aware that western wildlife activists have in the past cast doubt on its figures, the department says its census was carried out in collaboration with the Worldwide Fund for Nature and audited by Price Waterhouse.

Zimbabwe's proposal asks Cites to temporarily move its elephant population from the convention's Appendix 1, where trade is banned, to Appendix 11, which permits trade under strict controls, to enable it to sell the stockpile existing on June 30 this year.

"It is also restricted to whole tusks of known origin, all of which will bear individual punch-die markings," the department said.

A blanket ban on trade in elephant products, including ivory and hide, came into effect in 1990 after decades of uncontrolled poaching cut the African elephant populations to a fragment of their former size. — Sapa-AFP.

Samuel Denga

COMPANIES

Slump forecast for stainless steel

HARARE — Bindura Nickel Corporation, in which owner Anglo American is planning to sell a large stake to the Zimbabwean government, has warned that the current year's profit would be hit by a world slump in demand for stainless steel.

Anglo, which owns 72% of the firm, said yesterday world stainless steel production was only expected to recover by the end of the year or early in 1997, and that high output of stainless steel during the first half of this year had not been matched by demand.

"Consequently, production of stainless steel is forecast to decline in the second half of the year, with an improvement only likely to be seen in late 1996 or early 1997.

"Nickel prices have reflected this situation by falling sharply in July and are unlikely to show any sustained improvement until the stainless steel market recovers," the company said.

"Due to these factors, distributable profits for 1996 will not be as high as those recorded last year."

Last year, Bindura recorded a net profit of Z$256,4m (US$25,6m) compared to Z$242,5m in 1994. Bindura said net profit in the first half of 1996 to June fell 6,7% to Z$113,6m compared to the same period last year.

Anglo is proposing to sell 22% of Bindura to Zimbabwe's government. The terms of the deal have still to be finalised, but Anglo has stipulated that the price will be market-related.

The funds raised by the deal are to be reinvested in Bindura, which faces large capital expenditure requirements. — Reuter.

30/8/96

(362)

Zimbabwe in bid to overturn ivory ban

(362)

Wildlife Department aims to show that small trade will not affect depleted populations

Star 15/8/96

AFP
Harare

Zimbabwe fired the first shot yesterday in a new round of its controversial battle against an international ban on sales of elephant ivory, announcing plans to put 33 tons of tusks on the world market.

The government's wildlife department has submitted the proposal to the secretariat of the Convention on International Trade in Endangered Species (Cites), which holds its next meeting in Harare next year.

"We hope to show our colleagues from the rest of Africa that a small experimental trade in ivory from the south will not affect their depleted populations or cause a resurgence of poaching," says the department's director, Willas Makombe.

The 33 tons of ivory, worth about R18-million, is already stockpiled in Zimbabwe and the department says the cash would go towards conservation measures and to rural communities which suffer crop damage and attacks from elephants.

This is a crucial element in Zimbabwe's argument for a lifting of the ban – it says income from elephant products is vital in convincing poor communities that the huge beasts are not just pests and in helping it to fund conservation.

It says that while countries in east and central Africa have seen their elephant herds decimated by poaching, good conservation measures in Zimbabwe have left the country with too many elephants.

The Department of National Parks and Wildlife says Zimbabwe has more than 64 000 elephants, which is considered to be about twice as many as the country can carry without environmental damage.

Aware that Western wildlife activists have in the past cast doubt on its figures, the department says its census was carried out in collaboration with the World Wide Fund for Nature and audited by Price Waterhouse.

Zimbabwe's proposal asks Cites to move its elephant population temporarily from the convention's appendix 1, where trade is banned, to appendix 11, which permits trade under strict controls, to enable it to sell the stockpile existing at June 30 1996.

The downlisting would last only until the next Cites meeting in 1997, "and their secretariat can reimpose a total ban if the downlisting is abused. It is also restricted to whole tusks of known origin, all of which will bear individual punch-die markings."

A blanket ban on trade in elephant products, including ivory and hide, came into effect in 1990 after decades of uncontrolled poaching reduced some African elephant populations to a fragment of their former size.

Advocates of maintaining a blanket ban say it would be virtually impossible to control resumed trade and that poached ivory would once more find its way on to the market.

Beijing firm on Zimbabwe deal

(362) BD 16/8/96

Michael Hartnack

HARARE — Peking had refused to take back sophisticated air interception equipment worth more than R400m, ordered by President Robert Mugabe at the height of his confrontation with SA under apartheid, the Financial Gazette reported yesterday.

A Chinese embassy spokesman refused to comment.

The newspaper said Zimbabwe's former eastern bloc military backer reportedly rejected attempts to cancel the contract and obtain reimbursement in view of relaxed regional tension.

The bulk of the equipment, ordered in 1989, was lying idle at Suri Suri air base in Zimbabwe's midlands.

As tension with SA security forces mounted in PW Botha's era, Zimbabwe bartered an entire year's tobacco crop for Chinese-built Mig-21 fighters from Peking.

Mugabe also sought Soviet Mig-27 interceptors to match SA's Cheetah jets, but the deal was reportedly stalemated by former Soviet president Mikhail Gorbachev, who doubted Mugabe's ability to pay and wanted to avoid angering Washington.

The ground radar alone for the Soviet jets would have cost R100m.

Zimbabwe allegedly spent more than R1m training technicians in China for the Peking air defence equipment deal.

An air force officer said Zimbabwe should have given priority to installing the Chinese equipment, as it still needed to match SA's capacity to "see as far as Zaire's air space".

Zimbabwe's total defence vote has been pegged at just more than R1bn in the past two years in the wake of IMF pressure to cut spending.

Mozambique and Zimbabwe co-operate

(362)

ARG 20/8/96

HARARE. – Foreign ministers from Mozambique and Zimbabwe have agreed to deepen and widen co-operation in the development of the trade route along the Beira corridor, reports the news agency Ziana.

A statement from the ministry of information, posts and telecommunications said ministers Stan Mudenge of Zimbabwe and Leonardo Santos Simao of Mozambique met for the eighth annual bilateral consultative session in Mozambique on August 14 and 15 where they exchanged views on a number of regional and international issues.

Apart from agreeing to hold the eighth session of the joint permanent commission of cooperation, the two welcomed the intention to convene a private sector-sponsored conference on the development of the corridor to be held in Harare in October.

"The two ministers exchanged views on SADC and Comesa and agreed on the need for a trade protocol for SADC and that comesa should co-operate," said the statement.

On international matters, the ministers agreed on the urgent need for the reform and democratisation of the United Nations system. – Sapa.

NEWS FOCUS

A new factor in Zimbabwean succession

(362) BD 20/8/96

ichael Hartnack

A-BORN Grace Mugabe says she "does not ivisage becoming involved in politics. I do ot think I would like to be a politician — I ive children to look after," she said.

She was giving her first interview, print- I six days before her nine-year customary w relationship with the head of state was essed by the Catholic Church.

Politicial observers here believe that — hether she wishes it or not — the former race Marufu is bound to be an increas- gly important factor as her 72-year-old usband approaches the end of his third term in 2002, to probably seek a fourth.

Along with Kenya's Daniel Arap Moi and Zaire's Mobutu Sese Seko, Mugabe is one of the last of the continent's old-style "presidential monarchs".

He won control of the strongest African nationalist faction in former Rhodesia by his brilliance as a power broker, which proved to be indispensable in restoring and maintaining peace. His continued flair was revealed by his choice of president Jaoquim Chissano of Mozambique as his best man, thus denying any Zimbabwean family the political and economic influence implied by the compliment.

Since independence 16 years ago he has maintained tight personal control over the state via a massive system of economic patronage and violence.

Means of coercion include elite battalions of "presidential guards" billeted next to State House, the feared central intelligence organisation and ruling party activists who on August 3 defied a high court order to wreck an exhibit presented by Gays and Lesbians of Zimbabwe at the privately run Zimbabwe International Book Fair. "The president says no," said the mob's placards.

A key figure in Zimbabwe politics for the past decade has been cabinet secretary Charles Utete, controlling access to a president who reserves virtually all decisions for himself — down to the appointment of comparatively junior civil servants and undermanagers of state enterprises. Sometimes petty decisions have taken more than five years before receiving Mugabe's attention and ratification.

Figures of real influence in Zimbabwe have been a "kitchen politburo" able to bypass Utete and obtain direct access — and decisions.

Although given to explosive public rhetoric, Mugabe has a notoriously reticent personality, locking himself away behind phalanxes of bodyguards for weeks at a time, and taking long overseas trips to escape from local cares.

It had been expected that, in the event of the president having a health crisis (he was earlier this year treated for throat cancer in London), the kitchen cabinet would have to choose a successor at a few hours' notice and present a fait accompli to the nation.

The individual chosen would then have to consolidate his hold on the means of violence and the patronage system, using the state-controlled media to present himself to the nation as a new national messiah.

Grace Mugabe, who says she was born in 1965 in SA, where her Zimbabwean father was working as a "catering manager", reportedly has a forceful and extrovert personality like her Ghanaian predecessor Sally, who ran a significant business empire until her death in 1992.

Her family, the Marufus, are from the same Zezuru section of the Shona as Mugabe. Her brother is ambassador to a major Western nation and her young ex-husband was sent abroad on extended study leave.

"I think my best friend is my husband," she told interviewers.

Fist fights broke out at a Zanu (PF) Women's League conference when Sally was imposed as its head on Mugabe's orders, without a vote.

Veteran human rights campaigner Judy Todd was led to protest in 1988 at the influence both of Sally and the president's late mother, Bona Mugabe. Todd said Mugabe appeared susceptible to "this manipulation of women".

In SA, President Nelson Mandela's declared intention to retire, and the blessing he has given Thabo Mbeki, has initiated an open debate about the future devolvement of power.

Yet Zimbabwe is faced with a real possibility of a repetition of the situation in the White House after the First World War when the wife of ailing President Woodrow Wilson took effective control of the US, or in France in 1870, when the beautiful, domineering and impetuous Empress Eugénie led the sickly Napoleon III into a calamitous war with Bismarck's Germany.

Saturday's ceremony presents a challenge to Zimbabwe's constitutional development and particularly to the ability of its people to see power realities behind the facade of Western-sounding institutions.

obert and Grace Mugabe at their wedding on Saturday. Picture: AP

New agreement could be a stitch in time for Zimbabwe

(362) BD 23/8/96

HARARE — For years, investors on Zimbabwe's stock market hesitated before putting their money on clothing and textiles. Investing in these areas was just too risky.

In fact, manufacturing as a whole was singing the blues since the expiry in 1992 of a bilateral trade agreement between Zimbabwe and SA enabled Pretoria to impose import tariffs of 50% and over on Zimbabwean goods.

Zimbabwe did not retaliate, although it threatened to do so early this year after failing to make much headway in negotiations begun in 1992.

So high were tariffs that Zimbabwe's manufacturers had a rough time gaining access to SA's $110bn market.

While Zimbabwe helped sustain SA industries by providing a ready market for their goods and services, Zimbabwean exports, particularly textiles, were affected by the punitive duties, according to Danny Dube, a Commercial Bank of Zimbabwe economist.

Manufacturing's share of Zimbabwe's GDP shrank from more than 25% in 1991 to 23,5% in 1994 and an estimated 18% last year. The textiles/clothing sector was one of the hardest hit, with Pretoria imposing import duties as high as 90% in cases.

But things are looking up for the sector after SA's agreement to lower import tariffs on Zimbabwean yarn and fabrics to 14% and 19,5% respectively and reduce duty on garments to 30%. The draft agreement will be incorporated in a bilateral agreement expected to be signed next month.

SA is Zimbabwe's biggest trading partner in Africa and its third largest in the world and the draft agreement's significance was felt even before it was announced earlier this month.

Before the breakthrough in the negotiations, textiles were pegged at Z$0,40 a share on the stockmarket. They rose to 60c when it became clear that an agreement would be reached but have since fallen to about 50c.

"Trading on the textile counters rose up significantly in anticipation of the agreement," said analyst Peter Brooke. "There was a lot of buying pressure and this pushed up prices but this has fallen back although on the overall prices are still higher than they were before tariffs were reduced."

The tariff reduction could save many jobs in the sector and economists say that within a year of a full free trade agreement, trade could treble, with Zimbabwe gaining more. Trade between the two countries was worth $833m dollars in 1994. SA sales accounted for more than two thirds of this amount. — Sapa-IPS.

Zimbabwean border delays irk exporters

(362)

From Sapa

CT (BD) 23/8/96

Beitbridge — Bureaucratic delays are frustrating commercial vehicle operators passing through the Beitbridge border post with Zimbabwe in transit to other regional markets from South Africa.

Vehicle operators said they had to wait at the border for up to four days to be cleared each time they imported goods through Zimbabwe from South Africa. Even Zimbabweans said the country's image would suffer.

"Whether we are importing or exporting, the South African side of things is very efficient. Problems are found on the Zimbabwean side, its a serious problem," said a driver for South African-based Truck Africa Haulages.

Operators said they were subjected to thorough custom and clearance procedures as if Zimbabwe was their destination.

"Somebody, somewhere is not doing his duties properly. This is very upsetting," said a driver with the Zimbabwe-based company, Bindira Haulage.

Some commercial transport operators charged demurrage fees for delays at the border.

Forwarding and shipping agents estimated losses on a delayed single commercial vehicle to be as much as Z$5 000, about R2 300, a day.

Prospects improve for Zimbabwe yarn

(362) CT (Pre) 23/8/96

By Lewis Machipisa

Harare — For years, investors on Zimbabwe's stock market hesitated before putting their money on clothing and textiles because investing in these areas was just too risky.

In fact, the whole manufacturing sector started singing the blues when a trade agreement between Zimbabwe and South Africa expired in 1992, enabling Pretoria to impose import tariffs of 50 percent and more on Zimbabwean goods.

Zimbabwe did not retaliate at first, threatening to do so only this year after failing to make much headway in the negotiations begun after the old treaty expired.

The tariffs were so high that manufacturers in Zimbabwe found it almost impossible to gain access to South Africa's $110 million textile market.

While Zimbabwe was helping to sustain South African industries by providing a ready market for their goods and services, Zimbabwean exports, particularly textiles, were being trampled by the punitive duties, according to Danny Dube, an economist at the Commercial Bank of Zimbabwe.

Manufacturing's share of Zimbabwe's GDP shrank from more than 25 percent in 1991 to 23,5 percent in 1994 and about 18 percent last year.

The textiles-and-clothing sector was one of the hardest hit, as Pretoria imposed import duties as high as 90 percent in some cases.

But things are looking up for the sector after South Africa's agreement to lower tariffs on yarn, fabrics and garments to 14, 19,5 and 30 percent respectively.

The draft agreement will be incorporated into an amended bilateral agreement that should be signed next month.

South Africa is Zimbabwe's biggest trading partner in Africa and its third largest in the world, so the draft agreement's significance was felt even before it was announced earlier this month.

Before the breakthrough in the negotiations, textiles were pegged at Z$0,40 (about 18c) a share on the stockmarket. They increased to Z$0,60 when it became apparent that an agreement would be reached, though they have since fallen to about Z$0,50.

"Trading on the textile counters rose up significantly in anticipation of the agreement," said Peter Brooke, a market analyst.

"There was a lot of buying pressure and this pushed up prices, but this has fallen back although, on the overall, prices are still higher than they were before tariffs were reduced," he said.

"Although it is difficult to quantify in dollar terms the impact of the reduction in tariffs, the mood is upbeat on the market," said Mark Tunmer, the president of the Zimbabwe stock exchange. The exchange has a capitalisation of nearly $5 billion and is Africa's third-largest bourse.

Commercial Bank's Dube says: "The high tariffs had depressed investors who were no longer keen on investing on these counters and as a result trading on these counters was very low.

"The tariff reduction has had a positive effect on textile and clothing counters. The move is likely to restore the fortunes of our market."

It could also save many jobs. Since the expiry of the 1992 agreement, about 10 000 jobs in the textile and garment industry have been lost, including about 3 000 last year. At least 31 clothing firms have folded.

Economists say trade could treble within a year of a full free-trade agreement, with Zimbabwe gaining more. In 1994, trade between the countries was worth $833 million. South African sales accounted for more than two thirds of this amount. — Sapa-IPS

Second Zimbabwe airline launched

BD 27/8/96 (362)

Nomavenda Mathiane

ZIMBABWE Express Airlines has overcome the many hiccups that plagued its entry into SA and was finally launched in Johannesburg at the weekend.

MD Evans Ndebele told a gathering of businessmen that the stop-starts and cancellations which had characterised the operation meant the airline had to go back to the drawing board to regain its credibility.

He said the new strategies were so successful that in January 1996 Trans Zambezi Industries — a Zimbabwe investment company — bought a 49% share in the company.

"This cash injection enabled us to enhance our operations by securing a second aircraft," he said.

"We have redefined our product and we are now offering one of the best services on the Harare/Victoria Falls/Johannesburg routes."

Previously, Air Zimbabwe was the only Zimbabwe carrier flying into SA. "We are breaking the national airline's years of unchallenged monopoly in the skies," Ndebele said.

In the long term, the airline planned to venture further into Africa and to operate in SA by means of code sharing with other airlines.

Labour woes far from over, despite the return of skilled workers

Zimbabwe government firm as strike continues

(362)

By Cris Chinaka

Harare — Thousands of sacked Zimbabwean civil servants pressed their demands for higher pay yesterday, but President Robert Mugabe's government vowed it would not compromise. The government faces mounting political and economic costs over their strike.

The strikers, including doctors, nurses, mortuary attendants, magistrates and firefighters, were on the streets for the seventh consecutive day. The government said it would ignore them.

Apart form Ziana, the official news agency, the state media imposed a news blackout on the crisis and only carried government statements.

Florence Chitauro, the public service minister, said yesterday that the striking workers were dismissed for defying orders to return to work last Friday.

She said the government was hiring new civil servants.

"That is the position and there will be no change. I fully briefed His Excellency (Mugabe) and he fully endorsed cabinet's decision to fire those who did not return to work," she said.

Public Service Association officials estimate that 70 to 80 percent of the 180 000 civil servants are on the streets striking.

The strikers are challenging the government dismissals and demanding salary increases of between 30 and 60 percent.

The government says it has no money and restricted pay increases for civil servants to 9 percent. They rejected that offer.

Thousands of the dismissed workers milled in a Harare city park yesterday, but there were fewer armed police watching them than on Monday.

Their strike has paralysed many essential social services, including hospitals. The government is relying on army and Red Cross personnel to help senior doctors treat emergencies.

Air traffic controllers have warned that the strike compromises airport safety. Some airports have drafted the services of military and city council firefighters.

John Robertson, an economic consultant, and other independent analysts said the economic costs of the strike were rising as the collection of tax and customs duty fell behind.

The government said it would take weeks to calculate the cost of sub-contracting jobs to the private sector.

> ***Economic cost is rising as the collection of tax and customs duty falls behind***

Politically, the costs include growing divisions in Mugabe's government on how to handle the strike. Some senior officials from his ruling Zanu-PF party privately support those who have backed the strikers' demands for decent salaries.

The civil servants, who earn an average of Z$1 000 (about R448) a month, say their wages have not matched inflation, which has averaged 22 percent in the past two years.

The strike also renewed public focus on Mugabe, who has been accused of economic mismanagement, arrogance and sometimes being out of touch with the public mood during his 16-year rule.

Mugabe left last week for a honeymoon with Grace Marufu, his former presidential secretary, after a lavish wedding ceremony. On his return, he said he was unaware of the strikers' grievances. — Reuter

Brain drain backwash as Africans come home

CT(BR) 28/8/96

By Busani Bafana

Harare — Qualified people are returning to Zimbabwe, thanks to a programme to return skilled African nationals to their homelands started 14 years ago by the commission of the European Community.

They would otherwise have remained overseas permanently and become part of Zimbabwe's brain-drain statistics.

Better education facilities and attractive job opportunities in developed countries have enticed Zimbabweans to greener pastures overseas and to South Africa.

The African Regional Labour Administration Centre says about 23 000 qualified people leave Africa every year to work abroad because of their governments' indifference to professionals.

More than 450 Africans have returned home, among them 14 qualified Zimbabweans since January last year, courtesy of the International Organisation for Migration (IOM).

The Zimbabwean returnees include four lecturers, a pharmacist and six doctors. Three of the doctors are in private practice, the rest work for the government.

The programme to return and reintegrate qualified African nationals is run by the IOM. Founded in 1951, it assists in programmes for refugees, humanitarian migration and technical cooperation all over the world.

The IOM's reintegration programme in Africa runs in four-year phases and covers 15 countries. It was started in response to official concerns over the seriousness of the continent's brain drain.

Recruiting is done through the IOM's offices in London and Washington.

The IOM offers up to Z$100 000 (R46 000) to help with the return and reintegration process. Follow-up visits monitor how the returnees are settling in.

Zimbabwe's health services were particularly badly hit by the brain drain because of unattractive salaries and conditions of service. The IOM has concentrated on bringing back doctors and associated professionals.

Officials still resist the return of skilled nationals, though the IOM programme increases the pool of professionals in Zimbabwe and lessens dependence on expatriates.

Parliamentarians have questioned the return of former citizens. Dumiso Dabengwa, the home affairs minister, has established a committee to monitor all applications for work and residence permits.

But Florence Chitauro, the labour minister, appreciates the value of the returnees. Her ministry is compiling a register so that expatriate contracts can be terminated as more local people become available.

The government is not the only focus of recruitment. The private sector is included, along with institutions such as universities.

Lecturers have been brought back for art, commerce, engineering, law and veterinary faculties. The private sector is gaining experts in engineering, textiles, leather and shoe manufacture.

Most of the Zimbabweans have come back from Britain, with the US, Canada and Australia following in numbers.

"The returning Zimbabweans have not been attracted by huge financial benefits, but had a desire to come back for family and other reasons," says Vincent Keane, the IOM chief in Zimbabwe.

In the remaining three years of the current programme, about 100 more Zimbabweans will have returned to take up jobs, many of which are now filled by expatriates. — Independent Foreign Service-AIA.

Zimbabwe goes to Germany and Austria for investment

BD 30/8/96 (362)

HARARE — Zimbabwe's investment drive is hotting up as the country prepares to woo cash-rich German and Austrian investors at two separate conferences in Europe next month.

The conference in Hamburg on September 24 has generated so much interest that two leading German government officials have been to Zimbabwe in the past eight weeks to express their commitment to its success.

The organisers want to use Zimbabwe as a springboard for German investments in southern Africa, which has emerged as the most stable region on the African continent, the Ziana news agency reports.

Major selling points to be used include Zimbabwe's political stability, the array of measures implemented since market reforms were launched in 1991 and the country's central position as the gateway to markets in east, south and central Africa.

Apart from the much criticised telecommunications system, organisers are convinced Zimbabwe has the best infrastructure in the region after SA, with its roads, for example, being occasionally used as reference points by donors such as the World Bank.

A spokesman for one of the organisers of the German conference said that "grey areas" like the highly politicised land reform programme and the spate of racial attacks against minority whites and multinationals were unlikely to sway those German investors who had decided on spending their millions in Zimbabwe.

"We understand several German participants at the conference in Hamburg want President Mugabe to clarify his position on land and assure them of security of their investments," he said.

Statements, he said, by organisations such as the affirmative action group calling for a radical change in policy to economically empower blacks in Zimbabwe were common in any country coming to terms with inequalities in economic power. However, he conceded some investors were nervous that their investments would not be safe, hence their keen interest to have Mugabe and his entourage speak their minds on the country's Africanisation programme.

Germany is Zimbabwe's third largest trading partner after the UK and SA, and has provided grants and credits worth more than Z$7bn since 1980. Investments, however, have been low and concentrated in the tourism, mining and service sectors.

Chief executive of the confederation of Zimbabwe industries, Joe Foroma, said his organisation was convinced the German and Austrian meetings would be a resounding success judging by the interest received so far. Foroma said the CZI was accepting only Zimbabwean participants with concrete project proposals, and avoiding using the conferences as "mere talkshops".

Zimbabwe's investment drive started in earnest soon after launching the economic structural adjustment programme whose progress was temporarily halted by the 1991/92 drought which resulted in policy slippages.

A high point in the quest for foreign money came in May 1994 when the private sector in Zimbabwe and UK took advantage of Mugabe's state visit to organise a highly successful one-day meeting of potential investors.

The conference attracted more than 200 delegates and is believed to have generated new investments worth more than Z$300m and pledges for reinvestments by Zimbabwean subsidiaries of UK companies worth in excess of Z$500m. Subsequent foreign trips have been made to Malaysia, Singapore, Hong Kong, Australia and America.

Mugabe's trip to Malaysia in November 1995 culminated in the signing of a Z$14bn agreement by Zimbabwe's industrial development corporation and Sungwei of Malaysia to develop the country's first industrial park at Ventersburg Estate near Harare over the next 15 to 20 years.

The first phase of the project was expected to create more than 30 000 jobs and generate forex earnings of more than Z$1bn a year, providing opportunities for local and foreign companies to invest in a range of industrial and commercial enterprises.

Other Malaysian investors have also pledged to pour up to Z$20bn over the next decade into infrastructural projects, including mass housing, particularly in western Zimbabwe.

The Chinese, in a bid to reassert themselves in southern Africa after the demise of communism in 1989, have signed a Z$500m agreement to rehabilitate the ailing Zimbabwe Iron and Steel Company in Redcliff and in addition, granted a Z$100m soft loan.

Other countries whose companies are said to be planning major investments include France and Switzerland, which have already signed investment agreements with Zimbabwe; the US, Pakistan and India.

Private sector organisations such as the Zimbabwe National Chamber of Commerce, as well as quasi-government bodies like the Zimbabwe Investment Centre and the trade promotion body, Zimtrade, were also joining in promoting the country as an investment destination. — Sapa.

AN ATTACK by the business section of Zimbabwe's state-controlled Herald on coverage given by the SA press, particularly Business Day, must rank as an inadvertent masterpiece of local comic writing.

"The government of Zimbabwe, and President Robert Mugabe in particular, have continued to receive malicious reports in SA's press, but many SA business executives say they do not take them seriously," stormed the Herald.

Its business reporter then interviewed seven SA executives (six of them white). Five confessed they had never been to Zimbabwe.

One, however, called "Laorens" Steenkamp of Johannesburg, had a Zimbabwean gardener — "the best I have ever had".

Juan Slabbert of Telkom, Johannesburg, was quoted as saying: "I have a feeling that the press here (in SA) does not do Zimbabwe any justice. Everything we read about Zimbabwe is negative and the impression created is it is not a place to go. I do not think so. I will have to come to Zimbabwe to see for myself."

The two who had visited the country had had "fantastic" holidays there and felt, therefore, that it did not deserve bad publicity.

The Herald castigated Business Day for carrying "a report celebrating the High Court victory by gays and lesbians to be allowed to exhibit at the Zimbabwe International Book Fair".

Business Day also came under attack for quoting a letter from the SA high commission in Harare, which said the Herald had insulted President Nelson Mandela.

A Herald editorial accused SA of wanting to dominate the region while its neighbours suffered because of its protectionist policies.

The Herald took particular exception to a Business Day report which said the Herald was "closely controlled by Mugabe's mass media trust and the information ministry". The Herald said: "Reports range from personal attacks on President Mugabe, labelling him a dictator, to adverse comments discouraging investors from coming to Zimbabwe."

The Herald objected to Zimbabwe's President Robert Mugabe being labelled a dictator.

A Zapu veteran said: "The Herald article reminded me of the old days in Rhodesia. We used to get exasperating articles then from tourists saying that because Victoria Falls was beautiful, the Africans must be happy."

The Herald's credibility took a knock during the prolonged public service strike. In protest over its alleged pro-government bias, public servants tore up copies of the Herald until central Harare's main thoroughfare, Second Street, was ankle deep in shredded newsprint.

Only seven years ago Zimbabweans fought for copies of the Herald's sister newspaper, the Bulawayo Chronicle, when it broke the "Willowgate" ministerial corruption scandal. Editor Geoff Nyarota was fired soon after that.

The state-owned Zimbabwe Broadcasting Corporation has vehemently denied the Media Institute of Southern Africa's claims that it and the Herald have received orders from the president's aides to report only official comment about the public service strike, the worst labour dispute in Zimbabwe's 16-year history.

Yet, for the past week, no union leader's words have been carried — certainly not union boss Gibson Sibanda's warning that unless Labour Minister Florence Chitauro reinstates 7 000 members who received dismissal notices, "blood will spill in the streets".

Zimbabwe's Financial Gazette, published on Thursdays, and the newly launched Independent, published on Fridays, have to some extent broken the official conspiracy of silence. On the other five days of the week, the information vacuum is filled by rumour.

International Socialist Workers, based on the university campus, has distributed handbills urging a general strike for rises far in excess of the basic 20%-30% for which the public servants appear willing to settle. Talk of a nationwide work stoppage is rife as prices of milk, meat as well as many staples continue to increase.

There is a lesson to be learned from the 1899-1902 Anglo-Boer war. Within 72 hours of every major skirmish around besieged Mafeking, the Matebele in Bulawayo had news of the fighting 700km away.

The bush telegraph is the great, uncensorable organ of the fourth estate. It grows more powerful as Zimbabwe's modern media falls victim to its own delusions and official directives.

Zimbabwe's bush telegraph grows more powerful as modern media fails

Zimbabwe's state-owned media has taken exception to the light in which Zimbabwe is portrayed by SA's press, writes **Michael Hartnack**

BD 4/9/96 362

Zimbabwe council wants age of consent cut to 10

BD 4/9/96 (362)

HARARE — The Zimbabwe National Family Planning Council yesterday recommended that the age of consent for sexual activity, the minimum at which a person can legally indulge in sex, should be reduced from 16 to 10 years to allow underage girls seeking contraceptives to be helped.

Addressing about 100 delegates attending a three-day population conference in Harare, council technical services director Buhle Ncube said the age of consent was too high, making council operations difficult as many children under 16 were becoming sexually active, Ziana news agency reports.

"We feel the age of consent, which is 16 years at the moment, is too high and our hands are really tied as government restricts us from giving contraceptives to children who are below 16 years of age," Ncube said.

"Some of these children find themselves in difficult situations and they are showing some degree of responsibility by coming to get some protection, but we still turn them away."

She attributed the increase in teenage sexuality to the erosion of family structures, and urged churches to help in teaching the youth to abstain.

"In the majority of cases, parents are to blame because they no longer talk to their children and there really is a need for the churches to get seriously involved. But what do we do with those children who come in their school uniforms asking for contraceptives?"

Most delegates favoured massive educational programmes targeting youths on the hazards of engaging in sexual activities at a tender age.

The few who approved said children should not be denied the channel to get contraceptives as they would be trying to prevent themselves contracting the AIDS virus, other sexually transmitted diseases and pregnancy. — Sapa.

ZIMBABWE'S WAGE RAISES (362)

PASSING POINT OF NO RETURN

FM 6/9/96

Economic policy in Zimbabwe is unravelling as striking civil servants blow a huge hole in the country's public finances, monetary growth accelerates and the exchange rate starts to slide.

After a week-long strike by most of the 78 000 civil servants, including medical staff but excluding schoolteachers who are on holiday, the Cabinet agreed to a 20% across-the-board wage award in addition to the 6%-9% already offered.

But that was not enough to get many of the strikers back to their desks.

Some are holding out for a 60% increase, including the reinstatement of the "12th cheque" annual bonus, abolished in 1995 (or 100% without the bonus). Others wanted Labour Minister Florence Chitauro to revoke the 7 000 dismissal notices sent to civil servants who failed to report for work last week.

Union leaders insist, even if the 20% is accepted, it will only be a temporary award, pending negotiations for a substantially larger increase. It's not possible to put a price on the strike but the disruption of customs & excise, the courts, air travel, clinics and hospitals must have put a serious dent in the economy.

The average wage of a civil servant has fallen more than 40% in real terms since 1990. As part of its agreement with the IMF and the World Bank, Zimbabwe was committed to slimming the civil service, cutting around 25 000 jobs, though health and education were to be left untouched. The civil service wage bill was to be cut to 13% of GDP from 18%.

A recent government report notes that though the civil service retrenchment target was not met, the wage bill targets were met because of "the significant reduction" of real wages.

Meanwhile, parliamentarians and Ministers voted themselves increases of 60% and private-sector wage awards averaged 25%. Some leading public corporations — the Post Office, the Zimbabwe Electricity Supply Authority and the National Railways — have awarded increments of 30%.

Last week's 20% award will cost Z$1,7bn (R765m) — and an increase of 25% in the Z$6,8bn deficit budgeted for 1996-1997.

Unless new taxes are imposed — the deficit will be Z$8,5bn (10,5% of forecast GDP). Should government be forced to concede the annual bonus, the deficit would widen by a further Z$1bn to Z$9,5bn — nearly 12% of GDP.

These then are challenging times for Finance Minister Herbert Murerwa and his advisers.

Last month, Reserve Bank of Zimbabwe Governor Leonard Tsumba announced a 2% reduction in the central bank's rediscount rate — to 27,5% — despite money supply growing much faster than his 18%-22% target.

In the first half of 1996, notes and coins grew 23% and M1 48%.

After weeks of warning by economists that Zimbabwe's exports were being threatened by the steady appreciation of the Zimbabwean dollar — especially, but not only, against the rand, the authorities have now allowed the exchange rate to slip. The Zimbabwean dollar fell about 3% on a trade-weighted basis last month but is still overvalued. It will need to fall another 10%-12% to return to its real values of a year ago.

So far this year, inflation has slowed from over 28% in January to 22% in July. But this trend is likely to be reversed in the final quarter, especially if Murerwa raises taxes to pay the civil service.

He has little room to manoeuvre. He raised fuel tax in the budget and converted the "temporary" drought surcharge on personal and corporate income tax into a "permanent" 5% development levy. He could have another go at fuel duty and possibly also raise the general sales tax but this would only raise Z$500m at best, still leaving a budget deficit of about 9,5% of GDP.

Then there is the confusion over privatisation. In his budget, Murerwa predicted revenue of more than Z$1bn from unspecified asset sales. Since then, government has announced plans to take a large minority stake in Anglo American Corp's Bindura nickel mine. Government is facing both ways at once — promising asset sales while buying new private-sector assets.

Officials claim to be confident of securing a new agreement with the IMF.

This is unlikely unless government is willing to impose much higher taxes, accelerate privatisation, abandon its investment in Bindura and find new ways of cutting public spending. After the pay award, civil service salaries will absorb 32% of the budget and interest charges will account for 25% more. It will be hard to find effective spending cuts.

Far from being poised for "unprecedented growth" and low inflation, as forecast by wild-eyed economists, the stage is set for a weaker currency and higher inflation, taxes and interest rates. ■

Zimbabwe's vision a call away

CT (BR) 13/9/96 (362)

From Sapa-IPS

Harare — Zimbabwe has a vision to attain sustainable economic growth by 2020. And for that vision to become reality, gross domestic product (GDP) has to increase by 6 percent each year.

In addition, Zimbabwe needs to invest heavily in a sector that has become inextricably linked with economic development — telecommunications.

"To meet Zimbabwe's economic and social development requirements, much more telecoms are needed," says Walter Brown, communications expert. Quoting International Telecommunications Union (ITU) statistics, Brown says the country invests the equivalent of 0,2 to 1,3 percent of its GDP in the sector. This, he said, is "clearly inadequate".

"Zimbabwe will become less competitive without better telecoms," warned Brown, a participant in Zimbabwe's first telecommunications exhibition and conference. "Imaginative solutions are needed to improve Zimbabwe's competitive advantage through information."

Nhlanhla Masuku, the organiser of the conference, says Zimbabwe needs to keep up with the rapid technological advances in telecommunications worldwide.

"Any country that does not move in tandem with these changes will lose out in most spheres such as education and training, economic development, access to and use of information, investment and the general development of its citizens," said Masuku.

But so far the state has closely guarded the monopoly the Post and Telecommunications (PTC) utility has in Zimbabwe. Few know that better than industrialist Strive Masiyiwa. Masiyiwa has been in and out of court for more than a year in a vain struggle to launch Zimbabwe's first-ever cellular phone service.

All he needs is a licence to begin his operations. But that permit has to come from the PTC, which itself plans to introduce cellular communications in the country even though its track record is not one of Africa's best.

In fact, the PTC runs one of the world's faultiest telephone services, and local businesses often complain that this has caused them to lose potential foreign partners.

The World Bank's 1995 world development report says Zimbabwe's telephone network has 215 faults per 100 main lines a year. Of the 95 countries for which the report provides such data, only Nigeria, India and Tajikistan have worse records.

Moreover, it can take years to obtain a new telephone line.

However, the government has no intention to privatise the PTC. The only change, announced recently by Joyce Mujuru, information, posts and telecommunications minister, is that it will be transformed from a single utility into a holding company with three subsidiaries: postal services, telecommunications and equipment manufacturing.

Not many in Zimbabwe are convinced that this will lead to the improvements required by the government's dream of sustainable economic growth in 24 years, officially called 'Vision 2020'.

To support Vision 2020, Zimbabwe needs to have at least 30 telephones per 100 persons. Presently every 100 Zimbabweans share 1,5 phones, says Chemist Siziba, managing director of Cosmos Cellular, a private firm that plans to sell cellular phones once the PTC starts providing the service.

"Can PTC alone fulfil this requirement? No," says Siziba. "If PTC were to invest Z$1 billion ($100 million) per year, it would take them 30 years to reach the target of 30 phones per 100 people.

"Clearly, PTC does not possess the resources necessary for this gigantic task," he said. "Private money must complement this task. So the telecommunications industry is the key. And fortunately it does not cost the government any money but brains."

Not only Zimbabwe but many other developing countries have been slow to open up the telecoms sector, says Alexander Fergusson-Nicol, ITU area representative for southern Africa. But "the countries cannot wait any more", Fergusson-Nicol said.

Shadowy giant in Zim tobacco trade

(362) M+G 13-19|9|96

Roger Boka, the most controversial man in Zimbabwe, won't give interviews. But a phone call to his office is revealing enough

ROGER BOKA is a mysterious Zimbabwean businessman who has taken out full-page advertisements in the state-controlled newspapers calling for the "indigenisation" of the country's agricultural and industrial sectors.

The origin of his wealth is not generally known but he is being being investigated by the Zimbabwean police in connection with buying stolen gold.

This year Boka began developing a multi-million rand tobacco floor on the outskirts of Harare to sell Zimbabwe's crop. Zimbabwe already has the largest tobacco auction floor in the world, but it and the industry are dominated by white growers and merchants. Boka wants to change all that and says his floors will eventually control the tobacco scene in Zimbabwe.

He has steadfastly refused to be interviewed by the media, particularly white journalists.

Horizon, Zimbabwe's bravest news magazine, interviewed a man at Boka's office who called himself "Mr Mabhunu," but whom the interviewer, Ray Choto, suspected was Boka himself.

Ray Choto: May I please speak to Mr Boka?

Reply: May I know who is calling?

RC: My name is Ray Choto, a journalist at *Horizon* magazine.

Reply: Hold on, I will put you through to him [pause ... some inaudible voice says something]. I am sorry, Mr Boka is not in the office. Let me put you through to someone else.

Mabhunhu: Can I help you?

RC: My name is Ray Choto, a journalist at *Horizon*. May I please speak to Mr Boka?

Mabhunhu: Mr Boka doesn't want to speak to people like you. He is a busy man trying to better his life.

RC: Are you speaking for Mr Boka, sir?

Mabhunhu: You said you are from *Horizon*, the paper that reported negatively about Mr Boka.

RC: I don't think so, Mr Mabhunhu. *Horizon* is a bold and factual magazine. I want to speak to Mr Boka, please.

Mabhunhu: Mr Boka doesn't speak to white-owned papers. Who owns your paper?

RC: It's staff owned. Are you Mr Boka? (Silence)

Mabhunhu: An MP here tells me that *Horizon* is owned by Andrew Moyse. You are just a poor worker there! You are the people Mr Boka will never listen to. You want to play to the tune of 75 000 whites who stole our wealth. Why do you want to work for whites?

RC: I don't work for whites, I work with whites, sir. I believe in the concept of reconciliation.

Mabhunhu: What is this animal called reconciliation? Then you are not the right person to talk to Mr Boka. I will tell him that a reporter from *Horizon* ... oh you are the people we are fighting to eliminate in our society. I am an ex-combatant, Choto, we didn't go to war to maintain white supremacy. Anyway, leave Mr Boka alone. He won't talk to you. Go and talk to Sithole or Mugabe, Boka is not a public figure.

RC: We think he is a public figure. He is a wealthy person, the first black to enter the tobacco-auction business, he is controversial too.

Mabhunhu: Let me tell you that the public is waiting for its day... people like you and whites will be crushed. We can put cyanide in your tea and die. Do you think we are happy with what is happening? You will see fire.

There is no reconciliation my friend. If you think that blacks and whites will reconcile, then you are fooling yourself.

Why don't you do like Chikerema at the *Sunday Mail* or Tommy Sithole at the *Herald*? They know what we mean by black empowerment. That is why we advertise in these papers, not in the *Independent* where that Iden writes stories that denounce blacks. You think we are happy ... wait, you will be crushed to death one day. You will see it happening in the streets.

RC: But there are some papers that speak for the voiceless, but you don't support them.

Mabhunu: We support black-owned papers ... we have set aside $17-million for advertising. Only, we have the money for our right people.

RC: I am sorry sir, I am not an advertiser but a journalist ... I hope you will put me through to Mr Boka. He is the man I want to talk to.

Mabhunhu: He's not here but I will tell him that you phoned. I have to rush to the tobacco floors. But remember, Choto, that we will eliminate all of you.

Boka doesn't like to speak to people who support reconciliation. If your child finishes school he won't get employment. But the white man's child has no problem and you talk about reconciliation. Mr Boka wants to talk to people with the right mind.

RC: But why are you denying me access to Mr Boka?

Mabhunhu: Not to proponents of reconciliation! Okay, Choto, you will see the day when whites and people like you will be crushed.

RC: We will report about that.

Mabhunhu: It's a pity that only the future generation will realise the importance of Mr Boka's stance. But they will have to go to archives to get the information.

RC: But if Mr Boka doesn't want to be written about, how will the archives have data on his life if we are denied access to his business activities?

Mabhunhu: He has his supporters ... they will write about his struggles, not white-owned papers.

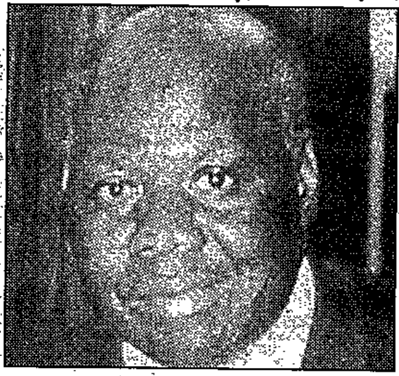
RC: But there are whites who are pro-blacks.

Mabhunhu: Never!

RC: You don't want to believe in them.

Mabhunhu: I will never! Let me go to the floors, that's where I work.

RC: Please tell Mr Boka that *Horizon* wants to talk to him.



Roger Boka: Elusive and ambitious

Zimbabwe officers 'help themselves' to army fund

(362)

HARARE — A junior Zimbabwe army officer yesterday threatened to sue the defence force's top brass for helping themselves to cash from a military benevolent fund meant to aid widows and armed services personnel in distress.

The independent Financial Gazette said senior defence force officers had loaned themselves R1,2m from the fund without providing security, a practice in violation of the fund's constitution.

Defence force commander Gen Vitalis Zvinavashe had borrowed R170 000 without collateral, while army commander Lt-Gen Constantine Chiwenga had borrowed R66 000. The report quoted Lt Marcus Makora as saying that 67 senior officers made use of the benevolent fund's R16m assets.

Out of the 35 000 military personnel who subscribe to the fund, only senior officers had benefited, Makora said. "Widows of deceased members face even worse problems in obtaining benefits," he said.

The paper quoted an auditor's report that the fund had not been audited by an independent accountant since it was established in 1988.

Makora said Zvinavashe had never appointed a board of trustees to administer the fund or held an annual meeting. He had written to Zvinavashe and given him three weeks to call an emergency meeting with representatives of officers or he would "make an application to court". — Sapa.

BD 13/9/96

Communication and grassroots participation crucial for development to be effective

(362) Star 14/9/96

By LEWIS MACHIPISA

Harare – When development workers moved into an area in central Zimbabwe with their bulldozers, cement and bricks, they went to build toilets for villagers there. And build them they did, rows of them.

Project officers returned a few months later to the area, near the town of Gokwe, and found the toilets' drop holes had been sealed and the white, cylindrical structures turned into grain stores.

A few hundred kilometres away in Upper Guruve, northern Zimbabwe, villagers recently rejected a German-funded irrigation project partly because it would have required each household to devote 2 acres to mangoes and oranges and just half an acre to maize, a staple food.

These are just two examples of what can occur when development initiatives, however well meant, are designed without giving the proposed beneficiaries enough of a say in their planning.

It is this pitfall that the Southern African Development Community's Communication for Development Centre aims to avoid. The centre, a joint project of the UN Food and Agriculture Organisation (FAO), the SADC and the Italian government, was launched this month to provide communication, advice, training, documentation and expertise in the 12 SADC countries. It is an offshoot of the FAO's Communication for Development in Southern Africa project, begun in October 1994.

The centre will help governments, non-governmental organisations, training institutions and international agencies in Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe to incorporate communication for development into projects and programmes.

"The SADC communication centre promotes the use of communications approaches, techniques and media for economic and social progress throughout southern Africa," notes Jonathan Villet, chief technical adviser of the Communication for Development in Southern Africa project.

"We emphasise participatory approaches to involve rural people in decision-making and implementation of development programmes," says Villet, who is the project's co-ordinator. The primary focus of the FAO's work in communication for development is rural areas, home to many of the nearly 1 billion illiterate people who live in developing countries.

NEW APPROACH: Aid agencies and the Zimbabwe government are now realising that rural people, like these villagers, are the creators of change and progress, not mere recipients

Many of them lack the infrastructure and communication systems that help city folk to keep abreast of developments and function effectively as informed participants.

"Without the involvement of the grassroots level, projects and programmes may not be successful," says Villet. "And one of the key ways to involve people is through communication to understand rural people's underlying needs, their aspirations, their perceptions about the problems – rather than how outsiders feel.

Then, when solutions for the problems are found, it is important to ensure they are shared with rural people in a way that makes sense culturally and in terms of their perceptions of the problem, and to ensure the knowledge and skills they already have are fully utilised."

In an FAO publication titled Communication: *A Key to Human Development*, Villet and co-author Collin Fraser note: "Whether we come to see village learning centres equipped with a centrally linked computer terminal, or instead, a more systematic use of traditional media for human development, the use of communication no longer depends on the availability of technology – it depends on the will and decisions of policymakers to exploit its potential.

"Any development programme that regards people as mere recipients, rather than as the actual creators of change and progress, usually fails. Consulting the people and actively involving them in making the decisions that will affect them virtually ensures the programme's success.

"In practical terms, effective planning must make a deliberate effort to determine what people want to do, can do and can continue to do in a sustainable way," write Fraser and Villet.

There are indications that government officials, too, are beginning to see the need for better communication to ensure the success of development efforts.

"A large proportion of the rural population who form the majority in this country is in dire need of communication-oriented development programmes to facilitate their prosperity and other forms of advancement," says Zimbabwe's director of information Bornwell Chakaodza.

"It is crucial that development agencies involved in projects and programmes intended to improve the quality of life of the people … need always to consider the communication component in order for the projects to make a difference to the lives of the beneficiaries," he adds. – Sapa-IPS

Zimbabwe's national parks face financial crisis

(362) Star 18/9/96

Harare – Zimbabwe's Department of National Parks and Wildlife is facing a financial crisis and its operations may stop.

The department was awarded less than R5-m in this year's budget as it is supposed to be transformed into a commercial money-earning institution.

But the government has not yet approved new tariffs. The department had asked for nearly 10 times the amount.

Boreholes are not being repaired and anti-poaching operations have been scaled down. Environment Minister Chen Chimutengwende said he was involved in urgent talks with the Ministry of Finance. – Independent Foreign Service.

Zimbabwe markets set on bullish trend

ARG 19/9/96 (362)

EMELIA SITHOLE

HARARE – Zimbabwe's booming stock market is likely to continue rising in coming months on expectations of cuts in interest rates following a dramatic fall in annual inflation, market officials and analysts said.

Buyers have also been encouraged by a recent central Reserve Bank decision allowing foreign investors to buy up to 40 percent of total shareholding in a listed company, up from the the previous 35 percent ceiling.

The Zimbabwe Stock Exchange's key industrial index has soared 80,7 percent over the past nine months, breaching this week – for the first time – the 7 000 pyschological barrier.

"It has gone up at a phenomenal pace and over the next few months it should continue bullish as the possiblity of banks cutting their lending rates further is now quite strong with the fall in inflation," said Savvas Kyriakides, managing director of share market and economic analysts Dataworld.

Zimbabwe's commercial banks last month cut their lending rates by two percentage points to 30 percent after inflation slowed and money market interest rates fell.

On Monday, hopes of further cuts were bolstered by the publication of latest annual inflation data which indicated the year-on-year consumer price index (CPI) at a three-year low of 17,7 percent in August.

Zimbabwe Stock Exchange chief executive Anthony Barfoot said the lower annual inflation figures boosted the potential for further lending rate cuts.

"Investors are also concerned now at lower money market rates and they are moving out of there into stocks.

"So the stock market is going to be very high," Mr Barfoot said. – Reuter

M+G 20-26/9/96

Constitutional changes rile Zimbabweans

362

Julius Zava in Harare

ZIMBABWEANS are concerned that the ruling Zanu-PF party is amending the Constitution willy-nilly, and is trampling on human rights and eroding judicial independence in the process.

Since independence in 1980, Zanu-PF, which has 147 MPs out of a total 150, has amended the Constitution 13 times. The 14th amendment has just been submitted to Parliament.

Justice Minister Emmerson Munangagwa responded to opposition over the latest proposed amendment by saying, "We [Zanu-PF] make constitutional changes that are necessary to us."

In the last five years, the Constitution has been amended four times to reverse decisions made by the supreme court, notably in cases where the government had previously lost in court.

Tendai Biti, a human rights lawyer, says: "In a democracy, the erosion of the rule of law is demoralising and unacceptable."

In addition to eroding the rule of law, the government is accused of having eroded human rights protected under the Constitution.

A University of Zimbabwe Constitutional law lecturer, Welshman Noube, says: "I think it's the height of madness to amend the Bill of Rights."

The latest proposal is an amendment to Section II of the Constitution the "pillar of Zimbabwe's human and individual rights", Noube says.

The amendment imposes strict regulations on foreign spouses who will no longer get automatic citizenship.

"There are a lot of intermarriages in Southern Africa and a lot of people will be affected, not just whites marrying blacks as politicians think," said Everjoice Win of an organisation called Women in Law and Development in Africa.

Anglo resolves dispute with Zimbabwe

(3623) BD 20/9/96

Michael Hartnack

HARARE — Anglo American appears to have resolved its dispute with the Zimbabwean government over the "indigenisation" of its management and has received a work permit for new CE Phillip Baum of Johannesburg.

Zimbabwean former director Ellias Ngugama is to return to the board as non-executive chairman following the retirement in March of present executive chairman Roy Lander.

Baum said yesterday his appointment was entirely unconnected with Anglo's offer of 22% of its shares in Bindura Nickel to the Zimbabwean government, agreed at two recent meetings between President Robert Mugabe and Anglo executive director Nicky Oppenheimer. "There was no quid pro quo," said Baum.

Earlier this year, Commerce Minister Nathan Shamuyarira said Anglo would not be permitted to recruit an expatriate for Lander's post.

Mugabe had attacked all the mining houses, including Anglo, for failure to promote indigenisation. "Instead of appointing a black executive, they chose to appoint a white man from SA when in SA they have been doing all in their power to include blacks as partners," said Mugabe.

Spurred on by Mugabe's rhetoric, black empowerment militant Phillip Chiyangwa threatened physical violence against Standard Chartered banking CE Barry Hamilton when he arrived from Britain to take up his appointment in July.

Baum said his appointment and Anglo's taking the government into partnership in Bindura Nickel (in which Anglo will retain a 50% controlling stake) "happened to have run side by side. They are not sequential."

ë.^ë.\& >● 6–Ü≥
▲û©Z[├fPgë

Diplomatic stir on Mugabe govt deal

(362)

Michael Hartnack

BD 20/9/96

HARARE — The diplomatic community in Zimbabwe is considering an outspoken protest to President Robert Mugabe over his R2,6bn deal with Malaysian company YTL Corporation to refurbish and expand Hwange thermal power station.

Outrage over bypassing of normal procedures that would have given US, British, French, Belgian and Swedish firms a chance to tender comes just four months after the US and German ambassadors forced the cancellation of a R86,9m contract for cellular phones awarded by the parastatal Posts and Telecommunications Corporation.

"The government has made its decision and it stands," said transport and energy ministry permanent secretary Paul Kodzwa when asked about the Hwange deal, signed at the weekend with Mugabe and Malaysian premier Mahathir Mohamed present.

The deal sees YTL gaining a 51% stake in Hwange, despite the usual government ban on foreign firms getting more than 35% shareholding.

A private "caucus" of European union heads of mission was expected to meet shortly about the deal.

Mugabe's new economic plan demands political will

Zimbabwe is preparing itself for a second five-year economic plan, writes Michael Hartnack from Harare

(362) BD

PRESIDENT Robert Mugabe revealed the outlines of his second five-year economic reform plan on the eve of his flight to Hamburg for a major investment conference opening tomorrow.

The Zimbabwe programme for economic transformation and social reform (Zimprest) aims at sustained 5%-a-year economic growth from next year to 2002, with 7%-8% targets in "non-drought years" to offset expected seasons of poor rainfall.

Black economic empowerment — a key objective in the 147-page blueprint — "must focus on facilitating enterprise development rather than redistribution alone".

"The fundamental objective of Zimprest is to bring about an adequate and sustainable rate of economic and social development, to eliminate poverty and create the basis for all of Zimbabwe's citizens to provide a better life for themselves and their children," says the blueprint.

Many targets of the first phase of economic reform, launched in 1990 by former finance minister Bernard Chidzero, were missed due to lack of political commitment, particularly after Chidzero was struck down by a stroke in 1993. Without a cabinet champion, export promotion and departmental spending discipline were ignored.

Regulations were abolished, but the politicised bureaucracy, created during Mugabe's flirtation with "Marxist-Leninist transformation", seemed sacrosanct. Overspending and state monopolisation of the local capital market caused inflation and interest rates to soar, ruining what should have been a conducive climate for business expansion and employment creation.

The Zimprest blueprint continues to speak of "strengthening ministries ... to ensure success of the indigenisation programme", and "identifying and promoting black commercial farmers", while at the same time promising to "restrict government's controlling role in the way the private sector conducts business".

Columnist Iden Wetherell, writing in the Zimbabwe Independent, suggests businessmen at the Hamburg conference may see a contradiction between the two objectives.

Joint conference organiser at the German centre for trade development Uwe Waltsgott said investors had been scared away by anti-white rhetoric and had turned to neighbouring countries. "President Mugabe will have the greatest difficulty, for reasons entirely of his own making, in convincing German investors that their money is safe in Zimbabwe," predicts Wetherell.

Wetherell claims the root of the failure of the 1990-95 economic reforms was Mugabe's failure to embrace political reforms and

23/9/96

good governance. "At a time when the government is unable to get the budget deficit under rudimentary control it has just finished hosting a solar summit on which it spent huge unbudgeted amounts, including R20m for new luxury cars," he notes.

The deficit, 14% of GDP last year, is already 11%, and has yet to feel the impact of 20% pay increments to public servants.

The blueprint says "restructuring government for economic and social transformation" will have equal emphasis with "facilitating economic empowerment and private sector development". The authors hope investment will increase to 25% of GDP.

A new Banking Act and Reserve Bank of Zimbabwe Act would be passed. The blueprint also spoke of a new Land Act to come before parliament in 1998, but did not specify whether this would embrace Zanu (PF)'s long-cherished plan to deprive all current owners of freehold, to facilitate redistribution to blacks.

The 1990-95 economic reform generated bitter rhetoric against the World Bank and IMF, who were accused of inflicting soaring prices, bankruptcies and retrenchments against the better judgment of Mugabe. Such accusations conflicted with Chidzero's 1990 statement: "This is not an imposition. If it fails, it means we have failed."

Local political will is likely to be the key factor again in 1997-2002, and German investors will be seeking signs of this when Mugabe meets them in Hamburg.

Zimbabwe sets out new bid to meet IMF targets

(362)

ROBIN DREW
FOREIGN SERVICE

ARG 26/9/96

Harare – The second five-year phase of Zimbabwe's troubled economic reform programme has set targets aimed at satisfying the International Monetary Fund.

This will be the key to the IMF's decision soon whether to resume its discontinued aid to the country.

The Washington-based body suspended financial assistance to Zimbabwe last year because it determined that Robert Mugabe's government was not sticking to economic reform targets.

The draft outline for phase two does away with the unpopular acronym Esap, which stood for Economic Structural Adjustment Programme.

It became known instead as the Ever-Suffering African People, because of hardships experienced from rising prices and job losses as Zimbabwe relaxed its tightly controlled economy to allow free rein to market forces.

The new reform programme will be known as Zimprest – Zimbabwe's Programme for Economic and Social Transformation.

It aims at an annual average growth rate of 5 percent and a reduction in the budget deficit from 10 percent of gross domestic product (GDP) to less than 3 percent by the year 2000.

The plan seeks single-figure annual inflation by the turn of the century, reduced from the current 20 percent.

Zimbabwe fraud 'getting out of hand'

BD 25/9/96 (362)

HARARE — Fraud and other crimes involving misuse of money are reaching new levels of sophistication in Zimbabwe, with authorities conceding that the situation is getting out of hand. Adding to the headaches for law enforcers is the increasing incidence of bribery, referred to as "commission" by corrupt public sector employees.

The number of reported fraud cases more than doubled in five years to 64 000 last year. It is believed that at least 5% of economic output is lost to graft, equivalent to $300m. White-collar crime has spread. Government, parastatals, private sector and non-profit making bodies are all affected.

Corruption is usually in the form of rewards for officials who recommend substandard products, or for awarding tenders to companies with little to offer in terms of capability or expertise. Payment is not only in cash, but also in expensive gifts such as luxury vehicles. One recent case involved a pharmaceutical company which had failed to pay $22 000 in taxes and should have been fined another $22 000. A deal was struck for the firm's file to be destroyed and the tax official to receive $6 000 — almost equivalent to his year's salary.

Police Commissioner Augustine Chihuri says the number of white-collar crime and corruption cases are expected to increase as the economy continues to deteriorate. "Some of the more serious cases never come to light. That is why there is need to put into place effective control measures within our financial systems," he said.

High Court Judge George Smith says it is unfortunate that many businessmen in Zimbabwe now regard corruption as an essential part of doing business — at least as far as international deals are concerned.

The cost is enormous in terms of increased security, money lost through transfer pricing, aborted customs duty as a result of smuggling, bribery, lost sales and income taxes. But who pays?

"We all do," says economist John Robertson. "Nobody escapes a share in the costs ... we pay through the need for higher taxes, the extra cost of auditors and of constantly having to retrain our auditors so they can keep up with the new exploding technology of white-collar crime."

A number of suggestions have been put forward. Chihuri wants to set up anti-corruption commissions, but hastens to warn that such commissions have had disastrous results elsewhere, often with the hunters ending up more corrupt than the hunted.

Smith suggests Zimbabwe should establish a chapter of Transparency International, a body formed in 1994 at the African Leadership Forum on Corruption, Democracy and Human rights held in Benin. Its aim is to combat institutionalised corruption. It already has chapters in countries including Ecuador, Namibia, Bangladesh, Sri Lanka and the US. — AIA.

Air Zim hurt by Mugabe's flights of fancy

(362)

MtG 27/9 – 3/10/96

Iden Wetherell in Zimbabwe

AIR ZIMBABWE, once a profitable little airline with an on-time record, now has a reputation for delays and debt as poor management and political interference thwart viability.

Part of the problem is President Robert Mugabe's habit of requisitioning planes whenever he needs to travel abroad — often several times a month. But the airline also has to cope with craft unsuited to Zimbabwe's conditions.

With Zimbabwe's independence in 1980, Air Zimbabwe inherited a fleet of ancient but reliable workhorses such as the Vickers Viscount for routes which extended no further north than Kariba. Rapid expansion in the early 1980s saw new schedules to London, Frankfurt and Athens serviced by jets purchased from Boeing.

But political meddling was evident early on. A former transport minister, Herbert Ushewokunze, insisted upon personally designing the livery of the new fleet, ignoring the submissions of his advisory panel. Interference led in recent years to the acquisition of aircraft which proved inappropriate for the airline's needs.

Air Zimbabwe currently leases a British Aerospace 146 bought in 1989 by the air force for Mugabe's use. When the aircraft proved unsuitable for non-stop journeys to Europe, Mugabe resorted to requisitioning other planes for what the airline calls "VVIP charters".

This has led to passengers being abandoned at airports, the airline incurring accommodation charges, and costly rescheduling. In August and September, Air Zimbabwe saw its aircraft diverted to Cape Town for Mugabe's honeymoon, to Lesotho for a meeting of regional heads of state, to Cape Town to collect the first lady, to Kenya for the opening of the Mombasa agricultural show, to Jamaica for a state visit, and to Hamburg for an investment conference. Mugabe will also soon be going to Switzerland and Italy.

The president is not the only culprit. Last month passengers flying from London to Harare suddenly found themselves diverted to Cairo to collect Vice-President Joshua Nkomo and his entourage.

Those on local flights fare even worse. Passengers and their luggage have been dumped at tourist resorts such as Hwange and Victoria Falls as pilots attempt to lighten the load on two leased Fokker 50 aircraft struggling with the country's heat and altitude.

The Fokker lease — costing the airline \$130 000 a month — will soon be scrapped after MPs described it as "ill-considered".

The airline's managing director, Huttish Muringi, is on extended leave pending investigations into the Fokker deal — negotiated against the advice of specialists — and his acquisition of a R700 000 car and a R850 000 company house. While the airline turned a modest operating profit this year, it owes over R200-million on previous borrowings.

Zimbabwe turns down SA wine order

BD 30/9/96 (362)

Michael Hartnack

HARARE — Zimbabwean wineries recently turned down approaches for a 1-million-litre order from SA, according to sources in Harare.

"We simply haven't got the wine available," said a local vintner, who said Zimbabwe's entire wine production last year was only 3,5-million litres. Less than 1 000ha of the 11-million hectare commercial farming area is set down to vineyards, but agricultural experts see scope for expansion if skills and capital can be acquired.

Sources said the SA importer approached both Afdis and Cairns wineries — the two largest producers. They saw the approach as evidence of the "wine drought" now developing in the region as SA production is snapped up by European importers.

Meanwhile, Brussels bureaucrats have blocked Zimbabwe's attempt to establish a reputation for its quality wines in Britain, demanding the enactment of special legislation before it could be sold.

AIDS

Zim healers tackle Aids

(362) Sowetan 30/9/96

HARARE – Traditional healers in Zimbabwe are going all out in the fight against the deadly Aids disease.

Professor Gordon Chavunduka, president of the Zimbabwe National Traditional Healers' Association (Zinatha) said more than 200 traditional medicines had been collected for testing by the Zimbabwe regional drug control laboratory, and 95 percent of these were useful medicines, the *Ziana* news agency reports.

In his annual report, Chavunduka said a total of 80 HIV-positive patients between the age of 18 and 45 years took traditional medicines administered by four Zinatha members over a period of 10 months.

According to Chavunduka, these tests showed that some traditional remedies could, in fact, remove or reverse Aids symptoms.

A large number of medicines were collected, extracted and analysed with the assistance of a large research institute in the United States, and 10 percent of them showed some protection against the effects of the HIV/Aids virus on human blood cells.

US scientists recommended that some of these traditional remedies be developed further as potential drugs for the treatment of Aids, he said.

Pure compounds from some of the plants which had shown to have active principles against Aids were identified and isolated.

This prompted Zinatha to apply for patent protection in Zimbabwe and also in a number of countries because the association now had potential drugs for the treatment of Aids.

Zinatha was carrying out small pilot studies using these compounds, and patients taking them were showing great improvement in the quality of their health, according to Chavunduka.

Health and child welfare minister Dr Timothy Stamps has praised Zinatha's efforts in the fight against Aids.

Many of the traditional healers were often the first to be consulted when people had health and other social problems, he said.

It was therefore important that they receive adequate information about HIV and Aids so that they advise their patients correctly, Stamps said. – *Sapa.*

Zim healers tackle Aids

(362) Sowetan 30/9/96

HARARE – Traditional healers in Zimbabwe are going all out in the fight against the deadly Aids disease.

Professor Gordon Chavunduka, president of the Zimbabwe National Traditional Healers' Association (Zinatha) said more than 200 traditional medicines had been collected for testing by the Zimbabwe regional drug control laboratory, and 95 percent of these were useful medicines, the *Ziana* news agency reports.

In his annual report, Chavunduka said a total of 80 HIV-positive patients between the age of 18 and 45 years took traditional medicines administered by four Zinatha members over a period of 10 months.

According to Chavunduka, these tests showed that some traditional remedies could, in fact, remove or reverse Aids symptoms.

A large number of medicines were collected, extracted and analysed with the assistance of a large research institute in the United States, and 10 percent of them showed some protection against the effects of the HIV/Aids virus on human blood cells.

US scientists recommended that some of these traditional remedies be developed further as potential drugs for the treatment of Aids, he said.

Pure compounds from some of the plants which had shown to have active principles against Aids were identified and isolated.

This prompted Zinatha to apply for patent protection in Zimbabwe and also in a number of countries because the association now had potential drugs for the treatment of Aids.

Zinatha was carrying out small pilot studies using these compounds, and patients taking them were showing great improvement in the quality of their health, according to Chavunduka.

Health and child welfare minister Dr Timothy Stamps has praised Zinatha's efforts in the fight against Aids.

Many of the traditional healers were often the first to be consulted when people had health and other social problems, he said.

It was therefore important that they receive adequate information about HIV and Aids so that they advise their patients correctly, Stamps said. – *Sapa*.

Mugabe fires electricity supply board

BD 3/10/96 (362)

Michael Hartnack

HARARE — The entire board of the Zimbabwe Electricity Supply Authority was dissolved yesterday by President Robert Mugabe's government in an apparent move to crush opposition to his planned deal with Malaysia over the R3,9bn Hwange thermal power station.

The "Hwange scandal" has become the most important test for accountability and transparency in Zimbabwe since the 1988 "Willowgate affair" when ministers were caught racketeering in vehicles from the state-owned assembly plant.

Diplomatic sources here said the US and German ambassadors sought meetings with Mugabe on Tuesday to protest against his announcement that Malaysia's YTL Corporation was being allowed to buy a 51% stake in Hwange for R217m, financing the construction of two new generating plants from electricity sales.

Tenders to upgrade the power station by US, German, Swedish, UK and Belgian companies with vastly greater experience and resources than YTL were summarily rejected.

A government spokesman said if the supply authority's board disagreed "they would be waved into the sunset".

Announcing Mugabe's dismissal of the nine-member board, Energy Minister Simon Moyo said their successors "would be expected to implement government policy with thorough dedication and professionalism".

Outgoing board chairman Solomon Tawengwa wrote to Mugabe and Moyo to say the Malaysian deal would greatly damage Zimbabwe's international image and force up electricity tariffs, as well as failing to empower black Zimbabweans.

With its "bumiputra" policy to wrest economic power from Chinese and Hindus, Malaysia has recently succeeded North Korea as Mugabe's favoured role model. He was reportedly piqued by the failure of western leaders, whose corporations had placed bids for the Hwange contract, to attend last

Continued on Page 2

Zimbabwe

(362) BD 3/10/96

Continued from Page 1

month's solar summit here.

It was while Malaysian Prime Minister Mahathir Mohamed was here for the summit that Mugabe unexpectedly signed the "declaration of intent" with him on the Hwange deal.

The new board is to be headed by Prof Christopher Chetsanga, head of Zimbabwe's scientific and industrial research council.

Moyo suggested the former board was being sacked to please the Malaysians. "It was apparent that since the board was not in agreement with government policy on the partnership with the Malaysian company, it might not be able to proceed with implementation of the project," he said.

The supply authority is a wholly owned parastatal, but the World Bank and other donors want it privatised.

Politics lurks behind Zimbabwe's death sentence

Michael Hartnack in Harare looks at the death penalty as applied in Zimbabwe

(362)

BD 4/10/96

THE announcement by Justice Minister Emmerson Mnangagwa that the new local hangman is "someone who drinks with the press" has caused a certain paranoia in the media world here.

There seems something sick about Mnangagwa's contriving that this secret recruit should have hanged his first group of felons on Friday September 13.

One of the most disquieting things about Zimbabwe's death penalty is that from the earliest days there has always been a powerful political element behind its employment or non-employment.

Among the first to be hanged in former Rhodesia were the spirit mediums Kaguvi and Nehanda, who went to the gallows for inciting the 1896-97 Shona rebellion against British South Africa Company rule. Today they are hailed as national heroes.

Before the First World War, SA governor-general Herbert Gladstone solidified white Rhodesian rejection of "the union" when he reprieved the perpetrator of the emotive Umtali rape case (the victim was a white woman who had just given birth).

White Rhodesia's vanity over its sovereign power over life or death continued to be an issue right up to its unilateral declaration of independence in 1965, when Ian Smith's government ignored reprieves issued by the British Privy Council.

When a white man was hanged in Salisbury's central prison along with Africans, my friend and colleague, the late Peter Niesewand, asked cynically whether the man had been denied mercy "because the Rhodesian Front wants to prove that the gallows is a multiracial institution".

At independence in 1980, incoming Prime Minister Robert Mugabe said he could not envisage his government confirming death sentences in view of its "socialist" orientation.

Exploiting its control over the press, the Mugabe government successfully hushed up the 1981 implication of "national commissar" and Health Minister Herbert Ushewokunze in the murder of four whites near Fort Victoria (now Masvingo).

In a grotesque replay of the 1896 incidents, Ushewokunze had under his protection Sophia Tairos Muchini, who claimed to be the modern medium for Nehanda when she ordered ex-guerrillas to murder the Van As and Roux families to propitiate angry Shona tribal spirits. The Supreme Court found Ushewokunze's claim he did not know of the murders "bald and unconvincing" but he escaped prosecution and Muchini was speedily granted amnesty.

A party official who shot dead five opposition party supporters was likewise pardoned, along with 2 000 others guilty of atrocities.

Yet, when Matabele ex-guerrillas began fighting the new government, the gallows were swiftly refurbished and re-employed. Since 1980, 56 or 57 are believed to have been executed (one group of hangings was kept secret in advance of the Pope's 1988 visit here).

A "multiple scaffold" has been constructed, reportedly capable of hanging five people at a time.

This raises fears about the technical competence of the hangman in ensuring death is instantaneous. If positioning is confused, condemned people can take more than 20 minutes to strangle to death. The length of "drop" and the weighting of the counterpoise has to be calculated and adjusted for each individual.

The Roman Catholic Commission for Justice and Peace was blocked by a swift constitutional amendment when it tried to have hanging declared a violation of the human rights declaration.

The commission pointed out that it is poor people who go to the gallows. The wealthy, able to afford top counsel's R700 a day fees, are usually successful in pleading mitigating factors.

An editorial in the state-controlled Herald claimed hanging was the only appropriate punishment for atrocious crimes, but abolitionists say it is in just such cases, where the police are under pressure to make hasty arrests, or communal passions are aroused, that hanging has perpetrated irretrievable injustices.

When Odile Harington was convicted of spying for SA in 1987, Judge Wilson Sandura (still judge president) condoned sexual assaults on her by security police and regretted he could not have her immediately shot. When tempers cooled, she was freed.

Whether hanging is a deterrent or not, policemen, courts and especially politicians have shown themselves to be too fallible and emotional to be given power over life and death.

all Nazi victims whose assets disap-

(362)

Mugabe power deal under the spotlight

ARG 5/10/96

Harare – The wrath of President Mugabe has fallen on members of the board of the Zimbabwe Electricity Supply Authority who questioned the government's R2,5 million deal with a Malaysian company to take control of the giant Hwange power station.

On Tuesday the government sacked the board members and Solomon Tawenga, the executive mayor of Harare.

A storm erupted last week when letters from the board to the government warning that the deal would have serious political and economic consequences were leaked.

Mr Tawenga tried to ease the tension by promising that the electricity supply authority would abide by any directive from the government.

The deal was announced suddenly last month during the visit to Zimbabwe by Malaysia's prime minister. The leaked letters said circumventing normal tender procedures negated the principle of transparency. – Foreign Service

Zim transport 'set for radical change'

(362) ARG 7/10/96

Bulawayo – Zimbabwe's transport sector is on the threshold of fundamental structural and institutional changes, says Zimbabwe national chamber of commerce president Danny Meyer.

He told the Bulawayo section of the chartered institute of transport that it had become clear "government can no longer continue to financially support the high level of capital investment and recurrent expenditure that a rapidly expanding transport sector requires to service the needs of an expanding economy."

Mr Meyer said growth potential was immense in the transport sector – be it in the road, airways or rail sub-sectors – given the increased volume of traffic as Zimbabwe starts to realise five to seven percent annual economic growth rates, the news agency Ziana reported.

The average growth rate could be even higher over the next decade as peace and stability prevailed, he said.

The recent introduction of a private sector facilitative framework was a welcome development, he said.

This would accelerate infrastructural development and provide attractive business opportunities for entrepreneurs and for established business enterprises.

Increased private sector participation had already proved successful in the air transport sub-sector with new entrants soon likely to join the established Zimbabwe Express Airlines to compete on domestic and regional routes.

It was being projected that the tourism sector would peak at 10 percent gross domestic product by the turn of the century, and the scope for growth here was tremendous.

"The rail transport network has to be revamped urgently to allow an improvement in both cargo and passenger delivery," said Mr Meyer.

"The public transport system will be dominated by the road sub-sector, and Zimbabwe national railways will have to strategically position itself on the market as a matter of urgency."

He said the only way this could be achieved would be by putting in place a convenient and "user friendly" timetable and offering intra and inter city routes.

The road sub-sector, Meyer said, offered tremendous growth potential in the entire region. – Sapa

Mugabe criticised over deal on electricity

(362)

BD 7/10/96

Michael Hartnack

HARARE — The black empowerment lobby and trade unionists have joined the groundswell of protest against President Robert Mugabe's controversial deal with the Malaysians over the R3,9bn Hwange power station.

Malaysia's YTL corporation, in which the son of Malaysian Prime Minister Mahathir Mohamed reportedly has an interest, is to be given a 51% shareholding for R217m, and allowed to finance expansion and upgrading from electricity profits.

Tenders from US, British, Swedish, French and Belgian firms have been ignored.

Both the Zimbabwe Congress of Trade Unions and the Zimbabwe Electricity and Energy Workers' Union said ditching normal tender procedures destroyed government transparency and accountability.

"The shroud of secrecy under which the deal was struck is totally unacceptable," said the union and the electricity workers, in a joint statement.

Strike action has also been mooted.

The unions praised the outgoing board of parastatal Zimbabwe-Electricity supply Authority), all nine of whom were sacked by Mugabe last week after they warned that the deal damaged Zimbabwe's international image and threatened to burden consumers with higher electricity tariffs.

The board, chaired by former ruling Zanu (PF) party stalwart Solomon Tawengwa, "would be waved into the sunset", said an official.

The newly-founded Zimbabwe Independent said although no concrete evidence was available, reports were rife of payoffs to influence the tender award.

The militant Affirmative Action Group, which normally supports Mugabe, protested over foreign nationals being given control of vital electricity installations.

Group chairman Phillip Ciyangwa said: "I have always been suspicious of the Malaysians.

"We want to see what the contents of the agreement are."

In return for pledges to install two 300MW units at Hwange, the Malaysians were being sold units one to six "for a song", the Independent alleged.

A spokesman for the president's office said with the signing of a "declaration of intent" with the Malaysians and the replacement of the of the old board "the matter is now closed".

However, several foreign missions are known to be planning protests and vitally needed aid money may also be withheld until they receive answers.

AFRICAN

Allegations fly over sale of power station to Malaysian company

Privatisation deal threatens to blow up in Mugabe's face

(362) CT (BR) 8/10/96

Robin Drew

Harare — Robert Mugabe, the Zimbabwean president, has come under blistering attack for sanctioning a deal with a Malaysian company that is to take control of Zimbabwe's biggest energy supplier, the Hwange thermal power station.

Trade unions, affirmative action groups and independent commentators have accused the government of selling off a national asset.

The Zimbabwe Congress of Trade Unions and the union representing electricity workers said: "It would appear we are witnessing a massive asset-stripping exercise veiled in the name of privatisation."

The deal, still to be finalised, will give YTL of Malaysia control of Hwange through the formation of a private company called African Power, in which the Zimbabwe Electricity Supply Authority (Zesa) will hold a minority shareholding. The board of Zesa, which opposed the deal, was sacked last week and replaced by a new one.

The Zimbabwe Independent newspaper said on Friday that something had gone terribly wrong, and "we cannot help but conclude, even in the absence of concrete evidence, that inducements of one sort or another played a role" in what it called a shady deal.

Referring to Mugabe's known friendship with Mahathir Mohammed, the Malaysian prime minister, the paper said: "the public perception is that money has certainly changed hands. But who got it?"

Philip Chinyanga, the president of Affirmative Action, said all deals involving the Malaysians were "suspicious". He asked what would happen if "they" decided to switch off the power station, which supplies over half of Zimbabwe's power.

The deal was done through the private treaty route while tenders were still being considered for expanding the power station output. YTL had been ranked sixth in a short list of international companies that had tendered for the work.

But the proposal now endorsed by Mugabe goes much further than expansion and amounts to privatisation, giving foreigners control of a strategic asset. — Independent Foreign Service

First Edition August 1993
BarPrint 930084

Cape activist gets amnesty

CAPE TOWN — Former Eastern Cape activist Andile Samuel Solo had been granted amnesty, the truth commission's amnesty committee announced yesterday.

Solo is the third person to get amnesty from the commission.

Solo, 29, of New Brighton, Port Elizabeth, said in his amnesty application that he was a unit commander of Azania, the military wing of the Azanian Peoples' Organisation, and a member of the Black Consciousness Movement of Azania.

He was sentenced in the Eastern Cape for five contraventions of the Explosives Act and the Arms and Ammunition Act.

When he appealed to the Eastern Cape division of the Supreme Court, his conviction and sentence were set aside because he had been refused a trial postponement to change his lawyers. However, he was recharged and was due back in court in May.

The new trial was postponed pending the outcome of his amnesty application.

Solo was granted amnesty in respect of two acts in 1993. He planted an explosive device at the Easigas plant in Port Elizabeth and attempted to explode a device at Torego Flats in Uitenhage. — Sapa.

BD 9/10/96

Pahad tells Zimbabwe SA is not delaying trade pact

Michael Hartnack (362)

BD

HARARE — Deputy Foreign Minister Aziz Pahad yesterday strove to reassure irate Zimbabweans that SA was not delaying the signing of an updated "most favoured nation" bilateral trade pact until it had concluded a preferential trade agreement with the European Union. BD 9/10/96

Responding to allegations made at the weekend by Confederation of Zimbabwean Industries president Jonee Blanchfield, Pahad said tariff barriers against Zimbabwean exports, especially textiles, could not continue.

"We cannot continue with the high protective regime," Pahad said at the outset of an inaugural joint commission meeting between the two countries. The session is to last two days.

"There is a genuine commitment to accelerate the process," he said, denying Blanchfield's charge that SA was using "delaying tactics" in seeking irrelevant points of information.

"Negotiations with the EU have not even started. We will never do anything to finalise our negotiations with the EU without taking into consideration its implications for other countries in the region," he said.

"There is political will and genuine commitment to resolve this (updating the moribund 1964 trade pact) without further delay."

Blanchfield protested that although Commerce Minister Nathan Shamuyairira had announced a "breakthrough" and signing of the new pact by the end of August, another month had passed without progress due to further queries from SA.

Blanchfield's protest at a trade balance R3bn in SA's favour was echoed by Deputy Foreign Minister Nicholas Goche at the meeting.

The commission's agenda is understood to be largely a formality, containing neither the trade pact nor the other issue vexing relations — jailed SA agents. President Robert Mugabe has rejected repeated approaches from President Nelson Mandela for the release of the agents, all serving life sentences for acts of terrorism in 1987-88.

New great trek faces red tape and rain

Tim Cohen BD 9/10/96

CAPE TOWN — The first 20 "new great trek" farmers would be settled in Mozambique by the end of the month, despite obstacles both current and an-

The first region where the farmers would settle would be Lichinga, about 4 000km from Pretoria and close to the eastern shores of Lake Malawi.

The "pioneer group" is expected to lead hundreds of other farmers in what

Tobacco farmers told of threats

(362) BD 16/10/96

ZIMBABWE's annual tobacco auctions have ended with a total 201,5-million kilograms selling for just more than R2,5bn, a spokesman for the Zimbabwe Tobacco Association said yesterday.

The crop, expected to raise nearly R3,1bn in vital foreign exchange when exported, was slightly below the 202-million kg target, but sustained high selling prices throughout the season.

Association leaders have warned of threats to the future of the industry because of US protectionism, the increasing success of the anti-smoking lobby, a threat of compulsory state takeover facing white farmers, and President Robert Mugabe's unprecedented 10% levy, which gave the government R217m.

Sithole to be tried over plot to kill Mugabe

NDABANINGI SITHOLE

Harare – Veteran Zimbabwean opposition figure the Rev Ndabaningi Sithole will stand trial on November 4 on charges of plotting to assassinate President Robert Mugabe and trying to overthrow the government.

Sithole (76), who was arrested a year ago on allegations of leading a plot to blow up Mugabe, will stand trial in the High Court. Justice ministry officials expect the trial to last 10 days.

Sithole was arrested and subsequently released on bail of R50 000 after police caught a militant from his Zanu (Ndonga) party with a landmine minutes before he planned to detonate it on a route Mugabe's motorcade was expected to use.

The militant and another party member were jailed for 15 years for their roles in the plot. Sithole has denied any involvement in it.

Sithole, a former Methodist preacher, startled the Harare Magistrates' Court yesterday when he claimed he had sensitive and damaging documents proving Mugabe was ready to negotiate with him to settle the affair privately for R500 000.

His lawyer, Tendai Biti, has described him as senile.

Sithole became the leader of the black nationalist movement against white minority rule in 1963, with Mugabe as one of his chief aides.

There has been bitter enmity between the two since Mugabe ousted him from leadership in 1974.

He spent 10 years in Rhodesian jails after being convicted of plotting to assassinate Ian Smith, the then Rhodesian prime minister, as well as of other political charges.

He is one of three MPs in Zimbabwe's 150-seat parliament who do not belong to Mugabe's ruling Zanu (PF) party. – Sapa

Star 19/10/96 (362)

Zimbabwe lending rates drop to a five-year low

CT(BR) 21/10/96 (362)

EMELIA SITHOLE

Harare — Zimbabwean lending rates have fallen below 30 percent for the first time in five years, leaving businessmen calling for more cuts and analysts warning of inflationary dangers.

Savvas Kyriakides, the managing director of Dataworld, the economic and share market analysts, said that the lending rates were still unacceptably high. "They are still substantially above inflation and (the banks) should bring them down lower.

"There's room to bring them down to around 25 percent because the margins that the banks are making are criminal," he said.

Anthony Hawkins, a professor of business studies at the University of Zimbabwe, cautioned against further cuts because they would undermine the central bank's efforts to curb high money-supply growth threatening to re-fuel inflation.

Standard Chartered Zimbabwe, one of the country's biggest banks, lowered its rate to 28,5 percent this week, while Stanbic Bank eased its rate to 29 percent. Other banks were expected to follow suit soon, particularly after the central bank, the Reserve Bank of Zimbabwe, eased its rediscount rate further on Wednesday to 27 percent.

Commercial banks lowered their minimum lending rates to 30 percent from between 32 and 33 percent in August, citing falls in money-market rates.

The banks pre-empted the central bank, which slackened its key rediscount rate to 27,5 percent from 29,5 percent, a level which it had maintained since November 1994. Zimbabwe's inflation rate was pegged at 20,6 percent this week, up from a three-year low of 17,7 percent in August. "The lower lending rates mean an easing off of the financial mobilisation problems we have been experiencing for the past five years," said Edmore Tobaiwa, a senior economist of the Zimbabwe National Chamber of Commerce.

Mugabe launches salvo against banks

Michael Hartnack

BD 21/10/96 (362)

HARARE — A fresh threat from Zimbabwean President Robert Mugabe to frustrate the attachment of assets of politically influential debtors is causing concern among financial institutions.

Speaking at the burial of Simon Muzazenhamo, who died of a heart attack before creditors could foreclose, Mugabe made a fresh attack on the country's 70 000 whites and alleged they were responsible for the "inhuman" policies of banks.

"Why should we even keep such people in our institutions at all?" he said.

"They were oppressors yesterday, they are still oppressors today of the liberated people. Where is our freedom if institutions meant to assist our people are destroying them?"

He broke new ground in his long series of attacks on whites by singling out prominent banker Brian Bostock, agri-business manager for the state-controlled Zimbabwe Banking Corporation. Bostock is precluded by a special amendment to the Zimbabwean constitution from suing Mugabe for defamation.

Mugabe alleged Bostock had been implicated in irregularities at Zimbank and had victimised blacks from a "sense of grudge".

Zimbank GM Sigaboliso Biya has not commented on Mugabe's attack on Bostock and the policies of the bank, in which the parastatal Reserve Bank has a controlling share.

Zimbabwean public servants strike again

(3023)

Thousands of Zimbabwean public servants went on strike yesterday to press the government to reopen serious pay negotiations with them, officials of the Public Service Association said. Among other things, they want the government to reinstate a year-end bonus it scrapped last year. About 3 000 strikers met in a Harare park and thousands others milled around the city. Union officials expected more of the 180 000-strong civil service to join the strike today. The government ended a three-week public servant strike last month by awarding workers a 20 percent pay rise backdated to July and promising to start open-ended talks on their demands for wage increases of up to 60 percent. "Civil servants have postponed industrial action twice already in a bid to accommodate the lack of government urgency," the union said. "The workers will review the situation when government seriousness has been gauged, based on the response (to the strike)." — Reuter, Harare

ST(BD) 22/10/96

Raw sewage floods Harare drinking water

(362) ARG 20/10/96

Harare – Tons of raw sewage have been pumped into a river feeding the water supply to Zimbabwe's capital, Harare, causing ecological damage.

The sewage overflowed the main effluent treatment works yesterday.

Scores of workers have been scooping tons of dead fish out of Mukuvisi River since last week, when the sewage was pumped into the river. Forty tons have been hauled out.

But Harare Mayor Solomon Tawengwa insisted that the city's water supply was safe. He said: "We have had extensive discussions with the director of health and our water is safe to drink."

Zimbabwe's daily, The Herald, reported that the spillage began when a contractor engaged to repair pumps at the treatment works downed tools because, it was understood, the city council did not pay him.

Instead of being pumped into sewage ponds to be broken down, untreated sewage was pumped directly into the river, which flowed into Lake Chivero, the city's main water supply.

This was the third time in the last year that there had been huge fish deaths in the rivers leading into the lake.

On two previous occasions pollution from a paper factory was blamed.

But scientists said that since the mid 1980s, when the treatment works buckled under pressure from the rapid increase in the capital's population, which had now reached 1,5 million, the council had been pumping sewage into the rivers.

In June this year 160 000 cubic metres of sewage was pumped into the rivers feeding the lake.

The council needed R160-million to finish a new sewage works to help cope with the tide of sludge, but had been able to raise only R31-million. – Sapa

New Zimbabwe tariffs 'soon'

BD 30/10/96 (362)

HARARE — The Zimbabwean government has put together a report for consideration by cabinet before a final decision on new tariffs is taken before the end of the year.

Industry and Commerce Secretary Kelebert Nkomani said yesterday that extensive consultations with private and public companies, commerce and industry, associations and the finance ministry had been completed.

"We have been putting together a report for consideration by cabinet, following the extensive consultations we have had. The position we have arrived at gives us confidence that we have a much better product. We hope to complete the process soon and have a final decision before the end of this year because I do not foresee any more problems," Nkomani said.

An initial tariff structure, drawn up to rectify trade imbalances in the region, especially between Zimbabwe and SA, was announced in June, but was withdrawn in less than a week.

The government said it wanted more consultations with its regional partners as well as to give the public a chance to study them. Local industrialists complained at the time that there were anomalies that would have disadvantaged local companies.

The delay in announcing the new tariff structure was said to be detrimental to local industry and potential investors.

The new tariffs are expected to provide much-needed protection to local companies who have lobbied the government for more than two years to penalise importers of finished goods, which were attracting low duties compared to inputs needed to make the same goods locally.

The clothing and textile sector has been badly affected. It has seen its domestic market wiped away by cheap imports from the Far East, leading to production cutbacks and job losses at heavily indebted companies which had to file for liquidation. — Sapa.

-igation on the country's low level of court costs and average Egyptian to be defamatory or ...

Zimbabwe edgy over threat of reinvasion by the tsetse fly

BD 30/10/96 (362)

Michael Hartnack

HARARE — Conservationists in Zimbabwe had mixed feelings yesterday about warnings of a re-invasion of Zimbabwe by tsetse flies from Mozambique.

Zimbabwe's tsetse and trypanosomiasis control department voiced fears for the 50 000km² cleared in the past 10 years, helped by R50m in donations from the EU.

Mozambique's control operations were halted by the civil war, and prevailing winds could blow flies into Zimbabwe.

Zimbabwe's tsetse clearance was matched only recently by a planned programme of farm development, and thousands of hectares of formerly lush low-level mopane forest have been devasted by landless people moving in with cattle.

Mopane are shallow-rooted and are easily cleared by teams of oxen which, before tsetse clearance, would have died of deadly nagana sickness.

Under natural forest, the areas had substantial wildlife populations, capable of lucrative exploitation for tourism and safari hunting.

Many of the settlers are of Malawian or other foreign origin, who have no communal area land entitlement but pay illegal bribes to chiefs and officials to be allowed to carve out smallholdings.

"We are now worried about a tsetse re-invasion from Mozambique.

"Once that happens, it means we will have to go back into all the areas and that can be costly," said Vitalis Chadenga, head of the Zimbabwean control programme.

Ecological disaster

Speaking in Kariba, he said cases of tsetse-borne disease among livestock had fallen from 15 000 in 1986 to 300 this year.

"We have had discussions with the Mozambicans on a technical level but the matter needs to be taken up now at a higher level," said Chadenga.

Privately, some conservationists feel that over-hasty EU backing for tsetse clearance has precipitated an ecological disaster of deforestation, poaching, and imminent erosion of the million-year-old soil cover.

Dick Pitman, head of the private international lobby group, The Zambezi Society, disagreed.

He said the areas cleared of tsetse were communal lands, not wildlife reserves, and the interests of people were therefore paramount.

Although belated, recent moves to plan settlement were welcome.

"We are not against it, but they must co-ordinate environmental management," he said.

The society recently presented the tsetse control unit with a study by Zimbabwean biologist Chris Magadza of the University of Zimbabwe.

This study rebutted a European report that DDT could be used safely in the tropics, especially for operations such as tsetse control.

Magadza showed DDT does not become harmless but breaks down into DDE with widespread repercussions throughout the food chain and the ecosystem.

Many species of invertebrates such as spiders were at risk as well as birds such as the Zambezi's fish eagles, whose eggs became sterile.

Economic change depends on closing skills gap

Zimbabwe remains part of an African 'frontier' where high risks and high rewards abound, writes **Michael Hartnack** from Harare

(362) BD 31/10/96

FORMER US under-secretary of state for Africa Chester Crocker, who now holds the chair of diplomacy at Princeton, touched a raw nerve at the October 22-24 investment summit in Harare when he gave a veiled warning against Zimbabwe's planned deal with Malaysia over the R3bn thermal power station in Hwange.

President Robert Mugabe's state-owned media pounced on Crocker's criticism of discarded tender procedures. "Political favouritism and improper dealings" deter foreign investors from risking their capital, said Crocker. He was subjected to a tirade of abuse by, among others, the state-controlled Sunday Mail, which accused him of "an arrogant affront to our sovereignty".

"Go and jump in the lake," said an editorial.

Perhaps fortunately for Anglo American, the Zimbabwean media missed Nicky Oppenheimer's equally timely warning against rhetoric such as Mugabe's October 17 graveside attack on the "white" banking community, intended to thrill the party faithful. It re-echoed around world stock exchanges, Oppenheimer said.

Crocker's contribution contained unique appreciation of the "risk factor" whose economic implications are seldom understood by African leaders like Mugabe.

Although the reference to "Marxist-Leninist principles" has just been dropped from the constitution of Mugabe's ruling party, its thinking is still deeply rooted in concepts of "surplus value", with the entrepreneur — supposedly — giving his labour force the minimum needed to sustain productivity and pocketing for himself the balance from the sale of their output (if the state does not intervene).

Crocker said, "Africa is one the world's last remaining frontiers. Historically, frontiers are exciting places where people face dramatic challenges, seek their fortunes and a better life, where they face high risks and high rewards, and where they confront life and death challenges. Frontiers are places where people are sharply divided into winners and losers."

Mugabe complains Africa has been psychologically "marginalised". Yet, ironically, Africa is where the wildly fluctuating economic margin and the non-actuarial (uninsurable) risk are tyrannical kings.

The rewards of today's insecure "winners" are conspicuous to anyone who sees the lifestyle of most of the remaining 70 000 whites and 30 000 Asians in Zimbabwe, not to mention the burgeoning black middle class.

Not obvious — a factor Mugabe and the Marxists have consistently ignored — is that there have always been "losers". University of Zimbabwe lecturer Anthony Chennells ("Ayrton R" in the recent writings of Doris Lessing) estimates that more than 2-million whites "passed through" Rhodesia during the heyday of white rule.

Crocker himself suggested why skilled blacks and whites continually trek to pastures which, while not greener, pose less inherent risk: "Africa is still a place traumatised by disease and poverty, still torn by conflict and disorder, still brutalised by malgovernance, boy soldiers, warlords and criminal mafias ...."

Mugabe forcefully assured the summit these were absent from Zimbabwe but there remains the psychological threat pinpointed by Lessing in her classic novel Landlocked: any entrepreneur, any skilled person, is conscious there is "somewhere outside this tall plateau where sudden hot rains, skies of brass, hot scents, dry wastes of grass, imprisoned its creatures in a watchful tension like sleeplessness ...."

In terms of hard cash, as the sense of latent threat increases, it is necessary to offer that skilled element more and more to remain, a larger potential profit margin, bigger swimming pools, better perks than their equivalents in the developed world.

This, more than anything else, is why the gap between rich and poor (often falsely equated with white and black) has defied all Mugabe's efforts to close it since 1980 independence.

The gap is the gap between those, black or white, with the option of leaving, because they have internationally saleable entrepreneurial or other skills, and those — the vast majority — who go to Harare's SA mission fearful that even a temporary visa application may be refused.

Former Rhodesian prime minister Ian Smith, 76, has of late been increasingly vocal in justification of his 1964-79 white minority government. History may judge him and Mugabe by a single, essentially economic, yardstick: how far did their actions and words increase or decrease the risk factor for the country's pool of skills? Until that factor is massively reduced, there is no hope of "creating an equitable distribution of wealth" as Mugabe's revisionist socialism now has it in his party's constitution.

The Star ... Thursday October 31 1996

'Undemocratic' Zim constitution slated

(362) Star 31/10/96

Lancaster House document no longer meets people's aspirations, says human rights spokesman

PEDZISAI RUHANYA
Harare

A Zimbabwean human rights group has joined the clamour of voices calling for an overhaul of the country's constitution, which they say is undemocratic and anachronistic.

"The evils we fought against during the liberation war still exist in the constitution. Politicians should move beyond slogans and implement a democratic constitution to avoid a slide into dictatorship," warned University of Zimbabwe law professor, Welshman Ncube, at a seminar on civil society and constitutional reform last year.

A year after the conference, the call to overhaul the constitution is gaining momentum. A human rights watchdog, Zimrights, is leading the campaign.

"Our constitution, hewn from the long Lancaster House negotiations, no longer meets the people's aspirations, especially in presidential and parliamentary elections," Zimrights' executive director David Chimhini said.

"The Law and Order Maintenance Act and the Official Secrets Act, which perpetuated white rule in Rhodesia, still curtail individual freedoms today."

And he slammed Zimbabwe's electoral law which does not require the state-controlled media to give equal coverage to all political parties.

"In the absence of any legal provisions, the government-owned media can discriminate against opposition parties and those parties have no recourse to the law," Chimhini said.

"In the region, the government is casting itself as a broker dedicated to democracy. But there is a huge democracy deficit at home unknown elsewhere in southern Africa," says Simon Tapera, a law student at the University of Zimbabwe.

The Electoral Law allows the president to nullify elections at his discretion. He also appoints 30 of the 150 members of parliament in a country with feeble opposition parties.

And there are fears that if the constitutional conference is called, the ruling Zanu-PF would hijack it.

Tafataona Mahoso, a social scientist and lecturer at Harare Polytechnic, argues that if the groups calling for constitutional change are weak, the conference could end up strengthening the ruling party.

"We need a strong and democratic labour movement, like the one in South Africa, for us to make this a reality," Mahoso said.

But others feel that the constitutional conference is long overdue: "This is the time for it. People will only realise this when they are experiencing severe instability," says Chamber Hodzi, a human rights lawyer and lecturer at the University of Zimbabwe's law faculty.

Hodzi believes that a viable constitution can only be drawn up after a consensus has been reached among the country's citizens on what it should include. The constitution should also be home-grown unlike the current one, which he says was written without consulting the people.

"For the past 16 years we have witnessed the consistent erosion of constitutional freedoms that would have encouraged democratic, human rights, good governance, transparency and accountability," he added.

Five opposition parties boycotted last April's parliamentary elections citing constitutional flaws which they said rendered the polls an empty farce.

In a statement, the parties' umbrella body, the Multiparty Consultative Conference (MPCC), said: "The MPCC continues to maintain that the present Zimbabwe constitution and its subsidiary legislation reveal that it is impossible to hold free and fair elections at any level."

Even Eddison Zvobgo, minister without portfolio and Zanu-PF secretary for legal affairs, who was the chief architect of the executive presidency, is now calling for the separation of powers concentrated in the president.

"All the three pillars of the state must be equal. The executive, the judiciary and the legislature must be partners – each supreme in its own sphere with none subservient to the other," Zvobgo told a Commonwealth Parliamentary Association meeting last year.

Zvobgo says there is need to deepen, broaden and strengthen democracy in Zimbabwe. But it is difficult to see a Zanu-PF dominated assembly passing constitutional amendments that will dilute its own power. – Star Foreign Service/Africa Information Afrique.

Zimbabwe's peasants bear brunt of living with landmines

(362) Star 1/11/96

Star Foreign Service / AIA
Harare

Landmines have put one million hectares of fertile land out of reach for Zimbabwe's peasant farmers, says the Zimbabwe Campaign to Ban Landmines.

The campaign was established last month to rid the country of an estimated one to three million landmines.

"The people who carry the brunt of living with landmines are not you and me, but peasants," says Martin Rupiya, a lecturer at the University of Zimbabwe.

One of Zimbabwe's major tourist attractions, Victoria Falls, is also littered with mines.

The township and its sewage system cannot expand north and west because of landmines, he says.

According to Rupiya, the first landmines were planted in 1963 to protect the Kariba power station. A second wave of heavy mining took place between 1974 and 1980, during the liberation struggle, along six major stretches of land roughly 700km long.

Only 10% of minefields have been cleared since 1980. The mines found so far have been of Rhodesian, South African, Portuguese and Italian origin.

Nyamapanda, on the border with Mozambique, is heavily mined, with an added danger: over the years, the fences around minefields have been stolen or have decayed, putting border jumpers at risk.

Besides the human deaths and maiming and the psychological harm to peasants living near minefields, there are other costs: every village in Chiredzi has lost at least one animal to landmines.

In the Gonarezhou National Park, many elephants and buffaloes had to be killed after they were injured by landmines.

"Zimbabwe's problem is inherited. This gives us the moral right to ask the international community for support for mine clearance because we lack the resources and capacity to demine these areas," Rupiya says.

The European Union has promised $12,6-million (about R60-million) towards demining along the Mozambican border.

SUNDAY NOVEMBER 2/3 1996

Mugabe kill plot: echoes of history as trial begins

(362) ARG 2/11/96

Harare – Veteran Zimbabwean politician Ndabaningi Sithole goes to court tomorrow to answer charges of plotting to kill President Robert Mugabe in a trial that has uncanny similarities to another the clergyman faced 27 years ago.

The Rev Sithole's treason trial, which he has already dismissed as a mockery of the justice system in Zimbabwe, is cast against the background of Zimbabwe's bitter political history and the Congregationalist Church minister's turbulent political career spanning nearly 40 years.

In February 1969, Mr Sithole, then the detained leader of the banned militant Zimbabwe African National Union (Zanu), walked into the same court building in Harare, then Salisbury, to answer charges of plotting to kill Rhodesian Prime Minister Ian Smith and two of his ministers. He was convicted and sentenced to six years' imprisonment with hard labour.

In a strange twist of fate, Mr Sithole, now 76, is back in the dock after his widely publicised arrest last year and arraignment on charges of plotting the assassination of Mr Mugabe, recruiting people for illegal military training outside the country and possessing arms of war.

Mr Sithole has denied the allegations against him and accused the government of framing him to weaken him politically.

Mr Sithole's struggles will linger in the background in what is likely to be one of the most significant trials in post-independent Zimbabwe. – Sapa

'Mugabe death plot' trial

ARG 4/11/96 (362)

Harare – Veteran Zimbabwean opposition leader the Rev Ndabaningi Sithole goes on trial in Harare today on charges of plotting to assassinate President Robert Mugabe and overthrow his government.

The 77-year-old president of the small Zanu-Ndonga party will be tried on charges that he controlled a shadowy group of rebels who he trained for sabotage work.

Mr Sithole, arrested in October 1994 and detained for two days before being released, is alleged to have sent the group into neighbouring Mozambique for training as part of a conspiracy to murder and conduct acts of sabotage and "terrorism". Mr Sithole denies the charges.

He in turn has accused Mr Mugabe of fabricating allegations to settle old personal scores. He has said Mr Mugabe wants to destroy his political party, the only opposition group with seats in parliament.

The two men have been rivals since 1963, when they vied for the presidency of Zanu-PF at its formation, with Mr Sithole winning it and Mr Mugabe becoming secretary-general.

The rivalry worsened in the mid-1970s when Mr Mugabe took over the party after accusing Mr Sithole of abandoning the struggle and selling out to whites.

Mr Mugabe became president in 1980, and Mr Sithole fled into self-imposed exile in the United States four years later, claiming Mr Mugabe's government wanted to kill him.

He returned home in 1992 and the government alleges he resumed his efforts to unseat Mr Mugabe. – Reuter

Mugabe's land policy 'stalls aid'

(362) BD 4/11/96

Michael Hartnack

HARARE — Britain's overseas development authority has warned President Robert Mugabe he is unlikely to get any foreign assistance to buy out white farmers if he persists with his refusal to give them market prices for land.

Sources in Harare confirmed that a still secret report, submitted to the British and Zimbabwean governments, said: "Donors are most unlikely to fund compulsory purchase of land, for example, that arising from designation."

Mugabe's controversial 1992-93 Constitutional Amendments and Land Acquisition Act curbed farmers' right of appeal to the courts against "designation" for eventual takeover and the level and form of compensation offered.

In September, a British team of experts prepared a report on possible resumed British aid for land reform, frozen in 1990 when Mugabe abandoned the "willing buyer, willing seller" principle. In a series of emotive speeches, Mugabe and Vice-President Joshua Nkomo vowed to evict the 4 500 white farmers with little compensation, claiming they stole their holdings from blacks during the years of white rule in Rhodesia.

The report is not scheduled to be made public until sometime next year, but sources confirmed that it recommends an early round-table conference that will include representatives of white commercial farmers, to draw up plans for a new land reform programme which is designed to help about 35 000 overcrowded peasant households.

So far, land takeovers have benefited mostly wealthy, politically influential blacks, who have been allocated former white farms on concessional leases.

The report warns that lack of clarity over Mugabe's intentions is damaging productivity in the farming sector, source of more than half the country's annual foreign currency earnings.

Between independence in 1980 and last year, the government acquired 3,5-million hectares of former white farmland but resettled only 71 000 peasant households, the report noted. Many resettlement schemes had "underperformed", jargon for the crash in productivity that comes with a lack of infrastructure and training of resettled peasant farmers.

Mugabe tells diplomats to 'go to hell'

BD 5/11/96 (362)

Michael Hartnack

HARARE — President Robert Mugabe appears to be heading for a crisis with aid donors after telling diplomats representing four Western donor countries to "go to hell" when they questioned his plan to sell Malaysians a 51% stake in the R3bn Hwange Thermal Station for a bargain R217m.

Mugabe fired the entire board of the parastatal Zimbabwe Electricity Supply Authority when its members warned that the deal would upset Western nations whose electrical conglomerates' tenders were ignored.

Mugabe said at a banquet for heads of the G15 group of developing nations on Sunday that diplomats from the US, Britain, France and Belgium had questioned him about the abandonment of open tender procedures. "I told them to go to hell because Hwange Thermal Power Station is ours. We do what we want with it."

Sources said Britain joined US and French protests at a "lack of transparency" in the award to YTL, hitherto unknown in southern Africa and with a capitalisation of only R1,9bn.

Britain's rival "national power", with a long record of running coal-fired plant, has an asset base of R26,5bn.

Diplomats said Britain's Trade Minister Anthony Nelson was still on his way to Harare with a party of 10 businessmen, despite suggestions that Whitehall might call him back to show displeasure at Mugabe's outburst.

Sources say Mugabe is incensed with Britain because a confidential study by the overseas development authority warned him not to expect foreign aid to nationalise 4 500 white-owned farms. He had to pay market rates for land, UK experts said.

Mugabe also infuriated the US at the banquet when he attacked US attempts to enforce sanctions against Cuba and to veto the re-election of UN secretary-general Boutrous Boutros Ghali. "The US has always sought to impose its will on everybody else ... and this is what we must resist."

SA, reported to be on the brink of applying to join G15, was conspicuously unrepresented at the summit.

Demo ban as corpses pile up in Harare

(362)
Star 8/11/96

Harare – The Zimbabwe government banned all demonstrations yesterday after an abortive street protest march planned by university students, Ziana news agency reported.

The ban was announced by Home Affairs Minister Dumiso Dabengwa to University of Zimbabwe students after riot police stopped them from marching into the city to protest against a slash in their grants and the introduction of university fees.

Meanwhile, corpses piled up in the morgue at Zimbabwe's largest hospital yesterday as public health services at government hospitals were on the brink of collapse due to the strike by thousands of nurses and junior doctors, which entered its 18th day yesterday.

A doctor at Harare Hospital described the situation there as "almost at a standstill".

A mortician said the morgue, which under normal situations houses 60 bodies a day, was accommodating about 200 corpses as the mortality rate shot up due to the strike.

More people were dying at home and brought in dead after being discharged prematurely or just sent home from the casualty section as the two major hospitals in the capital have shut nearly all their in-patient wards.

Medical consultants and senior nursing staff, who had stepped in to arrest the work stoppage, downed tools yesterday, leaving military medics and student nurses to face the crisis.

Health workers in other towns have joined in to express their displeasure at the way the government has handled the crisis.

In the last week, since it announced it had sacked the striking nurses, the government has remained mum, while the junior doctors' union leaders were arrested and freed two days later.

President Robert Mugabe speaking in the presence of the visiting Jamaican premier, Percival Patterson – ignored the crisis in his address at the grand opening of a private hospital in the capital yesterday.

Health Minister Timothy Stamps refused to comment to journalists yesterday. – AFP.

AUDIT PROCEDURE

- Assume imr
- Skills Audit

com

cap

se

eva g)

pla l sectors

m all role players)

ements)

ZIMBABWE AND THE IMF (362)

DEEPER IN DEBT

FM 8/11/96

Zimbabwe's Finance Minister Herbert Murerwa is optimistic about an agreement with the IMF, to help finance the second phase of the country's economic reform programme. His optimism is difficult to fathom, as public finances are in serious disarray. Even as the fund team flew into Harare, government was agreeing to reinstate the 13th cheque annual bonus for civil servants at a cost of about Z$930m (US$88m). This, on top of August's 26% pay increase, adds another Z$2,5bn (US$240m) to the budget deficit of Z$6,8bn (US$665m), pushing it to 11,5% of GDP from the 8,5% target in Murerwa's July budget.

President Robert Mugabe continues to berate the IMF and World Bank for their policies, despite the fact that well over half of sub-Saharan Africa is signed up with the fund.

Nor is the monetary situation helping. The Reserve Bank of Zimbabwe has revised money supply numbers, bringing down the growth rates of some of the monetary aggregates, but M3 — targeted by central bank Governor Leonard Tsumba to grow at 18%-22% — increased 30% in the first eight months of 1996.

Tsumba's response has been to cut interest rates — the central bank's rediscount rate has been lowered twice, to 27% — simultaneously seeking to tighten direct controls over monetary growth. Among other things, the banks are to hold a 17,5% statutory reserve on foreign currency accounts.

Banks responded by advising clients that interest on such accounts would either be zero or strictly nominal. The net effect is likely to be an outflow of some of these funds which, at the end of August, totalled Z$2,2bn or about 10% of the money supply.

This move could reduce monetary pressure but at the cost of pressure on the balance of payments — though the latter is not a problem at present with foreign reserves covering well over six months of imports.

Until recently, the central bank has been borrowing Z$1bn a month in new treasury bill issues to mop up excess liquidity. But, in the past two months, this policy has been dropped and the Bank has sat back and watched excess liquidity flooding into the market.

The results have been predictable — treasury bill rates are below 20% from more than 29% earlier in the year, industrial share prices on the Zimbabwe Stock Exchange up over 90% so far this year and real estate prices up more than 40%.

Despite this, money market analysts and bank economists continue to proclaim the (relative) death of inflation. The year-on-year rate slipped to 17,7% in August — a five-year low — but was back above 20% in September and most analysts expect a similar figure for October.

The majority opinion is that, thereafter, inflation will continue to slow, provided good rains fall. Long-range weather forecasts are broadly favourable, predicting average, or slightly below average, rains in 1996-1997.

GDP growth of 6%-7% in 1996 is forecast to slow to around 5%-5,5% next year. But this assumes the authorities will be able to bring down inflation to about 10% by the end of 1997.

The monetary numbers, wage awards averaging over 25%, rapid asset-price inflation, an overvalued Zimbabwe dollar which must depreciate next year, and, above all, the ballooning budget deficit, cast doubts on the rose-tinted scenario being touted by an increasingly harassed administration.

If there is to be an IMF agreement, radical fiscal measures, along with a supportive monetary policy, will have to be implemented in the first half of 1997.

The fund is not going to sign a new loan for Zimbabwe until Harare has a track record of fiscal restraint which implies a three-month and probably six-month, "shadow programme" and no disbursement of IMF or World Bank funds until the latter half of 1997.

There will be intensified pressure on government to accelerate its on-off privatisation programme and drop some of the more protectionist tariffs being urged upon it by the industrial lobby.

All of which means the real test will come when the Cabinet has to come to terms with the realities of implementing a fund programme — fiscal restraint, tight monetary policy, exchange rate depreciation, privatisation and lower, not higher, import tariffs. ■

Malaysia has enlarged role in Zimbabwe

(362)
(BR) CT 12/11/96

ROBIN DREW

Harare — Malaysian involvement in the Zimbabwean economy is sweeping ahead.

After the controversial deal under which YTL of Malaysia is to take a controlling interest the Hwange Thermal Power Station, have come reports of Malaysian companies entering joint ventures in logging, housing, road construction and the development of an industrial park.

The deals amount to millions of Zimbabwe dollars though precise figures are not available.

According to a report, close to a third of the country's indigenous timber has gone to Malaysian investors who have been granted logging rights for hardwood.

The chairman of a Hasedat, a Malaysian company, has confirmed that he signed a memorandum of understanding with Vice-President Joshua Nkomo's Development Trust of Zimbabwe to jointly exploit timber resources.

A Malaysian company is to build 12 000 houses in Bulawayo, and Harare is to enter a joint venture with a Malaysian company, Chase Perdana Perhad, to upgrade hostels in the city's overcrowded Mbare Township and build new blocks of flats. The agreement also involves the construction of a ring road around the city.

Malaysian Prime Minister Mahathir Mohamad, who was in Harare for the G15 summit, said the deals were in the spirit of South-South co-operation.

"We hope we are not intruding. Some people might not feel happy that we are here but we have no other intention than what we call South-South cooperation," he said. — Independent Foreign Service.

Zimbabwe slams Lonrho and Anglo

CT(BE) 12/11/96 (362)

ROBIN DREW

Harare — Anglo American's acquisition of Lonrho mining interests in Zimbabwe has been slammed by the government-owned Herald newspaper which said it made a complete nonsense of the policy of indigenisation.

"No offers were made to blacks," said the paper in an editorial late last week.

"One very white conglomerate offered a lucrative element of its business to another very white conglomerate and the deal was done."

The Herald said the assertion by Dieter Bock, who recently stepped down as the chief executive of Lonrho but stayed on as the non-executive deputy chairman, that Lonrho would shed certain non-core interests was now seen as a mockery.

"Sure Mr Bock has every right to do business with whomever he likes. But, stuff the capitalist dictates, it is in our country that he is doing business. It is our people that he threw out into the streets when he started tinkering with the structure of the corporation when he did his little streamlining," said the Herald.

The newspaper recalled that Robert Mugabe, the Zimbabwean president, had earlier warned Bock for messing things up and frustrating attempts to appoint blacks to key positions. Anglo now had a monopoly of gold mining and had entrenched itself further in Zimbabwe, the paper said. — Independent Foreign Service

Finance for Zimbabwe 'not really feasible'

(362) BD 12/11/96

HARARE — The IMF has effectively ruled out the chances of Zimbabwe qualifying for finance for the second year running, it was reported yesterday.

IMF division chief for Southern Africa, Michael Nowak told a news conference in Harare yesterday that the grant was "not really feasible".

He said the Zimbabwe government would not be able to meet the bank's criteria for lending in the financial year ending June next year.

After a two-week discussion with the government over its second five-year economic plan due to have begun this year, Nowak questioned attacks by President Robert Mugabe last month in which he denounced the IMF as a "blind dictator".

The banker said he did not agree. "I would hope those comments do not indicate a lack of commitment to economic reforms."

Nowak also alluded to the scandal over Mugabe's personal award of a US$600m contract to a Malaysian company in September after ordering government officials to abandon the tender process.

In keeping with a series of sharp rebukes by senior Western officials recently, Nowak said: "Accountability and transparency is the process government must maintain."

Nowak's remarks imply the IMF, the World Bank and other Western donor nations will withhold lending to Zimbabwe's economic reform programme.

Nowak's statement is in contrast to Finance Minister, Herbert Murerwa's claim that Zimbabwe had been assured IMF backing after talks in Washington last month.

Nowak's emphasis of the need for "genuine and determined political commitment at the highest level" is seen as criticism of Mugabe. Economists say Mugabe gives confusing signals over economic policy.

Last year the IMF halted the final $100m of a loan when it found the government had seriously overstepped the budget deficit way beyond the IMF's target.

Government has been pressing for a resumption on the basis of its new economic reform blueprint, Zimprest, meant to replace the five-year structural adjustment programme that ended in June last year.

Nowak said the budget deficit, set by Murerwa at 8,5%, had become too high.

He said the unplanned 20% public service pay hike in September when government backed down to a three-week nationwide strike worsened the problem.

Public service salaries consumed 30% of state income, while public servants' wages had risen 60% in real terms since 1990.

Nowak viewed Zimprest as "embryonic".

Privatising loss-making state-owned institutions has also been a source of discord.

Nowak said the government had established a national investment trust, but no public announcement had been made.

The IMF insisted on privatisation.

Nowak said the bank intended sending another mission to Harare in the new year since Mugabe had been too busy to see the IMF team. — Sapa.

Call for strike in Zimbabwe ignored

Harare – Workers have ignored the Zimbabwe Congress of Trade Unions' (ZCTU) call for a general strike aimed at forcing President Robert Mugabe's government to resolve the health service crisis in the country's biggest cities.

The ZCTU said yesterday it would now devise a new strategy to coerce worker participation, the Ziana news agency reported.

The ZCTU called for the national strike yesterday and today to express solidarity with nurses and junior doctors around the country who had been fired for striking.

Roads leading from townships to Harare's industrial areas were jammed with commuting buses and pirate taxis yesterday, but businesses in the capital were thronged with shoppers and government departments remained open. In marked contrast to Monday, when Harare's city centre was patrolled by hundreds of riot police, there was no noticeable security presence yesterday.

"One plans in the hope and optimism that things will work well. They didn't today," said ZCTU secretary-general Morgan Tsvangirai. "But we're still in the fight."

The three-week strike by junior doctors and nurses for increased allowances means that city hospitals cannot deal with emergency cases.

Mr Mugabe has declared that the government will be "ruthless" with the strikers. Last week 800 nurses and all 237 junior doctors on strike in Harare were sacked. – Sapa (362)

ARG 13/11/96

Unions, govt clash over Mugabe's trip

HARARE — Zimbabwe's Congress of Trade Unions and a senior cabinet minister have clashed over President Robert Mugabe's trip to a food summit in Rome during a crippling strike by nurses and doctors.

Reuter reports congress secretary-general Morgan Tsvangirayi told Zimbabwe state television that Mugabe — who has previously ignored accusations that he prefers to travel the world at the expense of his domestic duties — should not have gone to Rome on Monday, leaving the strike unresolved.

The first national strike under Mugabe rule began yesterday. It is expected to end today and is in support of demands by health workers.

Tsvangirayi said the strike was a critical issue requiring Mugabe's attention. However, acting Public Service, Labour and Social Welfare Minister Nathan Shamuyarira said Mugabe's presence at the World Food Summit was crucial because Zimbabwe was an agriculture-based country.

"It is not for some irresponsible trade union leader to tell him how he uses his time," he told Tsvangirayi, whose federation called for the strike.

Michael Hartnack reports shops, banks, offices and factories remained open yesterday and many workers seemed reluctant to join the strike.

Only the state health service sank deeper into paralysis as more hospital staff in outlying areas walked out.

However, the underlying mood was demonstrated by 33 technicians of the state run national airline who refused to service Mugabe's Boeing 707 before he flew to London en route to Rome.

(362) BD 13/11/96

Mugabe lost in love while Zim smoulders

M+G 15-21/11/96 (362)

Jan Raath in Harare

THE word "august" gets its very meaning from the Law Society's annual dinner. The legal eagles of Zimbabwe gathered in black tie rectitude last Saturday in the Royal Harare Golf Club, with their wives softening the crispness of the occasion.

Imagine Chief Justice Ted Gubbay without his shoulder-length horsehair wig, attorney-general Patrick Chinamasa without his gown and his deep frown, advocate Adrian de Bourbon not talking down to his trembling adversary; all the other judges at their ease with drinks in their hands and being thoroughly convivial: no m'lud-ding and my-learned-friending, just normal people.

At 8.30pm, the guest of honour had still not arrived, although there had been confirmation earlier that day that he would definitely be there. A phone call was made, and received the bland reply: he can't come.

That was all. No explanation and no apology. It was left to an embarrassed secretary for justice to fumble his way through a hastily concocted speech before the disbelieving guests.

Who was the yobbo?

President Robert Mugabe.

Standing up his own judiciary is one of a series of instances of discourtesies, absences and inappropriate behaviour committed by Mugabe in recent weeks. They are giving Zimbabweans serious anxiety over the head of state, now more than ever as the country accelerates into economic and labour crises.

"This is a serious avoidance game," said John Makumbe, acting chairman of the Zimbabwe chapter of Transparency International, the Bonn-based pressure group for state accountability. "It has far exceeded rational behaviour."

On Friday last week, British Trade Minister Tony Nelson was kept waiting virtually until he reached the steps of the flight back to London, without knowing whether Mugabe would find time to see him. Nelson was the first visiting British minister in 16 years of independence not to have been given time to see the president.

This week, an International Monetary Fund (IMF) team, here to gauge whether Zimbabwe had done enough to qualify for a renewal of lending it desperately needs, flew out of Harare without an interview. It was widely interpreted as an opportunity for Mugabe to smooth over his injudicious denunciation of the bank as a "blind dictator" last month, but he ignored it.

Michael Nowak, the IMF Southern Africa divisional chief, wondered whether Mugabe's attack was "an indication of a lack of commitment" to the economic reforms the bank wants to see. Zimbabwe did not qualify for the cash.

If his schedule is too busy to fit in eminent people with the will to lend a good word in global business circles for the Zimbabwean economy, surely he remains a man of the people?

Sorry. October 10 was the 50th anniversary of Goromonzi Secondary School just outside Harare, the country's first black government high school, with alumni who comprise many of the Cabinet and Zimbabwe's senior black professionals. The school was telephoned an hour before to be told he was too busy to attend.

Soon after he was due at Kwenda mission in Chikomba communal land, where his heavy-lidded young wife, Grace, hails from. They, too, had to find a replacement for the guest of honour within an hour.

International travel continues to take a large bite out of his crowded diary. On Monday night he flew to Italy, via London, two days ahead of the World Food Conference he is due to address. Add to this trips to Cape Town, Maseru, Hamburg, Vienna, Geneva, Accra, Ouagadougo, Luanda, Kingston, and Yaounde that he has flown to since his extraordinarily expensive wedding in August.

It was on the eve of a planned general strike that he left for Rome, while a strike by nurses and junior doctors in Harare was into its fourth week and had spread to Bulawayo and Mutare.

The lives of thousands of urban poor have been made a misery by the lack of medical services. Mugabe's response has been a refusal to talk to the strikers, to sack them and a so-far failed attempt to replace them with expatriates from South Africa and Britain.

Mugabe: Back to boyhood?

The strike flopped, but the timing of Mugabe's departure for Rome did not go unnoticed by Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions (ZCTU), who asked if the president thought he was Vasco da Gama. "There is no excuse for not doing your work," he fumed.

"Things are falling apart at home," said Makumbe. "But Mugabe seems to have gone back to boyhood, falling in love with Grace, and taking her all over the world, telling her, 'let me show you Rome'.

"Mobutu and Mugabe are the only African leaders enjoying themselves in Europe while their countries are cracking up. It's a pity."

ZIMBABWE'S FISCAL SQUEEZE (362)

IMF's CONCRETE DEMANDS

Contrary to Harare's hopes, the IMF is not going to help finance any new reform programme — at least until the latter half

FM 15/11/96

of 1997. This was the message delivered publicly at a news conference in Harare before the six-member fund team returned to Washington.

The team's message — restructure the public sector — could not have been more timely. Hardly had the IMF's Michael Nowak finished speaking to journalists than police used batons and tear gas to break up a peaceful demonstration by black trade unionists supporting striking doctors and nurses.

The strike, now in its third week, is for better pay and working conditions and follows two major concessions by President Robert Mugabe's administration which will cost the treasury about Z$2,5bn (US$235m) or about 3% of GDP. Nowak described the initial 1996-1997 budget deficit target of 8,5% as "simply too high."

Mugabe flew out of Harare for a Food & Agricultural Organisation meeting in Rome and a State visit to Cyprus, leaving his treasury, health and labour Ministers to pick up the pieces.

The Zimbabwe Congress of Trade Unions called a two-day general strike but, with the mass media under government control, the strike call was given minimal publicity.

However, though the fund team expressed broad support for a second phase of economic reform, Nowak described the Zimbabwe Programme for Economic & Social Transformation as "embryonic."

Before there are detailed discussions about a new programme to replace the Enhanced Structural Adjustment Facility that lapsed last May, the IMF wants Zimbabwe to come up with a concrete plan for bringing the budget deficit down to manageable levels.

This Harare has failed to do for the past six years.

In 1991, in the original Economic Structural Adjustment Programme, government set a deficit target of 5% of GDP by the 1994-1995 fiscal year. In the past two years the deficit has averaged 12% of GDP and, unless major new spending cuts or increased taxes are imposed, the deficit will stay in double digits again in 1996-1997. ■

Generation after majority rule, paradise is less certain

Star 26/11/96 (362)

Harare – On manicured private school grounds, white boys dressed in white play cricket, a gentleman's game meant to instil a sense of fair play.

The sport and its traditions are a link to the Old World and the old ways. It is a hand-me-down from colonialism and white rule, a genteel reminder of the days when whites built themselves a paradise in Africa.

With gun and law, whites disenfranchised blacks, took the continent's riches, and prospered on the toil of poorly paid black workers and miners.

Now, a generation after Africa's great rush to independence, paradise is far less certain.

Many whites contributed greatly to Africa's development, spreading literacy, medical knowledge and technical skills. But those who stayed on wonder if they have a future in Africa or, more precisely, if their children do.

"I think as far as my generation is concerned, we are here to the bitter end," said David Irvine, who inherited a 6ha chicken farm and built it into a 4 000ha agricultural empire outside Harare.

"We have a high standard of living, a good life," Irvine added. "Certainly, I see a future for us here. Whether my son will be here in 30 or 40 years, I don't know."

"Fortunately South Africa has a Mandela"

Zimbabwe gained independence in 1980 after a 7-year bush war that ended with about 170 000 whites fleeing. That leaves about 100 000 whites in a country of 10,5 million people, still enough to wield influence.

A key issue now is while whites no longer rule any country in sub-Saharan Africa, they keep a firm grip on much of Africa's wealth, ensconced inside their gleaming office towers and behind the high walls of comfortable homes.

Today, many black Africans find liberation a hollow promise without economic power. Questions about who has money, who doesn't and who is to blame are stoking age-old fires of racial tension, resentment and hate.

"It seems the white man is saying that the blacks should always feed from the white man's plate," said Phillip Chiyangwa, head of Africa Action Group, a militant black empowerment organisation.

Africa, he argued, was a black continent, a place where blacks deserved not just a piece of the pie, but most of it.

"Whites are as welcome as any other people as long as they realise they are in somebody else's country," Chiyangwa said.

Whites whose families have lived in Africa for generations, some since the 1650s, bristle at that kind of talk.

"We are a little anxious when the government refers to indigenous as meaning only black people," said Nick Swanepoel, the white president of the Commercial Farmers' Union in Zimbabwe.

Most blacks regard white as a "necessary nuisance", said John Makumbe, a black political scientist at Zimbabwe University.

He said: "They have focused on making money rather than on governance or social integration. But that focus has created employment. In Zimbabwe, whites are part of the solution, not part of the problem."

In Zimbabwe there is a feeling now among whites who stayed after black rule that there is no future. "Verbal attacks on whites by the government of Robert Mugabe have become really pronounced and have served to polarise the communities," Meyer said.

Only in South Africa do whites live in significant numbers. There are more than 5 million, or about 14% of the population of more than 40 million, and they hold most of the economic power.

"Whites have concluded they don't have a future in Africa, but in South Africa it is different," Makumbe said. "There are not such numbers leaving. Their role in political life gives them a future. There has to be a future for them in South Africa."

Even so Nelson Mandela, South Africa's first black president, counters that Government must take some action to balance the ledger.

"Apartheid and other colonial societies in Africa vested power, wealth, skills and comfort within white minority communities," he said. "It is natural that liberation should entail a protracted process of spreading these advantages – of building a better life for all."

It is a sign of the times that years after majority rule, Zimbabwe's last white leader, Ian Smith, sees South Africa's leader as the last best hope for African whites and racial harmony. "Fortunately, they have a Mandela," Smith said. "My God, I wish we had a Mandela. He is Africa's first statesman." – Sapa-AP.

Beware the minister when he comes bearing gifts of reform for the media

(362)

BD 27/11/96

Michael Hartnack in Harare looks at the latest media legislation in Zimbabwe

ZIMBABWE'S Justice Minister Emmerson Mnangagwa recalls the great grey badger's warning to the water rat in The Wind in the Willows about Toad of Toad Hall.

"Now you watch out, Rat. When Toad is playing at being the hero of the Sunday school prize, that's when he's at his artfullest," said the badger.

The incoming Malaysian management of Hwange thermal power station could not have matched the watts, volts, amps and ohms in Mnangagwa's smile on November 21 when he came to address a conference on media law reform organised by Germany's Friedrich Ebert Foundation and the Zimbabwe Union of Journalists.

Mnangagwa, who steamrollered a constitutional amendment to prevent any Supreme Court challenge to the death penalty, chose that day to declare, in advance, to the media that he was personally against hanging, but was forced to go along with cabinet policy.

He told parliament Robert Mugabe's government refused to be drawn into any "philosophical debate" by opponents of capital punishment such as that proffered by the Roman Catholic Commission for Justice and Peace.

All 14 constitutional amendments since 1980 independence have whittled away citizens' rights, never extended them.

A beaming Mnangagwa announced to the media law conference a "complete transformation" of the old bogeymen of Zimbabwean journalists, dating from before 1980 independence: the 1960 Law and Order Maintenance Act (to be replaced by a new Public Order Act) and the Official Secrets Act,

MUGABE

so reporters no longer had to rely on "clandestine sources".

The present act, reinforced by Ian Smith's government in 1970 to guard information about Rhodesian sanctions busting, makes it an offence to say whether the minister of justice has six cups of tea each morning, said Mnangagwa.

"That is stupid," said the man who as national security minister headed the feared Central Intelligence Organisation throughout the 1980-1988 Matabeleland unrest, when thousands died.

State documents would in future be divided into accessible and protected categories, Mnangagwa said, but there would be no "freedom of information act" nor constitutional pledge of a free press.

The government would also pass legislation to set up an "independent" press council, enforcing a disciplinary code worked out "for your own protection" by representatives of the government, the industry and "consumers".

There were pledges and supposedly infallible legal defence mechanisms of media "independence" in 1980 when Mugabe set up the mass media trust to hold the shares of the former Argus daily newspapers, the Herald and the Bulawayo Chronicle, the Sunday Mail and the Bulawayo Sunday News (the only daily and Sunday papers in Zimbabwe).

The trust soon became a mechanism through which Mugabe instantly fired editors and curbed news and comment.

The existence of the mass media trust and Zimbabwe Broadcasting Corporation's official monopoly over the airwaves, will give the state-controlled media and information ministry an overwhelming majority if it comes to a vote on the proposed "code of ethics" and composition of the disciplinary tribunal tasked to enforce it.

There are fears the council could be a new "board of censors", with sweeping powers to impose fines or cancel the accreditation of those who treat establishment figures unkindly. At present, the aggrieved must find at least Z$10 000 to launch a formal defamation civil action in the courts. "Unethical" reporting or comment may be far easier to prove than defamation.

Mnangagwa announced a change in the law, to protect news media from lawsuits if they report defamatory statements "fairly and without malice" from, say, public meetings, giving the named person a chance to reply.

When Mugabe recently named a "racist" white banker and accused him of hounding black debtors, the media held back: Mugabe cannot be sued, but they could. This will change. Beware those who rouse Mugabe's ire.

Mnangagwa's predecessor at the justice ministry, now Minister without Portfolio Eddison Zvobgo, came to tell Zimbabwean journalists they were failing to "build national unity" by speculating who might succeed Mugabe, 72.

Considering the issue of succession, Mnangagwa's public fit of liberalism — if liberalism it could be seen to be — may have been an effort to reconstruct the image left over from his Central Intelligence Organisation days.

School accused of elitism and racism

(3627)

Michael Hartnack

BD 27/11/96

HARARE — Peterhouse, alma mater of former Bank of England chief Rupert Pennant-Rea and one of Zimbabwe's most internationally renowned private schools, is under fire for alleged elitism and racism.

Charging R4 000 a term, Peterhouse has been pilloried for having racist satirical song in its hymn book and for alleged victimisation of black staff.

The attack came only three weeks after the education ministry announced a ban on recruitment of expatriate teachers or principals, and moves to force private schools to "reflect the country's ethnic composition". Peterhouse, east of Harare, already has a black majority among its 600 pupils.

The Sunday Mail newspaper said many had torn the racist song from their hymn books. Peterhouse rector Michael Bawden said he could never recall it being sung, but agreed it was "pretty sensitive" and a potential source of offence.

The Sunday Mail alleged five black teachers left Peterhouse last year and that another four had been asked to leave by the end of November. Bawden said not all those who had left had been dismissed, but some had been found to be incompetent.

The Sunday Mail alleged there was a campaign of harassment against 13 blacks in the 49-member staff to coincide with a recruiting drive for expatriates.

"I am happy to tell you the situation here is fair," Bawden said. "We recruit from abroad because we want teachers who are effective both inside the classroom and outside." He denied white farmers had complained of the proportion of black staff.

Earlier this month Education Secretary Stanislaus Chigwedere said he would ensure expatriate teachers were denied further work permits and that private schools would not "increase fees to levels blacks cannot afford". Educationists said fees were vastly below their British or SA equivalents, and schools were battling to cope with inflation that topped 40% in recent years.

Simultaneously, Transport Minister Simon Moyo claimed whites were "wrecking nation-building" by refusing to send their children to predominantly black schools.

Chigwedere said "private schools should always strive to maintain a racial balance that reflects the racial composition of the country".

(Iol.)

(362)

Mugabe wants stricter laws

By Pedzisai Ruhanya

Sowetan 28/11/96

HARARE — President Robert Mugabe has proposed stricter legislation aimed at corrupt public servants, while his ruling party has abandoned a leadership code passed soon after independence.

When the Prevention of Corruption Act of 1985 is revised, public servants will be required to account for any wealth or assets beyond what is commensurate with their official incomes.

However, critics feel that revising the Act is a public relations move.

"The government is trying to create a good image for donors and investors and assure them that their money is going to be in safe hands. If they are serious about this, there is going to be a provision to exempt ministers," University of Zimbabwe law lecturer Trim Nyapade told *AIA*.

The scepticism is understandable, in view of the fact that the government has not respected its existing Party Leadership Code.

Passed by the ruling Zimbabwe African National Union-Patriotic Front the code tightly limited the land and business holdings of its leaders and their families.

Implement

UZ political science lecturer John Makumbe said: "ZANU-PF failed to implement their code because many of them would be victims."

Referring to his suspension for exposing an exam scandal, Makumbe added: "Compromise is now the approach to business in Zimbabwe. That's why when we say there is corruption at UZ, we are suspended and the government does not defend us."

Although he welcomes revisions to the Prevention of Corruption Act, he says they are likely to be challenged.

Nyapade agreed: "They will have to change the constitution because this revision will be unconstitutional since it touches on citizens' rights to privacy."

Morgan Tsvangirayi, general secretary of the Zimbabwe Congress of Trade Unions, disagrees: "If the measures are effected, then we will have a greater degree of transparency — but it is one issue to make the law and another one to implement it."

Economist Robertson said services cost five percent more because of corruption. — *Africa Information Afrique.*

Mugabe builds mansion for wife using state funds

(362)

ARG 20/11/96

Harare – A R2,7-million double-storey mansion with 30 rooms being built by the Zimbabwe government for President Robert Mugabe's new young wife Grace has gobbled up the cash in a State home-ownership scheme meant to benefit low and middle-income government workers.

The weekly Zimbabwe Independent said yesterday that the cash had been used to build the 31-year-old first lady's home on five hectares in the mink-and-manure Borrowdale area of Harare.

It had forced the cancellation of the building of about 100 low-cost homes in three of the capital's poorer townships.

Unidentified sources in the ministry of public construction, which runs the low-cost housing fund, said there was "no other way of raising the money" to pay for the lavish home, which also includes three cottages.

Civil servants using the fund are required to pay 40 percent of the cost, but this requirement "has not been enforced" in the Mugabes' case.

The new house, one of four large residences she has access to in and near Harare, has drawn widespread criticism and is seen as evidence of a new extravagant lifestyle adopted by the country's formerly austere Marxist leader. – Sapa

JCI in plan to take advantage of world shortage of scrap iron

Proposed project could be region's biggest joint deal

CT (BR) 2/12/96 (362)

From Sapa-AP

Harare — A proposed multimillion-dollar joint iron mining and processing project to be undertaken by a South African company in Zimbabwe and Mozambique promises to be the biggest combined investment in the region so far.

The start of a joint feasibility study on the Beira Iron Project led by JCI and the world's seventh-biggest oil company, the US-based Atlantic Richfield Corporation (Arco), was launched here on Friday.

The feasibility study will be completed by October 1997; production is expected to start in 2000

Under the project, iron ore is to be mined at Zimbabwe's Buchwa Iron Mine in the central region and taken by train to the border between Zimbabwe and Mozambique, where an industrial zone would be set up to process the ore, using natural gas from Mozambique's Temane gasfield in the central province of Sofala.

The product, hot-briquetted iron, would then be exported through the port of Beira.

If the project proceeds, it would consist of a combined investment in Zimbabwe and Mozambique of between $444 million and $663 million.

The feasibility study, which was launched in Mozambique four weeks ago, was expected to be completed by October next year, and production would start in 2000.

About 1 700 clients have already been identified in several parts of the world. The project is expected to last 25 years.

Hugh Brown, the project manager, said the demand for scrap iron had risen, resulting in a worldwide shortage of about 100 million tons a year, hence the increase in demand for hot-briquetted iron.

Demand for the product amounts to between 12 million and 15 million tons and is expected to rise to 25 million a year in the year 2005.

Gas to be used in the reduction plant would be piped from Temane in Mozambique

About 2,8 million tons a year of high-grade iron ore would be taken by train for about 180km from the Zimbabwean Buchwa Mine on a specially constructed line via the the eastern border town of Mutare to the plant.

The processed hot-briquetted iron would be transported in the same rolling stock on the existing rail link from Manica to Beira, where a dedicated loading dock and stockpile would be established.

The gas to be used in the reduction plant would be piped 450km from Temane, the central Mozambican gasfield where three wells have been drilled.

Other participants in the proposed project include Zarara Petroleum Resources from the United Arab Emirates, Hidrocarbonetos de Moçambique, Buchwa Iron Company of Zimbabwe and IMS Projects, a South African-based management and engineering company.

Nathan Shamuyarira, the Zimbabwean trade and industry minister, said that his government's participation in the project was still to be determined, but that it would be a substantial minority shareholding.

Zimbabwe Stock Exchange ready to grow

BD 2/12/96 (362)

A SOUTH African stockbroker said on Saturday the Zimbabwe Stock Exchange (ZSE) was poised for growth which would have an effect on the whole southern African region.

Investec-Fergusson head of emerging markets John Clemo was addressing businessmen gathered in Johannesburg for a one-day conference to encourage Zimbabweans living in SA to invest in Zimbabwe.

He said the ZSE had benefited immensely from the rains last year, which were expected to result in gross domestic product growth of 6% this year, the Ziana news agency reported.

The ZSE, he said, was the best performing stock exchange in Africa and among the top two in the world.

Clemo said foreign investors did not see much difference between Johannesburg and Harare.

"Investors who have put their money in the Johannesburg Stock Exchange will not hesitate to move their money into the ZSE where they see opportunity for growth.

"Zimbabwe is a better investment place for equities in southern Africa," he said. —Sapa.

Zimbabwe savings club crash leaves poor poorer

(362)

Michael Hartnack

BD 2/12/96

HARARE — The "savings club" bubble has finally burst in Zimbabwe, leaving thousands of people poorer, bewildered and angry.

Police, who last month said there was nothing "illegal" in schemes which said "investors" could recoup five or six times their money within a few months, confirmed 20 such schemes were now under investigation.

Angry crowds last week besieged police stations in Harare, Bulawayo, Masvingo, Plumtree and Beitbridge, demanding the refund of their savings. One woman reportedly collapsed after learning she stood no chance of getting back Z$4 000 invested.

Police said fraud and theft was difficult to prove against the "savings clubs", but their directors — most of whom have now vanished — may have contravened the Lotteries and Gaming Act.

The schemes operate on the familiar "pyramid" principal, with newcomers instructed to make payments to established scheme members on the understanding that those joining later would make similar payments to them.

Most of Zimbabwe's banks and building societies last month banned transactions connected with the clubs and were attacked by United Merchant Bank head Roger Boka, who accused them of trying to prevent blacks from empowering themselves.

The crash of the "savings clubs" may have far-reaching effects on the confidence of ordinary people in formal-sector institutions and contribute to general public feelings of alienation.

ZSE growth 'helps region'

(362) CT (BR) 2/12/96

FROM SAPA

Johannesburg — A South African stockbroker said on Saturday that the Zimbabwe Stock Exchange (ZSE) was poised for growth which would affect the whole southern African region.

John Clemo, the head of emerging markets at Investec-Fergusson stockbrokers, was addressing businessmen at a one-day conference to encourage Zimbabweans living in South Africa to invest in Zimbabwe.

He said the Zimbabwean exchange had benefited from the rains last year, which were expected to result in gross domestic product growth of 6 percent this year.

"The recovery from the drought gave a bounce to government revenue and consumer spending," he said.

He said the exchange was the best-performing stock exchange in Africa and among the top two in the world.

Foreign investors did not see much difference between Johannesburg and Harare, he said.

"Investors who have put their money in the Johannesburg Stock Exchange will not hesitate to move their money into the ZSE where they see opportunity for growth. Zimbabwe is a better investment place for equities in southern Africa," Clemo said.

This year deals on the Zimbabwe stockmarket rose 90 percent in US dollar terms.

Clemo said that inflation figures were misleading, causing people to take money out of the money market to invest in the stock exchange.

Zimbabwe set for growth, SA investors told

(362)

ARG 2/12/96

Johannesburg – A South African stockbroker says the Zimbabwe Stock Exchange is poised for growth – which will have an impact on the whole of Southern Africa.

Investec-Fergursson stockbrokers' head of emerging markets, John Clemo, was addressing businessmen at a one-day conference in Johannesburg to encourage Zimbabweans living in South Africa to invest in Zimbabwe.

He said the ZSE had benefited immensely from the rains last year, which were expected to result in gross domestic prodict growth of six percent this year. "The recovery from the drought gave a bounce to government revenue and consumer spending."

The ZSE was the best-performing stock exchange in Africa and was among the top two in the world. Foreign investors did not see much difference between Johannesburg and Harare.

"Investors who have put their money in the Johannesburg Stock Exchange will not hesitate to move their money into the ZSE, where they see opportunity for growth. Zimbabwe is a better investment place for equities in Southern Africa."

In 1996, deals on the Zimbabwe stock market rose 90 percent in United States dollars.

He said inflation figures were misleading, causing people to take money out of the money market to invest in the stock exchange.

"I don't believe the inflation figures published are true, but the government seems determined to put them up."

Mr Clemo said investors were not worried about privatisation and "indigenisation" and added: "All they want to see are assets being sold with monetary inflows to the ZSE."

He envisaged trade barriers within the region coming down in the next three months.

Zimbabwe's textile industry was super-efficient.

Mining was growing and the manufacturing sector was very competitive, Mr Clemo said. – Sapa

Zimbabwe threatens trade war

FROM AFP (362)

Harare — Zimbabwean industrialists have accused South Africa of being inconsiderate to its neighbours and are calling for stiff retaliatory measures.

Jonee Blanchfield, the head of the Confederation of Zimbabwe Industries, Zimbabwe's largest grouping of business people, said Zimbabwe had to impose tough tariffs against South Africa to coerce it to sign a long-awaited trade agreement.

Zimbabwean businessmen have been getting restless since talks began more than a year ago to renegotiate a 1964 trade pact after it expired in 1992. At that time, South Africa imposed a 90 percent import duty on Zimbabwean clothing and textiles, which resulted in the closure of many firms and more than 15 000 job losses.

"We have got to take measures to stop this. Zimbabwe should put in countervailing measures now, and if the South Africans are sincere, let them prove it," said Blanchfield.

"(The South Africans) are playing with us, and every time we meet they change the goal posts, ask for further studies and consultations," said Blanchfield.

A trade conflict has loomed between the neighbouring countries in recent years, and Blanchfield warned that South Africa risked a bruising trade war which would damage the weaker economies of the region. — AFP

CT (BR) 5/12/96

SA dashes expectations of speedy tariff reduction

BD 5/12/96 (362)

Michael Hartnack

HARARE — Euphoria over last week's progress in the latest round of Zimbabwe-SA trade talks evaporated yesterday, apparently as a result of dashed hopes that SA would drop its 90% tariff on Zimbabwe's textile and clothing exports by year end.

"They are playing with us every time we meet," Confederation of Zimbabwean Industries president Jonee Blanchfield told national news agency Ziana.

Calling for the immediate imposition of "stiff retaliatory measures", Blanchfield said: "All they do is talk, talk, talk, and yet we are suffering."

Her complaints were echoed in less strident form by Commercial Farmers' Union executive director David Hasluck. He said the union had waited two months for a response to its request for access to markets which could yield R220m a year in exports to counterbalance SA's R6bn trade flow into Zimbabwe.

Simultaneously, Finance Minister Herbert Murerwa announced yesterday the long-delayed Zimbabwean tariff schedule was ready for presentation to the cabinet. In July a highly protectionist schedule was published and then withdrawn.

Blanchfield has asked the European Union to refuse SA trade concessions until it updates the 1964 trade pact with Zimbabwe.

Zimbabwe's ivory trade grows

362 Sowetan 5/12/96

Local dealers finding ways into markets despite regulations

By Emmanuel Koro

HARARE – THE CITES panel of experts on the African elephant has uncovered evidence of an ivory trade between Zimbabwe and the international market.

While the department of national parks and wildlife chose to remain silent on the findings, the Cites panel report accuses Zimbabwe of "failing to control the export of ivory".

There is evidence that large shipments of raw, worked and semi-worked ivory was exported to a variety of countries, including Japan, China, Thailand, Hong Kong, Philippines, Indonesia, United States and South Africa.

The panel report stressed that while these exports were not necessarily illegal under Zimbabwean regulations, they appeared to have contravened regulations in a number of ways and were illegal for importing countries.

"Some of the export quantities were found to be very large, including a single shipment of seals to Japan valued at about R360 000 carved from 70 tusks and originally weighing 663 kilograms."

The report added that between June 28 and July 5, stamps valued at R80 000 were purchased for shipping to China, Thailand and Hong Kong.

Zimbabwe has the largest carving industry in Africa and the department of national parks and wildlife management has for several years pursued a policy designed to encourage the art, while maintaining strict control.

The ivory is sold by the parks department to registered local dealers at a fixed price, about 10 percent of the international price.

Between 1992 and 1995, sales of ivory from the department of national parks have been averaging three to six tons annually.

However, this amount was reported to have increased dramatically to over 10 tons in the first nine months of 1996. Over half of this was apparently sold to a single dealer.

"During the first nine months of 1996, control over the carving industry appears to have broken down. Several new dealers, including one Chinese citizen, have been issued with licenses and have been producing products designed for the Oriental market, especially personal seals.

"One dealer carved over 1,5 tons of ivory into seals during the month of April 1996 alone. There is evidence that commercial quantities of these have been exported," the report said.

It charged that dealers were issued with National Parks and Cites Form One, which specifically excludes commercial shipments, but were able to use these as exporting forms.

The panel of experts also investigated Zimbabwe customs officials to establish how the ivory left the country undetected for international markets.

The report quotes customs officials as saying their chief concern is the control of imports and that there is a general policy to leave the control of exports up to importing countries.

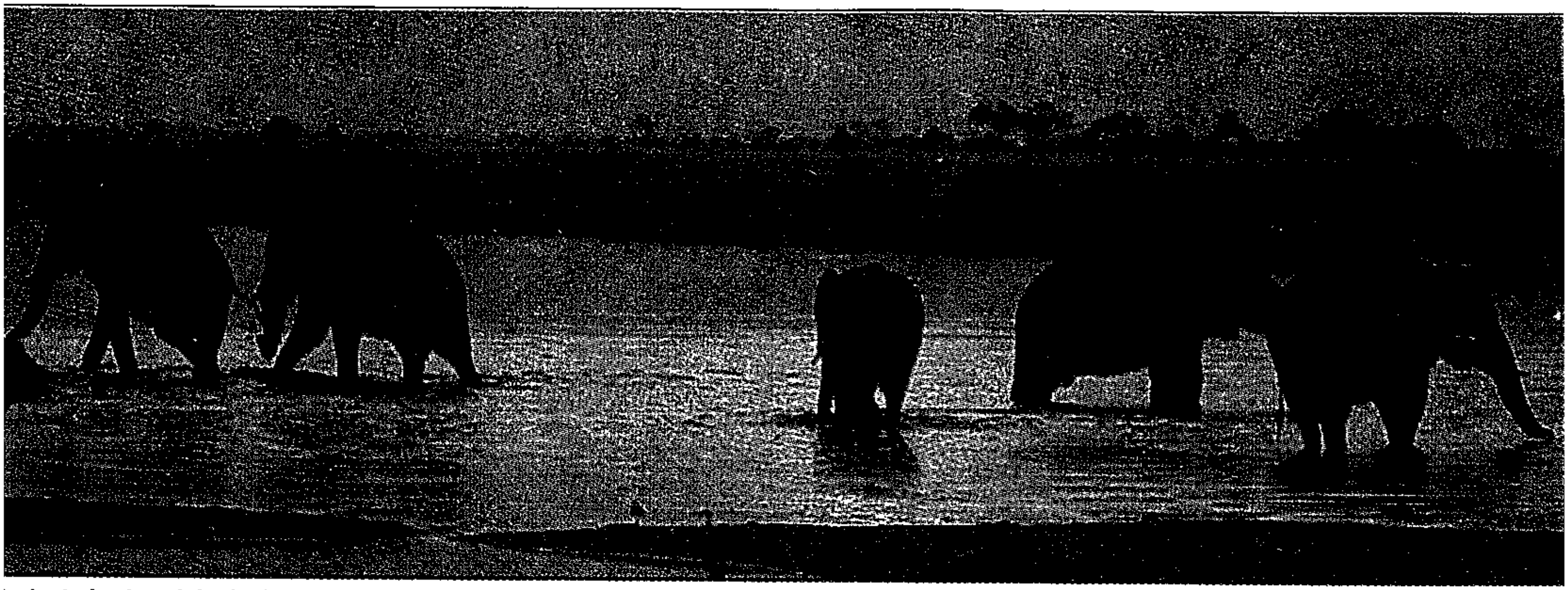
However, the fact that "many" National Parks and Cites Form One's have been issued for the export of commercial quantities, indicates that customs "have failed to control the export of ivory".

The report notes that few cases of illegal ivory have been detected in recent years, with the exception of a single case involving a substantial quality of worked ivory crossing to South Africa at Beitbridge.

On a more positive note, the report commended Zimbabwe for its ivory recording system, which it described as being well designed and correctly implemented.

"Privately held raw ivory is fully documented and no significant errors were located," it said. The report also applauds Zimbabwe's ability to monitor its elephant population, saying it has one of the best sets of elephant population data in Africa.

The most recent estimate of Zimbabwe's elephant population is 66 631, double the country's carrying capacity. – *Africa Information Afrique.*



'rotected yet exploited: Zimbabwe has been selling ivory on the sly, despite being a signatory to a Cites convention banning ivory sales

Zim's illicit ivory trade exposed

M+G 6-12/12/96 (362)

'imbabwe faces

embarrassment over illegal ivory sales, reports

den Wetherell in Harare

ZIMBABWE'S record of ivory management has been described as "grossly inadequate" by the Convention on International Trade in Endangered Species (Cites) just six months before the Geneva-based organisation is due to hold a major conference in Harare. The Zimbabwean government has said it will use the conference to have the Cites ban on the ivory trade overturned.

According to a confidential report by a Cites panel of experts, illegal ivory exports from Zimbabwe have been allowed to proceed unchecked. The report, which follows a recent visit to the country by the panel, will come as a serious embarrassment for the government ahead of next June's Cites summit in Harare, where Zimbabwe will seek international support for its proposal to resume trade in elephant products, including ivory.

The government claims that its exemplary record in elephant management warrants a selective lifting of the current Cites ban on exports.

Zimbabwe's ivory stockpile is estimated at 30 tons.

But the Cites report says control over ivory carving in the country has broken down, allowing dealers to export commercial quantities to the Far East.

Cites documentation governing the movement of ivory which explicitly excludes commercial shipments has been used by dealers to export raw, worked and semi-worked ivory to a variety of countries including Japan, China, Thailand, Hong Kong, the Philippines, Indonesia, the United States and South Africa, the report reveals.

Illegal ivory exports from Zimbabwe have been allowed to proceed unchecked

According to the report, some of the consignments were massive, including a single shipment to Japan valued at US$919 113 (well over R4-million), which had been carved from 70 tusks weighing 663kg.

The report notes Zimbabwe's Customs Service has a general policy of not implementing trade controls on manufactured ivory products carried as personal possessions, nor does it regulate the transit of ivory into duty-free shops.

It is understood that China-bound bales of tobacco containing hidden ivory were intercepted at the Beit Bridge border post shared by Zimbabwe and South Africa, although this incident receives only an oblique reference in the report.

Deputy Environment and Tourism minister Edward Chindori-Chininga said this week his ministry was aware of the allegations and those responsible for illicit dealings would "face the full wrath of the law".

But the report claims that the ministry only acted to withdraw the permits of those involved one week before the panel's arrival.

"The panel was not provided with any explanation why it has taken so long to take action given that evidence of these abuses had been available since April 1996, if not earlier," the report says.

Observers say there was a heated exchange between the Cites panel and staff from the National Parks' Investigations Branch who accused the panel of "interference".

The report warns of the risk of increased poaching as the cash-strapped Department of National Parks and Wildlife Management, systematically starved of funds by the government in recent years, reduced its resources in high-risk areas such as the Zambezi Valley in the north of the country and Gonarezhou in the south-east.

Declining revenues posed a dilemma, the report warns. "While the department is clearly in need of every source of additional revenue available, including the sale of ivory, its lack of management capability makes it unlikely that the money will be used effectively."

Zimbabwe has mounted a diplomatic offensive aimed at securing support from neighbouring countries for its campaign to downlist elephants from Appendix One of the Cites convention which forbids commercial trade to Appendix Two, which permits sustainable use and trade.

Although South Africa's National Parks Board originally said it would oppose downlisting, it now appears to be bound by a decision of the Southern African Development Community to support Zimbabwe.

Bill to impose levies on Zimbabwe agriculture

(362) BD 10/12/96

HARARE — The Zimbabwe government has sparked a major uproar with legislation introduced recently that will allow it to impose levies on farmers, processors and buyers of all major food crops.

The Agricultural Products Marketing Bill, given its first reading in parliament last week, sets out no percentage for its charges, but allows a state-appointed board, and the minister of agriculture, to impose levies on 27 food products — everything from coffee and cattle to maize and wheat.

The board can also tax the producer, processors and buyers of any product.

Commentators say it gives the government drastic new controls over the industry, and could seriously damage food production and increase costs.

Representatives of the Commercial Farmers' Union (CFU), which represents the country's 4 500 large-scale farmers, and the Zimbabwe Farmers' Union (ZFU) of the 800 000-strong peasant sector, met Agriculture Minister Denis Norman last week.

"The CFU and ZFU were outraged that they were not consulted, and (at) the scope of the bill, which allows the minister to impose levies as he pleases," said CFU director David Hasluck.

Controversy blew up in May when the government imposed a 10% tax on tobacco, with growers having to pay 5% on what they sold at auctions, and buyers another 5%, to raise revenue for the government's severely stretched financial resources.

Acting Finance Minister Emmerson M'nangagwa said then that revenue would be collected at the end of the year from all crops and every item which was necessary.

Norman, however, promised farmers they would be consulted before any levy legislation was introduced. Hasluck and other leaders confirmed there had been no discussions.

Hasluck said Norman assured the union that the bill aimed to raise cash for particular agricultural projects.

Unlike the tobacco levy, whose revenue went straight into the national treasury, the bill proposed the levy be paid into an agricultural fund.

"He sought to assure us that the bill was not supposed to be draconian, and that stakeholders can determine whether to have any levies," he said.

"But that is not what the bill says. It is a statutory provision for the minister to impose levies on farmers and others involved in the industry at will."

Olivine Industries chairman Rory Beattie said: "They will be taxing food and the cost will eventually be paid by the consumer.

"It remains to be seen whether there will be amendments." — Sapa.

The Star ... Thursday December 12 1996

Zimbabwean human rights diminished, say lobbyists

ROBIN DREW (362) Star 12/12/96
Independent Foreign Service

Harare – Since independence 16 years ago, the Zimbabwe government has amended the constitution 14 times, and most of these changes have reduced human rights or reversed gains made in the Supreme Court.

This was the sober message given yesterday by Lawyers for Human Rights who marched through Harare to observe World Human Rights Day.

About 70 lawyers took part in the peaceful march, the first held in the city since last month's ban on demonstrations during the strike by doctors and nurses.

Police provided an escort for the lawyers, who said in a statement that – despite the Mugabe government's ratification of the UN Charter as well as other important human rights instruments – there had been a consistent erosion of these principles in Zimbabwe.

Little respect had been given on the ground to rights such as freedom of information, assembly and association. Many restrictive laws remained in force or had been introduced. Only if human rights were taken seriously could democracy grow in Zimbabwe, the outgoing chairman of Lawyers for Human Rights, Kevin Loue, said.

Meanwhile President Mugabe said Zanu (PF) party members of parliament should not use parliament as a forum for debating changes to the constitution. He said the party structures were the place to raise such issues and the central committee would consider them.

Opposition MPs, of whom there are only three in the 150-seat house, could bring the matter up in parliament but he was doubtful of the sanity of Zanu (PF) members who started the debate in public when they knew where and how party policy was made, he said..

The politburo recently decided to drop adherence to Marxist-Leninist principles in the party's constitution but Mugabe said he would continue the socialist thrust when dealing with the poor and underprivileged. He said partnership with capitalism was required and the party ideology could now be described as a form of social democracy.

WORLD

Mugabe ridicules bid by his own party to revise constitution

BD 11/12/96 (362)

HARARE — Zimbabwean President Robert Mugabe has poured scorn on appeals from within his ruling Zanu (PF) party for constitutional change, including for a law that would limit his presidency.

In an interview published yesterday in the state-owned Herald, Mugabe dismissed calls from ruling party MPs for change as "old ideas being recycled as new ideas".

Outspoken MPs in the 150-seat parliament, in which all but three seats are held by the ruling party, had been calling increasingly for constitutional changes.

Such changes related to limiting the presidency to a specific number of terms, reintroducing a senate (the upper chamber of the legislature was abolished in 1989) and abolish the president's right to appoint 30 MPs to parliament.

Zimbabwe's constitution has no limit to the number of terms a president could stay in office.

Mugabe has been executive president since the post was created in 1988, and before that ruled the country with a titular president since independence in 1980.

His remarks came ahead of the ruling party's national conference in the western city of Bulawayo at the weekend.

Political observers said the growing frustration with the authoritarian and corrupt old guard of the party was expected to be voiced at the conference.

Mugabe said he was "doubtful about the sanity" of ruling party MPs who wanted to raise the issue of constitutional reform in parliament.

"They are there in parliament; they think things can just be suggested in parliament and the policy made by parliament. That is nonsensical. Policy has to be made by the party."

He insisted the ruling party was not opposed to change. But issues like constitutional change had to be decided by the party's central committee.

The president suggested that proponents of change "write to the Zanu (PF) secretary for administration and give suggestions that could be debated at conferences".

"I suppose we must reckon with the people," he said. "Well, fine, let us discuss what the people have."

Late last week the 14th amendment to the British-drafted constitution adopted at independence became law and removed the right of foreigners married to Zimbabwean citizens to have an automatic right to live in the country.

Human rights organisations said each of the amendments had proved to be regressive, had weakened constitutional protections of freedom and had entrenched the power of the government.

Mugabe conceded in the interview that the party had dropped its commitment to Marxist-Leninist policies to keep in line with economic liberalisation in the rest of the world.

The party had retained its socialist thrust, but only in dealing with the poor and the underprivileged, while maintaining a partnership with capitalism, he said.

He said the Zanu (PF) politburo, the supreme executive body of the party, decided last month to abandon its ideology of Marxism-Leninism, but would practise socialism in a liberal context. — Sapa.

Mugabe rejects UK aid provisos for white land

(362) Star 18/12/1996

Harare – President Robert Mugabe's government has formally rejected conditions attached to a British offer of financial support for buying white-owned farms for resettling black peasant farmers, a report said yesterday.

Ziana, the domestic news agency, said the rejection was contained in a confidential report handed by the Zimbabwe government to the British high commission during a brief ceremony yesterday.

This was in response to the British offer in October that Whitehall would resume its stalled programme of providing cash to buy up white-owned farms – but only if the farms were acquired with the full respect of the owners' rights, and that the land was not seized.

The news agency said the report handed over yesterday made it clear that "Zimbabwe will not acquire land on 'a willing-seller, willing-buyer' principle ... but only on the basis of the need and in accordance with the country's laws.". The contents of the report have not been released, and Ziana did not give any further details.

In 1992, the British government halted its aid for land purchase after Mugabe's government passed controversial laws that gave it sweeping powers to seize land at any price and barred the owners the right to take the government to court for unfair compensation.

Mugabe charged that the land had been "stolen" by the white settler forebears of the farmers who occupy the land now, and that they had no right to be compensated.

Whitehall made an attempt to break the deadlock in October when it sent a team to Zimbabwe to work out a plan that both countries could agree on for aid to resume. – Sapa-DPA.

Zimbabwe rejects UK aid terms

(362)

20/12/96

HARARE — President Robert Mugabe's government had formally rejected conditions attached to a British offer of financial support for buying white-owned farms to resettle black peasant farmers.

The rejection, in a confidential report handed to the British high commission during a brief ceremony yesterday, was a response to Britain's offer in October to resume a stalled programme providing cash to buy up white-owned farms. The offer was dependent on farms being acquired with full respect for the owners' rights. Land was not to be seized.

National news agency Ziana said the report made it clear "Zimbabwe will not acquire land on a willing-seller, willing-buyer principle ... but only on the basis of the need and in accordance with the country's laws".

In 1992 the British government halted aid for land purchases after Mugabe's government gave itself sweeping powers to seize land at any price and barred owners from taking it to court to seek fair compensation. Mugabe charged that the land had been "stolen" by farmers' white settler forebears and said they had no right to be compensated.

Whitehall made a bid to break the deadlock in October when it sent a team to Zimbabwe to work out a plan that both countries could agree on.

When British high commissioner Martin Williams received the report he said Britain was concerned about what the government of Zimbabwe proposes to use if it is not going to acquire land on a willing-buyer, willing-seller basis".

The British report also insisted that Zimbabwe improved its management of the resettlement programme, which had been marked by widespread failure and corruption, with land seized going not to the poor but to wealthy bosses of the ruling Zanu (PF) party.

This month Mugabe signed into law an amendment to the Bill of Rights in Zimbabwe's constitution, blocking moves by farmers whose land was confiscated from challenging the government's trampling over property rights. — Sapa-DPA.

Mugabe's party rules, OK!

(362) MtG 20-23/12/96

Iden Wetherell in Harare

DESPITE growing demands in Zimbabwe for political reform, President Robert Mugabe has declared that his ruling Zanu-PF party will continue to take precedence over Parliament as far as governing the country goes.

Mugabe slapped down members of Parliament who had been calling for change ahead of last weekend's Zanu-PF conference held in Bulawayo, reminding them where ultimate power resides.

Zanu-PF occupies 147 of the 150 parliamentary seats. But a group of restive MPs have recently proposed reforms such as the restoration of the Senate, the removal of appointed MPs, and a limit to the terms a president may serve — all of which would impact upon Mugabe's sweeping powers.

"They think things can just be suggested in Parliament and the policy made by Parliament. That is nonsensical," Mugabe said, repeating a long-held view that his party is sovereign. "Policy has to be made by the party, by the central committee which is the custodian of our policies."

The party was not opposed to change, Mugabe added, citing as an example the introduction of an executive presidency and two vice-presidents in 1987.

Nearly ten years on, that structure remains rigidly in place. No debate on the succession to Mugabe (72) was permitted at the Bulawayo meeting. Vice-President Joshua Nkomo (78) appears determined to hang on despite growing signs of infirmity while Vice-President Simon Muzenda (73) shows no sign of going either.

In his keynote address Mugabe called for "ideological education" on the country's unique brand of socialism and announced that Zanu-PF's controversial land acquisition policy would be given new impetus.

He brushed aside the recommendations of a report drawn up by the British government which offered donor support for land acquisition on a willing-seller basis and declared he would take the land anyway, without compensation.

The same spirit of arbitrary redistribution has guided the party's approach to black empowerment, also a major topic at the conference. Multinational companies have been invited to offer shares to the government which will then "warehouse" them until approved entrepreneurs come forward with an offer to purchase.

Anglo American recently parted with 20% of its Bindura nickel mine under this scheme, thus facilitating a work permit for its new managing director, Philip Baum. It still hasn't seen the money.

Critics point out that, like land acquisition, Zimbabwe's economic indigenisation policy has been characterised by a lack of transparency and is calculated to empower a well-connected elite.

But it was not all plain sailing for the party in Bulawayo. Delegates accused senior party members of fuelling factionalism in an undeclared struggle for power. "The party is collapsing because of our leaders who are hungry for power and greedy for money," said one delegate, to applause.

The conference also saw renewed attacks on the independant press. Zanu-PF's deputy information secretary, Chen Chimutengwende, said resources would be allocated to the party's information department to counter what he called the "completely unacceptable propaganda" of the "opposition press".

The government already controls Zimbabwe's broadcast media and owns 90% of its print media.

Observers point out that with a virtual press monopoly and an emasculated civil society, Zanu-PF has been able to dominate national discourse and resist reform of institutions which maintain it in power. This includes allocating itself public funds.

Zanu-PF's secretary for administration, Didymus Mutasa, who describes Mugabe as "Zimbabwe's king", said last week it was "unAfrican" to discuss the succession issue.

ZIMBABWE FM 20/12/96

INFLATIONARY PRESSSURES

(362)

A six percentage point drop in Zimbabwe's year-on-year inflation rate, to 13,9% in November from 20,2% in October, has been greeted with a mixture of disbelief and delight.

Economic consultant John Robertson, who predicted a year-end rate of 15% (down from 28% in January 1996) months ago is ecstatic. He predicts further declines and calls for a reduction in the rediscount rate (at which the central bank lends to the banking sector).

Looking beyond the consumer inflation numbers, other economists are sceptical. Standard Chartered Bank lists a formidable array of inflationary pressures at work in the economy: money supply growth of 33% in the year to September, housing prices up more than 40%, industrial share prices doubling during 1996, wage awards averaging 25%, a new agricultural Bill to put a government levy on 27 products including basic food, a rise in fuel prices early in the same year, the imposition (soon) of protective tariffs on some manufactured imports and, perhaps most important of all, a budget deficit in excess of 10% of gross domestic product.

The Reserve Bank of Zimbabwe shares Standard Chartered's scepticism. On November 29, only weeks after cutting the rediscount rate, governor Leonard Tsumba announced a 2,5% rise in the statutory reserve ratio of the banks to a horrendous 20%. His economists have warned him, he told a meeting of bankers, that inflation would be back to 20% by mid-1997.

The fall in inflation is largely the result of volatile food prices. Two influences are at work. There was an exceptional rise in food prices in November 1995 and this had a major effect on the year-on-year calculation. Secondly, because the price of fresh vegetables fell sharply in November 1996 (26 points in one month) the annualised rate of food price inflation tumbled from 23% in October to 8% in November.

The December figure will be higher and, for the year, consumer inflation is estimated at 21,1%. Producer inflation in the nine months to September averaged 18% and this, say many in business, is a better indicator of what is happening in the economy than seasonal fluctuations in prices of tomatoes and onions.

Inflation is likely to slow in the first quarter of 1997, averaging 16%, but will pick up again after that. Standard Chartered Bank predicts 20% inflation for the year — only marginally lower than in 1996. The key problem is money supply, which is growing at rates ranging from 33% for the broad measure M3 to more than 40% for M1 and M2. It's no wonder that Tsumba found it necessary to raise statutory reserve ratios to curb monetary growth.

Nor has he done enough. A fortnight after the reserve ratio was increased, the Treasury Bill rate for 90-day paper fell from 18,9% to 18%, highlighting just how much liquidity is sloshing around the market.

Tsumba admitted to the bankers that the only instrument he could use was the reserve ratio. But, if that fails, as seems highly probable, he will have no choice but to go back to issuing Treasury bills outside the normal weekly tender to mop up excess liquidity.

In late November, the Treasury bill issue stood at Z$23,6bn (R10bn+) — up more than Z$10bn over the year and costing the taxpayer Z$4,25bn a year in interest charges.

The International Monetary Fund is due in Harare early in January to see if it can cobble together a new programme to take effect from mid-year. The portents are not good.

Finance Minister Herbert Murerwa admits the best that government could hope to do is stabilise the budget deficit at 10%. That won't satisfy the fund, which will want spending cuts, accelerated privatisation and probably also an increase in taxes.

There are signs that privatisation is moving up the agenda. In December, another 5m shares in Delta Corp were sold for Z$168m. The sale of shares in the industrial conglomerate, now controlled again (as in the Seventies) by SA Breweries, was mainly to an offshore investor, GT Emerging Markets Co.

The irony is that, in the week of the sale, the State-owned *Herald* newspaper ran a daily series interviewing President Robert Mugabe in which he repeatedly committed himself to "indigenisation." The sale of so many shares to a foreign investor has infuriated the indigenisation lobby; yet it is more evidence that government's strategy on black empowerment is in a hopeless muddle. ■

Mugabe's party rules, OK!

(362) MtG 20-23/12/96

Iden Wetherell in Harare

DESPITE growing demands in Zimbabwe for political reform, President Robert Mugabe has declared that his ruling Zanu-PF party will continue to take precedence over Parliament as far as governing the country goes.

Mugabe slapped down members of Parliament who had been calling for change ahead of last weekend's Zanu-PF conference held in Bulawayo, reminding them where ultimate power resides.

Zanu-PF occupies 147 of the 150 parliamentary seats. But a group of restive MPs have recently proposed reforms such as the restoration of the Senate, the removal of appointed MPs, and a limit to the terms a president may serve — all of which would impact upon Mugabe's sweeping powers.

"They think things can just be suggested in Parliament and the policy made by Parliament. That is nonsensical," Mugabe said, repeating a long-held view that his party is sovereign. "Policy has to be made by the party, by the central committee which is the custodian of our policies."

The party was not opposed to change, Mugabe added, citing as an example the introduction of an executive presidency and two vice-presidents in 1987.

Nearly ten years on, that structure remains rigidly in place. No debate on the succession to Mugabe (72) was permitted at the Bulawayo meeting. Vice-President Joshua Nkomo (78) appears determined to hang on despite growing signs of infirmity while Vice-President Simon Muzenda (73) shows no sign of going either.

In his keynote address Mugabe called for "ideological education" on the country's unique brand of socialism and announcced that Zanu-PF's controversial land acquisition policy would be given new impetus.

He brushed aside the recommendations of a report drawn up by the British government which offered donor support for land acquisition on a willing-seller basis and declared he would take the land anyway, without compensation.

The same spirit of arbitrary redistribution has guided the party's approach to black empowerment, also a major topic at the conference. Multinational companies have been invited to offer shares to the government which will then "warehouse" them until approved entrepreneurs come forward with an offer to purchase.

Anglo American recently parted with 20% of its Bindura nickel mine under this scheme, thus facilitating a work permit for its new managing director, Philip Baum. It still hasn't seen the money.

Critics point out that, like land acquisition, Zimbabwe's economic indigenisation policy has been characterised by a lack of transparency and is calculated to empower a well-connected elite.

But it was not all plain sailing for the party in Bulawayo. Delegates accused senior party members of fuelling factionalism in an undeclared struggle for power. "The party is collapsing because of our leaders who are hungry for power and greedy for money," said one delegate, to applause.

The conference also saw renewed attacks on the independant press. Zanu-PF's deputy information secretary, Chen Chimutengwende, said resources would be allocated to the party's information department to counter what he called the "completely unacceptable propaganda" of the "opposition press".

The government already controls Zimbabwe's broadcast media and owns 90% of its print media.

Observers point out that with a virtual press monopoly and an emasculated civil society, Zanu-PF has been able to dominate national discourse and resist reform of institutions which maintain it in power. This includes allocating itself public funds.

Zanu-PF's secretary for administration, Didymus Mutasa, who describes Mugabe as "Zimbabwe's king", said last week it was "unAfrican" to discuss the succession issue.

Zimbabwe puts pressure on Zambian vendors

(362)

KAROI — Zambian nationals plying Zimbabwe's northern town of Karoi selling second-hand clothing had reported a slump in business as a result of intense anti-smuggling operations by the police and customs officials, Ziana news agency reported yesterday.

The Zambians, who used to dominate the second-hand clothing trade, were not only having to contend with tough customs officers but also faced stiff competition from local vendors. A Zambian woman who wanted to remain anonymous said: "Business has gone down as we are facing stiff competition from Zimbabweans. It has also become difficult to smuggle in the clothes and music and video cassettes.

"To make matters worse, the locals here prefer to buy from the Zimbabwean women vendors, making it difficult for us to sell our wares."

She said the Zambians were being elbowed out of the business by the Zimbabweans, some of whom she claimed had deals with customs officers at Chirundu border post, who allegedly let them bring in goods without paying duties. Many Zambian vendors had since abandoned Zimbabwe as a lucrative market and were trying their fortunes in Zaire, she said.

Karoi police commanding officer Insp Emmanuel Mupandari said cases of smuggling were "thinning out" as new methods of dealing with smuggling had been devised. — Sapa.

BD 27/12/96

‘Privatisation will boost Zimbabwe growth’

BD 31/12/96 (362)

HARARE — Zimbabwe's farm-based economy is expected to grow by up to 7% next year and economists say it could expand even more if a protracted privatisation programme finally comes on stream.

"That's the primary issue (privatisation) to watch in the coming year," said economic consultant John Robertson. "If it does really happen ... and the government takes its housekeeping responsibilities more seriously, then the economy is finally taking off on a long, happy flight."

Gross domestic product (GDP) rose by an estimated 5% this year on the back of a good agricultural season, but economists say growth could have been higher if President Robert Mugabe's government had privatised loss-making state firms bleeding the economy. Mugabe has dithered over privatisation since 1991 when he ditched a 10-year socialism experiment, which many say ploughed the economy into the ground.

Plans to privatise dozens of state enterprises, ranging from a cotton marketing agency to one of Africa's largest steel producers, have mostly come to nothing.

The government says it is still drawing up "a proper plan" to ensure the programme runs in tandem with a long-standing promise to economically empower Zimbabwe's majority black population. But some critics suspect that Mugabe is a reluctant backer of the scheme because he uses state companies to exercise political patronage.

In a year-end address to parliament two weeks ago, Mugabe pledged again that he would expedite the process, and although he gave no details some people believe next year may see progress.

"I think the privatisation programme will move a bit faster next year because I think (the ruling party) Zanu(PF) has found a way of making sure its supporters benefit," said University of Zimbabwe political analyst John Makumbe.

Four months ago the government ignored public criticism to award a Malaysian power company a deal to privatise the Hwange thermal power station without going through a tender or fulfilling its commitment of giving black investors a stake.

Few blacks have significant capital, and Makumbe and Charles Rukuni, editor of a political and economic newsletter, The Insider, say Mugabe may direct state-owned or nominated financial houses to give loans to some blacks to help them acquire shares under the privatisation programme.

In the long term the government has set up a National Investment Trust where it plans to warehouse some shares for blacks from the privatised firms.

Local analysts say there is also mounting economic pressure, including a perennial battle against a high-budget deficit, which is forcing the Zimbabwean government to privatise. Government expenditure eats about 40% of GDP.

The International Monetary Fund (IMF) and the World Bank say they are unlikely to provide financial support to Zimbabwe's new five-year economic reform programme until the government shows progress in cutting state spending. Other key western donors, who were marshalled by the IMF and the bank to back the last five-year reform programme, say they will take their lead from the two organisations. — Reuter.

ZIMBABWE _ GENERAL

1997.

JAN — SEPT.

Would-be homeowners reject 'matchboxes'

(362) Star 6/1/97

Bulawayo – Beneficiaries of housing projects in Zimbabwe should be involved in the design of their homes to avoid the construction of substandard units, says a newsletter.

According to the latest issue of The Urban Voice, the government and private sector seemed to have wrongly assumed that the way to solve the housing crisis was by reducing stand and house sizes, Ziana news agency reported yesterday.

"Some of the houses are so small that the beneficiaries have rejected them," the newsletter said.

It cited the example of the one-roomed houses built in Nkulumane in Bulawayo, where beneficiaries rejected them as too small and expensive.

The local member of parliament, Dumiso Dabengwa, even threatened to personally hire a bulldozer and demolish the houses, unless they were made larger. – Sapa.

ZIMBABWE (362)

Facts and fiction

FM 10/1/97

As the New Year starts, some of the more upbeat estimates of the performance of the Zimbabwean economy, in 1996, are being revised downward.

The manufacturing industry reports growth of less than 1% in the first eight months of the year, the mining industry says gold production actually fell last year, and tourist operators warn of a sharp decline in SA visitors.

Despite this, President Robert Mugabe says GDP rose 8% in 1996.

Standard Chartered Bank holds out for expansion of around 6,5%. It puts agricultural growth at 35% in hard currency (US dollar) terms. In part, this reflected a rebound from the 1994-1995 drought but also the unexpectedly strong tobacco price which accounted for 60% of the increased production.

The stock market boomed with industrial share prices up 115% over the year, pushing the p:e ratio to an unrealistically high figure of 18, while the average dividend yield fell to 2,25%. Foreign buyers had little to do with the boom and, until the December sale of 4m Delta Corp shares to an offshore buyer, foreigners were net sellers in the market. Over the year, their net buying was no more than US$10m.

The government's anti-inflation policy was partially successful, bringing the year-on-year rate down from 28% in January to 13,9% in November, though the latter figure has been criticised in the markets, not least because the central statistical office appears to have overlooked the October rise in fuel prices.

Average inflation over the year was only marginally lower than in 1995 — 21,5% as against 22,6% the year before.

Most analysts predict a slowdown in 1997. This is partly because the one-off rebound in agriculture will not be repeated but also because tobacco prices

policies are often sold as one product. But failure to differentiate detracts from the quality of information available. ■

Zimbabwe farmers key to strong growth, bank says

ARG 15/1/97 (362)

Harare – Zimbabwe is expected to enjoy strong economic growth well into 1998, but the optimism is undermined by continued state inaction to implement urgently needed macroeconomic and fiscal reforms.

London-based Standard Chartered Bank said in its latest Business Trends survey gross domestic product would rise to between 6,5 and seven percent in 1997, slowing to 5,5 percent next year.

However, it warned "while the growth numbers for 1996-97 are more than satisfactory, the macroeconomic policy environment is not".

Main impetus for growth would come from the farming sector, in the wake of two successive good rainy seasons.

Against this, the bank forecast steadily rising inflation, tighter monetary policy, static high interest rates, increasing money supply and a worsening debt burden.

The bulletin expressed concern over the delayed implementation of the second phase of national economic reform programmes.

A full year after the end of the first five-year programme, the second phase – ZIMPREST (Zimbabwe Programme for Economic and Social Transformation) – was still being debated.

There was little prospect of international backing for ZIMPREST until, at least, later into 1997.

The survey said that pay increases awarded after a spate of strikes by public servants last year had pushed the budget deficit towards 11 percent of GDP, against the official target of 8,5 percent.

The International Monetary Fund (IMF) cut off lending to Zimbabwe in late 1995 because of the government's persistent failure to meet fiscal targets.

Inflation in 1996 dropped from 28 percent in January to a "freak" 14 percent in November, but hopes that the decline would continue, were sure to founder on the budget deficit, the growing gap between state monetary targets and the actual expansion of money supply, and what the bulletin called "the strongest wage inflationary pressure in over a decade".

The value of real wages had fallen 36 percent since 1990, and an "increasingly angry worker response" could be expected, the bank said.

Inflation for 1996 was expected to level at 21,5 percent, and to remain at around 20 percent this year. The bank said that the exchange rate for the Zimbabwe dollar was overvalued and appreciating, particularly against the South African rand, which militated against export-led growth. – Sapa

Harare to curb cheap imports

(362) ARG 15/1/97

Harare – Zimbabwe's government will introduce tariffs by the end of January to protect industries from a flood of cheaper imports, Finance Minister Herbert Murerwa has announced.

He told a news conference the announcement of the tariffs, introduced last July but withdrawn after a week, had been delayed by thorough government checks to ensure there were no errors before printing.

Local industrialists, who have clamoured for years for duties to protect their businesses, were expecting an announcement this week.

"The tariff regime has been approved by cabinet. What remains are the tariff books, which are being printed. We wanted to ensure that there were no errors. This is the delay in printing," Mr Murerwa said. "We are hoping that by the end of the month these should be ready."

He declined to detail revisions to the tariffs that the government said were needed when it withdrew them last July, saying these were aimed at curbing dumping. – Reuter

IBM Zimbabwe under threat

(362) BD 17/12/97

HARARE — Zimbabwe's state investment promotion agency is threatening to cancel IBM Zimbabwe's licence to operate in the country, saying the US computer group has failed to comply with rules on localising part of its equity.

A Zimbabwe Investment Centre official confirmed IBM's operation was in danger, as reported yesterday by The Financial Gazette, but he refused to discuss the issue further.

IBM Zimbabwe is a subsidiary of IBM Corporation.

In a letter to IBM Zimbabwe, Zimbabwe Investment Centre executive director Nick Ncube said the company "risked being penalised and losing its licence" if it did not comply with regulations requiring new investors to award at least 30% of their equity to locals. IBM Zimbabwe entered the country in 1995.

Ncube, in a letter to IBM Zimbabwe's MD, Egyptian Amr Tawfik, said the government was also concerned that the company had chosen to fill all top posts with expatriates.

"We had given you special dispensation in allowing you to proceed with the investment without immediately complying with this (localisation) requirement," he said.

Other foreign investors, Ncube said, were already questioning why IBM was being treated differently.

Tawfik told the Financial Gazette there was no problem between IBM and the Zimbabwean government.

He was not available for comment yesterday. — Reuter.

Leadership debacle at University of Zimbabwe

(362) M+G 17-23/1/97

Iden Wetherell in Harare

MIRED in intrigue, corruption and controversy, the University of Zimbabwe is rudderless as the hunt for a new vice-chancellor yields few candidates of note willing to take up what has become a troubled command.

The last incumbent, Professor Gordon Chavunduka, quit in April 1996 after the problems at the country's premier institution of higher learning in Harare, proved intractable.

Corruption in the administration of funds which last year saw losses of R4-million in payouts to ghost students, political interference, and an exodus of teaching staff has contributed to the decline of what was until recently an institution known for its high standards.

A selection committee appointed by the university council last year short-listed three candidates which included acting Vice-Chancellor Professor Graham Hill and Pro-Vice-Chancellor Professor Levi Nyagura. But an internal audit report recently alleged Nyagura had converted to his own use donor funds intended for a human resources research centre which he headed.

Academics have joined with the university workers' committee to demand his dismissal.

Nyagura, who has denied the charges, was believed to be the candidate favoured by Higher Education Minister Ignatious Chombo who recently said that the selection process would take as long as was necessary to find the right candidate.

The selection process has been characterised by an absence of transparency and bitter rivalry among the candidates. President Robert Mugabe as university chancellor will make the final choice.

Appointments to senior positions have become increasingly politicised after Parliament passed the University of Zimbabwe (Amendment) Act in 1990, scrapping the royal charter establishing the university and giving the government far-reaching powers over its administration. The council is now dominated by state nominees.

Mugabe, who sees the university as a seat of opposition, was reportedly stung into tightening his reins on the institution by student demonstrations against corruption. Increased state control has been accompanied by declining administrative standards and growing factionalism.

Newspapers regularly carry reports of misappropriation of funds at the university, but despite police investigations few prosecutions are brought.

Over R5-million went missing from a distance education scheme in 1995 in a case still not fully resolved.

Observers say a suitable candidate for vice-chancellor would have to be able to unite a badly divided academic community and be of sufficient stature to tell the politicians to let go.

Speculation has centred on Professor Hasu Patel, a political scientist who had a long career at the university before his appointment as Zimbabwe's high commissioner to Australia where his term is due to end shortly.

In addition to a sound record as an academic and as an administrator he has another important attribute — he is a member of the ruling Zanu-PF party.

Zimbabwe govt issues ultimatum to IBM

BD 17/1/97 (362)

Michael Hartnack

HARARE — US computer company IBM had been given a government ultimatum to localise 30% of its Zimbabwean subsidiary's shareholdings, the Financial Gazette reported yesterday.

Business sources say "localisation" involves giving preference to state-approved partners from the "emergent indigenous sector", an effective extension of the ruling Zanu (PF) system of economic patronage awards to supporters. The government is also unhappy that IBM has filled all the top posts at its Harare office with expatriate experts, says the newspaper. Those who have received warning letters include the head of IBM SA, which is the regional headquarters for the international group.

Edward West reports IBM SA finance director Steve Bowers said yesterday relations between the Mugabe government and IBM's Zimbabwean operation, which is owned by the IBM World Trade Organisation, were amicable and proceeding well. A lot had been done to "indigenise the company" in terms of employment, he said.

When IBM's Zimbabwean operation was set up late in 1995, the government had given the company one year to find a Zimbabwean partner. However, a deal had not yet been finalised and representations to this effect were made to the Zimbabwean government late last year. "We've been in conversation with them (the Zimbabwean government) all the time and its coming along nicely," he said.

According to a Government Gazette notice published in 1994, all investors

Continued on Page 2

IBM

(362) BD 17/12/96

Continued from Page 1

undertaking activities on a reserved sector list are required to have joint ventures with "indigenous" Zimbabweans, although any form of racial discrimination violates the entrenched declaration of rights in the 1980 independence constitution.

The Financial Gazette said it had seen warning letters sent to IBM by Nicholas Ncube, head of the Zimbabwe Investment Centre, and by Justice Minister Emmerson Mnangagwa, who chairs a special "cabinet committee on economic empowerment of previously disadvantaged groups".

The newspaper said Mnangagwa had written to IBM SA head Karsten Schoeneborn in October alleging that IBM had "chosen to ignore" the requirement to give a 30% equity to black Zimbabweans within 12 months of its 1995 local launch. "This clearly shows that your company does not intend to comply with standing regulations and your actions may be misconstrued to imply that you wish to frustrate government policy," he said.

See Page 7

Erratic policies and prices in Zimbabwe deterring tourists

BD 28/1/97 (362)

Shoddy treatment of visitors and erratic policies have dealt the Zimbabwean tourism industry a blow, writes **Michael Hartnack** in Harare

THE latest tale of woe from Zimbabwe's tourist resorts underlines the fears of many visitors — that they will find themselves mysteriously transformed from winners into losers.

According to the state-run Zimbabwe Broadcasting Corporation, quoting a Matabeleland police provincial headquarters spokesman, a "local man of Chinese origin" went into an unnamed casino at Victoria Falls and played one of the slot machines for a considerable time before — as he thought — hitting the jackpot.

As he got the identical fruit symbols in a row, a machine spewed a handful of coins and a ticket saying he should collect total winnings of more than R1 000. However, when he presented the ticket for payment, casino croupiers said the machine was "defective" and refused to honour it.

When a crowd of gamblers gathered — highly sympathetic to the one-armed bandit's furious victim — croupiers offered to reimburse him the R50 he said he had laid out in stake money. Further enraged, the man tore up the proffered notes.

Police were called, but instead of getting his jackpot, the gambler found himself liable to pay a R500 deposit fine under the Banking Act for "defacing legal tender", said a government spokesman.

The incident came at a time when tourist industry sources say uncertainties, particularly over entry fees to state-owned national parks, caused some hotels in major resorts to have empty beds over the Christmas holidays for the first time since the politically troubled early 1980s.

In October, the national parks department announced that entry fees were being increased roughly fivefold from November 1, as it struggled to place itself on a commercial footing.

For a decade, parks which were the cornerstone of a potential R1bn-a-year industry struggled on an annual government budget allocation of less than R20m. This left no cash for fighting sophisticated rhino poaching gangs, vehicle repairs and routine maintenance of rest camps.

Electricity in one camp was cut off for three months as a result of unpaid bills, with the result that those who had hired chalets were denied refrigerators for their perishable supplies.

Against a chorus of protest from the tourist industry, which said it was committed to pricing schedules for at least six months ahead, entry fees for foreign nationals to national parks were increased on November 1 to $10 a person, plus an extra $10 for an ordinary vehicle. Four-wheel drive vehicles were charged $20.

A source said Zimbabwe had to realise that it now faced powerful competition from resorts in Kenya, Mauritius and SA. While entry fees to Zimbabwean parks had been "ridiculously low" for many years, and placing parks on a commercial basis deserved every support, the industry could not stand "being messed around".

Commercial operators faced a complex system of block billing, permitting them to take parties into parks. A typical fee totalled about R100 000 for half a year.

One long-established Zimbabwean operator even dismantled his camps and moved onto private land when told he would have to hand over his concessions to an emergent "indigenous" competitor.

For a sight of the Victoria Falls foreign visitors paid $20 each and a Zimbabwean — who previously paid 90c — R4,50. Parties of South Africans touring in 4x4 vehicles apparently turn around when confronted with demands for hundreds of rands to gain entry to game parks.

A further source of uncertainty came from statements that Zimbabwe would soon start demanding visas from visitors from Europe, as well as South Africans. Just before Christmas Environment Minister Chen Chimutengwende said this had been shelved indefinitely. However, confusion arose among overseas visitors unable to distinguish between Zimbabwe and neighbouring Zambia, which embroiled itself in a "visa war" with Britain and other European countries.

Zambian officials sent home booked parties of tourists in revenge for Zambians being required to obtain visas to enter Britain.

Just after Christmas, Zimbabwe's environment ministry announced a partial decrease from January 1 on entry fees to parks. The November 1 levels were generally halved, across the board, so a foreigner will now pay $10 to enter the Victoria Falls rain forest (the only place a sight can be obtained, from the Zimbabwean side) and $5 to enter most national parks.

But a major hotel group reports that bookings have been down about 30% this season as visitors — particularly from SA — continue to register their disenchantment.

The spectacular Victoria Falls are perhaps Zimbabwe's premier tourist attraction.

MAIL & GUARDIAN
January 31 to February 6 1997

Zim parks plagued by trouble

(3bB) MtG 31/1-6/2/97

Iden Wetherell reports on the political crisis facing Zimbabwe's tourism industry

ZIMBABWE'S National Parks Department, due to host a summit of the Convention on International Trade in Endangered Species (Cites) in Harare in June, is facing a leadership crisis which has badly dented its reputation as one of Africa's most effective wildlife managers.

The department is heading a regional campaign for greater flexibility from Cites on the sustainable use of elephants. But a parliamentary report has slammed the "inept leadership" of the department and recommended its replacement. The report, released at the end of last year, is also highly critical of Environment and Tourism Minister Chen Chimutengwende, who it said was ill-informed about what was happening on the ground.

Chimutengwende has castigated the previous parks management of Willie Nduku and Rowan Martin for translocating animals from Gonarezhou Park in the south-east of the country to South Africa and local conservancies during the drought of 1992-3. The two are currently suspended and their absence has led to extensive political interference in the management of wildlife, including a ban on further translocations.

Chimutengwende's move reflects the hostility of Zimbabwe's political leadership towards the country's burgeoning and highly successful private conservancies, seen as challenging the state's control over wildlife.

But the report exonerates officials involved in the translocations, describing them as "good people working under very difficult circumstances". It said their handling of the drought crisis led to "a major publicity coup for the country". In a swipe at rival officials considered close to the political leadership, the report said the department was "riddled by corruption, in-fighting [and] low morale".

These conditions have led to an exodus of experienced officers. Radio-collaring of rhinos terminated in 1995 and the ban on translocation has exposed them to poaching at a time when swingeing cuts in the state's allocation to the national parks has seen fewer anti-poaching patrols.

There has also been a deterioration in the parks' infrastructure such as roads and boreholes, most notably at the popular Hwange Park, where elephants have died of thirst.

In an attempt to plug the revenue gap, the department recently announced hikes of up to 500% in user charges. Although subsequently revised after a public outcry, the new fees are still likely to deter tourists.

Chimutengwende's appointment in 1995 was followed by the non-renewal of licences of established safari operators, hunters and fishing companies under the rubric of black empowerment.

But observers say many of the new beneficiaries are individuals with political connections who won concessions by government tender rather than public auction.

Last month police raided the offices of 40 white safari operators looking for evidence of foreign exchange violations. This has jeopardised the hunting industry, worth R100-million a year, as clients avoid what looks like deliberate harassment.

"Zimbabwe, from the 1980s up to now, was seen as a leading conservation country in Africa and probably the finest hunting destination," said Harry Greaves of the Zimbabwe Association of Tour and Safari Operators. "But that has now changed. Clients are absolutely paranoid about their trophies being held up."

A rhino protection agency recently withdrew a helicopter it had loaned the department for anti-poaching work in a row over control. And the European Union cut off funding worth R7-million when it failed to meet agreed conditions.

Last month a panel of Cites experts found gaping loopholes in Zimbabwe's custody of ivory stocks. Given the problems, Cites is under mounting pressure to relocate its June meeting from Zimbabwe to Israel.

Pressure groups accuse whites of running the national economy like a cartel

Zimbabwe unlikely to bow to black lobby

ET (BR) 11/2/97 (362)

Cris Chinaka

Harare — Black Zimbabwean pressure groups are campaigning hard to wrest economic power from white-run businesses, but political analysts say there are no signs that the government is ready to adopt their policies.

Phillip Chiyangwa, the president of the Affirmative Action Group, met President Robert Mugabe in a closed-door meeting last week on "economic liberation".

The Affirmative Action Group, the Indigenous Business Development Centre, the Indigenous Business Women's Organisation and some top ruling ZANU-PF party officials are trying to lessen the clout of big "white" corporations, who control about 80 percent of business.

Whites also control 60 percent of the country's most fertile farm land but they insist they have been taking on black partners in new business ventures.

The black lobby accuses whites of running the national economy like a cartel and says some blacks have undermined efforts by Zimbabwean blacks to get access to finance.

Its sweeping attacks are drummed up in Zimbabwe's dominant state media, which regularly accuse whites, about 1 percent of the country's 10,5 million people, of not doing enough to promote blacks in 17 years of independence.

Few blacks are impressed by the state media's rhetoric, seen by some political analysts as a smokescreen by a few to enrich themselves in the name of the majority.

They point to the lack of a government programme and charge top state officials of grabbing for themselves most of the land acquired from white commercial farmers for mass resettlement programmes.

"Everyone wishes there was some programme, but there is none," said John Makumbe, a political science lecturer at Zimbabwe University in Harare. "The government's plans are vague at the moment, and what we are seeing don't pass for clear programmes. They just allow a few people to prosper."

Makumbe said even Mugabe, who regularly endorses the development centre and the action group's attacks that many whites are racists and dedicated to keeping blacks poor, has been moving very slowly on the black empowerment path.

"Many people think it has been hijacked by some people and some politicians ... I don't get the impression Mugabe is going to implement the proposals he has been getting wholesomely," he said.

The development centre is pressing Mugabe to adopt a plan it submitted to him last December, urging him to invoke special presidential powers to launch a comprehensive black empowerment programme.

Charles Rukuni, the publisher of The Insider, said a solid programme may take months to assemble but the rhetoric would continue in the meantime. — Reuter

Mugabe pressed to speed up black empowerment

362

BD 11/2/97

HARARE — Zimbabwean pressure groups are campaigning hard to wrest economic power from white-run businesses, but political analysts say there are no signs that the government is ready to adopt their policies.

Affirmative Action Group head Phillip Chiyangwa met President Robert Mugabe last week in a highly publicised closed-door meeting on "economic liberation".

The Affirmative Action Group, the Indigenous Business Development Centre, the Indigenous Business Women's Organisation and some top ruling Zanu (PF) party officials are trying to lessen the clout of big white-owned corporations, which control about 80% of business.

Whites also control 60% of the country's most fertile farm land, but they insist they have been taking on black partners in new business ventures.

The lobby accuses white Zimbabweans of running the national economy like a cartel and says some blacks — labelled as Uncle Toms — have undermined efforts by blacks to get loans.

Zimbabwe's dominant state media sensationalises attacks by the Affirmative Action Group, which regularly accuses whites — about 1% of the country's 10,5-million people — of not doing enough to promote blacks.

But few blacks are impressed by the state media's rhetoric, seen by some political analysts as a smokescreen created by a few to enrich themselves in the name of the majority.

They point to the lack of a clear government programme and say top state officials have grabbed for themselves most of the land acquired from white commercial farmers for mass resettlement programmes.

"Everyone wishes there was some programme, but there is none," said University of Zimbabwe political science lecturer John Makumbe.

Makumbe said even Mugabe — who regularly endorses the Indigenous Business Development Centre and the Affirmative Action Group's attacks — had been moving slowly on the black empowerment path.

"I don't get the impression he is going to implement the proposals," he said.

The Indigenous Business Development Centre is pressing Mugabe to adopt a plan it submitted to him last December, urging him to launch a comprehensive black empowerment programme.

The recommendations call on the government to:

☐ Implement a long-standing promise to forcibly acquire more white-owned land to resettle black peasants and aspirant commercial farmers;

☐ Block foreign mining companies from mineral exploration and ensure the exceptions give local black investors a 61% stake in their projects;

☐ Order pension funds in the country to direct at least 30% of their investment funds towards black businesses;

☐ Make it difficult for foreign and local white investors to go into the urban and commercial transport sector while favouring black efforts to do the same; and

☐ Enact laws that favour blacks who were discriminated against before 1980 and award them lenient contracts.

Political newsletter publisher Charles Rukuni said a solid programme might take months to assemble. — Reuter.

Zimbabwe court overturns law

Star 12/2/97

Harare – The Supreme Court ruled yesterday that controversial laws giving President Robert Mugabe's government sweeping powers to sack executives and take control of any charity were unconstitutional.

Chief Justice Anthony Gubbay ruled that the sacking in November 1995 of the executive of the Zimbabwe Association of Women's Clubs (ZAWC) violated constitutional guarantees of freedom of association and expression.

The judgment is the latest in a series of rulings against laws which human rights lawyers describe as attempts by Mugabe's ruling Zanu (PF) party to override the constitutional protection of certain freedoms as it attempts to increase its political control.

When the Private Voluntary Organisations Act was passed, it raised a storm of protest, especially from non-government organisations. They argued that the new law allowed government officials to seize control of any private association – from tennis clubs to human rights bodies – and to silence organisations which challenged the ruling party. – Sapa.

362

ZIMBABWE (362)

MIXED SIGNALS GREET IMF

FM 14/2/97

Last week's 350 basis point cut in Zimbabwe's rediscount rate to 23,5% was expected. For months the gap of 9% between money market rates (the 90-day Treasury bill rate is 17,8%) and the rediscount rate had been signalling lower rediscount rates were coming.

But it was a surprise because less than three months ago Reserve Bank of Zimbabwe governor Leonard Tsumba raised the statutory reserve requirement of the banks to 20%, from 17,5%, because money supply was growing too rapidly.

Friday's rate cut suggests money supply is no longer a problem.

That's a view supported by most analysts in Zimbabwe for whom inflation is clearly headed downward. For months, stock market analysts and economists have been predicting lower inflation and interest rates.

Inflation dipped to 13,9% in November — a six-year low — before rebounding to 16,4% in December. And though the annual average of 21,7% was little down on 1995's 22,5%, the indications are that inflation will remain subdued for the first few months — perhaps even the first half of 1997.

Three factors account for this. Food prices are unlikely to rise much this year given the good rains. The overvalued Zimbabwean dollar is restraining import prices. And figures for the first few months will be compared with high rates of inflation early in 1996.

But from midyear — or perhaps slightly earlier — inflation is likely to re-accelerate. The main reason for this is money supply and money market liquidity. Over the last year, stock market prices of industrial shares have more than doubled, increasing 120%. Real estate prices have risen 50%-100% depending on the area. The banks and building societies are awash with liquidity. "It's an accident waiting to happen," says one banker.

In the first 10 months of 1996, money supply growth rates ranged from 28% for broad money (M3) to 42% for narrow money (M1).

True, there was a slowdown towards the end of the year, but this was Goodheart's law in operation. Former Bank of England and London School of Economics professor Charles Goodheart argued that once a central bank targeted a particular money supply aggregate such as M3, measures would become unstable and unreliable as an indicator of money supply growth.

Bank lending rates — which are likely to be cut to around 25% or slightly less this week — will mean accelerated money supply growth and intensified inflationary pressures later in the year.

Business will be delighted with the rate cut because it will mean reduced costs of borrowing. So will the tired looking stock market which, after peaking at 10 330 on the Industrial index a month ago, has been fluctuating around the 10 200 level, at which it looks overvalued by any historic yardstick.

The price:earnings ratio on industrials is now over 20, which is high by emerging market standards, and, in an economy where inflation averaged more than 25% during the Nineties, the dividend yield of 2% is derisory.

Government, too, will welcome the rate cut. It has more than Z$22bn outstanding in Treasury bills and has not managed to issue a successful long-term loan since the end of 1995.

With the budget deficit standing at more than 10% of GDP and interest costs the largest single component of spending, lower interest rates are part of the government's fiscal strategy.

These money supply and fiscal fundamentals point to faster inflation later in the year. The rate cut will fuel inflationary pressures when the economy is growing at around 6,5%-7%. The signs are then that inflation will average 15% or so in the first half of 1997 and accelerate later in the year to average 18% or even 20% over 1997.

Just what the IMF, which visits Harare this month for routine Article IV discussions, will make of mixed signals of a higher statutory reserve but lower rediscount rate remains to be seen.

Special Correspondent

Zimbabwe hits back at SA in new trade regime

ST(BT) 16/2/97

362

TARIFF DISPUTE

By SVEN LUNSCHE

ZIMBABWE has hit back hard at South Africa by excluding it from a new liberalised tariff regime aimed at boosting its sickly manufacturing sector.

Finance Minister Herbert Murerewa on Friday announced the abolition of import duties on capital goods and deep cuts in tax on industrial spares, Reuters reports. The long-awaited tariffs, which were welcomed by commerce and industry, take effect on March 1.

Murerewa says the new tariffs and taxes will not apply in cases where Zimbabwe had preferential trading pacts, including South Africa, with which it is negotiating a crucial economic agreement.

Zimbabwe has been highly critical of the SA approach towards the trade talks, pointing out that while it had opened its borders to SA imports, Pretoria continues to protect its industries via high tariffs and other import duties. Over the past few years Zimbabwe has emerged as one of the country's largest markets in Africa. Harare claims South Africa is dumping its goods.

Trade and Industry Minister Alec Erwin said this week that the two countries were close to finalising an agreement on trade in textile and clothing, but said a trade treaty covering agricultural and manufacturing items was still some time off.

Zimbabwe has signed an agreement in principle with South Africa requiring Pretoria to restore to about 30% duty on Zimbabwean textile and clothing exports, which it trebled in 1992 to protect its own industry. The SA move crippled Zimbabwe's industry.

Murerewa said the tariff regime was not aimed at retaliating against any of Zimbabwe's trading partners. "They are part of our economic reforms to boost manufacturing and industrial growth."

Murerewa said the new duties should not affect Zimbabwe's trade talks with South Africa or the agreement in principle on textiles and clothing.

Murerewa announced in Harare that duties on raw materials for manufacturing and on books would be slashed to 5% from 40%; on spares to 15% from 56% and on partly processed inputs to 15% from 55%. Finished imported goods would attract duty of between 40% and 85% with the highest tariffs applying to electronics, batteries, luggage, textile and clothing.

Harare scraps import duty on capital goods

ARG 17/2/97 (382)

Harare – Zimbabwe has scrapped import duty on capital goods and has announced deep cuts in tax on industrial spares in a new tariff regime aimed at boosting its sickly manufacturing and industrial sectors.

Finance Minister Herbert Murerwa told a news conference that the long-awaited tariffs, which were heartily welcomed by commerce and industry, would take effect from March 1.

But he said the new taxes would not apply in cases where the southern African country had preferential trading pacts, including South Africa, with which it was negotiating a crucial economic agreement.

Duties on raw materials and on books had been slashed to five percent from 40 percent; on spares to 15 percent from up to 56 percent and on partly processed inputs to 15 percent from up to 55 percent.

Import tax on capital goods rising to 25 percent had been scrapped, as it had also on goods for the blind – although the government retained a 20 percent import duty on other medical supplies.

Mr Murerwa said that duty on imported goods rising from nothing to 85 percent would now be between 40 percent and 85 percent, with the highest tariffs applying to electronics, batteries, luggage, textiles and clothing. – Reuter

Anglo American silent about deposits

Claims of huge Zimbabwe platinum find

(362)

CT (BR) 17/2/97

From Reuter

Harare — South African mining giant Anglo American has discovered "huge platinum" deposits in central Zimbabwe, a local financial weekly newspaper reported on Friday.

Anglo officials in Zimbabwe, including managing director Phillip Baum, refused to comment on the report. The Independent newspaper quoted some local authority officials in Shurugwi as saying the group had found platinum deposits, estimated at Z$2 billion, at Unki in the iron-ore mining Midlands town.

"We have been given relevant instructions by the relevant company not to comment on the issue. They are secret about their operations at this stage," one of the town authority officials was quoted as saying.

The official said Anglo had already secured about 300 serviced housing plots in the town for employees who will work up the Unki platinum mine.

Zimbabwe chamber of mines officials were not available for comment.

The chamber's chief executive, Derek Bain, said this week that the southern African country could raise its platinum production to compete with Russia as the world's second largest producer.

But expansion of production to 500 000 ounces or more a year depends on metal prices strengthening sufficiently to allow development of proposed projects.

South Africa dominates world output, producing more than 3,5 million ounces a year. Russia produces about 700 000 ounces, but its development plans are shrouded in secrecy.

Bain said Zimbabwe had three platinum projects in various stages of feasibility and development, in addition to Zimasco's small Mimosa mine and the larger Hartley Platinum.

He did not mention the Anglo project reported by The Independent.

Hartley, a joint venture between Delta Gold and BHP, is expected to produce 150 000 ounces of platinum a year when it reaches full production of 180 000 tons of ore a month by April.

Mixed reaction to Zimbabwe tariff list

(362) BD 17/2/97

Michael Hartnack

HARARE — Heavy duties imposed on finished goods were "quite out of line with world trends", Prof Tony Hawkins of the University of Zimbabwe said, reacting to Zimbabwe's long-delayed new tariff schedule, published at the weekend.

Hawkins, head of business studies, said that "SA exporters would not be hurt on balance" since much of their sales in Zimbabwe were in areas that would benefit by lower rates.

"It will be inflationary and I think it is not in the interests of manufacturing industry in this country to go back to being feather-bedded," said Hawkins.

Finance Minister Herbert Murerwa released a 1 252-page handbook after years of delay that attracted bitter complaint from industrialists because of the widening imbalance in trade, especially with SA. Last year a highly protectionist new tariff schedule was announced, but withdrawn 10 days later.

Raw materials and inputs have duties slashed from 40% to 5%, and capital goods may be imported duty free. However, duty on finished goods will be 85%. This will present a threat to newly created retail outlets in Harare, like Zimbabwean subsidiaries of Clicks.

Zimbabwe's Chamber of Commerce said that its members were "alarmed by the high duties on finished goods, especially as some goods are not produced or assembled locally — like video cassette recorders and microwave ovens".

Chamber chief economist Edmore Tobaiwa said sales volumes were already down as a result of economic hardship and reduced consumer spending power, and retailers were struggling to clear stocks.

However, Confederation of Zimbabwean Industries president Jonee Blanchfield said: "This is a great day for Zimbabwe. The new tariff structure is most welcome."

Murerwa predicted the new schedule — to come into force on March 1 — would stimulate investment and remove "inconsistencies and distortions".

There had been extensive consultation with the private sector before producing the tariff schedule, Murerwa said. It would not affect existing agreements with trading partners.

Mixed reaction to Zimbabwe tariff list

(362) (ZIP)

Michael Hartnack

BD 17/2/97

HARARE — Heavy duties imposed on finished goods were "quite out of line with world trends", Prof Tony Hawkins of the University of Zimbabwe said, reacting to Zimbabwe's long-delayed new tariff schedule, published at the weekend.

Hawkins, head of business studies, said that "SA exporters would not be hurt on balance" since much of their sales in Zimbabwe were in areas that would benefit by lower rates.

"It will be inflationary and I think it is not in the interests of manufacturing industry in this country to go back to being feather-bedded," said Hawkins.

Finance Minister Herbert Murerwa released a 1 252-page handbook after years of delay that attracted bitter complaint from industrialists because of the widening imbalance in trade, especially with SA. Last year a highly protectionist new tariff schedule was announced, but withdrawn 10 days later.

Raw materials and inputs have duties slashed from 40% to 5%, and capital goods may be imported duty free. However, duty on finished goods will be 85%. This will present a threat to newly created retail outlets in Harare, like Zimbabwean subsidiaries of Clicks.

Zimbabwe's Chamber of Commerce said that its members were "alarmed by the high duties on finished goods, especially as some goods are not produced or assembled locally — like video cassette recorders and microwave ovens".

Chamber chief economist Edmore Tobaiwa said sales volumes were already down as a result of economic hardship and reduced consumer spending power, and retailers were struggling to clear stocks.

However, Confederation of Zimbabwean Industries president Jonee Blanchfield said: "This is a great day for Zimbabwe. The new tariff structure is most welcome."

Murerwa predicted the new schedule — to come into force on March 1 — would stimulate investment and remove "inconsistencies and distortions".

There had been extensive consultation with the private sector before producing the tariff schedule, Murerwa said. It would not affect existing agreements with trading partners.

Enforce empowerment, urges Zimbabwe minister

BD 18/2/97 (362)

HARARE — The Zimbabwe Tourism Authority should implement the government's black empowerment policy to ensure the whole country benefits, Zimbabwe's environment minister told a tourism conference yesterday.

Tourism needed to be diversified in Zimbabwe, Environment and Tourism Minister Chen Chimutengwende told the Tourism International Investment Conference in Harare.

He said it would benefit Zimbabwe if agents branched off from promoting select sites such as Victoria Falls and included areas where black empowerment needed a boost.

"The tourism sector is the fastest growing sector in our economy. We need to diversify our product and ensure the whole country can benefit. More players must be involved," he said.

"The tourism authority should ensure the government's policy of indigenisation (black empowerment) is also implemented in the tourism sector."

President Robert Mugabe said last year tourism had grown at an average rate of 10% annually since Zimbabwe's independence from Britain in 1980.

The industry netted about Z$2bn last year, a 5% increase on the previous year. — Reuter.

The tariffs regime is geared towards boosting investment in the country

Zimbabwe slashes duties

ST(BR) 19/2/97 (302)

CRIS CHINAKA

Harare —Zimbabwe has tried to boost investment by scrapping import duty on capital goods and deeply cutting tax on raw materials and spares from March 1.

But industry and economic analysts said the effect of the tariff regime announced by President Robert Mugabe's government last Friday would take at least a year to realise.

"Like many investment incentives, the results are not going to come overnight. Overall, the (industry's) mood has improved greatly, but let's see how that translates itself on the ground," said Edmore Tobaiwa, the chief economist at the Zimbabwe National Chamber of Commerce.

Many Zimbabwean manufacturing companies were limping along on old machinery and technology, and had complained it was expensive to retool because of high import duties and interest rates, which have now fallen to about 18 percent from 28 percent a year ago.

Herbert Murerwa, the finance minister, abolished the 25 percent import tax on capital goods and slashed duties on raw materials for manufacturing from 40 percent to 5 percent.

Duty on industrial spares was cut to 15 percent from up to 56 percent and on partly processed inputs to 15 percent from up to 55 percent, in a package aimed at boosting investment, exports and general economic growth.

To protect local industry, Murerwa said finished imported goods would attract duty of 40 percent to 85 percent, from 0 percent to 85 percent, with the highest tariffs on electronics, batteries, textiles and clothing.

The new taxes do not apply where Zimbabwe has had preferential trading pacts, including South Africa with which it is negotiating a crucial economic agreement.

"Without South Africa, its impact, in the short term, in controlling imports will be very limited," said Charles Rukuni, the editor and publisher of The Insider, an independent political and economic Zimbabwean newsletter. "But in time, we may see the expected domestic investment and expansion," he said.

Zimbabwe has signed an agreement in principle with South Africa requiring Pretoria to restore about 30 percent duty on Zimbabwean textile and clothing exports, which it tripled in 1992 to protect its industry.

The South African move crippled Zimbabwe's industry, and Zimbabwe had since been accusing its neighbour and main continental trading partner of dumping goods on its market.

The Zimbabwe government announced a new tariff regime last August but withdrew it after a week under pressure from industrialists.

The Confederation of Zimbabwe Industries welcomed the new tariffs, but the Zimbabwe Clothing Council said classing fabric as a finished product and not a raw material, making it liable to duty of over 85 percent, would hurt members.

Tobaiwa of the Zimbabwe National Chamber of Commerce said the tariffs would hurt the country's retail sector, which depends heavily on imported finished goods. — Reuter

Zimbabwe's economy set to grow 6% but problems loom

BD 20/2/97 (362)

HARARE — Falling interest rates, lower inflation, a new tariff structure and ample harvests augured well for Zimbabwe's economy, which was seen growing at a rate of 6% this year, analysts said yesterday.

However, they warned that the picture was clouded by potential problems. "The economy is generally going to be good. We are looking at an economic growth rate of about 6%. This is quite significant. The new tariffs, lower inflation rate, lower interest rates all help to boost the whole economy," said Commercial Bank of Zimbabwe chief economist Danny Dube.

Despite two months of heavy rains, which may see estimates revised downwards, this year was still likely to reap a good harvest, the Commercial Farmers' Union said.

Annual inflation dropped to a seven-year low of 13,9% in November before rising to 16,4% in December. January's figure was seen at 15,8%. While inflation was perceived as being on a downward trend, it was not seen lower than 16% and could rise to about 19% in the second half of the year.

This year Zimbabwe is aiming for a budget deficit of 8,5% of gross domestic product (GDP). Last year's deficit was 10,1% of GDP against a target of 6,7%.

Analysts said inflation could rise after recent price increases in major products — fuel, maize, soft drinks, beef — and the new tariff structure which cut tax on industrial spares and scrapped import duty on capital goods.

Local industry was overprotected and could increase prices of locally produced goods to imported levels which could fuel inflation and trigger profiteering, Dube said.

However, analysts said that a rise in inflation was unlikely to be substantial and would not necessarily trigger a hike in interest rates, providing the central bank believed the trend was generally down. — Reuter.

US slams Zim's human rights record

M&G 21-27/2/97 (362)

Iden Wetherell in Harare

ZIMBABWE's human rights record has taken a hammering with a United States official report detailing violations ranging from police brutality to interference in the media.

The US State Department's 1996 Country Report on Zimbabwe criticises the government for failing to pursue past allegations of torture and refusing to prosecute police and intelligence officers responsible for such abuses.

It cites the refusal of the Central Intelligence Organisation (CIO) to pay court-ordered damages to a 1990 torture victim belonging to an opposition party. The report also refers to appeals from the Catholic Commission for Justice and Peace (CCJP) for an inquiry into the fate of victims of the army's North Korean-trained Fifth Brigade which conducted counter-insurgency operations in Matabeleland in the 1980s.

"Despite calls by the CCJP for an investigation, the government took no action on the bodies discovered at Antelope Mine in Kezi in 1992; the bodies have not been identified or properly buried," the report says.

Examples of police brutality documented include the firing of teargas at striking nurses who were peaceably entering a court in November last year to hear a case against fellow strikers and the beating the same month of students fleeing disturbances at the University of Zimbabwe.

Referring to recent elections, the report observes there were "credible reports of continued CIO harassment of independent and opposition candidates and their supporters".

The political process continued to be tilted in favour of the ruling Zanu-PF party, the report says, although it also ascribes the opposition's poor showing to weak leadership, in-fighting, and lack of coherent platforms.

It says the government influenced the mainstream media through indirect ownership, editorial appointments, directives to editors, and the removal of wayward editors. Despite a supreme court ruling that the government's monopoly of communications was unconstitutional, the government had repeatedly refused to license independent radio and television stations.

Although the independent press was increasingly critical of the government, there was a measure of self-censorship aggravated by strict anti-defamation laws, the report says.

Meanwhile, the state media has attacked the US, asking: "Is it fair for any country to sit in judgement over others, moralising and pontificating on how the world should be run?"

Zimbabwe population growth slowing due to Aids – survey

(362) Star 25/2/97

The disease, and a falling birthrate, indicate numbers will remain static or decline

Sapa
Harare

Economists would relish projections of a slowdown in population growth – it would mean prosperity, as resources would be distributed among fewer people.

But not when the cause of that slowdown or stagnation is a higher death rate and lower fertility due to HIV and Aids, the Ziana news agency reports.

Which is why the report by the Blair Research Institute of Harare and Oxford University predicting that Zimbabwe's population of 11,5 million would remain static or even decline during the next 20 years, due to the deadly human immuno-deficiency virus, has generated shockwaves.

Researchers Tom Zhuwau and Stephen Chandiwana of the Blair Research Institute, and Simon Gregson and Roy Anderson of Oxford University, in a pioneering study, have concluded that a combination of increased deaths due to Aids and a falling birth rate will sharply reduce Zimbabwe's population growth rate pegged at 3,1% in the last census.

So devastating have been the findings that parliament is preparing for debate on the forecast HIV/Aids tragedy, according to the chairwoman of the select committee on service ministries, Angeline Masuku, whose team is currently studying the report.

The most disturbing aspect of the findings is the distortion in the population age/sex structure.

It is projected that there will be more people in their teens and early adulthood, while the experienced and economically more important age-group of 30-59 will be drastically reduced.

Moreover, because women tend to get infected at an earlier age, there is likely to be a shortage of females of young adult age over time.

The researchers did the study in the Honde Valley and Rusitu Valley areas of Manicaland and then extrapolated their results to cover the whole country.

Those projections portrayed the situation as being worse than in South Africa but better than in Zambia and Uganda.

The strongest criticism of the study has been the size of the sample population (929 households) and the justification for extrapolating the results to cover the whole country.

Other critics might dismiss the report as an academic generalisation.

But the fact remains that Zimbabwe has already started experiencing a higher mortality rate due to Aids, estimated by the Ministry of Health and Child Welfare at 500 deaths per week.

Discrimination axed for some

(362) BD 26/2/97

Michael Hartnack

HARARE — Zimbabwean President Robert Mugabe's government has drafted a bill to reinforce constitutional bans on racial, sexual or religious discrimination which, however, permits discrimination "to redress past discrimination".

The 1997 Prevention of Discrimination Bill, circulated by the justice ministry ahead of presentation to parliament, provides for offenders to be jailed for up to a year, fined R9 000 and banned indefinitely from carrying on any business or "activity".

The bill may have been prompted by a spate of recent allegations by the state-controlled media of continuing discrimination against Zimbabwe's 11,5-million Africans by private schools, estate agents, shops and even funeral parlours.

But an opposition party campaigner said the uncontentious clauses merely duplicated those entrenched in the bill of rights, while others were "extremely dangerous" for civil society. Mugabe would be given sweeping powers to declare any organisation or association "unlawful" and have its assets seized if he believed it aimed at inciting or promoting discrimination.

Critics say the bill might be used to muzzle government opponents and legitimise the actions and statements of the militant black empowerment lobby.

The government itself began breaching the letter of the total constitutional ban on all forms of discrimination soon after 1980 independence when it issued foreign currency allocations on a preferential basis to "emergent" black businessmen. They then resold the allocations at markups, sometimes exceeding 2 000%, to established businesses needing imports.

The system, highly inflationary for the ordinary consumer, fell away with 1991 to 1995 liberalisation, but was never subjected to court challenge, in terms of the constitution, by any member of the established business sector.

The bill makes it a criminal offence to discriminate, to urge discrimination, or to make any statement likely to promote hostility towards other persons on grounds of race, tribe, place of origin, national or ethnic origin, colour, creed or gender, "or to expose them to contempt or ridicule on those grounds".

However, another clause permits the defendant in civil proceedings or the accused in a criminal trial to plead that their actions or words were "reasonably necessary to give effect to any policy for the advancement of persons who have been disadvantaged by past discrimination".

The clause also permits discrimination in favour of persons who belong to "a bona fide political organisation", or discrimination on the grounds that property or facilities are reserved "for the exclusive use of members or supporters of that political organisation, or persons of a particular persuasion".

This would appear to prevent challenge to the R20m state grant given each year to the ruling Zanu (PF) party, and other privileges reserved for Mugabe supporters.

Mugabe urged to define his strategy

CT(BR) 28/2/97 (362)

MELANIE CHEARY

Harare — President Robert Mugabe of Zimbabwe needed to offer clearly defined policies on privatisation and reducing the budget deficit when he addressed a foreign investment conference in London next week, analysts said on Wednesday.

Mugabe leads a delegation of business and political representatives to next Wednesday's Zimbabwe Investment Conference.

Zimbabwe is revelling in a robust economy, but analysts warned against the agriculture-based economy's over-reliance on good rains for growth and urged the development of strong fundamentals.

James Whittington, an investment analyst at ING Barings Bank, said Zimbabwe, which was eyeing growth of 5 or 6 percent this year, could enjoy double-digit growth if the budget deficit was halved and the many remaining parastatals privatised efficiently.

Zimbabwe has set a 1997 budget deficit target of 8,5 percent of gross domestic product. Last year the deficit was 10,1 percent compared with a 6,7 percent target.

"Ideally it should be 2 or 3 percent," Whittington said.

Foreign investors would take heart from a honed privatisation policy because selling companies raises funds for government and attracts foreign investment.

But analysts cautioned that the government should privatise assets through open tenders and that, ideally, shares should be traded on the stock market where investors would at least have the security of being able to buy and sell their stakes freely.

"Privatisation is an issue of interest to investors because it is a window on how the government views investment in general. But people are a bit confused at the moment because the policy has been misguided," said economist John Robertson.

"If (privatised stakes) don't go to the stock exchange then individual buyers have to be found and this is often done on a political basis, rather than on who has the money." — Reuter

Reluctant Zimbabweans accept Merrow takeover

BD 4/3/97 (362)

Michael Hartnack

HARARE — Workers at the Zimbabwean engineering firm WS Craster have reluctantly accepted a takeover by the SA firm Merrow Enterprises, hoping they may get some of the pay they believe they are owed.

The 750 permanent staff and 210 contract workers wanted to turn the 88-year-old firm into a co-operative, but failed to raise a required R30m capital last month.

At the weekend they met and voted to support Merrow's offer, which should see about 400 regain jobs.

The workers believe they are owed more than R1m in benefits. Unsecured creditors and claimants total R13m and stand to be paid 35c in the rand.

WS Craster traded as a distributor of valves, swimming pool pumps and foundry manufacturers until placed in provisional liquidation last June, after losses of R6m and R10m in successive years.

Union warns govt on sale of mines

(362)

sowetan

6/3/97

By Alexis Phiri

LUSAKA — Zambians have called on their government to probe companies bidding for the sale of their "Golden Egg" – the Zambia Consolidated Copper Mines – to ensure the mining conglomerate does not completely collapse soon after it is sold.

Zambian Congress of Trade Unions president Jackson Shamenda said in Ndola that it was important for the country to know the managerial backgrounds of firms bidding for the ZCCM.

This would enable the Zambian government to know which of the 39 companies bidding had workers' interests at heart and enable the state to decide which firms would be suitable for the deal.

They ZCTU boss cautioned the Zambian government against rushing into the sale, intimating that this would be disastrous for the country whose major income is derived from copper earnings.

He advised the government that companies without good managerial backgrounds should not be allowed to purchase any of the ZCCM divisions no matter how much they offered.

"We have already seen how some of the so-called investors are treating Zambians," he said.

ZCCM vice-president, Mr Austin Liato said: "It is like telling investors that this is a worthless thing and it should be sold at a cheaper price."

Interested bidders are from Canada, South Africa, India, Britain and Australia.

Investors eye Mugabe warily

MHG 7-13/3/97 (362)

Iden Wetherell in Harare

PRESIDENT Robert Mugabe this week led a high-powered team to London to drum up investment in Zimbabwe's faltering economy.

Government sources in Harare have been upbeat about the interest shown by British companies. But it remains to be seen whether this will translate into money and jobs.

Investment is vital to soak up the growing army of unemployed — swelling by 250 000 a year. But Zimbabwe's leadership has been sending mixed signals on whether it really wants foreign participation.

In many respects things are looking up. Reserve Bank governor Leonard Tsumba has forecast 4,9% growth this year. But while a good agricultural season has buoyed optimism, manufacturing output remains sluggish.

Mugabe is accompanied by eight Cabinet ministers and leading industrialists. They claimed at Wednesday's conference Zimbabwe had undergone major transformation from a command to a market-driven economy.

But the problem in London remains one of perception as businessmen challenged Mugabe on fundamentals.

In recent interviews Mugabe has spoken of former colonisers coming back in through "the economic door".

His ambiguous stance has caused confusion, said Thami Mazwai, editor-in-chief of South Africa's *Enterprise* magazine, when he was in Zimbabwe recently.

"If he is addressing overseas investors he is committed to the market economy. If he addresses peasants in the rural areas he becomes a Marxist-Leninist ... He is trying to be everything to everybody."

The government's approach to black empowerment has not helped. A marked absence of transparency has seen tender procedures ignored and well-connected individuals benefiting in large government contracts.

While Britain remains Zimbabwe's largest investor, with 300 companies injecting over R3-billion, other countries in the region provide a friendlier climate, better incentives and more transparency.

"To instil confidence among foreign investors the government has to follow the greatest possible transparency as far as awarding of tenders and contracts is concerned," said British high commissioner Martin Williams anticipating where the major problem lies.

Mugabe replied in London that he had never changed tenders to suit members of his family, including his ambitious nephew Leo Mugabe whose name has been linked to the new Harare airport project.

Rhodies head home after all these years

MrG 7-13/3/97

(362)

Seventeen years after independence, white Rhodesians are going back to Zim in their droves, reports Iden Wetherell

THE Rhodesians are coming! Thousands of citizens of rebel prime minister Ian Smith's former white bastion who fled majority rule in 1980 to seek refuge in apartheid South Africa are now flocking back across the border. And they appear to be escaping the same realities that precipitated their hasty exit from Zimbabwe.

Democratic South Africa's embrace of affirmative action is seen as a key factor in propelling many ex-"Rhodies" back across the Limpopo. But in addition to no longer feeling wanted in their former sanctuary, there is the lure of easy money back home.

Zimbabwe, which in recent years has opened up its economy, now provides lucrative prospects in business, especially for those with capital outside the country. And while black empowerment rhetoric is strong, the private sector remains largely in white hands operating in places on an extensive old-boy network.

Although many returning ex-Rhodesians bring business skills and investment plans, they are by no means universally welcome.

"While the Nazi war criminals who went to South America never dreamt of coming back as they would have been tried for crimes against humanity," complained the *Sunday Mail*, a ruling Zanu-PF party mouthpiece, "the Rhodesians who aided and abetted acts of atrocities against the black population are on the contrary singing 'Home Sweet Home' ".

The immigration department has said it is processing an average 100 applications a month from South Africa. In December the number shot up to 393. This includes an unspecified number of South Africans who see their future in Zimbabwe where whites number 80 000 in a total population of 11-million.

"The economic situation in Zimbabwe still favours the white community and that is why South Africans find it easier to come and live here because they can still be in control," a senior government official told the local press.

No figures are given for the number of applications that are rejected but it is believed applicants who served in certain units of Smith's security forces are unlikely to get back in.

In 1994 the supreme court upheld the government's refusal to grant automatic return to people who were born in Zimbabwe but had renounced their citizenship.

'There are no carjackings, the weather is better and people are much friendlier'

However, for those who make it life is good. "It's definitely slower here but much more relaxed," said "Max" who asked to remain anonymous. "There are no carjackings, the weather is better and people are much friendlier."

Max, who left Zimbabwe in 1980 and worked for 15 years in Johannesburg, now runs his own advertising company. He said many of his friends had also returned, some of them feeling they had reached a glass ceiling in their workplaces.

The return of the emigré Rhodesians coincides with a growing self-confidence — some would say arrogance — on the part of many white Zimbabweans who no longer feel overawed by a government whose record on economic management is attracting growing criticism.

Mugabe flies home to politburo row over economic patronage

(3h2) BD 10/3/97

Michael Hartnack

HARARE — President Robert Mugabe is due to fly home tomorrow to confront the worst politburo row since 1980 independence — on the distribution of economic patronage by the state.

Vice-president Joshua Nkomo, 79, exploded with rage at the weekend over the exclusion for a second time of Zimbabwean businessman Strive Masiyiwa from the operation of a cellular telephone system.

"That is not how we run our country. What is the nonsense I hear by this young lady?" Nkomo fumed when told that Posts and Telecommunications Minister Joyce Mujuru had awarded a cellphone tender to a newly established syndicate led by Zairois, the syndicate which includes Mugabe's nephew Leo, and the minister's politburo-member husband, retired army commander Solomon Mujuru.

Nkomo, acting as president during Mugabe's investment promotion trip to Britain, France and Ireland, accused Joyce Mujuru (previously known by her guerrilla name, Spillblood Nhongo) of defying his direct order to let Masiyiwa's Econet join the parastatal Posts and Telecommunications Corporation (PTC) in the cellphone market.

Masiyiwa, backed by a foreign consortium including Ericsons (SA), was on the brink of introducing cellphones two years ago when he broke the PTC monopoly with a landmark Supreme Court constitutional judgment. but he was frustrated by state delaying tactics, allowing the PTC to start a service, then Zairois to gain a licence last week with a rival consortium Telecel.

Speaking in Paris on Saturday, Mugabe hinted at support for Mujuru rather than Nkomo when he said sarcastically that Masiyiwa thought he had the right to the cellphone tender because he was "associated with certain foreign companies".

In an apparent reference to the recent multimillion-rand purchase of US cellphone tapping equipment, Mugabe said telecommunications were a "sensitive area" in which the state would continue to have a key role.

In a London interview aimed at reassuring investors, Mugabe denied ever influencing contracts in favour of his nephew Leo's Integrated Engineering Co. Leo Mugabe's company is prominent among Telecel's local partners, with Gen Mujuru's Kestrel Holdings and militant black empowerment groups. However, Telecel is understood to have at least two months' work to do to launch its service, while Masiyiwa's Econet has already spent more than R40m and could provide 12 000 lines within weeks.

Sources within Zanu (PF) say Nkomo has threatened to quit as vice-president if Masiyiwa is not immediately given a licence. The row could split Mugabe's 22-member Soviet-style politburo, which outranks the cabinet as the country's highest decision-making body.

Masiyiwa was once on friendly terms with Mugabe's late Ghanaian first wife, Sally, winning the contract to electrify the Mugabes' rural mansion, but has since been spurned by the establishment.

The Catholic commission for justice and peace said the cellphone row had exposed total confusion and potential corruption in Zimbabwe's tender system, while even the Financial Gazette, linked to top businessmen within the ruling party, deplored what it said had become "a scramble by the influential and the monied within the black community".

Nkomo, himself now a major beneficiary of Mugabe's patronage system as owner of farms more extensive than Belgium, said such as an emergent black entrepreneur such as Masiyiwa could not be cheated of the fruit of his efforts.

Aids toll in Zimbabwe is now 500 deaths a week

Star 12/3/97 (362) (42)

By Robin Drew
Star Foreign Service

Harare – Aids is killing about 500 Zimbabweans every week and more than a million people are thought to be carrying the Aids virus.

A recent survey by Blair Institute and Oxford University showed that if the current rate continued, the population would either become static or even decline.

While there is still some speculation over the figures, Zimbabwe is said to have one of the highest Aids-related death tolls.

Deputy health minister Tsungirirai Hungwe, has disclosed that between 25 and 50%of newly born babies who escape infection from their HIV-positive mothers are likely to be infected through breast milk. Between 25 and 30% were infected through birth.

Aids has already killed more than 100 000 people in Zimbabwe.

BID TO DEMYSTIFY HARARE'S SECURITY ARM

Probe into feared secret police agency

362

CT 13/3/97

BULAWAYO: Zimbabwe's secret police, known by the man in the street as Charlie Ten, is in the spotlight after accusations that it is more of a "provoker" than a "protector".

HUMAN rights activists and the Zimbabwe Council of Churches are focusing public attention on the country's feared "men in dark glasses" — the secret police agency officially known as the Central Intelligence Organisation (CIO).

A series of seminars have been organised and the first, in Bulawayo recently, exposed mixed views on the role of the CIO, called Charlie Ten in street slang.

Operating under the Ministry of Defence and responsible only to President Robert Mugabe, the security arm is accused of overstepping its mandate of ensuring national security and upholding human rights.

Human rights activists argue that the organisation appears to have assumed the role of "provoker" rather than "protector" and say it needs a new role and a new image.

According to the council of churches, the seminars are being held so that the politicians in charge of state security can explain publicly the secret organisation's role and answer concerns raised by citizenspeople.

"We want to demystify the CIO, facilitating public ownership and hence public co-operation towards the CIO effort," said the council.

The CIO has been linked to attempts to silence and divide opposition parties, kidnappings and atrocities in Matabeleland.

Human rights activist Mr David Coltart, cited the presidential pardon for would-be assassins of former Gweru mayor, Mr Patrick Kombayi.

BOSS: President Robert Mugabe

"The CIO is accountable to no one, except the president and it is difficult to litigate against it.

"There are no laws to protect the public from its excesses," said Coltart.

Mr Cont Mhlanga, playwright and artistic director of the renowned Amakhosi Theatre Productions, who attended the seminar in Bulawayo, said: "People are suffering from fear. That is what the CIO has instilled in them. "What can we do to erase this fear?"

Originally established under the British colonial government, the security service reached its zenith under Mr Ian Smith's regime.

The CIO, which is funded under a "special services" budgetary vote from government, is not subject to public scrutiny regarding its spending, a situation Coltart said should be changed as the taxpayers' money was involved.

Last July, the government allocated the organisation $US 2,6 million (about R11,44m), 25% up on the previous year.

The opposition Forum Party is suspected to have been a target of the secret police.

The 1990 disappearance of Mr Rashiwe Guzha, a civil servant, was linked to the organisation, and a senior member of the CIO was implicated, arrested on kidnapping charges and murder, but later released.

Human rights group, Amnesty International, asked Mugabe to reopen investigations into Guzha's disappearance.

But the government continues to have faith in the CIO.

"People who have called for it to be disbanded are either ignorant of how government is run, or are not themselves clean in the sense that they have reason to fear the CIO because of their undesirable activities," Mr Sidney Sekeramayi, the country's national security minister, has said.

He justified secrecy over the agency's affairs on the grounds that nowhere in the world were intelligence organisations open for public scrutiny.

But civic leader Mr Edward Simela, head of Bulawayo's United Residents' Association, said: "The government has put the CIO in place to make sure that it is always in the picture of what is happening in the country and the CIO should understand that the people of this country want protection and not molestation." — Independent Foreign Service, AIA

Contract row rocks Mugabe

BD 13/3/97 (362)

HARARE — President Robert Mugabe's government has been rocked yet again by a controversy over business tenders, this time the award of Zimbabwe's first private cellular phone licence.

A government decision to give the licence to a company in which the president's nephew Leo Mugabe is a partner has revived accusations that top state officials are abusing government tenders to enrich themselves and their cronies.

The cellular phone saga has also provoked a row within the government and the first public clash between cabinet colleagues since Joshua Nkomo's opposition Zapu (PF) party merged with Mugabe's ruling Zanu (PF) movement in 1987.

The Zimbabwean government awarded Telecel, a consortium of black businessmen including Leo Mugabe, and a foreign firm, the licence to operate a cellular telephone network.

Telecel had been lobbying for the licence for two months. A company called Econet that had been lobbying for three years was passed over, causing widespread outcry.

One of Zimbabwe's leading human rights groups, the Catholic Commission for Justice and Peace, said the tender process was "at best totally confused and at worst, totally corrupt".

"The whole tender process needs to be cleaned out, made accountable and transparent. The performance of the government in the whole cellular phone case has been disgraceful," commission director Mike Auret said.

Mugabe flatly denies that he has ever squeezed any favour out of the tender board for anyone, including his nephew, whom he says is being subjected to unfair scrutiny and being denied the right to run businesses "like any other businessman".

The press has published a letter which Mugabe says he wrote to Information, Post and Telecommunications Minister Joyce Mujuru saying the tender should go to Econet. Mujuru said she never saw the letter.

The whole episode has outraged Vice-President Nkomo, who has vowed he will not stomach this "criminal act". Many political and economic analysts believe the phone row is bound to strain relations between Mugabe and Nkomo, whose rivalry stretches back decades.

Lupi Mushayakarara, an outspoken political commentator, said: "There is need for political consensus over economic policy and management and we are not going to get it in these circumstances. We are in for a rough ride or some form of paralysis."

Economic consultant John Robertson said the cellular phone story had severely undermined the business climate. "There is now an image problem that the powerful, influential and their cronies are grabbing everything," he said.

In the past year, Zimbabwe has awarded three multibillion-dollar projects under controversial circumstances.

Government tender board chairman Stanley Mahlahla stoutly denies there were any underhand deals in the tenders, including part privatisation of power utility Zimbabwe Electricity Supply Authority's (ZESA)'s Hwange Thermal Power Station.

The Z$6bn contract was awarded to Malaysia power producer YTL Corp without going through tender.

Before the government's deal with Malaysia, ZESA had already invited bids and six foreign companies had been shortlisted, top of them a British firm, while YTL was at the bottom of the list.

Another bid for the construction of a new international airport for Harare also raised controversy after the government awarded it to a Cyprus-based company partnering Leo Mugabe.

Mugabe was also forced to cancel a tender that was awarded to communications company Ericsson to establish Zimbabwe's first cellular phone system with the state-owned Posts and Telecommunications following complaints by the US and Germany that the tendering was not open.

The fresh tender was subsequently won by Siemens. — Reuter.

Guests of the San Francesco convent in Rome rest on the rooftop terrace. The Italian government, concerned that the capital will not have enough hotel space to handle the onslaught of tourists, is making it easier for convents and some monasteries to accommodate travellers. Low-cost mortgages and home improvement loans will be available to religious institutions that offer lodging.

Picture: AP

Cellphone row puts Nkomo's career on line

Mugabe to sort out licence dispute

(362) ARG 14/3/97

INDEPENDENT FOREIGN SERVICE

Harare – Zimbabwe political circles are buzzing with intense speculation about the future of Vice-President Joshua Nkomo after a storm over the issuing of a cellphone operating licence.

The country's first licence is held by the Posts and Telecommunications Corporation, which operates a limited service.

While President Robert Mugabe was out of the country and Mr Nkomo was acting president, he sent a letter to Information Minister Joyce Mujuru instructing her to issue a licence to businessman Strive Musiyiwa's Econet.

Ms Mujuru, however, awarded the licence to Telecel, a Johannesburg company allied with influential Zimbabwean groups. She insisted she had not seen any letter from Mr Nkomo. An angry Mr Nkomo said her action was not acceptable.

Mr Mugabe is now back in the country and will have to sort out the mess.

Mr Masiyiwa, who fought a marathon battle in the courts to break the monopoly of the state-owned PTC, said he would go back to the Supreme Court.

Analysts here said the cause of the friction in the cabinet was the perception that a select few, including Mr Mugabe's nephew Leo Mugabe, were getting the lion's share of government tenders.

They added that the dispute, in which Mr Nkomo, 80, threatened to resign, showed that his usefulness as a key figure in the government was coming to an end.

Mr Nkomo and Mr Mugabe signed a unity pact in 1987 after years of dissident activity in Matabeleland, Mr Nkomo's home province, during which he fled the country for a period.

A political observer said Mr Mugabe had created a clique of former Nkomo underlings in his cabinet and plied them with favours to the extent that few would resign if Mr Nkomo decided to quit.

Last year it was expected that Mr Nkomo would quit for health reasons after medical treatment in South Africa and Egypt. But he has clung on tenaciously.

Whether he will continue to do so seems problematical.

World Bank loan depends on Zimbabwe's economic reform

(362) BD 14/3/97

HARARE — Zimbabwe's annual consultations with the World Bank have ended with a cautious undertaking to resume lending after a two-year hiatus if President Robert Mugabe's government manages to meet targets for economic reform following its budget due in July this year.

David Cook, the bank's representative in Harare, said yesterday the bank was considering the release of $62,5m, the second tranche of a $120m loan that was withheld after Zimbabwe's 1995 budget.

The discussions produced no sign of new lending the government was desperate for. Analysts said the government appeared seriously unprepared to meet the conditions set by the bank and it was far from certain that finance would be turned on again this year.

Zimbabwe has been cut off from all concessionary international finance since 1995, when the budget deficit hit more than 13% of gross domestic product, double the level the government had agreed on with the International Monetary Fund (IMF).

Finance from the World Bank and all other multilateral lenders, as well as the major Western donors, hinges on the IMF giving its approval.

The IMF in November last year announced its freeze would continue through to the end of the 1996/97 financial year after the Zimbabwean government backed down to striking public servants and awarded a 20% pay increase. The unscheduled hike in the government wage bill pushed the budget deficit from its forecast 8,5% more than 11%.

The IMF also linked a resumption of lending to the introduction of the second phase of economic reforms following the end of the first phase of the economic structural adjustment programme in 1995. Fifteen months later, government spokesmen said phase two, the Zimbabwe programme for economic transformation, was nowhere near finalisation.

The IMF in November described it as "embryonic".

An IMF team visited Harare for two weeks in January and left without making a public statement.

Officials said privately, however, that although they were impressed by the government's verbal assurances of action, it was clear considerable work still had to be done. — Sapa.

Zimbabwe accused of import protectionism

(362) BD 14/3/97

Michael Hartnack

HARARE — The newly formed Importers' Association of Zimbabwe has accused the Confederation of Zimbabwean Industries of dragging the country into a protectionist tariff regime, harmful to consumers and retailers.

The association's chairman John Gardiner accused the confederation of using its influence to push for the new schedule of higher tariffs on finished goods — more than 85%.

The schedule is particularly likely to hit a flush of SA exports which have recently arrived on the market.

After 30 years of isolation and import substitution, Zimbabwe has been the subject of an aggressive sales drive over the past five years of economic liberalisation, particularly benefiting SA, its largest trading partner.

SA retail chains Clicks, CNA and Woolworths have all opened, but are likely to have their planned range hit by February's tariff schedule.

Confederation president Jonee Blanchfield denied misrepresenting importers, who claim they are in danger of being thrown out of business, or asking for increased tariffs on finished goods. "We wanted a tariff structure that would create a level playing field and do away with dumping," she said.

Long delays hit Air Zimbabwe

BD 17/3/97 (362)

Michael Hartnack

HARARE — Air Zimbabwe was reduced to providing a skeleton service yesterday as a strike by most of its 2 000 employees went into its third day.

There were chaotic scenes at Harare International Airport on Friday as the grounding of all seven of the state-owned airline's fleet was followed by the partial blocking of the main runway by a Boeing 707 cargo plane carrying mining and industrial explosives.

The Boeing, damaged during an emergency landing, was yesterday removed to safety, and Air Zimbabwe hired four relief aircraft with crews from SA to try to continue providing vital services.

Throughout the weekend, announcements were broadcast on radio and television warning of long delays and the diversion of passengers to other airlines.

The airline's MD Peter Chikumba confirmed 12 flights were cancelled on Saturday.

"I believe they (the striking staff) should resume work while negotiations are taking place," Chikumba said.

Chikumba said all overseas flights were cancelled yesterday but he hoped internal domestic flights from Harare to Bulawayo, Victoria Falls and Hwange would be maintained with the hired aircraft. He hoped today's flight to Mauritius could be undertaken with a hired aircraft.

Flight Crew Association chairman Capt Bill Mutambirwa said seven months of negotiations had been stalemated by management claims that they could not afford increments. Sources said Air Zimbabwe had agreed to 27% increases for pilots, but then withdrew, despite recent losses of senior staff to better paid airlines.

Newspaper reports in Zimbabwe have questioned Air Zimbabwe's future viability, jeopardised in part by repeated diversion of aircraft for use by President Robert Mugabe.

On Monday, a Boeing 707 with Mugabe, his wife Grace and a 30-member entourage on board had a scare at Ireland's Shannon Airport. The aircraft was forced due to a suspected engine fire on take-off to ditch an entire load of fuel for its homeward flight, then had undercarriage trouble, further delaying landing.

Mugabe returned the following day on the Air Zimbabwe flight from London's Gatwick Airport.

Stephané Bothma reports that SA scheduled airlines operating to Zimbabwe said yesterday that they had been unable to assist stranded Air Zimbabwe passengers due to full aircraft.

SAA and British Airways/Comair could provide seats for only a few passengers and no plans were under way to operate more flights between the two countries.

"We have not been requested by Zimbabwean authorities to assist by putting on additional aircraft on the affected routes," SAA spokesman Leon Els said.

Privately owned Zambian Express however yesterday sent an additional flight to Harare.

SMALL BUSINESS *Female entrepreneurs demand fair access to $75m World Bank loan*

Zimbabwe's women in battle for funds

CT(BR) 18/3/97 (362)

Lewis Machipisa

Harare — Women entrepreneurs in Zimbabwe, usually sidelined by creditors, are demanding their fair share of a $75 million World Bank loan that has been earmarked for small indigenous businesses.

The conditions laid by the World Bank, according to Kapil Kapoor, the deputy resident representative, are that beneficiaries must be small-scale entrepreneurs employing not more than 50 people and having assets not exceeding $100 000.

But past experience has shown that few women get access to such loans schemes.

"If it is to be fair, we need at least Z$300 million (R118,58 million) for small women's projects only," said Kubi Indi, the secretary-general of the Indigenous Business Women's Organisation (IBWO). That translates into about $27 million, a little over one-third of the World Bank facility.

"Women have never been really helped in the past. Of the Z$400 million that was disbursed (by the government) a few years ago, we only got about Z$10 million. This is nothing compared to the number of women's organisations," says Indi, whose three-year-old IBWO has 30 000 members countrywide.

"Support for women has been poor. Most financial institutions think that women want money for very little projects," she says. "But we have come of age now and there are women entrepreneurs who need millions of dollars for their projects.

According to David Cook, the World Bank representative in Zimbabwe, the loan has not been allocated to any given sector.

"Anybody can get that money depending on their projects," said Cook, who said the loan, which would be made available at the beginning of April, would be disbursed over two years.

Explaining the absence of gender-related conditions in the loan agreement, Kapoor said, "There is no prior allocation because we feared that by saying 20 percent or so of the loan should be allocated to women entrepreneurs, we might actually discriminate against women.

"Our experience has shown that financial institutions tend to favour giving loans to women because they are creditworthy," he said.

However, the loan, ratified by Parliament on February 12, has spawned fears that only those on the "right" side of government will benefit.

"The screening process is likely to favour those well-known in the ruling party and at the end of the day it will beef up ZANU-PF coffers," charged John Makumbe, a political scientist at the University of Zimbabwe. "This has been the practice in the past."

Parliament backbenchers were concerned at the way previous credit facilities had been disbursed. Instead of helping needy people in the rural areas, the money was largely restricted to the capital, Harare.This time, the government says, about $2 million is being set aside for each of the country's 10 provinces. — Sapa-IPS during an action-packed show at Parow Northerns Rugby Stadium on Saturday

Zimbabwe child sex abuse shock

ARG 18/3/97 (362)

3 in 10 affected, says study

Harare – Thirty percent of Zimbabwe's children are likely to have been sexually abused, according to a study here that claims the rate is three times higher than in other countries.

The high incidence is detailed in a paper, soon to be published by Harvard University's *Social Science and Medicine* journal, by Zimbabwean educational psychologists Naira Khan and Kwadzanai Nyanungo.

Their findings contrast with a figure of a minimum of 10 percent of children that has come to be accepted internationally by child care specialists. Traditional African custom that treats women and children as "male possessions," condones forms of child abuse and regards rape as seduction are factors underlying the high incidence, Ms Khan says.

The researchers also discovered that boys were abused, mostly by women, as often as girls, contrary to expectations that girls are mostly the victims. In most cases abuse against boys and girls is inflicted by relatives, with teachers coming a close second.

Child welfare experts say the research demolishes the myth that children of African societies are jealously protected by the family system, and that they are far removed from the dangers in highly technological Western society. – Sapa

Women entrepreneurs demand their share of World Bank loan

(362)

BD 18/3/97

HARARE — Women entrepreneurs in Zimbabwe, usually sidelined by creditors, are demanding their fair share of a $75m World Bank loan that has been earmarked for small, indigenous businesses.

The conditions laid down by the World Bank, said deputy resident representative Kapil Kapoor, were that beneficiaries must be small-scale entrepreneurs employing not more than 50 people and having assets not exceeding $100 000.

But past experience has shown that few women get access to such loans schemes.

"If it is to be fair, we need at least Z$300m for small women's projects only," said Indigenous Businesswomen's Organisation secretary-general Kubi Indi. That amount translates into about $27m, a little more than a third of the World Bank facility.

"Women have never been really helped in the past. Of the Z$400m that was disbursed (by the government) a few years ago, we got only about $10m. This is nothing compared to the number of women's organisations," said Indi, whose three-year-old organisation has 30 000 members countrywide.

"Support for women has been poor. Most financial institutions think that women want money for very little projects," she said. "But we have come of age now and there are women entrepreneurs who need millions of dollars for their projects.

"Financial institutions don't respect women as people who can handle large amounts of money. That trend has to change if the country is to progress. You can't have progress without women progressing too."

World Bank resident representative David Cook said the loan had not been allocated to any given sector. "Anybody can get that money depending on their projects," said Cook. The loan, which would be made available at the beginning of next month, would be disbursed over two years.

Explaining the absence of gender-related conditions in the loan agreement, Kapoor said: "There is no prior allocation because we feared that by saying 20% or so of the loan should be allocated to women entrepreneurs, we might actually discriminate against women.

"Our experience has shown that financial institutions tend to favour giving loans to women because they are creditworthy," he said.

However, the loan, ratified by parliament on February 12, has spawned fears that only those on the "right" side of government will benefit.

"The screening process is likely to favour those well known in the ruling party and at the end of the day it will beef up Zanu (PF) coffers," said University of Zimbabwe political scientist John Makumbe. "This has been the practice in the past."

Fresh in Makumbe's mind is the $37,7m government facility to which Indi referred. It failed to benefit the "ordinary" person because it was hijacked by "cronies of the ruling party," he said.

"Zanu (PF) will make sure it's going to get a bigger piece for its cronies. People should focus on viable projects, not party partisanship."

Even when the loan agreement was ratified in parliament, backbenchers expressed concern at the way previous credit facilities had been disbursed.

They noted that past disbursements did not go to most of the intended beneficiaries. Instead of helping needy people in the rural areas, the money was largely restricted to Harare. This time, the government says, about $2m is being set aside for each of the country's 10 provinces.

But Makumbe has another doubt. "This money is supposed to create a revolving fund but I don't think it will do that," he said. "Of the Z$400m that was given in the past, nothing has revolved back."

The World Bank itself has included safeguards meant to prevent abuses. Kapoor said the bank would periodically bring in external auditors to "make sure the procedures are being followed".

"This will ensure that powerful people with connections in government do not get access to these funds," he said. "Usually these people have larger companies than what we are looking at."

The previous Z$400m credit was disbursed through the Credit Guarantee Facility, an arm of the Reserve Bank.

To ensure transparency, said Indigenous Business Development Centre president Ben Mucheche, disbursements from the World Bank facility should be made through financial institutions designated by the government.

Five financial institutions are understood to have signed an agreement with the government to lend the money, which is expected to contribute towards reducing the economic imbalance left over from when the country was ruled by a white minority.

Seventeen years after the end of minority rule in 1980, whites — less than 2% of Zimbabwe's population — still control industry and commerce, and own more than half of all prime farmland.

Blacks — more than 95% of the 11,5-million Zimbabweans — are mainly wage earners, subsistence farmers in arid and semi-arid areas, small business people or unemployed.

Correcting the imbalance was supposed to have been the role of organisations such as the Indigenous Business Development Centre, formed in 1991 with the aim of furthering black economic empowerment. However, some of these groups have been dogged by internal wrangling linked, some say, to politics.

Businessman Strive Masiyiwa, who helped found the centre, said he left the organisation in 1995 because of political interference.

"There were a lot of political agendas beginning to creep in," he said. "Daily, it appeared we were being sucked into a political role."

Former Indigenous Business Development Centre president Chemist Siziba agrees. "When I was in the centre, certain politicians saw the organisation as a perfect platform to push for their interests," he said. "That is still the main problem. People with the right connections are getting (state) tenders ahead of those without." — Sapa-IPS.

Strong economic revival boosts Zimpapers

(362) BD 19/3/97

Michael Hartnack

HARARE — The state-controlled Zimbabwe Newspaper Company (Zimpapers), which publishes the country's only daily and Sunday newspapers, lifted turnover and profit for the year to December after a strong revival of the economy last year.

Chairman Honour Mkushi said pretax profit for the year to end-December had risen 167% to R3,5m on turnover of R174,3m, while dividends were up 340% to 48c.

Turnover from the newspaper division of the company, which also has printing and packaging arms, rose 30% to R121,7m. Mkushi attributed the results to "increased advertising volumes due to growth in the economy".

At the annual meeting next month shareholders are to be asked to approve a new share issue, with a 10-for-one split and a three-for-one bonus for existing holders.

Mkushi made no reference to renewed management problems that hit the company due to direct political interference from President Robert Mugabe last year. Zimpapers MD Simba Makoni made two attempts to suspend Sunday Mail editor Charles Chikerema, Mugabe's cousin, for alleged defiance of management instructions, but was overruled from state house.

After Chikerema's second reinstatement in December, Makoni was sent on paid leave, leaving the company without a substantive MD for the past four months.

Zimpapers' titles, the Herald, Bulawayo Chronicle, Sunday Mail and Sunday News, face increasing competition from a year-old weekly newspaper, the Zimbabwe Independent, and the Sunday Standard, to be launched next month.

Zimbabwe housing suffers 'severe setback'

BD 19/3/97 (362)

Harare — Zimbabwe's ambitious plan to achieve housing for all the country's 10,5-million population by the year 2000 is falling short of demand because of severe financial setbacks.

Researchers now say there will be a significant increase in the numbers of homeless.

In January this year the housing backlog stood at 670 000. This is expected to increase to 1 100 000 by the turn of the century.

In the 1996/97 financial year, the government set aside only $19,5m for suburban housing, two-thirds of the estimated amount needed each year to make sure demand is met by 2010. The private sector is being asked to spend $3,8m in the same period.

National planners are also worried about delays in approving survey diagrams by the severely understaffed surveyor-general's office. The US Agency for International Development (USAID) and the World Bank are being asked to provide technical staff.

In rural areas the situation is slightly better. Although there are no homeless people, a government survey indicates 25% of the existing housing stock is substandard. The existing backlog of 312 500 is projected to increase to 368 750 by the year 2000.

A lack of funds is again the reason. A senior housing ministry official says his ministry was allocated only $400 000 for rural housing in the 1996/97 financial year.

To ease the situation plans have been drawn up to allow "partnerships" with the private sector, local authorities, nongovernmental organisations, and community-based organisations.

The government and USAID have set up a joint programme to allow private sector participation in low-cost housing.

The programme provides interest-free funds to building societies for mortgage finance. These are combined with high interest funds, allowing borrowers to pay mortgage rates below commercial market rates. A total of 45 000 houses are being bought through this scheme.

Even though international organisations and the private sector have improved the situation, ministry officials say the main thrust must come from government, which needs to provide more money. The bottom line is government has to strengthen public sector finance. "Government is obliged to house the vulnerable groups in our societies who cannot afford a decent shelter in the open market," says a housing ministry official.

Zimbabwe Building Society MD Francis Nhema one of the country's five societies, believes shelter policies should not only focus on new construction and home ownership but also on making best use of rental options.

"The rental option has been neglected at the expense of home ownership. The rent regulations must be relaxed to encourage investment in rental accommodation. It has been argued that shelter policies should address the demands of women migrants, indigenous people, and other vulnerable groups. Until these groups are addressed, we cannot talk of shelter for all," he says.

On the question of mobilising funds, Nhema says formal finance mechanisms serve the conventional market but do not always respond to the needs of large segments of the population.

To make more money available he suggests new mechanisms should be set up such as a secondary mortgage market and issue of bonds or debentures, with subsidies being targeted, to people having no access to credit.

"The provision for shelter for all is a mammoth task which calls for the involvement of the government, private sector, nongovernmental and community-based organisations," says Nhema. — AIA.

WORLD

Critics query Mugabe 'race' bill

BD 20/3/97 (362)

HARARE — President Robert Mugabe's government has drafted legislation meant to legalise racial discrimination to open up the way for the wholesale implementation of affirmative action policies, a move that observers warn will heighten racial tension in Zimbabwe.

The "prevention of discrimination" bill plans to outlaw discrimination on the grounds of race, gender, religion and political persuasion, but also proposes to sanction discrimination if it works in favour "of any policy for the advancement of persons who have been disadvantaged by past discrimination", according to the draft.

It also provides sweeping powers to the government to close down any organisation that is accused of discrimination, and to prosecute for allegations of prejudice in privately transacted business.

Observers say the main aim of the bill is to provide the legal backing, demanded for years by the country's militant black business lobby, for Mugabe's "indigenisation" policy to favour black enterprises on the grounds of colour against white, Asian and coloured competitors.

The draft is already under attack from lawyers for being unconstitutional, vague and giving the government arbitrary powers it needs to ride roughshod over human rights in the name of a controversial affirmative action policy.

It is being compared with Malaysia's controversial "bumiputra" laws that reserve whole sections of national life for the majority Malay people, and excludes the affluent ethnic Chinese community. Mugabe is a regular visitor to Malaysia — and makes no secret of his admiration for Kuala Lumpur's way of doing things.

There is a growing anger against Mugabe and his government over the increasingly obvious favours granted to relatives and a group of rich and politically favoured black tycoons.

A storm is gathering over the award two weeks ago of a cellular telephone service licence by Information Minister Joyce Mujuru to a company including her husband, former army commander Solomon Mujuru, and Leo Mugabe, the president's nephew; but excluding popular black entrepreneur Strive Masiyiwa who has kept aloof from what is called "royal family patronage".

A memorandum to the draft says it is meant to give effect to the United Nations' international convention against racial discrimination, and that it means to bar prejudice on grounds also of gender, religion or political persuasion.

However, experts point out that the bill of rights in Zimbabwe's constitution already provides a comprehensive bar against nearly all forms of discrimination.

The major failing of the clause meant to back affirmative action is that it is overridden by the constitution.

Constitution

"The constitution is the supreme law and it has already outlawed discrimination. An ordinary statute like this cannot derogate rights enshrined in the constitution," says Prof Welshman Ncube, professor of public law at the University of Zimbabwe and a member of the Law Development Commission, the state-appointed legal think-tank.

Ncube says the draft was a copy of laws Mugabe used at independence in 1980 to enable him to sidestep anti-discrimination laws and to draft blacks into senior positions in the formerly whites-only Rhodesian public service.

It had a time limit and was tightly worded for specific objectives; but the new draft sets no such restrictions.

"The whole idea of affirmative action is that when you have achieved your aim, it comes to an end. This one is permanent," says Ncube.

"You also need the areas of affirmative action to be defined. With this, it could be in respect of anything. In reality, it's not to give it (affirmative action) to indigenous companies, but to give it to the relatives, brothers and nephews of the political elite in the guise of affirmative action."

The present constitution, on a model followed by most democratic Commonwealth countries, provides for action against discrimination in public places where a service is offered. The bill, however, plans to extend this to private offices and private transactions. It prescribes specific penalties for refusing loans or to sell property to anyone on the grounds of race. Even the "imposition of onerous terms and conditions" is meant to be considered illegal.

The difference it makes is that the law will leave it up to the accused to prove that his or her refusal was not racially based, Ncube points out. It gives much more weight to situations "where the offence can be more imagined than real".

One of the main contentions of the militant black business lobby is the demand for easier terms for blacks to get loans from banks and building societies. The institutions say they cannot lend at a high risk without stiff conditions. The lobby insists the refusal is racist.

The bill also intends to allow any recognised authority to withdraw operating licences from any organisation, from mining companies to legal firms, if it believes the body has been practising discrimination. It does not need a law court conviction to act.

"This is very sweeping legislation indeed," Ncube says.

"The real difficulty is that those who will wield power under it have never demonstrated any commitment to the rule of law, or to fairness or equity." — Sapa.

Turbulence at Air Zimbabwe

MtG 20-26/3/97 (362)

Iden Wetherell

AIR Zimbabwe, at the centre of a row last year over President Robert Mugabe's habit of commandeering planes, flew into another storm this week as pilots intensified a strike for better pay which grounded the entire fleet.

It couldn't have come at a worse time for the airline. Internal management documents reveal the national carrier is close to bankruptcy and unable to meet many of its current commitments.

The pilots are seeking salaries comparable with other aircrews in the region. But acting managing director Peter Chikumba said in a recent confidential memorandum that "we cannot afford to increase the current salaries at all as this may lead to the ultimate closure of the corporation".

In a related document on profitability he said the airline was "technically bankrupt" and could not meet its obligations in full if asked to do so. Although he denied this week that Air Zimbabwe was broke, he admitted it faced "severe difficulties of an operational nature".

Getting off the ground appears to be one of them. Planes were spread across the Harare airport apron this week as pilots refused to go back. "We cannot continue being hoodwinked, bluffed and tricked forever," their spokesman Captain Phillip Mutambirwa said.

Air Zimbabwe has leased aircraft from South Africa's Nationwide airline but these were unable to leave Harare when another South African charter containing ammunition crash-landed, blocking the runway.

To compound the airline's problems, a Boeing 707 which Mugabe had taken for a visit to Europe last week caught fire on take-off from Shannon in Ireland disabling it for several months and obliging the presidential party, in a novel development, to catch a scheduled flight home.

Presidential requisitioning of jets has caused havoc to the airline's schedules and seen passengers stranded at tourist resorts. Increased competition has also eaten into the company's bottom line while unprofitable routes to Botswana and Cyprus drain resources.

Despite management's attempts to put a brave face on things, the situation is likely to get worse. The premature termination of a lease on two Fokker 50 aircraft, acquired in what members of parliament said were questionable circumstances and found unsuitable for Zimbabwean conditions, will cost the airline over R50-million in penalties.

Chikumba said he will make savings by reviewing the lease on the London office which cost R3-million last year and by renegotiating an expensive catering contract.

This will be an interesting test of his resolve. The contract, worth R20-million, is operated by a company owned by the ruling Zanu-PF party.

Air Zimbabwe's management sees promised commercialisation — a preliminary to privatisation — as holding the key to survival. But with wanderlust still evident and without a plane of his own, Mugabe may find it difficult to let go of such a convenient asset.

Mugabe aims to make affirmative action law

Star 21/3/97 (362)

New bill is said to be modelled on Malaysia's controversial 'bumiputra' laws discriminating against ethnic Chinese

By Jan Raath
Harare

President Robert Mugabe's government has drafted legislation meant to legalise racial discrimination to open up the way for the wholesale implementation of affirmative action policies, a move observers warn will heighten racial tension.

The "Prevention of Discrimination" Bill plans to outlaw discrimination on the grounds of race, gender, religion and political persuasion, but also proposes to sanction discrimination if it works in favour "of any policy for the advancement of persons who have been disadvantaged by past discrimination".

It also provides sweeping powers to the government to close any organisation accused of discrimination, and to prosecution for allegations of prejudice in privately transacted business.

Observers say the main aim of the bill is to provide the legal backing, demanded by the militant black business lobby, for Mugabe's "indigenisation" policy to favour black enterprises on the grounds of colour against white, Asian and coloured competitors.

The draft is already under attack from lawyers for being unconstitutional, vague and giving the government arbitrary powers it needs to ride over human rights in the name of a controversial affirmative action policy.

It is being compared with Malaysia's controversial "bumiputra" laws which reserve whole sections of national life for the majority Malay people, and exclude the affluent ethnic Chinese. Mugabe is a regular visitor to Malaysia and makes no secret of his admiration for Kuala Lumpur's way of doing things.

There is a growing anger against Mugabe and his government over the increasingly obvious favours granted to relatives and a group of wealthy and politically favoured black tycoons.

A storm is gathering over the award two weeks ago of a cellular telephone service licence by Information Minister Joyce Mujuru to a company which included her husband, former army commander Solomon Mujuru, and Leo Mugabe, the president's nephew; but excluded popular black entrepreneur Strive Masiyiwa who has kept aloof from what is referred to as "royal family patronage".

Constitution overrides draft bill – professor

A memorandum to the draft bill says it is meant to give effect to the United Nations' international convention against discrimination, and it means to bar prejudice on grounds of gender, religion or political persuasion.

But experts point out that the Bill of Rights in Zimbabwe's constitution already provides a comprehensive bar against nearly all forms of discrimination.

The major failing of the clause is it is overridden by the constitution, says Professor Welshman Ncube, professor of public law at the University of Zimbabwe and a member of the Law Development Commission, the state-appointed thinktank.

"The constitution is the supreme law and it has already outlawed discrimination. An ordinary statute like this cannot derogate rights enshrined in the constitution."

He says the draft is a copy of laws Mugabe used at independence in 1980 to enable him to sidestep anti-discrimination laws and to draft blacks into senior positions in the civil service. It had a time limit and was tightly worded for specific objectives; but the new draft sets no restrictions.

"The whole idea of affirmative action is that when you have achieved your aim, it comes to an end. This one is permanent," says Ncube. "You also need the areas of affirmative action to be defined. With this, it could be in respect of anything.

"In reality, it's not to give it (affirmative action) to indigenous companies, but to give it to the relatives, brothers and nephews of the political elite in the guise of affirmative action," he says.

"It gives itself the excuse not to follow tender board rules, and give the tender to the tenderer with the most expensive bids."

The present constitution, on a model followed by most democratic Commonwealth countries, provides for action against discrimination in public places where a service is offered.

The bill extends this to private offices and private transactions. It prescribes specific penalties for refusing loans or to sell property to anyone on the grounds of race. Even the "imposition of onerous terms and conditions" is meant to be considered illegal.

"This is very sweeping legislation indeed," Ncube says. "The real difficulty is that those who will wield power under it have never demonstrated any commitment to the rule of law, or to fairness, or equity." – Sapa.

Latest contribution to the fight against rising crime in Zimbabwe has real bite

(362) Star 22/3/97

By ANDREW ZHAKATA

Harare – The guards that a security specialist hires out to protect private homes in Zimbabwe's capital get spitting mad when burglars try to break in. Which is why wildlife authorities and a human rights organisation are so outraged.

The national parks department calls Ben Vermeulen's use of spitting cobras "bizarre and crazy" and has taken away his licence to breed the snakes. The breed is best known for its ability to squirt deadly venom into a victim's eye, causing blindness. But a bite can be fatal if not treated within five hours.

The Catholic Commission for Justice and Peace is equally appalled.

"No one has a right to take someone else's life, whatever the reason. Using snakes is not a correct deterrent to crime. Vermeulen wants to put himself in the position of judge and executioner. He will end up killing innocent people with his snakes and his idea must be stopped forthwith," says chairman Mike Auret.

The attorney-general's office says that if a thief gets bitten and dies, the owner of the snake will be held responsible and could be charged with murder, depending on circumstances.

Unapologetic, Vermeulen says he will fight in court for his right to hire out the snakes. And he says it is the intruder's fault for getting bitten or blinded. "We erect warning signs around premises warning would-be intruders about the presence of the snakes."

Part of his reason for using the snakes as "watchdogs", he says, is the escalating crime rate. "Vicious dogs, armed security guards, police patrols and electrified fences have failed to ward off Zimbabwe's criminals, who are becoming more cunning and sophisticated by the day. But this time, snakes will stop the daring thieves," says Vermeulen.

His company owns 23 of the snakes, hiring them out for the equivalent of R36 a day. They are left to roam at will around the house and are collected by the company when the owner returns. Vermeulen says that even if a window is left open, the reptiles will not get out as they are unable to climb up smooth walls.

The national parks department rejects Vermeulen's arguments. "Our main concern is that Vermeulen was hiring out deadly snakes endangering people's lives. We do not condone crime, but surely there must be a better and safe way of curbing the escalating crime," says a spokesman.

There is no doubt that snakes can be effective deterrents. University lecturer Aaron Chikodzore hired a snake for his suburban home for two weeks. During this time, someone did try to break in. "Windows were broken and the burglar bars were cut while I was away – but my television, radio and video were still there, thanks to the snake."

Thieves had twice before broken into his house and stolen property worth R36 000 while he and his family were on holiday.

Crime is definitely on the increase in Zimbabwe, with 200 000 cases of car theft, housebreaking, rape and armed robbery in Harare last year, compared with 120 000 in 1995. Police commissioner Augustine Chihuri recently called for "new strategies to fight this crime, which has become a constant menace".

Whether the use of poisonous snakes is a solution is open to question. – Independent Foreign Service/Africa Information Afrique

Zimbabwe cuts out cellphone pioneer

BD 24/3/97 (362)

Michael Harnack

HARARE — The Zimbabwean government has decided not to issue a third cellular telephone licence, cutting out local cellphone pioneer Strive Masiyiwa, who has been given a cabinet ultimatum to sell his imported equipment to his rivals.

This was announced by Information Minister Joyce Mujuru during the gazetting at the weekend of Zimbabwe's second cellular licence to the Zairois consortium which includes President Robert Mugabe's nephew Leo and Mujuru's husband, Solomon.

Mujuru's announcement cuts out local cellphone pioneer, Masiyiwa, whose Econet project might now face bankruptcy after his three-year fight with the parastatal posts and telecommunications corporation and the recently arrived Zairois competitor.

The awarding of the licence to the Zairois consortium is seen as being a political humiliation for Vice-President Joshua Nkomo, 80. Political sources say that while he was acting president, Nkomo ordered Mujuru to grant Masiyiwa his long-delayed licence. Nkomo threatened to resign over the issue, but failed to gain the support of other Matabeleland political heavyweights, including Home Affairs Minister Dumiso Dabengwa and Local Government Minister John Mkomo.

On his return from Britain, France and Ireland, President Robert Mugabe reportedly threw his weight behind the hitherto unknown Zairois "Telecel" group, which includes Leo Mugabe and retired general Solomon Mujuru (formerly known as guerrilla commander Rex Nhongo).

The Mujurus' triumph lends weight to suggestions that the general may be brought into the cabinet soon alongside his wife, to replace Agriculture Minister Denis Norman. Norman has been taking parliamentary flak for disorganisation in his underfunded ministry, while farmers blame him for plans to extend the current 10% tobacco levy to all other produce.

Masiyiwa last month withdrew a

Continued on Page 2

Cellphone

(362) BD 24/3/97

Continued from Page 1

High Court challenge to the planned licensing of Telecel, saying he had been assured that he would be granted the third licence. He said he could connect 12 000 subscribers almost imediately, while Telecel still had months of preparations to complete.

"The clientele is not big enough to support three operators," Joyce Mujuru said, adding that the cabinet decided Masiyiwa would have to sell equipment he had imported with Ericssons (SA) to Telecel "or the government will confiscate it".

If Masiyiwa defied orders to hand over his infrastructure, "the police or state security agents might ... arrest him for putting up and operating highly sensitive instruments classified as a security risk". Masiyiwa could be jailed because tests he had done broke the law, she said.

Masiyiwa said he would return to the High Court and Supreme Court to try to defend his R40m investment.

Mugabe's missions fail to reap rewards as investors steer clear

CT (BR) 25/3/97 (~~355~~) (362)

Angus Gova

Harare — Despite several missions abroad to woo foreign capital, investor interest in Zimbabwe has remained disappointing, with the country being rated as one of the lowest on the list of emerging markets that are considered as investment opportunities. President Robert Mugabe recently spoke to investment conferences in London and Paris.

During the past few years, similar missions have been held in Europe, the US and the Far East. All the missions have been described as successes, but have not led to investment.

One investment project has been directly attributed to the road shows of recent years — a $15 million manufacturing plant for haircare products by Dudley Products from North Carolina.

Larger investments have taken place, but not because of the investment drives — the most notable is a $400 million platinum project by Australian companies BHP and Delta Gold.

Another has been fairly controversial. The deal involves YTL of Malaysia taking a 51 percent shareholding in Hwange, the country's largest power station, for $600 million.

This month, an Iranian company concluded a $41 million joint venture deal with the Zimbabwe Development Corporation, a government parastatal, for the manufacture of carpets and blankets at Cone Textiles.

Zimbabwe's government has tried to portray the country as a serious contender for investment capital and has taken steps to attract investors. Among these has been the establishment of a national investment centre. There has also been a relaxation of economic rules with respect to imports and exports, labour and price controls. But investment has remained low.

Danny Dube, an economist with the Commercial Bank of Zimbabwe, says that is because of the unstable domestic economic climate, which is characterised by high interest rates and inflation. Inflation was about 19 percent while interest rates were about 30 percent.

Dube says that approvals by the investment centre do not mean that there is more foreign direct investment. The number of approvals has dropped significantly from 1994 and 1995 and have continued on a steady decline. There is also a drop in the value of the projects approved.

An investment centre spokesman says that the implementation rate of projects that have been approved is 50 percent and that that is far from the amount needed to absorb 300 000 school-leavers a year.

Reinosuke Hare, a senior adviser to Seiko Enterprises, told businessmen in Zimbabwe that Japanese investors had not invested much in Zimbabwe or in Africa as a whole because of insufficient knowledge about the continent.

Foreign investors have voiced significant concerns that they see as capable of overriding the investment advantages. At the forefront has been the fear of an ever-continuing erosion of the economy, high inflation, declining currency values, increasing unemployment and negative or inadequate economic growth.

Coupled with these fears are unfulfilled government assurances of reduced expenditure, the size of the public service, the magnitude of the defence expenditure and substantial salary increases for those in parliament and the civil service. There was also concern at the level of corruption ranging from bribes, "subsidies", "sponsorships", "donations" and other discreetly described payments.

Another disturbing factor has been a barrage of anti-white vitriolic by politicians, black business activists and Mugabe himself, who has made explicit remarks about whites and multinationals.

Eric Bloch, an economist says: "Zimbabwe has to address the causes of investor scepticism and the grounds for investment cynicism, ensuring the projected economic advances while curbing corruption and welcoming desirable, employment-creating investment." — IPS/Africa Information Afrique

ZIMBABWE *Private sector steps in as state struggles to meet demands of sheltering the population*

Housing on hold as government funds run short

(362) ~~(345)~~ CT(BR) 25/3/97

ANGUS GOVA

Harare — A shortage of funds has hampered Zimbabwe's plan to house all of its 10,5 million population by 2000.

In January the housing backlog stood at 670 000. This is expected to increase to 1,1 million by the turn of the century.

In the 1996-97 financial year, the government set aside $19,5 million for urban housing, only two-thirds of the estimated amount needed each year to ensure demand is met by 2010. The private sector has been asked to spend $3,8 million in the same period.

National planners are also worried at delays in approving survey diagrams by the severely understaffed surveyor-general's office. The US Agency for International Development (USAID) and the World Bank are being asked to provide technical staff.

In rural areas the situation is slightly better. Although there are no homeless people, a government survey has shown that 25 percent of existing housing is sub-standard.

To ease this, the government and USAID have set up a joint programme to allow the private sector, local authorities, NGOs, and community-based organisations to participate in low-cost housing.

The programme provides interest-free funds to building societies for mortgage finance. These are combined with high interest funds, allowing borrowers to pay lower mortgage rates. A total of 45 000 houses are being bought this way.

Although the intervention of international organisations and the private sector has improved things, ministry officials say the government has to strengthen public sector finance. "Government is obliged to house the vulnerable groups in society who cannot afford a decent shelter," a housing ministry official said.

Francis Nhema, the managing director of the Zimbabwe Building Society, one of five in the country, said shelter policies should not only focus on new construction and homeownership but also on making use of rental options. To make more money available Nhema said new mechanisms should be set up such as a secondary mortgage market and the issue of bonds or debentures with subsidies being targeted at people who have no access to credit.— IFS/Africa Information Afrique

Bill will entrench discrimination

BD 27/3/97 (362)

HARARE — Zimbabwe is on the way to becoming the second country in the world, after Malaysia, to introduce laws that entrench discrimination on the grounds of race, to give effect to radical policies of affirmative action and reserve major parts of the country's economy for blacks.

A draft of the "prevention of discrimination" bill being circulated at present says that it intends to outlaw discrimination on the grounds of race, gender, religion or political persuasion — in line with the United Nations General Assembly declaration in 1994 against discrimination.

But it specifically sanctions discrimination if it supports "any policy for the advancement of persons who have been disadvantaged by past discrimination". The phrase is seen as a direct reference to the country's black population who bore the brunt of the former whites-only Rhodesian government's brand of apartheid until 1980.

Lawyers point out that Zimbabwe's constitution already provides a barrage of protection against most forms of discrimination. They have little doubt that the main aim of the proposed law is to eliminate legal objections that the government will face if it goes further in providing favours for black businessmen in pursuit of President Robert Mugabe's policy of "indigenisation".

Over the past five years, Mugabe has gradually adopted the policies of a vocal group of black businessmen and women who insist that although the country gained political independence 17 years ago, most of the country's economy is still in the hands of affluent whites and foreign companies. Already state and municipal authorities are obliged to issue supply and building contracts to black-owned firms.

Plans to privatise state-owned businesses have made it clear blacks will be the only permissible buyers. Negotiations have begun with multinational companies Lonrhro and Anglo American for the sale of large chunks of their mining companies' equity to blacks.

The increasingly militant campaign is showing close parallels with Malaysia's "bumiputra" policies, often criticised as "apartheid in reverse".

In the past few months the policy has begun to come under fire from organisations and prominent black commentators that originally backed "indigenisation".

Two weeks ago Information Minister Joyce Mujuru issued a hugely lucrative licence to operate a private cellular telephone system to a company whose directors included her husband, former army commander and ruling party politburo member Solomon Mujuru, Leo Mugabe, nephew of the president, and other party officials.

The government did not issue the draft prevention of discrimination bill to the country's legal and human rights bodies, but copies are in circulation. Lawyers have condemned it as unconstitutional and providing the government with arbitrary powers to implement an increasingly discredited policy of affirmative action.

"This is very sweeping legislation indeed," said Welshman Ncube, law professor at Zimbabwe University and a member of the quasi-government think-tank, the law development Commission. "The real difficulty is that those who will wield power under it have never demonstrated any commitment to the rule of law, or to fairness, or equity."

There are other anxieties. One clause gives any official body the power to withdraw a licence to operate from anyone, from multinational-owned platinum mines to fast-food outlets, if it is accused of discrimination.

Another prescribes penalties for refusing finance or to sell property on the grounds of race and other forms of discrimination. A bank refusing to lend money to a risky client can be severely punished if a magistrate believes the refusal was racist. — Sapa-DPA.

Boom time for Zim mining

MtG (BM) 27/3-3/4/97

(362)

Everything is in place for the Zimbabwe mining industry to take off, so now appears to be the time to invest. Andrew Meldrum reports from Harare

WITH earnings of more than Z$7-billion ($620-million) last year and enthusiastic exploration activity, Zimbabwe's mining industry is booming and looking for more.

A big new platinum mine and several projects in the planning stages promise to make Zimbabwe a top producer of the metal.

"These are exciting times for the Zimbabwe economy, and mining is especially buoyant," says Godfrey Gomwe, managing director of Africa Resources, a mining and industrial group with a Z$1,2-billion turnover.

"Everything is in place for Zimbabwe to attract new mining ventures," says Gomwe, citing government tax incentives and support from the Geological Survey.

"As a result, mining is the only sector with visible inflows of direct foreign investment. BHP, Delta Gold, Cluff, Reunion and Trillion have all brought in funds to start mining operations, and they are exploring aggressively. These companies are starting hi-tech operations not seen in this country before."

Gomwe knows what he is talking about: He ran Cluff's Freda-Rebecca mine which transformed a low-grade mine into one of Zimbabwe's biggest gold producers.

Cluff Zimbabwe has now been taken over by Africa's new gold giant, Ashanti. Gomwe moved on to Africa Resources. "This is a window to demonstrate that black Zimbabweans can run mining corporations. We delivered at Cluff/Ashanti, now I want to do it at Africa Resources."

Some 230 exclusive prospecting orders have been issued this year and a further 160 are being processed, says Minister of Mines Swithun Mombeshora. This is an impressive increase from the doldrums of 1991 when only 74 orders were processed.

Much of the feverish prospecting is for diamonds, gold and base metals. In addition to abundant resources and government incentives, Zimbabwe offers relatively well-educated and inexpensive labour.

"We have a brains trust here," boasts Gomwe. "Most of our labour is reasonably well-educated up to the age of about 16. Our labour costs are half of those in South Africa's mines. And our labour is more reliable and productive."

The giant Hartley platinum mine, 80km south-west of Harare, is setting the pace. "Everything in mining is overshadowed by Hartley," says Gomwe. "BHP's investment alone is to a large extent responsible for the influx of international mining companies to Zimbabwe and the exploring activity. The Hartley investment was like free advertising."

BHP and fellow Australian firm Delta Gold are investing $280-million to develop a mine projected to produce 150 000 ounces of platinum a year.

"We expect to produce our first platinum in the middle of 1997," says Colin Palethorpe, BHP senior vice-president. "Our projected 1997 production will only be one-sixth of the full production we expect to reach in 1998."

That production is expected to represent 3% of the world supply and could earn $96-million a year in exports.

Hartley is a hi-tech development including a concentrator, smelter and refinery. From 180 000 tons of ore per month, the mine is expected to produce 12 500 ounces of platinum.

The platinum will be extracted using complex chemical processes that create marketable by-products: palladium, rhodium, gold, nickel, copper, cobalt, and sodium sulphate.

Zimbabwe could produce 10% of world platinum if other potential projects get under way. BHP, Delta Gold, Zimasco and Anglo American have all staked out prospective mines along Zimbabwe's Great Dyke, a spine of mineral-studded hills that runs through the country. Zimasco is already mining.

But not everything has been smooth going at Hartley. BHP had a lengthy battle with immigration to get permits for expatriate staff — the project has a staff of 2 700, of whom 70 are expatriates. At full strength it is expected to have 3 100 staff, 86 of them expatriates.

"At the moment we are pleased with administrative procedures by the ministries of Mines and Home Affairs to address some of the delays we experienced a year ago," Palethorpe says diplomatically.

Others in the mining industry have been amazed that the government has allowed any stumbling blocks to impede BHP's progress. They say mining firms are watching the Hartley project as a test case to see if mining ventures can succeed in Zimbabwe.

'Mining is the only sector with visible inflows of direct foreign investment'

"Certainly it is crucial that this project succeed, not just for the investors, but for the entire Zimbabwe mining industry," says Palethorpe. "The whole international mining industry, as well as potential investors in other sectors, are watching to see how it goes.

"The conventional wisdom of the platinum industry is that we will fail, because the extraction process is extremely complex and the ground conditions are known to be difficult. What is needed is commitment, deep pockets and the latest technology to be successful. We have all that."

Gomwe, too, feels that everything is in place for Zimbabwe's mining sector. "The watchers will sit on the sidelines and wait to see if there will be a better time to invest in Zimbabwe's mining, but they will miss the boat. This is the time to stop watching and get going."

curtailing spending to allow ... serve high praise, ...

Zimbabwe trade deal data unveiled

BD 1/4/97 (362)

Michael Hartnack

HARARE — Schedules setting out quotas, new preferential duty rates and procedures for rebates relating to the updated most favoured nation bilateral trade agreement between SA and Zimbabwe were released at the weekend.

The detailed schedules, released by the SA high commission, show that initial rates of duty on clothing covered by the agreed quotas was down to 30%, with provision for progressive reduction to 20% by September 2002.

Among other concessions was an 800 000kg quota for Zimbabwean cotton yarn, now at only 14% duty and falling to 7,5% by September 1 2002, and 3-million square metres of woven fabric at initial duty rates of 19,5% falling to 11% by 2002.

In terms of the new agreement, 570 000 pairs of girls or ladies panties (knitted or crocheted) would shortly be heading south across the Limpopo from Zimbabwe's clothing factories.

These will be joined by 390 000 pairs of Zimbabwean-manufactured men's or boys' underpants, 120 000 babies' nappies; up to 10 000 pairs of men's or boys' pyjamas, nightshirts, dressing gowns and bathrobes, and 10 000 ladies' slips and 25 000 bras.

The Zimbabwe-SA textile and clothing agreement came into force on March 1 after years of bargaining. The delay reduced more than 20 Zimbabwean clothing firms to bankruptcy and resulted in the loss of thousands of jobs.

The 1964 trade pact was overtaken in 1992 by Pretoria's new protective tariffs, which pushed SA duties on Zimbabwean manufactures up from 15% to more than 85%.

Confederation of Zimbabwean Industries president Jonee Blanchfield and Southern African Development Community former executive secretary Simba Makoni predicted a trade war between the two neighbours as SA's trade surplus with Zimbabwe last year soared to more than R3bn.

Trade figures released in Harare at the same time showed that major Zimbabwean imports from SA were vehicles, machinery, plastics, chemicals and paper. However, Zimbabwe's potential SA market was revealed by exports of minerals, footwear and foodstuffs, as well as clothing and textiles.

Zimbabwe also supplied SA with R4m worth of antiques more than it imported.

Tax holiday scheme making a slow start

Tim Cohen

CAPE TOWN — SA's new supply-side tax holiday

Heavy rains put a slight damper on Zimbabwe's crop prospects

ARG 1/4/97 (362)

CHRIS CHINAKA

Harare – Zimbabwe expects a bumper crop harvest this month despite weather and disease-related problems, and industry officials say prospects are good for higher maize exports.

They said that output of the staple maize was forecast to remain at last year's 2,6 million tons, 200 000 tons down from earlier predictions after crops suffered severe water-logging and others were damaged by grey leaf disease.

"The heavy rains this season (November-April) brought us some problems, but the outlook is still generally good," said Nick Swanepoel, president of the main Commercial Farmers Union (CFU).

Zimbabwe's agriculture-powered economy is forecast to grow by up to eight percent this year, up from six percent in 1996 on the back of a 12 percent rise in the farming sector.

"We are looking at bumper harvests almost all-round, and naturally to big stocks and an increase in some of our exports, especially maize," Mr Swanepoel said.

Zimbabwe has exported about 400 000 tons of maize from its 1996 crop.

Mr Swanepoel declined to go into details on the export prospects, saying: "We will have a clearer idea of the definite facts and figures in the next two months or so".

Before the crop was hit by water-logging and grey leaf disease, Mr Swanepoel and other top industry officials, including Agriculture Minister Denis Norman, were forecasting an output of around 2,8 million tons.

"It has turned out differently," said Ian Gibson, chairman of the CFU's sub-group, the Commercial Grain Producers' Association.

"Our members are fighting to control diseases to keep whatever figures we are talking about," he said.

The Zimbabwe Tobacco Association (ZTA) also revised estimates for this year's flue-cured tobacco to a record 205-million kg, from initial expectations of 235-million kg, saying the crop had also been hit by water logging.

Sugar production is expected to rise to over 600 000 tons this year from 513 000 tons in 1996.
– Reuter

Concern over 'race' law proposed for Zimbabwe

Star 1/4/97 (362)

Zimbabwe is on the way to becoming another of the countries of the world, (such as Malaysia and South Africa), to introduce laws that entrench discrimination on the grounds of race, to give effect to radical policies of affirmative action and reserve major parts of the country's economy for blacks.

A draft of the "prevention of discrimination" bill being circulated in Harare says that it intends to outlaw discrimination on the grounds of race, gender, religion or political persuasion in line with the United Nations General Assembly declaration in 1994 against discrimination.

But it also specifically sanctions discrimination if it supports "any policy for the advancement of persons who have been disadvantaged by past discrimination". The phrase is seen as a direct reference to the country's black population who bore the brunt of the former whites-only Rhodesian government's brand of apartheid until independence in 1980.

Lawyers say that Zimbabwe's constitution already provides a barrage of protection against most forms of of discrimination.

They have little doubt that the main aim of the proposed law is to eliminate legal objections that the government will face if goes further in providing favours for black businessmen in pursuit of President Robert Mugabe's policy of "indigenisation".

Over the past five years, Mugabe has gradually adopted the policies of a vocal group of black businessmen and women who insist that although the country gained political independence 17 years ago, most of the country's economy is still in the hands of whites and foreign companies.

"Indigenisation" has become the once-marxist ruling Zanu (PF) party's dominant theme. Already state and municipal authorities are obliged to issue supply and building contracts to black-owned firms.

Plans to privatise state-owned businesses have made it clear blacks will be the only permissible buyers. Negotiations have begun with multinational companies Lonrhro and Anglo American for the sale of large chunks of their mining companies' equity to blacks.

The increasingly militant campaign is showing close parallels with Malaysia's "bumiputra" policies, often criticised as "apartheid in reverse", and which reserve major portions of the country's national life for the majority Malay population, and exclude the small, well-off Chinese community.

In the last few months the policy has begun to come under fire from organisations and prominent black commentators that originally backed "indigenisation", but who no longer believe that a small and politically connected group of rich black magnates should become the sole beneficiary of state favours.

Two weeks ago Information Minister Joyce Mujuru issued a hugely lucrative licence to operate a private cellular telephone system to a company whose directors included her husband, former army commander and ruling party politburo member Solomon Mujuru, Leo Mugabe, the nephew of the president and a batch of other party officials.

The government did not issue the draft "prevention of discrimination" bill to the country's legal and human rights bodies, but copies are in circulation. Lawyers have condemned it as unconstitutional, vague and providing the government with arbitrary powers to implement a discredited policy of affirmative action.

"This is very sweeping legislation indeed," said Welshman Ncube, law professor at the University of Zimbabwe and a member of the quasi-government thinktank, the Law Development Commission. "The real difficulty is that those who will wield power under it have never demonstrated any commitment to the rule of law, or to fairness."

He says it is based on laws introduced at independence when the government needed to bypass anti-race clauses in the constitution to be able to appoint blacks to senior positions in the formerly all-white Rhodesian civil service.

"The whole idea of affirmative action is that when you have achieved your aim, it comes to an end," he said. But the draft bill has no time limit, nor does it have specific objectives.

"My only supposition is that it's not to give it (advancement) to indigenous companies, but to give it to the relatives, the brothers and nephews of the political elite in the guise of affirmative action," he said.

There are also anxieties over other sections of the bill. One clause gives any official body the power to withdraw a licence to operate from anyone, from multinational-owned platinum mines to fast-food outlets, if it is accused of discrimination.

Another prescribes penalties for refusing finance or to sell property on the grounds of race and other forms of discrimination. It goes further and allows for prosecution for discrimination not only in public transactions, but in private business as well. A bank refusing to lend money to a risky client can be severely punished if a magistrate believes allegations the refusal was based on racism. – Sapa-DPA.

NEWS DIGEST

Favouritism charge adds new twist to Zimbabwe cellular licence saga (362)

Harare — In yet another twist to the cellular telephone licence saga in Zimbabwe, the tender board this week ordered the suspension of the licence granted to Telecel following objections from unsuccessful tenderers. Among the accusations made is that information minister Joyce Mujuru's husband was a business associate of James Makamba, a leading member of Telecel, and that she had been listed as Makamba's referee in the tender document.

The cellular phone storm has caused cabinet upsets and a threatened resignation by vice-president Joshua Nkomo. It follows a spate of complaints that the award of tenders is being manipulated to suit a clique of rich Zimbabweans. Telecel, owned by Zairean businessman Miko Rwayatare and American Joe Bell with offices in Johannesburg, won the tender after forming an association with influential Zimbabwean groups, including a company owned by Leo Mugabe (President Robert Mugabe's nephew), the War Veterans' Association and other black economic empowerment groups.

CT(BR) 2/4/97

However, local reports here say that no profits would be paid to the Zimbabwean partners until after the sixth year of operation. Meanwhile, millions of dollars would have to be paid in management costs, franchise fees and dividends to the outside investors over a 10-year period.

The objectors to the award say the Telecel tender also involved establishment of a system which would put it in direct competition with the state-owned Posts and Telecommunications Corporation (PTC) in the non-cellular field.

The tender board has given the information minister three weeks in which to reply to detailed objections. Court hearings may also be instituted to stop the project going ahead.

A prominent objector is Econet's Strive Masiyiwa, who has fought a marathon war in the courts to break the PTC monopoly. Masiyiwa already has a cellular system in place in Harare, with base stations erected and ready to go.

Mujuru, asked to comment on the allegation of a conflict of interests in her involvement in the award of the tender, referred questions to her lawyers. A spokesman said: "The minister denies she has acted improperly and denies that she has favoured Mr Makamba and his Telecel company. She has all along insisted that, on President Mugabe's instructions, she followed the proper tender board procedures." — Independent Foreign Service

Bishops opt to suppress report on govt atrocities

362) 09/4/97

Michael Hartnack

HARARE — President Robert Mugabe has scored a political coup, persuading Zimbabwe's eight Roman Catholic bishops to suppress — at least for the time being — a 280-page report which details more than 7 000 atrocities committed by government troops in Matabeleland in the 1980s.

An appointed spokesman, Bishop Helmut Reckter of Chinhoyi, confirmed yesterday that the fate of the report had been discussed at a current meeting of the prelates in Harare, and said they had decided not to publish it at this stage.

"It is just that sort of hesitation on our part which may give the impression that we actually got into bed with the government, with the establishment," conceded Reckter, one of Zimbabwe's longest serving bishops and an outspoken critic of the Rhodesian government before 1980 independence.

He confirmed that one of the 1 000 copies of the report had been sent to Mugabe a month ago, and hoped a response would come from him.

The other copies are "securely under lock and key", said church sources, noting Mugabe's friendship with Archbishop Patrick Chakaipa, who officiated at the wedding of the president and his second wife Grace, despite objections arising from her previous marriage.

The report, prepared by human rights lawyers and churchmen after months of confidential interviews with victims, is understood to be potentially damaging to Mugabe's international image.

Mugabe suppressed a previous study he commissioned by a pro-government lawyer. Many of the atrocities were committed by the North Korean-trained fifth brigade.

Reckter said the bishops' decision not to publish the report was unanimous.

The feared central intelligence organisation intimidated Matabeleland villagers who tried last year to erect a memorial to victims of the fifth brigade, and evidence was gathered for the report in the face of a continuing climate of fear.

Suppression of the report will make it harder for relatives of victims to press their case for compensation, repeatedly refused by Mugabe to date.

Unrest in Matabeleland eased after Mugabe signed a unity pact in 1987 with Joshua Nkomo, but Nkomo's vice-presidency is believed to have benefited few besides the top echelons of his former Zapu party.

Harare slated over tariffs

(362) BD 10|4|97

Michael Hartnack

HARARE — President Robert Mugabe's government is "under such pressure to rake in revenues it has lost sight of the fragility of the economic mechanisms that generate taxable expenditures and incomes in the first place", Anglo American subsidiary First Merchant Bank (FMB) said.

In its quarterly economic review, FMB said the government was again making policy choices that would increase inflation and reduce purchasing power, instead of taking measures that would benefit the consuming public.

The review said assurances by Finance Minister Herbert Murerwa that Zimbabwe's new tariff structure would be used to guide economic development, had been contradicted. "Increases have been imposed solely for purposes of raising revenue."

"All the evidence of years of similar conduct suggests economic growth momentum has never been able to build up for very long before government has found some excuse to tax it back to a hesitant and uncertain crawl."

Runaway state expenditure — largely on political priorities — pushed the budget deficit to more than 14% of gross domestic product last year and it is already climbing beyond 11%. The target was 6,5%. As a result, the World Bank and other international aid donors froze budget support.

The review says many of the higher duties announced in February were imposed on goods Zimbabwe either does not make or cannot produce in sufficient quantity to satisfy local demand.

"A very high duty allows local suppliers to relax. They are handed a captive market on a plate." Zimbabwe producers would simply accept increased duties and pass them on to customers, further increasing inflationary pressures and reducing sales.

Empowerment drive mired in controversy

BD 11/4/97 (362)

HARARE — Zimbabwe's indigenisation drive, an attempt to empower Zimbabwe's marginalised black majority economically, is mired in controversy, with allegations that only a few people are benefiting from its affirmative action programme.

Initiated in 1991, the exercise has so far not produced any tangible results to demonstrate its national character although those behind it insist it is still on course.

So far, Z$500m has been allocated by the government for low-interest loans to black-owned businesses.

The distribution of the money has been severely criticised and even up to now there has been no comprehensive explanation as to how the money was distributed.

The Indigenous Business Development Centre (IBDC), the group formed in 1990 to champion black economic empowerment, said the money was used in financing 2 254 projects of at least Z$170 000 each.

Another Z$700m from the World Bank, earmarked for small indigenous businesses, is awaiting disbursement but the facility has already been plunged into controversy even before the first dollar is disbursed.

Cynics say the loan facility will go the same way as the other two — to those who are already rich and who tread a politically correct path.

Seven years into the indigenisation exercise, many other groups such as the Affirmative Action Group (AAG), Indigenous Business Women's Organisation (IBWO) and the Zimbabwe Wealth Creation and Empowerment Council have since emerged, all with the same goal. Analysts question the need for so many organisations when it would be better to speak with one voice.

To this end, these groups have been held with suspicion with the leadership, sometimes being seen as working for personal advantages at the expense of the followers.

AAG president Phillip Chiyangwa, however, disagrees, saying indigenisation was a process where results were not going to be realised overnight.

The AAG, for example, had succeeded in challenging policies and practices inherited from the colonial era.

It took colonialists 90 years to amass the Zimbabwean wealth, he said, and Zimbabweans should thus not expect results overnight. Apart from Chiyangwa, Leo Mugabe is another one who has been reaping the rewards of indigenisation through billion dollar contracts.

Among contracts companies associated with him have won is the construction of the new Harare International Airport, the Z$30m contract to supply drugs for the government's child immunisation programme, building of a Z$67m sewerage treatment plant for Harare's Morton Jaffray water works, and the controversial Net-2 second cellular phone network.

Analysts say that if indigenisation was being undertaken with every black Zimbabwean's interest at heart, some of the contracts snapped up by the same few should have been awarded to other companies.

Commentators say the Net-2 cellphone tender for which IBDC founder member Strive Masiyiwa bitterly contested and lost, despite being the first black Zimbabwean to come up with the project, lends weight to allegations that only a few stand to benefit from the indigenisation programme.

Instead a consortium of indigenous and foreign business people, including the AAG and IBWO, Leo Mugabe and businessman and politician James Makamba, won the controversial tender.

Multimillion-dollar Women's Round Table president Abi Magwenzi said there was no transparency, particularly in the distribution of low-interest loans.

The most positive thing achieved by groups such as the AAG was public awareness, she said.

University of Zimbabwe lecturer and outspoken political commentator John Makumbe said it was pointless to say Zimbabwe was undertaking an indigenisation exercise when only a few people were benefiting. "There is a clear aspect of empowering a selective group of blacks by whoever has influence and a clear desire to ignore other groups," said Makumbe. — Sapa.

ZIMBABWE (362)

REFORMING THE PROGRAMME

FM 11/4/97

Even officialdom — in the form of Reserve Bank of Zimbabwe (RBZ) governor Leonard Tsumba — now accepts government's inflation targets are hopelessly over-optimistic.

In the budget last July, Finance Minister Herbert Murerwa bravely predicted inflation would fall to 13% by mid-1997.

Now Tsumba gloomily concedes inflation is likely to be around 20% by June this year, though in the fine tradition of Zimbabwe government forecasters he, too, predicts it will slow in the latter half of the year.

The markets are sceptical. The more so since in his half-yearly monetary policy statement, Tsumba showed little enthusiasm for the tough measures needed to curb inflation.

Money supply growth, which he forecast at 22% last year, averaged 27% over the year.

This is too rapid, he says, and must be reduced to a maximum of 25%. With his forecast of real GDP growth of 5%, this points to annualised inflation over 1997 of close to 20%.

But government has set its face against interest rate rises. This is partly because it is trying to cut the budgetary cost of servicing the country's debt, which exceeds GDP, and also because higher interest rates would spark an angry response from the black empowerment business lobby.

Most financial institutions are flush with funds and, as interest rates fall, they are unhappy about the scarcity of viable investment opportunities.

The heavy oversubscription of recent share issues on the Zimbabwe Stock Exchange, the doubling of equity prices over the last year and surging real estate values suggest asset-price inflation has taken hold.

The RBZ is optimistic about growth prospects this year. Tsumba predicts growth of around 5% following last year's estimated 8,1%. Output growth last year was driven by the turnabout in agriculture, from a bad to an above-average season.

This year, agriculture is unlikely to perform anything like as well. Excessive and poorly spaced rains have taken their toll on crops.

The unseasonal late rains in March and early April may have further damaged yields in agriculture.

But Tsumba is upbeat about mining, which he expects to benefit from higher commodity prices and the eventual commissioning of BHP's Hartley platinum mine — though this is running behind schedule and may not have much of an impact until the final quarter of 1997.

Manufacturing is forecast to recover after five difficult years. In part this is a reflection of the strong growth in consumer spending, but there will also be a payoff from the protectionist tariffs that took effect last month and the delayed implementation of the clothing and textiles trade deal with SA, which should boost Zimbabwean exports.

Murerwa surprised business last week when he said the country's new reform programme will be launched next month.

Since his statement coincided with the

Nyanga meeting of top civil servants discussing both the new reform programme (Zimbabwe Programme for Social and Economic Transformation, Zimprest) and the country's Vision 2020 long-term plan, few analysts are making too much of his timetable.

The signs are a new reform programme will get off the ground in the latter half of 1997 — possibly launched in the July budget.

The IMF and World Bank would like to support it but cannot until Murerwa gets to grips with the budget deficit that has averaged more than 10% of GDP during the Nineties.

What Zimbabwe really needs is more private-sector investment and less support and interference from donors, the World Bank and the IMF.

Special correspondent

Paying the political price

MTG (BM) 11-17/4/97 (362)

Businessman Strive Masiyiwa was all set to introduce Zimbabwe's first cellphone network when the government stepped in. Jan Raath reports from Harare

STRIVE MASIYIWA says it is fair comment that his conversion to born-again Christianity coincided roughly with an offer he could not refuse from two political heavyweights in Zimbabwe's ruling Zanu party.

A Cabinet minister and a member of the party politburo, they fetched him in a Mercedes from his office in August 1994 and took him to their suite in the Avenues, central Harare. They wrote US$400 000 on a scrap of paper and said he would have to pay them that if he wanted to set up Zimbabwe's first cellular telephone network.

They also wanted a large chunk of the equity of his company, Econet, for which they did not propose to pay anything. Agree, and "we can have this sorted out inside a week", they said.

If he opposed them, he was told, he would never be allowed to operate. He was given a detailed account of how they would block him, even if he had the full might of the law behind him. "You don't know how much power we've got," they said. "If you want to run a business in this country, you have to talk to us."

Masiyiwa did refuse. "I remember leaving and thinking, 'wow'," he said this week. "I was overwhelmed. And everything that has happened since then, they said would happen."

There is not a scrap of evidence for any of this. There were no witnesses, and you have only his word for it. He would be sued for his last cent if he named the pair.

But this report is the only clue to understanding the breathtaking web of deceit and the formidable barrage of resistance laid in his way by President Robert Mugabe's government to prevent him from switching on his cellphone network.

One is also inclined to believe him. Educated at an exclusive public school outside Edinburgh and degreed in electrical engineering at the University of Wales in Cardiff, he is the opposite of the other figures in Zimbabwe's "indigenous" business circles — like white-hating tycoon Roger Boka, or Phillip Chiyangwa, self-styled "chief strategist" of the radical Affirmative Action Group, who threatens "extreme measures" against the press.

In a continent where business is dirtier and rougher than anywhere else, Masiyiwa (36) manages to radiate fresh, good cheer and enthusiasm that he doesn't owe to his religion.

He is articulate, approachable, talks a lot, but listens. His staff likes him. "He's the first black boss I have had," said one of the five whites in his 50-strong company. "He's demanding, but fair. It's been a pleasure."

The most recent attempted deterrent to his enterprise was at 4pm on April 4 when CID detectives turned up at his offices with an order for his arrest, falsely claiming he had illegally offered public shares in his company. Faced with a wall of lawyers, they retreated.

Robert Mugabe: Cutting out the opposition

PHOTOGRAPH: SACHA J

Masiyiwa and Econet have become the inspiration for the wave of angry indignation against Mugabe's government and the disdain it shows for the rule of law and transparency as it dispenses huge business contracts to members of the coterie of politicians and businessmen that have become known as "the Mugabe royal family".

An indication of the deep support Econet has is its access to information. "This is not a very open government," Masiyiwa said. "You don't get minutes of meetings. But I don't have to do a thing. It all comes to us. It comes from messengers, it comes from every possible source. If there is a meeting, or any development, we are told about it."

There is no suggestion that the government has been touched by the embarrassing disclosures of political manipulation of contracts last year, with the Zim $1-billion new Harare airport terminal and the Zim $6-billion sale of the country's largest power station to a Malaysian company.

A month ago it awarded a licence to operate a cellphone network to Telecell, a Virgin Islands-registered company with a local directorship peppered with relatives of senior politicians, including Mugabe's nephew, Leo. It appears to have failed every set of criteria required by the tender board, but got it on the strength of a directive from the president's office.

Econet's bid failed. The company has been ready since February last year to provide a service to 20 000 subscribers. "It's up and running, it's fully operational. But we cannot offer a service to the public because I will be arrested if we do," Masiyiwa said.

He began his enterprise in 1992 and immediately ran into resistance. In December 1994, he won the celebrated high court ruling that described the state-controlled Posts and Telecommunications Corporation telephone system as being so bad that it violated the constitutional right to freedom of expression.

There have been four other high court battles and another is on the roll. The ninth high court challenge is also pending. Legal expenses have not damaged him because he keeps winning and being awarded costs.

But still no operating licence. Instead, the government gave one to its corporation with a severely overloaded subscriber capacity of 5 000. Now Telecell has one too, and says it may be ready to run in six months.

Running a highly technical company with Zim $100-million worth of infrastructure under an official bar on earning income would have finished off others long ago. He sold his house and his 4X4 and now drives a Toyota Venture.

"Sometimes it gets scary. One of my colleagues is permanently negotiating money. He got everybody paid for the month. Now he's started all over again."

All the money is local, he says, and none has come from South African-based MTN, which late last year took a 30% share in the company. "That's where the faith is. There are guys, bankers, black businessmen, who tell me, we won't let you down."

For how long can he keep going? "As long as God remains in it, I'm in it," he responds.

Yes, but God doesn't issue cellphone licences.

Zimbabwe has too many banks, says Anglo CE

(362)

Michael Hartnack

BD 14/4/97

HARARE — Retiring Anglo Zimbabwe executive chairman Roy Lander has warned that the country has too many banks for its market size.

In his report as outgoing chairman of First Merchant Bank of Zimbabwe, Lander predicts there will be rationalisation, in the form of mergers and acquisitions, over the next few years.

Although no new banking licences were issued last year, several for both commercial and merchant banking were under consideration.

Financial industry sources say that while Zimbabwe is not yet in the situation that occurred in Kenya after economic deregulation, where "indigenous" local banks mushroomed and then rapidly folded, the Kenyan experience has caused nervousness among conservative members of the banking community.

Lander is being succeeded as CE by Philip Baum, from Johannesburg, and as nonexecutive chairman by Ellias Ngugama.

Although connectivity is now the domain of the elite, service providers see a dramatic user increase

Zimbabwe about to take off into cyberspace

(362) CT(BR) 16/4/97

SHAUN SMILLIE

Harare— Cyberspace is still a relatively new concept to Africa but Zimbabwe has caught on fast. The country reached a milestone in cyber technology when the Independent newspaper here went online recently.

In September last year, Icafe.co.zw. became the first cyber cafe to open in Zimbabwe, but Internet and e-mail usage remains the domain of the elite.

Estimates place the number of people with Internet access at about 5 000, which is understandable when taking into consideration that in addition to the cost of a computer, modem and the phone line, Internet access can cost about Z$500 (about R196) a month in Zimbabwe.

Most of the users are based in Harare. But despite the small percentage, service providers are optimistic the number of users will increase dramatically. "By the end of the year I believe there will be 25 000 people connected to the Net," said John Godfrey, the director of Samara Services, one of Zimbabwe's largest Internet service providers.

The increase may sound dramatic but what is set to boost numbers is that several private schools in the Harare area are coming online. One is Prince Edward, which is introducing a twinning programme with a school in America.

"It will be an ideal way to learn about a new culture," said Godfrey. "When they get the necessary bandwidth they could even send video recordings to each other."

Twinning programmes could be the answer to bridging the gap between those who have Internet and those who don't. Although still in the idea phase, what has been considered is that a school with Internet access could team up with a school that only has a computer. "The schools could then exchange information on a disk," said Godfrey.

But in Zimbabwe the biggest hindrance for the Internet is the quality of the phone lines. Downloading information is far slower than in South Africa because Zimbabwe does not have the necessary bandwidth.

The Zimbabwean Postal Telecommunications Corporation (PTC) is correcting the problem and encourages using the Internet.

"The PTC," said Godfrey, "readily provides local service access to the Internet for those who want to set themselves up as providers."

Since March the PTC has been offering a higher band width through its hub in Harare which is accessible nationally.

"We are hoping with these improvements we can get more people on the Internet," said Jowah Nomsa, the head of data and telecommunication planning at PTC.

Many Zimbabweans are surprised that Robert Mugabe's government encourages using the Internet. "I think the government doesn't fully understand what they have here," said one user.

Bigger Internet service providers in Zimbabwe, besides providing connectivity to users, are considering other ways of making money from the Net.

One Zimbabwean website success story is the Zim trade page which presently lists over 1 200 businesses.

"The Zim trade page has brought in US$10 million," said Tony Mechin of Media Technology. It's estimated that the site receives 1 000 hits (calls) a day."

While the Internet is still an urban phenomenon in Zimbabwe, some would like to see it make inroads into the rural communities.

"E-mail could be set up for an entire community. All they would need is one telephone," said Mechin. For as little as Z$100, he said, e-mail could be provided for 34 people.

The PTC has said it would consider supplying reduced telephone rates for such a project.

There is much of Harare that needs to be connected to the cyber world, and Godfrey hopes to see business centres, and even Zimbabwe's national library, with Internet access.

— Independent Foreign Service

SURF'S UP *Clients delve into cyberspace at Zimbabwe's first Internet cafe — Icafe.co.zw. Over the past couple of months the Internet has made dramatic inroads into Zimbabwe, with some estimates that by the end of the year the number of users could increase from 5 000 to 25 000*
PHOTO: SHAUN SMILLIE

Block Zimbabwe's maize dumping, govt told

BD 17/4/97

(362)

Louise Cook

THE National Maize Producers' Organisation (Nampo) has appealed to government to block 100 000 tons of maize — worth about R5,5m at current prices — they say Zimbabwe is about to "dump" on the SA market.

The organisation argues that the Zimbabwe maize would jeopardise the Maseru Protocol, which was signed by Southern African Development Community (SADC) countries in August last year, and put small African maize producers in the Northern Province out of business.

The farmers complain that the protocol, which aims to establish a free trade area among SADC countries within eight years, is unfair as SA has been given a zero tariff on maize imports maize while Zimbabwe is allowed to block all imports until domestic supplies are exhausted.

Nampo said yesterday that it had asked the Board on Tariffs and Trade to "institute the necessary proceedings" to ensure the Zimbabwean Grain Marketing Board did not "directly or indirectly dump" about 10% of its estimated 1-million ton surplus in SA.

Local maize traders confirmed that Zimbabwe was in a position to export considerable quantities of maize this year, after good rains resulted in a bumper crop. But, Zimbabwean maize prices were comparable with the R550-R650 a ton paid for SA maize. And, up to 400 000 tons of the maize had already come into SA, they said.

The Board on Tariffs and Trade could not be contacted for comment yesterday, but the agriculture department, which was involved in the Maseru Protocol negotiations, said the details of the tariffs negotiated under the protocol had not been finalised yet.

Nampo director Kit le Clus said that although the Zimbabwe maize market was "theoretically free", imports were controlled through a permit system. The Zimbabwean Grain Marketing Board operated a strategic reserve of maize and bought and sold on the SA market at the going price.

"Maize production is a very important enterprise for small and developing farmers in the Northern Province. Zimbabwe has significant locality advantages over SA producers as the province is a net importer of maize from the rest of SA. The dumping of Zimbabwean maize will seriously injure their existence."

CAPE ARGUS, FRIDAY, APRIL 18, 1997

Scandal scars Zimbabwe's independence celebrations

(362)

ARG 18/4/97

Harare – Zimbabwe celebrates 17 years of independence today with the medals of its war heroes tarnished by corruption and its cornerstone policy of racial reconciliation crumbling.

A government compensation scheme for injured veterans of the civil war against white rule was suspended this month amid allegations that undeserving senior government officials have stolen millions from the fund.

Many real veterans disabled by the fight against Ian Smith's Rhodesian UDI regime find themselves living jobless, landless impoverished lives.

"The looting by politicians and other chefs (leaders) of a government fund meant to benefit those Zimbabweans who braved the frontline during the liberation war is the latest example of a deeply troubled nation," said an editorial yesterday in the Financial Gazette, owned and edited by blacks.

"Sullen Zimbabweans have been stunned into silence to see the emergence of an arrogant government which has buttressed its iron grip on power by increasingly using patronage politics while seemingly paying a blind eye to widening state corruption."

At the heart of the scandal are allegations that senior politicians, some of whom spent the liberation war in Europe or the United States rather than on the battlefield, have been paid millions of dollars in compensation for "mental stress".

A columnist in the Zimbabwe Independent newspaper commented that "if mental stress means lunacy or insanity, then that means we have been led by a pack of lunatics for the past 17 years".

Political commentator Lupi Mushayakarara said: "Valentine's Day is probably more seriously celebrated than the day when freedom was supposedly proclaimed for all in this country.

"Instead of the national birthday being regarded by all as an opportunity for national renewal, it is now an opportunity for the rulers to reaffirm their vicious grip on political power ... (and celebrate) unlimited access to self-enrichment".

At the same time the tiny white minority, beaten on the political battlefield but clinging to the privileges of wealth, is vilified in the government media for not attending independence day celebrations.

"Most whites do not come to any national celebrations," said The Herald newspaper.

Vice-President Joshua Nkomo has in the past predicted a race war if whites do not become more integrated into Zimbabwean society and share their wealth with blacks.

But the editorial in the Financial Gazette left race out of the equation when it pointed out the dangers of government arrogance and corruption in the face of widespread poverty.

"Yesterday it was Somalia and Liberia that were disintegrating; today it is Burundi, Rwanda and Zaire.

"It is not impossible for Zimbabwe, gripped by unprecedented social tension and human suffering, to go the same way." – Sapa-AFP

Deadly malaria on rise in Zimbabwe

(362) ARG 18/4/97

Harare – Malaria cases are continuing to rise in Zimbabwe, according to the Ministry of Health and Child Welfare.

Ziana news agency quoted the ministry as saying there were 151 deaths among the 37 841 cases recorded nationwide in the past week.

The number of cases is 16 percent up on the previous week.

So far this year, 296 885 cases have been reported and 648 people have died.

Most of the deaths were in Mashonaland West and the Midlands, although all eight provinces were affected, the ministry said. – Sapa

Mugabe regime on defensive over corruption, arrogance

Star 18/4/97 (382)

Harare – Zimbabwean President Robert Mugabe marks 17 years in power today with his government on the defensive against charges that it has become increasingly corrupt, arrogant and insensitive to public opinion.

"It's unfortunate that what people may remember most on independence day is not that we have black majority rule, but that some people are on get-rich-quick schemes," says John Makumbe, an outspoken political scientist at Harare's University of Zimbabwe.

"There are so many things going on now, and it's increasingly hard for political leaders to explain."

The country's social mood has been soured by the allegations that some government leaders and their cronies are plundering state coffers.

The government denies the charges, fuelled over the past month by its controversial decision to award a tender to establish the country's first private cellular phone network to a company in which Mugabe's nephew Leo Mugabe is a leading partner.

Many people had expected the tender to go to Strive Masiyiwa, a black Zimbabwean businessman whose Econet firm has been battling the state in courts for the last three years for such a licence.

The multimillion-dollar cellular phone deal was the third government contract Leo Mugabe has won in a row, after he pocketed a contract to build a new international airport in Harare and another to treat sludge at the capital's main sewage works.

The president says he has never influenced the tender board to favour his nephew or anybody else, but his critics remain sceptical.

Leading human rights groups, trade unions and private industry all charge that Mugabe has left open to abuse a programme aimed at economically empowering the country's black majority.

Besides the controversy over tenders, Mugabe has also been hit by charges that top state officials have been raiding a compensation fund set up for those wounded in the seven-year guerrilla war in the former Rhodesia that brought him to power in 1980.

Mugabe has ordered an investigation into the allegations and suspended payments, but some parliamentarians, including outspoken independent Margaret Dongo, still believe the president is soft on corruption and only moves in for damage-control.

His government also drew fire following disclosures that some of his senior cabinet colleagues had acquired farms meant to resettle landless peasants.

"High-level corruption has eaten away at the social fabric of this nation and it has become imperative that remedial action be taken to bring this to an end," commented one of the country's leading financial and few independent newspapers, the Zimbabwe Independent.

"President Mugabe has been presented with another clear opportunity to send a signal to his colleagues and the public that now is the time for a clean government," it said of the war victims' compensation fund.

Makumbe and Kempton Makamure, a leading independent political activist, believe Mugabe is overwhelmed by these problems, which include unemployment estimated at over 40%.

Although Zimbabwe's economy rose by about 8% last year and is forecast to grow by over 5% in 1997 following two successive good rainy seasons, many economic analysts say it will take a long time to recover from damage inflicted by Mugabe's 10-year socialist experiment in the 1980s.

"He has overstayed his time and probably doesn't know his way around. His main concern seems simply on staying on," Makamure says.

But Mugabe's aides say the president is, at 73, still alert and in full control, and is one of Africa's best leaders. – Reuters.

Harare owed Z$380m in unpaid rates

HARARE — Harare municipality is owed more than Z$380m by residents in unpaid rates and water bills, a city council official has said.

The council was owed Z$281m in water charges and Z$105m in rates on December 31 last year, he said.

"The figures could be highly overstated because of errors in the billing system which are still being looked into," he said.

The official said that the city treasurer's department had assembled a team which would investigate other outstanding queries, such as overcharging for water.

The council came under fire recently from residents who claimed that bills were allowed to rise to astronomical levels before the council took action like cutting off water supplies. — Sapa.

BD 21/4/97

(362)

Zimbabwe 'to bring down budget deficit'

BD 22/4/97 (362)

HARARE — Zimbabwe's President Robert Mugabe said at the weekend his government was committed to bringing down the budget deficit which analysts said was one of the major problems frustrating rapid economic growth of his country.

Mugabe noted that the budget deficit was one of the causes of the macroeconomic instability Zimbabwe had been experiencing since market reforms were launched in 1991. He was giving his annual message to exhibitors at this year's 38th trade fair, which starts in Bulawayo today.

The budget deficit in the year to June this year was expected to exceed 11% of gross domestic product (GDP), compared with a target of about 8,5%. This was due mainly to unbudgeted expenditure on public servants' salary and bonus payments.

Mugabe said measures taken included rationalising spending by commercialising parastatals and, in some cases, privatising them. The Cotton Company of Zimbabwe and Dairibord Zimbabwe were among state enterprises that were up for privatisation, Mugabe said during his Independence Day speech on Friday. "We are also improving efficiency and effectiveness in the delivery of public services, while enhancing our revenue collection systems without necessarily raising taxes."

Mugabe said government believed Zimbabwe's private sector had an important role to play in infrastructure development under the build-own-transfer and build-own-operate-transfer schemes. "Accordingly, the private sector, both domestic and international, is invited to participate in the infrastructure development of roads, bridges, dams, railways, telecommunications and energy."

Government would continue liberalising the economy in line with economic reforms launched more than six years ago with support from Western donors. A host of controls had already been removed "to give way to a market-driven economy where private enterprise plays the key role".

The economic climate in Zimbabwe was brighter than it had been two years ago, largely due to the recovery of the key agricultural sector following heavy rains. Real GDP growth last year was estimated at 8% and would average 5% this year due to high agricultural production.

Another positive development was the gradual fall in high inflation and interest rates. Annualised inflation was pegged at 19,9% in March, while nominal lending interest rates averaged between 25% and 26%. — Sapa.

Mugabe snubs opening of Boka's R90m tobacco floor

(362)

Michael Hartnack

BD 23/4/97

HARARE — The launch of the R90m new tobacco auction floors of militant black empowerment activist Roger Boka got off to a chaotic start yesterday when President Robert Mugabe failed to arrive to perform the opening ceremony.

Meanwhile sales of the first 4 000 bales of this year's estimated 205 000-ton crop — the country's largest single source of foreign exchange — began routinely at the nearby white-owned floors, with the first bale fetching $3,18/kg compared to last year's $2,93/kg average. It is hoped the crop will earn R4bn when exported.

Despite a prior statement that 3 000 bales had been delivered to the still uncompleted Boka floors, only about 800 bales were visible when auctioning began at 12.30pm — later than the time marketing regulations stipulate for conclusion of business.

The first bale, which should have been auctioned in the presence of Mugabe, fetched $4,20/kg. Industry sources believe this was a token gesture by international bidders.

Finance Minister Herbert Murerwa, Agriculture Minister Denis Norman and Minister for Indigenisation Cephas Msipha were among the 5 000 guests who waited for four hours in a carnival atmosphere for Mugabe's arrival. He sent a message at noon that he was "delayed by a cabinet meeting".

Diplomatic sources said Mugabe might have been piqued by Boka's repeated requests for US President Bill Clinton to open the floors, and then to President Nelson Mandela to do so.

Mugabe might also have been deterred by the conspicuous presence of veteran critic Edgar Tekere and the Rev Ndabaningi Sithole, 78, who is still awaiting trial on charges of plotting to assassinate Mugabe.

Appeal

After the announcement that Mugabe was not going to arrive, Sithole — an ordained congregationalist minister — was asked to start proceedings with a prayer.

He made a five-minute appeal for divine intervention to save the people of Zimbabwe from economic misery, unemployment and corruption.

Norman said he had no knowledge of Boka being given any government funding to have Chinese contractors build his floors, which, when complete, would cover an area equivalent to four soccer pitches.

Rob Webb, president of the Zimbabwe Tobacco Association, which represents established, large-scale white growers and emergent small-scale black producers, said the new floors introduced welcome competition although space was now "grossly over-traded". He said that 25% of this year's hoped-for 260 000-ton crop had been lost due to rain in January and February.

Both floors are charging 2,5% commission on each 100kg bale plus a R17 handling fee.

Punitive 'extra land' tax planned

(362) BD 23/4/97

Michael Hartnack

HARARE — Zimbabwe plans to introduce punitive taxes to force its remaining 4 000 large-scale white landowners to give up much of their holdings to blacks, according to SA delegates attending a land redistribution conference.

SA African National Land Committee director Brendan Pearce said 20 South Africans were participating in the five-day workshop outside Harare.

"We have already started hearing what some of the problems are, some of the approaches that have gone wrong in Zimbabwe, and we are going to be sharing experiences around these issues," Pearce said yesterday.

The workshop, which ends on Friday, had begun by looking at global and regional issues.

Zimbabwean Land Minister Kumbirai Kangai said attempts to solve the problem of resettling 600 000 overcrowded peasant families through a "willing buyer, willing seller" approach to whites had failed.

A land tenure commission, appointed in 1993, had now made recommendations on maximum farm sizes, and these had been accepted by the cabinet.

"People will be heavily taxed on any extra piece of land that they have — good luck for those that say they have the money, but I can assure you the tax will be heavy enough to let people surrender all the extra land," said Kangai.

"We are not saying people should get out of commercial farming, but we are saying they should give up excess land to those who are living in squalid conditions."

Kangai said he was "appalled" that some whites still had holdings of up to 40 000ha "when the majority of blacks had nowhere to live on or produce".

He suggested President Robert Mugabe's government was feeling diplomatically isolated as a result of international publicity.

Amendments to the constitution foresee takeover of the 6-million-hectare maize and tobacco belt, limiting farmers' right of appeal to the courts.

"It is important that we, as a regional body, come together and work out strategies that will ensure we get land to resettle our people, who were prejudiced in the colonial era by the Europeans," Kangai said.

ARG 23/4/97

Zimbabwe and UK in flight war

(362)

Harare – British and Zimbabwean airways today each banned one flight a week between the two countries in a tit-for-tat war, after accusing each other of breaking air service agreements.

British Airways recently introduced a Wednesday night flight from Harare to London, but the Zimbabwe transport ministry banned it, saying it clashed with an Air Zimbabwe flight to Gatwick, London.

Last night, an ultimatum by the British government to lift the ban expired and the regular Air Zimbabwe Wednesday night flight from Harare to Gatwick was withdrawn.

The Herald reported Air Zimbabwe would probably fly to Frankfurt and put its London-bound passengers on a connecting flight.

A British High Commission spokesman in Harare said that the two governments agreed in November last year that the three flights a week by each airline could be increased to five per week.

However, Air Zimbabwe wanted the proposed new fourth Harare-Gatwick flight by BA to be scheduled for Monday nights. BA insisted it wanted to fly on Wednesday. – Sapa

Zimbabweans must still carry IDs (362)

Star 23/4/97

Harare – The police could still demand identity cards from Zimbabweans, despite a recent landmark Supreme Court ruling declaring it unconstitutional, police commissioner Augustine Chihuri said in Harare yesterday.

Ziana news agency quoted Chihuri telling diplomats in Harare that police could still use a section of the National Registration Act, which he cited, to demand identity cards.

He said it was still illegal not to carry an identity card.

The Supreme Court ruled recently that a different section of the act was unconstitutional.

Chihuri said he appreciated the reasoning behind the Supreme Court judgment and would ensure that the existing and remaining laws in respect of identity cards would not be implemented arbitrarily but "judicially and reasonably". – Sapa.

Ratepayers want R25-m back

Housing-land deal that won't work is costing R375 000 a month in interest

Star 23/4/97

By Anna Cox
Sandton Bureau

Kelvin and Buccleuch residents north of Johannesburg want the Office for Serious Economic Offences to investigate the Eastern and Greater Johannesburg councils' payment of R25-million to Wits University for a property called Frankenwald, next to Alexandra.

In March last year, the auditor-general found that the sale of the land was invalid because the Department of Finance had not granted the then regional services council permission for its purchase. There was also uncertainty over a clause in the Alfred Beit Trust, which originally owned the land, which stated that the property had been donated to Wits University for educational purposes.

The councils tried to take transfer of the property last year despite the auditor-general's findings, but Kelvin and Buccleuch residents applied for an interdict to the then Rand Supreme Court to stop the transfer. Just before the court hearing, the council gave residents an undertaking that the transfer would not proceed.

Resident Jim Powell from the Triangle Communities Association (Kelvin/Buccleuch) said that if the money had already been paid, the councils should have demanded the money back from Wits right after the auditor-general made his findings known. Powell claims the council is losing R375 000 a month in interest on the money.

"We believe the handing over of the money is illegal and contrary to the undertaking given at the Supreme Court by local government," he said.

The land is destined for low-cost housing and commercial development. But although the money has already been paid, the council does not yet own the property and cannot begin development.

Kelvin and Buccleuch residents claim the purchase will result in the Greater Johannesburg council paying seven times more for Frankenwald than for other land for low-cost housing. The services will cost about R100-million and the maximum subsidy for 4 000 people will be R60-million.

"Depending on densities, this will deny about 24 000 families land to build homes on because the money will have been wasted on Frankenwald," said Powell.

Residents also claim the proposed low-cost housing will devalue properties in neighbouring areas by about R300-million. They want a science technopark to be built to provide employment, and education and training facilities for Alexandra's underprivileged.

Eastern council executive committee deputy chairman Sol Cowan said the money had been paid to Wits University early last year in terms of the agreement to purchase before the interdict application.

He said he could not comment on why the money was not returned to the councils. Attempts by The Star to get comment from the Greater Johannesburg council failed.

'Not enough food crops grown'

ARG 24/4/97 (362)

Harare – A land conference in Zimbabwe has decried the export of flowers from southern Africa to rich countries at a time when the region is not producing enough food to feed its children.

Agricultural production in developing countries was increasingly being determined by the tastes of consumers in the developed world, the National Land Committee said in a statement from Harare.

The NLC and its sister organisation, the Farmworkers Research and Resource Project, are among dozens of non-government organisations attending the five-day regional conference on land, labour and food security.

The conference noted with concern the growing trend to use land to grow cash crops for overseas markets rather than feed people at home, the NLC said. The NLC singled out the flower industry as one which over the past five years had increased output more than fourfold in South Africa and Zimbabwe.

While the export of flowers provided a lucrative income, the NLC said the owners of large tracts of land were overwhelmingly the beneficiaries.

Other crops like coffee, fruit, groundnuts and tobacco were also being grown in southern Africa mainly for overseas markets. The NLC said production was being directed towards satisfying exotic food and horticultural tastes, the tourist demands of Western consumers and the local rich.

"The conference is outraged by the thought that children in the region may be dying or being permanently damaged by lack of nutrition because the tastes of lucrative markets are more attractive for landowners."

The NLC quoted a conference delegate as saying it was a cruel irony that almost three-quarters of the 90-million people in Southern African Development Community countries lived below the poverty line, "while flowers grown at their back door grace the dinner tables of European families". – Sapa

Black farmers welcome hefty tax on idle land

(362)

HARARE — Zimbabwe's government is planning to introduce a tax which, it hopes, may provide an answer to the land hunger among hundreds of thousands of rural people.

According to Lands and Water Minister Kumbirai Kangai, the proposed tax on idle land, yet to be presented to Parliament, aims "mainly to encourage efficient utilisation of land and discourage the holding of land for speculative purposes".

The tax would be "hefty" to discourage large commercial farmers from holding on to land they were not using, he said at a conference on land, labour and food security this week.

"There are people with 40 000ha each in this country ... sometimes they can go for a year without even going to one corner of their farm, but if you go and ask them to sell off, they refuse," he said.

"The tax will be hefty to force you to give up the land," he said.

Before the tax is introduced, "we are going to do tax research to find out the hectarage one needs to be viable, depending on the region", Kangai said.

"We are not saying they should get out of commercial farming but we are saying they should give up excess land to others who are living in squalid conditions."

Previous efforts to wrest land from predominantly white industrial and commercial organisations have been strongly resisted.

The bodies have been quick to warn that any attempt by the state to appropriate land will chase away potential investors.

Efforts on Wednesday to establish the Commercial Farmers' Union's position on the proposed bill proved fruitless.

However, for organisations such as the largely black Zimbabwe Farmers' Union and the Affirmative Action Group, the tax is long overdue.

Zimbabwe Farmers' Union director Kuda Matakaire said: "We have always wanted land and we support any means for black people to have land.

"The proposed land tax is welcome. There is excess land in the high-rainfall areas which is being kept derelict."

Affirmative Action Group spokesman Robson Mandiwanza said his organisation "welcomes the land tax because productive land, to many black people ... is a scarce resource. There is a paradox in that while millions of black people have no land, a few thousand whites have excess land which they are keeping unproductive and do not want to let go of.

"It's not only whites who have excess land being kept idle. Even black people, too, and they should be discouraged. That is why we want the tax to be heavy. A lot of mistakes have been made since independence and I don't think it's too late to rectify the situation."

BD 25/4/97

Mandiwanza said: "Credible statistics put it that, of the 36-million hectares of land that is classified as agricultural land, 30% is owned by 0.04% of the population who are nonindigenous. Whites get easy access to bank loans because they have land, and if we are to empower blacks we have to have land."

Although the right to land was the rallying cry of the liberation struggle that led to majority rule in Zimbabwe in 1980, most rural blacks are still confined to arid, marginal land, while about 4 500 predominantly white commercial farmers own the bulk of prime agricultural land.

A 1979 agreement which paved the way for majority rule in Zimbabwe bound the state to acquire land only on a "willing seller, willing buyer" basis.

Kangai said the government had failed to solve the land issue through the willing buyer, willing seller system, which depended on farmers' willingness to sell land to the state.

Under a programme introduced in 1980, the government of President Robert Mugabe had proposed to buy 5-million hectares and resettle about 162 000 black families on it by 1990.

Fewer than 55 000 families have been resettled on about 3,3-million hectares, of which 2,7-million were formerly white-owned. About 200 000 families still do not have a place they can call their own.

Many of the resettlement schemes did not succeed. The reason? People were just dumped there without being provided with equipment, infrastructure and knowledge of land utilisation. — Sapa-IPS.

Cultural industries to [illegible] slice

[illegible] Mathiane

PREVIOUSLY unfunded projects and cultural industries were some of the organisations to benefit from this year's budget, arts, culture, science and technology director-general Roger Jardine said yesterday.

The budget [illegible] increased by [illegible] from last year. This, Jardine said, would enable the ministry to crystallise their vision, which is to develop and nurture creativity and innovation and promote the diverse heritage of the nation.

Jardine said some initiatives included implementation of policies and procedures pertaining to appointment of councils.

Already the National Arts Council — which will look after the needs of the arts — has been established.. This is to be followed by the formation of the national heritage council, which will focus on the activities of museums and galleries.

The funding of previously neglected art forms, nongovernmental and community based arts organisation and projects will also take priority. These will include organisations such as Fuba — the Federated Union of Black Arts.

Robben Island is to receive a large slice of the budget as it has to be developed as a museum and a centre for learning.

The Market Theatre will also receive a substantial amount.

The department is developing a strategy to assist cultural industries to develop and market its wares and skills.

First National Bank group art custodian and Johannesburg Zoo director Pat Condy
Adelaide Zoo in Australia, who have recently produced twins.

Harare's land tax plans 'may destroy agriculture'

BD 25/4/97 (362)

Michael Hartnack

HARARE — Plans to impose severe taxes on land might destroy the agricultural industry, in view of levies and overheads already borne, Zimbabwe Commercial Farmers' Union vice-president Bob Swift said yesterday.

Swift, who is tasked with overseeing agricultural commodities, was reacting to an announcement at a conference on land tenure by Lands Minister Kumbirai Kangai.

Kangai said the maximum farm sizes had been calculated and those with "extra" land would be forced to sell through heavy taxation of their holdings. Representatives of SA, Lesotho, Swaziland, Namibia, Tanzania, Malawi and Zimbabwe were among 90 delegates who visited resettlement and communal areas yesterday and on Wednesday. They also went to prosperous commercial farming regions still largely owned by 4 000 whites.

Speakers from organisations calling for populist reform voiced disquiet at the planned return of Afrikaner settlers to Mozambique, Zambia and Angola, evictions of workers from SA white-run commercial farms and the trend from food crops to cash crops in agricultural production.

"The conference is outraged by the thought that children in the region may be dying or being permanently damaged by lack of nutrition because the tastes of more lucrative markets are more attractive for land owners," said one statement.

Economists said blocking the continent's movement into crops in which it had best international advantage constituted "pre-Adam Smith economics" and would force down national income and farm workers' wages.

Delegates also heard reports on Zimbabwe's plan to redistribute the 6-million hectares on the "maize and tobacco belt" to blacks. About 600 000 peasant families farm the 13-million-hectare communal areas.

See Page 25

Banking on African sisterhood

(3b2) CT(??) 25/4/97

Tafi Murinzi

Bulawayo — The launch of Zimbabwe's first women's bank is another step towards women's emancipation in the country.

But the initiators of OMA Bank are not savouring their success yet, as they have to figure out how to ensure that ownership stays with women in succeeding generations.

Launched last November, OMA is a federation of 14 women's organisations with a combined membership of almost a million. "These women's organisations were merely responding to the other voiceless women of Zimbabwe who have been calling for the setting up of a women's bank since 1984," Gloria Mkombachoto, an OMA consultant, says.

OMA's services will be available to both sexes. But the founders want to make certain that ownership stays with women once the founding members die. If their shares are sold they could end up being owned by men.

"If they are not sold, should the ownership be transferred only to (a member's) daughters and not her son? And if the son is allowed to own the OMA shares, are we running the risk that the OMA will be owned by men in future years? It is a very complicated situation," Mkombachoto says.

She says the bank does not want to be seen as dividing the family. "Women with happy families are more successful in business than those with problems at home."

Arthur Nyoni, the chairman of a 400-member co-operative society in Bulawayo, sees the entire issue as extremely sensitive and controversial.

"When they debate the issue they should include men," he says, adding that the issue was bound to divide the family on gender lines.

The choice of the name is deliberate: OMA is an acronym that represents the Ndebele and Shona words for "women". Although it was launched last year, the name is not yet registered. "We are hoping to be registered by November," Mkombachoto says.

Of the $4,5 million capital base required by the ministry of finance before registration, she says close to $1,5 million has been raised. The women aim to raise $2,6 million, with the balance expected to come from minority shareholders, which include men. Given the level of interest in Zimbabwe and abroad, Mkombachoto says the bank will probably raise much more than the minimum required.

To become a member, a woman needs to contribute a minimum of $6,50 a month, now held under the state-owned Post Office Savings Bank until OMA has opened its first branch, probably by the end of the year.

Mkombachoto says that OMA, when fully established, will be sensitive to the cultural traits of Zimbabwe which are ignored by established banks.

"When a black person fails to service a loan, for cultural reasons they are often too ashamed to ask the bank manager to reschedule the loan and would actually not visit him until they get the money. As a result, this leads to the belief that blacks are not creditworthy. . . . OMA is not going to solve all women's problems, but it is a positive start," said Mkombachoto.

The closest equivalents to the bank are women's self-help savings clubs, which have been in Zimbabwe for more than 30 years. Over 12 000 savings clubs have a total membership of half a million.

"In OMA, this is the first time that young and old women are working together for common good regardless of colour or social class," Mkombachoto says. — Independent Foreign Service/AIA

Zim's burning issue

M+G (BM) 26/4-1/5/97 (362)

Smoke signals: Some tobacco growers believe the industry is seeing real competition for the first time PHOTOGRAPH: CATHRIN HENNICKE

Roger Boka's recent move into the tobacco industry signals an attempt to break up the white-dominated cartel, writes Jan Raath

ROGER BOKA'S way of hating is unnerving. What he has said and written is crude, full of bad grammar, unreason and errors of fact. You think it has boiled up from brimstone in the pit of his stomach.

Last year he filled hundreds of pages of the local press with advertisements containing small print which seethed with loathing for whites. He will be best remembered for the message beneath a photograph of a huge python crushing the life out of a crocodile; this was what blacks would soon be doing to the whites and their economic ascendancy.

It wasn't even funny that he called the crocodile a "predator mammal".

Yet there he was this week, being chummy with CG Tracey, the hot-potato-accented retired tobacco executive who embodies white patrician tobacco money in Zimbabwe. Tracey, luminary of the Harare Club, who keeps racehorses in France, presented him with a basket of fresh pumpkin leaves for the relish that is favoured in the *musango* [bush] back home, and Boka thanked him for it.

'This man has caused more racism than anyone else since independence'

Tracey was one of a surprising number of whites at the opening this week of the Boka Tobacco Auction Floor (BTAF), the launch of Boka's war against the small group of powerful tobacco companies that for decades have dictated the ups and downs of the industry. Tobacco helped keep Rhodesia in helicopters and oil during the Unilateral Declaration of Independence period and now Zimbabwe is the world's largest exporter of tobacco.

In the vast unfinished shell of his US$20-million building, Boka, who suffers from severe diabetes, moved slowly on his stick to talk to Cees den Boer, a Dutch tobacco farmer from Headlands to whom Boka's United Merchant Bank lent money to finance his crop last year when the other banks wouldn't help.

Then to Andy Gibb, the floor's marketing director and one of a dozen experienced whites that Boka lured with offers of lavish income from Tobacco Sales Floor (TSF), the smoothly functioning old floor that tobacco insiders say is learning the cost of years of complacency as the sole market place for the business.

A young blond grower in boxer shorts and *velskoen* from Beatrice who wouldn't give his name was one of many white tobacco farmers Boka has visited personally in recent months, asking him to give his new floors a try. Boka told him that his fearful advertising campaign was "just politics" and the start of the campaign against the white exclusiveness of the industry.

"We are worried about it. He may force us to sell here, they could change the law," he says. "This man has caused more racism than anyone else since independence. He said whites must get out of the country. Now he is begging us for our business.

"But I'm in farming for business. If the prices are good here, we will sell here."

Joe Malaba, the floor's general manager, says that "what Boka has really done is to try to prick our consciences, and asked, is the industry open to everyone? The realisation will come that it has been closed."

With real competition in the trade for the first time, the racist polemic will recede, he says. "This is not about racism, it is about business."

Growers have fought in vain for years against "the business" that for the small group of the powerful tobacco companies — now only three — has been to agree on how to share the volume of leaf between the European and United States cigarette manufacturers they represent, and to agree on the price.

"The auctions are very quaint, but they are a bit of a sham," confessed a senior agricultural union executive. "Real competition only comes in when they make mistakes."

Between the price paid to the grower for his leaf and what the tobacco company gets from the manufacturers, there is an enormous differential, says Malaba. "The grower isn't benefiting. The auction floors aren't benefiting. It's the cartel."

Taking a cut on profit margins and paying the grower more is Boka's plan to attract the farmers from their old market place.

"Roger Boka is coming in as an independent buyer to ensure a real market price that is fair," says Malaba.

TSF's first bales went for US$3,18/kg. Boka's were 33% up at US$4,10/kg.

TSF has already been stung into action. Selling on its floors earns you a chance in a draw for Chinese motorcycles. The free coffee in the restaurant at the floors even seems to taste better.

Zimbabwe's Cabinet 'loots' pensions

M+G 25/4-1/5/97 (362)

Andrew Meldrum in Harare

ZIMBABWEAN Cabinet members are accused of looting a huge fund meant to compensate independence war veterans, a scandal that has come to a head just as the country marks its 17th anniversary of independence.

Many Cabinet ministers, MPs and others closely connected to President Robert Mugabe's ruling Zanu-PF party, have claimed more than half the £22,5-million war veterans compensation fund, according to allegations in Parliament and reports in the independent press.

The government has drafted a bill to create another fund, this one to pay political detainees from the Rhodesian era. It is widely seen as another slush fund to reward those close to the ruling party.

"We should be celebrating our independence and the end of white minority rule, but our people are asking themselves why our leaders are enriching themselves shamelessly while most of the real war veterans are living in abject poverty," said Margaret Dongo, an independent MP who fought in the 1970s war to end white rule in what was then Rhodesia. "This is Zimbabwe's worst scandal," she said.

Dongo, one of three independent MPs in the 150-seat Parliament, called for an audit of the veterans' fund, but her move was quashed by Zanu-PF loyalists. She managed to enter in the record a list of 46 senior government figures who she said had received large payments from the fund. She alleged that Cabinet ministers and President Mugabe's brother-in-law had each received payments of Z$850 000 (R327 343).

"There are so many Cabinet members, army officers and police officers who are claiming funds for serious disabilities, it is a wonder the government can function at all," Dongo told Parliament this week.

The government has announced that it will investigate disbursements, but has declined to list recipients of payments from the fund.

So widespread is disgust at the alleged misuse of the veterans' fund that the government's *Herald* newspaper dealt with the scandal on the front page of its independence edition yesterday. It said more than 70 000 people had applied for funds, although only 35 000 fighters against Rhodesian rule were registered at independence in 1980.

Some of those who applied for compensation were 23-years-old, which would have made them six years old at independence.

The social services minister, Florence Chitauro, who is responsible for administering the fund, admitted she did not know who had received payments.

The scandal has divided the ruling party. Irene Zindi, MP, another war veteran, alleged in Parliament that the main beneficiaries of the fund were "comrades who were having a good time in Europe and the Americas".

"The real people who lost limbs, suffered in silence and fought for this country have not received a penny."

The leading weekly newspaper, the *Zimbabwe Independent*, declared: "Yesterday's heroes become tomorrow's villains." In its editorial the paper said: "The personal interests of the political ruling class have come to stand between promises made at independence and the wishes of the people."

The veterans' fund is the biggest scandal of several preoccupying Zimbabwe.

The government has for two years frustrated attempts by the country's most successful black businessman, Strive Masiyiwa, to set up a cellular phone network. Recently it awarded the licence to an American firm represented by a group of Zanu-PF supporters including the president's nephew, Leo Mugabe.

The R363-million contract to build a new international airport in Harare went to a little-known Cypriot firm, also represented by Leo Mugabe.

'Crooked loans' for VIPs in homes scam

(362)

Harare – Zimbabwean President Robert Mugabe's government was dealt another blow this week when it was revealed that his wife, other family members, cabinet ministers and senior officials had homes built by the state with the use of an illegal finance scheme.

ARG 26/4/97

Scores of senior officials, named in the Harare High Court, were said to have been lent money that was illegally diverted from the housing ministry.

Officials in the ministry admitted agreements between the VIPs and the ministry were "largely verbal" and that more than Z$90-million (about R35-million) may never be recovered.

Judge George Smith heard that several crooked loans were advanced to the VIPs – including Z$1,9-m (R740 000) to Mr Mugabe's wife for a Z$6-m (R2,34-m) mansion – without any estimates of the costs.

The evidence, published in the privately-owned Zimbabwe Independent, follows a scandal in which the top echelon of Mr Mugabe's government was implicated in profiteering from state funds. – Sapa

(362) (185)

Mugabe implicated in cash scam

Star 26/4/97

Harare – Zimbabwean President Robert Mugabe's government was dealt another blow this week when it was revealed that his wife, other family members, cabinet ministers and senior officials were built homes by the state with the use of an illegal finance scheme.

Scores of senior officials, named in the Harare High Court, were said to have been lent money illegally diverted from funds run by the Housing Ministry and whose own construction workers built the officials' houses.

Officials in the ministry admitted that agreements between the VIPs and the ministry were "largely verbal" and the often non-existent records meant more than Z$90-million (about R36-million) may never be recovered.

Judge George Smith heard that several of the crooked loans were advanced to the VIPs – including Z$1,9-million to Mugabe's wife Grace, for a Z$6-million 30-room double-storey mansion – without any estimates of the costs.

Profiteering

The evidence, published in yesterday's edition of the privately owned weekly *Zimbabwe Independent*, follows hard on the heels of a scandal in which the top echelon of Mugabe's government was implicated in profiteering from state funds.

Observers warn that the continued revelations of corruption have critical political implications as resentment grows among economically distressed Zimbabweans.

This week the Zimbabwe Catholic Bishops' Conference said the government had "failed to achieve any of its ... aspirations" towards "an egalitarian society and equitable distribution of land, resources and wealth". It said government leaders "have been hiding immoral behaviour behind facades of respectability". – Sapa

Zimbabwe building more prisons

Bulawayo – Zimbabwe's prison service is building more prisons in order to accommodate 4 600 additional inmates because existing facilities can no longer cope with the country's soaring crime rate, Ziana news agency reported yesterday.

Prisons spokesman Rhodes Moyo said work had already started on four sites for the new prisons.

"We hope that when these institutions are completed they will go a long way to alleviating our overcrowding problem," Moyo said.

Zimbabwe's jails can ideally hold 16 000 prisoners but currently have 18 000.

Prison officials hope that with the expansion of facilities the prison population will be maintained at 18 000.

A presidential amnesty in 1996 freed 4 000 prisoners and brought the prison population down to 18 000 from 22 000. – Sapa.

Star 28/4/97 (362)

SA pupils to pay more for Zimbabwe schooling

BD 29/4/97 (362)

Michael Hartnack

HARARE — Hefty increases in school fees were announced by President Robert Mugabe's government at the weekend, a move that educationists fear will increase the drop-out rate among poor pupils.

SA parents with children at Zimbabwean state-run schools face increases of more than 350% and fees for these schools will be payable in US dollars. Local parents face rises of up to 90%.

Rural secondary schools are increasing tuition fees by 25% to R31, urban high-density secondary schools by 43% to R62 and urban low-density schools by 90% to R166. Boarding fees for Zimbabwean children are going up 50% to R416 a term at primary schools and R500 at secondary schools.

However, a new fee system has been introduced for "extraterritorial" pupils. They will pay US$150 a term for primary education and US$200 in secondary schools, plus US$200-250 in boarding fees.

Zimbabwe bill controls private hospital fees

BD 29/4/97

Michael Hartnack

HARARE — The Zimbabwean government has gazetted draft legislation which will enable it to control fees at private hospitals.

This comes as SA firm Afrox Medical Investments is in negotiations to take over one of Zimbabwe's leading private hospitals, Avenue Clinic.

The Medical Services Bill would give the Health ministry power to regulate private hospitals and clinics as closely as the education ministry is able to regulate private schools.

Medical sources said yesterday the bill could deal a blow to foreign investment in the development of economically viable private services, with the way open for continual bureaucratic interference on racial or political grounds. They noted that President Robert Mugabe and Vice-President Joshua Nkomo received treatment at foreign hospitals last year.

The bill gives Health Minister Tim-

Continued on Page 2

Hospitals

(3b2)

Continued from Page 1

BD 29/4/97

othy Stamps the power to direct clinics, nursing homes and hospitals to accept "classes of patients". The meaning of this is not explained but could refer to those suffering from particular illnesses, such as AIDS or those unable to meet normal bills.

It states that those running the facilities will have to present their books for inspection to justify any change in fees. Private hospitals will be banned from discriminating on grounds of race, and the way could be opened to impose quotas.

When Afrox Medical Investments began negotiations last year to take over Harare's 172-bed Avenues Clinic and build facilities with 125 beds, fears were voiced that it would raise fees to levels at its other 16 hospitals in SA and neighbouring states.

Afrox chairman Royden Vice said he had been unaware of the bill. His company had already filed an application to acquire Avenue Clinics.

Resignation of Zimbabwe minister not unexpected

(362) Star 30/4/97

By Robin Drew
Star Foreign Service

Harare – The resignation of Zimbabwean Agriculture Minister Denis Norman, announced this week, comes as no real surprise.

The 66-year-old farmer has been out on a limb in recent months over unpopular decisions with the farming community to impose levies and direct where they should go.

Norman has denied that this had anything to do with his decision. He said he had not lost faith in President Robert Mugabe's government nor was he disillusioned.

However, he felt the time had come to give way to the younger generation and he wanted more time to devote to his private life.

Norman's departure leaves only one white member in the cabinet, Minister of Health Dr Timothy Stamps.

Stamps is a member of the ruling Zanu (PF) while Norman has not played any part in party politics, being appointed to his post by the president while remaining outside the party.

A former minister of transport and energy, Norman served as a minister for 12 years. At independence in 1980, when he was chosen by Mugabe as Zimbabwe's first agriculture minister, the appointment was hailed as a master stroke in building confidence among the white community.

He lost his job in 1985 when Mugabe sacked him because the president was enraged by the continuing support shown by whites for former premier Ian Smith's party.

Norman returned to government after Mugabe became executive president.

Weather, disease slash Zimbabwe maize crop

ARG 1/5/97 (362)

EMELIA SITHOLE

Harare – Waterlogging and disease slashed Zimbabwe's maize crop this year to less than 2,1 million tons from an expected bumper harvest of 2,8 million tons, an industry official said yesterday.

Zimbabwe was looking to export 500 000 tons of maize this year but Zimbabwe Cereal Producers' Association chief executive Peter Wells said this had now been revised to 200 000 tons.

"Preliminary forecasts show an official maize crop of just under 2,1 million tons," Mr Wells said.

"There was potential for a bumper crop of 2,8 million tons but we have had a lot of waterlogging and a lot of disease so the potential yield dropped quite a bit," he said.

Last year, Zimbabwe produced 2,6 million tons of maize and was on course to beat that this year before excessive rains and grey leaf disease reduced yields.

Industry officials, however, said the harvest would be enough to meet domestic consumption with some left ver for export.

"There will be some prospects for exports although the quantity will be very much lower than expected," Mr Wells said.

Zimbabwe exports surplus maize to Zambia, Mozambique, Malawi and sometimes South Africa.

On recent press reports that South African farmers were trying to block a consignment of local maize, Mr Wells said the South Africans wrongly believed the Zimbabwean crop was subsidised.

"Although there are controls on maize imports and exports, there's no subsidy on our crop.

"But because the South Africans have changed to a free market situation literally overnight they are feeling a bit exposed," he said.

He declined further comment, referring questions to the state-owned Grain Marketing Board (GMB) which controls maize imports and exports. GMB officials were unavailable for comment. – Reuter

The first details of a shock report of Zimbabwe's government troops' atrocities in camp Bhalagwe and elsewhere has

Nightmare of Mugabe's Matabele

MtG 2-8/5/97 (362)

ONE of the untold horrors of Africa — the atrocities perpetrated by Robert Mugabe's troops in the southern province of Matabeleland after independence — can finally be told.

The nightmarish story of how Mugabe's Korean-trained troops put down an insurrection in the early 1980s has been detailed in a report drawn up by Zimbabwe's Catholic Commission for Justice and Peace.

The shock findings were presented to Mugabe in March, but the country's eight Catholic bishops have backed off a pledge to release it publicly. A copy has, however, been obtained by the *Mail & Guardian*.

The report is based on testimony gathered from more than 1 000 people over a five-year period. It sweeps aside a curtain of silence which has seen families being refused death certificates for corpses of their loved ones, because officialdom refuses to recognise their murders. Only one member of Mugabe's Cabinet has ever expressed the slightest regret for the atrocities.

The commission focused its investigation on two case-study areas, the Tsholotsho and Nyamandlovu districts in Matabeleland North and Matobo in Matabeleland South.

Matabeleland in the early 1980s was the centre of antagonism between Joshua Nkomo's Zipra and Mugabe's Zanla guerrilla armies. Tensions were exacerbated by a South African-backed destabilisation campaign. Dissidents carried out atrocities in the region — including the killing of missionaries — but on a minuscule scale compared to those of state security forces acting in the name of law and order.

In August 1981, 106 instructors arrived from North Korea and began training what was to be known as Five Brigade, or *Gukurahundi* — Shona for "the rain which washes away the chaff before the spring rains". Made up mostly of Shona-speaking recruits from Zanla, wearing distinctive uniforms including red berets, armed with AK-47s and driving Korean vehicles, which quickly fell to pieces in the rough Zimbabwe terrain, the crack unit was to terrorise Matabeleland.

Joshua Nkomo and Robert Mugabe: Signed a ꞏgreement in 1987, which ended hostilities between them

The government introduced a series of curfews in Matabeleland, journalists were prohibited from leaving the provincial capital of Bulawayo and Five Brigade set to work.

In the w… the report: "Within weeks of … g mobilised at the end of Januai… 3 under Colonel Perence Shiri, Five Brigade was responsible for m…s murders, beatings and property b… nings in the communal living areas of Northern Matabeleland where hundreds of thousands of Zapu supporters lived.

"Five Brigade passed first through Tsholotsho, spreading out rapidly through Lupane and Nkayi, and their impact on all these communal areas was shocking. Within the space of six weeks more than 2 000 civilians had died, hundreds of homesteads had been burnt and thousands of civilians had been beaten. Most of the dead were killed in public executions involving between one and 12 people at a time."

The report offers a chilling recitation of atrocities, describing how villagers would be assembled at a central point — such as a school, or borehole — harangued and subjected to mass beatings which were often followed by killings of those whose names were read from death lists.

"Villagers frequently report being forced to sing songs praising Zanu-PF while dancing on the mass graves of their families and fellow villagers, killed and buried minutes earlier." Five Brigade would regularly forbid the badly injured from seeking medical attention, in some cases returning the day after the initial assaults to finish them off.

There is a tribal belief in Matabeleland that the tears of the living need to be spilled to release the souls of the dead and allow them to be at rest. Five Brigade made a practice of forbidding mourning and the commission says there were instances of relatives being shot because they wept.

Burial was also often forbidden, so families were forced to watch the

Bhalagwe: Camp of

AMID all the horrors of Matabeleland one name stands out as being particularly synonymous with human depravity: Bhalagwe camp.

It was originally a base for ex-Zipra troops incorporated into the Zimbabwe National Army. But in 1982 the troops there were accused of being dissidents.

The camp was surrounded by paratroop and commando units and shut down. From mid-1982 it became the country's most notorious detention centre.

The camp lies less than a kilometre from a main road, but was invisible to it. Nearby is the Antelope mine.

It was made up of 180 large, round asbestos "holding sheds" measuring about 12 metres by six metres and another 36 half that size. Roughly 136 detainees were kept in each of the larger sheds. They slept on the floor, squeezed together on their sides. There were no beds, blankets, or toilet facilities.

Children, as well as adults, were kept in Bhalagwe. The detainees were trucked in from all over Matabeleland South. Survivors' accounts consistently refer to daily deaths at the camp. Villagers living near the Antelope mine report there were nightly visits by trucks, with workers tipping the corpses down a shaft, and explosions as hand-grenades were thrown after them.

Conditions at Bhalagwe were evoked by one 16-year-old survivor of the camp who was quoted by the commission: "At Bhalagwe the charge office was full of blood. We had to sit in lines outside the office waiting our turn to be beaten.

"When you were in front of the line you knew it was your turn next. The beatings started at 5.30am.

"I saw two people being shot and seven being beaten to death. Very many died, but I helped to bury only these nine I saw die. I dug their graves."

The Central Intelligence Organisation (CIO) teamed up with Five Brigade to conduct interrogations at Bhalagwe. According to the commission, they used electric shock treatment and water torture — which involved forcing the subject's head under water, or forcing a shirt into the victim's mouth and pouring water on to it until he, or she, lost consciousness.

Journalist was a 'security police spy'

Senior journalist Norman Chandler stands accused of being an apartheid-era spy, reports **Peta Thornycroft**

A SENIOR journalist on the Johannesburg newspaper *The Star*, Norman Chandler, spied for the security police during the 1980s, according to two former senior security policemen.

They say a Lesotho daily newspaper, *The Nation*, of which Chandler was managing director, was partly funded by the South African security police.

One former operative, Vic McPherson, now a superintendent at John Vorster Square, says he was Chandler's handler. Former spy Craig Williamson says he was the paymaster who authorised funds for Chandler.

Both Williamson and McPherson say Chandler was a "useful" agent for several months late in 1985. He provided important intelligence on the movement of South African refugees and Umkhonto weSizwe (MK) members in and out of Lesotho.

McPherson says he also provided information about the Lesotho government, in particular its relationship with the African National Congress.

He says while Chandler was employed at the *Rand Daily Mail* during the early 1980s, he reported on his colleagues and on "foreign visitors" to the newspaper.

The *Mail & Guardian* first contacted Chandler for comment last week. "That's interesting, that's fascinating," was all he repeatedly said when told of the accusations against him.

This week, however, he emphatically denied working for the security police, and said on Wednesday: "I would like to know their motivation for saying this. It will destroy me."

He said he used his own funds, part of his severance package from the then South African Associated Newspapers, to start *The Nation* in 1985 with a partner, Desmond Sixishe, a former information minister. (Sixishe was shot dead in1986 by soldiers loyal to the South African-backed military leader Justin Lekhanya.)

The Johannesburg-based Freedom of Expression Institute (FXI) is investigating whether there is any link between the intelligence which Chandler supplied and a South African police raid into Lesotho in December 1985. The raid resulted in the killing of nine people: six were ANC members, including two senior MK members.

The FXI investigation is part of a wider submission on the press to be presented to the Truth and Reconciliation Commission this month.

According to Williamson, Chandler worked for the security police from the early 1980s. "I considered recruiting him into my operation in the military when I left the police in 1985. But he was doing a useful job for the police, so I left him alone," he says.

McPherson in his turn has told newspaper in Lesotho.

Williamson first made the allegation about Chandler when he was being secretly debriefed by the ANC at the end of 1994. During those debriefing sessions, Williamson admitted to his part in the assassination of trade unionist Jeanette Schoon and her daughter Katryn in Angola in 1984, of Ruth First in Maputo in 1982, and his role in the bomb which exploded in the ANC's London headquarters in the same year.

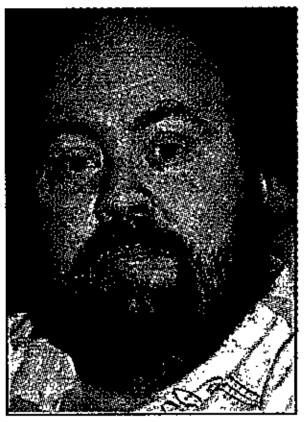
All these stories have subsequently been confirmed.

It was in that briefing that Williamson made allegations about Chandler and other journalists whom he said played various roles in the former government's propaganda war. He gave the ANC a strategy document drawn up by the police in which they analysed the campaign to discredit anti-apartheid cleric Allan Boesak in the press.

Chandler's name appears on a list of "friends and sources" of the security police in the media. The names of another 10 journalists are on the list.

Peter Sullivan, editor of *The Star*, said this week he could not understand why the *M&G* would "choose to take the word of a liar and murderer above the word of a *Star* journalist who claims he is innocent".

One of Chandler's colleagues in Lesotho, John Mukela, who was news editor of *The Nation*, said it began operations in August 1985 and closed at the end of the year after the chairman of a Lesotho bank, which was going to lend money, withdrew funds following a row with Sixishe.



Craig Williamson: Says he was Chandler's paymaster

Mukela said he had never had any reason to suspect Chandler was working for anyone other than the newspaper. "He ran a good newspaper," he said. "We had no suspicions."

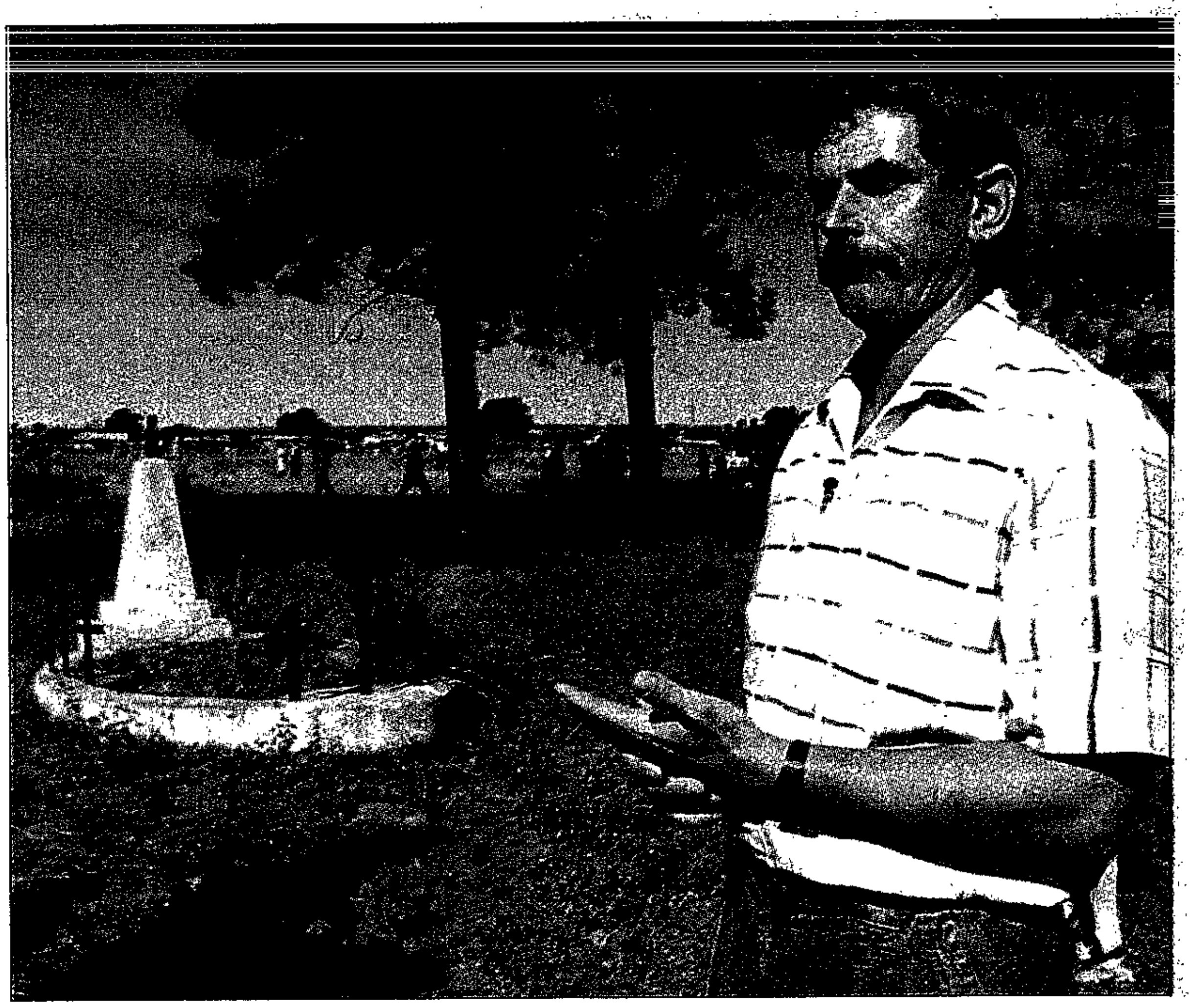
The *M&G's* editor, Phillip van Niekerk, who first confirmed Williamson's role in the Schoon and First murders and the London bomb, said he had informed Chandler's superiors about the allegations against him in February 1995.

Chandler continued to cover events for *The Star*, such as the trial of mass murderer Eugene de Kock, who was jailed for life last year. It was De Kock who headed up the police killing team into Lesotho in 1985. He and his colleagues were decorated for the raid.

Chandler was hired by the *Rand Daily Mail* from Britain. He was an assistant news editor when the newspaper closed in April 1985.

Independent Newspapers, owners of *The Star*, has submitted a controversial report to the truth commission on how it saw its role during the apartheid era.

Times Media Ltd has asked a former *Rand Daily Mail* editor, Rex Gibson, to prepare its submission to the com-



Sorry is the hardest word: The truth commission arranged for former police commander Brian Mitchell to seek reconciliation with the Trust Feeds community in KwaZulu-Natal last weekend. Mitchell was sentenced to 30 years in jail for his part in the massacre of 11 people at Trust Feeds in 1988, but was released last December after the truth body gave him amnesty PHOTOGRAPH: RAJESH JANTILAL

'Third force' killers not likely to be charged

Peta Thornycroft

SEVERAL "third force" trials may not take place because the Transvaal attorney general's office is grossly under-resourced. Dozens of former and present members of the security forces are likely to escape being charged for their crimes.

Knowing that they will not be prosecuted will also enable them to avoid applying for amnesty to the Truth and Reconciliation Commission. Few of those being investigated by the attorney general have applied and the cut-off date for doing so is May 10. Until now it is mostly the threat of prosecution which has sent some perpetrators of gross human rights violations scurrying to the truth commission for protection.

For more than three years, investigations into the "third force" and apartheid-era crimes have been under way in the Transvaal attorney general's office in Pretoria.

Several former police generals, including "Krappies" Engelbrecht and Nick van Rensburg, have been on the list of those who could face prosecution.

So have Inkatha Freedom Party leaders Themba Khoza and Phillip Powell, who have faced being charged, with others, in a spectacular "guns for Natal" trial — using much information gathered in last year's successful prosecution of the former Vlakplaas commander and mass murderer, Eugene de Kock.

But a third of the senior legal posts at the attorney general's office are unfilled, some for three years. In addition, there have been resignations by senior legal staff involved in the investigations. One advocate was close to writing up a docket in what would have been a major "third force" trial; his resignation has put the prosecution on the back burner, perhaps for ever.

Even worse is the toll the gruelling years of investigations which are have taken on those involved in tracking down politically motivated killers in the police and military.

At least one deputy attorney general has collapsed under the mental and physical strain of untangling the network of South Africa's most sophisticated criminals. This official will not be able to continue with the work.

Two policemen assigned to the attorney general's office as "third force" investigators have also cracked under the physical and emotional stress, and the danger in trying to pin down prosecutions against their former colleagues.

The attorney general's office has about seven major ongoing investigations, several of which will die out. The tentacles of one of the "third force" cases reach into the heart of

'This is taxing, difficult work, it needs experienced investigators. And we don't have them'

South Africa's present crime wave. Another huge investigation is into South Africa's chemical and biological warfare programme, which stretches into illegal international procurement of materials of war.

The attorney general's office has, in the mass of documentation it has collected since the Goldstone Commission of Inquiry closed down and handed over its files, enough material and leads to uncover substantially the remaining mysteries of the "third force" and outstanding apartheid-era murders — and to mount prosecutions. Insiders at the office believe the basic material and confessions collected could expose the modus operandi and funding of a mass of covert projects.

But the information is likely to remain locked away in filing cabinets and most "third force" killers and conspirators will remain safe from

The Transvaal's media-shy Attorney General, Dr Jan D'Oliveira, in a rare press interview, confirmed this week that the whole range of "third force" prosecutions was threatened by staff and resource shortages.

"This is taxing, difficult work, it needs experienced investigators. And we don't have them," he said. "We need 10 advocates and 10 more investigators for special investigations alone."

D'Oliveira is understood to have made an approach to President Nelson Mandela about his resource problems, and records show he alerted the Department of Justice three years ago to the growing crisis.

He also said that although the possibility existed of engaging lawyers from the private sector to beef up his prosecution capacity, the leeway was more apparent than real. He had to work through the Justice Department, whose budget was notoriously underfunded.

"This work needs the most experienced legal minds. It is extremely demanding work, stressful. We don't have the money to hire senior people," he said.

Enver Daniels, special adviser to Justice Minister Dullah Omar, confirmed there were vacancies in the attorney general's office, "but we wanted to fill them with people who were representative of the population as a whole. The attorney general's office is not representative of the population. In terms of a recent high court action, we have to submit action plans to fill vacant posts to the bargaining chamber of the Public Service Commission.

"Those plans include information on how to fill the vacancies. The minister has given the go-ahead for hiring from the private sector, and Business against Crime has also made an offer.

"The attorneys general [throughout the country] are also resisting the establishment of a national prosecuemerged despite Mugabe's curtain of silence, writes **David Beresford**

atrocities

Harbingers of death: Troops were used by Mugabe against 'dissidents'

PHOTOGRAPHS: MARGARET WALLER

corpses of their loved ones rotting in the sun and being mauled by scavengers.

The commission reports that there were some exceptions to the depravity and cites, as an example, an instance in early 1983 when a commander at Ndawana village in Tsholotsho ordered all the inhabitants into a hut and then set fire to it.

"As the burning thatch began to fall in on screaming villagers the commander left and another member of Five Brigade immediately opened the hut door and released the villagers before any were burnt to death. He took huge personal risk ..."

But otherwise the report contains a litany of atrocity reminiscent of Rwanda, or the Pol Pot regime in Cambodia. Some examples from the Tsholotsho and Nyamandlovu districts in Matabeleland North:

● Neshango line. February 3 1983. Mass beating of villagers and shooting of two young pregnant girls, followed by their being bayoneted open to reveal the still moving foetuses.

● Kumbula school, Pumula village. February 13 1983. Whole village beaten and seven shot dead, including a teacher, after digging their own graves. Witnesses refer to a fountain of blood from the pit.

● Gulakabili. February 12 1983. Whole village abducted from nearby to the Pumula mission area where they were beaten. Some were then forced to dig a mass grave, made to climb in and were shot. They were buried while still moving and villagers were made to dance on the grave and sing songs in praise of Zanu-PF. Number of dead given as 12.

● Tangahukwe. February 1983. All the villagers were rounded up and severely beaten. Twelve were selected and shot after being forced into two mass graves ... One of the chosen managed to run away, so his younger brother was killed instead.

One of the chosen managed to run away, so his younger brother was killed instead

● Korodziba. February 1983. Five Brigade came to the school and took about 60 pupils aged over 14 years. They were all beaten and asked abut dissidents. Twenty to 30 girls were raped and then ordered to have sex with some of the boys while the soldiers watched.

● Soloboni. February 23 1983. Five Brigade rounded up entire village to the borehole. Six people were chosen at random and were bayoneted to death and buried in one grave. Everyone was then beaten. Five people were beaten to death ... [one] man who wept to see his brother killed was severely beaten and died a few weeks later from his injuries. One old lady who was found in her hut was raped and Five Brigade then set fire to a plastic bag and burned the old lady with it, setting fire to her blanket. She died three weeks later from the burns.

● Egagwini. March 1983. One young man was taken by Five Brigade, badly beaten, returned and while his parents were washing his wounds, the Five Brigade came back and shot him.

● Mkhonyeni. January 1983. The first woman to die in this area was accused of feeding dissidents. She was pregnant and was bayoneted open to kill the baby. She died later.

February 1983. All the villagers were forced to witness the burning to death of 26 villagers, in the three huts of Dhlamini.

● Bonkwe/Nyanganyuni. A young woman from Bonkwe going to buy mielie meal was beaten for wearing her husband's watch. Her husband was summoned to Nyanganyuni and beaten to death. Every bone in his body was broken — he is referred to as being "like a cloth".

● Tshomwina and Dzokotze. January/February 1983. All the villagers of Tshomwina were forced-marched to Dzokotze nearby. They were beaten and five were killed. One man died after terrible mutilations which included having his jaw broken and his tongue cut out. This man ran away and was found by his family in a neighbouring village. He took eight days to die, without medical care.

● Mpungayile. 1983. The Five Brigade shot dead a mentally retarded boy and then shot three other men. Because the women wept they were shot too, four of them.

● Nkwalini. February 1983. A man from here, trying to take his wife away to Bulawayo, was shot dead at Mlagisa siding and so was his wife when she cried when she saw him shot.

● Sipepa Area. February 1983. Whole village forced to dig roots, some were then beaten and two schoolboys who looked too old for their class were shot dead.

The commission says that killing was less widespread in Matabeleland South, but many "horrific atrocities" were recorded. "A four-month-old infant was axed three times and the mother forced to eat the flesh of her dead child. An 18-year-old girl was raped by six soldiers and then killed. An 11-year-old child had her vagina burnt with plastic and was later shot. Twin infants were buried alive."

Everyone else was told to sing songs praising Mugabe and condemning Nkomo

Other specific incidents reported in the south included:

● Dry Paddock area. February 1984. A young woman and her father-in-law were asked about dissidents and beaten. They were then stripped naked and told to have sex with each other. The father-in-law said he would die first. A shot was fired, missing them, and the two were then severely beaten and left for dead.

● Donkwe Donkwe. February 1984. Five Brigade rounded everyone in the area to a local school. There were about 200 men, women and children. Everyone as beaten and kicked from sunrise to 10am. Then some were made to dig two graves, while others were made to fight each other. Six men were chosen at random and placed in two groups of three. They were then shot dead. Everyone else was told to sing songs praising Mugabe and condemning Nkomo ... While some sang and danced, others were beaten. Some of the villagers were made to bury the six dead and then had to join in the singing while being beaten. At 4pm about 19 young men were taken away and another man was shot as they departed.

● Mloyi area. February 1984. Approximately 100 adults and schoolchildren were rounded up ... they were told they were in for a treat ... People were then beaten, including a 12-year-old girl and her sister and their father. The two girls were so badly beaten they were later hospitalised. Their father was then shot dead in front of everyone and his children were made to search his pockets to see if they could find any evidence that he was a dissident.

● Mbembeswana area. February 1984. An ex-Zipra soldier was taken from his home in nearby Silonkwe to Mbembeswana. He was badly beaten and then his family were summoned to fetch him. He had both arms broken and no teeth. He refused to leave, saying he was dead already. Five Brigade then shot him in the head.

depravity

"The perpetrator would then jump on the victim's stomach until she, or he, vomited up the water. This practice commonly stopped once the victim was vomiting blood."

The report says there was repeated reference by survivors of Bhalagwe to "a particularly cruel woman CIO officer who used to sexually torment her male victims".

The practice of "forcing sharp sticks into women's vaginas" was particularly common at Bhalagwe.

"Witnesses refer to women at Bhalagwe adopting a characteristic, painful, wide-legged gait after receiving such torture. In addition, men were also subjected to beatings which focused on their genitalia. The testicles would be bound in rubber strips and then beaten with a truncheon ...

"At least one man is reported as dying after his scrotum was burst during a beating. Several witnesses also report being told to have sex with donkeys while at Bhalagwe and being beaten when they failed to do so ... "

Zipra was the military wing of Joshua Nkomo's Zimbabwe African Peoples' Union and Zanla was the military wing loyal to Mugabe's Zimbabwe African National Union (PF)

■ Further details of this report can be found on the electronic M&G at http://www.mg.za/mg/

Thousands of refugees want to enter Angola

BD 5/5/97

LUANDA — About 17 000 refugees were waiting at the Zaire-an-Angolan border while Angolan and United Nations (UN) officials decided their fate, Angolan Assistance and Social Reintegration Minister Albino Malungo, said yesterday.

"I understand there could be as many as 17 000 of these refugees waiting to cross into Angola from Zaire, so we must deal with this situation," Malungo said.

The UN High Commissioner for Refugees (UNHCR), quoting Zairean sources, said last month that about 30 000 Rwandan refugees had been seen moving toward the Angolan border.

Some of the refugees were reported to be former soldiers of the Hutu-dominated Rwandan government and Interhamwe militia, largely held responsible for the 1994 Rwandan genocide. Travel to the area has been severely restricted by the Angolan military and even personnel from the UN's peacekeeping mission in Angola, Unavem, have been denied access to the area along the border near the city of Dundo.

Malungo, the man charged with dealing with the refugees, said the Angolan government was working with the UNHCR to try to resolve the situation.

"We are working together with the UNHCR trying to bring the women and small children across the border," he said.

"The others, all those who are armed, of course, will not be allowed into Angola."

Earlier in the week Malungo said that many of the refugees camped across the border were armed. UNHCR officials in Luanda have declined to comment on the refugees, but the UNHCR in Geneva last month estimated the number at 7 000.

Another 500 refugees have crossed into nearby territory held by Unita, according to officials of the former rebel movement in Luanda. — Reuter.

Paper's report of killing slips past Harare customs

(362) BD 5/5/97

Michael Hartnack

HARARE — Newsagents yesterday held their breaths as 1 600 copies of the SA Mail & Guardian were allowed through, without inspection, by customs officers and went on sale bearing the headlines: "Mugabe's death squads" and "Nightmare of Mugabe's Matabele atrocities".

The newspaper gave massive prominence to a leaked copy of a report prepared by lawyers and churchmen on the reign of terror perpetrated by President Robert Mugabe's troops in Matabeleland in the early 1980s.

Yesterday neither Mugabe's press officers nor Archbishop Patrick Chakaipa, who ordered temporary suppression of the report, had responded to requests for comment.

Zimbabwe's state controlled newspapers ignored the leakage of the report.

Clive Wilson, a director of the company that distributes the Mail & Guardian said: "I am not afraid of government action."

However, Mugabe remains able to impose a total ban.

Anyone defying it risks seven years in jail.

The newly launched Zimbabwe Standard, which is outside control of the official Zimbabwe Newspapers group, yesterday carried an extensive lift from the Mail & Guardian story, further alerting Zimbabweans to long suppressed details of the atrocities.

A pro-government lawyer was previously ordered by Mugabe to prepare a report on events in Matabeleland after breakdown of the post-1980 independence government of national unity, but his findings were kept secret. Lawyers and churchmen late last year completed their own dossier after thousands of interviews, conducted in the face of continuing intimidation by the Central Intelligence Organisation.

The bishops, headed by Chakaipa, handed a copy to Mugabe on March 17, then decided to withhold distribution.

Churchmen said their aim was to get Mugabe to reverse his refusal to consider compensating families of victims, but Mugabe's government is likely to see it as a blow to its international credibility, and a stimulus to the formation of internal opposition.

Price of fuel in Zimbabwe rises

(362)

Michael Hartnack BD 5/5/97

HARARE — With labour unrest already simmering over the cost of living in Zimbabwe, more price rises are expected due to 12%-24% hikes in the cost of petroleum-based fuel, announced by the state's national oil company.

Inflation last month bounced back to 20,1%, having fallen from 40% to a four-year low of 15%.

Illuminating paraffin, which many urban Zimbabweans depend on for cooking and heating in winter, rose in price at the weekend by 23% to 48c a litre while cooking gas rose 24% to R3,30/kg.

The price of leaded and unleaded petrol rose 12% to R2,12 and R2,47 a litre respectively and diesel rose 16% to R1,68, making increases in transport fares inevitable.

The national oil company monopoly has been criticised by commerce and industry as wasteful and inefficient, but an official spokesman said the price rises had been forced by a further 10% depreciation of the Zimbabwe dollar since the last fuel price rises three months ago, and the cold northern winter that pushed up world prices by 30% to 35%.

The consumer council of Zimbabwe responded with a call to workers to negotiate increases that enable them to increase their living standards in real terms.

Morgan Tsvangirai, secretary-general of the Zimbabwe congress of trade unions noted real earnings had declined by at least 63% since the start of the government's economic liberalisation in 1991.

ZIMBABWE

CT(BR) 5/5/97

(362)

Fuel prices are sharply increased

The Zimbabwe government introduced sharp increases in fuel prices on Friday, the third round of rises in seven months.

Leaded petrol rose 12 percent to ZD5,11 (R2,04) a litre, unleaded petrol increased the same rate to ZD5,93, diesel fuel rose by 16 percent to ZD4,03, aviation gas was up by 20 percent to ZD5,10, and liquid petroleum gas by 24 percent to ZD7,93. In a major blow to urban families on the breadline who rely on illuminating paraffin as a source of fuel, its cost jumped 23 percent to ZD1,82.

Until now fuel prices have been minimal and were subsidised by the government. — *Sapa, Harare*

Mugabe is the man who says what is what

BD 6/5/97 (362)

As candidates line up for a vacant cabinet post in Zimbabwe, Michael Hartnack in Harare asks whether it really matters who gets the job

RETIRED Zimbabwean army commander Solomon Mujuru (formerly known by his guerrilla alias Rex Nhongo) is said to be among those in line to succeed Zimbabwe's veteran agriculture minister Denis Norman, 66, who has announced his retirement.

Norman said in his distinctive Oxfordshire accent: "The decision to leave is entirely my own and has not been brought about by lack of faith in the government, disillusionment, pressure, stress, or deteriorating health."

Norman said he had succumbed to "the lure of a more relaxed lifestyle" and his decision was not linked to the 10% levy on tobacco sales, which he warned last year had jeopardised the entire agricultural industry, nor with government plans to extend levies to all other farm produce — apparently against his advice.

Norman was brought into politics only at 1980 independence to revive confidence among the then 8 000 members of the Rhodesian National Farmers' Union (which he headed). His retirement came on the eve of the leak of a lawyers' report, previously suppressed by Catholic bishops, on massive human rights abuses by government in Matabeleland in 1982-87.

Although the only one of Mugabe's current team of 52 vice-presidents, ministers, provincial governors and deputy ministers not holding ruling Zanu (PF) party membership, Norman theoretically shares cabinet legal responsibility for the deaths, while he was agriculture minister from 1980-1985, of thousands at the hands of the North Korean-trained Fifth Brigade and the Central Intelligence Organisation. In practice, as everyone knows, real responsibility lay with Mugabe's Soviet-style politburo and Norman offered a consistent voice of reason in the cabinet.

Norman's job was to apply rather than formulate policies already decided by the politburo, yet when he returned to the agriculture portfolio in 1995 (after a frustrating spell at transport) he was stripped of jurisdiction over lands, resettlement (the thorniest racial issue) and water rights.

Had he quit — particularly in the early 1980s — it would have been seen by blacks (not just Mugabe) as all remaining 70 000 whites spurning racial reconciliation in the wake of the brutal 1972-80 Rhodesian bush war. Yet by remaining among colleagues such as the late Herbert Ushewokunze, who was an accessory to the murder of the Van As and Roux farming families at Masvingo, Norman (with his continually reassuring smile and "positive" remarks) came to be known derisively among whites as "Nothing's Wrong Norman".

Ironically, succession by the man who commanded the Zimbabwe army in 1982-87 might help farmers fight levies, since Mujuru is both a tobacco farmer in his own right and an influential force, with his wife Joyce (the information minister), in the politburo.

However, Mugabe's past tactic has been to leave positions vacant

MUJURU

— the finance ministry was leaderless for two years during crucial economic reforms — to dangle the carrot of rumoured preferment as long as possible before all those who might, otherwise, prove a political nuisance.

If it finally comes, a cabinet seat may in any case mean little more than an office, a Mercedes-Benz, and a tantalising array of tax-free perks.

The genial and perennially charming former veteran of Joshua Nkomo's Zapu, Cephas Msipha, bears the cumbrous title of "minister of state in the office of the president with special responsibility for privatisation and indigenisation".

Yet it is Justice Minister (and 1980-90 intelligence chief) Emmerson Mnangagwa, who as chairman of the cabinet committee on indigenisation writes threatening letters to companies such as SA's IBM, over alleged failure to "Africanise" top posts or sell shareholdings in local subsidiaries to blacks.

And it was Commerce Minister Nathan Shamuyarira who threatened to deny a work permit to Anglo American's new Zimbabwean CE, Philip Baum, over the conglomerate's alleged tardiness on black advancement, although such permits are theoretically the responsibility of Home Affairs Minister Dumiso Dabengwa (who as former Zapu head of intelligence, incidentally, spent most of 1982-87 behind bars).

Anglo's political problems were resolved — for the time being — only when Mugabe secretly met Nicky Oppenheimer and reached a deal including sale to government, or its nominees, of a stake in Bindura Nickel.

And, it must be remembered, Matabeleland began returning to peace only when Mugabe met Nkomo, and signed the unity pact put into force on January 1, 1988.

All of which — the existence of 52 vice-presidents, ministers, provincial governors and deputy ministers notwithstanding — bears witness to the real structure of power in modern Zimbabwe.

Zimbabwean Roger Boka's price demands could chase traditional buyers from his recently opened auction floor

Tobacco's inflammatory black visionary

(362)

CT (OR) 6/5/97

Robin Drew

Harare — Roger Boka, the owner of Zimbabwe's first black-owned tobacco auction floors, is a prominent crusader for black economic empowerment, but the man himself remains a mystery.

Man of vision, man of action is how Denis Norman, who quit last month as minister of agriculture, described Boka.

A year ago in a full-page advertisement, Boka accused Norman of adopting an insatiable approach in promoting white economic empowerment.

The tone of advertisements sponsored by Boka has been flagrantly racist

The tone of advertisements sponsored by Boka has been flagrantly racist. But in his brief televised interview after the opening of his tobacco floors, said to become eventually the biggest in the world, he denied being anti-white.

In that interview, he claimed to have lent far more money from his United Merchant Bank to white farmers than to black growers.

Boka, 51 but looking a good deal older, suffers from diabetes. He was once a teacher at a community school in Highfield, the township in Harare where black nationalist politics sprouted and grew.

He then did an agricultural course at a college, but found the wages he was offered were no better than a teacher's.

So he went into business. His daughter, Rudo, says his breakthrough came in 1984 when he won a contract to supply coach seating for National Railways of Zimbabwe. He also gained a contract to supply schools with books from his stationery house.

Today, apart from the bank and the auction floors, the Boka group includes construction and transport, tobacco buying, gold mining and dealing in the precious metal.

Last year, a local magazine, Horizon, reported that police in Zimbabwe and South Africa were investigating Boka for allegedly buying stolen gold.

Senior officials of the gold and diamond squad in Durban told Horizon they were investigating Boka together with gold dealer Arnoldus van Eck, a former Civil Co-operation Bureau agent. But nothing more has been heard of this charge.

Starting prices on Boka's floor were higher than those on rivals TSF or the BMZ

At that time, Horizon published an account of an intriguing telephone call to Boka's offices, requesting an interview.

A man calling himself Mabhunu (Boer) would not reply when asked if he was indeed Boka.

He told the black reporter the day would come when whites would be crushed.

"We can put cyanide in your tea," he said. "There is no such thing as reconciliation."

Boka's interest in tobacco, which earned Zimbabwe nearly R3 000 million last year, came to public notice in 1994 when he registered the first black-owned buying company.

The next year his buyers helped push up the price paid on the existing auction floors, but Boka said he would open his own floor and ensure even better prices.

The older floors said, diplomatically, that competition was welcome.

Last month, against all expectations, Boka started selling tobacco on his own floor and persuaded some of the bigger white growers to send their crop to him.

He says he has guaranteed markets in the Middle East and that, when complete, his floors will be able to deal with twice the amount of tobacco grown in Zimbabwe, the world's third largest exporter. He says he also intends opening a cotton auction floor, something new in Zimbabwe.

The opening prices for tobacco sold on the Boka floor were higher than the golden leaf fetched on the rival Tobacco Sales Floor er BMZ auction floor.

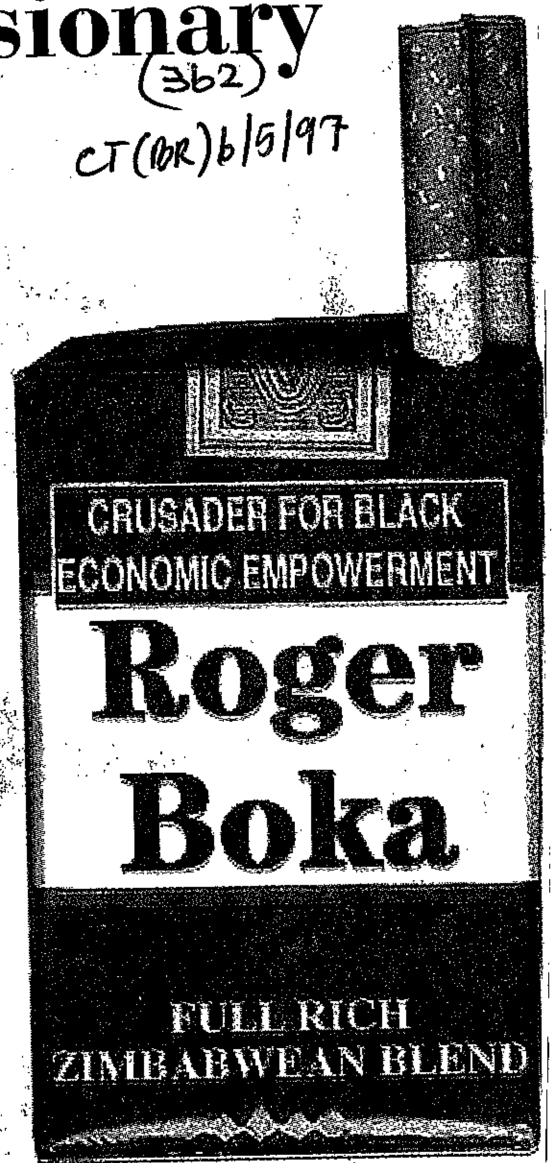
Boka caused some c when he arrived recentl Sales Floor and instructe to increase the prices.

The long-term effect on industry as a whole remains to be seen. But there are fears in some quarters that the US-dominated group of traditional buyers will look elsewhere if they are forced to pay higher prices.

Meanwhile, Boka's mercurial temperament almost guarantees more fireworks. Witness his behaviour earlier this year, when he stormed into a publishing house threatening to shoot people.

Boka was upset on that occasion because of a forecast in a tobacco magazine that his floors would not open on time.

When he called on growers to send their tobacco to him and break the "international cartel", he concluded with an appeal to fallen revolutionary heroes to "send their



Zimbabwe's new bill raises fears

BD 7/5/97 (362)

Michael Hartnack

HARARE — President Robert Mugabe's government has released a draft Public Order and Security Bill aimed at replacing the controversial Law and Order Maintenance Act enacted by former Rhodesian governments in a bid to suppress African nationalist activities.

In the new bill, the definition of treason, punishable by hanging, is extended to include failure to report "as soon as reasonably possible" that others inside or outside the country may be plotting treasonable acts. These might be "preparing or endeavouring to carry out by force any enterprise which usurps the executive power of the president or the state". It includes attempting to coerce the government by violent and unlawful means to change its policies.

The offence of "failure to report the presence of terrorists", punishable by up to 14 years in prison under the Law and Order Maintenance Act, is abolished. All references to "terrorists" are expunged, but life imprisonment is retained for those joining, recruiting, training as, or even expressing sympathy with "insurgents, bandits or saboteurs".

The new bill would give authorities the power to establish indefinite "cordons" through which it becomes an offence to pass without formal permission. Depending on how this is applied, it could amount to the same thing as a restriction order, say lawyers.

Journalists will be wary of new definitions of subversion, and of subversive statements, which it is an offence, punishable by five years imprisonment or a R10 000 fine, even to record. A statement that arouses a "substantial risk" of causing disorder is deemed subversive.

The old Law and Order Maintenance Act, giving the authorities almost limitless powers of arrest, search and seizure, was used after 1980 independence to ban opposition rallies and marches until the Supreme Court ruled that this violated the entrenched constitutional declaration of rights.

Passage of the Law and Order Maintenance Act by Sir Edgar Whitehead in 1961 was done with the consent of Harold Macmillan's UK government, which retained power to veto Rhodesian legislation affecting the rights of blacks. It still caused the protest resignation of then chief justice Sir Robert Tredgold and distinguished SA queen's counsel Israel Maisels, at that time a High Court judge in the country.

Under this existing act, Mugabe was "restricted" without trial from 1964-74 to a prison in the Rhodesian midlands. Vice-President Joshua Nkomo (then leader of Zapu) was similarly restricted to the remote Gonakudzingwa area in the southeastern lowveld, and Financial Times correspondent Michael Holman, then a University of Rhodesia student leader, was restricted for two years to his home town of Gwelo (today, Gweru).

An explanatory schedule published with the proposed new bill said the existing act was "draconian" and would be replaced by "provisions that pay regard to fundamental freedoms of assembly, association and expression" laid down in the constitutional declaration of rights.

The date for enactment was not announced.

Human rights lawyers said they would need to make an intensive study of the Public Order and Security Bill before making formal comment, but expressed fears that some provisions might be even more dangerous to individual freedom and to would-be government opponents than the old act.

Low world ore prices and rising costs have mines against the wall

Zimbabwean producers seek fixed gold floor price

CT(BR) 8/5/97 (362)

Cris Chinaka

Harare — Zimbabwean gold producers are seeking a guaranteed local gold floor price to improve their viability which is threatened by low world gold prices and rising input costs, a top industry official said yesterday.

Derek Bain, chief executive of the Zimbabwe Chamber of Mines, said some gold companies might be forced to retrench workers in the coming months as part of efforts to stay viable.

"The low prices and rising input costs are driving some producers to the wall ... and we are discussing these and other problems," he said on the eve of a two-day annual general congress of the chamber of mines.

The conference, set for the northern resort town of Victoria Falls, will focus on the mining sector in Zimbabwe and in the southern African region, but Bain said the subject of a fixed gold floor price might be a major topic on the sidelines.

"We have sounded out the Reserve Bank on the matter ... and we are soon going to present a paper to the bank. We are still getting information from various mines and as soon as we finish our compilation, we will forward the paper to the central bank," he said.

Under the scheme, the Reserve Bank of Zimbabwe, which presently markets the local gold, would pay producers guaranteed prices irrespective of the movement of the world price.

"This will cushion producers, especially the smaller mines, from fluctuations of the gold price being currently experienced," he said, emphasising the discussions were at an initial stage.

Bain said the gold mining sector — Zimbabwe's second-largest export after tobacco — was also worried that rising costs were squeezing profit margins.

Last month, the president of the Zimbabwe Chamber of Mines, Roy Pitchford warned companies to look out for a possible rise in power tariffs and prepare for annual wage increases, which unions wanted to climb above 27 percent in the financial year starting in July from last year's 25 percent.

Input costs have risen steadily over the years, averaging 32 percent annually in the past three years, according to state statistics.

"Outside these two negatives — low prices and input costs — the industry looks fairly solid and promising," Bain said, citing an increase in gold exploration over the past seven years.

Zimbabwe, Africa's third-largest gold producer after South Africa and Ghana, last year mined 24,7 tons of gold valued at Z$3,04 billion (about R1,2 billion), a slight increase over the 24,3 tons mined in 1995, and down on the projected 26 tons.

Industry analysts said many local companies scaled down production late last year when the gold price fell to a record low of $330 an ounce.

The price is expected to hover between $345 and $365 in the next six months.

The southern African state's leading gold producers include Falcon Gold, which shed nearly 200 workers at its Dalny mine in March citing viability problems, Rio Tinto, Lonrho Zimbabwe and Ashanti Goldfields Zimbabwe. — Reuter

-luman rig its repor: coul c ope i o.c wounc s

Observers say the document, which lists atrocities performed by government troops in the 1980s, could endanger unity

Star 9/5/97

(362)

y Lewis Machipisa
arare

It is still too early to tell if a report on atrocities perpetrated by government troops against imbabwe's ethnic minority in ıe 1980s will achieve its stated ım of helping to heal the wounds ıey have left.

The report on the 1982-1987 ampaign against dissidents in ıe provinces of Matabeleland Iorth, Matabeleland South and lidlands was co-produced by vo Zimbabwean human rights roups, the Catholic Commission ır Justice and Peace in Zimbab-e (CCJPZ) and the Legal Re-ources Foundation (LRF).

The country's eight Catholic shops presented it in March to resident Robert Mugabe but re-ısed to release it to the public, referring to await a response om the government. However, ıe document was leaked to the lail and Guardian newspaper in outh Africa, which published a ory on it in its May 2-8 edition ıd posted most of the report on s Internet website.

In a statement issued on May the CCJPZ and the LRF stated at they "regret the publication the media at this time of ex-acts from their report".

"The intention of the report is

Waiting game ... President Robert Mugabe was presented with the report by the country's 8 Catholic bishops in March this year.

Strain on unity ... Zanu's Joshua Nkomo. The former leadership of the party has reportedly reacted angrily to the document.

unofficially to explain why th issue has been swept under th carpet is that the report coulc open old wounds and even leac to unrest.

However, independent jour nalist Busani Bafana, who is basec in Bulawayo, capital of Matabele land North, does not believe thi: will happen.

"People are very bitter ove the issue but I don't think they could be spurred into taking up arms," he said. "People sufferec under *Gukurahundi* (Fifth Brigade and they know what *Gukurahund* can do and I don't think they would want it back again.

"People should debate the issue and that way, I think, it wil help heal the wounds and unite the country," said Bafana. "Let's forget about what happened anc at the same time enable people whose lives were disrupted to gc back to normal."

One of the proposals con tained in the report is that victims of both the dissidents – whose atrocities were also documented by the CCJPZ/LRF – and the mili-tary be granted compensation, a recommendation the government has in the past dismissed.

"Although President Mugabe has said there will be no compen-sation to affected parties, I think there is a need to revisit the whole

document the events historica-
; to assist in a deep and lasting conciliation in Zimbabwe and redress some of the outstanding difficulties still being suffered y the victims and survivors of at campaign," they said.

The report is based on testionies gathered from more than 000 people and describes how e security forces, and especially e army's Fifth Brigade – which as since been disbanded – uelled the insurrection.

For years, President Robert Iugabe's administration had anaged to put a lid on news of e massacres reportedly carried t by the Fifth Brigade, in which ore than 2 000 people from the debele minority allegedly lost eir lives.

In the document's preface its thors state that they acknowdge the historical context within hich the events occurred, and at the report "does not seek to portion blame".

"It seeks merely to break the lence surrounding this phase in e nation's history by allowing proximately one thousand peole who have approached the reort compilers in the last year a ance to tell the stories they want told.

"It is hoped that greater openness will lead to greater reconciliation," they added. "At the same time, the report alone cannot result in reconciliation: it is therefore accompanied by a project proposal, which puts forward some concrete suggestions as to how the hardship caused by the 1980s disturbances can now be redressed."

Soon after Zimbabwe attained independence in 1980, Matabeleland became the centre of antagonism between members of the two guerrilla groups that had fought to end white minority rule: Zipra, the armed wing of the Zimbabwe African People's Union (Zapu), and Zanla, the military arm of the Zimbabwe African National Union-Patriotic Front (Zanu-PF).

According to the report, in August 1981, 106 instructors arrived from North Korea and began training what was to be known as the Fifth Brigade, made up mostly of Shona-speaking recruits from Zanla, to put down dissident activity and a South African-backed destabilisation campaign by disgruntled ex-Zipra members.

Shonas constitute around three-quarters of Zimbabwe's population, while Ndebeles, who comprised the bulk of Zipra's forces, make up about 15 percent.

"Within weeks of being mobilised at the end of January 1983, under Colonel Perence Shiri, Five Brigade was responsible for mass murders, beatings and property burnings in the communal living areas of Northern Matabeleland, where thousands of Zapu supporters lived," says the report.

"Within the space of six weeks more than 2 000 civilians had died, hundreds of homesteads had been burnt and thousands of civilians had been beaten.

"Most of the dead were killed in public executions involving between one and 12 people at a time," it adds.

So far, there has been little public reaction to the report, which was relayed only by one small-circulation weekly here, the privately-owned Standard.

"I know the reaction of the former Zapu leadership has been one of anger as it will bring unnecessary strain on the issue of unity," said law professor and human rights activist Welshman Ncube. "Their Zanu colleagues will also be angered, as this will bring into the open their roles in the massacres."

Under a 1987 unity accord that ended the hostilities, Joshua Nkomo's Zapu joined Mugabe's Zanu-PF government, in which Nkomo became one of two vice-presidents.

"When you look at the scale of the atrocities perpetrated by CIO (Central Intelligence Organisation) and army officials it is shocking," Ncube said.

"But we still have those same mass murderers, who perpetrated the atrocities and still have the potential to do it again, occupying top government positions in the army and police."

He noted that the commander of the Fifth Brigade was still in the army and had been promoted.

"What we are saying is that the truth must be said so that the victims can forgive and the perpetrators held accountable in the sense that they should not be holding the positions they have in the army and police," said Ncube.

Observers say the government should have reacted to the report by now.

"The government should apologise for the atrocities which occurred and provide compensation in one form or another," said Reginald Matchaba-Hove, chairman of ZimRights, a local human rights watchdog.

"We note with sadness that several reports including (those of) commissions of inquiry have been presented to the executive but have never been made public," Matchaba-Hove said. He said his organisation had given the government one month from May 5 to respond to the report before making any further comments.

Said Ncube: "One hopes the government will acknowledge and take steps to heal the wounds. But I doubt it.

"I don't think government will want the report made public because no government in the world wants to be seen to brutalise its innocent people.

"Besides, there are people in government who genuinely feel that by making it public, unity will be threatened and there are those who fear being held accountable for the attempted genocide," he added.

One of the reasons advanced su[illegible]ect," sa[illegible] [illegible], some of whose relatives suffered at the hands of *Gukurahundi* ("the rain that washes away the chaff") as the Fifth Brigade was called.

"Some people just disappeared and have never been traced," he added. "Their families are suffering because of that. So are we saying they should continue the suffering without death certificates for their relatives, husbands wives and children?"

Because there has been no official acknowledgement of the 1982-1987 killings and disappearances, relatives of victims have been unable to obtain death certificates.

According to Ncube, a full disclosure would lead to action to remedy the situation. He said a reconciliation trust should be set up as well as a rehabilitation centre for children whose parents were killed.

"Right now some people are paupers because their fathers, mothers and breadwinners were killed when they were five years old. There is need to help victims of this attempted genocide which should have never happened in the first place," said Ncube. – Sapa-IPS.

DIAGONAL STREET

Michael Hartnack

BD 12/5/97

Zimbabwe exchange is riding high

(362)

ONCE called "the harlot of the economy" by former finance minister Bernard Chidzero, the Zimbabwe Stock Exchange (ZSE) has been riding high despite a shortage of scrip and lingering government controls.

Although Chidzero's disapproval has been replaced by a more pragmatic official approach to the role of equity capital, liberalisation has not removed all restrictions.

Companies still may not allow more than 40% of their ownership (traded after 1993) to fall into foreign hands, and no single overseas shareholder can possess more than 10%.

Those bringing in funds through a registered commercial bank may now repatriate their income and sale proceeds free of charge, but taxes of 15% on dividends and 10% on capital gains are levied on individuals.

In what was seen as a retrograde step, the Reserve Bank last month placed fresh controls on dual-listed shares: those importing foreign-bought scrip now need permission to sell locally, while locally acquired dual-listed scrip remains unsaleable outside Zimbabwe.

The value of quoted shares rose 92% in US dollar terms (more than 120% in local currency terms) last year, but growth slackened this year when matched against a 10% fall in the Zimbabwe dollar and an inflation rate above 20% during the same period.

Turnover reached $50m a month late last year as institutions, companies and individuals moved back into the market after years of neglect.

"The most important factor was the reduction (in interest rates) by the end of the year to 19%, and people thought they would do better on the ZSE," said CE Tony Barfoot. "The end of the drought was the other important thing."

With more than 40% of company performances linked to farm output, the industrial index soared from 3 972 to 8 786 between January and December last year (on Friday: 10 303), and the new year saw four new issues, raising market capitalisation 28,8% from $5,2bn to $6,7bn. Sixty-seven companies are listed.

The dual listing of Ashanti's 10-million shares contributed to the increase, along with those of Meikles (Northchart), Randalls, National Merchant Bank, Consolidated Farming Investments (the former farmers' co-operative) and Interfresh.

Exchange chairman Mark Tunmer said the major challenge was to move to a central share register and scrip depository, with the aim of eventually getting the market "on screen". While failure to clear and settle deals had not proved a problem, moves must be made to eliminate the risk, he said.

□ On Friday, the Johannesburg Stock Exchange rallied in trade worth R785m: the all gold index gained 1,9% or 23 points to 1 238. Industrials rose four points to 8 501, leaving the all share index up 16,5 at 7 179.

Zimbabwean retirement village branded as a 'white bantustan'

BD 12/5/97 (362)

Michael Hartnack

HARARE — A second up-market cluster housing complex has run into trouble with President Robert Mugabe's government after it alleged the complex would result in the creation of a "white enclave".

Last month, developers of the 252ha "Nick Price" village in Borrowdale, Harare, got permission to continue building 500 homes after pledging the development would not be a "white bantustan".

Now Deputy Housing Minister Tony Gara has targeted the 14,4ha Dandaro retirement village, also in Borrowdale.

Saying that it was clear that "100% of the occupants" were whites, Gara told parliament Dandaro's developers had been "taken to task and required to correct the statistical balance of the population there". He said cluster home developments would be banned unless at least 60% went to "indigenous black Zimbabweans".

His allegations were contradicted by a spokesman for developers Wenham Investments, who said all racial groups were represented among the 40 who had bought homes.

Wealthy, elderly blacks generally want to retire to rural smallholdings rather than high-fenced complexes and as a result, most such homes are occupied solely by whites and coloureds.

Matabeleland horror reports 'mischievous'

Star 12/5/97 (362)

Exposé of unspeakable atrocities by pro-Mugabe forces aims to rekindle violence, says Zimbabwean president

Sapa-DPA
Harare

President Robert Mugabe of Zimbabwe has accused churchmen and human-rights lawyers, who prepared a 300-page report on alleged security force atrocities, of being "mischief-makers". He said they were trying to revive the violence that plagued Matabeleland in the 1980s.

Copies were leaked to the press 10 days ago despite attempts by Archbishop Patrick Chakaipa to keep all under lock and key.

Speaking at the state funeral of an official declared a "national hero" for his loyalty to the ruling party, Mugabe said he himself had set an example by not seeking legal reprisals against former Rhodesian Prime Minister Ian Smith.

Smith has reopened controversy about his 1964-79 fight to stave off black rule with publication last month of his memoirs, entitled *The Great Betrayal*.

"Perhaps I should have been the first man to go and cut his throat and open up his belly but no, we shall never do that," Mugabe told a crowd of mourners.

Mugabe came the nearest he has ever done to apologising to the estimated 7 000 victims of his North Korean-trained Fifth Brigade and Central Intelligence Organisation when he said his government had sworn not to go into the past except "as a register or record that will remind us what never to do.

"If that was wrong, if that went against the sacred tenets of humanity, we must never repeat it," he pledged.

He showed no sign of reversing his refusal to consider compensating survivors of horrific 1982-88 atrocities, in which pregnant women were disembowelled, children slaughtered and relatives forced to sing pro-Mugabe anthems on mass graves of security-force victims who were buried alive.

Compilers of the report say assisting inhabitants of Matabeleland was the aim and integral purpose of exposing the long-suppressed truth.

Mugabe said: "Mischief-makers preferred to wear religious garb and publish reports that are decidedly meant to divide us and go into the past, to go into conflict again, to fight those differences which we have overcome." The state-controlled Sunday Mail said this was a direct allusion to church involvement in the Matabeleland report.

> **"Bid to divide us and go into the past"**

Under his 1987 unity pact with Mugabe, former Zapu leader Joshua Nkomo became vice-president – and subsequently, one of the wealthiest landowners in Zimbabwe – but the region has never recovered.

As Mugabe made his long-awaited response to leakage of the report, prison officials announced that three common criminals – all from the economically neglected Matabeleland region in western Zimbabwe – had been hanged for murder in Harare Central Prison.

The compilers of the Matabeleland report – the Roman Catholic Commission for Justice and Peace and the Legal Resources Foundation – have been campaigning for many years for abolition of the death penalty.

Zimbabwe trade deal to come soon

(562)
BD 13/5/97

John Dludlu

SA TRADE officials — who have been negotiating the reinstatement of pre-1992 trade concessions for more than a year — are confident that a deal, granting preferential access to Zimbabwean farm exports to SA, will be struck next week when Trade Minister Alec Erwin visits Harare.

According to trade and industry department officials, Erwin is due to meet his Zimbabwean counterpart Nathan Shamuyarira next week during President Nelson Mandela's state visit to the country. A memorandum of understanding on economic co-operation could be signed.

Busi Gaboo, a deputy director in charge of African trade relations at the trade department, said yesterday talks were continuing with Zimbabwe on trade concessions for Zimbabwe's agricultural exports to SA.

These preferences had been eroded by changes to SA's customs and excise legislation. "Before (the changes to customs laws), most of Zimbabwean agricultural products were entering SA duty-free (in terms of a 1964 agreement with Harare)."

She was optimistic that a deal would be clinched with her Zimbabwean colleagues.

"There is no serious deadlock," she said.

She denied recent reports saying a dispute between the trade department and the customs and excise department delayed the implementation of the agreement on clothing and textiles. "The agreement is in operation," she said, pointing out no special gazette notice was required for the pact to become operative.

The textiles and clothing pact would see tariffs being scaled back to 15% of the most-favoured-nation rate by 2002 for textiles and to 20% of the most-favoured-nation rate for clothing exports.

The agreement, which would see tariffs on clothing and textiles being reduced on an annual basis, would have retrospective application from last year.

AFRICAN BUSINESS

AGRICULTURE *New sales floor will inject welcome competition to establishment, say small-scale growers*

High prices greet start of Zimbabwe's tobacco season

CT (BR) 13/5/97 (362)

MOLLYN NGONI

Harare — Zimbabwe's tobacco-selling season has started with high prices. This bodes well for its crop of 205 000 tons of flue-cured and 7 000 tons of burley tobacco.

Despite heavy rains, which resulted in a decrease in yield from an expected 235 000 tons to 205 000 tons, quality remained unaffected.

"This year's yield may be low but it is good quality. We are looking forward to the same number of buyers as last year," Robert Webb, the Zimbabwe Tobacco Association's president, said.

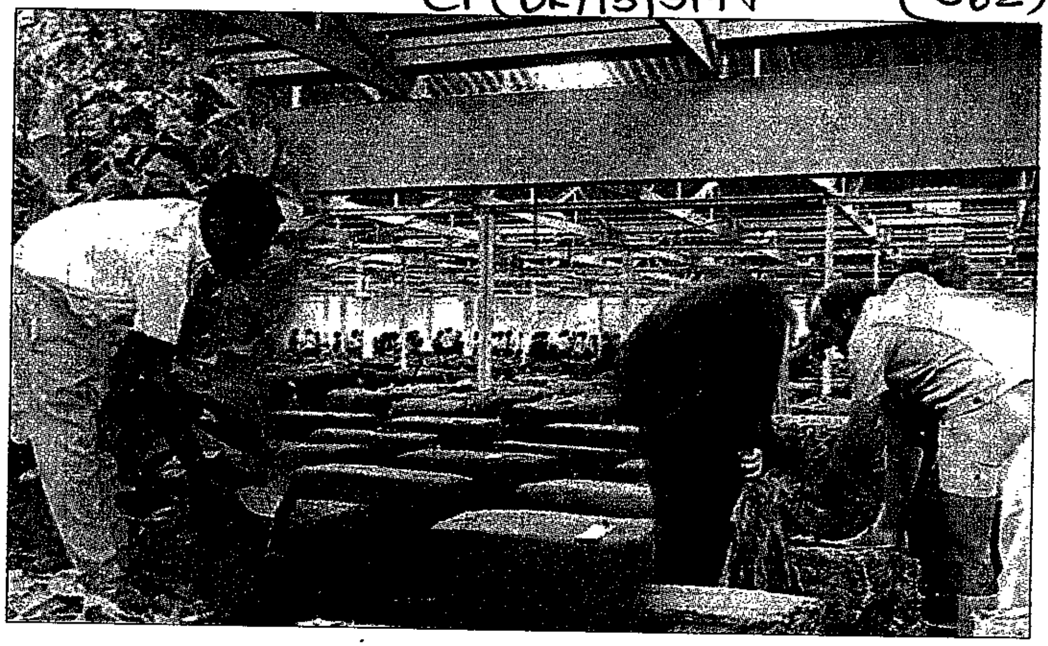
Last year Zimbabwe, one of the world's major tobacco growers, competing with countries like Brazil, Argentina, India, China and the US, produced 203 000 tons of flue-cured tobacco and 6 000 tons of burley, earning the country $636 million.

Zimbabwe's tobacco, renowned for its quality because of excellent climatic conditions, is exported mainly to Germany, the US, the European Union and the Far East.

This year's sales were sparked on a competitive note with the opening of a new $19 million sales floor. Owned by businessman Roger Boka, the floor will compete with the long-established Tobacco Sales and Burley Tobacco floors.

The three auction floors have a total annual handling capacity of 587 000 tons. All three now enjoy a mixture of both small-scale and large-scale farmers. "I am very happy I managed to create competition in the tobacco industry," said Boka. "I hope this will encourage expansion of this important industry to the country."

David Coleman, a tobacco farmer in Marondera, said: "Where prices are much more attractive, that's where I will go. This competition is healthy, but of course both floors will have to maintain standards such as fast



processing of cheques, off loading and receipting services."

A small-scale tobacco grower, Charles Chegato of Hurungwe, said he was happy there was now an alternative in the industry. "If someone is not happy with the service of one floor they will try the other."

Lal Taylor, the public relations director of the Tobacco Association, said the competition would give farmers better prices, encourage farmers to increase tobacco hectarages and bring the state more revenue.

Prices at the start of the flue-cured sales ranged between $3,18 a kilogram and $4,45 a kilogram while burley sold at $2,90 a kilogram. The average flue-cured tobacco price last year was $2,64 a kilogram while for burley it was $1,64 a kilogram. The highest average price for flue-cured tobacco since Zimbabwe's independence in 1980 was $3,05 a kilogram in 1991.

Pat Devenish, the managing director of Tobacco Sales Floor, said flue-cured tobacco prices remained firm and attractive last season because of a worldwide shortage of tobacco and a high-quality crop delivered. He said high prices were unlikely to continue this year as more tobacco was expected to be produced.

World flue-cured production this year is estimated to be 4,2 million tons, up from an estimated 3,7 million tons last year. Tobacco is Zimbabwe's largest foreign currency earner, with the industry employing close to 10 000 workers. — Independent Foreign Service/AIA

Zimbabwe: **The Herald** reported yesterday that about Z$68 million had been disbursed to 86 Zimbabwean commercial and small-scale cattle producers out of a Z$300 million loan facility provided by Standard Chartered Bank and Old Mutual to help rebuild the national herd. The paper also reported that Florence Chitauro, the public service, labour and social welfare minister, had denied she was intimidated into leaving out some individuals in her inquiry into the alleged abuse of the country's War Victims Compensation Fund. (362) CT (BR) 15/5/97

Mugabe report causes division

MtG 9-15/5/97 (362)

Iden Wetherell

A STRUGGLE is looming for custody of a report documenting widespread human rights abuses by Zimbabwean security forces in the 1980s.

Details of the report — handed to President Robert Mugabe in March — were carried in the *Mail & Guardian* last week. It reveals a bloody campaign of terror unleashed by the army's North Korean-trained Fifth Brigade in Matabeleland against counter-insurgents loyal to Mugabe's long-time rival, Joshua Nkomo, now vice-president.

While Zimbabwe's Catholic bishops are battling to keep a lid on the gruesome findings of their own Catholic Commission for Justice and Peace, the report's co-authors, the Legal Resources Foundation, an independent advisory service, want it published without further delay. In particular they want to publicise the report's recommendations for a reconciliation trust to channel aid to the troubled region.

But the bishops have the report, ironically entitled *Breaking the Silence*, under lock and key and are refusing to release it before Mugabe has commented. Foundation officials privately suggest this strategy is designed to sweep the whole matter under the carpet, given the intimate relations that now exist between the president and the Catholic hierarchy.

Nkomo is equally anxious to suppress the report. His position depends upon a 1987 pact with Mugabe which allows his followers a share of state power.

Catholic commission insiders say Nkomo recently stormed into their offices demanding that all copies of the report be handed over to him. He warned staff that publication could jeopardise the nation's unity. They refused to comply.

The proposed reconciliation trust, *Uxolelwano* in Ndebele, representing the government, the Catholic commission, the foundation and affected communities, would seek funding for projects such as scholarships, clinics and counselling services. Modelled on a similar scheme set up in Cape Town for the KTC squatter camp which had suffered state-sponsored communal violence, its advocates hope to source US$68-million in government and donor support.

Foundation insiders said this week that if the bishops persist with their refusal to release the report, the foundation may publish it themselves.

The two organisations put out a joint statement on Tuesday regretting publication in the media of extracts from the report which omitted any mention of the trust proposal. The Catholic commission denies any rift with the foundation. There had been differences of approach between the authors, one church source conceded, but they now had "a common view".

Commission legal officer Liz Feltoe is hopeful the bishops will get a reply from Mugabe next week. "The bishops are confident they will get a response," she says. Others are less optimistic. Mugabe has in the past proved obdurate, refusing to apologise for what happened in Matabeleland or to offer compensation.

He has other worries, including allegations of sleaze in state tender awards and the threat of being eclipsed by South Africa in the Zaire talks. "He will try and ride out the storm," said a foundation official.

The need for transparency is underlined in the report itself which describes the killings at the notorious Bhalagwe camp as comparable with the genocide carried out by the Nazis and Cambodian tyrant Pol Pot.

Professor Welshman Ncube, of the University of Zimbabwe's law faculty, said the recommendation for a reconciliation trust was central. "To heal the wounds victims need to be acknowledged, requiring a mechanism whereby survivors and victims' families can receive state assistance." Referring to those perpetrators of violence who today occupy key posts in the government, armed forces and police, Ncube said: "Mass murderers should not be entrusted with responsibility ... especially when tasked with protecting human rights."

Tycoon's death reveals black lobby's shadiness

(362) BD 16/6/97

HARARE — A police detective who almost choked to death trying to swallow a black tycoon's criminal record, and an apparently sabotaged brake pipe in the car the tycoon died in, have revealed deception in Zimbabwe's militant black empowerment lobby.

Affirmative Action Group vice-president Peter Pamire, 35, had his skull crushed when he was thrown out of his car in March.

Appeals were made for "Boss Pams" to be buried at Heroes' Acre, the national shrine for the dead of Zimbabwe's liberation war, in recognition of his role in the "struggle for economic liberation".

The ruling party shied from declaring him a hero, ordering him a lavish funeral instead.

Now evidence uncovered in an investigation by local magazine Horizon makes even that questionable.

It appears Pamire was probably murdered, that the business empire of the reputed multimillionaire was an empty shell and that there has been a campaign to erase a list of his brushes with the law.

President Robert Mugabe and members of his inner sanctum that have run the country since 1980 are in their 70s. Questions are being asked about succession.

Zimbabwe's socialist rhetoric has been abandoned for aggressive capitalism. "Indigenisation" of the economy has become a plank of government policy.

A politically well-connected coterie of black businessmen and women is seen as highly likely to inherit power.

Police forensic scientists reported that two incisions had been made in the brake hose of Pamire's vehicle.

Pressure on the brake pedal would have rendered the brakes useless as he struck potholes.

A former business colleague commented: "The competition between players in the indigenous business is so fierce, it's not surprising that someone wanted to do him in."

His death was preceded by an operation to wipe out records of his past. He was jailed in 1982, when a public service clerk, for defrauding the government.

There are no records of the proceedings in which he was sentenced, in the national archives or in the libraries of the state-owned newspaper.

Detective Constable Alexio Mapira was seen removing a card on Pamire in police headquarters in February this year and later again, after which he was apprehended.

He stuffed the document down his throat and had to cough it out to avoid choking to death.

Horizon found no records of Pamire's companies or properties in the registry of companies and of property deeds "because someone has pulled them out".

Pamire "is giving his creditors a headache from the grave," Horizon said. — Sapa-DPA.

BLACK EMPOWERMENT

Choking on the evidence

(362) CT 16/5/97

JAN RAATH

HARARE

A police detective who almost choked to death trying to swallow a black tycoon's criminal record, and an apparently sabotaged brake pipe in the car the tycoon died in, have revealed intrigue and deception in the dangerous world of Zimbabwe's militant black empowerment lobby.

Peter Pamire (35) the vice-president of the Affirmative Action Group — the most radical of the country's groups campaigning against white control of the economy — had his skull crushed when he was thrown out of his Pajero Intercooler car when it rolled on a suburban road on the way to his home in Harare's exclusive suburb of Borrowdale in March.

Appeals were made for Pamire to be buried at Heroes' Acre in recognition of his role in the "struggle for economic liberation". But the ruling party politburo shied from declaring him a national hero. Instead they ordered him a lavish funeral.

Now evidence uncovered in a comprehensive investigation in its latest edition by the independent Harare magazine Horizon makes even that concession highly questionable.

It appears Pamire was probably murdered; that his business empire was an empty shell; and that there has been a concerted campaign to erase a long list of his brushes with the law over serious financial impropriety.

President Robert Mugabe and members of his inner sanctum who have run the country since independence in 1980 are in their seventies, and questions are being asked increasingly about succession.

Zimbabwe's socialist rhetoric has been abandoned for aggressive capitalism, and "indigenisation" of the economy has become a plank of government policy.

The politically well-connected coterie of black businessmen and women, typified by Pamire, are seen as highly likely contenders to inherit power.

Police forensic scientists reported to Augustine Chihuri, the police commissioner, after Pamire's crash, that two incisions had been made in the brake hose of his vehicle. Sharp pressure on the brake pedal would have been enough to render the brakes useless as he struck a series of potholes on the night he died.

Without speculating who the apparent saboteurs might be, a former business colleague who asked not to be named commented: "The competition between players in the indigenous business is so fierce it's not surprising that someone wanted to do him in."

Pamire's death was preceded by an effective secret operation to wipe out official records of his shady past. He was jailed in 1982 when he was a civil service clerk for defrauding the government.

There are no records of the court proceedings in the magistrate's court where he was sentenced, in the national archives where all state records are ultimately deposited, or in the libraries of the state-owned daily newspaper that reported the scam then.

In 1991, he was again charged with fraud for allegedly importing a Mercedes-Benz illegally. A Dutch national who was a police witness suddenly found himself issued with a deportation order.

The Dutchman appealed to the high court and won, and Judge Wilson Sandura commented in the case: "Someone in the ministry of home affairs does not want Pamire to face trial." With Pamire's death, the case will be closed, unsolved.

Alexio Mapira, a detective constable, was seen in the central records centre of police headquarters in Harare, removing a card on Pamire from the master file in February, and a watch was put on him, according to a confidential police report quoted by Horizon. He was seen again later in the records centre removing a file with the details of suspects under investigation, and was apprehended.

Mapira stuffed the document down his throat and had to cough it out to avoid choking to death. The document again related to Pamire. Mapira is expected to appear in court soon on charges of corruption.

Pamire had also been declared a "specified person" by the justice ministry, a classification which stops the person from operating his bank account and the company he runs without judicial supervision. The high court in Harare has refused to produce a copy of Pamire's "specification".

Dubbed "the man with the Midas touch", who claimed to have made his first million within six months from selling hessian sacks, Pamire was involved in heavy transport and bus companies, and clinched a Z$7,5 million (about R19 million) franchise for Fiat.

But Horizon found no records in the registry of companies and of property deeds of his companies or of the properties he owns. The files could not be located "because someone has pulled them out", officials said.

There is also a string of debt recovery actions against him, also still unexecuted. Pamire "is giving his creditors a headache from the grave", the magazine said. — Sapa-DPA

Mugabe's party proving to be tight-fisted

(36a)

Michael Hartnack

HARARE — President Robert Mugabe's ruling Zanu (PF) party has defied a high court order to pay outstanding salary and legal costs to a former employee, according to court papers.

In December 1995 Solomon Mukombe was told he had been sacked from his job as party "political commissar" in the midlands area of Gutu, having gone unpaid for 25 months.

Producing written proof of his employment, Makombe first took his case up with party officials, then the labour ministry, and finally the high court, which in May last year awarded him R12 000.

However, Zanu (PF) still refused to pay, and Harare lawyer Trust Sengwayo, representing Mukombe in forma pauperis, filed a warrant of execution last September against the ruling party's property.

The party owns a large building close to the capital's international Sheraton Hotel.

However, when messengers of the court and police arrived to attach property which could be auctioned to settle the debt, they were told they needed the permission of party administration chief Didymus Mutasa. Officials and party security guards also claimed furniture in the building "belonged to the government".

Mutasa, who when speaker of parliament provoked a constitutional crisis by attempting to defy the courts, was always said to be "away".

"In effect, Zanu (PF) officials are barring the deputy sheriff by threatening physical harm," Sengwayo said in letters sent to the justice ministry, the chief justice, the Law Society, and to Mugabe.

"Zanu (PF) members have constantly and in violation of my client's constitutional rights denied the deputy sheriff from carrying out his duties."

Records show another Zanu (PF) employee, Alois Mutande, was owed R9 500 for 21 months service as a security guard, but has had high court orders for payment ignored.

Commenting on the case yesterday, the newly launched independent Sunday newspaper, the Zimbabwe Standard, said: "Ironically, senior members of government and the ruling party constantly attack certain sections of the community for failing to remunerate their employees adequately."

Bulawayo businessman Henry Grobler last year died of cancer which he said had been brought on by years of worry over debts owed him by Vice-President Joshua Nkomo. Nkomo's armed bodyguards resisted attempts to enforce attachment orders.

BD 19/5/97

Record prices for Zimbabwean tobacco 'unsettling' growers

BD 20/5/97 (362)

HARARE — Zimbabwe's tobacco growers have expressed discomfort over the wild fluctuations in the price of the crop amid reports that the country's newest auction floors is paying record prices for the golden leaf.

In an interview with news agency Ziana, Zimbabwe Tobacco Association (ZTA) public relations director Lal Taylor said while the high prices offered by the Boka Tobacco Floors (BTF) were good for farmers, they were likely to affect the ability of tobacco buyers to dispose of the leaf outside the country.

"We find the situation unsettling for them to pay twice as much as the international price and this poses questions about the ability of merchants to sell the tobacco outside the country," said Taylor.

The worries stem from reports that prices in the US and Brazil, the country's main competitors, were about half what is being offered on BTF.

Prices in Brazil have averaged R8,00 since the Brazilian marketing season began.

Local prices are normally higher than those offered by the Brazilians since buyers in that country sponsor growers thereby depressing prices.

Tobacco is Zimbabwe's main export crop and is this year expected to earn the country more than R3,23bn in foreign currency.

More than 214-million kilograms of flue-cured tobacco are expected to pass through Zimbabwe's three main auction floors, BTF, Burley Marketing Association (BMA) and Tobacco Sales Floor (TSF).

Meanwhile, Taylor said farmers had delivered tobacco worth more than R221m to TSF and BMA during the three weeks since the opening of the marketing season.

She said to date, TSF had received 19,4-million kilograms of flue-cured tobacco at an average price of Z$23,81 a kilogram while 3,9-million kilograms had so far been sold at the BMA, averaging Z$23,12 a kilogram.

"The prices and volumes are both slightly down on last year.

"But, prices are beginning to pick up as expected as more leaf comes into the market," she said.

However, figures had not been forthcoming from BTF.

Reports say that prices at BTF have been double last year's average of Z$32,34. — Sapa.

-sty not everyone's choice

(252) Star 9/5/97

crimes, others have decided not to accept the opportunity to turn to the TRC

By Daisy Jones

At the time of going to press, the following people had, to the best The Star's knowledge, not ap- for amnesty.

The first is President Nelson -ndela. Acting ANC secretary- Cheryl Carolus told a conference this week that had been incarcerated Robben Island when most of organisation's military opera- had taken place.

National Party leader FW de -lerk said on Monday that the process was not the cor- channel for leaders to accept -litical responsibility for past -licies.

Former law and order minister -ernus Kriel and former deputy -ister of law and order (and time minister of defence) Meyer were present at the -y's federal executive meeting, the issue of amnesty for NP -ders was discussed and decid- -on.

Magnus Malan, former minis- of defence, told the truth com- -ssion on Wednesday that he not apply for amnesty. "I -ver regarded myself to be the law. If, with the wis- of hindsight, my authority, I endeavoured to exercise responsibility, should be re- by some as culpable, I am -pared to face the conse- -nces," he said.

Joe Mamasela, who has admit- to killing about 35 people as a -akplaas operative for the SAP, is State's key witness in the trial -inst former Vlakplaas com- -nder Dirk Coetzee and three -. He also testified at the trial Eugene de Kock. As a State wit- he is temporarily exempt criminal prosecution.

Former security branch police- -n Andy Taylor and Johannes der Hoven, who are on trial the brutal murder of human -hts lawyer Griffiths Mxenge in told the Durban High Court week they would not apply amnesty for the murder of Mx- or for any other act.

Former foreign affairs minister Botha said last year he would apply for his alleged part in 1992 Bisho massacre, or any alleged offence.

Former state president PW is in the process of respond- to the TRC's questions about apartheid government during 1980s, and he has stated he not apply for amnesty. Ac- to testimony supplied to commission by retired police -ssioner Johan van der -rwe, Botha personally ordered bombing in 1988 of Khotso the headquarters of the Council of Churches.

Former police commissioner Coetzee authorised an to supply ANC activists on East Rand with booby- grenades, according to der Merwe. He was also al- involved in the cover-up the 1986 murder of Mamelodi -ists Dr Fabian Ribeiro and his Florence, according to for- security policeman and applicant Brigadier Jack -ronje. Former Special Forces Major-General Joep -, former SADF chief of Lieutenant-General Ian Glee- and former Civil Co-opera- Bureau (CCB) commander Colonel Joe Verster were also involved in the cover-up, according to Cronje.

CCB operative Noel Robey, who is suspected of having shot and killed Mamelodi activists Fabian and Florence Ribeiro, did not apply.

President of the ANC Women's League, Winnie Madikizela-Mandela, has not applied for amnesty, despite allegations that she was involved in murder and kidnappings. The TRC said this week it would "more than likely" subpoena Madikizela-Mandela to answer questions about the death of 14-year-old activist "Stompie" Moeketsi Seipei in February 1989, and the disappearance of two other children from Soweto.

IFP leader Mangosuthu Buthelezi has also not applied. The IFP initially described the TRC as being a creation of the ANC intent on a "witchhunt" to punish its opponents of the past. But months into the commission's life, the IFP leadership said it would encourage its members, especially those who were serving jail terms, to apply for amnesty.

Brigadier Oupa Gqozo, former military ruler of the Ciskei, has not applied for amnesty for the Bisho massacre of 1992.

Eight CCB agents - including Wouter Basson and Ferdi Barnard - who were named as conspirators to murder during the inquest of Swapo lawyer Anton Lubowski, have not applied for amnesty for the murder. Ferdi Barnard has also been named as the man who murdered Dr David Webster in Johannesburg in 1989.

They applied

Robert McBride

Thabo Mbeki

Barend Strydom

Adriaan Vlok

Some of the people listed below, who have applied for amnesty, handed in their applications today, while some are waiting to find out if they will be heard. Others have already faced the Amnesty Committee and are anticipating the results of their applications.

Former law and order minister Adrian Vlok has applied. The TRC heard that Vlok and PW Botha ordered the bombing of Khotso House.

"Superspy" Craig Williamson, who previously admitted to sending the parcel bombs that killed Ruth First in Maputo in 1982 as well as Jeanette Schoon and her 7-year-old daughter Katryn in Angola in 1984, has applied. Williamson also admitted to being involved in the bombing of the ANC's London headquarters in 1982. He is suspected of involvement in the 1986 assassinations of exiled ANC activist Dulcie September and Swedish Prime Minister Olaf Palme. He is currently facing a R1-million civil claim from Marius Schoon, the husband of Jeanette and father of Katryn.

Former police commissioner Johan van der Merwe's application covers a number of incidents, including the bombing of Khotso House and an operation in which at least nine East Rand youths were killed with booby-trapped hand grenades. He has admitted to covering up the murder of Mamelodi activist Stanza Bopape.

Former Vlakplaas commander Eugene de Kock, who has applied for amnesty, was found guilty in the Pretoria Supreme Court last year on 89 criminal charges, including six murders. He is currently serving a life sentence in jail.

Former commander of Vlakplaas and head of the Northern Transvaal security branch Brigadier Jack Cronje, plus four of his lower-ranking colleagues – Captain Jacques Hechter, Captain Wouter Mentz, Colonel Roelf Venter and Warrant-Officer Paul van Vuuren – have admitted to 40 incidents in which 65 people, including targeted anti-apartheid activists, were killed.

Janusz Walus and Clive Derby-Lewis, convicted for the murder of SA Communist Party leader Chris Hani, have applied.

So has Barend Strydom, the man who was sentenced to death for shooting and killing eight people in central Pretoria in 1988.

The men who say they killed Black Consciousness leader Steve Biko have also applied for amnesty. The five policemen are: Lieutenant-Colonel Gideon Nieuwoudt, Colonel Harold Snyman, warrant-officers Johan Beneke and Ruben Marx, and a security branch captain, Daantjie Siebert.

Snyman, Lieutenant Eric Taylor and Major Gerhardus Lotz hope to get amnesty for killing and mutilating the "Cradock Four": Matthew Goniwe, Fort Calata, Sparrow Mkhonto and Sicelo Mhlauli.

Another two Eastern Cape security policemen, Nic van Rensburg and Sakkie van Zyl, have applied for amnesty for the murders of young Port Elizabeth activist Siphiwe Mthimkulu and his friend, Topsy Madaka. The commission was told that the two were drugged, shot through the head and burnt on a pyre for six hours before their remains were dumped in the Fish River.

The "Pebco Three" – Sipho Hashe, Qaqawulu Godolozi and Champion Galela – suffered similar fates.

Snyman, Niewoudt and Lotz have claimed responsibility for the killings.

Nieuwoudt, Van Rensburg, Lotz, Wal du Toit and J Kok are applying for amnesty for the Motherwell car bombing, which left two police informers and a policeman dead.

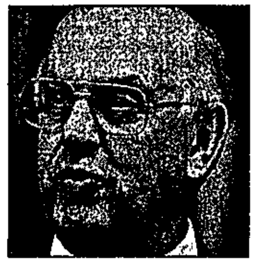
Former Vlakplaas commander Dirk Coetzee and Vlakplaas askaris Almond Nofomela and David Tshikalange have applied for amnesty for the murders of civil-rights attorney Griffiths Mxenge and ANC activists Sizwe Kondile and Joe Pillay.

Van Rensburg has also applied for amnesty for the murder of Kondile.

They did not

FW de Klerk

Winnie Madikizela-Mandela



PW Botha

Magnus Malan

A former commander of a secret security police unit, Brigadier Willem Schoon, has admitted to being involved in the killing of the brother of the current chief-of-staff of the SANDF, Siphiwe Nyanda, and another man, Keith MacFadden.

Lieutenant-Colonel Adriaan van Niekerk, Constable Hendrick Mostert, Constable Jacobus Engelbrecht, Sergeant Johan du Preez and Major Charles Zeelie will, for the first time, reveal the truth about the death of Stanza Bopape when they apply for amnesty.

A number of PAC and Apla members have applied for amnesty. It was reported on Tuesday that amnesty applications would be sent by more than 200 PAC members, including those from the high command of Apla.

The acts for which the PAC will be seeking amnesty include high-profile attacks on whites in the early 1990s, a wave of "fundraising" robberies in the Eastern Cape in the 1990s, and the killings of at least 25 defence force soldiers.

Apla members who have applied include Gcinikhaya Makona, jailed for 23 years for his part in the St James Church attack, and Vuyisile Madasi, who was jailed for 24 years for the Heidelberg attack. Ntobeko Peni, who is serving an 18-year jail sentence for murder, and Mongezi Manqina, are two of the four men who are seeking amnesty for the murder of US student Amy Biehl.

Robert McBride, who currently holds the position of deputy director in the Department of Foreign Affairs, was sentenced to death three times for the 1986 Magoo's Bar bombing, which left three women dead.

Director of Welfare in the Northern Cape, Zahrah Narkedien (formerly known as Greta Apelgren), announced this week that she had applied for amnesty in order to have her criminal record expunged. She was arrested and charged after the Magoo's bomb blast. Aboobaker Ismail, the former MK special operations commander who is currently chief of policy and planning in the Defence Secretariat, is also applying for amnesty for his part in the Magoo's Bar bombing.

Cheryl Carolus told the media last week that past and present members of the ANC's National Executive Committee, the revolutionary council, former members of the various regional political committees, and former leaders in the politico-military committees and self-defence units would apply for amnesty. About 500 ANC amnesty applications have been posted.

Deputy President Thabo Mbeki, three ANC cabinet ministers and a deputy minister have said they would apply for amnesty. They are: Defence Minister Joe Modise, deputy Defence Minister Ronnie Kasrils, Safety and Security Minister Sydney Mufamadi, and Communications Minister Jay Naidoo. Naidoo and Mufamadi were convicted of assault and kidnapping after holding and allegedly beating a suspected police spy. The assault conviction was set aside. An appeal on the kidnapping conviction is pending.

Freedom Front leader and former head of the defence force General Constand Viljoen has announced that he will apply for amnesty for acts of sabotage committed in the name of the Volksfront prior to the 1994 elections.

Metered taxis appeal to minister for regulation

BD 21/5/97

Bonile Ngqiyaza

A DOCUMENT focusing on the fragmented and deteriorating metered taxi industry, and aimed at raising the profile of the industry with government and users, was handed to Transport Minister Mac Maharaj yesterday.

The document, which carries specific proposals relating to the regulation and registration of the metered taxi industry, is meant to supplement last year's national taxi task team's final recommendations to the minister.

The document proposes setting up a national metered taxi working group and "effective" government-industry forums which would include other major players such as the Airports Company, Portnet and Satour.

It recommends the inclusion of metered taxis within the ambit of provincial taxi offices and further proposes more prominent and standardised physical identification and municipal numbering to help raise its profile and improve its quality of service.

It recommends the industry strive towards one national association, with official recognition and support.

On labour relations, it suggests the terms of reference by the interdepartmental working group set up by the labour and transport departments to deal with the issue in the minibus taxi industry, be extended to metered taxis.

The document recommends government economic assistance to metered taxis on the grounds that it plays a "highly visible" role in the tourism sector and complements the public transport system. It also expresses the view that the majority of businesses should qualify for assistance targeted at small medium and microenterprises.

On insurance, it proposes that foreign tourists be required to acquire personal accident cover to top up potential claims against the Road Accident Fund, formerly the Multilateral Motor Vehicle Fund, as such claims were likely to be capped in future.

Discreet meetings over disputed island

BD 21/5/97 (362)

Michael Hartnack

HARARE — The mysterious appearance of armed men on an island claimed by Zimbabwe, upstream from Victoria Falls, led to discreet meetings between Zimbabwe's Central Intelligence Organisation agents and their Zambian counterparts in the Zambian border town of Livingstone yesterday.

Zimbabwean tour operators in Victoria Falls believed the armed men, who appeared at the weekend on disputed Tongavesi Island, were from the Zambian security forces. However, a Zimbabwean national parks department official said: "In Zambia there are armed people who are not necessarily the authorities."

He drew attention to the prevalence of poachers in Zambia, and the employment by many tourist operators of their own security guards.

A Zimbabwe boat cruise manager said: "We are not really concerned about the ownership of the island, which attracts a lot of tourists, but we are worried about the presence of armed people which can easily intimidate customers."

Tourist industry sources say the problem stems from frequent changes of course by the deep channel in the 2km wide Zambezi above Victoria Falls. The channel, which differs from season to season, is supposed to constitute the international boundary.

Zimbabwean maps show Tongavesi in its territory, while the latest Zambian maps claim it for President Frederick Chiluba. With its riverine vegetation heavily frequented by elephant, buffalo, and other game, the island could be an ideal site for a hotel.

A conference in Livingstone last year on the ecological problems caused by pressure of tourist numbers at Victoria Falls reported that Zimbabwean boats had been shot at by resentful competitors on the northern bank.

No progress has been made yet on a recommendation by the conference for the establishment of an international authority to administer the area, which has been declared a world heritage site by the United Nations.

Bushbuckridge to remain in Northern Province

BD 21/5/97

THE African National Congress (ANC) has decided that Bushbuckridge should remain part of Northern Province, a decision likely to raise the ire of residents demonstrating for the area's transfer to Mpumalanga.

The decision was taken at a meeting of the ANC's national working committee in Johannesburg on Monday which was attended by Deputy President Thabo Mbeki among others.

Referring to the recent violent demonstrations by Bushbuckridge residents, the ANC said that nobody had the right to resort to force and violence to achieve the resolution of problems.

The ANC said the new constitution had finalised the issue of boundaries, and on that basis the status quo had to be maintained. — Sapa.

Local consortium gives in to Mugabe

(362) BD 23/5/97

Michael Hartnack

HARARE — A consortium of Johannesburg-based businessmen has apparently given in to political pressure in announcing a $31m deal to sell a 50% stake in the former Union Carbide mining subsidiary to "indigenous" black partners.

Earlier this year, President Robert Mugabe denounced consortium Exultate's buyout of Union Carbide as "not transparent" and threatened unspecified action against its directors who are led by former Rhodesian resident Patrick Quirk, now an Irish national.

The chief beneficiary, again, will be retired army commander Gen Solomon Mujuru (formerly known as guerrilla commander Rex Nhongo) who is already a major stakeholder in the controversial private cellular telephone project.

Zimasco, which was Union Carbide and became a wholly owned subsidiary of Exultate, owns extensive mining and smelting interests in the Zimbabwean midlands.

Zimasco said Mujuru's Nyika Investments would receive a 27% stake, through a private placing, 3% would go to local management share options, 5% would be for Zimasco staff and 15% would be floated on the local bourse. "This will complete the localisation of 50% of the company and result in a big cash inflow for Zimasco's development scheme," the consortium said.

Denying the consortium had set out to frustrate Mugabe's "indigenisation" drive, the statement said that under the name of Exultate it had bought out Union Carbide, keeping Zimbabwe's Reserve Bank informed at all stages.

However, the government claims Quirk and his partners paid only $45m for a company Union Carbide previously valued at $100m. Their company was registered in Mauritius.

IBA reveals salary of acting CEO

BD 23/5/97

Vuyo Mvoko

THE Independent Broadcasting Authority yesterday revealed "in the interests of transparency" that newly appointed acting CEO Bronwyn Keene-Young, 28, would receive a monthly basic salary of R17 721.

Keene-Young was appointed acting CEO on Monday following the suspension of Harris Gxaweni on grounds of "nonperformance" a few days before five of the authority's seven councillors resigned.

Responding to media requests, the authority said Keene-Young's package was R324 146,50 a year and included a R64 280 car allowance payable over five years, a 13th cheque of R17 721, a R6 600 housing allowance, R2 544 medical aid, R746 levy and a R6 237 disability cover.

In other attempts aimed at avoiding disruptions to the authority's normal business, Parliament's communications standing committee chairman Samuel Moeti said public nominations for the five vacant authority council posts would be called for from today.

He said the closing date for applications would end on June 3, after which the committee would short-list candidates and would start interviews from June 10.

By June 19, when Parliament goes to recess, names of preferred candidates would "hopefully" be presented before Parliament and the president.

The resigned councillors — cochairmen Peter de Klerk and Sebiletso Mokone-Matabane, as well as Lyndall Shope-Mafole, Felleng Sekha and Luthando Mkumatela — are serving the first of their three months' statutory notice.

Parliamentary public accounts standing committee chairman Ken Andrew said that the first draft report of recommendations on financial controls was put before the committee on Wednesday but could not be adopted as members felt there was a need for specific additions to be made. Every possibility existed that the second revised version would be adopted next Wednesday, he said.

The committee was being assisted by the office of the auditor-general, whose recent release of the damning report on authority finances led to both the suspension of the CEO and the councillors' resignations.

Among the recommendations in the report was a call for the abolition of the use of credit cards by the authority and all government institutions. It was also recommended that people with financial management skills be employed in the council and guidelines be set up with regard to, among other things, allowances, hotel stays and office accommodation.

Posts, Telecommunications and Broadcasting Minister Jay Naidoo and the authority council would take responsibility for their implementation, Andrew said.

Low productivity 'could hamper export zones'

John Dludlu

LOW productivity and abuse of customs incentives granted to industrialists could undermine the introduction of export processing zones (EPZs) in SA, a leading economist warned yesterday.

Steel and Engineering Federation of SA economist Michael McDonald told a conference in Pretoria that although customs concessions, including duty-free imports of components and intermediate goods, would be essential to the success of EPZs in SA, they could "leave the door open for a high degree of fraud".

He warned that goods could be imported into an EPZ — normally a specific geographic area aimed at promoting export-orientated industrialisation — and then fed into the domestic economy, creating major disruptions for industry.

"Already there is a huge amount of fraud taking place in customs and excise transactions." He said that though the trade department had promised tighter customs controls, no "convincing assurances" had been made by the customs and excise department.

McDonald, a leading business negotiator at the National Economic, Development and Labour Council (Nedlac), also said that productivity levels posed more of a potential problem for EPZs than the wage issue. But this could be rectified, he said.

"Education and training of the workforce is essential to good productivity and ... has been largely neglected throughout industry over many years."

SA's labour movement, which had made significant gains, could not be expected to agree to deals that undermined those gains. But concessions aimed at attracting investment and creating new employment might be negotiable, he said.

McDonald said if government considered introducing EPZs, the debate would have to be raised at Nedlac as the issue had "serious implications for all stakeholders".

The introduction of government's incentive package last year, including accelerated depreciation and tax holidays, could obviate the need for EPZs, he said.

BD 23/5/97

High inflation drives Zimbabwe rate fears

(362)

Michael Hartnack

BD 23/5/97

HARARE — There are fresh jitters in Harare's business community about a resurgence in interest rates as inflation has bounced back from a four-year low of 15% in November to 22,4% in the latest official figures.

Fears about interest rates caused a 3% drop in the Zimbabwe Stock Exchange earlier this month, after record growth in the previous year.

The source of the problem is Zimbabwe's deficit, which was pegged at 6,7% of gross domestic product in last July's budget, but has since soared to 11% due to uncontrolled state spending.

It seems likely to rival last year's 14% figure at the end of the financial year.

The rediscount rate, more than 40% in 1995 as government monopolised the local capital market to finance its deficit, had fallen early this year to 23,5%, raising hopes of a new era of equity growth and investment.

The semi-official Herald reported yesterday Finance Minister Herbert Murerwa was "now under pressure to adopt the Grand Old Duke of York strategy", putting interest rates up and down in a never-ending see-saw until the budget deficit problem was solved.

International experts have warned repeatedly that the benefits of liberalisation and deregulation in the first 1991-1996 phase of economic reform were largely wiped out by state financial indiscipline, bringing about high inflation, crippling interest rates and disincentive levels of taxation.

Critics identified the overstaffed public service, recruited from political appointees, as the principle area of waste together with payments to inefficient parastatals. Mugabe is resisting pressure for privatisation until the parastatals can be sold to "indigenous" black businessmen. The Zimbabwe dollar has fallen from Z$10 to $Z11 against the US dollar since January.

ZIMBABWE

Through the looking glass

FM 23/5/97

Hopes for falling inflation were based on wishful thinking

(362)

Reports of the death of inflation in Zimbabwe are much exaggerated. When — fleetingly — last November retail price inflation dipped below 15% for the first time in over five years, Zimbabwean economists and businessmen celebrated what they saw as the birth of a new era.

But it was not to be. The handful of economists who watch the fiscal, monetary and market indicators rather than the officially compiled index warned that the slowdown would be shortlived. They have been proved right.

Inflation in April is up to 22,4% — the highest since last June.

Slower inflation in the closing months of 1996 was due largely to the fall in food prices of 6,5% in the three months to November. This has since been reversed

Continued on page 62

Continued from page 58

with food price inflation of almost 27% in the first four months of 1997.

This momentum is not going to be maintained and food price inflation is forecast to slow markedly later in the year. But other pressures are working to ensure that, over the year, the inflation rate will be little different from last year's 21,7%.

April's 11% rise in fuel prices and the 43%-90% hike in school fees will only show up in this month's price index, suggesting that inflation could move as high as 24%-25% in May before peaking.

Other administered price rises wait in the wings — medical aid expenses, domestic servants' wages and electricity. Wage pressures are mounting too.

The mood, say employers, is one of militancy — hardly surprising given that last year was the first in the Nineties in which wage awards stayed ahead of inflation. Most important though, are the monetary and fiscal numbers. Finance Minister Herbert Murerwa conceded last week that the budget deficit for the current year is running at 11,4% of GDP, compared with a forecast 10%.

The Reserve Bank of Zimbabwe says money supply growth surged to 36% in February, largely because of a 33% rise between January and February in government borrowing which jumped Z$1,6bn (US$140m) to Z$6,4bn (US$570m).

The central bank took fright at the money supply and inflation numbers and promptly tightened its monetary stance by increasing its Treasury bill issue. The Treasury Bill rate surged 650 basis points from 16% in April to 23% last week — close to the rediscount rate of 23,5%.

But if Reserve Bank of Zimbabwe governor Leonard Tsumba is forced to raise the rediscount rate, it would spark off a round of prime lending rate hikes which will anger politicians and the business lobby which is clamouring for lower interest rates.

So when food price inflation slows the inflation rate seems likely to remain uncomfortably high unless or until the authorities get to grips with the interrelated problems of the budget deficit and excessive money supply growth.

The next budget is due in late July when Murerwa will be expected to pull the government's irons out of the fire. His chances of doing so are not good.

Zimbabwe's five-year Economic Structural Adjustment Programme (ESAP) ended in mid-1995 and two years later its successor is still not in place.

But Mugabe is hardly in a position to criticise. At last year's World Economic Forum meeting in Cape Town — exactly 12 months ago — Mugabe announced to ecstatic applause that he would set up an economic development council made up of private and public sector representatives. It has still to be established.

Says the *Zimbabwe Independent* — a weekly financial newspaper — "Mugabe's recent attack on his Cabinet Ministers . . . appears to be a blatant attempt at avoiding responsibility for the mess that this country finds itself in."

The criticisms have not gone down well with Harare's intrepid business leadership. Business leaders will have to queue up behind Mugabe to tell visiting businessmen at this week's World Economic Forum in Harare that Zimbabwe, with its 22% inflation, 11% budget deficit and 30% money supply growth, not to mention worsening corruption, is just the country in which they should be investing. **Special Correspondent**

Mugabe urged to admit massacre

Call for debate on 'atrocities'

ARG 24/5/97 (362)

Harare – The human rights group Amnesty International has appealed to Zimbabwe President Robert Mugabe to acknowledge that his army murdered thousands of civilians during an anti-government rebellion in the 1980s.

Amnesty International also urged Mr Mugabe to allow free debate on the alleged killings and gross human rights violations, saying this would help national reconciliation.

A church report submitted to Mr Mugabe earlier this year by the Catholic Commission for Justice and Peace has alleged that an army unit Mr Mugabe deployed in the 1980s against an armed rebellion, murdered 3 000 civilians and committed grisly atrocities.

Mr Mugabe, in his first public response to the church report, charged that it was meant to cause trouble and called the massacre claims "a pack of lies".

The church report called on the government to acknowledge that its North Korean-trained Fifth Brigade committed "genocide" in Zimbabwe's midlands and Matebeleland region between 1982 and 1987 while trying to crush rebels aligned to the then main opposition Zapu party.

It also urged the government to compensate surviving victims of the alleged atrocities, which many local political analysts say were intended to punish Ndebele people who formed the backbone of political opposition to Mr Mugabe's rule.

In its letter to the president, Amnesty International said: "The survivors and relatives of the dead or missing have the undeniable right to a full search for the truth, public identification of those responsible and compensation for their suffering and loss.

"We believe that reconciliation comes from a process of justice being seen to be done, and from forgiveness based on a complete understanding by all the people of the abuses that have been committed and the wrongs suffered."

Amnesty International said it should now be a lot easier for the government "to acknowledge the truth" because its human rights record had improved considerably in the last five years.

"By taking decisive action, we believe that you could set Zimbabwe as an example for other countries where massive human rights violations were committed in a transitional period," it said, reminding Mr Mugabe that he had vowed to ensure that wrongs of the past were never repeated. – Reuter

Mugabe urged to own up to 'genocide'

Harare – Human rights group Amnesty International has appealed to Zimbabwe President Robert Mugabe to acknowledge that his army murdered thousands of civilians in an anti-government rebellion in the 1980s.

In a letter, a copy of which was faxed to news agencies yesterday, Amnesty also urged Mugabe to allow free debate on the alleged killings and gross human rights violations, saying this would help reconciliation.

Mugabe, in his first public response this month to a church report alleging that an army unit he deployed in the 1980s against an armed rebellion murdered 3 000 innocent civilians and committed grisly atrocities, charged that the report was meant to cause trouble.

The report was submitted to him earlier this year by the Catholic Commission for Justice and Peace. It called on the government to acknowledge that its North Korean-trained Fifth Brigade committed "genocide" in Zimbabwe's Midlands and Matabeleland regions.

"When a state continues to deny its responsibility for atrocities committed by its security forces ... a sense of impunity is created as the members of state agencies feel that they can abuse human rights without being punished," Amnesty said in its letter.

"By taking decisive action, we believe that you could set Zimbabwe as an example for other countries where massive human rights violations were committed in a transitional period," it said, reminding Mugabe he had vowed to ensure that wrongs of the past were never repeated. – Reuters

(362) Star 24/5/97

Zimbabwe in joint venture for new power station

Star 26/5/97

By Robin Drew
Harare

(362)

A British-based company, National Power International, is going into partnership with the Zimbabwe Electricity Supply Authority (Zesa) to build a new coal-fired power station in the remote Gokwe North area of Zimbabwe.

The station will be developed alongside Rio Tinto Zimbabwe's coal mine on the Sengwa River. It should be operational by January 2004.

The joint venture will consist of four generators.

A letter of intent has been signed and this will be followed by a feasibility study to examine the economic and environmental impact on the country and the benefits it would derive. Zimbabwe's existing power station at Hwange is to be exp- anded under a joint venture with a Malaysian company. – Star Foreign Service.

R10 000 Masakhane plan for Alexandra angers DP

Star 26/5/97 (362)

Johannesburg's Eastern council will involve 'all stakeholders'

By Anna Cox
Sandton Bureau

The DP has lashed out at Johannesburg's Eastern council for organising a two-day Masakhane launch in Alexandra in June at a cost of R10 000.

The DP said most of the money would be spent on refreshments, while all that Sandton residents – who had been regular ratepayers – were getting was final notices.

DP Eastern leader Claire Quail said a carrot was being dangled in front of Alexandra residents while Sandton residents were being threatened with a big stick.

Quail also slammed the recent council offer made to boycotting Sandton residents to repay arrears over a six-month interest-free period. She said the offer was discriminatory, unfair and unconstitutional.

In October last year, the Greater Johannesburg Council gave local councillors 60 months to pay off their arrears, she said. Sandton residents were being offered only six months.

"This discriminatory approach is not the only cause for criticism. The major issue in the whole Sandton rates debacle – the 300% to 400% increases in rates – remains unresolved.

"Reducing the increase has not even been addressed by the negotiating task team. In fact, the task team has no authority to negotiate anything. It has no status in the Eastern council and does not even have a mandate from the council. It is an ANC task team chaired by an ANC chairman," she said.

The council's executive committee yesterday voted to adopt the recommendation. It was voted in by the ANC with a majority of six. Three DP councillors voted against it and the three NP councillors abstained.

Eastern council communications officer Keith Peacock said the Alex Masakhane campaign was "a very important conference which sets out the development of Alexandra at which all stakeholders will be present".

NEWS DIGEST

ZIMBABWE

World Bank continues lending freeze as Harare fails to control spending

(362)

The World Bank would continue its two-year freeze on lending to Zimbabwe because of Harare's persistent failure to control its spending, a senior bank official said yesterday.

Calisto Madavo, the World Bank's vice-president for Africa, said in the state-controlled Herald daily that lending for President Robert Mugabe's regime would continue to be withheld, and that "a new agreement" would have to be signed for further finance. No official comment could be obtained from bank representatives, but financial analysts said Madavo's statement meant that a $62 million loan, the second tranche of a $120 million loan suspended over two years ago pending an improvement in Zimbabwe's macroeconomic performance, had now been cancelled. — *Sapa-DPA, Harare*

CT (OR) 27/5/97

Local communities must help forests

CT(BR) 27/5/97 (362)

PATRICE MAKOVA

Victoria Falls — Environmental experts at the recent 15th Commonwealth forestry conference in Victoria Falls said there was an urgent need to harness the experience of local communities to achieve sustainable management of forestry resources worldwide.

While Zimbabwe loses 7 million cubic metres of forest annually through mismanagement, the world's 11 million hectares of tropical forests are being destroyed yearly. Poverty, overpopulation and dependence on natural resources have been identified as the main causes of deforestation.

Delegates said empowering local communities to manage their forest resources could help control the deforestation.

Zimbabwean President Robert Mugabe told the conference that partnerships and an integrated approach to forest development in rural areas was necessary to achieve sustainable use of the resources.

He said local communities knew which tree species could be used for food, fuel, wood and medicine, where they could be found and how they could be conserved.

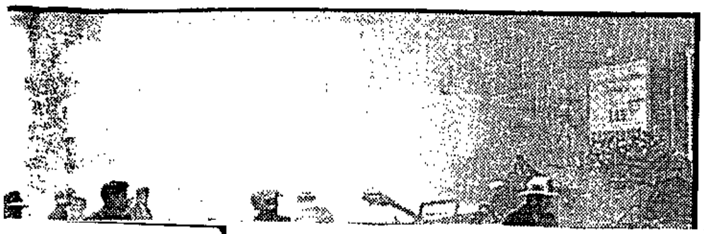
"This wealth of indigenous technical knowledge has to be applied to the management of the world's forest resources," he said.

Yemi Katerere, World Conservation Union Southern Africa director, said local management strategies were undermined by confusing tenure systems for both land and forests.

He said modern scientific and resource management practices, backed by state legislation, funding and administrative systems, had often not been more than "romantic rhetoric".

His views were shared by Chen Chimutengwende, Zimbabwean environment and tourism minister, who said the land tenure system remained a major constraint to sustainable forest management.

"There is need to involve communities in the management and utilisation of these forests to avoid their illegal exploitation and destruction," he said.



Boesak labels luxury houses for immigrants a 'group area'

ROGER FRIEDMAN
Staff Reporter

AFRICAN National Congress Western Cape chairman Dr Allan Boesak has slammed proposals for exclusive "Chinatowns" in Durbanville and Hout Bay, while local authorities claim to know nothing of the plans.

Sea Point restaurateur Mr Peter Chan is co-ordinating the project through his company, Chinese Business Centre, in collaboration with Chinese businessmen.

The plan entail 888 houses being built on 100 hectares in Durbanville at prices ranging between R260 000 and R450 000, and a further 144 "more luxurious" houses on 71 hectares in Hout Bay.

The intention was to set up self-contained Chinese communities with their own shops, schools, clinics and recreational areas.

The development was to be financed by an international group based in China, Mr Chan said.

He said he wanted to "keep our investment low profile and when everything is ready we will talk to The Argus".

He said many potential immigrants were "still hesitating to come — they might wish to wait for the outcome of the election".

The development plan was still in its infancy, but immigrants from mainland China and Hong Kong were expected to invest.

Defending exclusive Chinese enclaves, Mr Chan said: "Some of the immigrants are unable to speak English and it is therefore better to keep them together."

ANC Western Cape chairman Dr Allan Boesak

This arrangement was only necessary for one generation; the next would be totally integrated, he said.

However, Durbanville town engineer Mr Maurice Pollet said the municipality was baffled by reports on the development. Nobody knew anything about it, he said.

After discussing it with his staff, Mr Pollet said the only land available for a project of this size fell outside the Durbanville municipal boundary.

"We certainly have not considered a Chinatown at all, it's all a bit strange to us," he said.

A spokesman for the Western Cape Regional Services Council, the Hout Bay local authority, said nobody knew anything about the project besides what had been read in newspapers.

Dr Boesak termed Mr Chan's scheme "strangely inopportune", particularly if the land in question belonged to the State and was therefore a public asset.

The ANC had called for a moratorium on the sale of State land last year "because our priority in terms of land must be the redressing of imbalances created by apartheid", Dr Boesak said.

"Another particularly worrying aspect of the proposal is that it appears to revisit the very evil we have fought for so long and hard to abolish in South Africa — group areas," Dr Boesak said.

"While we are obviously happy to welcome immigrants who wish to settle in Cape Town, we fail to understand why they should be granted exclusive status at a time when our urgent need is for unity and not division of Cape Town's many cultural groupings."

SA National Civic Organisation Western Cape vice-chairman John Neels said: "We do not want a repetition of anything to remind the people of the Group Areas Act, even if it is not backed by law.

"In Hout Bay there is enormous competition for land by those who were disempowered by apartheid.

"Responsibility should be to the people of Cape Town, to those who have been deprived of land. We cannot allow pockets of land to be set aside for ethnic purposes," he said.

"We have a desperate housing need in this country and we can't condone land being set aside exclusively for Chinese occupation."

Star 27/5/97 (362)

Blessing Harare's despotic rulers

Mandela's visit was a kick in the teeth to those who demand democratic reform, writes Iden Wetherell

South Africa's transition to democracy in 1994 gave rise to hopes throughout the region, and beyond, that a new model of African freedom had at last been established; one that guaranteed political pluralism, social diversity and constitutional rule.

It was a powerful inspiration to democrats north of the Limpopo who were facing an unequal struggle against entrenched one-party regimes that monopolised power and suffocated dissent.

Nelson Mandela was the symbol of that new dispensation, a president who, unusually on a continent notorious for its abuse of power, was happy to be guided by democratic principles.

His belated state visit to Zimbabwe last week was therefore keenly anticipated. What signal would he give to Zimbabwe's despotic rulers that the days of political intimidation and electoral manipulation were over? That the region required exemplary governance and accountable behaviour?

The answer, sadly, was none whatsoever.

There was much about reawakening "the ancient bonds suppressed by apartheid and colonialism". And emphasis was placed on regional unity and growth. But Mandela did not see fit to highlight democracy as a priority.

In fact, he hardly mentioned it at all. Instead, he showered lavish praise on Zimbabwe's leadership, describing the bad press it received in SA as the product of bitter white proprietors unable to come to terms with the new order.

The South African leader didn't meet the representatives of Zimbabwe's nascent civil society. With the exception of a breakfast for captains of industry and the media, he didn't meet anyone outside the tight circle of Zimbabwe's ruling elite. That self-perpetuating clique was understandably delighted with his visit.

Increasingly unpopular and isolated from the problems facing society at large, Mugabe's entourage basked in the glow of Mandela's ringing endorsements. And they had every reason to feel relieved.

In the past few weeks a report by the Catholic Commission for Justice and Peace has implicated them in a campaign of murder and destruction in Matabeleland in the 1980s in pursuit of a one-party state. Mugabe and others responsible have refused to apologise or offer compensation, describing the report as an attempt to sabotage national unity.

An unfolding scandal surrounding the award of licences for a cellular phone service has revealed that the president's office intervened to change the recommendations of the government tender board to benefit ministerial associates.

And it has recently been disclosed that R200-million budgeted for those wounded in Zimbabwe's liberation war has been looted by senior functionaries of Mugabe's Zanu-PF party.

Meanwhile, Mugabe has set his face against constitutional reform that would establish an independent electoral commission and end his party's in-built parliamentary majority.

The media, with a few notable exceptions, are tightly regulated to reflect the views of the government. At the weekend the same state-owned media was gloating that Mandela's attack on the press, in which he again criticised black SA journalists, vindicated Mugabe's hostility to the independent media.

The day before, South African Information Minister Jay Naidoo, in remarks disturbingly reminiscent of earlier attempts by Unesco to establish a New World Information Order to be controlled by governments, said it was about time African countries wrested control of the media from services such as the BBC which didn't see things Africa's way.

In all, the visit of Mandela and his ministers was more than a disappointment to those in Zimbabwe striving to secure political reform, press freedom and improved standards of governance. It was a kick in the teeth. As his plane lifted off from Harare airport the look of satisfaction on the face of Mugabe and his ministers said it all.

Their fears that the South African leader might have given encouragement to the growing clamour for democratic accountability had proved groundless. Instead, Mandela had given an unambiguous blessing to a system of governance that remains profoundly flawed and in many respects oppressive.

None of the values South Africans take for granted – above all the right to differ from those in power – have made any headway north of the border. Mugabe continues to regard Zimbabwe as a prize of war and has said as much when justifying state subsidies to his party.

Mandela's visit has simply made the likelihood of change more elusive. It is understood that it would have been impolite for a visiting head of state to directly criticise his hosts. But Mandela is a master of subtlety, and a clear expression of regional goals, including the establishment of a democratic culture, would have been widely appreciated.

Instead, in praising Mugabe as "a hero to our people" and thanking him for leading the struggle to liberate South Africa, Mandela passed up the opportunity to help Zimbabweans liberate themselves. – Star Foreign Service

■ *Iden Wetherell is assistant editor of the Zimbabwe Independent.*

Harare OAU summit crowns Mugabe reign

(362)

Sierra Leone blow to 'renaissance'

ARG 28/6/97

FOREIGN SERVICE

Harare – Zimbabwe hosts the Organisation of African Unity meeting here next week for the first time, an occasion President Robert Mugabe has long been looking forward to.

He will take over leadership of the organisation for a year, which Zimbabwe hopes will see a concentration on the economic development of Africa.

In the limelight at the 8 000-seat International Conference Centre, with its cladding of golden panels, will be Laurent Kabila, the self-declared President of the Democratic Republic of Congo (formerly Zaire), and sharing it with him will be latest victim of an army coup, President Tejan Kabbah of Sierra Leone, who is expected here in spite of his ousting by the military.

The Sierra Leone coup has been a bitter disappointment for African states, which have been proclaiming with pride the growing acceptance of democratic elections on the continent, South Africa being a prime example.

The coup has been vigorously condemned by OAU bodies and could well be crushed with the arrival in Freetown of more Nigerian troops.

This week the preparations for the summit have been intense, with first the ambassadors and now the foreign ministers of member states drawing up the agenda.

Hotels are fully booked, new Mercedes cars ordered, and hundreds of police have been queueing for accreditation at the conference centre, where marquees have been erected in the grounds.

Delegations ahead of the arrival of the leaders have been pouring into the Zimbabwean capital. The Libyan foreign minister came in with more than 50 officials in his party. The Palestinian foreign minister is here and Palestinian leader Yasser Arafat is expected next week.

South Africa will be represented at the summit by President Mandela, and Foreign Minister Alfred Nzo is here for the ministers' meeting.

He is accompanied by senior Foreign Affairs Department officials and South Africa's permanent representatives to the United Nations and the OAU.

The Harare meeting will be the first in southern Africa for 25 years, since Lusaka was the venue in 1972, and security is expected to be intense.

This year peace and security will be a pivotal issue for discussion, with the spotlight on the Great Lakes region, Liberia, Somalia, Angola and, now, Sierra Leone. Africa's debt, refugees and the banning of anti-personnel landmines will be covered.

Harare out of step with regional trends

BD 28/5/97

(362)

Zimbabwe's economic governance is increasingly at odds with that of its southern African counterparts, writes Business Day editor Jim Jones

THE World Economic Forum's decision to hold its 1997 southern African economic summit in Harare recognised a factor that many South Africans might overlook — that SA is not the only country in the region. It was a tangible expression of the forum's view that integration of the region's economies is crucial if southern Africa's full potential is to be unleashed.

More delegates attended than were at the previous three summits held in SA, emphasising foreign interest in the region as a whole. And the intention was achieved, ironically, in more ways than one. While there were plentiful opportunities for learning about what the region had to offer business, there were also plentiful opportunities for delegates to learn some of the possible drawbacks of doing business in a part of Africa where personal fiefdoms and nepotism are not unknown.

Unwittingly, perhaps, one was provided when President Nelson Mandela told a bemused opening plenary session that the west had an obligation to invest in southern Africa in recompense for its "brutal exploitation" of the region during the colonial era. This was an entitlement, Mandela believed, because the region had been "robbed" of its resources.

The sentiment went down well with an increasingly politically beleaguered Zimbabwean President Robert Mugabe as well as with his acolytes who are busy enriching themselves at the expense of their own country. But it left many business delegates, who had come expecting to hear what regional governments were doing to attract investment, bewildered.

Happily, Deputy President Thabo Mbeki later set the record straight when he told the press that Mandela had been referring only to the obligations of western governments and that he had not implied any obligations on the part of foreign corporations.

But Mugabe was less ambiguous. Would-be investors would not be welcome if they did not cut in approved "indigenous" local partners. Approval has to be given by government or appropriate ministers. And as is patently obvious to anyone who has tried to deal with the government, practically all ministers defer completely to Mugabe. They are either frightened or reluctant to stand up to the party leader.

Foreign conference delegates to the forum were spared some of the growing criticism of Mugabe's political hegemony and of the corruption it has engendered throughout Zimbabwe. The party-controlled press and television lauded what they saw as the achievements of a president they quaintly call Comrade Mugabe and cheerily reported expected investment and trade deals. Few foreigners understood the significance of MPs' repeated refusals to vote for state funds to be handed over to Mugabe's nephew Leo, who is scratching around for cash to fund his successful tender to build a new airport near the capital. Fewer still probably picked up on the row brewing over the post and telecommunication minister's attempts to ensure her husband's consortium wins the tender to operate a cellular phone service and of attempts to overturn court judgments in favour of competitors.

It defies imagination what some delegates must have thought of the soldiers in decorative pantomime uniforms dancing attendance on their country's leader, or of the enormous man who encouraged audience applause by clapping vigorously into the microphone almost every time Mugabe stepped into the hall. Many bought Z$50 phone cards with pictures of Mugabe toasting his radiant bride as amusing little souvenirs of their visit.

Although Mugabe's personality cult is alive and well, all is not gloom and despair. While Mugabe enjoys support in large parts of the countryside where patronage can be doled out in his or his party's name, he is increasingly mocked and reviled in urban areas. The fear that many Zimbabweans may once have felt if they opposed Mugabe no longer exists.

"Rob Mugabe" with a picture of the nation's leader was the slogan on the front of one T-shirt being worn in central Harare. "Before he robs you" was the trenchant punch line on the back.

The entry of foreign journalists is restricted, but the local independent press is increasingly vibrant and credible. The Central Intelligence Organisation, Zanu PF's version of the KGB, is no longer feared as it once was. And the decision by more than two-thirds of the electorate not to vote in last year's presidential election underscores the majority's decision to turn its back on Mugabe.

Of course, it can be argued that Mugabe has kept the peace on the whole since independence, but that assumes that tribal differences would otherwise have led inevitably to bloodshed. And, as it is, the bloody progression of Zanu PF's North Korean-trained Fifth Brigade through Matabeleland in the mid-1980s is now being uncovered to the dismay of many ruling party members distressed by the atrocities committed in their name. Unlike SA where the truth commission is attempting to heal the wounds of the past, in Zimbabwe Mugabe and his cabinet are ignoring calls for public apologies to those who suffered at the hands of party death squads.

Arguably, Zimbabweans' most important apprehension is how the eventual transition from Mugabe's rule will take place. The longer Mugabe clings to power, the more he surrounds himself with toadies and ignores growing democratic pressures and, one political analyst believes, the more remote the chance that the end of his rule and the subsequent transition will be peaceful.

The contrast between the conference addresses by Mugabe and Zambia's leader Frederick Chiluba could not have been more stark. Chiluba, presiding over privatisation and the sale of state-owned enterprises to foreigners seen as necessary if Zambia is to rebuild an economy in tatters, put his encouragement of foreign investment pithily. "I do not care if the cat is black or white so long as it catches mice."

All of which underscores the difficulties likely to attend the regional integration correctly promoted by the forum as necessary for economic growth.

The economies of vigorously democratic SA, Namibia and Botswana are in good shape, and the latter two are growing strongly from small bases. Mozambique and Zambia saw the light only after their economies had been devastated, but are now vigorously encouraging foreign investment.

In contrast, Zimbabwe's macro-economic failures have left the budget deficit in double figures and inflation leaping above 20%. Meanwhile, the country's rulers have resorted to blaming the white minority, foreign business or anyone else they can latch onto for their own policy failures.

This is the region's problem just as it is Zimbabwe's. Countries with sound democracies and institutions do not want to be tarred with the same brush as a neighbour where patronage, corruption and government arrogance are the norm. If they are, their chances of attracting foreign investment will be diminished.

This was where the forum's conference was important. It brought together entrepreneurs and businessmen who are creating new and joint ventures that are generating economic growth despite the fecklessness of the government. Their cross-border activities that integrate regional economies will, arguably, be as important as political opposition in returning clean and democratic government to Zimbabwe.

Mugabe threatens to seize Zimasco mine

(362)

(360)

Michael Hartnack

BD 30/5/97

HARARE — President Robert Mugabe has given a two-week ultimatum to a consortium of what he described as "former Rhodesians" to return and begin negotiations on the future of former Union Carbide Mining subsidiary Zimasco, or have the company seized.

"If they don't come here by that given time then the government will correct the fraud and make the company 100% indigenous," Mugabe told the Financial Gazette in an interview published yesterday.

Zimasco's lawyers last night said the company denied any deceit, breach of exchange control regulations or reluctance to discuss indigenisation with Mugabe.

In a stinging blow to the political prospects of retired Gen Solomon Mujuru, Mugabe said he had vetoed Zimasco's planned private sale to Mujuru of 27% of its equity as "fraudulent".

Mujuru, a member of Zimbabwe's highest policy-making body, the politburo, and husband of Information Minister Joyce Mujuru, was reportedly in line for the vacant job of agriculture minister. He already has a stake in a contentious cellphone deal announced by his wife.

Zimbabwe's constitution, although amended in 1991 to permit the takeover of farm land, still does not allow compulsory nationalisation of companies. Mugabe's threatened action

Continued on Page 2

Mugabe

(362)

BD 30/5/97

Continued from Page 1

would be unprecedented since 1980 independence and a major blow to investor confidence.

Zimasco announced plans last week to put 50% of its equity in the hands of indigenous black Zimbabweans in a bid to resolve previous complaints by Mugabe. Since US-based Union Carbide sold its interests in 1994, Zimasco has been wholly owned by a Mauritius-registered consortium known as Exultate and headed by former Rhodesian Patrick Quirk, now an Irish national.

Mugabe claims that in a deal that was "not transparent" Quirk and his associates paid $45m for gold and chrome mining interests previously offered to the Zimbabwean government for $100m, and worth $450m.

Zimasco said its directors had agreed to give Mujuru's Nyika Investments 27% through a private placing, to set 5% aside for local employees and 3% for management share options. A further 15% would be floated on the Zimbabwe Stock Exchange. The entire deal would be worth $31m "and result in substantial cash flow for Zimasco's development scheme".

Mujuru was reported to have already paid an undisclosed amount — believed to be about $10m — for his stake, after obtaining funding from Zimbabwe's Trust Merchant Bank.

But Mugabe told the Financial Gazette: "The deal is off. I have warned Mujuru twice ... first let's clear the historical mess of the company. Let us establish first how these former Rhodesians bought this company and for how much and also the identity of the shareholders. I told him (Mujuru) you are not precluded but that time is not ripe to go into any deals with these people because we cannot allow the assets of our company to be tampered with in a fraudulent manner."

Zimasco lawyers said last night the Gazette's report "purports to justify nationalisation on totally spurious grounds and it is therefore doubtful that it accurately reflects the content of the interview with the president". They said shareholders in Zimasco had threatened to sue the Gazette for publishing the interview.

The row with Zimasco followed "affirmative action" disputes with Lonrho and Anglo American, which pledged shareholding in its subsidiary, Bindura Nickel, before getting permission for Phillip Baum to come from Johannesburg to take over as CE in Harare.

No apology for victims of massacre — Mugabe

HARARE: Zimbabwe's President Robert Mugabe has said that those who were killed or maimed during the 1982 to 1987 civil disturbances in the province of Matabeleland between his political party Zanu-PF and the then rival PF-Zapu cannot be compensated because all the events took place in a "war situation".

"If we dig up history, then we wreck the nation," said Mugabe. He was responding to a report by the Catholic Commission for Justice and Peace leaked to the press recently, which details the massacre of thousands of people during the disturbances which ended in 1987 with the signing of a Unity Accord between the two groups. (362)

Survivors are calling for an apology or compensation from Mugabe's government, which, they say, punished them for crimes they did not commit.

Mr Mike Auret, director of the Justice and Peace Commission, insists the residents of Matabeleland be compensated. — Independent Foreign Service

CT 30/5/97

Call for compensation for victims of Matabeleland disturbances rejected

Star 30/5/97 (362)

Harare – Zimbabwe's President Robert Mugabe has said that those who were killed or maimed during the 1982 to 1987 civil disturbances in the province of Matabeleland between his political party Zanu-PF and the then rival Zapu-PF cannot be compensated because all the events took place in a "war situation".

"If we dig up history, then we wreck the nation," said Mugabe. He was responding to a report by the Catholic Commission for Justice and Peace, leaked to the press recently, which details the massacre of thousands of people during the disturbances which ended with the signing of a unity accord in 1987 between the two groups.

"Within weeks of being mobilised at the end of January 1983, the Korean-trained Fifth Brigade was responsible for the beatings and property burnings in the communal living areas of northern Matabeleland where hundreds of thousands of Zapu supporters lived," the report read.

Survivors are calling for an apology or compensation. – Star Foreign Service/Africa Information Afrique.

Zimbabwe airport furore

MtG 30/5-5/6/97 (362)

Zimbabwe's Parliament is refusing to cough up funds for a new international airport following a scandalous award by the tender board, reports **Iden Wetherell**

ZIMBABWEANS may have to wait several more years before they get the new international airport they were promised in 1980. Rebellious members of Parliament have been refusing to cough up the funds because they say the project will be an unnecessary burden on the taxpayer.

Instead, they argue, the appropriately named Hazy Investments, which has been contracted to build the airport, should organise the funding.

The Cyprus-based company secured the contract when it offered a control tower modelled on the conical tower at Great Zimbabwe near Masvingo, a national symbol. Having the president's nephew Leo Mugabe as their representative also helped.

Hazy won the contract only after Zimbabwe's Cabinet reversed a decision by the government tender board to award it to a more experienced company, Aéroports de Paris.

Much the same appears to have happened with a lucrative tender to supply a cellular phone service. The tender board recommended a joint award to entrepreneur Strive Masiywa's Econet, and Telecel, a United States/Congolese company represented in Zimbabwe by a consortium of interests linked to the ruling Zanu-PF party.

But, according to an affidavit just filed in the Harare High Court, Cabinet secretary Charles Utete then intervened to direct that the tender go exclusively to the Telecel group, a decision which, according to one estimate, could cost the country R4-billion in management and franchise fees over the next 10 years.

The leading local member of the consortium, James Makamba, is a former business associate of Minister of Information, Post and Telecommunications Joyce Mujuru's husband, General Solomon. Masiywa has been bypassed apparently because he had the temerity to submit an account for wiring work his company carried out at President Robert Mugabe's rural mansion in Zvimba. And he has refused to accept patronage. All this contributes to a growing picture of sleaze in the upper echelons of government.

Earlier this month it was disclosed that a former permanent secretary in the Ministry of National Housing had diverted substantial sums to an illegal "VIP housing scheme", in which the ministry built houses for senior government officials and relatives, including first lady Grace Mugabe who had a R3-million home built in Harare's swish Borrowdale suburb.

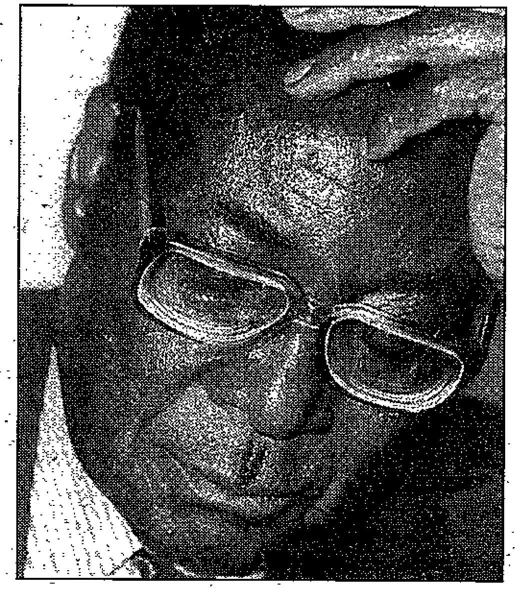
Funds used in the scheme had been taken from housing projects for lower-income groups.

The diversion of state resources also came under the spotlight after recent reports revealed that R200-million set aside for casualties in Zimbabwe's liberation war had been systematically looted by senior ruling party officials, including ministers, who helped themselves to sums of up to R500 000 each.

Mugabe's brother-in-law, Reward Marufu, currently heads the list of recipients of the scandal-tainted War Victims Compensation Fund with nearly R400 000. Further down the list, Mujuru received R160 000, according to disclosures made by independent MP Margaret Dongo in Parliament recently. Most of the recipients are not disabled, though some claim to be psychologically disturbed.

"A minister running a government ministry with a 65% or 75% disability? Something is wrong there!" Dongo said of glaring anomalies in the award process.

When the authorities attempted to investigate the scam, female ex-combatants threatened to reveal details of wartime rape by people who today occupy high office. It worked. Now Zanu-PF's politburo has appointed an internal committee composed of senior ministers to probe the scandal.



Robert Mugabe: His nephew represented investment company PHOTO: HENNER FRANKENFELD

Textile industry heads reject claims that SA was responsible for demise of Zimbabwe's clothing sector

Preferential trade pact under scrutiny

CT (BR) 2/6/97 (362)

SHIRLEY JONES
KWAZULU NATAL EDITOR

Durban — The South African textile industry was demanding clarification on the preferential trade agreement between Zimbabwe and South Africa, Brian Brink, the executive director of the Textile Federation of South Africa, said at the weekend.

The deal allows Zimbabwe to export goods to South Africa at a lower rate of duty than all other countries except Malawi.

The textile industry believed that, unlike certain agricultural products, the textile agreement had been renewed from March 1.

However, Brink and other industry heads said while the preferential trade agreement on textiles had been gazetted in Harare, it had never been published here. "We know the rules, but had to ferret information out of Harare," Brink said.

Thus, accusations by Zimbabwean businessmen recently that the South African industry was responsible for the Zimbabwean industry's difficulties were completely misguided, he said.

"Under the 1964 RSA-Zimbabwe trade agreement and the recently renegotiated deal, Zimbabwean textile and clothing exporters enjoy duty preferences over all other exporters to South Africa. Coincidentally, these preferences are not reciprocal."

Brink said the Zimbabwean industry's difficulties were not brought about by the elevation of South Africa's clothing and textile duties in November 1992.

He said Zimbabwe, unlike South Africa, had duty-free access to the European market under the Lomé agreement.

He said until the advent of its Economic Structural Adjustment Programme, Zimbabwe's textile and clothing industries had benefited from export incentives, cotton price subsidies, import control, high tariffs and manufacturers' rebates on input costs.

These had been removed overnight in terms of measures imposed on the Zimbabwean government by the World Bank.

Brink said the demise of its textile and clothing industry could be blamed on the profligacy of the Zimbabwean government, which led to the IMF and World Bank imposing the disastrous adjustment programme. The flood of cheap, illegal imports into the country was also to blame, he said. Poor customs control was the biggest threat to the industry.

Brink said South Africa also faced customs control problems.

Contempt for press an ominous sign

BD 4/6/97

News editor **Dianna Games** looks at President Robert Mugabe's sensitivity to a critical press.

(362)

IMBABWEAN President Robert Mu-abe must wonder lately why he spent ɔ much time and energy suppressing ıformation in the past.

At the time of the Fifth Brigade's ıurderous activities in Matabeleland, ıe press was watched closely, local nd foreign journalists were lied to, aken on bogus fact-finding trips and ad their stories suppressed. The tate-controlled media ignored the sto-y, while correspondents had to smug-le copy out of the country.

Now details of a report on the Mata-eleland killings, compiled by the 'atholic Commission for Justice and 'eace, are circulating freely in the treets of Zimbabwe. The government, /hich would once have banned in-tantly the Mail & Guardian edition arrying the story, has to all intents nd purposes ignored it.

Mugabe's paranoia, which frequent-y also extended to his personal safety, eached its tentacles deep into the dis-emination of information in a country ot renowned anyway for a free press, nd even became a factor in social in-eraction in bars and eating places — n the ubiquitous form of the Central ntelligence Organisation.

Journalists were arrested, editors vere hounded out of office or simply eplaced, and publications were anned in an attempt to prevent preading any information that might eflect badly on the ruling party.

This behaviour was defended on the rounds that the war-hit nation had to

President Robert Mugabe's government is suddenly cool-headed in its reaction to criticism by local newspapers.

Nigeria is worthwhile. Nigeria has no less than 21 national daily newspa-pers, 22 weekly newspapers and 19 weekly news magazines, most of which are independent and merciless in their criticism of the military government. But Nigeria is still one of the most cor-rupt nations in the world.

Zimbabwe's government-controlled press has shown few changes in the past 16-odd years. It is as obsequious and propagandistic as ever.

Ncube says the opposition press business is brisk. However, most of his government scandal stories are deliv-ered anonymously to his offices and getting confirmation and reaction is as difficult as ever.

Given the stranglehold on power by the ruling Zanu PF party, Mugabe's sensitivities about the Press have long seemed to be an overreaction. The par-ty totally dominates central govern-ment and most of the provinces.

The public's response to political events is essentially passive — which has served Mugabe's totalitarian rul-ing style well.

There is speculation that the pres-ident's newfound calmness came with his "landslide" win in last year's na-tional election. This despite a scant 30% poll and no opposition challenger — and several newspaper casualties.

Any hope that SA's President Nel-son Mandela might provide some light at the end of the free media tunnel were dashed this month when he took the opportunity of his state visit to

After a decade of this, the government faced its biggest information challenge in the form of the "Willowgate" scandal which resulted in five government ministers resigning and one committing suicide over exposés of the abuse of privileges regarding the purchase of new cars — a rarity at the time.

At the time, Mugabe claimed he would stamp out corruption. However, the editor of the newspaper which broke and ran with the story, The Bulawayo Chronicle, was then removed from his post by the parastatal which owned it — but not before being threatened with the might of the army by the then defence minister.

Two other independent newspapers — the Daily Gazette and the Sunday Gazette — which challenged the government, did not last long on the streets of Harare. Their demise was financial but rumour had it that advertisers kept away for fear of governmental disapproval.

The Financial Gazette kept the free press flag flying in the face of major government opposition and stories in the state-owned newspapers predicting its demise — until last year when it was heavily leant on by government to tone down its anti-government stance.

Reports at the time suggested that the proprietor and chief executive of the Gazette's owner Modus Elias Rusike lost his taste for the fight after spending a night in the cells for running a story about Mugabe's second marriage.

Trevor Ncube, then editor of the paper and his cellmate on this occasion, was suspended after running an article saying that Mugabe had tried to jump the queue to have his jet land ahead of President Nelson Mandela's when flying to King Moshoeshoe's funeral in Lesotho last year.

Soon afterwards, Ncube set up his own newspaper, the Zimbabwe Independent.

This newspaper weekly breaks stories on government corruption and financial scams involving senior ruling party officials. In addition, it carries biting satire on the ruling party and letters decrying the way the country is run.

It has survived a year. And what has happened? Basically, nothing: a few veiled threats, some public posturing, a few commissions of inquiry.

Government paranoia appears to have been replaced by a disinterest bordering on contempt. Mugabe no longer seems to care.

Major irregularities and nepotism in the government tender process have all but been brushed aside, stories of looting of public funds by senior party officials have elicited little response. The government has suddenly become cool-headed about the dirty linen that is regularly being washed in public.

The fact that Zimbabwe's leadership and officialdom no longer appear to feel threatened could in fact be an ominous sign, signalling a situation which ultimately undermines the gains apparently being made by a freer press.

The systems are in place: corruption is well-oiled, political patronage provides just the kind of divide and rule syndrome that keeps the president almighty.

The only two news stories to break in the past 18 months that have got Mugabe to react are not the sort to bring down governments. These days it is hard to tell what he will react to. The Harare bar talk is that his new wife has "changed" him.

The argument that a free and critical press keeps corruption at bay may have some truth in it. However, the chinks in Zimbabwe's information armour seem to have come too late.

A comparison with the situation in [illegible] the press in general. The state-owned media took this as confirmation that newspapers that criticise presidents get what they deserve. Mugabe seemed pleased.

Ncube's view is that the reading public is hungry for exposes. But it is a population repressed for too long — both by the former and present governments — and a substantial part of it sees the information as little more than entertainment.

Any public outrage has yet to be translated into meaningful political action. Whites have largely retreated from public life, the urban electorate seems to be getting on with business, and there is no effective opposition.

Last year's public service strike was a landmark challenge to Mugabe's government. But while small gains were made, it was effectively crushed and the president spent most of its duration out of the country.

Says Ncube: "Yes we have reached an era of new openness but it has come at a stage where the government has grown so arrogant that it almost doesn't matter.

"The once burning issues such as the one-party state, a socialist economy and suchlike have fallen away. Now it is just corruption and more corruption."

Zimbabwean company on the road

(362) BD 4/6/97

Janet Parker

DEUTSCHE Morgan Grenfell has organised a roadshow beginning next week to introduce Zimbabwe-based Trans Zambezi Industries (TZI) to SA institutional investors seeking an investment in the Southern African Development Community (SADC).

Due to a recent partial relaxation of SA exchange control, SA fund mangers are allowed to invest 2% of prior year net premium income into SADC countries.

Trans Zambezi Industries CEO Hillary Duckworth said TZI could offer the "only blue chip investment opportunity providing exposure to a number of high growth SADC countries".

Trans Zambezi Industries has grown at an annual compound rate in excess of 25% in $ terms since 1993. and has become a pan-SADC conglomerate managed from Zimbabwe, with assets in Zambia, Zimbabwe, Malawi and Botswana.

It was owned by over 50 institutions and 2 000 individuals, and was listed on the Luxembourg, Zambia and Zimbabwe Stock Exchanges with a market capitalisation of about $220m.

The group reported a 153% rise in attributable earnings to $9m in the six months to March this year, while headline earnings increased 67% to four US cents a share. Operating profit improved 71% to $10,97m on turnover of $58,6m, a 287% increase in turnover from $15,1 in the previous review period.

The group said historically there was a much larger profit contribution in the second half of the financial year.

The company includes an investment division which has a 49% stake in Zimbabwe Express Airlines, and a food and distribution division comprising Zambezi Ranching and Cropping, which dominates the Zambian beef, dairy and horticultural sectors.

TZI's financial services division contains Bard Holdings Zimbabwe, IGI Insurance Zimbabwe and Madison Insurance Zambia, while its industrial division comprises among others Art Corporation, a manufacturer of paper and plastic packaging with a turnover of US$60m.

Duckworth said TZI actively managed the businesses it owned, and paid particular attention to strategic acquisitions, good management accounting systems and motivated management.

The company's philosophy was to acquire established businesses at discounts to net asset value, or attractive per earning ratios where the company could add or unlock value.

'Senile Nkomo exploited in cellphone project'

BD 9/6/97 (366)

Michael Hartnack

HARARE — Zimbabwe's Information Minister Joyce Mujuru has claimed that Strive Masiyiwa, who has been blocked since 1994 from launching a cellphone business, made "unashamed use of Vice-President Joshua Nkomo's notorious infirmities".

In papers lodged before the High Court last week Mujuru attacked the cellphone pioneer for recruiting Nkomo's support for his Econet project. She said Nkomo "was ageing and does not always understand or remember things as well as he used to".

While acting as head of state earlier this year during one of Mugabe's overseas trips, Nkomo ordered Mujuru to give Masiyiwa a cellphone licence in addition to the one granted to the Posts and Telecommunications Corporation and the Zaire-led Telecel consortium, in which Mujuru's husband Solomon (former guerrilla commander Rex Nhongo) has an interest.

Press reports said Nkomo had threatened to resign if government continued to act in a "criminal manner" in denying Masiyiwa a licence.

Mujuru defied Nkomo's order, but her affidavit submitted in court last week suggested that her ministry might now review Masiyiwa's application.

The new Sunday newspaper, the Zimbabwe Standard, said yesterday Mujuru's "disrespectful" suggestion that Nkomo was senile would have raised official outrage if perpetrated by state critics.

Masiyiwa has initiated several court challenges against the government's decision to block his licence.

Zimbabwe mineral export body under fire

Michael Hartnack

HARARE — Zimbabwe's private mining companies say the state's monopoly over the annual export of base minerals worth about R2bn results in a bureaucracy that strangles orders and imposes unnecessary costs.

The parastal Mines and Minerals Marketing Corporation of Zimbabwe levies a 0,875% fee on exports and the Chamber of Mines has previously called for its abolition.

Mining industry sources say the Wankie Colliery Company alleges it has lost orders due to the ban on dealing directly with potential customers, and the corporation's time-consuming approach in dealing with with these customers.

However, corporation MD Elizabeth Chitiga announced an R11m profit for the year to June 1996 and was named a "global leader for tomorrow"

Continued on Page 2

(362) BD 9/6/97

Exports

(362) BD 9/6/97

Continued from Page 1

by the Davos World Economic Forum.

A senior figure in Zimbabwe's mining industry said: "If you didn't have to go through the corporation, how many people would look at it? If it was privatised how many people would use it — that is the acid test."

Mining companies say orders for chrome and asbestos have been strangled by red tape in the 15 years since the government created the organisation, claiming that a white-controlled industry had been guilty of "transfer pricing" — selling minerals abroad for more than the sum declared at home.

The transfer pricing allegation was denied at the time by former Chamber of Mines president Ellias Ngugama.

Chitiga said the state had needed a "window" into the mining industry in 1982. "We had a very socialistic type of idea and I think government said rather than nationalise mining companies we are now going to go that route — we would like to ensure that the country is benefiting from this non-renewable resource."

Chitiga, 38, said the corporation's role was justified by its ability to cut duplication in the search for markets and to combine production from different mines in meeting orders.

Chamber of Mines CEO Derek Bain said the chamber believed that the corporation could "provide a useful service for smaller exporters who do not have their own marketing divisions".

Zim spends R80-m on OAU

Sowetan 9/6/97 (362)

By Barnabas Thondhlana

THE Zimbabwean government, under immense pressure from international donors to revise its acts of financial profligacy, floated over R80 million from the treasury to host the 33rd Organisation of African Unity summit held in Harare this week.

The summit, attended by 700 official delegates and observers, who had with them an entourage of more than 1 000 people, was hosted on behalf of the government by the ministry of foreign affairs.

Even though its hosting had been known to the Zimbabwean authorities for nearly two years in advance, the summit was never budgeted for during the current financial year ending this month for approval by parliament.

The budget for the summit was endorsed by the cabinet to keep the figure secret from public attention. Efforts to get official comment, from government officials, including the government spokesman Bornwell Chakaodza, proved fruitless as they were all mum over the financial expenditure of the summit.

Although director of information Chakaodza had promised all the details of the financial commitments by government on the OAU summit, saying everything "was done above board", he failed to do so at the time of going to press.

Accommodation

Most of the expenditure at the summit was on accommodation and transport for delegates and also on daily allowances for 700 delegates, who included 31 heads of government and state and 42 foreign affairs ministers.

Each delegate was entitled to a maximum allowances of R2 500 a day for the period of the summit.

The government also engaged an unspecified number of civil servants, including police details and CIO operatives, who are thought to have absorbed over R4 million in special duty allowances of between R170 and R220 a day per individual.

Although a few civil servants served the OAU Zimbabwe secretariat for over 10 days, the majority worked for 10 days, during which period they also underwent some form of training for the summit.

Hotels in the capital reported brisk business as a result of the summit.

Monomotapa Crowne Plaza said all its rooms had been exclusively occupied by OAU delegates, Meikles and Sheraton hotels had all their rooms occupied by OAU delegates except those said to have been permanently booked for the whole year by international airlines.

Cresta Jameson Hotel had 72 percent of its rooms occupied by OAU delegates, with Holiday Inn reporting that half of its occupants were OAU delegates.

"We had to turn some of the (OAU) delegates away because our rooms were fully occupied," said a manager with Cresta Jameson.

Mugabe makes plea for renewed ivory trade

Own Correspondent Star 10/6/99 (3b2)

Harare – Every species must pay its way to survival, Zimbabwean President Robert Mugabe told the opening session of the 10th meeting of the Convention on International Trade in Endangered Species yesterday.

Amid the pomp and ceremony of the official opening, which included singing by children, dancing and the display of the flags of the 138 member nations, Mugabe sounded a warning note.

"We are undertaking the task of protecting our natural resources, especially of wildlife, at great expense and sacrifice," he said. "Mobilisation of the army, police, national parks scouts and rangers to guard against poachers is costly.

"In southern Africa, wildlife is found in arid and semi-desert regions. Water for these animals is pumped at great cost from underground sources. Elephants, especially because of their huge bodies, consume large amounts of this water, and we believe every species must pay for its survival.

"We believe that the management strategies we have devised, if given a chance, will enable most species to survive."

His message was directed towards those countries which are opposing Zimbabwe's proposal, along with those of Namibia and Botswana, to downlist the African elephant in order to sell their stockpiled ivory. It has become the meeting's most hotly debated topic.

The International Fund for Animal Welfare, which is vigorously opposed to reopening the ivory trade, claimed yesterday its lobbying work was being harassed at the Harare International Conference Centre.

The organisation has been denied a room in which to hold press conferences and was later also refused permission to turn one of the 12-member delegation's rooms at an adjacent hotel into a meeting place.

Meanwhile, Greenpeace warned against the domination of the conference by the elephant issue. Its delegation leader, Isabel McCrea, said proposals from Japan and Norway to downlist several populations of three whale species were in danger of slipping through virtually unnoticed.

Both Japan and Norway are currently killing whales in defiance of the International Whaling Commission.

Eyebrows raised over Pallo Jordan's absence from meeting

By Jill Gowans
Star Foreign Service

Harare – The last-minute withdrawal of SA's Environment Minister Pallo Jordan from the 10th Cites meeting which began here yesterday has come under heavy criticism.

Jordan was to have led the 15-person government delegation for part of the time – including during the crucial elephant and rhino votes on June 17. But he announced on Thursday that Deputy Minister Peter Mokaba would take his place.

"We were apprehensive about Jordan's initial appointment (as minister)," said Bruce Davidson of the Wildlife and Environment Society of South Africa. A Wits University scientist, he is South African co-ordinator of NGO/community-based organisations at Cites.

"Jordan hardly has the environmental record to fill the post," he said. "He also obviously considers the whole issue of Cites not important and significant enough for him to attend.

"It is also a bit of an insult to Zimbabwe that our environment minister isn't here. But on the plus side, Mokaba's stated views are a better reflection of government policy of sustainable use of wildlife, which we support."

Davidson added: "Cites has become a convention of restriction and dictatorialism. It is a system of negative incentives.

"What began as a rational convention 25 years ago has now become protectionist."

Such is the importance of this meeting that even the poorest of rural communities have made the effort to be here to add their voices to their government's delegations. Chief Lux Masule from the Chobe Enclave Community Trust in Botswana walked some 100km from his home to the border town of Kasane on his journey to Harare.

State moves in Banana case

Michael Hartnack

HARARE — Zimbabwean police have identified up to seven "concrete" charges of sodomy against former state president the Rev Canaan Banana, says Home Affairs Minister Dumiso Dabengwa.

Meanwhile, legal sources said yesterday Banana had retained the former Rhodesian justice minister and leading advocate Chris Andersen to defend him.

Five years ago Andersen successfully defended Banana's son Michael on a charge of murdering his girlfriend's ex-lover.

Dabengwa said police had been investigating the allegations against Banana, who has been temporarily suspended from his professorship on the University of Zimbabwe campus, since an ex-State House aide, Jefta Dube, made allegations at a murder trial. A docket will go to prosecutors this month.

After leading evidence of trauma resulting from homosexual rape, Dube escaped with a 10-year jail term for shooting a police constable he believed had taunted him about being Banana's "wife".

Banana, a vocal liberation theologian and ex-member of the World Council of Churches' "eminent persons group" on SA, faces indefinite terms of imprisonment if he is found guilty.

Fishing firms foil Zimbabwe decree

(362)

Michael Hartnack BD 19/6/97

HARARE — Zimbabwe's high court delivered a blow yesterday to the credibility of the country's national parks and wildlife department.

Chief Justice Anthony Gubbay, sitting with Judges Ahmed Ebrahim and Roger Korsah, found the parks department had acted illegally in notifying 30 owners of rigs fishing for kapenta sardines on Lake Kariba that licence fees were to be massively boosted in January last year, and many of their permits redistributed to black fishermen.

The identity of the proposed recipients has not been disclosed, but sources here say they are influential political figures. "We have won a victory beyond our wildest dreams," said Robert Beaton, vice-chairman of the 30-member Kapenta Producers' Association, after yesterday's hearing.

Gubbay ruled Environment Minister Chen Chimutengwende acted illegally by sending letters to the established kapenta producers in November 1995, notifying each they would have to pull between three and seven of their fishing rigs off the lake.

Licence fees were to be boosted from R1 200 a year per rig to a sliding scale of R2 000 to R6 000, for those operating more than nine rigs. "If the minister had carried on with this sliding scale it would have killed the industry, and it would have ended up in the hands of people who were not able to operate it in an efficient manner," said Beaton, whose firm operates 12 of the 350 rigs on the lake. Employing 5 000 workers, the industry represented a R200m investment.

Advocate Adrian de Bourbon, representing the kapenta producers, said the entire licensing system promulgated by the Zimbabwe government parks department since 1981 was illegal, including permits for hunting, white water rafting and entry into game reserves. The judges agreed with De Bourbon it should have been done by statutory instrument, not by general notice or letter. "It is solely upon this ground that the appeal must be allowed," they said.

The judges said they were not thus required to rule on whether De Bourbon was correct that the measures against the kapenta producers were "grossly unreasonable, illogical and misinformed".

Gubbay said a sliding fee scale was not necessarily illegal. He appealed for Chimutengwende and the kapenta producers, who are mostly white, to "discuss the matter". Beaton said before receiving Chimutengwende's letter in November 1995 the producers had been told no permits would be revoked.

Mugabe's winter of discontent

MtG 13-19/6/97 (362)

Defiant Zanu-PF MPs are refusing to toe the party line, putting the president's position in jeopardy, reports **Francis Murape** from Harare

ZIMBABWE'S ruling Zanu-PF party faces a growing anti-corruption rebellion from within its parliamentary ranks in the biggest challenge in President Robert Mugabe's 17 years of uninterrupted rule.

The Parliament, dominated 147 to 3 by Zanu-PF and hitherto regarded as a rubber-stamp of executive decisions emanating from Mugabe's office, is alive with discontent over the party's nonchalant attitude towards corruption in high places.

At the centre is popular independent MP Margeret Dongo who was expelled from the party for standing against Mugabe's unpopular candidate in the 1995 parliamentary elections.

Zanu-PF hardliners watched in dismay as more than 100 MPs supported Dongo's motion calling on the auditor general to probe the Z$450-million War Victims Compensation Fund looted by senior party officials in the biggest scandal to hit Zimbabwe since independence in 1980.

Senior party officials had earlier tried to thwart the motion, fearing a full disclosure of how party leaders stole funds meant to compensate victims of the war of liberation could do irreparable damage to the party.

The civil servant who blew the whistle on the scam died a few weeks after the disclosure in what was officially reported as suicide, but what relatives say was murder.

After the Dongo-led rebellion won in Parliament on May 28, the defiant Zanu-PF MPs struck again the next day, humiliating Vice-President Simon Muzenda in his bid to force them to endorse a total of Z$975-million in loans secured abroad for the construction of a terminal at Harare airport.

"We are accountable to each other as Zimbabweans and also to our constituents. We do not want to be in the history books as having taken decisions that destroyed our country," said one MP

The tender for the design of the airport was won by a controversial businessman, Leo Mugabe, nephew of the president, after the project was re-tendered to accommodate him and his Cypriot partners.

The MPs say bidders with funds available to finance the project were made to lose to accommodate Mugabe family interests.

Leo Mugabe has in the past won tenders for Harare's sewage treatment works, government-building projects and the first privately run mobile cellular telephone system.

The MPs, who suspected that Leo Mugabe could be a front for his uncle, have an unlikely ally in retired general Tapfumaneyi Mujuru, whose phenomenal wealth, acquired in less than 15 years, has baffled observers.

Insiders say that by supporting the MPs' refusal to endorse the airport project loans, Mujuru is trying to have a go at the president, who has blocked his bid to acquire a third of the chrome-mining giant Zimasco.

Mugabe has threatened to nationalise Zimasco should Mujuru's bid go ahead, alleging the US-based owners of the company acquired it fraudulently when the government still had shares in it.

However, insiders say the MPs suspect Mugabe wants it to parcel out shares to his favourites under the guise of black economic empowerment or indigenisation.

The government has promised to re-table the controversial loans for endorsement, but the Zanu-PF MPs are unlikely to budge in what could bring about a crisis of confidence in Mugabe's government.

The 100 MPs have it within their power to force new presidential and parliamentary elections as only a two-thirds majority is required to throw out the government.

Zimbabwe backs down on ivory sale 'threat'

(362)

ARG 17/6/97

Harare – Zimbabwe has backed down on a reported threat to break the ban on trade in ivory if the Convention on International Trade in Endangered Species (Cites) rejects its bid to legalise sales.

Government media said yesterday Zimbabwe would "go it alone and sell ivory without Cites approval," but Environment Minister Chen Chimutengwende said he was misinterpreted.

He told reporters at the conference centre where Cites is holding its biennial meeting that such a decision had not yet been taken.

"That is not the official position of the government," Mr Chimutengwende said, blaming the government's Herald newspaper for distorting his remarks.

But he admitted that he had said Cites "will have made itself irrelevant to us" if it refuses to allow Zimbabwe to sell its ivory stocks to Japan.

Any decision to leave Cites "can come only from the government", he said, adding:

"In any case we are very optimistic we are going to win; that's why we have not discussed another option."

Zimbabwe and two other countries, Botswana and Namibia, have asked Cites to downlist their elephant populations from Appendix 1, which bans trade in ivory, to Appendix 2, which allows controlled trade.

"The proposals to establish a new form of highly regulated trade for a limited period, under strict international supervision, have been developed with comprehensive safeguards and precautions in place," Mr Chimutengwende said.

A compromise proposal under which the elephant would be downlisted, but with a zero quota for international sales of ivory, would also be "totally unacceptable to us," Mr Chimutengwende said. – Sapa-AFP

Mugabe's men beat up independent candidate

(362)

M+G 20-26/6/97

Iden Wetherell

A ZIMBABWEAN Cabinet minister and three members of Parliament stood by as youth members of President Robert Mugabe's Zanu-PF party beat up an independent mayoral candidate.

The incident in Chitungwiza, Zimbabwe's largest township adjoining the capital Harare, reinforces fears that the country is reverting to its past habits of electoral intimidation, civil rights groups say. — 26/6/97

Independent candidate Fidelis Mhashu was attacked earlier this month by 40 youths when he tried to inspect the voters' roll at Chitungwiza council offices.

Police have statements alleging that Zimbabwe's Minister of Sports and Culture, Witness Mangwende, told followers that "Zanu-PF members should see to it that the Mhashus are gotten rid of here in Chitungwiza." Another MP, Joseph Macheka, said Mhashu's "mere presence was provocative at election time". To date, no charges have been brought.

Mhashu claims the assault was an attempt on his life, and that he has now been forced to hire guards to protect his property.

Parliamentary elections in 1985 and 1990 were characterised by assaults by Zanu-PF members on opposition supporters.

Mugabe subsequently pardoned those convicted of offences stemming from the assaults. Improved policing in 1995 prevented a recurrence, but civil rights bodies fear the Chitungwiza incident could signal a return to previous intimidation.

Mhashu was only able to contest the position after going to the courts to overturn the election of Zanu-PF's mayoral candidate, Andrew Jiri. The court found there had been irregularities in the electoral roll. The election has been provisionally rescheduled for August 30.

Mhashu went to the council offices to check that Zanu-PF had not registered outsiders in the constituency — a tactic the party used to block independent candidate Margaret Dongo's election to Parliament in 1995. Dongo only went on to win after the courts again stepped in, and in the face of intimidation from Mugabe's ministers and party supporters.

ZIMASCO

(36a)

FM 20/6/97

Mugabe sticks his oar in

Latest move could seriously damage Zimbabwe's investment rating

Whatever progress in attracting foreign investment Zimbabwe made at last month's World Economic Forum in Harare is fast being undermined by President Robert Mugabe's tantrum over the foreign-owned Zimbabwe Mining and Smelting Co (Zimasco). Mugabe has threatened to expropriate Zimasco if the present owners fail to satisfy his demands for the localisation of at least 50% of the shares in the ferrochrome producer responsible for 7,5% of the country's exports.

In the Eighties, the Zimbabwe government wanted to buy control of Zimasco from US chemicals and mining group Union Carbide, but negotiations failed. Three

years ago, Carbide disinvested from Zimbabwe.

It sold its shares in Union Carbide Metals Ltd (UCML), the UK holding company of Union Carbide Zimbabwe (Zimasco) to another UK-based company, Exultate Ltd. Exultate subsequently sold the shares to a Mauritian-based company, Zimasco Consolidated Enterprises (ZCE), which now owns the ferrochrome group.

Robert Mugabe . . . could seriously damage investment rating

Mugabe claims the deal was "fraudulent," without justifying this accusation, while ZCE — some of whose leading shareholders happen to be white Zimbabweans now living abroad — says that while the change of ownership of an externally owned company did not require the approval of the Zimbabwe authorities the transaction was undertaken with the full knowledge of the Reserve Bank of Zimbabwe and the Ministry of Mines.

Zimasco's new owners say they always intended to localise 50% of the ownership, but negotiations with government to achieve this broke down last September when Mugabe insisted on control of the mining group.

ZCE then negotiated a localisation deal with a black empowerment group, Nyika Investments Ltd, which would buy 27% of the shares while 15% would be floated on the Zimbabwe Stock Exchange, 5% set aside for an employees' share trust and 3% for management options. ZCE's existing shareholders would retain 50%.

Nyika is a Zimbabwean company representing a broad-based group of indigenous business people, co-operatives and mining tributors, led by the former head of the Zimbabwe army, General Solomon Majuru. The shares were placed with Nyika on a discounted basis, with ZCE saying its net contribution to the indigenous investors and the employee trust was Z$340 million (US$30 million).

The announcement of this deal sparked Mugabe's latest intervention, which threatens to seriously damage the country's international investment rating. In a newspaper interview, he rejected the Nyika Investments agreement and demanded that ZCE resume negotiations for the sale of Zimasco to government. Government would then recycle the shares to a black empowerment group of its choice.

But resumed talks with ZCE's shareholders have since run into new difficulties because of Nyika's refusal to withdraw from the agreement.

At the same time, it is unclear whether, even if Majuru agrees to withdraw, ZCE and government can agree on the terms of a management contract to run the mine after localisation.

Some kind of face-saving compromise will probably be found, though whether it will be in the best interests of investment and economic growth is another matter. Mugabe's threat to nationalise if he doesn't get his way has dismayed the business community, which, not noted for its moral courage, is keeping its head down and saying nothing.

The President's reliance on public threats through the media, government's refusal to explain what was legally wrong with the original deal, the fact that there is no legislative basis for nationalisation (other than the all-pervasive Presidential Powers Act, possibly) and the coercive nature of the "negotiations" bode ill for Zimbabwe's chances of attracting foreign capital.

Mugabe's opposition to a ZSE flotation will make it difficult for whoever ends up with control of Zimasco to develop its Mimosa platinum mine and its methane gas potential.

Special correspondent

Mystery partner funds Zimbabwe Iron privatisation

(362)

Michael Hartnack

BD 23/6/97

HARARE — State-run Zimbabwe Iron and Steel Company (Zisco) has found a mystery partner to help it fund an R880m rehabilitation and privatisation project, Zimbabwean Commerce and Industry Minister Nathan Shamuyarira said at the weekend.

He said the government hoped to arrive at or produce a new privatised Zisco by January 1999.

At the sod-breaking ceremony for construction, by China's Shougang International, of a fourth R180m blast furnace at Zisco, Shamuyarira said the undisclosed partner would provide 75% of the R880m required. This capital was needed to "turn around" the loss-making steelworks.

Zisco, which has absorbed hundreds of millions of rands in state subsidies since 1980 independence, would find 25%, said Shamuyarira.

Chinese construction of the new blast furnace has suggested Zisco's mystery partner is from the Far East.

Industry sources also noted that SA mining group's JCI involvement in the R3bn Buchwa-Beira iron briquetted project could make them a potential partner.

JCI is undertaking a R12m feasibility study for smelting ore using coal from Zimbabwe's Buchwa coalfields and Mozambique's Temane gasfield.

However, JCI projects CE Graham Wanblad, who is behind JCI's involvement in Zimbabwe and Mozambique, ruled out the SA group's involvement there. "The group has absolutely no involvement in this project," he said.

Shamuyarira said that the turnaround plan and privatisation should eliminate Zisco as a chronic burden on the state, while ensuring it remained a viable steel producer.

Zimbabwe's Finhold in loss

(362) BD 25/6/97

Martin Rushmere

HARARE — Finhold, a commercial and merchant banking group largely owned by President Robert Mugabe's government, has become the first financial institution of its kind in Zimbabwe to record a loss.

Analysts say a R2m loss for the six months to March 31, announced yesterday, resulted largely from interest charges on bad debts run up by the ruling Zanu (PF) party and other state subsidiaries, including Zimbabwe Defence Industries.

Zimbabwe Defence Industries — fighting to clear its name of allegations of making claymore antipersonnel mines — has been linked to covert arms sales to the Democratic Republic of Congo's Laurent Kabila and to Sudanese rebels.

Finhold's main assets are Zimbank — before 1980 independence a subsidiary of SA's Nedbank — and Scottish Finance.

Last year the government set up a separate organisation — Climax Investments — to look after Finhold's R610m debts. In return Finhold agreed to service a substantial part of the interest charges, which amounted to R25m, the interim report said. This virtually wiped out Finhold's operating profit of R30m. In addition, taxation totalled R7m.

The announcement referred cryptically to the "Climax-related expense", which it said was "substantial" and due to high local interest rates. Management had taken steps to reduce the expense by obtaining refinance at better rates during the second half of the year, and "more appropriate provisions had been made in line with prudential guidelines".

It said "the major shareholder — Mugabe's government — had approved proposals to raise the bank's capital adequacy ratio substantially above the 8% minimum requirement by a rights issue before the end of the financial year.

Interest charges, which fell from more than 40% in 1995 to 21% in January, began rising again last month to 23,5% in response to a renewed state assault on the local market to finance a budget deficit expected to exceed 1[illegible]% of gross domestic product.

Amzim to sell share of FMB in indigenisation deal

BD 26/6/97 (362)

Michael Hartnack

HARARE — Anglo American Corporation Zimbabwe (Amzim) plans to sell 75% of its holding in the country's oldest and largest merchant bank under a R120m "indigenisation" merger which directors say has the approval of President Robert Mugabe's government.

Amzim CE Philip Baum said that no political pressure had been put on Anglo to conclude the deal, which will see First Merchant Bank (FMB) merge with the black-owned Heritage Investment Bank.

FMB chairman David Dennett said: "This merger would not be possible with Anglo retaining its existing shareholding. That is a factor that was picked up early on by the authorities. The fact of the matter is you cannot have a foreign controlled bank buying a locally controlled bank."

Dennett said FMB and Heritage had received express approval from Finance Minister Herbert Murerwa and Reserve Bank governor Leonard Tsumba.

He echoed warnings by retiring Amzim chairman Roy Lander that Zimbabwe's banking sector had become overtraded with the launch of new "indigenous" banks, and that a shake-out may be due.

If shareholders approve, FMB will issue an immediate 10,5% share stake to Heritage. Anglo, which currently has a 43% stake in FMB, will then give Heritage options to buy further stock over the next 18 months until Anglo's stake is reduced to 10%.

Baum said Anglo expected to raise about R120m from the sale, to be ploughed back into development here.

A special meeting of FMB shareholders will be called on July 21.

FMB, which last year had a R1,4bn balance sheet, is also 17%-owned by Old Mutual and 10% by Zimbabwe's Industrial Finance Corporation.

FMB MD Ray Feltoe would become CE while Heritage MD Douglas Munatsi will become FMB's new MD.

"This will effectively localise the majority of our shareholding," Dennett said.

Heritage's ownership is headed by First Mutual Life, the Zimbabwe Electricity Supply Authority's pension fund, the railways' pension fund and a consortium of black businessmen.

Baum said Amzim would concentrate on its core business. "This is not a ransack withdrawal. This is not about disinvestment from Zimbabwe," Baum said.

Anglo Zimbabwe was planning to spend nearly R2bn on development projects, he said.

Zanu-PF rejects inaction charge

(362) CT (BR) 30/6/97

FROM SAPA

Harare — Joseph Msika, Zimbabwe's Zanu-PF national chairman, dismissed allegations by the Affirmative Action Group, the radical black empowerment lobby, on Saturday that the government was doing nothing to address the plight of economically marginalised black people.

The Ziana news agency reported that Msika told a United Matabeleland Development conference, organised by the action group, that it had been the government's policy to empower blacks through affirmative action since 1983. What was needed now was the legislation to control and implement the affirmative action policy, he said

"It's not true that the government is doing nothing. Let's choose our words correctly in order not to send the wrong signal.

"It's either you (the action group) do not want to face the facts or you are uninformed ... So, if you are uniformed, let me inform you that the government is doing something but it is not doing enough," he said.

Msika said the main challenge now facing the government and the ruling party was economic empowerment of the country's black population.

He said disadvantaged blacks could be divided into groups, ranging from the "poorest of the poor", who were continuously being marginalised, to the "black elite" who could almost get into the national economy but still faced hardships.

He said a greater majority of this elite had benefited when the government introduced the Z$100 million (about R40 million) loan facility in 1991 and the Z$400 million facility in 1995. He said part of the same group could also benefit from the Z$700 million made available at present.

Meanwhile, Matson Hlalo, the action group's national vice-president, said banks in Matabeleland were not taking the group seriously when it approached them for loans.

Hlalo said the banks gave the impression that people with money were only found in Harare and not in other parts of the country.

World Bank in row over access to loans

(362)

Michael Hartnack

BD 30/6/97

HARARE — Leaders of Zimbabwe's Indigenous Business Development Centre plan to meet World Bank officials tomorrow to try to settle a row about access to a new R300m special loan fund aimed at helping emergent black businessmen.

Militant black empowerment advocates Enoch Kamushinda and Phillip Chiyangwa alleged the facility was being deliberately withheld and threatened to organise a boycott of banks they accused of racism.

Chiyangwa claimed that the conditions attached to loans to emergent businessmen made it impossible for black entrepreneurs to benefit.

Zimbabwe's textile industry in deep trouble

(362) BD 1/7/97

Michael Hartnack

HARARE — Zimbabwe's clothing and textile industry remains in deep trouble, despite an agreement to give it "most favoured nation" access to the SA market from March 1.

The problems include a delay by the Zimbabwean ministry of commerce and industry in issuing quota forms to would-be exporters. As a result it is still impossible to quote prices to potential SA customers.

Zimbabwean firms also contrast quotas under the renewed agreement, which average only 4% of total Zimbabwean output, with the unlimited amounts that could be exported before the 1992 expiry of the 1964 treaty.

When Zimbabwean Commerce Minister Nathan Shamuyarira announced last September that agreement had been reached with SA on clothing and textiles exports, he said up to 30 000 jobs had been saved, but manufacturers said 40 firms had collapsed and 10% of the remaining 220 had filed for liquidation. More than 10 000 people had been added to Zimbabwe's 2-million unemployed.

"The industry is dying and we want urgent government action to save us," said Peter Musariri, head of the Zimbabwe Clothing Council, representing sector manufacturers.

Meanwhile, western diplomatic sources blame Zimbabwean industrialists for failure to seek export markets aggressively, particularly in Europe where they have unlimited access under the Lomé Convention. They said Zimbabweans were blaming SA for viability problems arising from flea market sales of smuggled second hand clothing from the developed world.

An SA diplomat noted that Zimbabwean manufacturers had been represented at every stage of negotiations for renewal of the treaty with SA, and quotas had in some instances been higher than those requested.

During President Nelson Mandela's visit to Zimbabwe in May, a breakthrough was also announced in granting renewed access to agricultural products, except tobacco and citrus. Sources said difficulties with tobacco products had now been resolved, but proposals remained confidential.

Talks are continuing on other sectors, such as Zimbabwean footwear, leatherware and electrical goods, and SA's fiercely controversial export incentive scheme which, allege the Zimbabweans, amounts to a subsidy. Zimbabwe dropped export rebates in 1993.

When the 1964 agreement was overtaken by SA protective moves in 1992, Zimbabwean exporters suddenly found tariffs increased from between 12% and 30% to 90% or more.

As a result, SA's trade imbalance with Zimbabwe has soared to more than R3bn. Confederation of Zimbabwean Industries president Jonee Blanchfield warned of a looming "trade war". Ray Woolley, MD of David Whitehead, said problems stemmed from the superior lobbying power of SA manufacturers and their unions. His quota for yarn, qualifying for a preferential 14% duty, would be 310 tons a year — a fraction of his 8 000 ton output.

An SA mission spokesman said concessions had been given the Zimbabweans as a gesture of good faith. "They (the SA negotiators) said they would like to see what effect it would have on the SA market. They also wanted to see whether it would be misused," he said.

The agreement specified that clothing and textile exports had to go through at least two processes, to prevent re-export of cheap oriental manufacturers. It was up to Zimbabwean exporters to show the SA customs their certificates of origin on their quota forms and seek the preferential rebates offered under the March agreement, he said.

Zimbabwe wage talks under way

CT(BR) 1/7/97

CRIS CHINAKA (362)

Harare — Zimbabwean trade unions met private business leaders yesterday to try to end a wave of wildcat pay strikes by workers seeking to strengthen their negotiating positions.

Top officials from the two sides agreed that the strikes were undermining productivity and clouding the national investment climate.

Morgan Tsvangirai, the Zimbabwe Congress of Trade Unions' secretary-general, called on employees and union leaders to negotiate a future that offered higher productivity, fair pay and working conditions, job security and sustainable economic growth. He said the rise in industrial disputes was a sign that many workers believed they were getting a raw deal from their employers while corporate leaders reaped the fruits of restructuring.

Peter Kunjeku, the executive director of the Employers' Confederation of Zimbabwe, said the wage negotiations were complicated by the fact that national unions were negotiating for specific industries at one level, while workers' committees were demanding talks at enterprise level.

Industries hit by the strikes include banking, transport, and hotels and restaurants.

Unions want wage rises of between 24 and 30 percent, but workers' committees have asked for up to 60 percent. — Reuter

Mugabe in effort to strip white farmers and foreign nationals of huge tracts of land

Star 2/7/97

(362)

Harare – President Robert Mugabe yesterday announced his most comprehensive moves yet to strip whites, foreign nationals and foreign companies of a total 8,3 million hectares of land, intended for redistribution to Zimbabwe's 11,5 million black people.

A tax that will make large holdings unaffordable, a "one man, one farm" law, and prohibitions on the ownership by foreigners or foreign companies of agricultural land were among measures announced by Mugabe when he opened the parliamentary year with a statement of planned legislation.

Mugabe (72) also told the 150 MPs of plans to punish those alleged to be guilty of racial, tribal, religious or gender discrimination, and making it a criminal offence knowingly to pass on HIV, which can lead to Aids. Experts say 700 Zimbabweans are now dying each week of Aids, which infects one in seven of the population.

Boys under 14 will be able to be prosecuted for rape under a legal clampdown against an upsurge in reports of the offence, he said.

British-built jet fighter bombers screamed overhead in salute as Mugabe, wearing an immaculate dark suit and his ceremonial gold chain of office, opened the third annual session of the third five-year parliament since independence in April 1980.

As prime minister from 1980-87, then as executive head of state, Mugabe has ruled virtually unchallenged through his monopoly on the news media and political funding.

Only three of the 150 parliamentary seats are outside ruling-party control, and all laws proposed are virtually certain to receive the necessary majority.

"The past 12 months can surely be described as peaceful and stable," Mugabe said, in a reference to a civil war, which claimed more than 40 000 lives, that raged when he took power under British-sponsored elections in former Rhodesia.

He said his government would pursue solutions to regional problems through the Southern African Development Community and the Organisation of African Unity, and would shortly sign an SADC trade protocol aimed at creating a regional common market.

It also hoped to finalise updating of the moribund 1964 "most favoured nation" bilateral trade treaty inherited from the former white rulers of Rhodesia and South Africa.

"Negotiations will continue with South Africa in an effort to reach agreement on the remaining sectors, which are agriculture, and others," said Mugabe.

Clothing and textile preferences have already been agreed. – Sapa-DPA.

BD 2/7/97

Mugabe bans foreign ownership of agricultural land in Zimbabwe

Michael Hartnack

HARARE — The introduction of a land tax, a "one-man one-farm" law and bans on ownership by foreigners or foreign companies of agricultural land were among measures announced by President Robert Mugabe when he opened parliament yesterday.

Mugabe told MPs of plans for legislation to outlaw discrimination and make it a criminal offence knowingly to pass on the the HIV virus. About 700 Zimbabweans die of AIDS each week.

The bulk of his speech related to measures to boost the economy and, he said, to "promote equity in the distribution of income and wealth".

He said maximum farm sizes had been decided and a proposed land act would provide for taxation of "surplus holdings". "One-man one-farm" regulations would be accompanied by "a prohibition on the ownership of land by foreigners and foreign companies".

This appears aimed at the remaining 4 500 white commercial farmers and could cause a legal headache for multinationals such as Lonrho and Anglo American, whose title deeds are usually in the names of locally registered subsidiaries, but whose majority shareholding is foreign.

Without specifying a timetable, Mugabe said the area being redistributed to blacks would be increased from 3-million hectares to 8,3-million hectares. Farmers will lose riparian rights to a national water authority.

In addition to pursuing solutions to regional problems through the Southern African Development Community and the Organisation of African Unity, his government attached priority to agreement with Pretoria on the 1964 "most favoured nation" trade pact.

"Negotiations will continue with SA in an effort to reach agreement on the remaining sectors, which are agriculture and others," said Mugabe.

Mugabe said government would press ahead with its Prevention of Discrimination Bill which gives power to ban and seize the assets of any organisation deemed to be practising or promoting racial, religious or gender discrimination. Drafts permit lobbying to redress effects of past discrimination.

(362)

Mugabe said amendments to the Banking Act would outlaw pyramid schemes, which crashed last year, ruining thousands of small savers. A revised Insolvency Act would give workers preference in claiming pay and benefits when firms were wound up.

Value added tax, replacing sales tax, would be introduced under an 18-month budget due for presentation this month. A competition bill aims to suppress monopolies.

Conspiracy alleged to hurt Mugabe's image

Michael Hartnack

BD 2/7/97 (362)

HARARE — Zimbabwe's government-controlled Herald newspaper claims the 1 400 white tobacco farmers are conspiring to give President Robert Mugabe a bad image in the SA media.

Chris Molam, CE of the Zimbabwe Tobacco Association (ZTA), which represents the farmers, said this week that the association felt it would merely fan controversy to seek a high court injunction against the Herald and the Sunday Mail, which both allege its president, Rob Webb, had "declared war on our indigenous government".

At the recent ZTA congress Webb referred to the embattled world tobacco industry, in view of the increasing militancy of the antismoking lobby, the defeat of tobacco companies in cancer suits, a levy on tobacco products, market share competition from Brazil, and threats to general viability.

"We are at war. The real enemy is out there in the international marketplace. We must all stand together as Zimbabweans if we are to be successful," said Webb.

Sunday Mail editor Charles Chikerema, who is Mugabe's cousin, accused Webb of declaring war on black Zimbabweans and demanded immediate seizure of ZTA members' farms.

"It is the inevitable stench of the rotten carcase (sic) which in its very nature is colonialism, as represented by white farmers in this country," Chikerema wrote in an editorial. "Our answer is: confiscate the land and give it to the black majority who have proved they can do better."

However, a Herald editorial yesterday linked Webb's remarks to an alleged "campaign" of malicious anti-Zimbabwean reports in SA's "establishment media".

"Government cannot do anything about such malicious reports. Our diplomats are even less equipped to deal with such situations. But the government can surely deal with the war tobacco farmers are declaring," said the editorial, understood to have been written by editor Tommy Sithole.

Sithole claims black SA journalists boycotted a protest planned by their white colleagues.

He says among other "false" reports in the SA media were:

- That Mugabe was incensed by a cartoon drawn by the Zimbabwe Independent's Tony Namate, comparing him to Mengistu and Mobutu Sese Seko, and suggesting he might one day also suffer exile;
- That the parastatal Finhold group declared a R2m loss because of the cost of servicing bad debts from government or ruling Zanu (PF) party subsidiaries; and
- That homosexual acts remain a criminal offence in Zimbabwe.

"All these reports were just within a matter of days and all of them nothing but pure fabrications," said the Herald's editorial.

Finhold losses through its Climax Investments subsidiary were proven by its published balance sheet.

Last December, two Bulawayo men were given suspended prison sentences after being spied on while committing a homosexual act.

Zimbabwe's backbenchers warming to the role of watchdog

(362) BD 3/7/97

HARARE — Zimbabwe's parliament, generally seen as a college that simply approves proposals by government, is showing signs that it will no longer play the role of President Robert Mugabe's rubber stamp.

Over the past few weeks, legislators have prodded the government into investigating a corruption scam involving funds meant for veterans of Zimbabwe's liberation war, and refused to approve the financing of a project to upgrade Harare's international airport.

For several months the executive has been seeking parliamentary approval for a $10m state loan for the airport project — estimated to cost $109m. However, legislators argue that the firm that won the tender should find all the funds needed for the project, as stated in the tender agreement.

The backbenchers' defiance started in 1995 when donors that had pledged funds for the airport project backed out. They cited a lack of transparency in the manner in which tenders were awarded.

The Tender Board recommended the tender be granted to Aeroport de Paris (ADP) of France, but the cabinet disregarded its recommendation and awarded the contract to Air Harbour Technologies (AHT), a Cyprus-based company. AHT's local agent is Leo Mugabe, nephew of Zimbabwean President Robert Mugabe.

The board had placed AHT as its fourth choice. Adjudicators said the company's design was "smaller, $3m more expensive and less technically sound than the other contenders".

The main question that has been raised in parliament is: how was the tender awarded in the first place if the bidder did not have the money required to undertake the project?

Political analysts have welcomed the stance but wonder whether parliamentarians will stand their ground.

"While this move is encouraging, it is still too early to say whether the MPs are reasserting themselves," says Greg Linnington, a political studies lecturer at the University of Zimbabwe in Harare.

"What they have done is good for parliament as an institution. It is a new era by backbenchers and we hope that they can stick it out.

"It is good to have regular criticism in parliament, but it is sad that we do not have big opposition in parliament." Only two of the 150 parliamentarians are from the opposition.

Another sign of parliament warming to its watchdog role came in May, when legislators passed a motion urging the government to set up a commission of inquiry into the alleged abuse by senior state officials of $41m from the War Victims' Compensation Fund.

The officials were reportedly paid huge amounts for injuries purportedly sustained during the pre-1980 independence war.

Officials are alleged to have exaggerated their injuries, while others allegedly duplicated their payouts.

Political scientist John Makumbe questions some of the backbenchers' motives.

"Some of the MPs could be more disgusted at being left out of the sharing of the corruption cake rather than being disgusted by the corruption itself," Makumbe notes.

"We are also seeing a realisation by the backbenchers that they have missed the boat.

"They have now realised that they cannot be ministers, so what they are saying now is 'so what the heck?'"

But, in general, Makumbe is impressed by the new trend.

"We are beginning to see a resistance by the members of parliament to being used as mere rubber stamps by the executive," he says.

"Parliament is getting up from 17 years of slumber at long last. It is an attempt to resist backhand corruption in the executive. That is unprecedented in the 17 years of the Zimbabwean parliament, and essentially we are seeing some growing dissatisfaction of what is going on in the tender system."

Local human rights group ZimRights says it is happy some legislators are upholding the virtues of honesty, accountability and trust.

"Unless the spiral of fear that grips all layers of Zimbabwe's social fabric is wound off, the country would undoubtedly have gone to the dogs.

"There would be no one to spade open the greed, robbery and thievery which have become the norm in Zimbabwean leadership circles," ZimRights executive director David Chimhini says.

"Many a time, projects or public funds for some cause have been created, but it always turns out that some public official has personalised funds at the expense of the poor Zimbabweans," he says. — Sapa-IPS.

Confusion over Mugabe's land policy plans

(36a) BD 3/7/97

Michael Hartnack

HARARE — Enforcing President Robert Mugabe's proposed one-man one-farm policy would be complicated by his ministers' holdings which were all in the name of cryptically titled private companies, farming sources said yesterday.

Mugabe announced on Tuesday that a land bill would result in a land tax to encourage a policy of one-man one-farm.

Sources said yesterday that Vice-President Joshua Nkomo's Development Trust of Zimbabwe owned ranch land more extensive than Belgium under special tax-exempt status.

One of the first 30 white farms taken over under Mugabe's 1993 Land Acquisition Act, which curbed owners' right of appeal to the courts, was not given to peasants as pledged but allocated to then agriculture minister, Witness Mangwende.

Mugabe also placed a ban on ownership of agricultural land by foreign companies.

When Mugabe announced the proposed legislation on Tuesday he said a new land bill would contain "the prohibition of ownership of land by foreigners and companies". All present assumed he had omitted a word, and meant both foreign individuals and foreign companies. However, a spokesman for Mugabe office said yesterday Mugabe's text was suggesting a ban on ownership of agricultural land by any commercial entity — even if locally registered.

A leading business consultant said this could not be possible, and further clarity could not be obtained from Mugabe's office.

Agricultural industry sources said the bill could threaten a confrontation with the churches, the biggest single owner of land in Zimbabwe being Pope John Paul. A spokesman for the Catholic Bishops' Conference claimed the church had a local "legal persona" as a landowner.

Commercial Farmers' Union executive director David Hasluck, speaking on the assumption that Mugabe meant to prohibit ownership of farms by foreign companies and foreigners, said: "What the president had to say was nothing new. It is accepted by commercial farmers in Zimbabwe that the land redistribution and resettlement exercise is a domestic problem for Zimbabweans to resolve."

Virtually all CFU members own their farms through locally registered private companies, said sources here, economically viable estates sometimes consisting of the holdings of several companies.

Hasluck said his 4 500 members wanted a land dispensation "acceptable to Zimbabweans as a whole", with aid donors and development agencies assisting to produce "a more equitable distribution of land and more importantly increasing the opportunity for land that is resettled to be used as productive as commercial farms".

Mugabe said in addition to the 3-million hectares already taken over for resettlement by blacks, a further 5,3-million hectares would be acquired. He plans to introduce a land tax, making it too costly to farm more than the maximum size units decreed by a government commission.

Mugabe's figures caused more confusion, because official statistics show nearly 4-million hectares have been acquired since 1980 independence, with 70 000 black families settling on 3,5-million hectares.

Commercial farmers (75% of whom are white) and the parastatal Agricultural and Rural Development Authority continue to own 11,2-million hectares including the rich maize and tobacco belt, while the communal areas, now in ecological crisis, cover 16,6-million hectares.

Anglo American and Lonrho yesterday delayed comment. Together they own about 2-million hectares, registered in the names of local subsidiaries. Through The Wattle Compan Lonrho has a controlling interest in vast forests in Nyanga, Vumba, Chimanimani and Chipinge. Anglo owns Charter Estates, also devoted to pine, gum and wattle forests, Mazoe Citrus Estate and Glenara Dairy Estate just outside Harare; and the huge Hippo Valley Sugar Estate.

Comment: Page 15

Zimbabwe complains about its 'bad press' in SA (362)

M+G 4-10/7/97

Iden Wetherell

Cartoon character? Robert Mugabe 'owns' the Zimbabwean press · PHOTOGRAPH: ADIL BRADLOW

ZIMBABWE'S state-owned media have admitted that Zimbabwean diplomats based in South Africa are losing the battle to improve their country's image. And the blame for the bad press the country has been getting south of the border has been laid squarely at the door of Harare-based correspondents feeding "malicious reports" to South Africa's white-owned newspapers.

"They contend they are fighting a losing battle against [South Africa's] establishment media which are bent on portraying Zimbabwe as a complete economic and political disaster," lamented the government-owned *Herald* this week on the failure of Zimbabwe's diplomats to reverse the tide of opinion.

The newspaper cited stories appearing in the South African media to which President Robert Mugabe has personally taken exception. A cartoon which appeared in an independent Zimbabwean weekly showing Mugabe following Ethiopian dictator Mengistu Haile Mriam and Zaire's Mobutu Sese Seko into exile has also come under fire.

Also, local (South African) reports that losses at state-owned Zimbank are the product of bad debts incurred by institutions affiliated to the ruling Zanu-PF party and the claim that homosexuality in Zimbabwe is illegal have been frowned upon by the Zimbabwean state-owned press.

All these reports are "pure fabrications", the *Herald* declared: "Our diplomats abroad report that the overwhelming majority of stories denigrating Zimbabwe can be traced back to establishment journalists of the old order based in this country."

Illustrating its point that journalists are inciting disaffection, the *Herald* refers to a recent meeting of tobacco growers who it claims have "declared war" on the government following an address "from a local white editor".

Zimbabwe Tobacco Association president Rob Webb denies declaring war on the government. He says he was misunderstood and his comments misconstrued. He argues that the tobacco industry is at war since it is burdened with increasing levies and is facing growing competition on world markets. The sector, he says, cannot pull in different directions but needs to tackle the real enemy which is the international market.

The motives of state newspapers misreporting Webb are not difficult to fathom. By claiming Webb has declared war on the government, the official media (which are closely linked to Zanu-PF) were able to whip up a campaign against largely white tobacco farmers, urging the government to confiscate their farms. Statements by Webb in a bid to correct misleading reports were relegated to the letters page of the *Sunday Mail* — a government mouthpiece — and heavily edited.

The state-owned media in Zimbabwe have often been accused by civil society of masking misrule and corruption. Studiously avoiding any criticism of Mugabe, they have never missed an opportunity to attack the country's human rights organisations and its small independent press. The cartoon depicting Mugabe's possible eviction from power which appeared in Zimbabwe's *Independent* inspired a strong letter from the government's director of information, Bornwell Chakaodza, accusing the newspaper of "giving people ideas".

"Newspaper editors need to ask themselves the obvious question: If we write this, are we not in danger of creating events?" he inveighed, describing the offending cartoon as "despicable and dangerous".

The absence of a credible press council with powers to adjudicate on complaints allows government to monopolise the media and pursue partisan agenda while muzzling critics. And state-appointed editors often turn a blind eye to the corruption and human rights violations.

Zimbabwe's industry urges cut in deficit

(362)

EMELIA SITHOLE

ET (BR) 9/7/97

Harare — The Confederation of Zimbabwe Industries yesterday urged the government to act urgently to narrow its burgeoning budget deficit.

Jonee Blanchfield, the confederation's president, said the government risked rolling back gains made under economic reforms if it failed to cut the deficit.

"We have been through the processes of removing controls but economic growth is not sufficiently satisfactory, standards of living are not improving, the budget deficit is just too high," Blanchfield said.

The deficit was expected to widen to 11 percent of GDP in the financial year to June 30, off a target of 8,5 percent.

The government consistently missed targets to slice the budget deficit to 5 percent of GDP. In September 1995, the World Bank and the International Monetary Fund suspended crucial balance of payments support as targets were missed again.

They said they would look to Zimbabwe's budget for the new financial year, which is scheduled for July 24, before deciding when to resume aid.

"The government cannot continue to try and finance the deficit from ridiculous levies which are creating hardships and borrowing from the domestic market, which denies the private sector the money that's needed for expansion," Blanchfield said.

She said the government needed to improve tax collection and accelerate privatisation of loss-making state firms.

Captains of Zimbabwean industries would try, at their annual congress starting today, to impress on the government the need for urgent action.

"One of the worst things ... is unemployment.

"If we continue not giving our young people jobs we are going to be in real trouble." — Reuter

Zimbabwe plagued by strikes in support of wage rises

(362) BD 10/7/97

The increase of strikes in Zimbabwe signals its economic woes, writes Michael Hartnack in Harare

AN ANGRY mob of about 500 striking construction workers demanding 40% wage rises marched around central Harare yesterday, forcing those still employed on sites to stop working.

Ladders were thrown down, drivers assaulted and vehicles attacked while a small force of riot police with batons and helmets struggled to keep pace.

On Tuesday 30 strikers were arrested when they vandalised the new headquarters of the Commercial Farmers' Union, which is nearing completion.

The construction workers are the latest to join a series of wildcat strikes against failure of wages to keep pace with inflation which averaged 25% in the past year.

Government mediators declared the stoppage illegal and employer spokesman Obert Sibanda (for the increasingly black-dominated sector) demanded a return to work before negotiations could resume.

Despite 10 000 redundancies and the bankruptcy of 41 clothing and textile industry firms, 21 000 workers are demanding a 38% increase on the existing minimum of R66,40 a week.

Employers have offered 18% in what economists say is a hopelessly poor bargaining situation for unions, with 2-million unemployed vying for jobs. Construction workers have rejected an offer of a 24% increase on their R68,62 a week minimum.

Cement and lime industry workers have described an offer of a 21% on their R2,54 an hour minimum as "a slave rate", and have demanded 55%.

Postal and telephone services have been delayed by a go-slow among employees of the parastatal Posts and Telecommunications Corporation. The 10 000 employees want a 40% increase and are threatening a full-scale stoppage. Municipalities in Rusape, Chinhoyi and Bulawayo have also been hit by wildcat strikes, while former guerrillas have continued besieging the offices of the social welfare department, demanding the restoration of gratuities.

These payments were frozen when it was revealed that top politicians who never fired a shot during the 1972-80 war to overthrow white rule had received tens of thousands of rands for bogus "war disabilities". Last week 200 ex-guerrillas bared their buttocks to Manpower and Social Welfare Minister Florence Chitauro to press their demands.

The government at the weekend announced 30% minimum rises for 50 000 civil servants in a bid to stave off the resumption of a strike which last November brought the state health system to a standstill. This would add R4bn to government spending in the next 18 months, economists said.

Sydney Mhishi, administrator of the government's "social dimensions fund" to relieve distress, said yesterday poverty had escalated far beyond World Bank 1990 estimates of 12% of the population, with 45% of urban households now lacking the minimum R74,27 needed to meet monthly basic consumption needs of a family of five or six.

"The growing burden of the AIDS pandemic and the squeeze of public spending on social services threatens to erode much of the post-independence progress in human resource development.

"It is not comfortable to contemplate the implications of a high incidence of educated but poor people roaming the urban streets," Mhishi said.

President Robert Mugabe's elite decision-making body, the Soviet-style politburo, met last week for a session devoted entirely to Zimbabwe's economic problems, spokesman Didymus Mutasa said, but no new initiative was announced.

In parliament, a government backbencher attacked Zimbabwe's 70 000 remaining whites for "lack of co-operation" and demanded that new levies should be imposed on them to assist the 11,5-million blacks who, she said, had been impoverished by economic liberalisation.

The construction industry hit by the latest strikes is, ironically, among the sectors most successfully transferred to emergent blacks as a result of cabinet affirmative action directives barring whites, coloureds or Asians from tendering for official contracts.

Finance Minister Herbert Murerwa is expected to reveal government plans for economic revival when he presents his budget to parliament on July 24.

AFRICAN BUSINESS

The state-funded investment centre draws up fresh plans to consolidate and expand international trade

Zimbabwe has eyes for Far East and US

CT(BR) 10/7/97 (362)

CRIS CHINAKA

Harare — Zimbabwe is drawing up a fresh plan to boost its drive for new business, with a special eye on the Far East and the US, Nicholas Ncube, director of the Zimbabwe Investment Centre (ZIC), said yesterday.

Ncube said potential foreign investors, especially in western Europe and southeast Asia, had shown great interest and confidence in Zimbabwe in the last four years.

"We are putting the gloss on an 18-month plan which will see us consolidating in the areas where we have been very active, and also see us expanding into new areas.

"Specifically, we need to work hard in the Far East and also in the US," he said.

Ncube's state-funded centre was set up in 1994 to try and lure vital foreign investment into an economy that had been devastated by 15 years of world sanctions against previous white minority rule.

This was followed by President Robert Mugabe's government's disastrous 10-year experiment with socialism that was abandoned in 1990, intermittent droughts and alleged state mismanagement.

Zimbabwe introduced free market reforms in 1991 with the backing of Western donors, including the World Bank and the International Monetary Fund, which Ncube said laid the foundation for the investment drive.

The five-year economic reform programme got rid of stiff pricing controls, foreign exchange rationing and import licensing, and liberalised rules on profit and dividend remittance.

"We had hit rock bottom ... and now we are starting to see some positive growth in the economy. With more reforms, we are heading for sustainable growth," Ncube said of plans by the government to launch another reform scheme this year.

'We had hit rock bottom… now we are starting to see some positive growth.'

The new reforms have been delayed by the government's failure to win donor funding, which has been made conditional on big cuts in state expenditure, accounting for about 38 percent GDP.

Zimbabwe's agriculture-powered economy has grown at less than two percent annually over the last 10 years, but last year it posted an 8 percent rise in GDP, and growth is seen at around 5 percent this year after another good rainy season.

"The government is working on the fundamentals — inflation, the budget deficit (forecast to rise to 12 percent from 10,1 percent last year against a target of 8,5 percent), interest rates — and a battle against these will get us more investment," Ncube said.

He said western Europe and southeast Asia were showing interest and confidence in the Zimbabwean economy. The government had held investment promotion conferences in the UK, Germany, Austria and Malaysia in the last three years.

There was great interest in investing in tourism, mining, construction, agro-industry, information technology and energy, he said. He added that many potential investors had expressed interest in joint ventures with Zimbabwean partners.

A five-year tax holiday for domestic and foreign investors in infrastructural development had seen many local farmers building much-needed dams.

There would be greater investment opportunities once Zimbabwe's privatisation scheme gathered pace. Investor confidence was illustrated by a 10 times oversubscription for shares in dairy company Dairibord, the first state enterprise to be privatised, he said. — Reuter

(362)

Massacres: Mugabe 'just not interested'

Harare – Zimbabwe's seven Roman Catholic bishops fear President Robert Mugabe is "just not interested" in their proposals for healing the legacy of the horrific 1980-1988 massacres carried out in Matabeleland, church spokesman Father Oskar Wermter said here yesterday.

Embassies and news media have begun receiving hundreds of copies of a report prepared by the Roman Catholic Commission for Justice and Peace and Zimbabwe's legal resources foundation.

The independent Organisation of Human Rights Lawyers on Thursday resolved to defy a four-month campaign by Archbishop Patrick Chakaipa to keep it confidential.

Wermter said the bishops still hoped to see Mugabe to discuss the report, presented to him on March 17, but his only comment so far was an attack in May on "troublemakers in clerical garb" whom, he alleged, were bent on reviving violence.

Wermter said Justice and Peace Commission chairman Michael Auret had been phoning Mugabe's office "almost daily" since March, seeking an appointment.

Catholics stress their purpose was not just to chronicle the butchery of up to 20 000 civilians by security forces – including 3 000 in one three-week period by the North Korean-trained Fifth Brigade. They appealed to Mugabe to support establishing of a trust for survivors. – Sapa-dpa

Star 12/7/97

Debts and staff shortages take their toll

Mugabe to review public health sector

(3b2)

Emelia Sithole

CT (BR) 14/7/97

Harare — Zimbabwean President Robert Mugabe said last week he would set up a commission to review the country's public health system, which was tottering under crippling debts and drug and staff shortages.

Mugabe's announcement followed mounting complaints from the public about worsening standards in state health services.

"We are trying to see what it is we are doing right and what it is we are doing wrong," Mugabe told a group of Zimbabweans during a visit to New York. He gave no time frame for the review.

Mugabe has often cited advances in the public health sector as one of the success stories of his 17 years in power.

But over the past year, mounting debts at state hospitals, perennial drug shortages and a series of strikes by disaffected doctors and nurses have chipped away at that success and pointed to an ailing public health sector.

Figures on hospital debts are unavailable, but last year the government had to bail out hospitals after their main suppliers suspended deliveries of food and drugs because of non-payment.

The hospitals have also lost skilled staff. Officials estimate they are losing an average of 30 professional workers a month to private clinics and surgeries.

In most cases, the departing staff cite poor salaries and working conditions.

These concerns prompted nurses and junior doctors to go on strike over three successive months, leading the public health sector to the brink of collapse.

"I'm just waiting to complete my compulsory housemanship, and I'm off to South Africa where I think my services will be appreciated and where conditions seem better," said a junior doctor at the country's second largest hospital, Parirenyatwa.

"Low salaries are not the only concern. Working conditions have worsened, with shortages of equipment and essential drugs adding to the frustration," he said.

Helen Ngobe, a Harare resident, said she recently joined a medical aid scheme which she is struggling financially to keep up.

"I want to be able to afford to go to private clinics because I cannot stand going to government hospitals any more. I spent a month at Harare (state) hospital, and I don't want to go through that experience again," she said.

Health experts ascribe most of the problems to poor funding and the misuse of available resources.

Timothy Stamps, the health and child welfare minister, blames the World Bank for pressing the government to cut spending on social services to contain a burgeoning budget deficit.

Robert Mugabe, the president of Zimbabwe

But the country's state treasury places part of the blame on the Stamps ministry, accusing it of mismanagement, bad accounting and lax cost-recovery measures. Stamps said he was under intense pressure to recover money owed to the hospitals.

He said that Parirenyatwa hospital was owed millions of dollars in unpaid fees over four years. A substantial amount of that debt was owed by the government, which has failed to pay for patients covered by a social fund.

Health experts say the review commission should look at all those ills, particularly the sustainable financing of the health sector. — Reuter

Foreign investment injection is needed to sustain growth

From Reuter

Victoria Falls — Zimbabwe needed to push ahead with economic reforms and build on its achievements if it was to win more foreign investment to speed up growth, Philip Baum, Anglo American's chief executive in Zimbabwe, said last week.

Baum told a Confederation of Zimbabwe Industries congress that the country needed to raise its investment levels from 17 percent to 28 percent of annual GDP if it was to sustain economic growth of 6 percent a year and cut down on high unemployment.

"If domestic savings were increased to a heroic 20 percent from 14 percent per year, the gap of Z$3,6 billion (R1,438 billion), or 8 percent would have to be provided by the injection of foreign capital," he said.

In Zimbabwe's 17 years of independence, it had only attracted one significant foreign investment — the $200 million Australian-owned Hartley Platinum Mine Project, said Baum.

Zimbabwe budget deficit at 10,3%

ARG 14/7/97 (362)

Victoria Falls – Captains of Zimbabwean industries have urged the government to use its next budget to whittle down its high-spending deficit which is threatening growth.

Closing a congress of the Confederation of Zimbabwe Industries (CZI) here, confederation president Jonee Blanchfield warned of economic stagnation if high inflation and interest rates continued.

The budget deficit for the 1996/97 fiscal year ended June 30 stood at 10,3% of GDP. – Reuter.

Mine disaster case begins with on-site inspection

BD 16/7/97

Bonile Ngqiyaza

THE case against Vaal Reefs and seven people implicated in the 1995 disaster at its mine began this week in the Klerksdorp Regional Court with an in loco inspection.

The inspection was carried out after defence lawyers had asked to visit the scene of the accident before cross examining a state witness.

The case, which began on Monday with testimony from Alfonso Motemekoane — a state witness — is a sequel to the Vaal Reefs mine disaster in May 1995, in which 104 miners were killed when a locomotive crashed through a safety barrier and fell on a cage in which they were being carried.

Defence lawyers argued at the start of proceedings that it would be difficult to proceed with the cross-examination of Motemekoane on some parts of his testimony without them being acquainted with the geographical layout of the mine.

The presiding magistrate, Louis Vertue, ruled in favour of the request and arrangements were made to visit the site yesterday.

Seven of the accused — Anglo American-owned Vaal Reefs Exploration and Mining Company, Frank Khoza, Victor Caku, Mlindeli Quluba, Hendrik Jakobus Wood, Martinus Van Rensburg and Jack Mpota — have been charged with culpable homicide.

Some of them faced additional charges of contravening the Mines and Minerals Act, state prosecutor Hennie Geldenhuys said.

Recommended

The eighth person accused, Louis le Roux, faced charges of contravening the Mines and Minerals Act and attempting to defeat the ends of justice, he said.

The court case has been set down for three weeks.

In April last year, a joint inquest-inquiry recommended that Vaal Reefs mine, owned by Anglo American, as well as five of the mine's employees should be prosecuted following the death of the mine workers.

In their report, Judge Ramon Leon and two assessors, Arnold McKenzie and May Hermanus, urged the attorney-general to prosecute two contract workers from Concor, an underground electrician, the shaft mine overseer and the section engineer.

Mpota, the driver of the locomotive 54B which fell down the shaft smashing into a cage carrying 104 workers, was found negligent for contravening section 37 of the Act by endangering the safety of employees.

Charges of defeating the ends of justice against Le Roux relate to a finding in the report that he tampered with documents before giving evidence to the inquest-inquiry on the disaster.

The report found that certain employees had failed to disclose crucial information about the state of the locomotive to the police, mineral and energy affairs department officials and mine management, despite knowing about it before the accident.

---

urt to stop closure

7/97

ition f his t to- last- from ed to ural qui- ment the mer skei nata ited nier en- tive the in- and

land affairs MEC Max Mamase and the Eastern Cape Agricultural Corporations' agency board.

The applicants seek an order restraining Stofile and Mamase from closing down the tea corporation; from terminating, altering or in any manner interfering with the salaries and benefits enjoyed by the applicants in terms of their conditions of service.

The application also seeks an order restraining Stofile and Mamase from evicting, hindering, harassing or in any manner interfering with the rights of the applicants to occupy residential premises allocated by the Magwa Tea Corporation.

Should the court uphold the Bisho decision to close down the operations of the tea corporation, the applicants seek an order directing Stofile, Mamase and the corporation itself to continue paying the remuneration and benefits of the applicants in accordance with their conditions of service.

USAid undeterred by funding scandal

(362) BD 16/7/97

Michael Hartnack

HARARE — The US Agency for International Development (USAid) plans to give a further R80m for a low-cost housing development in Harare, despite a scandal over leading figures raiding a fund to finance palatial homes.

Among those alleged by a high court judge to have jumped "onto the gravy train" without observing legal niceties was President Robert Mugabe's wife, Grace.

A USAid statement said sufficient funds for 5 000 units would be provided in the period July 1997-December 1988 — this in addition to $50m already given.

US spokesmen said last month they hoped US assistance to Zimbabwe's national housing fund had been kept distinct from monies now under investigation in the "houses for politicians" scandal.

Judge George Smith said at the time there was evidence that Grace Mugabe had received a R700 000 concessional loan, among others in a list reading like a "who's who" in the ruling Zanu (PF) party.

Up to R60m had to be accounted for, the judge heard.

Anger at the invasion by prominent persons of funds intended for the needy boiled over at the Zanu (PF) headquarters on Monday when 100 destitute ex-guerrillas held ruling party chiefs Didymus Mutasa and Joseph Msika hostage in their offices for more than two hours.

Riot police eventually forced the protesters out of the building, where they had been seeking immediate resumption of payments from the war disabilities fund, intended to assist crippled ex-guerrillas.

Payments were suspended when it was revealed that many who had never fired a shot in the 1972-80 war to oust white rule had received up to R357 000 for "95% disabilities".

However, these disabilities apparently did not impede their careers.

Grace Mugabe's brother, Reward Marufu, and former opposition leader Edgar Tekere were among the beneficiaries. Other beneficiaries of these disability pensions were ministers, members of parliament, security force and Central Intelligence Organisation commanders.

Mugabe's politburo, some of whom have been named in the scandal, has prevaricated on appointing an inquiry into R180m missing "war disability" funds.

Women ex-guerrillas who received substantial payments on the grounds they were raped in training camps have threatened to name their abusers if told to repay their cash.

Mugabe won't (362)
CT 16/7/97
break the silence

HARARE: A stony silence from President Robert Mugabe has greeted a report entitled "Breaking the Silence" — which accuses his troops of committing horrific atrocities against civilians.

Mugabe's silence has been matched by the government-controlled media and most people in the country remain ignorant of the 260-page report, which was released publicly nearly a week ago.

The report, compiled by the Catholic Commission for Justice and Peace and another independent human rights group, the Legal Resources Foundation, covers the crushing of a rebellion in Matabeleland province in the 1980s.

'MISCHIEF': Robert Mugabe

It was drawn up over five years after interviews with more than 1 000 people and contains photographs, maps and chilling personal accounts by victims of operation "Gukurahundi" — the rain that sweeps away the chaff.

Page after page records harrowing tales of brutality, including incidents in which villagers were forced to dig their own graves, pregnant women were bayoneted and families had to dance on the tombs of their dead.

The report was released publicly on July 10 after the two groups had waited in vain for a response from Mugabe, who was handed the document on March 17.

Sources within the two organisations say the decision to release the report split the Zimbabwe Catholic Bishops Conference, with four bishops voting to go public and four others opposed.

The Legal Resources Foundation decided, however, that Mugabe had been given enough time and sent copies to cabinet ministers, embassies and local and international news organisations.

The report says its aim is to help reconciliation and to assist the victims and survivors of the brutal campaign through projects funded by the state and other donors.

Dismissing suggestions that the report will simply reopen old wounds, it says the wounds are festering and need to be exposed to the light if they are not to erupt into new strife in years to come.

Acknowledging a tribal element to the conflict, the report says recent events in Bosnia show that "unresolved ethnically based conflict can come back to haunt a country years, even decades later."

The conflict in Matabeleland began in the early years after independence in 1980 when Mugabe — supported mainly by the majority Shona people — fired rival party leader Mr Joshua Nkomo — backed by the Ndebele — from his coalition government.

A small number of guerrillas became active in Nkomo's home province of Matabeleland, and the government sent troops of the Fifth Brigade against them.

Ordinary villagers bore the brunt of the attack and the report says that within the space of six weeks more than 2 000 civilians had died, hundreds of homesteads had been burned and thousands of people had been beaten.

Villagers told of having been forced to sing songs praising Mugabe's Zanu-PF party while dancing on the mass graves of their families who had been killed and buried minutes earlier.

The total number killed is unknown, although Nkomo has put it as high as 20 000.

The conflict ended in 1987 when Nkomo signed a unity accord with Mugabe. He is now one of two vice presidents of Zimbabwe.

When newspapers leaked details of the report in May, Mugabe made a veiled reference to it at a funeral. Without naming the report, he dismissed it as the work of mischief-makers in clerical garb. — Sapa-AFP

A wave of defiance

Sowetan 17/7/97

For years all Zimbabwean legislators did was to rubber-stamp government decisions. Not anymore. **Barnabas Thondhlana** reviews developments...

HARARE – An unprecedented wave of defiance is sweeping through Zimbabwe's ruling Zanu-PF-dominated parliament, with legislators breaking a long tradition of subservience to the party leadership.

The new attitude has surprised many Zimbabweans, too often used to parliament parroting the master's voice and where many aspiring cabinet ministers saw an opportunity to carve out a career for themselves.

But for the first time in Zimbabwe's 17-year post-independence history, parliamentarians have told the government straight to its face that enough is enough and that they will no longer be used as a rubber-stamping institution.

The parliamentarians fired the warning shots on April 16, when they refused to ratify multi-million rand loan accords negotiated by the government with three foreign banks to fund the construction of a new R3 billion Harare International Airport.

The MPs told finance minister Herbert Murerwa that the loans, totalling R2,3 billion, were not negotiated in accordance with Zimbabwe's tender regulations, arguing that the company that won the tender to build the airport should provide its own funding.

Convinced that the parliamentarians would be whipped into line at a party caucus meeting as in the past, senior ruling party officials were shocked when the 110 elected Zanu-PF legislators boycotted the meeting in May. They also boycotted two subsequent meetings called to end the stalemate.

On May 28 more than 110 Zanu-PF parliamentarians finally turned up for the caucus meeting chaired by vice president Simon Muzenda and attended by members of Zanu-PF's supreme politburo body.

Mortgage the country

The MPs were unyielding, saying they could not mortgage the country in the name of expediency.

Although Muzenda said a motion seeking approval for the loans would be reintroduced in the next session of parliament this month, some MPs vowed not to change their hard line.

"We were told the government wants to set up an autonomous airports authority, which we thought was a good idea, but they will have to set up the authority first, go back to tender and then possibly come back to us," said one MP, speaking on condition of anonymity.

Outspoken Mutare South MP Lazarus Nzarayebani said: "We will not be forced to ratify an agreement we clearly see as being against the interests of our country."

The move by parliamentarians was unprecedented and the project, commissioned by

President Robert Mugabe ... Zimbabwe's parliament is facing an unprecedented wave of defiance.

President Robert Mugabe on his 73rd birthday on February 21, has been further delayed after having been on the cards for more than five years.

A few days after stalling progress on the airport project, the Zanu-PF legislators rallied behind independent MP Margaret Dongo to adopt a motion instructing the comptroller and auditor-general to urgently conduct a special audit of the War Victims Compensation Fund, looted of millions of rands by many people, including ruling party officials.

In the past motions introduced by non-Zanu PF MPs were invariably shot down.

The adoption of the motion came after an announcement by government that the labour and social welfare ministry, which is responsible for the fund, was investigating the abuse of the fund, meant to compensate people for injuries suffered during Zimbabwe's liberation struggle.

As the MPs were adopting the motion, the politburo also moved in tandem to pass a resolution calling for the appointment of a judicial commission to probe the fraud.

The politburo recommendation, virtually certain to be adopted by the cabinet, means there will at least be two fullscale inquiries into the fund, which disbursed about R1,1 billion in eight months up to March this year.

(362)

While in the past the government never had to think twice about having excessive expenditure condoned by parliament, cabinet ministers had a nightmare defending supplementary votes in May.

The MPs did not mince their words and told the ministers they would in future refuse to endorse overexpenditure by profligate government departments.

Political analysts, reviewing the action of the MPs, said it showed that Zimbabwe's parliament was probably coming of age, in many ways forced to show its teeth by a government widely seen in recent years as increasingly acting with impunity.

"This is a very positive development. Now the parliamentarians have shown that they are beginning to understand what their task is in the legislature – that they are not there to do what they are told," Catholic Commission for Justice and Peace national director Mike Auret said.

"They are in the house of assembly to inspect and debate and turn down what they feel is not in the best interests of the country," he told *Sowetan*.

He said while the MPs should be encouraged to consider critically what they are presented with, they should also find ways of consulting their constituencies to ensure they have their support.

University of Zimbabwe political science lecturer and analyst John Makumbe said the parliamentarians were belatedly realising "how government has been mismanaging the economy".

Dependent on Zanu-PF

Both Auret and Makumbe were doubtful the legislators would continue for long with their intransigence.

"One hopes that the MPs do not get frightened over these issues and that they will stick to their guns," Auret said.

Makumbe was more cynical: "I don't think it is sustainable. I think one by one they will be bashed into complying with the dictates of the cabinet. Over time we shall see them capitulating because they are dependent on the powers-that-be in Zanu-PF."

Some MPs interviewed by *Sowetan* said their stance did not mean they no longer supported Zanu-PF, but they wished to instil some discipline in the administration of public funds and build a culture of transparency and accountability in the government.

HESITANT . . . Robert Mugabe, who has taken seven years to launch the programme

privatised once its newly hired Irish chief executive Brendon Donohoe has turned it into a commercial enterprise under his 24-month contract.

But while the government is disinvesting in some companies, it is also seeking to buy up minority shares in two mining houses, Lonrho Mining and Anglo American Zimbabwe.

It has signed an agreement in principle to buy a 22% stake in Anglo's Bindura Nickel Corporation and is negotiating to buy about half of Lonrho's mining interests in Zimbabwe.

The government says it intends eventually to sell its shares from both deals to black Zimbabweans.

Meanwhile, the Zimbabwean parliament has finally approved the government's attempts to secure loans of $84-million to finance construction of a new international airport for the capital, the news agency Ziana reports.

For three months the assembly had refused approval, accusing President Mugabe's cabinet of mishandling the project tender.

The 150-member parliament, in which Mugabe's ruling Zanu-PF party controls 147 seats, passed the loan Bill late on Wednesday last week after being whipped into line by the executive, according to Ziana.

MPs had said that Air Harbour Technologies (AHT), which won the controversial tender, should have sought the loans on its own.

The Cyprus-based firm is promoted locally by the president's nephew, Leo Mugabe, but the cabinet has denied putting pressure on the government tender board to award AHT the contract.

The cabinet also said AHT had told it only after winning the tender that it could not raise the funding for the project on its own.

The government wants a bigger airport to handle increasing passenger and cargo air traffic and expects it to be ready by 1999. — *Reuter.*

Zimbabwe opening the doors to privatisation

ST(BT) 20/7/97

Government moves to buy a stake in mines are sending mixed signals, writes CHRIS CHONAKA from Harare

(362)

ROBERT Mugabe's Zimbabwean government has started to unfold a long-awaited privatisation programme in a bid to raise investor interest in the southern African country.

The government made its first privatisation sale six weeks ago — floating off dairy company Dairibord — more than seven years after its first announcement that it would embark on a "vigorous commercialisation and privatisation programme".

Investor interest has not been daunted by the long wait if the 10 times subscription for shares in Dairibord is any measure. "That is a real indicator of both local and foreign investor interest," said Nicholas Ncube, director of the state-run Zimbabwe Investment Centre (ZIC). But John Robertson, a leading Zimbabwean private economic consultant, said investor interest could be sustained only if Mugabe's 17-year-old government abandoned its extremely hesitant approach.

'Investors anywhere in the world need fairly predictable policies — we are not yet showing that'

"Investors anywhere in the world need fairly predictable policies and governments which show they are bold and in total control of economic programmes," he said. "Ours still has to show that."

And Mugabe is sending out mixed signals, as alongside the privatisation drive he has launched a programme to buy holdings in a number of large mining companies.

For years, the government has been saying the privatisation programme was being delayed because it wanted such a programme to run alongside a campaign to empower Zimbabwe's poor majority of black people economically. Last week, Mugabe told a congress of local industrialists that this was still the objective, but pledged to speed up the process. In the last few weeks state officials have been spelling out timetables for the privatisation of some state enterprises.

These include:

□ The Commercial Bank of Zimbabwe (CBZ).

Bank chairman Nicholas Vingirayi says he hopes CBZ will have been privatised by September 1997.

The government will retain 20% of the shareholding with 26% going to a National Investment Trust that warehouses shares for eventual sale to local companies that are owned by blacks. Another 21% will go to quasi-state insurance firms, local investors being offered 6% and foreign investors a further 25%.

□ Cotton Company of Zimbabwe (Cottco). The state cotton company will be privatised in September 1997, although details of this are still unavailable. The government has appointed Zimbabwean banks First Merchant Bank and Trust Merchant Bank, and Edwards Financial Services to act as financial advisers.

□ Zimbabwe Iron Steel Company (Zisco). Industry and Commerce Minister Nathan Shamuyarira says the government will give up 70% of its shareholding in Zisco when it privatises the company after completing a \$193-million rehabilitation phase at the end of 1998 which is due to start next month.

□ Air Zimbabwe. The government says the wholly state-owned national carrier will be

Zimbabwe government ministers abandon luxury cars and flee hostile war veterans

Star 21/7/97 (362)

Harare – Three Zimbabwean government ministers fled for their lives after a heated four-hour meeting with thousands of angry war veterans who demanded the release of long-awaited war victims' compensation cheques.

According to a report from Zimbabwean news agency Ziana yesterday, the cowering civil servants even abandoned their luxury German cars shortly after promising to release frozen war-compensation cheques within 24 hours.

"Those of your cheques which are ready for you will be given, starting tomorrow," said Defence Minister Moven Mahachi. He was asked to put this in writing and endorse the document with his signature, but Mahachi refused, despite being handed a piece of paper for the endorsement.

Mahachi, Public Service Minister Florence Chitauro and Sports Minister Witness Mangwende had to be escorted out of the ruling Zanu-PF headquarters through a back gate, which is rarely opened, by members of the riot squad.

War victims' compensation funds were stopped in March after the government cited massive fraud. At the time, about 1 500 cheques due to be issued to some ex-combatants were also stopped.

Mahachi earned the wrath of the capacity crowd of ex-fighters when he stood up to explain that the ruling party was going to allocate funds to help ex-fighters start income-generating projects.

A number of the veterans flooded the stage where the ministers were sitting and said: "You have said nothing ... shut up ... sit down. We want our cheques."

Mahachi was booed and jeered until he sat down. Scores of placards were then hurled at the table where he was sitting. People demanded to know exactly when they would get their long-overdue money.

The veterans said they had since hired lawyers to help secure their money through the High Court. They had raised money for legal costs. – Sapa.

CAPE TIMES
TUESDAY, JULY 22, 1997 ★

FOES WOOED INTO PARTY

Mugabe bid to pre-empt birth of new opposition

CT 22/7/97

(362)

HARARE: President Robert Mugabe is to face an opposition court challenge to his powers to appoint electoral officers and a law allowing his party to draw an annual state subsidy.

ZIMBABWE'S embattled rulers are trying to win back estranged comrades in what may be an attempt to nip in the bud a new opposition movement that has enough credibility to challenge President Robert Mugabe's 17-year rule.

Analysts say Mugabe's Zanu-PF party is in a panic about government scandals and a wave of wildcat pay strikes that have rocked the economy.

Anxieties have been compounded by speculation that some former Zanu-PF leaders may launch a party to challenge a government regarded by critics as arrogant and insensitive.

Mugabe may be casting an anxious eye north to Kenya where his friend, President Daniel arap Moi, is in trouble with an opposition that has taken to the streets to demand an end to his government's stranglehold on power.

Arap Moi and Mugabe are both 73 and, in some eyes, part of a dying breed of African leaders. Unless they launch democratic reforms they could share the fate of Mr Mobutu Sese Seko, ousted in Zaire.

On July 30, the Zimbabwe Supreme Court is to hear an application in which the opposition is challenging a law allowing Mugabe presidential powers to appoint electoral officials and his party to draw an annual state subsidy.

"Zanu-PF strategists realise that the party is in a corner," said Professor Masipula Sithole, a political scientist at the University of Zimbabwe.

"It is their idea to get some of their former comrades back into the fold. The idea is to try to forestall the formation of an opposition party."

Sithole was referring to efforts to woo back Mr Edgar Tekere, the former Zanu-PF secretary-general expelled in the late 1980s after accusing the party of condoning corruption.

Tekere formed his opposition Zimbabwe Unity Movement (ZUM) in 1989 and is credited by many for leading a campaign that stopped Mugabe from setting up a formal one-party state. ZUM has all but disintegrated.

Zanu-PF says it wants Tekere back because "he can help the party". Tekere has indicated he is ready to rejoin.

The party has also wooed Mr Rugare Gumbo, highly respected former publicity secretary, by including him in the new directors' board of the state-owned Zimbabwe Broadcasting Corporation. He was sidelined in the late 1970s on charges of trying to topple Mugabe as party leader.

Mr Callistus Ndlovu, a former minister of industry and commerce who resigned in 1989 over a car sales scandal, has been appointed director of Zimbabwe Public Administration Management.

"The party is trying to plug every imaginable hole, but I doubt this will succeed," Sithole said.

He and other local commentators believe that Zanu-PF is starting to face stiff resistance from independent politicians.

"Zanu-PF may also wake up to a split one day," another commentator, Mr Lupi Mushayakarara, said.

Factional differences that have surfaced in the past five years might tear down the party.

"There are many people who are unhappy with management, especially of the economy," Mushayakarara said. The economy's annual average growth rate has been 1,8% in the past 10 years, while that of the population has been 3%. Unemployment has doubled to about 50%.

Mugabe denies he has become immune to criticism or a hostage to family and political cronies.

Among the scandals to have hit his government are that officials have raided a war victims' compensation fund, abused a housing fund for the poor and bought luxury cars while urging Zimbabweans to accept austerity measures. — Reuter

Mugabe hears the wrath of veterans whose funds have gone

Star 22/7/97 (362)

Harare – With furious ex-guerillas chanting *"hondo, hondo"* (war, war, in the Shona language) outside his office, Zimbabwean President Robert Mugabe yesterday summoned an 11-member commission to investigate how people with influence appropriated the equivalent of R17-million from a fund for crippled veterans.

"Heroes say enough is enough," said placards carried by the singing, 500-strong crowd that blocked Harare's Samora Machel Avenue for more than an hour.

The protesters marched from Mugabe's downtown offices to state house, as the swearing-in ceremony was taking place there.

The commission, tasked with reporting personally to Mugabe, is headed by high court judge Godfrey Chidyausiku, a former minister noted for his loyalty to the ruling party.

It will apparently meet behind closed doors. Cheques were frozen in March when the scandal was exposed by newspapers.

They published lists of prominent persons who obtained up to R22 500 for "95% disabilities" although they had never fired a shot and were able to pursue high-profile careers. – Sapa-DPA.

Protesters blockade Mugabe's offices

BD 22/7/97 (362)

Michael Hartnack

HARARE — About 500 ex-guerrillas in the war that brought President Robert Mugabe to power blockaded his central Harare office yesterday, demanding resumed payouts and chanting the equivalent of "war, war, war" in Shona.

Riot police kept a low profile and ministers steered clear of the protest after their humiliation at nine meetings, countrywide, on Sunday, where guerrillas hurled abuse at ministers addressing them, shouted them down or forced them to flee. At Lupane, Local Government Minister John Nkomo was held hostage by the crowd for two hours until he was rescued by police.

In what appeared to be a response to increasing pressure, Mugabe announced yesterday that he had set up a promised but long-delayed judicial inquiry into the scandal surrounding the payments to ex-guerrillas.

Placards held by the ex-combatants at yesterday's Harare protest read: "Enough is enough for heroes."

The ex-guerrillas are among 32 000 that entered assembly points at the end of the 1962-80 conflict. Payments to them from a R200m war disability fund were frozen in March when newspapers reported that prominent personalities who never fired a shot had claimed sums of up to R357 000 for "95% disabilities" that had not, however, impeded their careers.

Traffic was brought to a halt in the main Samora Machel Thoroughfare until the veterans realised Mugabe was not there and marched towards his state home before being persuaded by their leaders to disperse.

In a bid to mollify the fury of veterans at the suspension of payments, Social Welfare Minister Florence Chitauro said yesterday applications for restored benefits would be processed through regional offices, saying this would expedite clearance of an expected 70 000 applications.

Official news agency Ziana said Chitauro, Defence Minister Moven Mahachi and Sports Minister Witness Mangwende "fled for their lives" on Sunday after ex-guerrillas refused to accept a promise of R400 a month life pensions, demanding R200 000 lump sum payments. At the lowest estimate, this could add R336m to this week's Zimbabwean budget — about 5% of total state spending.

"You politicians are thieves — after all we did for you," veterans' spokesman Bigboy Ndlovu said at an angry meeting in Bulawayo on Sunday. There were similar confrontations in Mutare, Marondera, Masvingo, Chinhoyi, Gwanda and Gweru.

Sapa-AFP reports that analysts said yesterday that the thousands of war veterans turning on their political masters was an ominous sign of violent civil strife ahead.

Although the countrywide meetings were aimed at explaining the alleged looting of the fund, senior government ministers, accustomed to almost fawning respect, were shocked to find themselves confronted by mobs of furious veterans who refused to listen to them.

"It was a dramatic turnaround," said University of Zimbabwe political scientist John Makumbe. "If anyone has respected the government leaders it was the war veterans. The fact that they forced ministers to flee is unheard of, and a sign of things to come.

"It is a clear indication that the honeymoon is over. It's been a long one but the war veterans have now seen for themselves that the top leaders are bent on feathering their own nests."

Makumbe said the eruption of fury was indicative of a widespread anger in Zimbabwean society extending far beyond the veterans. He believed government would do all it could to buy back the loyalty of the ex-combatants, "but there will not be enough cheques to go around and I see trouble ahead".

He said recent strikes were also a sign of increasing civil strife because of the economic hardships suffered by ordinary people in the face of increasing government corruption. "I think we should be ready for an outbreak of violence and looting as we approach the end of the century," he said.

The government-supporting Herald newspaper said in an editorial yesterday that the situation had "deteriorated to alarming levels" and called on Mugabe to meet the veterans' leaders.

(362)

Zimbabwe bans all public protests

CT 23/7/97

HARARE, Zimbabwe has banned demonstrations in response to a protest by angry war veterans who, demanding an audience with President Robert Mugabe, blocked the entrance to an African-American business summit yesterday.

Announcing the ban, to take effect immediately, Zimbabwean Home Affairs Minister Mr Dumiso Dabengwa said the government had convened countrywide meetings to discuss the veterans' pension claims.

"As to their request to meet the president, I am sure that meeting will take place."

The veterans spent most of the day at the Harare International Conference Centre, but did not disrupt proceedings. They dispersed peacefully. — Reuter

Mugabe's snub angers Japan

(362)

TOKYO — Japanese Prime Minister Ryutaro Hashimoto hinted yesterday that Japan might review its aid to Zimbabwe after President Robert Mugabe broke an appointment with a Japanese envoy.

Hashimoto made the remark following Zimbabwe's failure to arrange a meeting with Mugabe for Japan's Health and Welfare Minister Junichiro Koizumi, who visited the country last week to deliver a letter from Hashimoto, foreign ministry officials said.

"This will be a case allowing us to reconsider assistance to some countries which take Japan's aid for granted," Hashimoto was quoted by Jiji Press as saying.

A meeting between Mugabe and Koizumi had been scheduled for Friday in Harare, ministry officials said in Tokyo.

However, Zimbabwe delayed the schedule and the meeting was eventually cancelled late on Friday, according to officials.

"I doubt if it (Zimbabwe) has diplomatic common sense," Koizumi was quoted by Kyodo News as saying.

Koizumi, on an African trip aimed at exchanging views with leaders of foreign aid recipients, was the first Japanese minister to visit Zimbabwe.

In the year to March of this year, Japan offered ¥11,4bn (US$98m) to Zimbabwe for telecommunications projects, up from ¥5,2bn the previous year. — Sapa-AFP.

BD 23/7/97

War veterans protest at summit

(36a) BD 23/7/97

HARARE — Zimbabwean war veterans blocked the entrance to an African-American business summit meeting yesterday in a pay protest, calling for action by President Robert Mugabe.

About 300 ex-guerrillas, protesting against government handling of a war victims' compensation fund suspended in March over allegations of fraud, sat around the gate of the Harare International Conference Centre where black leaders, including Mugabe, will meet US executives to try to win trade, investment and economic aid.

Many broke through a riot police cordon at the gates, pushing their way to the glass entrance to the building. As the veterans moved to the glass doors, most of the US delegates rushed through the doors in fear of being trapped outside. But some stayed outside marvelling at the spectacle.

The independence fighters, some crippled and on crutches, sang and held placards, calling on Mugabe to address them. "Mugabe our patron please meet us," read one of the placards. Armed police kept a low profile.

Mugabe refused to address former freedom fighters who gathered outside his home on Monday, delegating the task to Legal, Justice and Parliamentary Affairs Minister Emmerson Mnangagwa. Whatever Mnangagwa said appeared to incense the ex-combatants. In one instance, two babies were dumped into his hands with an order to feed them.

Mugabe, Laurent Kabila of the Democratic Republic of Congo, Ugandan President Yoweri Museveni, SA Deputy President Thabo Mbeki and Organisation of African Unity Secretary-General Salim Ahmed Salim are among African leaders expected at the meeting, which formally opens today.

Besides civil rights leader Jesse Jackson and transport secretary Rodney Slater, the US delegation includes CEs of Fortune 500 companies such as Owens-Corning, Chrysler Corporation, Colgate-Palmolive, Kellogg, Chevron Corporation and Procter & Gamble. — Reuter.

Mugabe's tax man tries to foot the bill

BD 23/7/97 (36a)

Michael Hartnack

HARARE — Zimbabwe's Finance Minister, Herbert Murerwa, tables his special 18-month national budget tomorrow at a time when his authority to curb runaway spending on political priorities is in doubt.

Spending on political priorities has already sent the budget deficit soaring to beyond 11,4% of GDP.

Murerwa will be briefing parliament on the change from an April-March financial year to one coinciding with the calendar year from January 1, 1999, but the real issue at stake is the genial ex-diplomat's ability to influence President Robert Mugabe.

Last month, after damaging public criticism from Mugabe about the alleged tardiness of Murerwa's ministry in releasing funds, Murerwa suffered a humiliating rebuke from one of his own treasury officials who, he hinted, fiddled tax waivers for friends.

Last year's deficit target was just more than 6%. But already Murerwa is committed to finding an extra R5bn for public service wages after the government announced minimum [illegible] rises on July 1 — triggering wildcat strikes by other workers struggling to cope with the erosion of living standards by 40% in the past three years.

On Monday, Justice Minister Emmerson Mnangagwa told angry ex-guerillas: "We want every comrade to receive at least Z$1 000 a month as a perpetual pension, regardless of injury." If honoured for all 70 000 guerillas, collaborators and detainees who took part in the 1962-80 fight to end white rule in Rhodesia, the promise would saddle Murerwa with an extra R836m-a-year payout.

Noting the R330 000 bonuses some presidential relatives received from the exhausted R200m "war disabilities fund" without firing a shot, the veterans are demanding minimum R200 000 handouts — a potential R14bn nightmare for Murerwa, whose 1996/97 budget totalled R13,2bn.

The World Bank, the International Monetary Fund and a band of western governments are suspending budget support until receiving assurances that Murerwa can curb the deficit.

Murerwa's speech tomorrow is certain to dwell on "enhanced revenue collection" from a productive sector already among the highest taxed in the world. Individuals start paying personal tax on incomes over R312 a month, and contribute 45% at R2 000. Companies pay 42,5%. Value-added tax, higher duties on petrol, diesel and perceived luxuries, and levies on commercial farmland and agricultural exports are likely to join the controversial 10% levy on the tobacco crop.

Zimbabwe's economy was perpetually "taxed out of the first signs of recovery", warned First Merchant Bank. But the real issue remains Mugabe's capacity to spend rather than Murerwa's attempts to cast the tax net wider, or to make it catch the influential figures who, according to former auditor-general Eric Harid, had "undermined the whole basis of tax morality in Zimbabwe".

Zimbabweans have come to take for granted the tax-free status of Vice-President Joshua Nkomo's Development Trust of Zimbabwe, which owns the Limpopo toll bridge monopoly and farmlands more extensive than Belgium, and the lesser exemptions for all ministers, service commanders and top public servants, the R100m secret annual vote for the central intelligence organisation, and the direct and indirect funding of the ruling party.

Invest in our roads, says Zim minister

(362) ARG 24/7/97

Harare – Road development in Zimbabwe was being opened to private investors, Transport Minister Simon Moyo said yesterday, and invited US businessmen to take the lead.

Mr Moyo told US Transportation Secretary Rodney Slater at the African/African American summit in Harare that President Robert Mugabe's cash-strapped government wanted to see Zimbabwe's major roads developed into dual carriageways.

"We would want the private sector to come in and our colleagues in the US are very advanced in this area. They can come in and participate," Mr Moyo said.

But Mr Slater said the US government and private investors would prefer participating in developing regional transport networks. "In order to establish stronger trade, we need to get a good transportation system, especially in southern Africa." – Reuters

Zimbabwe's economy could collapse, warns bank

(362)

ARG 24/7/97

Harare – Zimbabwe risks sliding into total economic collapse if the government's "fiscal indiscipline" continues, Ziana news agency reports.

The First Merchant Bank of Zimbabwe (FMB), in its latest quarterly guide to the economy, cited the high domestic and foreign debt and what it called the ineffective use of the borrowed money and the haemorrhage of funds needed to service the debt as a particularly critical area of concern.

"As things now stand in Zimbabwe, it would be very difficult to argue that we have not placed ourselves at risk of a pre-
cipitous fall," the FMB said.

Like many other economically-stress
countries, the bank said, Zimbabwe w
now coming to recognise that its grow
dependence on borrowed money fr
domestic and foreign sources had d
guised the extent to which the country h
either been using resources without ca
or had simply been living beyond
means.

"Because this type of conduct can i
tially manifest itself as affluence and c
even support real, rather than mer
apparent growth in some sectors, econo
ic developments upon which many peo
or whole industries have come to depe
can turn out to have been underpinned
nothing at all," said FMB.

It added: "When the day of reckoni
comes, what were perceived as econon
strengths can turn out to be crippli
weaknesses."

The bank's warning comes as the go
ernment prepares to present the nation
budget today.

It is widely expected to reveal
increased deficit because of unbudgeted
salary increases and bonuses for civil s
vants who went on a crippling strike la
year.

The government had hoped to whit
down the deficit – the difference betwee
revenue and expenditure – to a single di
as a percentage of GDP from about 10,1%

However, some estimates put the defi
at 11,4% as at the end of June.

The deficit, which has been attribut
to a bloated civil service and support f
loss-making parastatals, is blamed fo
macro-economic instability characteris
by high inflation and interest rates. – Sap

NEWS

Mugabe axes three ministries

ARG 24/7/97 (362)

Shake-up after aid bodies warn on spending

Harare – Zimbabwe's embattled President Robert Mugabe has streamlined his cabinet, axing three ministries and merging others in what officials say is an attempt to cut back state spending as demanded by aid donors.

The reshuffle, announced hours before Finance Minister Herbert Murerwa presents Zimbabwe's 1997/98 budget, was said by his officials to be a demonstration that Mr Mugabe's cash-strapped government was now trying to cut its high expenditure.

The World Bank and the International Monetary Fund have been pressing the government to reduce state spending – which accounts for about 38 percent of gross domestic product and is seen by many as supporting a political patronage system – to qualify for new aid.

In a statement today, Mr Mugabe – whose government is engulfed by several scandals – said he had merged the key ministries of lands and agriculture and brought them under Lands Minister Kumbirai Kangai.

He also merged the ministries of mines and environment and tourism and assigned Transport and Energy Minister Simon Moyo to the new ministry.

Mr Mugabe has retained most of his cabinet colleagues since he assumed power 17 years ago.

He cut his ministries to 18 from 21, leaving untouched key ministries such as finance, industry and commerce, state security and defence. – Reuter

Zimbabwe 'risking a precipitous fall'

Michael Hartnack

HARARE — The size of Zimbabwe's debt, its ineffective use of borrowed money and past fiscal indiscipline have placed its economy at risk of a "precipitous fall", warns the quarterly guide issued yesterday by the First Merchant Bank of Zimbabwe (FMB).

"Recent events in many parts of the world have revealed a surprising number of countries that have passed themselves off for many years as fairly successful, when in reality they had been unwittingly setting themselves up for economic collapse," said the guide, published by Zimbabwe's largest merchant bank.

"The question now is whether our flagging economic strength is still sufficient to carry us through if fiscal indiscipline continues," said the guide, issued on the eve of the annual budget presentation.

The country's budget deficit is expected to exceed 11,4% of GDP. A series of recent scandals have involved "war disability" payments to people with dubious combat records, loans from a fund intended to assist the homeless poor, and the construction of a new R500m airport terminal.

"But for the inherent strength of Zimbabwe's economy, the consequences of past fiscal indisciplines would have already been much more serious," says the FMB guide.

"As things now stand in Zimbabwe, it would be very difficult to argue we have not placed ourselves at risk of a precipitous fall."

A dependence on borrowed money from domestic and international sources has disguised the extent to which the country has been using resources without necessary care and "simply living beyond its means".

"A common thread running through the annual reports of most quoted companies is the concern over the future viability of the enterprise sector if it is expected to endure yet more months of high inflation and high interest rates, yet further increases in taxation, or any additional cuts in consumer demand," the bank's guide says.

Inflation is rising again towards 25%.

Zimbabweans pay among the world's highest tax rates, with companies paying 42,5% and individuals 45% on incomes of more than R2 000 a month.

The FMB guide says Zimbabwe may have come to its "last chance" to convince the international community it will honour promises to reform. Selling off parastatals could reduce debt and reverse tax increases that had "carried collections into negative returns".

BD 24/7/97 (362)

US firm in deal to set up Zimbabwe subsidiary

BD 24/7/97 (362)

Michael Hartnack

HARARE — Home Affairs Minister Dumiso Dabengwa and US company Owens Corning signed a declaration of intent yesterday to set up a R40m local subsidiary to manufacture fibreglass piping for the R272m Matabeleland-Zambezi water project.

Dabengwa, chairman of the trust that aims to end western Zimbabwe's chronic water problems, assured Zambian conservationists that the project would not harm their rights to water from the Zambezi, the flow of which at the Victoria Falls is twice that of all other Zimbabwean rivers combined. "We will be drawing only 1% of the river flow — 10% of the annual loss from evaporation of Lake Kariba."

Reports published in Harare said Zambian environmentalists feared Zimbabwe would reduce flow at the Victoria Falls, affecting both Zambia's power station there and the tourist value of the eastern cataract, now dry most of the year due to an east bank canal supplying the station.

Dabengwa said Zimbabwe intended to take water only downstream of the falls to replenish the projected Gwaai-Shangani dam in drought conditions. Run-off from Zimbabwe constituted 12,5% of the Zambezi's flow and under international riparian law, the country needed no permission to take up to this total. In good seasons no Zambezi water would need be pumped.

Dabengwa said Owens Corning Zimbabwe would be bidding for the projected 350km link between the Gwaai-Shangani dam and Bulawayo, and the 60km-100km link between the dam and the Zambezi.

Owens Corning Engineered Pipe Systems president Michael Thaman said the Zimbabwe subsidiary hoped to produce up to 120km of piping a year, creating 80 jobs at a plant due for completion within a year. Thaman said their technology had triumphed over rival plans to use concrete, steel or asbestos piping.

Yesterday's signing represents the first step in construction of the Zambezi water project, first mooted 80 years ago as a solution to the chronic problems of Zimbabwe's second city and one-time heavy industry capital.

The project has now refocused on supplying water to Matabeleland as a whole, with the Gwaai-Shangani dam rather than the Zambezi being the main source. Dabengwa said he hoped work on the Gwaai-Shangani dam wall would start this year and be ready within three years, with the Zambezi link complete by 2001.

Dabengwa said the trust would shortly float a public company to finance the R272m projected total cost of the project.

In addition to supplying water to Bulawayo's industries, the project hopes to open 57 000ha to irrigation.

Matabeleland is the source of most of the 450 000 illegal Zimbabwean migrants in SA, and revival of the region's economy could alleviate bitterness caused by the 1980-88 violence, when thousands died at the hands of President Robert Mugabe's North Korean-trained Fifth Brigade.

Former supporters of Vice-President Joshua Nkomo say leaders of his disbanded Zapu party have prospered since their 1987 unity pact with Mugabe's Zanu (PF), but little has trickled down to people in the region.

ZIMBABWE

Is Bob finally losing it?

(362)

The war veterans' protest is symptomatic of growing discontent

FM 25/7/97

The unprecedented antigovernment protests by Zimbabwean guerrilla war veterans demanding resumption of their compensation payments represents a "massive sea change" in the country dominated by President Robert Mugabe's Zanu-PF since independence in 1980.

"The protests are a significant development — as is the fact that MPs are no longer willing to rubber-stamp government decisions because there is too much corruption at the top," says the Africa Institute's Richard Cornwell.

Hundreds of ex-combatants blockaded Mugabe's Harare office on Monday chanting "war" in Shona. The day before, Cabinet Ministers at nine meetings around the country were shouted down or forced to flee as they tried to explain the freeze on payouts from the War Compensation Fund.

Payments from the R200m fund were halted in March following revelations that it was being ripped off by influential figures who had never seen action in the 18-year bush war against the Ian Smith regime.

Under pressure, Mugabe announced on Monday that a long-promised judicial investigation into the scandal had finally been set up.


Robert Mugabe

However, observers like Cornwell wonder how much of the reality is getting through to Mugabe, who is referred to these days by locals as "the visiting President" because of his inordinate number of foreign trips (at least 20 last year) accompanied by a vast entourage. One group returning from Ireland earlier this year brought back 7 t of merchandise, which by-passed Customs.

His motorcade is popularly dubbed "Bob Mugabe and the Wailers" (after the late reggae singer Bob Marley's band); and the mansion he built for his new wife Grace is called "Graceland" by the opposition, in sarcastic reference to Elvis Presley's Memphis mausoleum.

Mugabe has long made the war a cornerstone of his appeal. But at the burial of a former commander in May, a brigadier was cashiered after saying "heroes are dying in penury while our leaders live in luxury."

One example is the President's nephew, Leo Mugabe, a businessman and head of the national soccer federation, who has landed numerous State contracts.

A recent wave of wage strikes is symptomatic of discontent at falling living standards. When the unions went on strike last year and their official leaders were coerced into ending it, the strikers promptly elected new leaders who continued the action. The government had to make concessions.

Meanwhile, Finance Minister Herbert Murerwa, presenting his budget this week, faced a deficit problem, largely because of bonuses and pay increases to civil servants after their strike. It is hard to see how he can prune spending when civil servants demand 40%-plus raises.

Amarnath Singh

NEWS DIGEST

ZIMBABWE

(362) CT(BR) 25/7/97

IMF and World Bank wait for Budget before resuming financial aid

Zimbabwe was to announce a crucial national Budget yesterday in which key Western donors expected the government to tackle a perennially high deficit to help it win donor funding for economic reforms. The International Monetary Fund (IMF) and the World Bank said the budget by Finance Minister Herbert Murerwa would determine how soon the two institutions would resume financial aid suspended two years ago over missed economic targets.

There is widespread speculation that President Robert Mugabe's cash-strapped government may raise taxes on fuel and consumer sales tax and or even introduce a new land tax to boost its coffers, under pressure from a recent annual round of pay rises of over 30 percent. Mugabe streamlined his cabinet hours before yesterday's Budget announcement, axing three ministries and merging others in what officials said was an attempt to cut back state spending as demanded by aid donors.

The IMF and World Bank said they would study the Budget and discuss with Zimbabwe in September its support bid for a new phase of economic reforms which the country planned to launch later this year. They will be looking specifically at measures to cut state spending, which accounts for about 38 percent of GDP and is seen by many as buttressing a political patronage system. — *Reuter, Harare*

Zimbabwean cabinet shuffled

BD 25/7/97

Michael Hartnack (362)

HARARE — A new Zimbabwean cabinet announced simultaneously with yesterday's budget showed President Robert Mugabe's continued determination not to leave any ruling party moguls out in the cold.

In what the state-controlled Herald described as a drive for "administrative savings", he abolished three ministries but created three "ministers of state", who get the same perks as those who have portfolios.

Former Sports and Mines Ministers Witness Mangwende and Swithun Mombeshora, whose portfolios have been merged with others "to produce significant savings in the budget" had been offered other government posts, said the Herald.

Mugabe's complement of vice-presidents, ministers, ministers-of-state, ministers without portfolio, deputy ministers and "provincial governors" remains 52, assuming no titles are created for Mombeshora and Mangwende. All are entitled to tax-free allowances, housing, official travel, a lavish non-contributory pension and eventual exemption from death duties.

Mugabe's most notable move was that of former Information Minister Joyce Mujuru, who is to head a new ministry of rural development.

Mujuru has been at the heart of a four-year row over the introduction of cellular phones. A consortium including her husband, Gen Solomon Mujuru, received a licence to the exclusion of cellular phone pioneer Strive Masiyiwa.

Since Denis Norman quit the agriculture portfolio in April, the politically influential general had been rumoured among his many supporters to be in line for it, but Mugabe has reintegrated the ministry with the ministry of lands.

Zimbabwe's mining industry is facing a tough future

Bullion's fall adds to worries over redundancies and closures, writes Michael Hartnack

BD 25/9/97 (362)

HARARE — Zimbabwe's gold mining industry is facing a tough future following increases of up to 77% in electricity tariffs, a low gold price and pending wage negotiations.

Zimbabwe Chamber of Mines CE Derek Bain said this week that the future "did not look good" and warned of further redundancies, as well as closures by small-scale operations. "They just close shop and walk away, leaving their guys stranded," said Bain. He reported that 700 formal sector workers had already been laid off, and another 3 000-4 000 jobs were in jeopardy at marginal mines.

In addition to 350 000-400 000 Zimbabweans dependent on formal sector mines for their bread and butter, up to 150 000 may be involved in illegal panning or mining, experts believe. Zimbabwe suspects an outflow of 10% of gold production "through the back door", from operations that negate all advances in conditions won in the past two centuries.

Chamber of Mines president John Nixon also voiced disappointment that President Robert Mugabe's government had not responded to appeals to reinstate a gold support price — requested at $370/oz — to sustain production.

Nixon said that "with the gold price recently at $318/oz, a 12-year low, the decision (not to grant a floor price) is disappointing. However, it is understandable in terms of the country's economic adjustment programme and the fact that payment to producers is now made in US dollars and not Zimbabwean dollars, as was the case when the mechanism was last utilised in 1988."

Outgoing Chamber of Mines president Roy Ritchford complained in May that the Reserve Bank ending of its monopoly on all legal dealing in gold had fatally eroded controls. At the weekend, entrepreneur Roger Boka was pictured presenting the Iranian ambassador with a 1kg bar as a "thank you" for buying tobacco. Boka has been given special permission to appoint subagents to deal in unminted gold.

Gold production, which reached a high of 29 tons in 1916 and fell back to 11 tons at 1980 independence, reached 24,7 tons last year. However, between January and May it was down 9,4% as major mines scaled back, the parastatal Finhold group said.

Gold from the formal sector was believed to have contributed about 3% of Zimbabwe's R33,4bn gross domestic product last year, with miners paid R1,2bn by the Reserve Bank.

The bank has not disclosed the extent to which it committed gold by forward selling, or held back in the hope of a price rise.

Bain said some mines might expand production to try to sustain earnings despite the fall in the gold price.

The fortunes of the gold industry also affect its byproducts. Last year Zimbabwean gold mines produced 14 to 15 tons of silver, worth about R16m, as a byproduct. When current platinum projects are in full production, they are expected to add a ton a year to gold production.

Brokers said the four gold counters had been performing erratically due to speculation and extraneous factors such as dual listings on the Zimbabwean and foreign exchanges. Only Falgold, which fell from Z$1 to Z$0,70 on poor results, fully reflected the poor gold price. Ashanti, bid at Z$90, was down from 60% to a 28% discount on its London price.

Nixon said the gold industry had managed to grant rises higher than prevailing inflation in the past three years — the basic minimum before underground and many other forms of allowances was R313,60 a month.

However, managers fear that miners might be affected by the militant labour climate that has emerged nationally, with recent wildcat strikes in many other industries, including clothing, construction, cement making, and lime manufacturing, as well the railways and post offices. Many were persuaded to settle for increases of 22% to 28%.

Workers from Zimbabwe's 18-month-old gold beneficiation factory, Aurex, 70% owned by the Reserve Bank and 30% by the Israeli Tower of Gold group, have already been on strike this month.

The 500 workers claimed the operation was "making millions" and said they wanted "a share to survive". They agreed to return to their high-security factory near Harare, pending talks on increasing the minimum wage.

The first gold beneficiation venture of its kind in the country, Aurex was hailed as an important development for Zimbabwe when it was established.

Aurex was believed to have processed about 3,4 tons of gold in its first year of operation.

It produces gold chains, adding 40% to the value of metal input.

Doubts over budget that lacks strategy

BD 28/7/97 (362)

Zimbabwe's standstill budget is relying on inflation to keep the ship afloat, writes Tony Hawkins in Harare

THE old adage that a national budget that looks good at first sight subsequently turns out to be unsatisfactory is about to be played out in talks between the Zimbabwe government and the International Monetary Fund (IMF) and World Bank.

While Finance Minister Herbert Murerwa's budget last week has been dismissed as irrelevant by commentators and business, the Harare representatives of the IMF and World Bank were reported as being pleased with it.

The chief surprise in the budget was the fact that the deficit for the year to June this year came in at 7,1% of gross domestic product (GDP) — excluding grants and privatisation proceeds — compared with Murerwa's May forecast of 11,4%. The main reason for this — not discussed in detail in the budget — was a 13% ($260m) increase in revenue that the minister had not anticipated. Expenditure was also about 5% below Murerwa's revised budget targets announced in May.

The surge in revenue is explained by a door-to-door collection exercise by tax officials; strong growth of about 7% in real terms over the past year; and inflation of 20% during the fiscal year.

While the fund and bank have been pleased with this, there was little else in the budget to gladden their hearts. The 1997 budget covers an 18-month period as the country's fiscal year is being aligned with the calendar year from 1999.

For a start, the deficit will get worse rather than better over the next 18 months, widening to 8,9% of GDP. This is because spending will rise 32% while revenue increases 28%. No new taxes have been imposed until January next year when two significant new measures — a 15% tax on interest paid on treasury bills and a 15% levy on the profits of pension funds — will come into effect.

Murerwa does not say how much he expects these taxes to yield, but one estimate is that the treasury bill tax will bring at least Z$750m. The authorities appear not to have thought this one through carefully, since money market analysts say it will mean higher treasury bill yields, thereby pushing up the cost of government borrowing and of private sector financing since interest rates will rise across the board. The money market is expecting the rediscount (bank) rate to be raised — for the second time in recent months — to 27,5% from 25% before the end of September.

The tax on pension fund profits has been criticised as a tax on savings and also because it represents double — in many instances treble — taxation of the same income. With pension funds losing money in real terms — few are able to keep pace with inflation which has averaged 25% since 1991 — the tax means that final pension payments will be hit while both employers and workers will eventually be forced to pay higher pension contributions.

Murerwa's announcement that corporate tax would be cut to 35% (36,75% including the 5% development levy) from January is the one tax change that has been widely welcomed, although criticised for being delayed by 18 months. His adjustment to the tax threshold and tax bands for individual income tax has been dismissed as irrelevant because changes take effect in January 1999 by which time inflation will have eroded the benefits.

VAT is to be introduced next year, although he gave no details about rates or timing. Indeed, this lack of detail characterises a budget which is devoid of a coherent fiscal strategy.

The key to the budget is inflation. With real output forecast to grow 4,5% this year and another 5% next year, nominal GDP is expected to grow at an annualised rate of 30%, so that revenues will grow six times as fast as real incomes. The formula cleverly exploited by successive finance ministers has been to use inflation tax to keep revenues rising strongly, while cutting spending on goods and services.

There are signs that this strategy is running out of steam with the public service wage bill rising 50% (annualised) in 1997/98 so that wages will absorb 39% of total spending. Indeed, wages and interest costs take up 61% of total spending and 88% of tax revenues, underscoring just how little is left to fund other projects. It is small wonder then that Murerwa should be calling on the private sector to help finance infrastructure development and that he should have pledged to step up commercialisation and privatisation.

Revenue from privatisation is forecast to almost treble over the 18-month period to $130m, which is small beer by any standards.

Inflation is helping Murerwa deal with the debt trap too. Central government debt (excluding parastatal borrowings) rose 11,5% last year to Z$59,3bn or about 70% of GDP. Over the next 18 months borrowings will take the debt to more than Z$70bn, but with GDP growing far faster the debt-to-GDP ratio will decline to little more than 60%.

Predictably the problem is being inflated away but with dire consequences for those holding government paper. The pension funds and life assurance groups which have to hold 45% of their assets in government securities are the prime victims of this cynical exercise.

Economists expect inflation of about 23% this year (up from 21,7% last year), slowing next year, though a great deal will depend on wage push pressures and the exchange rate.

Last week Reserve Bank governor Leonard Tsumba said the Zimbabwe dollar was 5% overvalued. Analysts would put this closer to 15%, but the message is clear — the Zimbabwe dollar is set to slide later in the year.

Just why the IMF and World Bank profess to be pleased with this mainly standstill budget that relies on inflation to keep the ship afloat is unclear. Conversely, the Confederation of Zimbabwe Industries said that far from restoring macroeconomic stablility, the budget assumed a further widening of the budget deficit; used privatisation proceeds to fund public spending rather than retire debt; and disappointed those hoping for growth.

Such contrasting assessments have little to do with economics. While the confederation's assessment is sound, the Bretton Woods institutions appear to have a different agenda.

Supporters cheer Muzorewa

BD 31/7/97

Michael Hartnack (362)

HARARE — Former Zimbabwe-Rhodesian Prime Minister Abel Muzorewa was cheered by hundreds of supporters when he arrived at the Supreme Court yesterday for a major constitutional test case alleging electoral unfairness by President Robert Mugabe's government.

Muzorewa, 72, retired as head of the United Methodist Church in 1992. His United Parties group of anti-Mugabe formations failed to win a seat in Zimbabwe's general elections in 1995.

Muzorewa withdrew a plea to have the elections ruled invalid but asked the full bench of five judges to strike down the Electoral Act and the 1992 Political Parties Funding Act, under which Mugabe's ruling party alone qualifies for R13m funding each year. The provision was doubled in last Thursday's budget.

The crowded court was rocked with laughter when attorney-general Patrick Chinamasa asked Chief Justice Anthony Gubbay to show his displeasure at Muzorewa's two-year delay in "pursuing his interests", and Gubbay replied with an embarrassed smile: "The delay may have been due to lack of funding." Churchmen and human rights lawyers are understood to have financed the case.

Chinamasa challenged the right of Muzorewa's party to come to court since it could not show it had been prejudiced. Zimbabwe's constitution does not permit "interested parties" to raise test cases, as does SA's.

Advocate Adrian de Bourbon, for Muzorewa's United Parties, said the matter was of intense public interest and the opposition was likely to have its rights violated if the court failed to overturn laws giving Mugabe sweeping power over the conduct of elections.

The judges are expected to give a ruling within two months, with wide ranging implications for the future of parliamentary democracy.

Nkomo's health a strain on Zimbabwean politics

MtG 1-7/8/97 (362)

Francis Murape

ZIMBABWEAN nationalist leader and co-vice-president Joshua Nkomo rarely appears in public these days because of poor health and old age — a development that is increasing the strain on President Robert Mugabe's fractious administration.

Mugabe is worried not so much because he loves the man, but because Nkomo's departure could undermine the political accord in the restive Matabeleland region, and create complications in Mugabe's own succession debate.

Should Nkomo (80) die soon, someone from Matabeleland will have to succeed him if the 1987 Unity Accord between Nkomo's PF-Zapu and Mugabe's Zanu-PF is to remain intact.

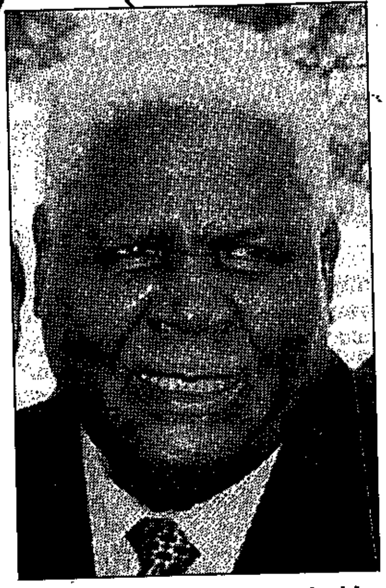
But whoever succeeds Nkomo will most likely be the next president when Mugabe (73) and the other co-vice-president, Simon Muzenda (75), retire.

And the possibility of predominantly Shona-speaking Zimbabwe being ruled by a Ndebele-speaker from Matabeleland alarms die-hard Shona tribalists in Zanu-PF.

Several powerful Shona figures have emerged and are eyeing Mugabe's job. Top among them is Minister of Justice, Legal and Parliamentary Affairs Emmerson Mnangagwa.

"The Shona-speaking presidential aspirants are praying that the old man lives longer, at least until the year 2002, when the next presidential elections are due," said one political analyst.

Mugabe, conscious of the damage that the race for Nkomo's position might inflict, has encouraged Nkomo to stay on — against family advice. Nkomo is suffering from prostate cancer and rarely goes to the office or exercises any of his functions as vice president.



Joshua Nkomo: Who will take his place?

Mugabe has not appointed Nkomo acting vice-president when he has been out of the country during the past four months. Normally the two vice-presidents alternately run the country when Mugabe is away.

The race to succeed Nkomo, however, is already under way in Matabeleland with early front-runners in the Minister of Local Government, Rural and Urban Development, John Nkomo, and the Minister of Home Affairs, Dumiso Dabengwa.

Within Zanu-PF, John Nkomo is more popular. He is seen as a moderate who stayed on in Mugabe's government after Joshua Nkomo and others were expelled soon after independence in 1980 when they were accused of plotting to overthrow the government.

It would also appear that Mugabe favours the bespectacled and white-bearded John Nkomo and has kept him in the local government ministry so that he could build his power base in Matabeleland.

Dabengwa, however, is more popular in Matabeleland. Detained for three years by Mugabe's government on allegations of caching arms of war, Dabengwa is seen as representing the radical element in Matabeleland.

Known as the "Black Russian" because of his training in the former Soviet Union before he became chief of intelligence in Joshua Nkomo's Zimbabwe People's Revolutionary Army (ZPRA) anti-colonial guerrilla force, Dabengwa is an enigma in Zanu-PF circles.

He is feared by the Shona leadership and represents the worst case scenario in their calculations. Even Joshua Nkomo is said to be uneasy with Dabengwa, a dour character who rarely attends public functions except in Bulawayo, the capital of Matabeleland.

The fear stems from the suspicion that Dabengwa might not have forgiven his detention, and that he might radicalise Matabeleland and therefore tear apart the 1987 accord if he fails to get the presidency.

Nkomo apparently favours Simon Khaya Moyo, the diminutive minister of mines, environment and tourism, who has become a key member in Mugabe's Cabinet, but who is seen as a lightweight in the Matabeleland power play.

If Mugabe could have his way, logic would demand that he appoint Joseph Msika, Joshua Nkomo's deputy in the old PF-Zanu and current Zanu-PF national chair.

However, Msika's biggest weakness, as far as Matabeleland is concerned, is that he is Shona and may not be acceptable to the vocal Ndebele-speakers who make up 15% of the population.

ZIMBABWE

Disenchantment with Mugabe

Real wages fall by 40% as privatisation is used as a cloak for patronage. There are warnings of serious unrest by the turn of the century

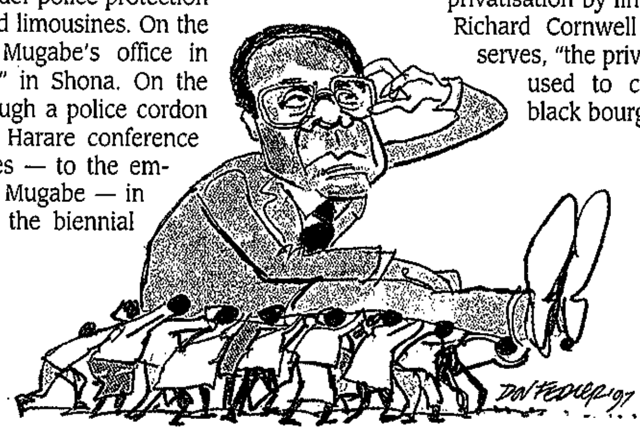
(362)

FM 1/8/97

President Robert Mugabe, who came to power 17 years ago with the backing of a decisive majority of Zimbabweans, is emerging as an aloof figure surrounded by sycophants and out of touch with a growing mood of disillusionment and even anger.

Evidence of that came last week in the form of protest actions by former guerrillas who played a crucial role in levering former Prime Minister Ian Smith from power and into history. For three successive days hundreds of ex-combatants, many of whom served in Zanla, the armed wing of the ruling Zanu-PF, took to the streets to demonstrate against suspension of payments from the War Veterans Fund after reports that it had been pillaged by members of the political elite.

On the first day they forced three of Mugabe's Ministers to leave a public meeting under police protection and to abandon their beloved limousines. On the second they marched on Mugabe's office in Harare, chanting "war, war" in Shona. On the third about 100 slipped through a police cordon surrounding the prestigious Harare conference centre to air their grievances — to the embarrassment and chagrin of Mugabe — in front of 1 000 delegates at the biennial African-American summit.



Ruling party barons identified by Zimbabwe's small but vigorously independent press as the recipients of largesse from funds meant for guerrillas include Mugabe's brother-in-law, Reward Mafuru. A man without visible physical injuries, he received a 95% disability grant of nearly R360 000 for psychological trauma. Mafuru's presence among the doubtful beneficiaries strengthened convictions that nepotism is flourishing under Zanu-PF.

Mugabe's response was to embark on a three-tier strategy to buy time by prohibiting public demonstrations, appointing a commission of inquiry to investigate plundering of the funds set aside for guerrillas and by promising to renew payments, a pledge made even sweeter when the Minister of Justice, Legal & Parliamentary Affairs, Emmerson Mnangwana, declared himself in favour of paying former combatants a pension of Z$1 000/month for life.

Mugabe's government, however, may find it difficult to fulfil its pledges. It already has to find money to meet higher wages for the civil service, won in the teeth of fierce resistance after a series of strikes, while facing pressure from the International Monetary Fund and the World Bank to reduce its budgetary debt.

Political analyst John Makumbe, of the University of Zimbabwe, is not sanguine. "There will not be enough cheques to go round," he says. "I see trouble ahead. I think we should be ready for an outbreak of violence and looting as we approach the end of the century."

If Makumbe's warning on the eve of the new millennium has an apocalyptical ring, it should not be dismissed for that reason. There are sufficient signs of disenchantment with the status quo in Zimbabwe for it to be taken seriously.

Real wages have fallen by 40% since Zimbabwe was forced by the perilous state of the economy to abandon its oft-proclaimed commitment to Marxism-Leninism and to adopt a World Bank structural adjustment programme. Increased wages, won through recurring strikes, many of which are illegal, alleviate the burden of salaried people without eliminating it.

Mugabe has tried to make a virtue of his conversion to privatisation by linking it to "indigenisation." As Richard Cornwell of the Africa Institute observes, "the privatisation programme is being used to create a politically favoured black bourgeoisie." The process involves interference with the awarding of tenders. One of the most conspicuous beneficiaries is Mugabe's nephew, Leo Mugabe, the representative of a Cyprus-based company which won the contract to build a new international airport after government reversed an earlier decision by the tender board.

The granting of land acquired under the Land Acquisition Act to party loyalists instead of to land-hungry peasants is a symptom of the greed which increasingly characterises the ruling party. The first farm acquired under the law is in the hands of former Sports Minister Witness Mangwende.

The disenchantment of ordinary Zimbabweans in the Zanu-PF government is manifest in polls for the 1995 parliamentary and 1996 presidential elections: according to Stellenbosch University's Pierre du Toit, only half of the eligible voters registered; of those, fewer than three-fifths voted in the parliamentary election and fewer than a third in the presidential election.

Bereft of the ideological cohesion provided by Marxism-Leninism, there is an incipient danger of Zanu-PF fracturing along tribal and clan fissures.

A recent edition of the *Zimbabwe Independent* carried a cartoon consisting of three posters. The first read "Mengistu flees;" the second "Mobutu flees;" and the third "Mugabe flees." It aroused official wrath. Perhaps, however, it should have been seen as a prescient and timely warning of the fate which could overtake the irascible septuagenarian president. ■

ZIMBABWEAN BUDGET

Much ado about nothing (362)

Business left puzzled after legerdemain act FM 1/8/97

Few events better illustrate the perils of forecasting the Zimbabwean economy than last week's largely non-event budget. Finance Minister Herbert Murerwa announced a budget deficit substantially below his own estimate of only a fortnight previously of 10% of GDP. But by last week Murerwa announced it had fallen dramatically to only 7,1%.

Nor did the Minister explain why or how his revised budget forecast of a revenue of Z$24,1bn (US$2,1bn) had turned into an actual revenue of over Z$27,3bn (US$2,4bn). Indeed, not only did the budget contain little new information but none of the handful of tax changes announced takes effect until next year or 1999.

With the IMF having recommended tough measures that would have taken 4% out of the economy in the form of higher taxes on petrol and diesel, a land tax, and increased duties on tobacco and alcohol, Murerwa's standstill package came as a surprise.

Because the fiscal year is being brought into line with the calendar year from 1999, Murerwa's transition budget covers an 18-month period, during which the budget deficit will rise to 8,9% of GDP because spending will increase 32% on an annualised basis, while revenue rises 28%. With real growth predicted at less than 8% over the next 18 months, the bulk of revenue growth will come not from extra business activity but from higher prices.

The budget has won few plaudits from business, partly because it contains so little. Murerwa's economic forecasts are largely noncontroversial, other than his optimism about inflation. He is confident that inflation will slow from 21,4% in June to 16,5% by mid-1998, falling to 12% by the end of next year. Business memories may be short, but they are not short enough to have forgotten that a year ago the same Minister predicted inflation of 13% by June 1997.

The signs are that he is going to be wrong again — though by a smaller margin this time. Private-sector economists are betting on inflation of 25% or more in the second half of the year, taking the annual average to 23% for 1997. Thereafter there should be a slowdown, though with the money supply growing at 30% and wage awards ranging from 25% at the low end to over 35%, the stage is set for a continued wage-push inflation.

Murerwa predicts GDP growth of 4,5% this year and 5% in 1998, but forecasters warn that should there be a drought, growth will be significantly lower next year.

A potential casualty is the exchange rate. It has risen about 50% in real terms over the past five years. Last week, central bank governor Leonard Tsumba admitted the Zimbabwe dollar was about 5% overvalued.

This comment could have repercussions in the markets, where the general feeling is that the currency is overvalued by 15% rather than 5% and the rate seems set to tumble when the tobacco sales end in September, if not before. **Special Correspondent**

Zimbabwean asbestos exports dip 20%

BD 4/8/97 (362)

Michael Hartnack

HARARE — Zimbabwe's asbestos exports dropped by 20% in the first five months of 1997 due to a slump in world demand, the parastatal Minerals Marketing Corporation has confirmed.

The organisation, which has a legislated monopoly on all base mineral exports, gave no figures. It said an oversupply with some world producers led them to offload stocks to recoup foreign exchange.

France imposed a health ban on the import of all forms of asbestos last year, undermining world prices for the mineral although Zimbabwe had been exporting little to France.

A corporation spokesman said the organisation remained confident that the market would recover. Zimbabwean long-staple asbestos is claimed to be far less hazardous than other forms mined elsewhere.

John Mkushi, CE of the Shabanie and Mashaba mines in the Zimbabwean midlands, said he hoped the marketing corporation would expand markets into the Middle East, Far East and South America.

"The more directly we are involved with the market, the better we can look after Zimbabwe's interests," said Mkushi.

"This is exactly why we have repeatedly called for changes in the marketing arrangements as that way we are on an equal footing with other producers worldwide."

Mine 'unlikely to return to full production'

BD 4/8/97 (362)

Michael Hartnack

HARARE — Mhangura Copper Mine, now owned by a parastatal under the chairmanship of Roger Boka, was unlikely to return to full production despite Boka's attempts to secure a $20,9m offshore loan, stockbroker Edwards & Co reported in its latest bulletin.

Zimbabwe's largest broking firm has described the attempts by the black empowerment activist to revive the mine as "humanitarian" but believed the mine did not have sufficient reserves to sustain it as the country's largest copper producer.

"The only rationale for this can be to preserve the hundreds of jobs and the medical and educational services that the mine provides to the surrounding area," said Edwards & Co.

Mhangura, with a staff of 1 000, has been operating at half capacity since July 1996 due to machinery breakdowns, cash flow constraints and falling world copper prices.

Mhangura, once under SA's MTD group, was rescued by the parastatal Zimbabwe Minerals Development Corporation and enjoyed a short-lived turnaround in 1994 to 1995, with Boka appointed to chair its board.

Edwards & Co said that they had reservations about ZMDC's decision to try and borrow even further to restore full production.

Mhangura Copper posted a R9m loss during the six months to December 1996 with interest charges of R4,8m. Earlier this month Boka gave notice of an extraordinary Mhangura Copper shareholders' meeting to approve a $21m offshore loan facility for rehabilitation of the mine and smelter, settling of creditors and rescheduling of local loans now incurring high interest charges.

The mine is reportedly processing ore with 0,72% copper content, compared to 2,46% in the mine's heyday in the 1960s.

Recent production figures have not been published, but they once topped 30 000 tons a year.

Chamber of Mines CE Derek Bain believed it approached 6 000 tons last year.

Bain noted that Zimbabwe remained an insignificant player on the world copper scene, last year producing 11 000 tons which was sufficient to provide 2 000 to 2 200 jobs, meet local demand and save on foreign currency.

Reunion had developed Sanyati mine in the midlands, which went into production in November 1995 with a target of 5 000 tons a year of 99,99% pure copper.

The ore body contained zinc, lead, cobalt and manganese.

The giant BHP Hartley Platinum complex expected to produce 2 500 tons of copper a year as a by-product.

Other current producers were Alaska and Shakleton mines near Chinhoyi.

Zimbabwean music industry faces flood of pirated copies

BD 4/8/97 (362)

HARARE — For the first time since independence in 1980, Zimbabwe's small but vibrant music recording industry is facing a real threat from the illegal copying of its work.

For years home tape recording was the only form of piracy. Home taping was not regarded as a real threat to musicians as it was believed that fans who wanted quality sound would still buy genuine tapes.

Now, musicians and record firms are singing the blues as more and more counterfeit musical products hit the market. But the industry is fighting back and a three-member Music Anti-Piracy Organisation of Zimbabwe was formed last year.

The members are led by ex-police detective Walter Kuhlengisa, aided by musician Franco Hodobo and record company official Angelo Angelos.

They have a small office and a hotline through which they get tip-offs about pirated musical cassettes and compact discs. They also constantly visit flea markets around Harare and neighbouring areas.

"We pretend to be customers and sometimes the vendors get a tip-off or become suspicious and hide the tapes before we arrive. Then we have to search their bags and stands for any tapes," says Hodobo.

Thousands of counterfeit copies of cassettes of local music are flooding in and selling at about half the price of genuine products.

The soaring cost of music is partly blamed for the increase in piracy, as many music fans prefer to spend the little they have on cheaper products.

Under the country's present copyright act, there are no provisions for prosecution, and the act allows for ignorance of the law.

Many musicians and copyright activists are calling for the law to be changed, saying it allows pirates to reproduce other people's work under the guise that they are not aware that they are infringing any copyright.

Kuhlengisa says piracy has reached an "alarming level" and the organisation was now trying to seek the co-operation of Zambia, Zaire, Botswana and Tanzania to establish the source of the copies: "This is organised crime, with a syndicate headquartered either in Tanzania or Zaire, with links in Zambia, Botswana and Zimbabwe."

He describes the country's present copyright act as " toothless" and says that this, added to inertia on the part of law enforcement agencies, has given the culprits a reprieve.

Zimbabwe Union of Musicians secretary-general Samaita Zindi, said: "Our industry is facing a serious danger, and now is the time to act." — AIA.

Santam gets foothold in Zimbabwe (362)

CT (BR) 6/8/97

MARC HASENFUSS

Cape Town — Santam, the short-term insurer in the Sankorp stable, has snapped up a 25 percent stake in Diamond Insurance Company of Zimbabwe for R1,6 million, Koos van Tonder, the financial director, said yesterday.

He explained Santam opted to buy shares in an existing business rather than start operations from scratch because Zimbabwe's policies regarding outsiders establishing businesses, foreign currency regulations and labour laws were complex.

Van Tonder said Santam has an option for more shares. African Resources, the Zimbabwean industrial conglomerate, the main shareholder with a 51 percent stake, had indicated it would not commit further investment into Diamond Insurance.

Santam was approached by Diamond Insurance after the company — then trading as Pearl Insurance — was acquired by a consortium of Zimbabwean businesses. "Late last year the company was restructured, and as part of its positioning it needed to obtain foreign investment."

Van Tonder said the deal meant Santam had become the second largest shareholder in Diamond Insurance.

Santam would supply technical and managerial know-how on a consultancy basis. "The possibility of a computer link is being investigated, and Santam employees seconded to the Zimbabwean company will also be part of the working relationship."

Resettlement of white-owned commercial farms moves closer

Zanu PF beats drum on land

CT (BOR) 11/8/97 (362)

FROM SAPA

Harare — The Zimbabwean government would continue to seize white-owned farms for resettlement until the country's peasant farmers were happy they had enough land, a senior official of the ruling Zanu (PF) party said in Harare yesterday.

Joseph Msika, the party's national chairman and the head of a party committee that has spent the past two years choosing farms for resettlement, told the state-controlled Sunday Mail newspaper 4,6 million hectares of the 11 million hectares owned by white commercial farmers had been earmarked for seizure, but that this was not enough.

The process of taking land owned by the country's 4 500 commercial farmers would continue "until our people are satisfied", said Msika.

"What we are saying is that you (white farmers) have too much which you do not need. Share with others."

He warned that the inequity in land distribution between commercial and peasant farmers could lead to another revolution.

"We have gone past the time for using methods of persuasion exclusively," he said.

President Robert Mugabe was to be issued soon with a report of the National Land Acquisition Committee listing the farms to be seized. Mugabe would then decide whether or not the government should pay the owners for the land.

> *'You (white farmers) have too much land you do not need. Share with others'*

The government was targeting farmers with more than one property, following a "one man, one farm" policy. He said black commercial farmers with multiple farms would also be subject to the policy.

"If blacks own more than one, we will make sure they remain with one only."

Msika said every white farm that bordered a peasant farming area, most of which are overcrowded and overworked, would be taken for resettlement.

Resettlement of many of the country's 800 000 peasant farmers on the 20 million hectares of communal land has been one of the main pillars of government policy since independence in 1980, meant to redress the inequities of previous decades of white rule.

Three years ago the government passed legislation to allow it to seize farms and to name its own price for compensation, if any. Mugabe argued the land had been grabbed by white colonists when they arrived a century ago, and that confiscation was returning the farms to their rightful owners.

However, the issue has been dogged by controversy since then. The government has run into a continuing series of legal challenges, and corruption on a wide scale has been exposed, with top ruling party officials and civil servants being handed out formerly white-owned farms meant for poor peasants.

Hundreds heckle Mugabe into silence in Heroes' Day speech

Star 12/8/97 (362)

Angry veterans want to know if their compensation funds have been looted

REUTERS-AFP
Harare

Hundreds of Zimbabwean guerrilla-war veterans heckled President Robert Mugabe at a rally yesterday in an unprecedented public attack on the state's sole ruler for the past 17 years.

Mugabe, a former guerrilla leader, battled to deliver his speech at the annual Heroes' Day anniversary in Harare as about 500 ex-fighters chanted, danced and sang, roundly denouncing his government's handling of a war victims' fund and demanding an audience with the president.

The rally was attended by about 10 000 people, including foreign diplomats, and was broadcast live by state television.

Mugabe made no reference to the protest during his 10-minute speech, but angry officials condemned it as an "act of rebellion and unacceptable lack of respect for the president".

The officials, including ruling Zanu-PF party national chairman Joseph Msika, accused leaders of the Zimbabwe National Liberation War Veterans' Association of inciting the protest.

However, association chairman Chenjerai Hunzvi denied the charge, telling state radio that it was "spontaneous, unfortunate but understandable".

Mugabe is patron of the war veterans' association, the representative body of thousands of guerrillas whom he led in a seven-year bush war that culminated in Zimbabwe's independence in 1980.

The veterans have staged a series of demonstrations in the past few weeks demanding that Mugabe open discussions with them on a war victim compensation fund that the government suspended in March to ease investigations into allegations of massive fraud.

Mugabe has set up a judicial commission, and says he will meet the ex-combatants once he has all the facts.

But the veterans have charged that he does not want to meet them to face awkward accusations that the fund was looted by his cabinet ministers.

The veterans marched on Mugabe's official residence last month and also embarrassed the Zimbabwean leader by demonstrating at an African/African-American business conference.

They have also threatened to lynch cabinet ministers at public meetings called to discuss the issue.

Yesterday, Mugabe, who normally speaks for about an hour at anniversaries to celebrate those who fought for the country's independence, said in a 10-minute address that his government was actively addressing the grievances.

He promised more land and jobs to veterans of the war against white-minority rule which led to independence in 1980.

He said 1 772 farms covering 3,2 million hectares had been earmarked for takeover by the government. About 1 072 of these would be used to resettle thousands of black families from overcrowded communal areas.

Mugabe moves on land reforms

CT(BR) 12/8/97

(362)

FROM SAPA

Harare — The Zimbabwe government planned to seize 1 772 white-owned farms covering 4,6 million hectares, President Robert Mugabe said yesterday.

He was speaking at the yearly Heroes' Day commemoration in Harare, and said the farms had been picked out by a ruling Zanu-PF party committee over the past two years.

The land confiscation was aimed at meeting a 17-year-old promise made at independence to resolve the inequity in land distribution between the country's 800 000 black peasant farmers and 4 500 commercial farmers, most of them white, who own 11 million hectares of farmland.

Mugabe said 1 072 farms covering 3,2 million hectares would be taken to resettle landless peasants, while another 700 farms covering 1,3 million hectares would to be set aside for "indigenous" commercial farming.

The party committee had finished its work, and the farms were now being more clearly identified, Mugabe said.

He said veterans of the country's liberation war would be given "a percentage" of the area. The ceremony was disrupted by 300 ex-guerrillas demanding compensation for war injuries. They lowered their barrage of heckling at this announcement.

Only 3,4 million hectares of white farming land has been acquired since independence. Commercial Farmers' Union officials said 450 000 hectares of the land so far acquired has been overrun by squatters.

Four years ago, the government changed the constitution to bar the right to fair compensation for land confiscated by the government as a prelude to a planned takeover of white-owned farms.

Since then, the programme has run into trouble following revelations in the independent press that land taken for resettling poor peasants had been allocated to top officials of the ruling party.

Heroes' Day rally sees former guerrillas jeer Mugabe's new land acquisition scheme

BD 12/8/97 (362)

Michael Hartnack

HARARE — President Robert Mugabe's announcement of a massive new scheme to transfer 4,6-million hectares of land from whites to blacks was jeered by hundreds of guerrilla veterans of the 1972-80 Bush War during a Heroes' Day rally yesterday.

Visibly angry, Mugabe appeared to cut short his annual speech at Heroes' Acre, honouring those who died fighting to overthrow Ian Smith's Rhodesian government.

Mugabe had to shout to be heard above the chanting former guerrillas who waved placards saying: "We are forgotten."

The former guerrillas demanded immediate release of payments from a R144m fund, which was frozen when it was discovered that prominent people who never fired a shot had claimed sums of up to R400 000 for dubious "war disabilities".

Ruling party chairman Joseph Msika later accused them of an outrageous act of disrespect but War Veterans' Association chairman Chenjerai Hunzwi said: "It is a spontaneous uprising. You never know what can happen."

This was the most serious incident during the Heroes holiday celebrations since 1989, when security police arrested Mathew Magodlo for shouting at Mugabe: "Those heroes you are talking about died for nothing. Smith was better."

Mugabe, abandoning his past practice of delivering most of his normally hour-long speech in Shona, spoke for less than 10 minutes, and only in English.

He announced that the government had now identified 1 772 farms totalling 4,6-million hectares for takeover under its 1993 Land Acquisition Act, which curbs white farmers' right of appeal to the courts.

Of these, Mugabe said, 172 farms totalling 3,2-million hectares of land would be given for resettlement to peasants from the 20-million hectare communal areas, while 700 farms totalling nearly 1,4-million hectares would be distributed to black large-scale commercial farmers.

Alluding to the scheme in an interview with the Sunday Mail, Msika said Mugabe had still to decide "the next issue — that of paying for the land or not". However, Mugabe did not refer to this in his speech.

Mugabe said "a percentage" of the land taken from Zimbabwe's 4 500 remaining white farmers would be reserved for them. Commercial farmers, including 25% emergent black landowners, currently farm about 8,5-million hectares.

Ex-fighters storm Zimbabwe party HQ

Star 14/8/97 (362)

Harare – Disgruntled former freedom fighters in Zimbabwe stormed the ruling Zanu-PF headquarters in Harare yesterday, Ziana news agency reported.

The ex-combatants, pushing for payments from a fund for them which has allegedly been looted of millions by government officials, forced their way into the multistorey building, vandalising property and allegedly urinating in some of the offices.

The protest was apparently triggered by statements made in Harare during Heroes' Day on Monday by senior party officials denigrating demonstrating ex-fighters as "unruly".

A senior policeman, speaking on condition of anonymity, said they had not yet established the nature of the destruction as they had been barred from entering the party premises by the demonstrators.

On Monday at protests throughout the country former freedom fighters accused the government of leaving them in poverty.

Mugabe has since appointed a commission of inquiry to probe how payments were made under the war victims' compensation fund. – Sapa

Zim war veterans vent anger

Sowetan 15/8/97 (362)

Former guerrillas cause havoc at party head office over compensation

HARARE – Angry war veterans ransacked president Robert Mugabe's party headquarters, assaulted police and held officials hostage to press demands for cash, local media reported yesterday.

The veterans – demanding their share of a war victims compensation fund allegedly looted by undeserving top government officials – reportedly urinated in the offices and stole food.

About a hundred veterans stormed the imposing Zanu (PF) headquarters building, cut telephone lines and took hostages on Wednesday in the latest protest to rock Mugabe's government.

Armed riot police swallowed insults from the former fighters who told them they should refuse to be used "by these people who are enjoying the fruits of our sacrifice".

Commanders gave orders to arrest the veterans but police on the ground made no arrests, saying they feared this would trigger further violence.

"The situation is dangerous. We have lives to protect," said one officer.

Officials and visitors held hostage were released at the end of the day, and the veterans left.

Earlier this week, veterans shocked the government by disrupting a Heroes Day memorial service for those killed in the war against white-minority rule which led to Mugabe's election at independence in 1980.

They chanted, danced and beat drums throughout the playing of the national anthem and Mugabe's speech in an unprecedented display of rebellion against the government they helped put in power.

At the heart of the protests is a corruption scandal in which top government and party officials are reported to have helped themselves to millions of rands from a fund meant for war victims.

These veterans now want their share, and demand R230 000 payments each. – *Sapa-AFP*.

Western decision awaited on resumption of Zimbabwe aid

BD 18/8/97 (362)

Michael Hartnack

HARARE — Western embassies in Zimbabwe are still considering an appeal by the World Bank to accept last month's controversial Zimbabwean budget and resume their multimillion-rand balance of payments support.

World Bank local representative Kapil Kapoor announced $65m backing for the second phase of structural adjustment had been cleared, as economic targets had been met.

Spokesmen for embassies said their aid ministries were still studying financial statements tabled in parliament on July 24 by Finance Minister Herbert Murerwa, who raised eyebrows with claims the budget deficit had been revised from a feared 13,4% of gross domestic product to a remarkable 6,5%.

Murerwa said the achievement was because of better than expected economic growth, and savings on debt servicing as a result of a temporary fall in interest rates.

His budget announcement, only weeks after his much gloomier prediction, was greeted with disbelief by many economists, especially because of recent pay hikes for ministers and public servants, and continued lavish spending on political sacred cows like the Central Intelligence Organisation.

Kapoor said the World Bank precedent could trigger release of more than $30m by major western nations and agencies, who suspended aid in 1995 as state spending continued to soar beyond agreed limits. He commended President Robert Mugabe's recent reduction of ministries from 21 to 18 — a change critics dismissed as cosmetic.

Kapoor said talks were under way on further backing for the second economic reform phase, to be called "Zimprest". The World Bank's decisions were based on a "no drought scenario".

The Commercial Bank of Zimbabwe yesterday published a prospectus for going public on August 29 with the issue of 320-million 10c (SA) shares at a R0,64 issue price.

Worker-controlled firm finds private buyer

(362) BD 18/8/97

Michael Hartnack

HARARE — The largest experiment in shop-floor socialism since Zimbabwean independence has come to an end with the announcement that the bankrupt Industrial Steel & Pipe group, controlled by workers for the past four years, has found a private buyer.

A hitherto unknown company, Profeeder Investments, has agreed to buy 95% of the equity, valued at R6,4m, in a last-ditch bid to save some 300 jobs.

Workers protested vociferously four years ago when the former management of the group filed for liquidation citing, among other problems, prohibitive interest rates of up to 40%.

With government encouragement — but no pledges of finance — the workers' committee took control of the group and its subsidiaries, Stewart & Lloyds (Zimbabwe), Baldwins Steel and Vivian & Watson.

Facing political pressure, creditors have held off, but the High Court last week appointed Peter Bailey of KPMG accountants as receiver with authority to call a meeting, and tabled the proposed scheme for their approval. It would leave the workers with a residual 5% stake.

The new management faces a major task in recapturing lost market share.

e projects 'on track'

ı- d ;- ı- d ı- t- ır a e ıs ıf ıt

provinces were given tough final targets to meet. In addition, there was greater clarity on what was required from provinces in terms of their business plans and provincial overseers were becoming more skilled, he said.

The slow start to delivery under the programmes related largely to delays in local elections and the lack of operative local municipal and community structures. "We are, however, confident that we will spend all of our allocated funds by the end of government's financial year," he said.

Of the 1 190 business plans submitted, 1 066 had been approved by the end of last month and funding recommendations issued. Figures showed that KwaZulu-Natal, the Northern Cape and North West still had to commit a small percentage of their respective R269,9m, R97,2m and R120,5m allocations.

The three provinces had disbursed R86m, R42,5m and R44,5m respectively of their allocations. The other provinces had committed all of their funds.

The Eastern Cape had disbursed almost R135m of its R230,9m allocation, Free State R47,6m of its R92,7m allocation, Gauteng R70,1m of R155,7m, Mpumalanga R45,8m of R89,4m, Northern Province R95m of R200m and Western Cape R70,4m of R94,8m.

National Youth Commission chairman Mahlengi Bhengu, centre, with policy director Thembinkosi Ngcobo, left, and commission CEO Steve Mokwena at a news conference on policy in Pretoria yesterday. Picture: CATHY PINNOCK

Investigate youth body, says member

(298)

Nomavenda Mathiane

BD 19/8/97

A MEMBER of the Eastern Cape Youth Commission has asked the public protector's office to investigate the commission's activities — or lack thereof.

National Party member Boeije de Wet, who claims to have been appointed to the commission by former Eastern Cape premier Raymond Mhlaba, said it had done no work since its induction last year and had instead taken study trips which produced nothing.

The commission had not come up with a single youth programme, in spite of its R10m budget and the numerous problems in the province.

National Youth Commission communications director Paul Johnson said he was surprised by De Wet's allegations because he had found the province to be hard-working where youth matters were concerned.

Eastern Cape chairman Thembi Macelezi said he would meet premier Arnold Stofile to discuss the accusations.

□ National commission chairman Mahlengi Bhengu said yesterday that the body would hold hearings on youth policy to guide government in establishing youth development programmes.

She said the commission was not meant to be an implementing organ. It had a clear mandate to "initiate and develop an overarching policy to govern the range of issues ... (facing) the development of SA youth".

SA 'taking advantage of Zimbabwean slackness'

Michael Hartnack (362)

BD 19/8/97

HARARE — SA businessmen were taking over the region while their Zimbabwean counterparts preferred to blame President Robert Mugabe's government for their lack of enterprise, Zimbabwe's commissioner of taxes Gersham Pasi said yesterday.

"What is needed is for the private sector to be more innovative and show more initiative in the production of wealth," Pasi told a seminar.

Pasi attacked a small group of "know-it-all economists" who expected the July 24 budget tabled by Finance Minister Herbert Murerwa to solve all the business sector's problems. The government had provided a good enabling environment and it was up to entrepreneurs to exploit it.

Pasi told the seminar, attended by more than 400 accountants, tax advisers and treasury officials, that in view of Zimbabwe's military assistance to Mozambique during its 17-year civil war its businessmen ought to be in a commanding position in the former Portuguese colony.

"But the South Africans are literally taking the country over," he said. Similarly, SA businessmen were moving into Malawi and the Democratic Republic of Congo.

Tax incentives represented a form of payment from the government which had to be made good by the remaining taxpayers, and incentives had to be phased out, he said.

Zimbabwe announces large increase for all visa services

BD 21/8/97 (362)

Michael Hartnack

HARARE — Zimbabwe's immigration department announced across-the-board increases yesterday for all its visa and other services.

In addition, the investment needed for automatic grant of permanent residence was raised from \$500 000 to \$1m. The increases will hit particularly former Rhodesians seeking permits to return. Applications, whether successful or not, will cost R400.

The Sunday Mail recently reported 30 000 former Rhodesians were seeking to return, particularly to escape from economic hardship and rising crime in SA, and urged that all should be refused admission.

However other sources say those wishing to return numbered less than 3 000 a year, many being elderly people whose pensions had been eroded by the decline of the Zimbabwe dollar, and who had children in Zimbabwe to help support them.

Expatriates will have to pay R400 to apply for a temporary residence permit and a similar amount to apply for an accompanying temporary employment permit, with a R300 charge for each renewal. Permits are usually granted for one to five years. According to a schedule in last week's government gazette, a businessman will have to invest R1,2m instead of the previous R400 000 to qualify for an automatic three-year residence permit.

A foreigner forming a partnership with an approved "indigenous" Zimbabwean will have to invest R400 000, compared with R200 000 previously, to qualify for a three-year permit.

The tourist industry fears an impending "visa war" with European Union countries in retaliation for costly visa charges expected to be imposed. Similar retaliatory measures taken by Zambia have had a disastrous effect on the country's resorts.

The "automatic permanent residence" concession for investors, introduced 10 years ago at a level of \$200 000, has resulted in the settlement of only a few hundred migrants, mostly from the Middle East.

Mugabe buckles under pressure from former fighters

Star 22/8/97 (362)

Harare – Zimbabwean President Robert Mugabe has finally given in to the demands of liberation-war veterans for direct talks to address the issue of compensation payments.

He met scores of the ex-fighters, who helped him to power at independence in 1980 after waging a seven-year war, in the capital yesterday.

They are demanding their share of a war victims' compensation fund from which senior political and government officials allegedly looted a fortune.

Among their demands is a universal gratuity of about R197 000, plus a monthly pension of R800 for every ex-fighter, according to a document made available to Ziana news agency.

The former combatants further gave Mugabe a one-year ultimatum to make sure all those who wished to go into agriculture would be given farms. They warned that if they failed to be resettled by July 1998 they would unilaterally move on to white-owned farmland.

"To resolve this issue peacefully, we demand that 50% of all ex-combatants needing resettlement be given land by December 1997, the rest by July 1998," the document said.

For weeks since allegations emerged that top officials stole money from the fund, the former guerrillas, many of whom are living in abject poverty, have turned on their masters with a vengeance.

They have held demonstrations throughout the country; staged a protest that disrupted a national service for the fighters killed during the war; and recently raided the ruling party's headquarters where they cut telephone lines, urinated in offices, assaulted police and took staff members hostage. – AFP

WORLD

EPZ projects expected to employ 1 800

BD 22/8/97 (362)

Michael Hartnack

HARARE — An initial 48 export processing zone (EPZ) projects should later this year be employing 1 800 Zimbabweans and generating R32m-R36m in export revenue, apart from local turnover, economist Eric Bloch predicts.

"I believe Zimbabwe embarked on EPZs much too slowly and much too late," he said. "Much of that ground can never be made up, but too little is better than none at all."

Although an act establishing EPZs was passed in 1994, the treasury forgot to amend the customs regulations, with the result that businessmen hit insuperable problems with customs officers "going by the book". Amendments were finally gazetted this month, but refunds have still not been received.

David Gollach, whose firm Hyveld Seeds was one of the EPZ pioneers with its plans to process paprika and marigolds, commented: "Our experience to date has not been that good, but it has not been the fault of the EPZ authority. "They put in place a mechanism but they never put in place any regulations that would govern that authority."

Gollach said his firm was blocked from importing machinery and faced delays of up to three months bringing in supplies. Contrary to pledges of exemption from regulations, items had to be lodged in bonded warehouses. "We hired an engineer to help us with production but we are three months behind."

The EPZ authority, headed by GM Walter Chidahkwa, was unable to overcome bureaucracy. Gollach said: "Everything has to go to the minister and the minister is in no hurry because it is not his money. You wait forever."

An area near Harare's international airport was set aside as a specific "EPZ park" but has so far remained undeveloped, most EPZ enterprises being situated on their own like Hyveld Seeds at Ruwa, 30km east of Harare.

EPZ pioneers were promised — on condition of being able to generate $10 500 a year in exports (constituting 80% of total output):

☐ A five-year "tax holiday";
☐ A 15% corporate tax thereafter (instead of the current 39%, including drought levy);
☐ Exemption from capital gains and duty on imported capital and inputs;
☐ Exemption from nonresident withholding taxes on dividends;
☐ Exemption from fringe benefit taxes on employees; and
☐ Exemption from withholding taxes on fees, remittances and royalties.

Prof Tony Hawkins, University of Zimbabwe business studies head, has warned repeatedly that Zimbabwe "missed the bus" on establishing EPZs. "The problem is that everybody has them now. Secondly, the main logic underlying them had to be cheap labour, and there is only a limited range of activities where cheap labour makes that much difference these days."

Zimbabwe suffered as a result of its landlocked position, making it further from major markets, and needed to have set up EPZs several years ago before other nations displayed their competitive advantage. "There are so many export processing zones if you look around the world," said Hawkins. "And technology keeps shooting along at a great rate, replacing labour."

Foreign industrialists were unlikely to commit themselves to Zimbabwean EPZs (with labour forming roughly 15% of costs) if the latest technology enabled them to make further economies in their labour force, when situated nearer to their intended markets.

Chidahkwa said of 46 EPZ projects granted approval, 11 were operational but he was concerned by their failure to group together in specific zones. Those on a "stand alone" basis were proliferating undesirably, he said.

"The pioneers will always have to go through hassles with new systems," he said, responding to criticism of customs officers. Rebates had now been agreed.

Emergent black businessmen, who see opportunities in clothing, textiles, footwear, leatherware, construction materials, vegetable packing and processing say their small scale and lack of capital preclude early entry into EPZ opportunities, and have appealed for more concessions.

Zimbabwe advised to 'set up factories to employ veterans'

BD 25/8/97 (362)

GWERU — The Zimbabwean government should consider setting up factories which could employ war veterans to find a lasting solution to their compensation problem, Ziana news agency reported on Saturday.

Ziana quoted Forum Party of Zimbabwe Midlands chairman Peter Musiyiwa as saying such income-generating ventures should be established in every province to address the plight of war veterans.

Musiyiwa said: "By creating employment for ex-combatants, the government will have created security for both war veterans and their children."

The recent wave of strikes by the war veterans countrywide showed the government had taken long time to address the problems of ex-combatants.

On the war victims' compensation scam, Musiyiwa said it was disheartening that those who had top jobs in the government and good allowances and salaries had helped themselves to the fund.

Musiyiwa said his party strongly believed there was gross mismanagement of the war victims' compensation fund, which should have benefited the war veterans who had no source of income or very little income.

The judicial commission of inquiry into the administration of the fund opened with public hearings in Harare last week, with Public Service, Labour and Social Welfare Minister Florence Chitauro and ministry officials admitting there were loopholes in the administration of the fund. — Sapa.

Costains, black-owned firm merge

(362) BD 26/8/97

Michael Hartnack

HARARE — One of Zimbabwe's biggest construction companies, Costains (Africa), which has 2 500 employees and annual turnover of R161m, has entered a minority partnership with a smaller black-owned firm.

The boards of Costains (Africa) and FMI Holdings refused to disclose their terms, but said the merged companies would have an R80m asset base.

The merger follows 1994 cabinet directives that all government, parastatal or municipal contracts valued at R4m or less must be awarded to "indigenous" firms.

Costains MD John Bevan, an expatriate, will continue as MD of the new company, FMI Costains. FMI Holdings, with 500 employees, and with directors Shingayi Mutasa, Stanley Madamombe and Nkosana Moyo, are taking a 51% stake — for an undisclosed sum — with Costains (Africa) holding 49% of the equity.

Costains (Africa) is owned by the British Costains. Costains chairman Brian Grubb will continue as FMI Costains chairman.

Bevan said yesterday he was not permitted to make public the financial terms of "who is paying whom what" under the deal, which awaits the approval of the Reserve Bank of Zimbabwe. Cephas Msipha, Minister without Portfolio specialising in indigenisation, hailed the merger as a major step forward for black economic empowerment.

"Some progress is being made and I get a lot of offers from companies willing to enter into partnerships with locals, but the problem is capital," commented Msipha.

Bevan said for several years there had been a policy which had required affirmative action in the placing of contracts by government and parastatals, but said that was not the reason why they were opting for the merger.

"The logic is based on sound business principles in terms of compatibility and synergy," he said. Bevan, who said the merger followed 30 months of negotiations, stressed the merger would enable the new firm to bid for major regional contracts.

Government or parastatal contracts had constituted a minority of recent contracts by Costains, which undertook the new Reserve Bank building that dominates Harare's skyline.

IMF team wants Moi to act over govt corruption

BD 26/8/97

NAIROBI — An International Monetary Fund (IMF) team met Kenya's President Daniel arap Moi yesterday to seek personal assurances that he would stamp out official corruption in return for a steady flow of IMF cash.

The meeting in the port of Mombasa was the first since the IMF halted a \$205m loan package on July 31, citing governance issues and corruption.

Government officials said the talks at the presidential residence in Mombasa lasted about 45 minutes. They said discussions with key ministers would precede another meeting with Moi tomorrow.

"President Moi said they held useful discussions with the IMF team. He expressed hope that following the talks a solution will be found regarding the suspension of the enhanced structural adjustment facility," the presidential press service reported.

The service said the IMF delegation was made up of deputy director Goddal Gondwe and resident representative Reimer Carstens. Moi was flanked by Kenya's leading economic reform figures — Finance Minister Musalia Mudavadi and Kenya's Central Bank governor Micah Cheserem — as well as other treasury officials.

The aid suspension, which coincided with pre-election political unrest, hit the economy hard, driving the Kenyan shilling down by nearly 20% against the dollar as foreign investors pulled out.

Yesterday the shilling gained 3,27% against the dollar and traded at a commercial mean of 62,62 from 64,74 while on the pound, it gained 4,82% to 99,96.

Businessmen said they awaited progress in the IMF talks.

"It's easy to talk, it's not so easy to agree. We have not seen any sign of any action being taken on the issues raised by the IMF. I'm pessimistic ... people are pretty pessimistic," said Charles Gardner, resident representative of the Eastern Africa Association that groups mainly British companies.

"I believe it's very important for Kenya's long-term economic progress that there should be an agreement," Gardner said.

IMF MD Michel Camdessus said last week that he was sending a team to Kenya for talks after a personal request by Moi. Carstens said the talks with Moi were aimed at agreeing on a date when negotiations could begin.

Kenyan officials said the IMF wanted pledges from Moi that Mudavadi had the president's authority to lead talks for IMF loans. — Reuter.

Zimpapers hit by pay strike

BD 26/8/97 (362)

HARARE — Zimbabwe's publishing group, the state-controlled Zimpapers, said yesterday that a pay strike had led to losses in advertising revenue and disrupted production of the group's flagship and national daily, The Herald.

In an advisory to clients The Herald said truncated issues of the daily newspaper as well as the weekly Sunday Mail were being produced by journalists and technical staff in managerial positions.

The advisory said the newspaper's cover price "does not even pay the production and distribution costs and the company is making losses without traditional advertising support".

The strike started at the weekend with reporters, drivers and technical staff pushing for implementation of a job evaluation exercise carried out last year which spelt out new worker grades and salary scales. — Reuter.

Zimbabwean minister admits looting war fund

Star 27/8/97 (362)

Harare – A Zimbabwean cabinet minister said yesterday she had received money she did not deserve from a war victims' compensation fund, but had repaid it.

The fund was suspended in March to allow an investigation into charges that high-level officials had looted it.

Rural Resources and Water Development Minister Joyce Mujuru told a judicial commission looking into the charges that she had paid back the Z$389 000 (R148 000) she was awarded in 1995.

Mujuru, married to former army commander Solomon Mujuru, was the first cabinet minister to admit publicly that she was not entitled to money from the fund.

She said she had applied for a loan from a separate state fund for guerrilla war veterans' projects but was persuaded by some ex-combatant colleagues to convert it to a war victims' compensation claim.

"I didn't want compensation because I have nothing to be compensated for," she said.

She denied detailing on a claim form injuries alleged to have been suffered during Zimbabwe's 1970s bush war.

Asked by a commission member to verify sections of the form she filled in, and whether she had read the form, Mujuru snapped: "It's none of your business. I indicated to you that I have paid back the money I got ..."

She refused to answer further questions, saying: "I know I've got a case to answer because the money I got was wrong, but I think some of the questions that you're asking are going too far."

President Robert Mugabe set up the commission after charges that the fund was looted of millions by top state officials, including cabinet ministers.

His suspension of the fund to pave the way for the investigation sparked violent demonstrations by war veterans who alleged they were being made to suffer for government inefficiency.

They have heckled Mugabe at a Heroes' Day rally, bared their scarred buttocks to a woman cabinet minister and ransacked the ruling Zanu-PF party offices in Harare to press for resumption of payments.

Finance Minister Herbert Murerwa told the commission that the cash-strapped government would have to cut some state-funded projects to pay the ex-soldiers. – Reuters

Minister admits payment

BD 27/8/97 (362)

HARARE — A Zimbabwean cabinet minister said yesterday she had received money she did not deserve from a war victims' compensation fund but had repaid it.

The fund was suspended in March to allow an investigation into charges that high-level officials had looted it.

Rural Resources and Water Development Minister Joyce Mujuru told a judicial commission looking into the charges that she had paid back the Z$389 000 she was awarded in 1995.

"It's because of my respect for the government that I decided to return the money even if I believe that everyone who fought should be given some," she said.

Mujuru, married to former army commander Solomon Mujuru, was the first cabinet minister to admit publicly that she was not entitled to money from the fund.

She said she had applied for a loan from a separate state fund for guerrilla war veterans' projects but was persuaded by some ex-combatant colleagues to convert it to a war victims' compensation claim. "I didn't want compensation because I have nothing to be compensated for."

She denied detailing on a claim form injuries alleged to have been suffered during Zimbabwe's bush war. Asked by a commission member to verify sections of the form she filled in, Mujuru snapped: "It's none of your business. I indicated to you that I have paid back the money I got."

She refused to answer further questions, saying: "I know I've got a case to answer because the money I got was wrong, but I think some of the questions that you're asking are going too far."

President Robert Mugabe set up the commission after charges that the fund was looted of millions by top state officials, including cabinet ministers.

His suspension of the fund sparked violent demonstrations by war veterans. They heckled Mugabe, who led them during the war and whom they have backed over his 17 years in power, at a Heroes' Day rally, bared scarred buttocks to a woman cabinet minister and ransacked Zanu (PF) party offices in Harare to press for resumption of payments.

On Monday, Finance Minister Herbert Murerwa told the commission the government would have to cut some state-funded projects to pay ex-soldiers. — Reuter.

Broadcasting reforms go slowly in Zimbabwe

BD 28/8/97 (362)

HARARE — Despite rapid technological advances and government's shedding of its control in other sectors, broadcasting and telecommunications remain monopolies in Zimbabwe.

The government has promised to open the airwaves and allow in other players, but critics say that the pace of change is far too slow.

According to businessman Chemist Siziba, who is anxiously waiting to set up a broadcasting station, when the government says "soon" one still has a long wait ahead. "Their meaning is different ... I don't see anything on the ground for the government to say airwaves will be opened soon. You must have the capacity to say 'soon', and I don't think they have it," he said.

However, former Zimbabwe Union of Journalists president Kindness Paradza sees reason to be optimistic. "Now that a former journalist is minister of information, we hope this issue will be quickened," Paradza says.

"The whole government has no choice but to open up. Besides, they (government officials) have seen how opening up to meet new technologies can help them.

"Look at how happy ministers and government officials are with cellphones — but they were delaying the setting up of a cellular service. By the end of the year we should see some real progress."

Information Minister Chen Chimutengwende says his ministry is "urgently working out all the necessary infrastructure to facilitate the smooth transition to a liberalised broadcasting environment". However, he says the concept of free airwaves should be considered in conjunction with a general policy on the liberalisation of the communications sector. Regulatory mechanisms were needed before licensing could begin, he told delegates at a seminar at the weekend.

"Although there are direct clauses within the existing legislation on broadcasting in Zimbabwe which can be repealed or amended in the liberalising process, there are other legislative instruments which have to be tackled at the same time, such as the Posts and Telecommunications Corporation Act," he says.

The archaic Broadcasting Act legalises a monopoly in this sector and as a result, Zimbabwe still does not have a private broadcaster. There are four radio stations and two television channels — all of which fall under the ambit of the Zimbabwe Broadcasting Corporation (ZBC).

According to one commentator, when Zanu (PF) rose to power in 1980, it installed personnel at ZBC from its Mozambique-based war-time Voice of Zimbabwe, which was "an instrument of explicit propaganda, incapable of grasping the essentials of democratic pluralism".

Chimutengwende brushes aside accusations that his ministry is paying lip service to liberalising the airwaves.

"The government has not only taken the decision to amend the Broadcasting Act and free the airwaves to competition, but has gone further to engage a consultant to look at the best approach to be followed in the liberalisation process," he says.

However, Siziba argues that the ministry does not have the human resources to implement the recommendations that will be made by the consultant.

"I have seen the document and they will need external assistance to implement them," says Siziba. "Unless they engage a consultant, there can never be change in the ministry.

"If they get a consultant today, airwaves will be open by the end of the year."

Another reason the government might not have moved with speed is is its desire to buy time so that the cash-strapped ZBC is on a sound footing to face competition.

Siziba says the government has failed to realise the effect of the information and telecommunications sectors on other sectors, and waiting will only exacerbate growing problems.

"These being the only monopolies, they have not only failed to grow, but they have been a major constraint in the expansion elsewhere in the economy. The availability of phones is pathetic at 1,4 to 100 people," he says.

"These are the only two outlets for the electronics industry.

Without a vibrant outlet like broadcasting, the industry related to the manufacture and development of radios and televisions can never be seen in the country. There aren't sufficient numbers to justify the manufacture of different radios or the development of new broadcasting techniques."

In the meantime, Siziba and others who bought broadcasting equipment in anticipation of the opening up of the airwaves continue to count their losses.

"It's a risk we are prepared to take so that we can deliver as quickly as possible if the opportunity arises," he says. — Sapa-IPS.

Former Zambian president Kenneth Kaunda, with a dressed head wound, points to a damaged vehicle outside his home. His head was grazed by the same bullet that wounded opposition alliance chairman Roger Chongwe. Yesterday President Frederick Chiluba y flatly rejected claims that Kaunda had been targeted in a state-sponsored assassination plot. Picture: AP

AFRICA

Minister turns on investigator

BD 28/8/97 (362)

HARARE — A government minister stunned a judicial probe into fraudulent war disability payments by calling a questioner a "sellout" — guerrilla slang for a collaborator with the former white Rhodesian government.

And the media interpreted another comment by Rural Resources Minister Joyce Mujuru on Tuesday as a threat to kill the man.

Mujuru, whose guerrilla alias was Teurai Ropa — Spill Blood — was testifying on the sixth day of an official inquiry into how $44m was paid out to bogus claimants.

Some, including President Robert Mugabe's apparently healthy brother-in-law, got up to $80 000 despite dubious combat records in the 1972-80 fight to end white rule. Mujuru said she was given $35 000 "by mistake" in the belief she was applying for a business loan. She had repaid the money.

Lawyer and former guerrilla Sobhuza Gula-Ndebele asked why former comrades-in-arms signed forms supporting Mujuru's claim that she suffered 55% disability as a result of the war, which claimed 40 000 lives.

"You are a sellout!" Mujuru screamed. "It is as if you are accusing me! If you want to be a hero from this commission, you are going to get heroism!" The state-controlled media interpreted her outburst as a reference to Mugabe's custom of declaring dead former guerrillas "National Heroes" and, therefore, an implied threat to kill Gula-Ndebele.

Mujuru's husband is retired army general Solomon Mujuru, one of the country's wealthiest landowners and businessmen. She said she "felt deeply ashamed" when she discovered she had been paid by mistake and lashed out at independent media for labelling her a "looter". She said she survived the bush war "without a scratch".

The inquiry has caused a political sensation, with senior figures testifying to complete lack of control over public funds.

Others have described conditions in former guerrilla training camps in Mozambique, Zambia and Tanzania, where they said they were tortured and brutalised by their own side on suspicion of belonging to dissident African nationalist factions.

Up to 90 000 former guerrillas and political detainees claim they are living in near destitution. They have been demonstrating for $50 000 payouts, $180 a month pensions and a fifth of the 3,4-million hectares Mugabe plans to take from Zimbabwe's 500 white farmers for resettlement by blacks.

Mugabe says he accepts their demands in principle. — Sapa-AP.

Zimbabwe's elite polish their stumps

M+G 29/8-4/9/97 (362)

Jan Raath in Harare

Evidence at a judicial commission of inquiry into abuse of a fund meant to compensate civilians and ex-combatants for war disabilities makes Zimbabwe's military and political establishment look like a sort of Special Olympics.

General Vitalis Zvinavashe, commander of the defence forces, is 55% disabled. Vice-President Joshua Nkomo is 90% disabled. Police Commissioner Augustine Chihuri's 20% disability is rude health compared to deputy commissioner Godwin Matanga's 92%. Senior-assistant commissioner Winston Changara — in whose hands President Robert Mugabe's personal safety rests — is 74% disabled.

More disconcerting is the high incidence of severe psychological disturbance revealed before the 11 commissioners. Hallucinations, severe depression, anxiety, nightmares, defective memory, screaming at night and panic attacks are common among many of the men and women responsible for the country's stability.

Yet not a single wheelchair or pair of crutches, and scarcely a limp, let alone anyone limbless, has appeared in the teak-panelled A-court at the Harare High Court since the commission began sitting on August 18.

Similarly, there have been no nervous tics, inappropriate laughter or excessive scratching that would suggest psychological disorders.

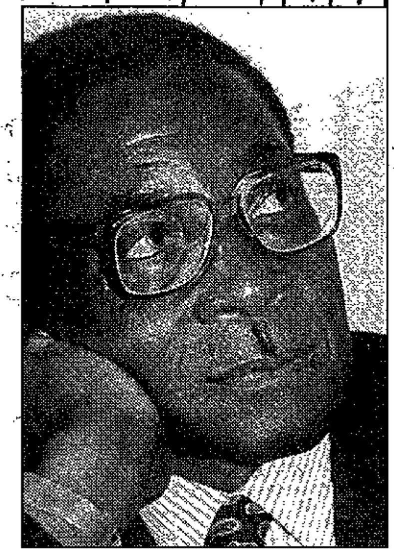
All the beneficiaries have demanding and often strategic government positions with large salaries, and none have admitted that their disability affects their work in any way, though Matanga asserted it was "a matter of self-control".

The War Victims Compensation Fund was established soon after independence in 1980, to replace the former Rhodesian government's Terrorist Victims' Relief Fund. Starting under Z$20-million (then about R25-million) a year, the total annual disbursement to claimants rose gradually, scarcely keeping pace with inflation.

But in the last five years, Z$1,7-billion (R708-million) has been paid out. In the year to the end of June, R252-million was paid out. A total of R417-million has been earmarked for the 18 months to the end of December 1998.

The award paid to Vivian Mwashita, a Zanu (PF) MP stripped of her seat in 1995 for electoral fraud, helps to explain how the fund's payments soared. In the early Eighties, when medical examination of injuries was somewhat more objective, she was assessed as being 1% disabled. Since 1993, she has been assessed at 92% and got R224 000.

Herbert Murerwa, the Finance Minister, said this week that the breathtaking rate of increase had not sounded any alarm bells. The payments are being made 17 years after the end of the war against white minority rule, but he did not see any urgency for a cut-off date.



Robert Mugabe: Protected by a 74% disabled man?

The financial haemorrhage may have gone on unstaunched had not the independent press blown the whistle in March.

Fed information — since proved accurate — by angry civil servants, the *Financial Gazette* and the *Zimbabwe Independent* reported how the political elite and their relatives barged to the front of the queue of genuine war-disabled, lied about their injuries to doctors willing to accommodate them, and were paid vast sums of money, quickly.

Commissioner Chihuri, who treats his injured feet with Vaseline, insulted the commission by telling the chairman, Judge Godfrey Chidyausiku, that there is no point in holding the inquiry, and refused to answer a commissioner, the former head of the fraud squad, because he served in the Rhodesian police.

Politburo member Joyce Mjuru told another commissioner his questions were "none of your business" and that he was "a sell-out" when the questions tightened.

There is no pretence here of noble sacrifice in the name of liberation. Almost without exception, witnesses make it clear they went to war against Rhodesia in expectation they would be paid large sums of money when they took over the government. Many ask the commission to recommend to the government they be paid more, a request applauded by the ex-combatants in the public gallery.

Judge Chidyauysiku has allowed his commission to be attacked with impunity. There is anxiety that his mild approach will produce an uncritical report, leave the offenders unscathed and rescue Mugabe from a crisis.

But there are signs of healthy scepticism. The judge was leafing through the compensation application from Vivian Mwashita, whose shape resembles a large beer-keg.

"I see here," he observed laconically, "that one of your claims was for loss of appetite."

Zimbabwe in trade talks with Mauritius

CT(BR) 29/8/97 (362)

From Reuter

Harare — Zimbabwe and Mauritius are negotiating a preferential trade agreement to boost commerce between the two countries, Robert Mugabe, the president of Zimbabwe, said this week.

Mugabe said at a dinner hosted for Cassam Uteem, the president of Mauritius, the two countries were also negotiating an investment promotion and protection pact aimed at boosting private sector co-operation between them.

Zimbabwe exports about Z$52 million (R20,59 million) worth of goods a year to its fellow Southern African Development Community countries and imports Z$111,7 million worth. Exports include tobacco, horticultural products, packaging and paper, wood and related products.

Imports from Mauritius include textiles, chemicals and electrical products.

ANALYSIS

Maverick MP Tekere stirs up political tensions

(3ba) BD 29/8/97

Politician Edgar Tekere has revived accusations that guerrilla leader Herbert Chitepo was murdered by party moguls, writes Michael Hartnack in Harare

MAVERICK politician Edgar Tekere has inflamed political tensions arising from the dispute between President Robert Mugabe's ruling party and militant ex-guerrillas by reviving accusations that their legendary leader, Herbert Chitepo, was murdered in 1975 by party moguls who survive today.

Tekere's statement, to Zimbabwe's privately owned Financial Gazette, came after weeks of explosive demonstrations over pillaging of funds — intended to compensate crippled veterans — by prominent figures in Mugabe's establishment.

"I know who killed Chitepo; it was an inside job," said Tekere, who was secretary-general of Zanu (PF) through most of the 1972-1980 war to overthrow white rule in former Rhodesia.

MUGABE

Risking a major defamation suit, Tekere named among Chitepo's alleged killers senior party members with dubious combat records who obtained huge sums from the R200m "war disability" fund. Payments from it were frozen in March, triggering a wave of militant and sometimes violent protests from destitute former guerrillas.

Mugabe was jeered and shouted down at Heroes' Acre during ceremonies commemorating the war's 40 000 dead, social welfare department officials were savagely battered, ministers held hostage and the ruling party headquarters vandalised during weeks of unrest.

Tekere said Chitepo's killers were "living peacefully in Zimbabwe today". Observers believe Tekere's acusations could imperil the extensive but delicate coalition Mugabe established after winning the 1980 independence elections, and maintained with an elaborate — and lavish — system of patronage.

Economists reeled yesterday at the implications of Mugabe's promise to the guerrillas of R10 000 immediate cash handouts, pensions of R800 a month from January, special access to schooling and medical facilities, and 20% of the 3,4-million hectares Mugabe plans to take from Zimbabwe's 4 500 white farmers.

With an estimated 50 000-90 000 ex-guerrillas and detainees eligible, the pledge could add about R4bn to Zimbabwe's budget, said a banking source — 30%-50% of total state revenue.

Mugabe told war veterans' representatives Zimbabwe would borrow, if necessary, to meet the offer they initially rejected as "peanuts".

Mugabe asked: "Have you ever heard of any country that collapsed because of borrowing?"

Since 1980 Mugabe has promoted the view that Chitepo, leader of Zanu's war effort from Lusaka, was blown up in 1975 by a mine planted in his driveway by agents of Ian Smith's Rhodesian government.

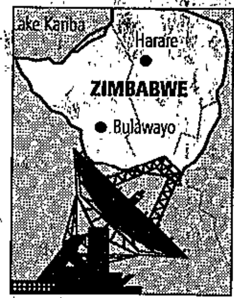
Writers David Martin and Phyllis John wrote a book supporting the allegation, also made by the late Ken Flower, the central intelligence organisation chief who served Smith and Mugabe.

"It was easy at that time to blame the enemy. But it's time the truth was told," said Tekere, who was expelled from Zanu (PF) in 1988 for opposing Mugabe's plans for a one-party state, and his outspoken condemnation of official corruption.

When Chitepo died Zanu was racked by factional infighting that exists today depite the split into Mugabe's Zanu (Patriotic Front), which controls 147 of the parliamentary seats, and Zanu (Ndonga) led by the party's 78-year-old founder, the Rev Ndabaningi Sithole. Sithole is awaiting trial, ironically, on allegations of plotting to blow up Mugabe's motorcade with a landmine.

Chitepo, a practising advocate who fled into exile in the early 1960s, is credited with launching Zanu's ultimately successful war to end white rule, and his body was brought home in 1980 for reburial at Heroes' Acre.

Star 29/8/1997



Media monopoly gets a lambasting

(362)

Potential private broadcasters in Zimbabwe are losing patience, writes Lewis Machipisa

Despite rapid technological advances and the Zimbabwe government's shedding of its control in other sectors, broadcasting and telecommunications remain giant monopolies in the country.

Zimbabwe's government has promised to open the airwaves and allow in other players, but critics say that the pace of change is far too slow.

According to businessman Chemist Siziba, who is anxiously waiting to move into the broadcast sector, when the government says "soon", one still has a long wait ahead. "Their meaning is different from what the word means. We want to see movement in that direction."

"I don't see anything on the ground for the government to say airwaves will be opened soon. You must have the capacity to say 'soon', and I don't think they have it," Siziba says.

However, Kindness Paradza, immediate past president of the Zimbabwe Union of Journalists, sees a reason to be optimistic. "Now that a former journalist is minister of information, we hope this issue will be quickened," Paradza says.

"The whole government has no choice but to open up. Besides, they (government officials) have seen how opening up to meet new technologies can help them," Paradza adds. "Look at how happy ministers and government officials are with their cellphones, but they were delaying the setting up of a cellular service."

According to the recently appointed Information Minister, Chen Chimutengwende, his ministry is "urgently working out all the necessary infrastructures to facilitate the smooth transition to a liberalised broadcasting environment".

However, he says the concept of free airwaves should be considered in conjunction with a general policy on the liberalisation of the communications sector. Regulatory mechanisms should also "urgently be put in place before actual licensing starts", he says.

"Although there are direct clauses within existing legislation on broadcasting in Zimbabwe which can be independently repealed or amended in the liberalising process, there are other legislative instruments which have to be tackled at the same time, such as the Posts and Telecommunications Corporation Act," explains Chimutengwende.

The archaic Broadcasting Act legalises a single monopoly in this sector, and as a result, Zimbabwe still does not have a private broadcaster. There are four radio stations and two TV channels in the country, all falling under the ambit of the Zimbabwe Broadcasting Corporation (ZBC).

According to one commentator, when Zanu-PF came to power in 1980, it installed personnel at ZBC from its war-time Voice of Zimbabwe, stationed in Mozambique, which was "an instrument of explicit propaganda incapable of grasping the essentials of democratic pluralism".

But Chimutengwende brushes aside accusations that his ministry is paying lip service to liberalising the airwaves. "The government has not only taken the decision to amend the Broadcasting Act and free the airwaves to competition, but has gone further to engage a consultant to look at the best approach to be followed in the liberalisation process."

Siziba argues that the ministry does not have the human resources to implement the recommendations that will be made by the consultant. "I have seen the document, and they will need external assistance to implement them," he says. "Unless they engage a consultant, there can never be change in the ministry. If they get a consultant today, airwaves will be open by the end of the year."

Another reason why the government may not have moved with speed is that it wants to buy time to get the cash-strapped ZBC on a sound footing financially to face competition. But Siziba says the government has failed to realise the impact of the information and telecommunications sectors on other sectors in society, and that waiting will only prolong growing problems. "These being the only monopolies, they have not only failed to grow, but they have been a major constraint on expansion elsewhere in the economy. The availability of phones is pathetic at 1,4 to 100 people," he says.

In the meantime, Siziba and others who bought broadcasting equipment in anticipation of the opening up of the airwaves continue to count their losses. "It's a risk we are prepared to take so that we may be able to deliver as quickly as possible if the opportunity arises," says Siziba. – Sapa-IPS

Zimbabwe school to sue Mail

(362)

BD 1/9/97

Michael Hartnack

HARARE — An investigation of alleged racism at Zimbabwe's most expensive private school, Peterhouse College, had been completed and the education ministry was "satisfied" that the school's authorities had "changed their attitude towards their staff", ministry spokesman Stephen Chifunyise said at the weekend.

Legal sources say the school, at Marondera, 80km east of Harare, is meanwhile going ahead with a defamation suite against the state-controlled Sunday Mail, which last year initiated the allegations.

Chifunyise said completion of the report did not end the matter, and invited African staff members "to come forward with any new revelations".

The Mail claimed a racist hymn was printed in the school songbook, that black teachers had been unfairly dismissed and that president Robert Mugabe's portrait had been removed from the staff room wall.

Domestic workers get 31% pay rise

(~~363~~)
(~~294~~)

Michael Hartnack

BD 1/9/97

HARARE — President Robert Mugabe's government at the weekend gazetted a 31% backdated increase for all domestic workers to at least R150 a month.

Employers will be required to give cooks R150, gardeners R160 and minders of children or the elderly R200. Extra allowances are payable if employers do not provide free accommodation.

Zimbabwe's Domestic Workers' Union complains the rates are ignored by hundreds of thousands of employers, particularly the rising black middle class who employ relatives from the depressed rural areas for little or no regular pay.

The basic minimum for all other Zimbabwean workers whose employment is not covered by specific industrial agreements was increased from R160 to R304, backdated to July 1.

A wage dispute in Zimbabwe's mining industry emphasises the "apartheid" between Zimbabwe's formal and informal sector economies.

The 20 000 Associated Mineworkers of Zimbabwe members are threatening to strike for a 30% increase to their R400 a month minimum, plus a five-day, 40-hour week. The union, which has rejected a 23% offer by management and appealed for state arbitration, represents only a third of 60 000 formal sector mineworkers. Meanwhile about 250 000 men, women and children informally pan for gold in dangerous, abandoned workings and riverbeds.

The Zimbabwe Congress of Trade Unions rejected the R304 minimum yesterday as unrealistic in view of the cost of living. No Zimbabwean could survive on less than R400 a month, secretary-general Morgan Tsvangirai said.

SA's trade unions have opposed renewal of the 1964 "most favoured nation" trade agreement with Zimbabwe because they say lack of shop-floor democracy in Harare undermines workers' ability to obtain realistic wage rates, and thus threatens SA workers' jobs with cheap Zimbabwean exports.

Zimbabwe school to sue Mail

(362)

Michael Hartnack

BD 1/9/97

HARARE — An investigation of alleged racism at Zimbabwe's most expensive private school, Peterhouse College, had been completed and the education ministry was "satisfied" that the school's authorities had "changed their attitude towards their staff", ministry spokesman Stephen Chifunyise said at the weekend.

Legal sources say the school, at Marondera, 80km east of Harare, is meanwhile going ahead with a defamation suite against the state-controlled Sunday Mail, which last year initiated the allegations.

Chifunyise said completion of the report did not end the matter, and invited African staff members "to come forward with any new revelations".

The Mail claimed a racist hymn was printed in the school songbook, that black teachers had been unfairly dismissed and that president Robert Mugabe's portrait had been removed from the staff room wall.

Mozambique in economic revival

Lucia Mutikani BD 1/9/97

MOZAMBIQUE, experiencing an economic revival after 16 years of civil war which reduced it to one of the world's poorest nations, was poised for 8% economic growth and 14% inflation this year, business consultant José Luis Cabaço said.

Last year the economy of the country whose economic reforms have been described by the World Bank as a success story, grew 8%. And, the former Marxist government has brought annual inflation down to 16% from 70% three years ago.

"Mozambique is in the process of a remarkable recovery. We have stability socially and politically. We have made remarkable progress in lowering inflation and forecast our gross domestic product (GDP) to grow by 8% this year if we receive as good rains as last year," Cabaço said.

Much of the growth would come from the export of power from the Cahora Bassa dam to SA and Zimbabwe, which was scheduled to start in October next year. It will generate 2 000Mw annually, with about 1 800Mw being exported to the two countries.

The electricity exports are expected to bring in $100m a year. Foreign investment and the privatisation programme, which started in 1989, were also expected to boost the country's GDP, Cabaço said.

"Big investments such as Alusaf's R5,7bn aluminium smelter plant and the Maputo Corridor will also have a positive impact on our GDP this year."

Cabaço said the Mozambican government had earmarked 700 public enterprises for privatisation. Last year $34,7m was raised from the sale of 22 state enterprises. This year government hopes to sell off 15 large public enterprises, with the disposal of 350 smaller companies expected to run into 1998.

The privatisation programme has led to the creation of 69 new companies and has had a huge impact on the cement, beverages, metalworking and packaging sectors.

Cabaço said although the country was experiencing an economic upswing, it remained saddled with high unemployment, with unofficial estimates putting the figure of the urban unemployed at 65%.

SA Telecommunications Regulatory Authority chairman Nape Maepa, left, and councillor Labius Lesibu at a briefing on Interne service provision. See Page 18

Picture: CATHY PINNOCK

Zimpapers announces 72% increase in profit

(362)

Michael Hartnack BD 1/9/97

HARARE — In its first full edition following a week-long strike by 500 staff for 35% increments, the parastatal Zimbabwe Newspapers Company has announced a 72% increase in profit for the half-year ended June.

The results announcement appeared to have been tactfully delayed until the strikers accepted 30%, plus night allowances, the implementation of a 1996 job appraisal, and other perks.

They were also pledged an investigation into "human resources executives" whose dismissal they demanded for alleged autocratic methods.

After-tax profit rose to R11m, compared to R29,9m for the whole of 1996.

Turnover increased 34% and trading profit 64%, said company chairman Honor Mkushi.

Profits in the commercial printing division rose 12%. Mkushi predicted R28m capital spending in the next 12 months, with acquisition of new processing, printing and desktop apparatus.

The company was reported by publishing sources to have lost more than R1,2m during the strike, the first of its kind since President Robert Mugabe obtained control of Zimpapers from the former Argus Group in 1980.

Zimbabwean government buys 20% of Anglo's Bindura Nickel

BD 2/9/97 (362)

Martin Rushmere

HARARE — The Zimbabwean government had bought a 20% stake in Anglo American's wholly owned subsidiary, Bindura Nickel, in a R60m deal, Anglo American announced at the weekend.

The deal was apparently sealed last week when Anglo's Nicky Oppenheimer visited Harare for discussions with President Robert Mugabe.

The government's move is seen as being part of its commitment to buy shares on behalf of ordinary black Zimbabweans and to sell them off later.

The parties reached an agreement in principle last year for the sale but could not agree on a price. Now Anglo will not comment on how the price of R3 a share was arrived at — 25% higher than the ruling market price — other than to say it was "by negotiation".

Broking firm Quincor James Capel has taken a bullish approach to the deal, saying the group has upside potential amid forecasts that the world price will move up next year. However, a senior partner of another Harare broking firm — who declined to be named — is perturbed that the government has come in as a partner. "The government has been saying it does not want to get involved in the private sector and has been ... selling its shares in public companies. Here it is coming into the market again. Does this mean it will want a majority stake in Bindura and will it start taking 20% of other companies?"

He said Bindura urgently needed about R400m to develop new reserves as existing mines were at the end of their lives. "Bindura's gearing is getting higher and if a partner is needed one can think of better choices."

The group's mines are near Bindura and Bulawayo. It has also found new deposits at Hunters' Road, 200km south of Harare, but is still deciding whether to go ahead. There are considerable quantities of ore, but the project will cost at least R500m to develop.

Harare tightens money supply to curb inflation

BD 4/9/97 (362)

Michael Hartnack

HARARE — Zimbabwe's Reserve Bank had moved to tighten money supply in the hope of curbing inflation without resorting to further hikes in the 25,5% rediscount rate, banking sources reported yesterday.

The reserve bank had sent a circular to commercial banks denying them further access to 24%-25,5% treasury bills for surplus liquidity, and requiring them instead to lodge amounts of more than R20m in 30-day and 90-day deposits, which both yielded 9,4%, a leading banker confirmed.

Economist John Robertson, noting the rise in rediscount rates from 23,5% at the beginning of the year, said money supply had grown from Z$31bn in April last year to Z$39bn in April this year, with inflation now about 25%.

A further rise in rediscount rates would force a general increase in the cost of money and "make life for businesses even more difficult", he said.

"It is still a reflection of excessive budget deficits, excessive inflation, with the Reserve Bank trying a bit of fire-fighting rather than fixing the problem — I don't think they have it within their jurisdiction to fix it."

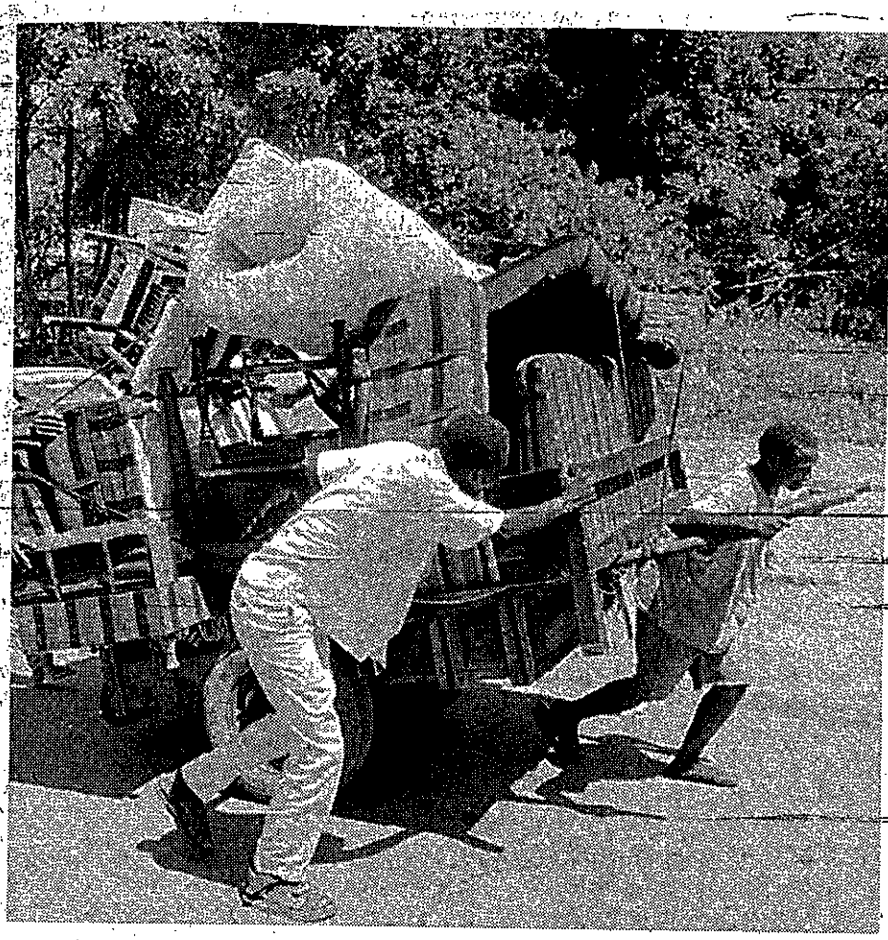
Financial observers were astounded when World Bank officials accepted Finance Minister Herbert Murerwa's July budget figures and announced $65m resumed budget support. Murerwa had said that greater than expected output and a temporary fall in interest rates had curbed the budget deficit to 7,1% of gross national product, instead of more than 11% forecast only weeks before.

International aid donors have since been alarmed by Mugabe's plan to spend up to R4bn — more than half annual state revenue — on cash gratuities and pensions for former guerrillas. Mugabe rejected treasury warnings that the money was not available.

"We just have to do it even if it means borrowing heavily. Have you ever heard of a country that has collapsed because of borrowing?" he said.

At the behest of the International Monetary Fund, Zimbabwe has an M4 money supply formula, embracing notes, coin, money on call in current accounts, maturing and long-term fixed deposits, and money in pension funds and other institutions not normally regarded as banks.

The bank's circular said its measures "should stem the rapid growth in the M4". Most of the excess money came from maturing treasury bills and foreign exchange inflows, reserve bank sources said.



Residents of Likoni, south of the Kenyan port of Mombasa, flee at the weekend, heading for the ferry to take them to the mainland. Police launched a crackdown to flush out raiders who stole police firearms and killed scores of people around Mombasa last month. Picture: AP

‘Sanctions-busting’ business grouping to be dissolved

BD 8/9/97 (362)

Michael Hartnack

HARARE — The Beira Corridor Group Company, which grew out of a lobby of private sector businessmen fearful of a looming sanctions war with SA, will be wound up before the year-end.

John Laurie, the leading Zimbabwean businessman who chairs the company, said yesterday the decision had been taken by the 280 member companies at BCG's August 27 annual meeting. It had "successfully fulfilled its mandate", he said.

Rehabilitation of Beira had been followed by the reopening of lines to Maputo and Nacala on the northern Mozambique coast, and attempts to create development as well as transport corridors.

With President Robert Mugabe spearheading a campaign for sanctions against the apartheid government, BCG's 1986 mandate was "to ensure the Beira corridor becomes available to importers and exporters as an alternative to SA".

At that time less than 4% of Zimbabwe's trade was going through Beira's silted shallow water harbour due to 12 years of civil war and neglect, with nightly ambushes by the Mozambique Resistance Movement along the 270km road and rail link from the Zimbabwe border.

Regardless of near total dependence on SA ports and railways, Mugabe had already printed import licences "invalid for SA, Israel, Taiwan and South Korea". At the 1987 Nassau Commonwealth summit British Prime Minister Margaret Thatcher warned him: "Go ahead and cut your own throat if you want to, but don't come crying to me for bandages."

Laurie said BCG's great triumph was co-ordinating the importation through Beira of 1,5-million tons of food during the 1992-94 drought, without disrupting other traffic.

Although BCG never had any executive authority in the corridor, it played a pivotal role in resolving disputes between port and rail operators and users, raising massive international aid, particularly from the Nordic and EU countries, and providing information on diverting cargo from SA.

Firms could today do this for themselves, said Laurie. BCG had a difficult relationship at times with the Mozambican authorities who warned: "We've just thrown the Portuguese out after 500 years and if we wanted to be recolonised it wouldn't be by Zimbabwe."

Laurie said Zimbabwe, Zambia and Malawi now had viable alternatives to SA's more distant ports.

AFRICA

Zimbabwe court ruling cuts lifeline to Zanu coffers

362 BD 8/9/97

Michael Hartnack

HARARE — Zimbabwe's Supreme Court has declared unconstitutional the 1992 Political Parties Funding Act, under which the ruling Zanu (PF) party has received more than R100m over five years from state coffers.

Isaac Manyemba, spokesman for Bishop Abel Muzorewa's United Parties' Opposition Alliance which brought the test case, said after five judges announced their unanimous decision: "We have managed to relieve Zimbabwe from the tentacles of the Zanu (PF) elite."

Muzorewa, 72, held three seats in the 1980-85 post-independence parliament during which he was detained without trial from 1983-84. He boycotted the 1995 polls in protest at "unfairness", and vowed to fight the next elections, due in 2000.

His Supreme Court appeal was funded by church and human rights groups. Opposition groups cannot raise money privately because of the state's power to seize businesses and farms, and its monopoly of the daily press and broadcasting.

Chief Justice Anthony Gubbay said the 1992 act was without parallel in the free and democratic world. It required parties gain at least 15 of the 150 parliamentary seats to qualify for taxpayers' money. This was "too high", he said.

In past elections the opposition had received up to 20% of the vote, but currently held only three of the 120 elected seats.

Gubbay was unspecific about what threshold would be fair, but suggested that a system based on votes received rather than on seats won would comply with the entrenched constitutional declaration of rights.

The law violated guarantees on free expression, he said, in view of the preference shown for the party in power.

However, with his overwhelming 147-seat parliamentary majority, Mugabe could easily summon the 100 MPs needed to achieve a two-thirds vote to amend the declaration of rights and nullify the Supreme Court decision.

He has done this on 14 previous occasions since 1980 after losing constitutional test cases: revalidating hanging, the whipping of juveniles, and stripping those who marry Zimbabweans of the automatic right to live and work in the country.

Mugabe recently admitted that grassroots funding of Zanu (PF) had dried up considerably since 1980 and that its structures were seriously disorganised.

In addition to receiving R13m a year directly through the act, the party is covertly subsidised through the national affairs ministry, which employs its office bearers.

The current 18-month budget allocates R27m to Zanu (PF) for the period July 1 this year to December next year.

Zanu (PF's) 14-storey building in central Harare contrasts with the dingy two-room office of Muzorewa's party, which ruled briefly as the United African National Council in 1979.

The council received massive financial help from PW Botha's government in Pretoria for its vain bid to keep Mugabe from gaining power in the wake of Rhodesia's 1972-80 bush war.

Zimbabwe Edgars has low rise in profit

(362) BD 9/9/97

Martin Rushmere

HARARE — Zimbabwe clothing, retail and manufacturing chain Edgars has produced a lower than expected profit increase of 16% for the year to end-June. Total after-tax profit was R28m on turnover of R264m.

The company, which is majority owned by the SA operation, said high costs of setting up new stores and establishing a franchise with CNA (which cost R2,5m) had affected profitability.

Most of these costs would not occur again, and the company was "budgeting for strong sales growth and improved profit performance", provided there was normal rainfall.

This was tempered by a note of caution: while new stores would be opened, there would be a period of consolidation with improved productivity the priority.

Analysts were somewhat sceptical of the claim of strong sales growth, saying consumers were already showing signs of caution in their spending because of the likely effect of the El Nino weather phenomenon on the economy.

One Harare broker said although growth in net profit was disappointing at 16% — considerably below the inflation rate — tax concessions had masked the real extent of the group's difficulties. Pretax profit was only 9% better, "a very big disappointment", the broker said.

Industry sources said Edgars's ventures into upmarket projects had not been as successful as hoped. This was blamed on the inflation rate, which was making consumers more careful with their disposable incomes.

Edgars is also being more cautious about spending. Its Botswana operation is to be closed after a loss of R400 000 in the past year, while the Outlet chain in Zimbabwe is being phased out.

Despite the retreats, shareholders are being treated as top priority. The dividend has been raised 16%, while the dividend cover has been kept at 2,5 times.

BD 9/9/97

(362)

Zimbabwe urges investment in new firm

Michael Hartnack

HARARE — The Zimbabwean government has urged pension funds with assets exceeding R10m to invest 10% of them in a new company, African Resources Investment, formed by a cabinet committee on indigenisation.

Zimbabwe has 2 000 pension funds over the R10m threshold.

Some pension fund managers said government officials told them last week that "they would first use persuasion and then resort to force" if the funds did not comply.

However, a special adviser to African Resources Investment, Mutumwa Mawere, denied yesterday that a directive had been issued to funds.

Claire Pickard-Cambridge reports Mawere said senior government officials and business had, at a recent meeting, agreed to co-operate.

The government wanted institutions to facilitate black empowerment, as their counterparts had in SA, but would not force them to comply. "If money cannot be obtained from the pension funds, another way will be found to use money that pension funds have to invest in prescribed assets — which fall under government's control — to promote black empowerment.

Cephas Msipha, the minister of state in the president's office with special responsibility for privatisation and indigenisation, was reported to have told businessmen the fund was the "government's exercise to buy the offshore assets of Zimbabwean companies for Zimbabwe's people".

Four months ago, in line with economic liberalisation moves agreed to with the World Bank, the government reduced from 55% to 45% the amount of money insurance companies and pension funds were required by law to invest in prescribed assets.

Pension industry sources said any step to force investment in African Resources Investment would negate the purpose of liberalisation and reduce liquidity. However, Mawere said the government was not trying to renege on restructuring the economy. The reduction in the amount the funds had to invest in prescribed assets had increased liquidity for the funds. "Government is not asking for the full difference. It only wants part of that to go towards promoting empowerment."

Details of how the company would be run were still subject to negotiation. The institutions wanted written proposals before they responded.

The new company will not be connected to the R80m National Invest-

Continued on Page 2

Zimbabwe

(362)

Continued from Page 1

BD 9/9/97

ment Trust announced by Finance Minister Herbert Murerwa in his July 24 budget, with the aim of warehousing privatised shares until they can be sold to black Zimbabweans.

One fund manager said: "With the introduction of a 15% tax in the budget on the profits of pension funds we are eating into our future. We may face destitution in the country."

Prof Tony Hawkins of the University of Zimbabwe's department of business studies said if implemented as a directive, the move would contradict the spirit of pledged economic reforms, under which institutions would have the ratio of prescribed assets reduced.

"For 15 years funds have been forced to hold investments which gave negative yields in real terms," he said. "Now they are being pushed into investment with who knows what return, and no recourse."

Zimbabwe's reserve bank contradicts govt on inflation

(862)
BD 9/9/97

Martin Rushmere

HARARE — Zimbabwe's Reserve Bank has shot down government's claim that inflation is likely to drop by the year-end.

In its latest monthly review of the economy, the bank says the inflation rate is likely to be at least 21% until the year-end.

The government is also indirectly blamed for the situation. "With the impact of this year's wage and salary adjustments, among other factors, still to filter through company production costs and prices, inflationary pressures are anticipated to continue throughout the last half of 1997," a reference to a 20% salary rise for the 130 000 public servants earlier this year.

"Overall, inflation to the end of the year is still expected to rise above 21%. The bank will therefore continue to maintain the current restrictive monetary policy conditions."

The pressure will now undoubtedly get worse, following President Robert Mugabe's pledge to pay hefty sums to former guerrillas who fought in the war against Rhodesia. Economists say this will push up the budget deficit from the forecast 8% to more than 12%, and so worsen inflation.

The Reserve Bank has also given the first official figures on the balance of payments last year. The current account last year recorded a significant recovery with a deficit of $129m, compared with a deficit of $367m in 1995 and the current account deficit fell from 5,6% of GDP to 1,8%. The capital account showed a surplus of $135m, compared with $530m in 1995. Short-term capital outflows in respect of private companies' foreign debt repayments to the tune of $95m, coupled with a decline in long-term capital receipts of a $85m, partly accounted for the reduced surplus.

Zimbabwe's Catholic bishops won't rock the boat

M+G 12-18/9/97 (362)

Iden Wetherell

Zimbabwe's public watchdog, the Catholic Commission for Justice and Peace, risks losing its bite as the country's bishops, anxious to appease President Robert Mugabe, attempt to muzzle it.

The commission built a formidable reputation snapping at the heels of Ian Smith's rebel Rhodesian regime in the 1970s. It exposed atrocities committed by security forces against villagers suspected of aiding nationalist guerrillas and fearlessly denounced the country's white minority rulers.

But while some Catholic bishops such as Umtali's Donal Lamont were a thorn in the side of Smith's government, others were profoundly conservative and privately deplored the commission's "political" role.

After independence in 1980 the commission maintained a vigilant watch over human rights abuses and drew the world's attention to the grisly rampage of Mugabe's Fifth Brigade in Matabeleland where thousands of innocent civilians were killed in the mid-1980s.

But the bishops, angered by the decision of the commission in July to approve publication of *Breaking the Silence*, a chilling report on the killings co-authored by the commission and the Legal Resources Foundation, have moved to stifle their vocal rights monitor.

Meeting at Hwange, 330km north-west of Bulawayo, last month, the Catholic Bishops Conference abruptly terminated the partnership between the commission and the foundation, an independent advisory service.

The bishops were stung by publication of the report before Mugabe had responded to it. They were also unhappy with the commission's director, Mike Auret, for launching a joint appeal with the foundation for donor support in establishing a reconciliation trust to channel development assistance to Matabeleland.

The bishops have now decided to set up programmes for affected communities in Matabeleland "answerable solely to the bishops' conference", Bishop Patrick Mutume curtly wrote in a letter to the foundation.

Mugabe (73) comes from a devout Catholic background. Despite an attachment to Marxism, he appears to be returning in old age to his religious roots. And now that it occupies a semi-official role, the Catholic hierarchy appears anxious not to rock the boat of church-state relations.

World bank blocks aid pledge to Zimbabwe

(362) BD 15/9/97

Michael Hartnack

HARARE — The World Bank has blocked the release of US$65m in aid it pledged to Zimbabwe a month ago following President Robert Mugabe's promise of payments to ex-guerrillas.

David Cook, World Bank representative in Zimbabwe, said the bank had told the government "it was holding back on the outstanding balance of payments disbursement until a satisfactory resolution of the war veterans' payments has been reached".

He suggested Mugabe would have to increase taxes — Zimbabwe already is one of the most heavily taxed societies — to regain assistance.

Following violent demonstrations in which officials were beaten, cabinet ministers held hostage, the ruling party headquarters wrecked and Mugabe himself shouted down, he announced last month that up to 90 000 veterans

Continued on Page 2

Zimbabwe

BD 15/9/97

Continued from Page 1

(362)

would receive immediate R20 000 tax-free gratuities as well as R800-a-month pensions for life. Other perks included 20% of 4-million hectares of former white-owned farmland.

Economists say this could cost R4bn or more than half the state's annual revenue.

"We understand that the amount of these payments and the manner in which they could be financed are still being evaluated by the finance ministry," said Cook. Provisions for payments to former guerrillas were not made in the July budget which stated that the deficit, put at more than 11% only weeks before, had been reduced to 6,5%-7,1% due to higher output and a fall in interest rates.

The World Bank then announced it was rewarding Mugabe for "good fiscal management" and would lift a freeze on support imposed when he failed to meet targets last year. It urged other donors, headed by Britain which had frozen £50m, to resume support.

"The Zimbabwean government has to demonstrate that it can find the additional revenue to finance the payments," Cook said.

When warned by treasury officials that his pledges could not be honoured, Mugabe said: "Have you ever heard of a country that has collapsed because of borrowing?"

NKOMO

MUGABE

Zimbabwe urged to drop tax to discourage evasion

Zimbabweans are chafing under the burden of being among the world's most highly taxed citizens, writes Michael Hartnack in Harare

(3b2) BD 15/9/97

PRESIDENT Robert Mugabe's government takes 74,6c in every Zimbabwe dollar earned by its people in direct or indirect taxation, estimates Bulawayo economist Eric Bloch.

But Bloch says that although Zimbabwe remains one of the highest taxed nations in the world, his latest 1996 calculation of the figure contrasts with a similar exercise in 1990 when the amount was 83,9c in every dollar earned.

The calculation was based on the following: income tax, the drought/development levy surcharge on income tax, sales tax on spending, an estimate of customs duty on the imported element in spending, stamp duty payable on cheques, tax on travel in the form of duty on the issue of travellers' cheques and airline tickets, and excise duty.

There was dismay among 400 delegates at a recent seminar on the new budget when tax department officials and leading consultants were unable to give answers on a wide range of queries on sales tax, value added tax and dates for completion of returns.

Conference organiser David Harrison of Human Resources pointed out that people wished to comply with the law but found they were "drifting away from the legal stipulations unwillingly, while not being sure what, if any, penalty will be applied".

"It runs counter to the intention of tax legislation throughout the world whereby the law is meant to be clear enough for people to know whether they are breaking it," he said. "In Zimbabwe, grey areas are increasing as a result of legislation being produced which is impossible to comply with."

Harrison hailed as a breakthrough the attendance at the budget conference — for the first time in its 16-year history — of commissioner of taxes Gersham Pasi, and the readiness of Finance Minister Herbert Murerwa to accept a memorandum of problems arising from his July 24 presentation to parliament.

Pasi said his official position was that VAT would be introduced, as announced by Murerwa, next year, but his personal view was that the tax department did not have the resources to make it remotely possible.

Consultant Manuel Lopes noted that there was "enormous resistance" to taxation among most Zimbabweans. An estimated 28 000 family businesses refuse to expand, or hire necessary skills, in the hope of being able to remain "outside the tax net".

Lopes and other speakers deplored the erosion of tax morality by the exemptions granted politicians and public servants.

Those caught in the tax net pay 40% plus a 5% development levy on incomes of more than R2 000 a month, one of the highest rates in the world. Yet Vice-President Joshua Nkomo's Development Trust of Zimbabwe, which owns a vast tract of farmland, is exempt from tax, as is Mugabe. Ministers enjoy wide exemptions.

The tax department is reportedly owed R400m by defaulters, some of whom have exercised political influence to escape making returns.

Consultant Peter Cawood said the tax department appeared to hope the introduction of VAT would force informal sector traders to become "viable tax entities", thereby widening the nation's tax base.

The 10% levy on tobacco auction prices was widely condemned, together with the proposed 15% tax on pension fund profits and ending of their exemption from capital gains and other taxes.

Harrison said concern had been voiced about the change in Zimbabwe's tax year from April-March to January-December. "Participants did not understand how this would work." Consultants and tax department representatives said "they were not quite sure themselves".

The department recently sent out returns which failed to reach companies and individual taxpayers until just before, or after, the stipulated final date for their completion and submission. Accountancy and bookkeeping firms were finding it absolutely impossible to comply on behalf of their clients, the conference heard.

Submissions sent to Murerwa urged him to reduce overall rates of tax to discourage evasion, and to encourage savings, currently undermined by inflation (now rising again towards 25% after a temporary lull).

FOREIGN AID *Credit depends on solving wrangle over veterans' compensation*

World Bank freezes Harare loan

(362) CT(BR) 16/9/97

JAN RAATH

Harare — The World Bank has suspended the disbursement to Zimbabwe of a $62 million loan after the government's announcement of unbudgeted major expenditure on benefits for war veterans.

The Herald newspaper reported David Cook, the World Bank resident representative, as saying President Robert Mugabe's government had been advised that the bank was holding back on the loan until "a satisfactory solution of the war veterans payments has been reached".

The loan is the second and final tranche of a $120 million concessional International Development Association credit that was first blocked in 1995 when the 1994-95 budget deficit doubled from a forecast 6,5 percent of gross domestic product (GDP) to 13 percent.

In August, the World Bank announced it had approved the resumption of balance of payments support finance to Zimbabwe after a budget deficit outcome of 7,1 percent of GDP for 1996-97.

But within weeks Mugabe announced a package of benefits for ex-guerrilla veterans in the war against the white Rhodesian government.

No official estimate of the total cost of the package has been given, but independent economists calculate veterans benefits will cost Z$5,7 billion (about R2,2 billion).

Tony Hawkins, an economist at University of Zimbabwe, said the payments would equal 3,5 percent of GDP, and raise the forecast 1997-98 budget deficit from 8,9 percent of GDP to 12,5 percent.

He said the issue would be "high on the agenda" when Zimbabwe representatives travel to Hong Kong for talks with the bank and the International Monetary Fund (IMF) at the institutions' annual joint meetings this week.

"The Zimbabwean government has to demonstrate that it will be able to find additional revenue to finance the payments," Hawkins warned.

John Robertson, an independent economist, said the state "cannot sustain that kind of spending" and would be faced with devaluing the Zimbabwe dollar, and closing down large state institutions.

"It adds up to frightening news," he said.

An IMF team is due in Harare next month to discuss Zimbabwean hopes of resurrecting loan facilities after losing a $100 million credit at the same time that the World Bank suspended lending in 1995.

Analysts say the IMF is unlikely to be willing to reopen relations, and that bilateral donors will also maintain their suspension of balance of payments support, withheld since 1995.

It is seen as almost certain that the veterans benefit controversy will keep Zimbabwe out of the running for international concessional finance for a third year in a row.

When Mugabe announced the payout on August 27, he said treasury officials had told him the money was not available.

He said he had ordered the officials to find the cash, even if it meant heavy borrowing. — AP-Dow Jones

PAYING UP *President Robert Mugabe brandishes a spear and an axe, traditional symbols of power. He has ordered treasury officials to find money to pay veterans, even if it means heavy borrowing* PHOTO: AP

Zimbabwe building society's assets swell

(362) BD 16/9/97

Michael Hartnack

HARARE — The assets of Zimbabwe's largest building society grew 16,8% to R2,07bn in the year to June 30, but disorganisation at government's deeds registry office affected all building societies, chairman Michael White said yesterday.

The Central Africa Building Society had shown "most satisfactory" growth in all areas. "This has led to a very high level of lending to the public for home ownership and never before in the history of the society have so many advances been made for building new homes," White said.

In reference to the continuing disorganisation at the government's deeds registry office, White said: "The only constraint has been the increased delay in obtaining registration of transfers and mortgage bonds. Therefore nearly Z$500m for loans granted are awaiting payment upon registration."

Mortgage rates, averaging 14% to 18% on a complex sliding scale favouring low-cost home owners, were reduced slightly during the year, in line with a downward trend in general interest.

Building of low-cost homes continued under housing schemes using US aid funds and the building society's resources, with 3 405 loans granted. The first 250 applications from "middle-income borrowers" had been granted. White reported an exceptional inflow of funds into tax-free shares and savings deposits and a rise of R382,8m in traditional funds.

The society increased its branches around the country to 85, while 75 supermarkets introduced its new credit card service. A surplus of R64,5m was transferred to reserves which now stand at R287,8m.

Zimbabwe's other long-standing building societies are Founders and Beverley. They have been joined over the past two years by "indigenous" societies encouraged by President Robert Mugabe's government.

Fears Zimbabwe aid freeze can hit economic recovery

BD 16/9/97 (362)

HARARE — The World Bank's withdrawal of a crucial aid package to Zimbabwe would severely hurt the country's economic recovery and standing with other key international donors, economic analysts said yesterday.

The bank said at the weekend it was holding back disbursement of balance-of-payments support for the second time in two years, until it is satisfied with a revised budget which takes payouts to war veterans into account.

The move came just a month after the bank approved the release of a second tranche of $62,5m in balance-of-payments support, which it had withheld in mid-1995 after Zimbabwe failed to implement cost-cutting.

World Bank resident representative David Cook said the bank had taken the latest decision in order to assess the impact of compensation payments promised by President Robert Mugabe to disgruntled guerrilla war veterans, which many analysts said would severely undermine efforts to control the national budget deficit.

Mugabe, faced with months of violent protests by the ex-guerrillas over compensation, agreed in August that his government would grant them each a one-off Z$50 000 ($4 098) award by December and a monthly Z$2 000 pension from January "even if it means borrowing heavily".

John Robertson, a private economic consultant, and Tony Hawkins, a local business studies professor, estimate the government will have to raise an extra $492m in its 1997/98 budget, presented in July, to meet the payments to about 70 000 ex-combatants.

They reckon this will push the budget deficit up to 12,5% of GDP from a forecast 8,9% in the 18-month financial period ending in December 1998.

"We understand that the amount of these payments and the manner in which they could be financed are still being evaluated by the ministry of finance. It's a serious matter because the amounts involved are quite large and the issue needs to be resolved speedily," Cook said. — Reuter

AFRICAN BUSINESS

ENVIRONMENT *Pending legislation in Zimbabwe gives effective power to a single authority*

Harare pollution spirals on ineffective controls

CT(BR) 17/9/97 (362)

TAFI MURINZI

Harare — Pollution is on the increase in Harare, Zimbabwe's capital city and industrial hub. Existing legislation for control is fragmented and ineffective.

But Don Ruhukwa, a lawyer, said most of the problems could fall away when the government enacts the new Environmental Management Act.

This act would bring all pollution control matters under a single authority of the ministry of mines, environment and tourism.

The act would have a "polluter pays clause" which would force polluters to restore the damaged environment to its previous state. It would make it a legal requirement for companies starting new projects to produce an environmental impact assessment report before proceeding.

The contradictory nature and exemption clauses in some of the present regulations make them ineffective. Many popular companies can afford to treat the paltry fines — as low as Z$200 (R76) — as just part of the cost of doing business.

There are no clearly defined guidelines and standards for identifying the hazardous nature of industrial waste and for its handling and disposal.

"The legislation is old, weak, not comprehensive and not relevant to current technological developments. Legislation improvements and amendments have been limited, not co-ordinated and piecemeal," said Rabelan Baloyi, an environmental consultant.

At present routine anti-pollution enforcement visits to companies were very few. Monitoring equipment, transport and related facilities were also extremely limited, especially when it came to measuring air pollution.

The Zimbabwe Road Traffic and Maintenance Act Chapter 48 of 1976 empowers the police to take off the roads vehicles whose exhaust emissions exceed the maximum acceptable level and fine the offending motorist. But in the absence of appropriate testing technology, nothing is being done to enforce this legislation.

Emmanuel Koro of Environment 2000, the lobby group, said enforcing regulations alone was not the way to go, but rather, the government needed to adopt a carrot and stick approach that would penalise polluters and give tax incentives to companies that take corrective or preventive measures.

Koro said Environment 2000 had launched a war against air pollution. Its national pollution committee was educating motorists in Harare on the need to service vehicles regularly.

Timothy Stamps, the minister of health and child welfare, said environmental contributors to health have generally been ignored in Zimbabwe. The Harare city council was the only authority in Harare to monitor air pollution.

"The urgency of creating healthcare institutions has overtaken a lot of other priorities," said Stamps.

The health ministry had only two officers monitoring pollution countrywide. They rely on figures from local authorities.

George Chaumba, an air pollution officer with the health ministry, said there was an increase in acute respiratory infections in Harare, probably the result of air pollution.

Harare's city health department said vehicular emissions caused great concern.

Baloyi added that the emissions resulted from old technological processes and machinery. Poor maintenance of plant and equipment caused leakages and emissions of gases, dust and fumes.

Industrial chimney heights were often below the legal standard height of 20m and so do not allow adequate dispersion of emissions, Baloyi said.

Todd Ngara, a United Nations Development Programme climate change co-ordinator in the ministry of environment, agreed greenhouse gases — mainly carbon dioxide — were on the increase in Zimbabwe.

"The more carbon dioxide in the atmosphere the higher the greenhouse effect and global warming," Ngara said. — Independent Foreign Service/Africa Information Afrique

Workers seize varsity assets

(362)

HARARE — Property belonging to Zimbabwe University, including the vice-chancellor's house and car, would be auctioned to pay workers' salaries, trade unionists said yesterday.

The workers, who are nonacademic staff, won a civil case against the university last month for the payment of Z$68m in back pay, giving them the right to attach university assets.

They allowed the university authorities two weeks to find the money, but the deadline passed on Thursday without any payment.

Workers' committee chairman Livingstone Chifuro said workers' lawyers would institute procedures to auction university property including the vice-chancellor's house, cars, farms and a veterinary science building and its equipment. — Sapa-AFP.

BD 17/9/97

(3622)

☐ ZIMBABWE

CT(BE) 18/9/97

Yearly inflation is forecast at 23%

Zimbabwe's yearly inflation was expected to end the year at about 23 percent, fuelled by persistently high money supply growth and increases in consumer prices, economic analysts said yesterday.

They said a decline in the all-items consumer price inflation to 18 percent in August from 19,1 percent in July was temporary and was due to lower fruit and vegetable prices. "Chances are that we will see further increases coming from the need to push prices up because of wage increases and electricity price hikes," said John Robertson, a private economic consultant. "Municipal rates are going up as well ... so inflation will probably end at 23 percent."

Human rights bodies reject 'draconian' bill

BD 18/9/97 (362)

HARARE — Zimbabwean human rights organisations pressed ahead yesterday with a campaign to oppose government plans to introduce new security legislation that the organisations say will violate citizens' liberty and the constitution's bill of rights.

The Public Order and Security Bill outlaws "subversive statements", allows authorities to ban public gatherings and to impose curfews and cordons. It makes treason a capital offence and says the unwitting failure to report a proposed act of treason is illegal. It also gives new powers to the secret police.

The government says that the new bill is a liberal replacement of the former Rhodesian government's infamous Law and Order Maintenance Act, still on the statue books and frequently used, even though it was denounced before independence in 1980 as a repressive and racist weapon against black opposition.

An alliance of eight human rights groups, including Zimbabwe Lawyers for Human Rights, the Catholic Commission for Justice and Peace, the Zimbabwe Council of Churches and the Zimbabwe Congress of Trade Unions, say the new bill contains most of the same powers and is "no less draconian".

The bill outlaws "subversive statements", but the human rights bodies say that, in terms of the way the law is drafted, "any trenchant criticism of the government could easily be said to be subversive".

The bill also includes the Central Intelligence Organisation, attached to President Robert Mugabe's office, as a law enforcement agency.

Zimbabwe Lawyers for Human Rights said the bill was based "on the premise that political activity is prima facie unlawful... This Rhodesian approach is not consonant with a democratic state with a justiciable bill of rights." The organisations are to meet tomorrow to plan further strategy. — Sapa-DPA.

ZIMBABWE (362)

World Bank reins in on loan

All bets off as Mugabe sets aside Z$5bn for war veterans

19/9/97

Last week's announcement that the World Bank is withholding disbursement of its US$62m loan to Zimbabwe, initially suspended in 1995, is no surprise.

The surprise was the Bank's August decision to disburse the loan on the untenable grounds that Zimbabwe's fiscal situation had improved. Just how untenable this is was made clear when President Robert Mugabe announced a Z$5bn-plus compensation package for war veterans from the liberation struggle of the Seventies, publicly rejecting his Finance Minister's plea that the country could not afford it. If need be, we will borrow, was his message.

No way, says the World Bank. Its Harare representative has now told the Zimbabwe government that it wants to see how the compensation package is to be funded before it will disburse the loan. This is not going to be resolved quickly since it will take months — some say years — to work out the package. Indeed, some analysts are already saying that as many as 100 000 people could be eligible for the package of a Z$50 000 one-off gratuity, a monthly pension (both tax-free), free health and education for their dependants, priority in the land resettlement exercise and government guaranteed loans.

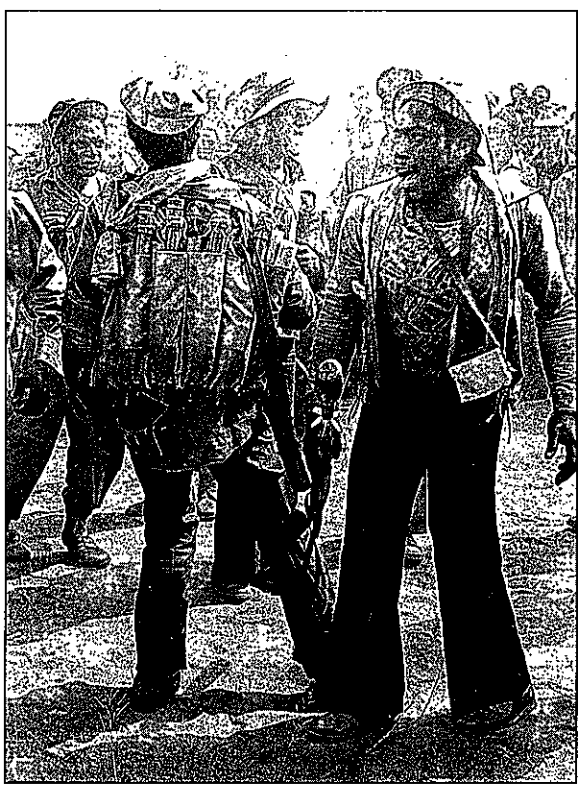
At the very least the package will cost 4% of GDP, torpedoing Finance Minister Herbert Murerwa's budget target of an 8,9% deficit for 1997/1998, unless he finds new sources of revenue and makes compensatory spending reductions. Tax hikes are the most obvious solution now that the Bank has put its foot down, so higher fuel, tobacco and alcohol excise duties must be high on the agenda.

As he heads off to the annual World Bank/IMF jamboree, Murerwa has other problems on his mind, too. The central bank's latest — heavy-handed — intervention in the markets has caused serious interest and exchange rate instability. Announcing that it was "tightening" its monetary policy, the Reserve Bank of Zimbabwe (RBZ) reintroduced the compulsory 90-day Reserve Bank bills which it had previously abolished in line with its liberalisation of the markets.

Banks who end with excess funds after the daily clearing are required to invest these balances in 90-day special bills at 9,84% — less than half the Treasury bill rate for similar maturity paper of over 21%.

The funds are then locked away for the 90 days — though banks can trade them at a loss if they wish — thereby draining liquidity from the market. This has had two effects. Far from tightening the money market, it has led to sharply lower rates which at 21% for Treasury bills could well turn out to be below the August inflation rate number due this week. The second by-product has been a sharply lower Zimbabwe dollar as banks and others have bought foreign currency, thereby limiting their exposure to Zimbabwe dollars. Last week the Zimbabwe dollar hit a new low of Z$12,50/US$, taking its 1997 trade-weighted devaluation to 9%.

While the adjustment is overdue — the currency is seriously overvalued — and welcome relief for exporters, it conflicts with the central bank's claim last month that the dollar was correctly valued. Special Correspondent



Liberation soldiers . . . long wait over?

Doctors plan to build new hospital in Harare

Michael Hartnack

BD 19/9/97 (362)

HARARE — A group of black Zimbabwean doctors, approved by the government, has unveiled plans to build a 300-bed hospital two months after SA's Afrox Medical Services was barred from buying Harare's largest private hospital.

Health Minister Timothy Stamps and Dr Elton Chawatama announced plans for constructing the R362m Harare West Hospital on 20ha bought from the Harare city council.

Chawatama, MD of the newly formed Amalgamated Health Services consortium, said a steering committee of 10 doctors had signed a financing agreement with the US trade and development agency, but details were not disclosed. Chawatama said 96 doctors were involved in the consortium. Medical sources say they are black Zimbabweans.

The complex would not be reserved for the elite. It would serve "the rich and the poor", he said.

Afrox Medical Services, which runs 16 clinics in SA and Botswana, hoped to invest R8,6m in upgrading Harare's 172-bed Avenues Clinic, with plans to build a new 125-bed hospital. It met a government veto and terminated negotiations in July.

A new Medical Services Bill allows control of who provides health services, including old people's homes, and impose racial quotas in line with the 60% black enrolment required at private schools.

Find useful role for Zimbabwe's war veterans, Mugabe urges

Harare – Zimbabwean President Robert Mugabe yesterday urged his Zanu-PF party to create opportunities for the country's war veterans.

"It is therefore imperative that we find them a useful role in the party, where their tremendous and varied experience as participants in the liberation struggle can continue to be not only a source of our proud history, but also of inspiration to the younger generation," Mugabe told Zanu-PF's central committee meeting. Most war veterans lived in abject poverty, he said.

The veterans have complained that they are resented and despised, and are unwanted in government and party circles. Mugabe said their grievances were genuine and needed to be addressed. – Sapa

(362)

Star 20/9/97

Sowetan 22/9/97 (362)

No fair play in Zim

Favouritism is rife yet the government is talking about black empowerment. It is only those who know people in high places who benefit, reports **Tendai Madinah** ...

HARARE – Critics of the Zimbabwean government's dealings detect the whiff of political favouritism as a major privatisation process gets under way. The country is committed to increasing black involvement in the economy but the fear is that people without powerful political allies will miss out.

Zimbabwe's government is being urged to improve efforts to increase black ownership of the economy amid an air of suspicion over current moves to privatise state industries.

A wave of privatisation is planned, beginning with the sell-off this month of the Commercial Bank of Zimbabwe and the Cotton Company of Zimbabwe.

But the Harare administration's commitment to ensuring that the country's indigenous people get a fair share of the sell-off is being questioned after recent controversies over tendering for government contracts.

One economist has accused the government of actually "frustrating rather than facilitating" black economic empowerment. People without friends in high places are said to be missing out on business opportunities.

Many figures in business, economic and opposition circles are now calling for fair and open supervision of privatisation and economic "indigenisation".

Controversy on awarding contracts

The source of the suspicion is the controversy that surrounded the awarding of contracts for government airport and cellular phone projects earlier this year to companies linked to president Robert Mugabe's nephew, Leo Mugabe. In both cases, other companies were popularly regarded as having made better bids. Critics felt the decisions were made in a less-than-transparent manner.

To advance black economic empowerment, the government launched a movement in 1991, comprising organisations working to put more businesses in the hands of blacks. However, the movement has been rocked by power struggles and criticised for its close links with the ruling Zimbabwe African National Union (PF) Party.

A National Investment Trust, headed by the legal and parliamentary affairs minister, Emmerson Mnangagwa, and planning commissioner Richard Hove, was recently formed to spearhead the indigenisation of the economy. It said that a clear national policy on the process would be published within a year.

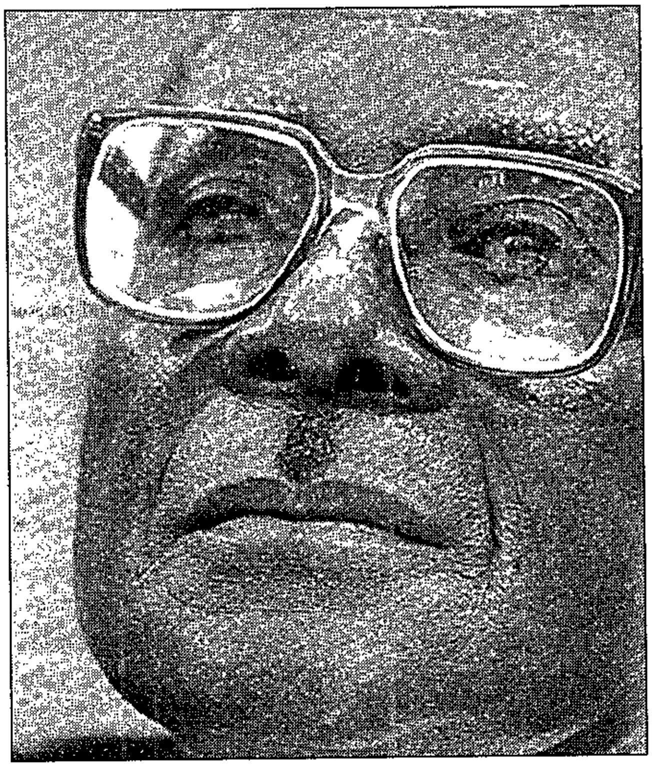
Meanwhile, Cephas Msipa, the minister responsible for public enterprises and indigenisation, said the final draft policy on indigenisation had been drawn up and would soon be scrutinised by interested groups.

In a critical editorial, however, the privately owned *Financial Gazette* said that merely setting up a body such as the national investment trust without putting in place stringent, enforceable measures and safeguards to prevent a handful of Zimbabwe's emerging moguls from hijacking the programme would not suffice.

It said Zimbabwe's experience of the past few years, when a host of lucrative government contracts had been won by virtually the same people with friends and allies in high places, could not have made the point for transparency and accountability better. Indigenous business groups without powerful political allies or links to the ruling party had had to pay a high price, it said.

One angry economist, who requested anonymity for fear of being linked to the political opposition, said indigenisation was not taking place at the grassroots, while "a few continue to enjoy privileges".

He said Zimbabwe lagged 100 years behind South Africa even though the former country had been independent for 17 years and the latter for just three. In that short period, the South African indigenisation drive had seen blacks controlling almost three percent of the Johannesburg Stock Exchange. In Zimbabwe that figure was zero. Eighty percent of Zimbabwe's economy is foreign owned.



Zimbabwean president Robert Mugabe.

The economist lamented the government's disposal, without adequate public debate, of 51 percent of the shares of the large Hwange thermal power station to Malaysia's YTL Corporation in a deal that angered many Zimbabweans.

Enriching themselves

"The government has been frustrating instead of facilitating the economic empowerment of blacks. They must not hide behind the word 'indigenisation' when they are enriching themselves," said the economist. "If the government is serious, it must re-examine the tender system.

"It says it is interested in the indigenisation of the economy but this is not reflected when it comes to winning tenders in big projects. For now, there is nothing for the peasant community in the indigenisation programme."

Another economist Edmore Tobaiwa, Zimbabwe National Chamber of Commerce vice-president, said people from rural areas must be encouraged to participate in the national economy. "Information must be made available to them regarding which companies are up for privatisation and which companies are good to invest in," he said.

An economic observer Issac Manyemba called for a fair institution which commanded the respect and trust of the business community to be established to oversee the indigenisation drive. To ensure transparency, accountability and meritocracy, Manyemba said such an institution should be composed of representatives from business and industry, trade unions, the judiciary and human rights bodies. – *Gemini News*.

Farmers expected to reduce maize planting

(362)

Lower outturn from Zimbabwe's tobacco crop has major implications for the budget deficit, writes Michael Hartnack in Harare

BD 22/9/97

ZIMBABWE's Commercial Farmers' Union (CFU) predicts its members will this season reduce the hectarage under maize by 20 000ha owing to unfavourable prices and feared El Niño drought conditions.

Executive director Dave Hasluck said maize, of which 1 640 000ha was planted last year, was now among the least attractive crops due mainly to the low floor price offered by the parastatal grain marketing board. The board was offering R480 a ton compared with R700 obtainable in Zambia and SA — to which private farmers are still forbidden to export directly.

The Southern Africa Development Community food security early warning unit last week warned that the region was entering the current season with a 1,3-million-ton cereals deficit, and Angola, Tanzania and Malawi faced disastrous famine if donors failed to come to their aid.

Tanzanian President Ben Mkapa banned food exports this week in preparation for shortages.

Most of Zimbabwe's 4 000 large-scale farmers who belong to the CFU were expected to increase production of soya beans and cotton, which are more drought hardy than maize. "The grain marketing board intake this year is still very much behind that of last year and now, with the talk of El Niño, commercial farmers are looking to plant maize for their own consumption and minimise production for delivery to the market," said Hasluck.

The CFU is advising members to plant short-season and early-maturing crops in view of long-range forecasts coming from El Niño warming of waters in the Pacific.

Nokwazi Moyo, director of the recently formed indigenous commercial farmers union, said its 1 000 members were set to increase cotton production 20%.

Meanwhile, Zimbabwe's 1996/97 tobacco crop, last year targeted on 230-million kilograms, may be down to 190-million kilograms when sales end next week.

To date, only 174-million kilograms has been sold for just less than R2bn.

Excessive rain damaged yields during the previous season, which saw growers hit by a 10% government levy on the price of every bale, in addition to normal taxation.

Lower yields from the tobacco crop has major implications for the budget deficit, already hit by President Robert Mugabe's lavish promises to ex-guerillas. The World Bank refroze $65m budget support in response to predictions that Mugabe may have to spend up to R4bn on payments to 90 000 veterans of the 1972-80 war that brought him to power.

Latest figures show that the new tobacco floors opened by controversial businessman Roger Boka sold only 14-million kilograms, despite his efforts to boost prices by descending into auctions and bidding twice the normal rate, at times.

Difficulties over delivery facilities and lighting, as well as computer and settlement problems, dogged the floors, billed as the largest in the world.

Zimbabwe industry in trade overtures

(36a)

RAVIN MAHARAJ

ET (BR) 25/9/97

Durban — The time was right to exploit new markets in Zimbabwe and its neighbouring states, said Oliver Chidawu, the managing director of Zimbabwe's Kuchi Holdings, the diversified property, transport, tourism and construction company, this week.

He said there were investment opportunities in tourism, municipal services, property development and transport. Chidawu said foreign investors were being lured away from KwaZulu Natal because of "exaggerated claims about crime and violence", but it was not all gloom and doom. He would encourage Zimbabwean investors to invest in the province as he was "really impressed with the business opportunities".

Jacob Zuma, the provincial minister of economic affairs and tourism, said that while the traditional European, Asian and American markets were important, the time was right to exploit new markets, and Zimbabwe was just one such market.

Budget cuts leave 16 hospitals empty

(362)

Michael Hartnack

HARARE — Zimbabwe's "rolling budget" system meant 16 new district hospitals were now standing unused for lack of staff, Health Minister Timothy Stamps told the country's parliament.

They would remain as 16 white elephants until the health ministry received Z$203m (R81m) annually to pay staff salaries alone, Stamps said.

During consideration by the committee of supply on the vote for his ministry, Stamps blamed the World Bank and the International Monetary Fund for Zimbabwe's new "rolling budget" system.

To satisfy them, "we are not asked what we need. We are simply told what we are going to have," said Stamps.

He said the crisis at the 16 unused hospitals was a more serious "national disaster" than the Human Immunovirus (HIV) and Acquired Immune Deficiency (AIDS) problem, estimated now to be claiming up to 700 lives a week. BD 25/9/97

The situation had arisen despite finance ministry officials signing a contract, including anticipated staffing requirements, with the World Bank to build the hospitals.

"Yet we get letters from the ministry of finance accusing my ministry staff for failing to make forward provision. I find that extremely difficult to bear," Stamps said.

Parliamentary backbenchers described patients being taken to hospital in wheelbarrows because there were no serviceable ambulances, only to be told there were no medicines, not even aspirins.

Stamps said he did not agree with the budget allocation system and acknowledged Zimbabwe had been underfunding its HIV/AIDS programme.

Bird threat to Zimbabwe wheat crop

Star 26/9/97 (36a)

Harare – Zimbabwe could lose up to 30% of its wheat crop if a large population of the voracious quelea bird remained uncontrolled, an official said this week.

Zimbabwe Cereal Producers' Association chief executive Peter Wells told Reuters that the good rains Zimbabwe enjoyed in the 1996/97 season had created ideal breeding conditions for the birds.

The industry was also concerned at the prospect of an El Niño-induced drought, he added.

The bird population was so large this year that the bird control unit was finding it difficult to control them, he said.

"If they are not controlled they could destroy up to 30% of the wheat crop," he said.

Zimbabwe expects to harvest 300 000 tons of wheat this year, up from 270 000 tons last year.

Wells called for a co-ordinated southern African effort to tackle the tiny birds, which feed on wheat and barley.

Privilege Mupungu, an official with the state national parks' problem birds control unit, said they sometimes co-operated with Botswana to tackle the quelea menace.

But he said the quelea problems this year were worse than usual because farmers had been late reporting sightings to his unit.

"By the time farmers reported the problem to us the birds were already moving around. If farmers could report earlier we would control the problem more quickly," Mupungu said.

He said his unit had hired aircraft from the agricultural extension department to spray the birds.

Wells said it was too early to discuss production prospects in the coming year, but noted output could be affected if an El Niño-induced drought hit the region. – Reuters

① Commercial Finance Co. Ltd (CFC) - (90-94)

Noted Registrars

'Borrowing threat to economy'

BD 29/9/97 (362)

Michael Hartnack

HARARE — Zimbabwean Reserve Bank governor Leonard Tsumba has warned President Robert Mugabe that the threat of state borrowing could wreck recovery of the country's economy.

The warning, in Tsumba's twice-yearly statement on monetary policy, comes within weeks of Mugabe's pledge to meet the demands of former guerrillas, and Mugabe's rhetorical question to the media: "Have you ever heard of a country that has collapsed through borrowing?"

Meanwhile acting Finance Minister Emmerson Mnangagwa told parliament the government had reserves that could meet its pledges to pay militant former guerrillas Z$2 000 a month tax-free pensions, Z$50 000 lump sum gratuities, and other perks including 20% of the 4-million hectares of white farmland identified for imminent takeover.

Mnangagwa assured MPs the payments would not push Zimbabwe's budget deficit to unmanageable levels. When a backbencher asked how the state would finance payments to former guerrillas, Mnangagwa demanded: "What are bonds for? Don't you read the newspapers every morning?" He later said government had alternative sources of raising revenue and "more than adequate funds" to pay the veterans, whose numbers he put at 70 000.

Other sources put the figure at 20 000 based on the number that went into British assembly points during the 1980 elections.

Said Tsumba: "If money supply growth is to continue on a downward trend — supported by the recent policy measures — it will be important that the bulk of the financing requirements of the budget deficit be sourced from foreign and nonbank sources. This is important if inflation is to be brought down to levels well below 20% next year and kept there."

Economists fear Mugabe's promises to up to 90 000 former guerrillas could push the budget deficit up from a forecast 8,9% of gross domestic product to more than 12%.

The World Bank and International Monetary Fund have shied away from earlier plans to resume lending until Mugabe's plans are clarified. He made his promises to veterans of the 1972-80 war after they beat officials, wrecked the ruling Zanu (PF) party headquarters and drowned Mugabe's Heroes' Day speech with jeers.

A Z$450m "war disability fund" was drained by claims of up to Z$800 000 from prominent Zimbabweans with dubious combat records.

Tsumba stressed the need for the government to complement the reserve bank effort to stabilise the macroeconomic climate. He said any growth in domestic money supply fuelled by the deficit would be disastrous for growth prospects, now revised from 6% to below 4,5%.

Zimbabwe's central bank had no alternative to a tight monetary policy to stem inflationary pressures, he said.

"The financing of the 1997/98 budget deficit, the recent wage settlements between 18% and 35%, and increases in the price of electricity, rent and rates are likely to put pressure on inflation," he said.

Economic performance would depend not only on agro-economic output and the rainy season, but also on the size of the deficit, he said.

Although Reserve Bank of Zimbabwe monetary policy loosened when inflation fell to 16,4% last July, recent resurgence to more than 20% had forced the central bank to raise the rediscount rate two points to 25,5% in May.

Confusion over 'duty-free' imports

Michael Hartnack

(362)

BD 30/9/97

HARARE — Four weeks after the Zimbabwean government gazetted regulations allowing export processing zone (EPZ) firms to import capital goods without duty, customs officers are still demanding payment on the nail.

"This is very frustrating," said a businessman who was forced to hand over 5% duty to obtain equipment worth more than Z$5m (R2m).

The Herald reported a spate of irate phone calls from zone entrepreneurs, stung for duty despite the publicity given to the long overdue rebates.

"When I showed them the article of September 11 about the gazette notice they said the reporter who had written the story was out of her mind as nothing of the sort had been communicated to them," said the businessman.

Walter Chidhakwa, general manager of the parastatal EPZ Authority trying to introduce the concept, was "not aware of the chaos", but agreed it was a deterrent to would-be investors.

Last month the government gazetted regulations bringing the Customs and Excise Act into line — at last — with the 1994 Export Processing Zone Act. According to EPZ Authority officials, only 11 of 46 mooted EPZ projects have been implemented, largely because of red tape.

"We have been promising investors incentives but ... cannot deliver. There is nothing as discouraging to an investor as this," said Chidhakwa.

Zimbabwe was late introducing the EPZ concept, and critics fear further delays could make it impossible to create the proposed zones, with associated employment and export generation.

Overtaxed Zimbabweans disenchanted with Mugabe

(362) BD 30/9/97

GOVT

Economic disintegration is spawning widespread discontent in the country, writes Michael Hartnack

THE Zimbabwe Institute of Development Studies, based at the University of Zimbabwe, used to be noted for the strict Marxist-Leninist purity of its pronouncements on all economic, social and racial matters.

When the institute's brainchild, the Poverty Alleviation Forum, held a workshop last week there were enough Marxist contradictions around to sink Russia's battleship Potemkin.

A paper circulated at the workshop condemned the recent budget for not reducing taxes to promote enterprise, and stated that Zimbabweans were among the highest-taxed people in the world.

Income tax and "development levies" (it was a drought levy until the good rains last season) grab up to 47% of incomes of those earning more than R2 000 a month — for those honest enough, or politically uninfluential enough, to have to submit returns.

Yet the same paper called for wealth taxes, higher estate and transfer duty, and for taxes on pensions to be channelled to emergent black businessmen. A speaker from a parastatal firm condemned state overspending and resultant crippling interest rates, yet called for 10% of the budget to be used to promote black business.

Indigenisation and State Enterprises Minister Cephas Msipha said a policy was needed to redress the legacy of pre-1980 independence that deliberately kept black Zimbabweans impoverished.

Yet Leonard Maveneka, coordinator of the poverty reduction forum, wrote this: "What is worrying is not that we are poor, but that we are getting poorer ... after improving for 10 years between 1970 and 1980, average incomes started falling in the 1980s until now they are what they were 26 years ago.

"The downward slide in incomes speeded up considerably in 1990. Real earnings fell from an average of Z$8 600 a year in 1990 to Z$6 700 in 1992. Is it any wonder that those of you who were born in the 1930s and '40s still have fond memories of the cheap life you led in those days and how much better off you were?"

Maveneka said health services, education, jobs and even food were all less available today, with a visible increase in street children, begging, backyard shack dwellers and AIDS orphans, and 62% of the population being unable to fund their basic needs.

Prof Ken Mafuka, a US-based columnist for the state controlled media, recently reinforced Maveneka's point with a sad tale of his latest trip home. He found a relative, an ex-teacher at a rural black school and now headmaster of a former "white" urban school.

The 1970s teacher ran an old but serviceable car, supported a widowed sister and assisted his extended family. The headmaster today struggled to make ends meet with no margin for car, comfort or charity.

Across in parliament, Health Minister Timothy Stamps confessed that 16 rural clinics, built with overseas aid, were "white elephants" standing empty for want of money to pay staff.

Stamps defended employment of expatriates who recently included a US citizen, struck off the US register for poisoning colleagues, and suspected of killing a patient near Bulawayo.

Yet Stamps found time to gloat over the flight to SA of Dr Austin Bhene, a young intern acquitted last year of inciting an "illegal" strike of hospital staff paid a sixth of SA counterparts. "I hope SA enjoys hanging him," Stamps told backbenchers. All but Stamps and company know why today's "contradictions" arise.

The late Pat Bashford pinpointed part of the problem 30 years ago when he founded Rhodesia's short-lived, multiracial Centre Party. Segregationist policies, he warned, stunted the vital growth not only of modern institutions — schools, health services, jobs, housing — but of essential underlying institutional values.

Since then, the population has grown from 4-million, to 7-million at 1980 independence, to 12,4-million now. The fight for access to an already inadequate institutional "base" has become ever more desperate. Joining 200 000 white Rhodesians, 440 000 black Zimbabweans have followed Mafuka and Bhene's path into exile.

Back at home, the extent to which institution-building values have been eroded could not have been worse demonstrated than when the parastatal Finhold Group, owner of Zimbank, announced its entire rights issue had been taken up (by special arrangement) by the national social security authority and the Zimbabwe Reinsurance Corporation.

Given the group's Z$1bn bad debt register with ruling Zanu-(PF) moguls, along with Prime Minister Robert Mugabe's threat to intervene if recovery moves are made, public response to the issue was doubtful. None of Zimbabwe's (mainly white) stockbrokers dared protest. Yet at the poverty workshop members of the new generation of black middle-class women, liberated from generations of servile relationships, applauded loudly when speakers denounced persons of influence being excused repayments to supposedly "revolving" wealth generation funds.

Real power is economic

Labour, business key to trade talks

Sowetan (Bus.) 362 30/9/97

Talks between Zimbabwe and SA on tariff hikes have been unsuccessful

By Maxwell Pirikisi

A ZIMBABWEAN financial expert has said the results of protracted trade talks between Zimbabwe and South Africa would be determined by the strength of labour and business interests in the two neighbouring states.

Researcher Rudo Chitiga, who conducted a case study of trade negotiations between Harare and Pretoria, said in a weekend report that labour and business interests in South Africa heavily influenced its negotiating position with Zimbabwe in trade talks.

South Africa is believed to be home to southern Africa's most powerful labour and business communities. According to Chitiga, the two sectors wielded a lot of influence on the South African Government's ability to negotiate and discuss economic matters with its neighbour.

Zimbabwean president Robert Mugabe still hopes that his government will clinch a favourable trade deal with South Africa.

Report fell short

However, the report fell short of charging local business and labour of stalling the re-negotiation of the 1964 free trade agreement between the two countries.

The trade agreement expired a few years ago and has not been renewed following concerns raised by South African business and labour which fear job losses and product dumping.

The 1964 agreement allowed duty-free allowances and tariff preferences based on quotas for specified goods from both countries. In 1992, South Africa, seeking to protect its textile and clothing industries from cheap imports, hiked its tariffs, surprising the Zimbabwean government which was already hoping to renew the old pact.

South Africa's decision adversely affected the Zimbabwean textile and clothing industry, resulting in industries closing down and massive job losses.

Trade and Industry Minister Alec Erwin has met his Zimbabwean counterpart Nathan Shamuyarira on several occasions to discuss tariff hikes and the need to review their old bilateral trade agreement with little success.

Chitiga charged that the negotiations were one-sided with Zimbabwe seeking preferences while South Africa was already enjoying access to its neighbour's market which had already been liberalised under economic reforms.

There was also an urgent need for governments in Southern Africa to build negotiating capacities and broaden stakeholder participation in the formulation of trade protocols, she said.

Chitiga said multilateral frameworks such as the Southern African Development Community (SADC) should guide industrial relations among their members.

Her call comes in the wake of reported clashes between presidents Nelson Mandela and Robert Mugabe over a senior position within the regional trade bloc, which threatened to affect the trade talks between them.

Zim tobacco earnings plunge

ARG '30/9/97 (362)

Harare – Zimbabwe's earnings from tobacco, the country's most important commodity, fell 32% to R1,85-billion this year, which is expected to have serious economic ramifications, industry officials said here.

The five-month tobacco auction season ended yesterday on a note of shock, with the anouncement that sales of flue-cured Virginia leaf, the dominant variety of tobacco grown in Zimbabwe, amounted to only 167-million kilograms against early forecasts of record output of 240-million kilograms.

"I think agriculture is in trouble," said Nick Swanepoel, president of the Commercial Farmers' Union.

Zimbabwe is the world's biggest tobacco exporter.

The country's carefully nurtured leaf is prized by European cigarette makers.

Tobacco accounts for 30% of national exports and is regarded as the mainstay of the economy. – Sapa-DPA