ZIMBABWE — GENERAL

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Zimbabwe lags in women's rights

(362)

PATIENCE RUSERE of International Press Services reports from Harare

ARG 2/1/96

WOMEN'S rights advocates here say they pay a heavy price for their fight for gender equality in this patriarchal society.

They lose friends. They suffer verbal attacks from males who call them names ranging from marriage-breakers to prostitutes, and they even receive hate mail.

"A lot of people misunderstand the concept of gender equality, so much so that I have lost quite a number of friends because I am a feminist," says Everjoice Win of Women in Law and Development (WILDAF), a non-governmental organisation (NGO) that educates women on their rights.

Salina Mumbengegwi, director of the Women's Action Group (WAG), another Zimbabwean NGO, has not had an easy time of it either. "I am often called a hothead who is only interested in breaking down people's marriages," she says.

"People always want to find fault with me. My personal life comes under a lot of scrutiny," adds Mumbengegwi. "Some of them are surprised that I am married. They say: 'How can she be married when she hates men so much.'"

Win blames such attitudes on male insecurity. "Men resent women who are not afraid to speak their mind or show the ability to be self-reliant," she argues. "For example, when women decided to earn a living by buying and selling goods from South Africa, they were portrayed by the media as prostitutes."

Win, who often speaks out on gender issues, says she has been threatened by men who resent her equality message. "I receive quite a lot of hate mail. Someone was calling for my deportation. I don't know where I am supposed to go to because I am a citizen of this country."

Despite the insults and threats, women's organisations here have kept up their fight against inequality. They also admit that, on paper, women in Zimbabwe have made a few gains since majority rule came to this former British settler colony in 1980.

Women were considered minors by law until a Legal Age of Majority Act, passed in 1982, stipulated that every Zimbabwean aged 18 and above was legally an adult.

And a Matrimonial Causes Act paved the way for equitable distribution of matrimonial assets during divorce. Previously the husband could take all the property when a marriage broke up.

However, laws have proved easier to change than mentalities.

Freddie Nyambuya, 35, was one of thousands of blacks who fought against white domination, thus helping to bring about majority rule in 1980. Yet he is surprised that women are fighting for equal rights. "What equality?" asks the former freedom fighter. "A woman can only suggest but can never make decisions. Even the Bible says Eve came from Adam."

Ruddy Gaza, a trainee journalist at the Harare Polytechnic, argues that "God made men to be leaders".

"These so-called women's organisations are trying to import foreign ideas," he claims. "They should consider who pays lobola (dowry paid by a man to his wife's parents). If women are allowed to inherit their husbands' property when they die, they will be tempted to kill their husbands."

It is not just at the grassroot level that there is resistance to gender equality. A few months ago, Daniel Sithole, member of parliament for the opposition Zimbabwe Unity Movement (ZUM), stated that "women are not human beings" and that their situation was not an issue that should be debated.

Vice-President Joshua Nkomo is on record as having told a gathering of women's organisations last year not to blame men but God for the oppression of women.

And a proposed constitutional amendment awaiting approval by parliament would give the State the right to bar foreign men married to Zimbabwean women from living here but contemplates no such restriction on foreign women married to male Zimbabweans.

Part of the resistance to gender equality stems from the fact that Zimbabweans have been weaned on the belief that men are intrinsically superior to women, explains Priscilla Misihairabwi, co-ordinator of the Women and Aids Support Network (WASN).

"Socialisation and the question of who is economically powerful is the root cause of oppression," says Misihairabwi.

"For many years women have been considered culturally inferior to men."

Minority political representation in parliament has been a major impediment for the women's movement, points out Stella Makanya, a consultant on women's issues. Of the 150 legislators here, only 21 are women.

The imbalance continues on the labour market. Women make up 52 per cent of Zimbabwe's 10.4 million people, but men outnumber them by at least five to one in formal jobs, notes a study by the National Affairs, Employment Creation and Cooperatives Ministry.

But National Affairs Minister Florence Chitauro is optimistic.

"I think it's only a matter of time before people become aware of the need to have women participate in national affairs," she says. "We as government intend to embark on a national gender sensitising programme to change people's attitude towards women." - Sapa-IPS

Zimbabwe acts on pledge to release blocked funds

(362)

Harare — The Reserve Bank of Zimbabwe has started releasing blocked funds due to non-residents but has set the maximum that can be remitted at Z$5 000, Ziana news agency reports.

The central bank said individuals with a total amount of blocked funds of Z$5 000 and less would be permitted to transfer such funds through normal banking channels.

"This limit will apply to funds held with authorised dealers and those held in the 4 percent, 12-year government external bonds," the bank said.

The move was in line with the bank's pledge, announced last September, to remove restrictions on the repatriation of blocked funds and dividends and release such funds over a three-year period.

The bank said it would continue to release blocked funds to individuals after taking into account the country's balance of payments position. CT (BR) 3/1/95

The bank has also increased, from 25 to 30 percent, the total equity a foreign investor could buy in a company listed on the Zimbabwean Stock Exchange, but it kept the 5 percent limit for single investors.

The limit of 25 percent in respect of foreign investment in primary issues of stocks and bonds will be increased to 35 percent.

The bank is expected to issue a major monetary policy statement in March. — Sapa tectionist EU to maintain barriers against about half of South Africa's agricultural exports to the EU.

Liberal EU nations such as Germany, Britain and the Nordic nations, are pressing for the offer to be as generous as possible. However, the protectionist "Club Med" states in southern Europe are under heavy pressure from their powerful farming lobbies — and want to further water down the agricultural concessions to South Africa.

Pretoria is also worried about the effect a Free Trade Area with Europe would have on South African firms, which would be subjected to the full force of competition once a deal comes into effect.

If South Africa does not win the best available deal during Italy's presidency it is unlikely anything better will come along again. — Independent Foreign Service

Zimbabwe's mineral exports at record level

(362) CT (BR) 3/1/96

FROM SAPA

Harare — Zimbabwean mineral exports for last year were estimated to have reached a record Z$6 billion, with gold output exceeding 22 tons for the first time since 1916.

Foreign currency earnings in 1994 totalled Z$4,3 billion.

An official from Zimbabwe's Chamber of Mines said that last year's production had increased on the back of firm prices on the international market.

These had benefited producers of nickel, ferrochrome and copper, the official said.

"Gold production looks good and by the end of November, we had 22 268kg worth Z$2,356 billion," he said.

"We are pretty confident we reached 24 tons and that is quite pleasing considering that we have not achieved that since 1916 when about 29 tons were produced."

By the end of October last year, the value of mineral production, excluding gold, had reached more than Z$2,8 billion, and indications were that by year-end, the value would exceed Z$3,5 billion.

Gold output in Zimbabwe — Africa's third largest producer after South Africa and Ghana — has increased every year over the past five years, forcing many producers to intensify exploration activities.

Roy Pitchford, the Chamber of Mines' president, said yesterday that, despite increased production, rising input costs were seriously affecting the viability of the mining industry, which contributes more than 45 percent of the country's foreign exchange earnings.

In his end-of-year message, Pitchford said that fuel, rail, electricity, and minimum-wage increases, together with hefty sales-tax hikes, had added another 30 percent to production costs over the past year.

"At the same time, interest rates for local borrowing remained prohibitively high, a situation which shows no sign of improving in the foreseeable future," he said.

Amusing maybe, but SA's trade data is useless

CT(BR) 3/1/96

BY JOHN SODERLUND

Johannesburg — Some of the entries in the breakdown of South Africa's official trade figures would suggest South Africans have developed some quirky import habits since the country's return to the world economic fold.

The administrative errors make for amusing reading but they also reflect a more disturbing unreliability in trade statistics when used for anything more than pointing to broad trade trends.

According to the monthly abstract of trade statistics, some 8,7 million buses were imported during the first half of last year, up from the one bus which made it into the country during the same period in 1994.

The cost of imported buses during the period — reflected in official figures as 38c apiece, compared with last year's R303 144 an imported bus — go some way to explaining their newfound popularity.

Racing cars with a seating capacity for one person and an engine capacity of over three litres are not as much of a niche market as might be supposed.

In the first half of last year, 296 578 such vehicles — more than the total number of passenger vehicles produced in South Africa annually — were imported at a cost of R69 998 each.

But, while these figures and others are obviously the result of administrative errors and are unlikely to distort the more important statistics, they still reflect the more serious problem of how capricious official trade statistics can be, said Mike Schussler, an economist with Transnet.

Other figures in the official breakdown suggest a more alarming problem — the widespread fraudulent activities which the country's dismally understaffed customs inspectorate can scarcely police.

> *'I wouldn't believe monthly figures to the nearest hundred million' — Azar Jammine of Econometrix*

In addition to the smaller details mentioned above, the wide swings in the country's monthly trade figures, which are subject to sharp revisions, should be taken with a pinch of salt.

This year's June and July figures are two cases in point. A R1,08 billion surplus in July was revised down to a R319,8 million surplus, while a R226,6 million deficit in June was restated two months later as a R553,9 million surplus.

"I wouldn't believe monthly figures to the nearest hundred million," said Azar Jammine of independent economic group Econometrix.

Official statistics show the country recorded a trade surplus of R602 million in November from a trade deficit of R1,07 billion in October.

Transnet's Schussler says the disparity between harbour authority Portnet's trade figures and those of the customs and excise department suggest the bigger figures, which effect more important macroeconomic decision-making, might also be somewhat skewed.

Portnet's import figures for the first 10 months of this year show a 32 percent increase in volume terms, while those of the customs and excise department reflect a 30 percent rise by value.

"With a devaluing rand and local inflation, the value of imports should have risen by about 34 percent and the 4 percent difference equates to nearly R4 billion. That is a lot of money in terms of our overall trade balance," said Schussler.

Ann Moore, the general manager of the foreign trade organisation Safto, said: "There probably is an element of distortion . . . but whether it is enough to distort the overall trends is open to question." With the finance department directing much attention to the revamping of its revenue collection, she says trade figures can only become more reliable in the future. — Reuter

Record for Zimbabwe's mineral exports

(362) BD 3/1/96

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Gold output in Zimbabwe, Africa's third largest producer after SA and Ghana, has been increasing annually during the past five years, forcing many producers to intensify exploration activities.

Meanwhile, Chamber of Mines president Roy Pitchford said yesterday that despite increased production, rising input costs were seriously affecting the viability of the mining industry, which contributed more than 45% of the country's foreign exchange earnings.

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"At the same time, interest rates for local borrowing remained prohibitively high, a situation which shows no sign of improving at any time in the future," he said. — Sapa.

Foreign investors eye Zimbabwean equity

(362) CT(BR) 4/1/96

By Cris Chinaka

Harare — Zimbabwe should see a fresh influx of foreign investment in its shares this year following a 10 percent increase in the amount of equity foreigners were allowed to buy in a company, market analysts said yesterday.

"All things being equal we should expect, and I think we will see, more investors coming in in response to this positive move," said Savvas Kyriakides, the managing director of economic and market consultants Dataworld.

"It is a good sign and I think a lot of investors will interpret it that way," he said.

The Reserve Bank of Zimbabwe announced at the weekend that from January 1 this year foreigners would be allowed to buy up to 35 percent of the total equity of a company on the local market.

This limit will be reviewed during the course of this year.

However, the ceiling on single investors' holdings remains at 5 percent.

> 'The increase in what foreign investors can bring in will help us to offset some of our negatives'

Foreign investment allowed in primary issues of stocks and bonds is being increased to 35 percent from 25 percent.

These moves go some way to meet the demands of local economists, or a relaxation in ownership rules to stimulate Zimbabwe's capital markets.

Zimbabwe first opened up its stock market to foreign investors in May 1993 under Western-backed economic reforms.

Zimbabwe started implementing the reforms in 1991.

Since then, its exchange has attracted net foreign investment inflows amounting to $140 million.

The inflows have helped President Robert Mugabe's government build up enough foreign exchange to cover imports for up to four months.

"A higher level of foreign investment on our market can only be good for us," said one broker.

Analysts estimated that Zimbabwe's agriculture-based economy shrunk 1 percent last year because of a severe drought. Official GDP figures for last year are due later this year.

"The increase in the level of what they (foreign investors) can buy will help us to offset some of our negatives and keep us among the top emerging markets," the broker said.

Last year, the Zimbabwe Stock Exchange remained one of the top emerging market performers for the third consecutive year despite problems, including drought, generally poor corporate results and a fall in local institutional buying.

In the year to last October, the International Finance Corporation's global index saw Zimbabwe rise 11,05 percent on relatively cheap stock market fundamentals.

Zimbabwe's performance was second to Turkey, which increased 19,23 percent.

Zimbabwe's average price-earnings ratio is 6,78 while the average dividend yield is 5,86 percent.

"These fundamentals are historically very cheap and Zimbabwe continues to have the lowest price-earnings ratio of all the markets covered by the (corporation's) global indices," Kyriakides said. — Reuter

SA boosts Zimbabwe tourist trade

Harare – Nearly 1,2 million people visited Zimbabwe last year, earning the country more than R340-million, largely because of an upsurge of South African tourists.

Hotel and Restaurant Association of Zimbabwe president Paul Matamisa said yesterday there had been a 15% increase from 1994.

The tourism industry has been booming during the dawn of peace in the region over the past two years.

Matamisa said the industry enjoyed a 10% increase in visitors from South Africa.

"We had a big growth in the number of visitors from South Africa since the government took the decision to lift visa fees.

"I would also like to commend the government for the improved situation at the Beitbridge border post during the festive period," he said.

Matamisa added that he expected a 20% increase in tourism this year.

Most southern African governments agreed that marketing the entire region as one destination for tourists was best to attract international visitors, but industries were still negotiating with their governments to form such an organisation, he said.

According to the World Tourism Organisation, the rest of the world enjoyed a 3% increase in arrivals while the African continent had only a modest increase of 1,5% in 1994.

The organisation added that the rate could rise as high as 7% if the region were marketed worldwide as a single destination. – Sapa.

(362) Star 5/1/96

Will Mugabe's rule ever end?

MtGs-11/1/96 (362)

A lack of possible rivals means Robert Mugabe can expect a landslide win in Zimbabwe's March elections, **Iden Wetherell** reports from Harare

THE announcement last week that Zimbabwe's President Robert Mugabe will seek a fresh six-year term of office in the elections set for March 16 is unlikely to raise the political temperature in Harare.

Mugabe's candidacy was a foregone conclusion, given the eclipse of any possible rivals within his own ruling Zanu PF party. The succession issue had been placed on the agenda of a recent national party conference, but nobody was brave enough to raise it.

Mugabe, 72 next month, first won power in elections preceding independence in 1980 and became executive president in 1987.

Given an uneven playing field and the enormous powers of patronage at his disposal, Mugabe can expect a landslide win in the forthcoming elections. Opposition parties enjoy little credibility and their candidates are unlikely to impress an electorate which rates politicians acccording to their role in the liberation war of the 1970s.

Veteran opposition leader Ndabaningi Sithole has not been forgiven for his collaboration with rebel leader Ian Smith in the period immediately before independence. Leader of the small Zanu-Ndonga party, Sithole is currently facing allegations of plotting to assassinate Mugabe and overthrow the government. The state claims he set up a clandestine movement to work with Mozambique's Renamo rebels which were sponsored by apartheid-South Africa. In the 1980s he reportedly had links with the right-wing Heritage Foundation in the United States.

The other likely contender, Bishop Abel Muzorewa, leader of the United Parties, was prime minister of the short-lived Zimbabwe-Rhodesia government which saw a continuation of Smith's administrative apparatus under nominally black rule. Both Sithole — if he escapes conviction — and Muzorewa are unlikely to command much support beyond their Eastern Districts home area.

The leader of the Forum Party, former chief justice Enoch Dumbutshena, has yet to declare his candidacy. While untainted by the past, his party is perceived to be a liberal urban formation in a country where peasant voters constitute more than 70 percent of the electorate.

The president has persistently refused to consider political reform including overhauling a constitution that was tailored for a one-party state. He also refuses to appoint an independent electoral commission or release his government's grip on the media. As a result he has found himself increasingly out of step with democratic changes in the region. He has made little secret of his resentment of the new South Africa which provides an alternative model to often narrow and intolerant modes of governance north of the Limpopo.

With a pliant rural base, Mugabe can ignore for the present complaints of hardship from an urban population afflicted by inflation and unem-

Zim's gay policy meets with foreign resistance

Iden Wetherell in Harare

PRESIDENT Robert Mugabe's campaign against gays appears to be running into growing international resistance as European Union countries review their relations with Zimbabwe, diplomats in Harare have confirmed.

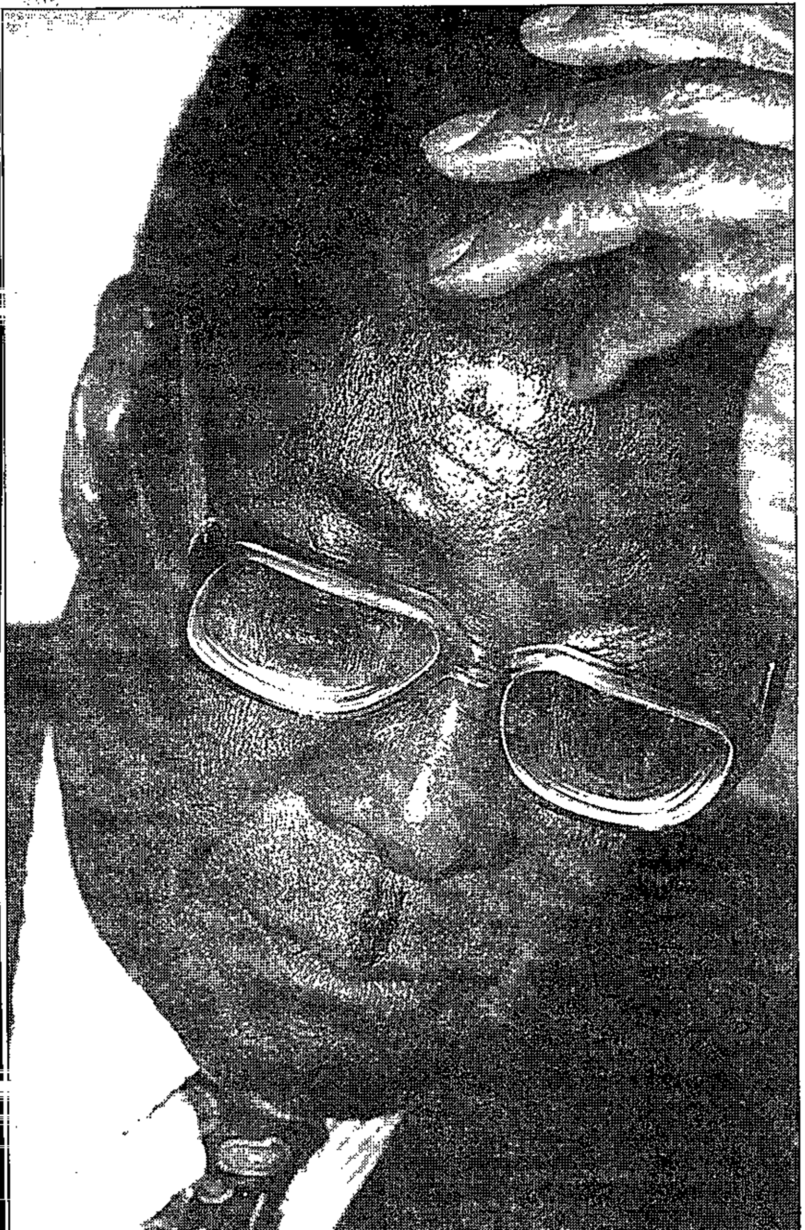
Dutch Foreign Minister Hans van Mierlo has now added his voice to a growing chorus of governments registering their disapproval of Mugabe's campaign. The Zimbabwean president's latest remarks "contradicted basic principles of the United Nations Covenant on Civil and Political Rights which Zimbabwe has signed", Van Mierlo told the Dutch parliament.

The Dutch ambassador to Zimbabwe, Wim Wessels, confirmed that he had received instructions to assess the situation and liaise with other European Union (EU) embassies in Harare. A report would be forwarded to Brussels, he said, so the EU could formulate a joint response.

Norway has said it could raise the gay issue when Zimbabwe next applies for aid assistance.

Observers note that as a result of foreign intervention, and the vocal position taken by South Africa's civil society, Mugabe has been reluctant to translate his threats into action. Gay support group Galz — Gays and Lesbians of Zimbabwe — continues to operate freely and several large and explicit New Year's Eve parties were held this week.

But gay couples walking in Harare's Botanical Gardens have been asked by attendants not to hold hands or use the public toilets on the grounds that graffiti there has become increasingly abusive [illegible] Mugabe.



Robert Mugabe: A fourth term as president seems inevitable
PHOTO: HENNER FRANKENFELD

ployment. "I am preoccupied with rural people because they comprise the majority," he disclosed in a recent interview. "They are the main and strongest backers of the revolution and, therefore, more dependable than the urban population."

This comes in the wake of Independent candidate Margaret Dongo's upset victory in the Harare South by-election where she defeated an employee of the President's Office.

Credible nationwide opposition, however, remains only a future prospect. So long as he holds on to his peasant fiefdom with the promise of food and land, and with the levers of state power operating to his advantage, Mugabe knows that, whatever the demands for improved governance, he is secure for another six years.

Sanyati copper mine to earn Z$70m a year

(362) CT(BR) 5/1/96

FROM SAPA

Harare — The state-owned Zimbabwe Mining Development Corporation and Reunion Mining (Zimbabwe) have commissioned a Z$126 million copper mine expected to earn more than Z$70 million in foreign currency a year.

The Sanyati copper mine, 230km west of Harare, produced its first copper sheets in November last year. For the first time in southern Africa, it used locally produced sulphurous acid for the leaching process to separate the copper from the ore.

"We are producing top-quality copper which is about 99,99 percent pure and at least 40 percent is being sold to three main local customers," Philip Dewhurst, the executive director of Reunion, said yesterday.

Reunion Mining (Zimbabwe) is the subsidiary of British-based Reunion, although it is listed in Luxembourg.

Confident

The Sanyati mine, in which the Zimbabwe Mining Development Corporation has a 25 percent stake and Reunion the remainder, was expected to produce up to 5 000 tons of pure copper a year and process about 4 000 tons of ore a day when fully operational. The mineral rights at Sanyati were held by Munyati Mining Company, in which Reunion held a 77,5 percent interest and the Zimbabwe Mining Development Corporation the rest.

Dewhurst said the partners in the project, partly financed by a Z$65 million loan from the European Investment Bank, were confident of the mine's viability, considering that demand for copper on the world market was firm, particularly from China and India.

Meanwhile, international global mining analysts James Capel Mining Research said Reunion had embarked on a major diamond and gold exploration programme in Zimbabwe. Reunion was expected to spend Z$27 million on gold exploration this year.

Bank lashes out at Zim's policy on immigration

(362) Star 6/1/96

Harare – Hostile immigration policies are hampering Zimbabwe's attempts to attract badly needed foreign investment, a leading local merchant bank alleges.

"Investment in new productive capacity offers the only possible source of new and substantive jobs, but prospects of new investment remain seriously affected by indecision and hostile immigration policies," notes the latest quarterly guide to the economy by the First Merchant Bank (FMB).

Investment levels have been on the decline over the past two years. From R2,23-billion worth of investment in 1994, inflows dropped to R615-million for the first 10 months of 1995.

"In the belief that skilled and selected immigrants and expatriates take jobs away from Zimbabweans, we impose the most severely restrictive regulations that currently apply in the country," complains the FMB.

The bank argues that "they were policies which made no sense 10 years ago at the height of the government's courtship with socialistic ideals of the far Left. They make much less sense now that Zimbabwe has chosen to respect market forces and accept the verdict of dispassionate and unforgiving marketplaces." – Sapa

Zimbabwe 'illegals' think the rewards far outweigh the risks

Star 9/1/96

362

By Tambayi Nyika
Bulawayo

Some Zimbabweans working in neighbouring South Africa may have broken the law by crossing into that country as illegal border jumpers.

But judging by the amount of goods some of them bring back home, it is worth taking the risk and serves to attract the growing number of unemployed youths to take similar chances.

The rewards are evident – truckloads of goods, fancy clothing, a more powerful rand currency which, when converted to Zimbabwean dollars provides a financial windfall – and posh cars that are clearly the envy of locals.

During the recent festive season the migrant workers, popularly known as "ingoli" because of their free-spending habits, came back home in their hundreds and painted this southern city of Bulawayo red.

They splashed around money at beer outlets, drove around at breakneck speeds and generally outshone their local compatriots, most of whom for the first time endured a cash-strapped festive season after the government and part of the private sector withdrew the year-end bonus.

The streets of Bulawayo were also invaded by numbers of South African-registered vehicles whose high speeds did not endear them to residents.

"This is the only time we come back home after a year of hard work and we have to thoroughly enjoy it," said Lenias Majola from Nkayi, who works as a till operator for a supermarket chain in Johannesburg.

Majola and his four friends, stopping over at the Inyathi business centre where they became the envy of the locals, cursed the Zimbabwean economy for failing to create employment.

Like other nationals from neighbouring southern African countries, unskilled Zimbabweans, whose country's unemployment rate stands at 1,5-million, have for decades crossed into South Africa as migrant workers in mines, on farms, at hotels and as domestic workers, taking up jobs considered too menial by many South Africans.

"There's no point staying in a country with no work"

The advent of South Africa's post-apartheid elections 18 months ago opened the floodgates for professionals like medical doctors, nurses, journalists, accountants and engineers.

Doctors and nurses comprise the highest number of professionals who have emigrated to South Africa in the last two years, forcing government to initiate a binding regional agreement with that country not to accept any more of them.

The influx of illegal immigrants also forced South Africa to deport 12 900 Zimbabweans in 1994 and 10 300 during the first eight months of 1995, most of whom paid admission of guilt fines and slipped back, probably only to be arrested again soon afterwards.

This is despite the warning of the then Zimbabwe High Commissioner to South Africa, Andrew Mtetwa, early last year, against trekking down south as hostility was mounting against Zimbabweans accused of creating unemployment among the country's nationals as they accepted lower salaries and wages.

"There are simply no more jobs in South Africa. Those who come here just risk being exploited or even being caught up in the violence that occurs in some parts of the country," said Mtetwa.

Some Zimbaweans say that whatever the risks, they are worth it, arguing that their country has failed to provide for its citizens.

"There was no point in my continuing to stay here where I could not get a job even as a general worker. Reports of violence are true but you leave that to fate. It is all about taking chances," said Majola, who has worked in South Africa for the past three years.

"There can be problems but the rewards outweigh the risks. The working conditions are not as strenuous as here and the salaries are far higher when converted to the Zimbabwean dollar," said a nurse who requested not to be identified.

Government moves to block professionals from working in South Africa would only harden their resolve not to return, she said. – Sapa.

Mugabe admits battle with IMF

AKG 9/1/96 (362)

□ Vows to resist pressure over Zimbabwe deficit

HARARE. — President Robert Mugabe has admitted that his government is at loggerheads with the International Monetary Fund over the reduction of the country's severe budget deficit, and has vowed not to give in to IMF demands on certain issues.

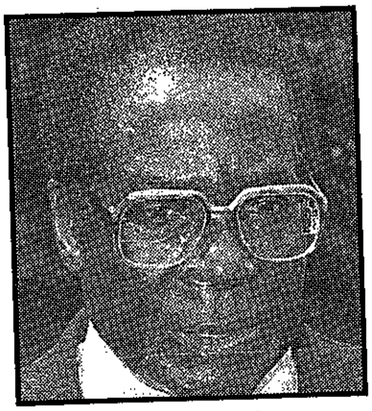
In an interview published on Sunday in the state-controlled Sunday Mail newspaper, Mr Mugabe recounted the government's first clash with the powerful multilateral institution in 1984.

"We started (borrowing from the IMF) again, and we are now at a stage where we are different. They want us to cut our budget radically in circumstances of hardship," he said.

In September the IMF cancelled a US$60 million tranche of a loan when the government failed to meet targets set by the bank to cut rampant spending that was responsible for its budget deficit doubling the targeted 6,5 percent Zimbabwe was given six months ago to remedy the situation to qualify for new finance.

An IMF team is expected in the country this month to review Zimbabwe's application for finance, and economists say Mr Mugabe's admission is an indication that Zimbabwe is set to be rejected by the IMF again, at a time when the stricken economy is desperate both for reforms and for funding from the IMF.

If Zimbabwe fails, they add, it is highly likely that other financial institutions will also stop financial support. Relations with the IMF were restored three years ago after they were severed in 1984 with the cancellation of a loan of about US$120 million when the government overran the budget deficit because Mr Mugabe insisted on maintaining heavy spending on health and education as part of the country's post-war reconstruction programme.



Robert Mugabe

But failure by the government to trim spending has strained relations with the IMF again, and twice last year lending was interrupted.

In a defiant tone, Mr Mugabe said in the newspaper interview that the country had suffered badly from the last years of incessant drought and that the IMF "should take into account these circumstances".

He said he agreed with the IMF that the civil service needed to be cut, but that retrenchment had to be gradual, and that rehabilitation programmes should be set up for the now-jobless former state employees.

"But they (the IMF) said, no, retrench. Your budget deficit must go down radically.

"We cannot do these things, they harm society. And in some cases they make our position worse," Mr Mugabe said.

Observers say Mr Mugabe's refusal to toe the IMF line is reminiscent of Zambia's ex-president Kenneth Kaunda who repeatedly aborted IMF reform programmes when austerity measures threatened his regime's popularity, and Zambia was cut off from finance and plunged deeper into economic disaster.

Mr Mugabe was also angrily critical of the "reckless" selling off of state shareholdings to foreign companies, and said he had insisted that they be sold to black Zimbabweans instead.

Last year, the government had its majority equity in Delta Corporation, the biggest company in the country, whittled down to 11 percent when, also following IMF guidelines to cut its control over the economy, shares were sold.

About half of them were sold abroad, with a major chunk going back to South African Breweries, which sold its controlling interest to the government in the early eighties.

He said steps were being taken "to ensure that this does not happen again," and that ownership was passed only to "Africans." — Sapa.

INSIGHT

Zimbabwe's poor get poorer

CHEMIST MAFUBA of Sapa reports from Harare (362) ARG 9/1/96

POVERTY is becoming more entrenched among marginalised people in Zimbabwe as austere economic reforms bite harder.

According to a book on social policy in Zimbabwe which has been published by the School of Social Work in Harare, poverty among the marginalised is to stay for a long while.

Social Policy and Administration in Zimbabwe is a collection of works by the principal of the school, Dr Edwin Kaseke, and seven lecturers at the institution which is affiliated to the University of Zimbabwe.

The edition comes at a time when Zimbabwe is poised to enter its second five-year phase of the Western-backed Economic Structural Adjustment Programme (ESAP).

The book shows how the trademark of ESAP has been mass retrenchment and hardships among the poor created by the removal of subsidies on essential commodities and the fall in the value of the Zimbabwe dollar.

The main casualties have been the rural poor because their welfare services are not well organised compared with those in urban areas, a situation which has resulted in many young people trekking to seek urban employment.

This movement has robbed communal areas of the crucial manpower which is required to boost subsistence agriculture — the cornerstone of rural economy.

Though agriculture is the backbone of development in Zimbabwe, the authors note that there is no crop insurance for subsistence producers.

This burden has now fallen on the government which has to provide food relief in times of drought, plus free seed and fertiliser packs and subsidised tillage units to get them back on their feet.

Since independence, Zimbabwe had made considerable achievements on health, with immunised children tripling from 25 to 86 percent by 1990.

Infant mortality declined from 86 to 61 for every 1 000 live births, while life expectancy increased from 55 to 59 years.

The population growth fell to 2,8 percent.

The biggest challenge is Aids. Though the first cases were reported in 1985, estimates now show that by the year 2000 about one million could die of the disease.

Financial hurdles and manpower shortage threaten to derail some of the gains made since Zimbabwe became independent in 1980.

This also goes for the education policy, which the government of President Robert Mugabe started off as a free for all at primary school level.

School fees have since been reintroduced in urban areas, while in rural areas it is free in theory, as parents still have to pay some relevant costs.

Zimbabwe, the authors point out, is likely to slide back to the pre-independence era when the poor could not afford education.

Perhaps, the most controversial subject relates to what role the government should play in providing decent accommodation to improve the lives of the rural poor.

The book notes that the situation is being worsened by the rapid growth of the population in this sector, which is estimated at 45 000 per year during the current decade.

Given problems the government is encountering in trying to service urban areas, the authors suggest that efforts be made to facilitate self-help programmes in rural areas. — Sapa

R31-m set aside for new Zimbabwe dam

(362) ARG 9/1/96

HARARE. — The city council here has set aside Z$80 million (R31 million) for the purification works and connection pipes needed in the proposed Kunzvi Dam, which will augment the dwindling water supplies in the capital, Ziana news agency reports.

Construction of the dam near Murehwa was scheduled to begin in March last year but was shelved as the government did not allocate any funds for it under the public sector investment programme in the 1995/96 financial year.

In an interview, the chairman of the city's water conservation task force, Councillor Sylvester Ngorima, said the city council was concerned that the government was taking so long to provide an alternative water source for Harare.

"Harare's water problems will not be solved even if we get good rains this year," Mr Ngorima said. "Kunzvi Dam is the answer."

When complete, Kunzvi Dam will have a crest 2,6 km long and 40,3 m high, covering 85 hectares, and have a total capacity of 157,9 million cubic metres. — Sapa.

Huge number infected with HIV in Zimbabwe

HARARE — The Zimbabwean National Aids Co-ordination Programme (NACP) says estimates show that up to 25 percent of sexually active people between 15 and 49 may be infected with the human immunodeficiency virus (HIV) thought to cause the deadly illness. ARG 9/1/96

An NACP report said about 10 percent of Zimbabwe's 10,4 million people were infected with HIV and one in three babies born to HIV-positive women had the virus. (362)

"Almost all those with HIV are expected to develop Aids in time," the NACP said. "Average life expectancy may be shortened by perhaps 20 years, with a shortage of young and middle-aged productive adults and huge numbers of orphans, possibly one in three of all children, by the year 2010.

"Sex ratios will change as women die younger than men, and dependency ratios will worsen."

The NACP said population growth would slow down and the population might even contract for a period, although it would gradually recover.

By mid-1995 there were 40 000 reported Aids cases in Zimbabwe. It is generally believed about two-thirds of cases go unreported. — Sapa.

Zimbabwe given better access deal

BD 11/1/96 (362)

John Dludlu

GOVERNMENT had offered Zimbabwean exports better market access to SA, brushing aside protectionist proposals from SA's clothing and textile industries, trade and industry department chief director for foreign trade relations Faizel Ismail said yesterday.

In terms of the offer — which had already been rejected by the Zimbabwean trade negotiators — SA lowered the 75% local content requirement to about 25% in a bid to reinstate the lapsed pre-1992 trade concessions on Zimbabwean clothing and textiles.

Ismail said the lower requirement would have to hiked up by about 5% on an annual basis while the bilateral deal lasted.

The move follows criticism that government was bowing to pressure from vested interests in refusing to give better market access to SA's neighbours.

An initial offer called for a 75% local content requirement accompanied by import quotas.

The department earlier asked that the 75% local content requirement be lowered, but the two federations refused to budge.

Ismail said the new offer had taken into account the concerns of the federations.

The challenge now was to convince the Zimbabweans to accept the offer as an interim measure in the absence of a multilateral trade arrangement for the 12-nation Southern African Development Community (SADC) region.

The SADC trade and industry ministers had already given a go-ahead to plans for a gradual reduction of tariffs in the region in a bid to buoy thin intra-SADC trade, he said.

Ismail said no decision had been taken on whether the proposed multilateral arrangement, which would culminate in a free trade area, would be done on a sector-by-sector basis.

"That decision will have to take into account concerns of the various member states. I hope the Zimbabweans will see the offer as an interim measure."

Ismail stressed the urgency of concluding the talks which have dragged on for about a year.

This development comes amid an intensive lobbying campaign by the embattled textile firms in Zimbabwe to get the preferential trade regime reinstated.

This week the Central African Textile Manufacturers' Association, which represents Zimbabwean textile companies, called on the EU to put pressure on SA to soften its earlier hardline stance.

NEWS DIGEST

Zimbabwe health service (362) threatened by funds shortage

Harare — A Zimbabwean cabinet minister has petitioned President Robert Mugabe to allocate more money to the health ministry to save the country's public health system from collapsing.

Health and Child Welfare Minister Timothy Stamps said on Tuesday his ministry needed an additional Z$350 million to ensure a satisfactory standard of health care delivery.

"We have conservatively estimated that we need Z$350 million to maintain the health services at the ... level at which we maintained it last year," Stamps said.

"We spent the whole of last week in conference with the ministry of finance and we have met the president and put the matter before him," he said. CT (BR) 11/1/96

Zimbabwe's public hospitals have in the past year been hit by drug shortages after several companies suspended supplies, citing failure by the government to pay mounting debts.

Mugabe's government, under pressure from the International Monetary Fund and the World Bank to curb runaway public spending, last December instructed the health ministry to slash Z$23 million every month from its budget.

Stamps said his ministry, which was allocated Z$1,4 billion for the 1995/1996 financial year ending in July, needed the additional money to prevent the health system from crumbling. — Ziana

Zimbabwe focuses on small-grain crops

CT(BR) 11/1/96 (362)

By Angus Gova

Harare — Despite initial resistance to small grains by farmers in Zimbabwe's semi-arid areas, production is now expected to increase significantly, largely as a result of a donor-funded seed action programme started in 1985.

Farmers' confidence in the drought-resistant crops has risen significantly, with estimates showing consumer demand at 15 percent to 20 percent of the existing maize meal market. This is expected to lead to a shortage of supply, increasing the price of small grains on the open market.

Small-scale farmers have resisted small grains because of the low yields of these crops, the high labour input needed, their susceptibility to attacks by birds, and the low return per dollar invested.

Over the past 10 years, work by donor agencies, led by non-governmental agency Zimbabwe Environmental Development Agency (Enda), with farmers in Zimbabwe's communal lands and small-scale commercial areas, has achieved a great deal in the areas of research, production, institutional collaboration and to a lesser extent, policy change.

Seed aid may revitalise sustainable agricultural production in arid areas

The seeds action programme has its roots in the drought-stricken communal lands of Zimbabwe, farmed mainly by women.

The programme led Enda into a research and action programme in supporting the role of small grains in the entire process cycle. It involved improved grain storage, small-grain dehullers, germ-plasm collection and seed identification, and initial comparative trials.

The areas represent 42 percent of the total land area of Zimbabwe, and 75 percent of communal farmers. Rainfall is erratic and minimal.

Under the seed programme, 10 seed-production committees were established in 10 wards involving 2 000 farmers.

Crops include groundnuts, cowpeas, open-pollinated maize, sorghum, finger millet and pearl millet.

Communal farmers, with assistance from Enda and Novib, a Dutch development agency, embarked on a seed-exchange programme in which farmers bulked seeds and exchanged them with farmers of other areas.

The processing problem was addressed by the installation of 71 prototype dehulling machines in the semi-arid areas. Three Zimbabwean companies are now producing dehullers on a commercial basis.

The programme diversified into improved varieties and seed multiplication, and the 1993-1994 trial season proved that small-scale farmers can effectively multiply good quality seed of improved, open-pollinated drought-tolerant crops.

This led to the second phase of the programme, which started in the following season.

Objectives of Phase II of the programme include the creation of communal farmer-owned seed supply and processing companies, consolidation of technical service to farmers and promotion of policy change.

It is projected that farmer-owned companies will multiply seed and identify additional grain strains.

For the processing, medium-sized commercial small-grain milling companies are to be set up to produce different brands of small grain meal for local, urban, and possibly export consumption.

There will also be seed cleaning, treating, and packing plants for the three markets.

The feasibility of rural women being majority owners of the local companies through their shares contribution will be investigated.

The government has been discouraging farmers in the drier regions from concentrating on drought-susceptible maize production. It is encouraging small grain production, and has this year included small grains in its crop packs programme.

Seed packs are being distributed by the government this season to more than 1,2 million smallholders under a Z$185 million (about R85 million) programme. — AIA/Independent Foreign Service.

vice to customers. More market research is being done than before to understand the specific needs of customers. And banks are exploiting data bases "seeking to understand the individual behaviour that lies behind the broad demographic profiles of clients," says Standard Bank GM Gus Warwick.

First National Bank GM Mike Jarvis says the new approach to retail banking is the result of increasing competition from traditional sources (including overseas banks) and nontraditional sources, including retailers. This has narrowed lending margins and encouraged a move to enhance fee-based services.

Jarvis adds that banking will involve far less cash and paper in future and much more electronic banking and predicts banks will provide a full range of services 24 hours a day, seven days a week. (NedCredit, which provides vehicle finance, already gives this round the clock service.)

Jarvis says: "The key to success will be the strategic placing of service points." Some services are now provided in retail stores.

Nedbank GM Bob Wooddisse says: "We will probably see smaller — more boutique-like — banking halls, which will be mainly specialist and advice-orientated rather than transaction based. And the perception that banks are where you get your money will change."

He anticipates that most people will soon use smart cards — which enables them to carry cash in their cards instead of in their wallets for most transactions — because of their security and convenience

FNB is diversifying rapidly into several traditionally nonbanking businesses, including:

- ❑ First Insurance — providing insurance services;
- ❑ First Net — which installs and manages post offices' lines and networks;
- ❑ First Link — a low cost life insurance and funeral services business; and
- ❑ First Recovery — a disaster recovery service for large IBM-based mainframes. ■

362

ZIMBABWE

New tangent

FM 12/1/96

President Robert Mugabe's year-end interviews with editors of the State-owned Zimbabwe Newspaper group make depressing reading for advocates of privatisation and economic reform.

The increasingly irascible 72-year-old President portrayed himself as a man misled by top officials, who were implementing reform policies behind his back.

In particular, he targeted the chief executive of the State-owned Industrial Development Corp, Mike Ndudzo, whom he accused of lying about the sale of shares in Hunyani Holdings paper group.

The shares were sold amid a flurry of public statements last year to Zimbabwe Stock Exchange listed TSL, which is controlled by the Zimbabwe Tobacco Association. The President claimed the shares had been sold without his knowledge and also sharply criticised the finance ministry for "mysteriously" selling government-owned shares in industrial conglomerate Delta Corp.

Mugabe . . . *angry attacks on officials*

The Delta shares were sold through the Zimbabwe Stock Exchange and former Finance Minister Ariston Chambati made a public statement to parliament last year giving details of the buyers.

"I had hoped that measures had been taken against those officials guilty of selling the shares without government authority," Mugabe said.

The government was taking new steps to ensure that such privatisation was not repeated. "We will not sell these entities for the sake of pleasing the IMF." Ownership of public corporations must remain in the hands of Africans, he added.

Just where this leaves the government's negotiations with the IMF is a matter for conjecture. In October last year, government officials insisted that an agreement in principle had been reached with the fund on a "shadow" programme to see Zimbabwe through until the end of the first quarter. But the IMF board has still to give its approval.

With Zimbabwe in a serious debt trap, Harare is under IMF pressure to privatise public corporations, using the proceeds to repay debt. But Mugabe's insistence on selling to local businessmen and using the proceeds to set up an investment trust to finance black business is a severe setback to reform.

The President's outburst included yet another new threat to take over white-owned farms. "Money or no money, we must have the land."

The British government, he claimed, had promised money for land resettlement, but if that were not forthcoming for any reason, Zimbabwe might follow the "Irish example by taking the land now and paying for it in the future."

Mugabe apologists, including the British Minister responsible for African affairs at the Foreign Office, Lady Lynda Chalker, will dismiss the President's outbursts as "electioneering," pointing to the coming presidential election scheduled for March.

This may be accepted by the diplomatic community, notwithstanding the fact that any opposition to Mugabe will be no more than nominal. But it is not going to wash with business, foreign investors or the IMF. Some analysts believe the President's year-end interviews, and especially his angry attacks on officials who were doing no more than implementing government policy laid out in the budget, highlight just how out of touch Zimbabwe's leader has become.

Mugabe's sharp attacks on the IMF and the economic reformers reflect his disillusion at the failure of reform to yield quick results.

Despite repeated official forecasts of lower inflation and interest rates, inflation jumped to 26,4% in November — the highest monthly figure since April 1993. Prices of nonessentials subsequently rose 5% with the increase in sales tax on such goods to 25%, from 20%; the petrol price has been raised 10c a litre and the wholesale price of maize meal increased 28%.

These increases will filter through to the consumer price index in the first quarter of 1996, ensuring inflation stays above 20% at least until midyear and leaving little scope for interest rate reductions.

Indeed, at the end of last week, money market dealers reported a Z$1,4bn (R545m) shortage as the Reserve Bank tightened its monetary squeeze in an attempt to curb inflationary pressures. With money supply growing 27,5% in the three months to October 1995, the central bank has its back to the wall.

Despite Mugabe's hostility to liberalisation, the process is continuing, with the Bank easing controls on foreign portfolio investment. From January 1, foreign shareholders are now allowed to own 35% of Zimbabwe Stock Exchange listed firms — up from 25% previously, but the limit of 5% ownership by any single foreign investor is retained.

Nonresidents with blocked funds of less than Z$5 000 will now be allowed to withdraw their funds through normal banking channels.

Further exchange control liberalisation is expected later in the year with the 5% ceiling on foreign individuals being lifted and extra moves to allow nonresidents to move out blocked funds which the authorities see as a deterrent to new investment. ■

EMERGING MARKETS — 1

Cutting contagion

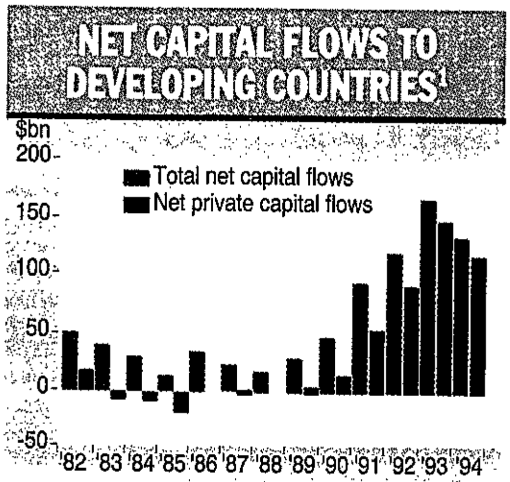
Perceptions of global investors about emerging markets in 1995 were coloured by the sharp devaluation of the Mexican peso in December 1994 and its destabilising effect on that country's financial markets. The crisis of confidence proved contagious, substantially slowing capital inflows to developing countries in the first half of 1995.

In retrospect, investors were too pessimistic, says the Union Bank of Switzerland. An analysis of 44 countries, including SA, is reported in the first quarter 1996 edition of its publication *New Horizon Economies.*

The outlook for 1996 is better. The magazine forecasts a rise in average growth in those economies — from 3,8% in 1995 to 5,4% this year — and an improvement in the prospect for inflation and external balances. However, it anticipates budget deficits will be "somewhat worse."

Investors, it says, are becoming more discriminating about developing countries. They are facing "up to the fact that a macro-economic stabilisation package is necessary, but far from sufficient, to achieve sustained real growth. They now demand more than balanced government budgets and sound monetary policies — they insist on demonstrable evidence of sustained growth and a sociopolitical climate supportive of such growth."

Current account deficits, financed by capital inflows, are being interpreted in the light of whether they occur in an environment of strong growth, low inflation and a declining ratio of foreign debt to GDP or whether the context is one of low growth, high inflation and an upward trend in foreign indebtedness relative to output and export activity. By this measure, SA could fare well: with moderate growth, falling inflation and a rising — but low — level of foreign debt relative to exports and GDP.



¹Flows exclude exceptional financing
Capital-exporting countries, such as Saudi Arabia, are excluded

SOURCE: IMF WORLD ECONOMIC OUTLOOK

The November edition of the IMF publication *Survey* also discusses investors' increasing awareness of the differences in emerging markets.

Its annual study — *Private market financing for developing countries* — showed that, if economic fundamentals are sound, a crisis in the financial market of one developing country should not damage others.

After Mexico's peso devaluation, "selling pressures were concentrated in western hemisphere markets (but) they temporarily spilled over to Asian markets."

The impact on Asia was short lived, however. "The ability of the Asian countries to weather the pressures experienced in early 1995 largely reflected their basically strong economic positions."

In general, the IMF observes: "Developments over the past year and a half point to the general resilience of the market for developing country securities and provide reassurance that market access can be maintained."

And it reports external debt management practices are "receiving greater attention."

"Before the Mexican financial crisis there was a significant shortening of maturities. Now governments are balancing maturity profiles and currency denominations to keep from creating conditions conducive to short-term liquidity problems." ■

EMERGING MARKETS — 2

1996 forecast

An evaluation of the SA economy by the Union Bank of Switzerland shows only two areas of concern. It predicts a budget deficit of 6% of GDP, in 1996, and foreign reserves that will pay for little more than a month of imports, when gold is stripped from the figure.

A table, published in the bank's publication *New Horizon Economies,* shows several of the 44 countries analysed are expected to have bigger budget deficits, including: Taiwan with 5,6%, India 6,3%, Bulgaria 6,5% and Zimbabwe 8%. And a budget surplus is forecast for only a handful: Singapore 5,7%, South Korea 1%, Thailand 1,5%, Chile 1%, while Indonesia is expected to have a balanced budget.

The level of SA's reserves (without gold) is expected to be one of the lowest in the world. Only the Cote d'Ivoire, with exactly one month's worth of import cover, will be worse off. At the other end of the spectrum is Chile. The bank expects it to have 13,2 months of import cover.

SA scores well by a number of measures. The forecast on foreign debt, put at 24%, as a percentage of GDP, is the lowest of all sub-Saharan countries under review. It is also lower than all the Mediterranean and Middle East countries, except Saudi Arabia which is forecast at 15,2%.

Of the countries of central eastern Europe and the CIS, Slovenia's debt level is forecast at 21,3% and Romania's at 20,1%. The lowest predicted debt level of Latin American countries is that of Brazil, 26,7%.

The prediction on inflation in SA (and the Cote d'Ivoire) is 10%. This is the lowest for sub-Saharan Africa. Nigeria's inflation prediction is 75% and Zimbabwe's 22%.

The lowest forecast inflation among the 44 countries is that of Panama — 1,5%. This is followed by Saudi Arabia at 3%, Croatia and Singapore with 3,2%.

The highest inflation forecast is for Russia, 185%. It is followed by Turkey with 91,5%. ■

LAW OF CHEQUES

Unintended results

When a statutory requirement is not complied with, to the letter, the consequences may be expensive. This was the case when cheques had the name of a company, as drawer, written in abbreviated form. When the cheques were not honoured by the company, the directors found themselves liable.

Tim McIntosh, a senior partner in Cape attorneys Findlay & Tait, says this was the result of a decision by the Durban & Coast Local Division of the Supreme Court in *Epstein vs Bell,* reported last year.

The Companies Act (Section 50) provides, among other requirements, that a company cheque "shall have its name and registration number mentioned in legible characters in all cheques purporting to be signed by or on behalf of the company." And a company cheque should also record its registration number.

In this case, the company's full name was South African Unlisted Securities Market Exchange (Pty) Ltd. Its bankers printed the name on its cheques as SA Unlisted Sec Market Exchange (Pty) Limit t/a USM Investments, with its registration number.

Five company cheques, drawn in favour of a creditor and signed by the directors, were dishonoured.

When the directors were sued in their personal capacity, they argued there could be no personal liability for the signatory of a company cheque so long as the company's name is identifiable.

The judge rejected this argument. He reasoned that Section 50 specifically permits the use of certain abbreviations of a company's name — such as Pty for Proprietary — and that this tends to show the legislature intended only these abbreviations should be permitted.

McIntosh raises the possibility that the directors might have an action against their bankers — for printing the cheques in a way that did not comply with the requirements — but considers it unlikely. Directors would do well to instruct their bankers to ensure company cheques comply strictly with the requirements of Section 50. ■

Zim's media dance to Mugabe's drum

(362) MtG 12-18/1/96

Jan Raath, Harare

As would-be candidates for this year's elections in the United States brace themselves for the merciless glare of media exposure, in Zimbabwe, where presidential elections are also due this year, media coverage consists, so far, of a series of "exclusive interviews" given by President Robert Mugabe to the state-controlled press.

In the interviews Mugabe delivers his "vision" of his next six-year term and there is no suggestion of him doing anything but winning.

The interviews in the space of a week, one in the *Herald*, the Harare daily, and two in successive issues of the *Sunday Mail*, contained no mention of the staggering pay increases Mugabe granted himself, his ministers and MPs in November, and the only reference to his extravagant overseas travelling is through a vigorous defence thereof by Mugabe himself.

The interviewers "allowed Mugabe to ramble on without asking him a single challenging question", commented a senior columnist in the *Financial Gazette*, an independent weekly and the only significant non-ruling party newspaper in Zimbabwe. "Indeed, no questions appeared to have been asked at all."

Tommy Sithole, editor-in-chief of the *Herald*, handed a tape recording of his interview to a reporter and told him to get on with the job.

Charles Chikerema, editor of the *Sunday Mail*, at least wrote his story himself. The reports were so badly written — "they make Mugabe appear illiterate," said one of Chikerema's colleagues — they could only have been produced by Chikerema himself.

Chikerema was suspended as editor this week for unspecified "insubordination".

This is the state of the dominant newspapers in Zimbabwe as they prepare and inform the electorate for the presidential elections. It is significantly worse than a year ago, before last year's parliamentary elections, when the *Herald* was still sweating from the competition with the independent *Daily Gazette*, and came close to being a good newspaper.

Sadly, the *Daily Gazette* died of high interest rates at Christmas, 1994, and the *Herald* promptly returned to its crude, unchallenged propaganda, frequently dictated by members of the ruling Zanu (PF) politburo.

The *Financial Gazette*, and to a lesser extent, its sister, the *Sunday Gazette*, both owned by publisher Elias Rusike's Modus Publications, and the handful of magazines and broadsheets whose quality ranges from excellent to hilarious, are no match for the financial muscle of the *Herald*, the *Sunday Mail* and the rest of the Zimbabwe Newspapers' stable, even if most people read them only for the soccer news and the classified advertisements.

The absolute failure of the dominant press — and far more so of the radio and television services of the parastatal Zimbabwe Broadcasting Corporation (ZBC) — to present Zimbabweans with a fair, comprehensive and critical assessment of the candidates (if Mugabe is opposed) in the 1996 presidential elections is already established.

In last year's parliamentary elections, Zimpapers and the ZBC were condemned by independent monitors for their disregard of any participants outside Zanu (PF). They were cited as major flaws that contributed substantially to the judgment that the elections were neither free nor fair. In the coming one-horse, one-party race they are unlikely to be any different.

Zimbabwe beats production record

CT(BR) 12/1/96

FROM SAPA

Harare — Zimbabwe broke a 55-year-old record last year with gold production of 24 289 kg, Zimbabwe Chamber of Mines officials said yesterday.

Output increased by 18 percent over last year's total of 20,5 tons, valued at Z$2,59 billion, and exceeded the forecast of 22 tons. Chamber chief executive Derek Bain said next year's production could reach 27 tons.

Bain said gold production last year was restrained because of the drought causing water shortages and cut-backs in the retreatment of sands operations.

Zimbabwe's gold production has risen steadily since the mid-1980s, and increased in the last five years as a result of improved extraction technology.

Analysts said an all-time record was within sight as output approached the peak of nearly 29 tons in 1916, when pioneers exploited ancient workings.

Bain said production had been marginally augmented by small miners selling gold to official buyers, instead of the black market.

(362)

Zim war film turns into a burning issue

MtG 19-25/1/96 (362)

Brian Latham

THE confiscation by Zimbabwean authorities of a film about the war of liberation has cast severe doubts over the future of the country's film industry, and raised new questions about its strict censorship laws, which date from before independence.

The film, *Flame*, is about two young women who flee Rhodesia to join the struggle for independence and majority rule. But their quest for freedom is filled with hardship. There are beatings and underground prisons — and one of the young women is raped by a guerrilla commander.

The rape scene has angered Zim[illegible]babwe's influential War Veterans Society. Its director, John Gwitira, said the society's 25 000 members are happy the film was confiscated. Gwitira, who joined the liberation movement in 1969, believes the film will be held indefinitely.

He said freedom of speech guarantees did not apply. "We know that's what they pretend to propagate: that freedom of speech means that you can say anything subversive."

The filmmakers, the Black and White Film Company, strongly disagree. Ingrid Sinclair, *Flame's* director, said the war over the film had become a "battle of the sexes" because women are portrayed as playing a leading role in the bush war [illegible]

Countering accusations of historical inaccuracy, Joel Phiri, the producer, pointed out that *Flame* is a work of fiction that never claimed to be the definitive film on Zimbabwe's turbulent war years.

The reasons for the confiscation are unclear. Simon Bright, co-producer, said the search warrant which led to the film's confiscation by the police stated that the film had to be viewed by the authorities for reasons connected "with obscenity". But a source in Zimbabwe's Ministry of Information, who declined to be named, said that the problem was the script.

Legislation that dates back to Rhodesian days says any work of fiction filmed in the country had to have the script approved by the state. This was done, but ministry officials complain the script "has changed 10 times" since it was submitted. Phiri acknowledged the script has changed, but said this was common practice.

Filmmakers worry that the confiscation of *Flame* will cast a shadow over the film industry in Zimbabwe, which has been experiencing a small boom. "It is a better place to film that South Africa", said Phiri. "Costs are lower and there is far less violence."

But, last year a German crew had its film seized by the state amid allegations, never proven, of pornography.

And there are fears that if *Flame* is "taken indefinitely", as war veterans hope, it will look like Zimbabwe's ruling party Zanu (PF) has a monopoly on history.

Amid serious concern over a censorship conspiracy between Zanu (PF) and the War Veterans' Association, liberal Zimbabweans point out that many of the actors and technical advisers were themselves war veterans, if not members of the association. In a country where freedom of expression is entrenched in the constitution, they find it bizarre that the Ministry of Information is involved at all — or that a theoretically non-political police force could be used to seize a film in an overtly political move.

Economics likely to dominate the year ahead in Zimbabwe

ET (BR) 19/1/96 (362)

By Charles Rukuni

Harare — With the March presidential elections the only major scheduled political event, economics are likely to dominate the year in Zimbabwe.

The country is trying to get back on its feet amid mounting pressure from the World Bank and the IMF to meet the targets set under the economic structural adjustment programme.

Although last year marked the end of the first phase of the programme, which saw the country missing almost all targets set in 1991, economics were overshadowed by politics — first through the general elections to determine who steered the country through to the turn of the century, and later through local government elections.

With the coming presidential elections little more than a formality as there is no serious challenger to President Robert Mugabe, Zimbabwe is likely to be forced to face up to reality as the country has slid into the economic doldrums. Some analysts say this may stir political upheaval because the bulk of those suffering from the effects of the economic structural adjustment programme are young people.

According to the latest report from First Merchant Bank, 820 000 young people have completed at least four years or more of secondary education since 1990 but less than 100 000 jobs were created since then.

Although this year kicked off on

UNOPPOSED *Zimbabwe's President Robert Mugabe*

a positive note for investors, with the central bank increasing the foreign participation limit by institutional investors on the Zimbabwe Stock Exchange from 25 percent to 35 percent, market analysts say a lot of what happens on the exchange this year will depend on government policy, particularly on public expenditure and privatisation.

The market opened on a cautious note after a lull in the rains but observers still believe this will be a better-than-normal rainy season.

The effect of the rains on the exchange was clearly demonstrated when the key industrial index shot up from 3987,63 points on January 9 to 4031,51 the next day, following the first showers of this year which ended a dry spell that began shortly after Christmas.

But while rains have a tremendous effect on the exchange, since agriculture is the mainstay of the economy, investors, particularly foreigners who have played a crucial role since they were allowed to trade on the exchange in June 1993, will be looking for other indicators before ploughing in their money.

Peter Brooke, a market analyst, said investors are closely watching what Zimbabwe is doing to get back onto the IMF's good books.

The IMF suspended balance-of-payments assistance to Zimbabwe in September last year because it was not happy with its economic performance.

The IMF put Zimbabwe on its shadow programme until March and said Zimbabwe should reduce inflation from 26 percent to 17 percent by June, achieve an economic growth of 7 percent by next year and drastically reduce its deficit and domestic borrowing.

Most analysts believe these targets are beyond Zimbabwe's capacity. Year-on-year inflation peaked at 26,3 percent in November, largely due to increases in the price of food and beverages.

There have since been further increases in the prices of food and fuel, which are likely to result in an increase in inflation. — Independent Foreign Service/AIA

Environmentalists fear deforestation by artists

(362) CT(BR) 19/11/96

BY EMMANUEL KORO

Harare — As the Zimbabwean hardwood carving industry continues to boom, environmentalists are worried about the threat to protected indigenous trees.

Zimbabwean wood carvers are regarded as among the best in the world, as evidenced by the international demand for their products.

Although the loss of hardwood to the industry has not been quantified, fears are mounting within conservation circles that the species could dwindle to extinction if urgent controls are not introduced.

Environmentalists, together with a forestry commission, are trying to bring in a mechanism to allow sustainable exploitation of indigenous hardwoods by wood sculptors. Vast losses are taking place, mainly in Masvingo province, Victoria Falls, Matabeleland and southern Manicaland.

In Chipinge, baobab trees are being exploited through the mat and bowl industry, which constitutes one of the major industrial activities in the area.

Wood carvers have been accused of poaching hardwoods such as bloodwood, Zambezi teak, leadwood, pod mahogany, African blackwood and mopane, to make attractive finished products which generally highlight Zimbabwe's rich game and culture.

The increase in the exploitation of hardwood is driven by demand, with tourists being the major buyers of the carvings.

"As would be expected in any battle for survival, conflicts over resource allocation have emerged. Private landowners have been complaining that wood carvers are stealing or poaching timber and causing deforestation in private woodlands. The poorer a person is today, the less the importance they attach to environmental protection," said Patrick Mushove, a research officer with the forestry commission.

A survey by an environmentalist group, Environment 2000, established that wood carving has become a roaring business. It is not uncommon to find life-size wood carvings selling for as much as Z\$9 000 (almost R3 600).

A carver acknowledged the expansion of the industry depleted indigenous woods, but said this was the only source of income for most carvers. — Independent Foreign Service

DEMAND *A carver adds the finishing touch to a giraffe*

Zimbabwean forces put on alert

AUG 23/1/96 (362)

HARARE — Zimbabwe has put its forces on high alert and tightened security on the Mozambique border following clashes between a shadowy rebel Zimbabwean group and police, government officials said today.

"There is a general message to all security organs — police, the CIO (Central Intelligence Organisation) and the army — to be highly alert," said an official.

Reports from Mozambique earlier this month said police killed seven Zimbabwean rebels belonging to the dissident Chimwenje (Torch) group in a gun battle near the border.

The Chimwenje — alleged by the Zimbabwean government to be loyal to veteran opposition leader Ndabaningi Sithole — is a group of at least 50 rebels based in Mozambique.

Mr Sithole, out on bail on charges of plotting to assassinate President Robert Mugabe and to overthrow his government, denies the link. — Reuter

Zimbabwe govt blocks TML investment plans

(362) BD 23/1/96

Jacqueline Zaina

TIMES Media Ltd's investment plans in Zimbabwe are being blocked by a government regulation on foreign ownership which stipulates that SA companies can take only a maximum 25% stake in existing enterprises.

TML MD Roy Paulson said yesterday that although the group was interested in investing in Zimbabwean publishing company Modus Publications, it was concerned about the ruling.

"If we were to invest in companies across our borders, it would definitely be on the basis of obtaining a majority shareholding," Paulson said.

This was important in establishing management and was necessary to protect one's investment, he said.

The proposed deal was viewed as "a natural fit", with Modus responsible for the publication of the only independent newspaper in the country — the Financial Gazette. The synergy with TML's existing financial publications — Business Day and Financial Mail — would have enabled the group to utilise its powerful financial base to provide the Zimbabwean company with journalistic and marketing training.

Paulson met Zimbabwean Information, Posts and Telecommunications Minister David Karimanzira last week to discuss proposals.

Zimbabwe's state-controlled Sunday Mail reported that Karimanzira had given the assurance the government was not opposed to foreign investment in the media industry. However, sources close to the discussions said that the Financial Gazette's role as the only independent newspaper in the media industry had earned it the dislike of President Robert Mugabe — a factor which could present another obstacle to foreign ownership.

Paulson said although foreign companies could officially own 100% of new Zimbabwean businesses, the general rule was that Zimbabweans hold a 30% stake in such companies.

Shoprite Checkers MD Whitey Basson said Zimbabwe's restrictions on open trade made it a closed shop.

Basson said the 25% limit on SA companies' investments in Zimbabwe's firms protected Zimbabwean traders, but also made the environment lucrative, with companies operating in the country achieving substantially higher returns than the 2% earned in SA.

Hospitals in dire straits

(362) ARG 25/1/96

HARARE. — Patients at some Zimbabwean government hospitals are being asked to bring their own food and drugs because of a cash crisis in the health-care system, hospital sources have said.

Virtually all major government hospitals reported this week that they were running out of supplies, including food, drugs, needles, gloves and equipment for blood transfusions and intravenous drips.

"We cannot take patients to the theatre unless it is critical," Harare Hospital officials told the government-supporting Herald newspaper.

"Patients are being prescribed drugs which relatives go and buy and then we treat the patients. We are down to the last food supplies for patients and tomorrow patients have to bring their own food."

At Gweru Hospital in central Zimbabwe, relatives have already been told they must bring food from home for the patients.

Hospital sources said efforts were being made to get President Robert Mugabe to intervene in the crisis, which has seen hospitals run up huge debts and some suppliers refusing to continue to provide services until they are paid.

Health Minister Timothy Stamps said recently that 23 million dollars (R8.6 m) a month had been slashed from his ministry's budget. — Sapa-AFP.

Zimbabwe ban for critical CNN

(362)

Harare — Zimbabwe's state television service will suspend relays of Cable News Network next week after the Atlanta-based station broadcast a critical report on the country's politics, a newspaper said here yesterday.

The independent weekly Financial Gazette quoted sources at the Zimbabwe Broadcasting Corporation (ZBC) as saying the order to stop the CNN broadcasts of morning programmes was given by Information Minister David Karimanzira last week and would take effect from Sunday.

Karimanzira and ZBC officials were unavailable for comment.

The Financial Gazette said President Robert Mugabe's government was unhappy with a CNN report on Zimbabwe aired by ZBC a fortnight ago. Details of the programme were not available.

Last week, state television ordered its reporters to stop covering two outspoken opposition politicians and a leading black businessman who last year won a lawsuit that ended the state's telecommunications monopoly. — Reuters.

Star 26/1/96

The "barking dog" which plagues Mugabe

(362) M+G 26/1 – 1/2/96

dwina Spicer spoke
Margaret Dongo, the
oman who took on
obert Mugabe and his
anu PF party, and won

"WILL someone remove this barking dog from our midst" President Robert Mugabe is reported have said of Margaret Dongo, MP for arare South, during the run-up to mbabwe's general elections last ar.

Dongo lost her seat in those elecons, but accused Mugabe's party of te-rigging and the registrar genal's office of gross incompetence. ne went to court, had the election sults nullified and a by-election lled. A 35-year-old woman took on ugabe and with him the whole nu PF party machinery. To the dislief of many and the delight of ost, she won.

It is not difficult to see why Mugabe ites this dynamic, intelligent exmbatant. Her crime is her refusal bow to the Zanu PF party hierary, or to be silenced on issues that atter to her. She burns on the subt of war veterans. "We had all been rough hell, but once the leaders got eir positions, their farms, their uses, their cars, they forgot about e people who put them there." She eaks from her tiny terraced house the constituency she represents. e gravy train does not call here.

The other old men of the party,

Margaret Dongo: Refuses to bow to the Zanu PF party hierarchy or be silent on issues which matter to her

PHOTOGRAPH: HORIZON MAGAZINE

those who have formed the govern-ment for the past 15 years pausing only to swap portfolios and move into mansions, do not like Margaret Dongo either.

"They decided that the best enemy for a woman was another woman, and chose my old friend and colleague Vivian Mwashita to stand against me. Poor Vivian — they used her. They offered her a house and she accepted it. A senior Cabinet minister is the father of at least one of her children and she thought the party heavies would do the work for her. She can't speak for herself," says Dongo.

Mwashita was no match for Dongo. The two women, despite sharing a liberation struggle history, are opposites in many respects. Dongo is articulate, bright. Mwashita is unable to express herself: in one television interview she repeatedly spoke of "the postage vote, or what-what they call it". At the opening of Parliament, after the April elections, Mwashita was captured by the cameras sleeping during the president's address. Her dress sense tends towards that of a superannuated bridesmaid, favouring taffetas and satins in purple, pink and green. Dongo either dresses in neat modern clothes or in the West African style of her friend and mentor, the late Sally Mugabe. "West African women have economic control of their lives, therein lies their strength. Zimbabwean women are not strong enough to pack a punch. You must get in there and make the change," she says Sally told her.

The people of Zimbabwe love Dongo. After her victory, her phone was busy for a month with congratulations from well-wishers. "Peasant farmers rang me long-distance from call boxes, some suggesting I should run for president." She laughs. "I'm not ready for that yet. But we should change the law that prohibits people under 40 from standing."

Mugabe is right to be scared of Dongo and her popular support. She, on the other hand, refuses to be cowed. Her supporters have been arrested, her house stoned. Her husband has received obscene phone calls about her. She laughs. It has never been easy.

Even as a Zanu candidate in 1990 the politburo tried to nullify her candidacy on the grounds that she was too young. Sally Mugabe warned her and she was able to prepare her winning reponse. "When I walked over the mountains into Mozambique and offered myself for guerrilla training, offered my life for the liberation, did they say I was too young? There were no age restrictions in the bush."

She was 15 when she joined Mugabe's Zanla forces. "I knew exactly what I wanted: to be trained, to fight and to return to Zimbabwe. But there were problems for women in the camps. We lived by jungle law. Every day some young girls would be targeted by the chiefs and escorted off to sleep with them. How could they refuse? There was no one to complain to, who would listen? They were all doing it."

On the news that *Flame*, a Zimbabwean feature film about women in the struggle which depicts this exact issue, had been seized by the police, Dongo says: "But of course they don't want the truth to come out about the struggle. Zanu PF survives on history so they can't afford the truth. Some of them think the law of the jungle still applies today."

It was in Maputo that she met Sally Mugabe. "She believed strongly in equal rights and insisted that women should play an equal role. The men didn't complain in those days because they needed us. Now of course they'd prefer women out of the way and so they hide behind 'traditional cultural values'. How can the president say that women should not seek title for their land? He actually said that! Culture is dynamic, it moves with the times."

As Zimbabwe prepares half-heartedly for the one-horse presidential race in two months' time, many feel that Dongo is the only voice echoing the thoughts of the majority.

"We have lost direction, we have lost our ideology. We fought to gain the power to serve the people, now we use that power to serve individual wealth. Zanu PF is no longer the people's party — it's the president's party. Drought relief food is looked upon as Mugabe's gift, not a basic human right. There's been no education on the people's right to water, land, housing, education. Bob is ruling Banda-style.

"And when we ask 'But what about the underprivileged?', they reply, without a hint of shame 'Zanu PF is not a welfare organisation'. Yes, the party is now the boss and the chiefs are never wrong. Well, I didn't fight the Rhodesians to remove white skin, but to remove discrimination and I'll fight any black man who has the same evil spirit of Rhodesia."

If Mugabe isn't scared, he should be.

Zimbabwe 'sham' polls set for March

(362)

Harare — Zimbabwe will hold elections on March 16 and 17 when President Robert Mugabe, now 76, will seek a third term as head of state.

Registrar-General Tobaiwa Mudede has accepted the nomination papers of opposition leaders the Rev Ndabaningi Sithole and Bishop Abel Muzorewa, but disqualified two independent candidates. With the opposition vote split between former Zimbabwe-Rhodesian prime minister Muzorewa (71) and veteran nationalist politician Sithole (77), each has little chance of defeating Mugabe.

Observers believe the only interest lies in how many of Zimbabwe's 4,9-million voters turn out. Lone independent MP Margaret Dongo this week described the elections as "a democratic sham" in view of ruling party control of the news media and political funding, and the inability of election monitors to curb alleged ballot rigging. – Sapa-DPA

Star 2/2/96

Parents to feed school boarders

Harare – Parents are being asked to help feed their children who are boarders at a primary school in Marondera because of the cash crisis facing the Zimbabwe government, the Ziana news agency reported yesterday.

An official at the Godfrey Huggins School told parents that the school could no longer afford the allocation of Z$143 000 for food for its 91 pupils.

For this year the funding has been reduced to Z$50 000.

As a short-term measure, the school authority asked parents to supply their children with supplementary foods such as biscuits, soft drinks, coffee or milo powdered milk.

"This is just a temporary measure we have taken and this additional food might still not be enough. Therefore the parents' School Development Association will be meeting in Marondera on February 17 to discuss this issue further," said the official.

Star 5/2/96

State-run hospitals had also been affected by the shortage of funds facing government, the latest casualty being Gweru General Hospital, which ran out of food last week. – Sapa.

362

(362) Star 7/2/96

Driven by drought and poverty, women join Zimbabwe's gold rush

The traditional power balance in the family is being changed as women bring home an independent income from panning the country's rich alluvial deposits

By Mercedes Sayagues
Bindura, Zimbabwe

Among the dozens of men labouring knee-deep in muddy holes at a gold claim near Bindura, 80km north of Harare, Zimbabwe's capital, a handful of women also toil, their torn dresses spattered with dirt.

As a real gold rush sweeps across Zimbabwe, fuelled by drought, widespread retrenchment due to structural adjustment and increasing poverty, women have joined the ranks of gold-panners in large numbers. In the process, the traditional power balance in the family is subtly changing, say researchers.

Among the women working in this claim is Marita Kyere, a landless, widowed grandmother who has been panning for the last six years. Conceria Chazakara (28) is a divorced mother who supports two school-age children through gold panning. And Eunice Shamba (26) is shovelling alongside her husband while her mother takes care of the children.

However different their circumstances, the three women agree that gold panning, although hard work, provides a needed income and they will keep on doing it.

Gold is Zimbabwe's second source of foreign exchange after tobacco. Studies estimate that maybe 10 tons of gold are retrieved each year and sold mostly on the black market by small-scale miners – equivalent to half of the amount legally mined and sold. In the process, severe environmental damage is caused through deforestation and river siltation.

More than a third of Zimbabwe's panners are women

Yet the government turns a blind eye, given the huge numbers of people involved. In 1991/92, at the height of the worst drought in living memory, there were about 100 000 gold panners. Now David Musabayara, who is conducting a study on gold panning for the Institute of Mining Research at the University of Zimbabwe, estimates there may be 500 000 people working the country's rich alluvial deposits.

At least 30% are women. In many ways, gold panning is well suited to rural women's time and labour possibilities. It can be done in spare time, after domestic chores, or between the coffee and cotton picking seasons.

Nor does it require specialised techniques or sophisticated, expensive equipment – a pick, shovel, colander, bowl and mesh cloth do nicely.

Gold panning needs a minimum team of two co-wives, mother and older children, sisters, neighbours and friends can do it, leaving young children in other people's care or taking them along to sit by the pits. Women can be found in all phases of gold panning, from carrying buckets of water at Z$1 (about 40 cents) each to digging and sifting, and in the amalgamation and marketing of gold.

They also perform associated economic activities, such as bringing and selling meat, fruit, vegetables and cooked food; selling clothes and knitting jerseys for sale; managing tuck shops and shebeens, baking bread, brewing beer and selling sex.

"It is an amazing development," wrote Constance Mugedeze, author of a United Nations study on women in small-scale mining. "An economic sub-culture and system has developed in these places." Women's newly found income can remain outside the traditional male control of wealth through land and cattle ownership.

Mugedeze points out that "single women panned and sold gold as they saw fit, they were their own masters". But even when wives surrender their income wholly to husbands, their breadwinning capacity remains in evidence.

"Now women are recognised in rural areas as family supporters as never before," says Giles Munyoro, president of the Small-scale Miners' Association.

He explains that gold panning earnings buy seeds and fertiliser, oxen and tools, pay for school fees and uniforms, even for beer and travel money for husbands. "Gold panning provides petty cash for rural livelihoods," says Munyoro.

Since 1994, Musabayara's research has found out that women's independent income obtained through gold panning is reshaping intra-family relationships. "Women panners have told us that now they have more voice in decision-making in the household," he says, recalling a favourite quote from a woman gold panner, who said: "Gone are the days when a woman had to quarrel with her husband over money to buy sugar or salt."

Some 400km south-west of Bindura, near the mining town of Zvishavane, Wedzerayi Machona began gold panning during the big drought of 1992. After domestic chores, the divorced mother of three children walked a kilometre to the Lundi river to pan. Often the children would skip classes or come to help after school.

'Women no longer have to quarrel for money for sugar'

The approximately Z$200 (R80) she made every month paid for food and school fees. "Don't you know that men don't care if a child is well fed and clothed?," she asks drily.

Although gold panning is illegal, often dangerous and involves spending long hours in the company of male strangers, Machona didn't hesitate to join in, and her elderly parents did not complain about her new activity. "It was a matter of money or no money," she explains. "What could they say?"

Munyoro points out that while, earlier on, men objected to their women doing gold panning, change has taken place, with more men accepting it, or taking their wives to pan along with them, as the Shambas are doing near Bindura.

When her husband finished his 'O' level school examinations six years ago and could not find a job, he began panning for a claim owner who pays for the gold retrieved daily. Eventually his wife joined him.

"It was my idea and she had to agree," says Shamba. "This job is better than cotton-picking because there you have a master and are forced to work. In gold panning, you work when you need money, or otherwise you stay at home. It's hard work but it pays more, so you don't see the hardship."

The day before, the couple had earned a paltry Z$14,50 (about R5) but a good day will yield Z$70 (about R28) or more, while a cotton picker may earn Z$20 (about R8) a day.

Not surprisingly, women continue to join Zimbabwe's gold rush in spite of the dangers of police repression, collapsing shafts, unhygienic sanitary conditions, crowded squatter settlements, exploitation by middle-men, rape and Aids.

For tens of thousands of women, gold panning provides a hard-earned, much-needed income they can't find elsewhere. – Independent Foreign Service.

New, relaxed Mugabe on easy ride to retaining power

ACT 7/12/96

(362)

HARARE: After decades of imprisonment and political struggle, President Robert Mugabe of Zimbabwe is taking it easy in the run-up to leadership elections that are expected to see him maintain power into the next century.

Close aides say the 71-year-old president has been rejuvenated by his new wife, Ms Grace Marufu. "I think he now wants to enjoy life and is a lot more relaxed, after working hard for all those years," one said.

"His new wife likes to have a good time and it appears she is encouraging him to do the same."

Mr Mugabe is said to have acquired a taste for fine wines, after more than half a century of frugal living as a teetotaller.

In recent months he has also been enjoying the country life. At the family farm left to him by his mother at Zvimba, 130km north of Harare, he is building a large pig unit, using breeding stock lent by vice-president Simon Muzenda. A bodyguard who accompanied the president on a recent trip to New York said: "The president cares passionately about his new hobby.

"He rushed home to Zimbabwe from that trip because he heard his farm had run out of pig medicine."

Mugabe's zest for life belies recent fears for his health and rumours that he has been treated for a throat disease.

THE GOOD LIFE: President Robert Mugabe

A spokesman in the president's office said cautiously: "We have no knowledge of that at the moment. You must have seen him recently, does he look like an ill man?"

Mugabe is likely to find next month's presidential election as relaxing as his new-found lifestyle. The opposition is unlikely to end his 16-year stewardship.

The strongest candidate is the Rev Ndabaningi Sithole. Unlike the other runners, he at least holds a seat in parliament. But he is on remand over charges that he attempted to assassinate the president. It is not clear how, or if, he will contest the presidency with the threat of jail hanging over him.

Archbishop Abel Muzorewa, the first head of Zimbabwe-Rhodesia in 1979, must be hoping that he will gain credit for perseverance, even if he polls few votes.

The electorate barely noticed when his minute United Parties pulled out of last year's elections in protest and he has been damaged by government allegations that he sanctioned air raids on guerilla camps in Mozambique during the war for independence.

Two other minor candidates have been greeted with amusement by the electorate. One of them vows, in a climate of modernisation and economic change, to lead Zimbabwe back to traditional African values.

Mugabe, who has been taking a holiday for several weeks, takes to the hustings today when he speaks to thousands in the rural district of Muzarabani in the northern Zambesi escarpment.

Even the weather has conspired to give the president an easy ride on his campaign tour.

In recent weeks heavy rain has poured on to the parched fields of Zimbabwe to transform dusty land into a green carpet. With crops shooting up and people's stomachs full, the voters are likely to listen to the president's speeches in a more favourable light. — The Telegraph plc London

Presidential election may cost Mugabe his credibility

BD 8/2/96

(362)

HARARE — Zimbabwean President Robert Mugabe entered the presidential election campaign yesterday with voter apathy posing a bigger challenge than his weak and divided political rivals.

The 72-year-old president is expected to extend his 15-year long rule by winning a six-year term but political analysts say a low turnout in the March 16-17 election could seriously damage his credibility and standing.

Mugabe has called several rallies across southern Zimbabwe in the coming weeks, starting in the remote rural northeast yesterday, where presidential officials say he will urge voters to turn up for the polls.

"There is no question in anybody's mind that we will win the race, but there are questions over how many people will turn up," one party official said.

"That is the issue we (in the ruling Zanu-PF party) will try to address during the campaign ... not Muzorewa or Sithole," the official, who refused to be identified, said.

Mugabe's opponents in the election are veteran opposition politician Ndabaningi Sithole, leader of the small right-wing Zanu-Ndonga Party, and Bishop Abel Muzorewa, president of the opposition United Parties.

Muzorewa is generally regarded by the black majority as a sell-out after he became prime minister in a white-controlled government of then Zimbabwe-Rhodesia a year before the country won independence from Britain in 1980.

Analysts also say Sithole, who is out on bail on charges of plotting to assassinate Mugabe and to overthrow his government, has too narrow a support base in his minority Ndau tribe to effectively fight Mugabe.

Four other opposition parties, notably the Forum Party of Zimbabwe led by former chief justice Enoch Dumbutshena, are boycotting the polls to press for reform of electoral laws which they say are heavily tilted in favour of Mugabe and his party.

The opposition is largely weak and divided and analysts say it has failed to take advantage of growing urban discontent against Mugabe's government, blamed by many for rising unemployment and other economic hardships, or to penetrate the ruling party's rural powerbase.

Election officials say 4,9-million people, about half the country's population of 10,5-million, are eligible to vote in the presidential election.

University of Zimbabwe political scientist Kempton Makamure said Mugabe's camp was worried about the voter turnout because only about 20% of the electorate had gone to the polls in recent local government and parliamentary by-elections.

Analysts believe the public is still furious that Mugabe doubled his salary and those of his top government officials late last year while asking everybody else to tighten their belts.

Some of his own grassroots supporters say his long tenure has made him arrogant. — Reuter.

The Star Monday February 12 1996

FROM THE EDITOR

Pitta-ful lesson from Zimbabwe

Star 12/2/96 (362,

Virtual nationalisation destroyed newspapers, writes Peter Sullivan

So much happens in a week. This week I am at Parliament being briefed by a barrage of ministers, all intent on a good press for their departments and achievements. Yesterday and Saturday were spent wondering how best to invest billionaire George Soros' money. His Open Society Foundation (on whose board I serve) must hand out about R45-million over the next three years. Giving it to causes which will foster an open society is more difficult than it might seem.

Last weekend while in Zimbabwe in search of a cautious bird, the Angola Pitta, I discovered The Star being sold on the streets of Harare. It cost R20 for a two-day-old copy. Business was brisk. So most of you are getting a bargain. Virtual nationalisation of the newspapers in Zimbabwe turned them from vibrant, entertaining, informing and educating papers into bland, dull things. Let us learn the lesson.

■ ■ ■

Maeve Binchy is an Irish writer who is larger than life. Her book-signing lunch at Chapters was a huge success. A great speaker, this bubbly, extrovert woman had the ladies in Sandton falling about. She listed the golden rules for writing:

■ Write what you know about. She did not write about group sex, she told us, because she knew nothing of it. In fact she did not write about sex at all because it may embarrass the very few people of whom she could write. She wrote about families, emotions, dreams, clothes, perfumes, music, betrayal.

■ Write as you speak. Forget about punctuation, you can always pay people to do that.

■ Listen, listen, listen. Eavesdrop. Learn to lip-read. Use your ears as a tape recorder.

■ Remember to press the recording button.

■ Send what you write to a publisher. It does not help to write and keep it secret. You may believe a publisher will steal into your home in the dead of night, see the manuscript, pick it up and say: "Aha, this is what I've been looking for!" It does not happen that way. But everyone is afraid of rejection, so some people base their lives on the belief that if you don't go to the dance you can't be a wallflower.

Maeve Binchy gushed forth happily and swimming in her words were other little truths, many of them causing giggles. The difference between the Irish and English, she said, is that it is difficult to make friends in England. But when you make them, they stick with you through illness and birthdays. Irish people make friends within minutes of meeting you. Then forget you again as soon as you walk out the door. But remember you whenever you walk back in.

A former Irish Times journalist, Maeve has a great sense of fun and will be writing for The Star before she leaves our country in a few weeks' time. Watch this space.

■ ■ ■

Now more serious matters. Why did The Star run a competition to change the name of our soccer side from the euphonic Bafana Bafana? Was it wise? Was it arrogant? Was it worthwhile?

It was done because many people felt calling our national side "the boys" smacked of paternalism and failed to acknowledge that the side had grown up remarkably quickly. Some letter writers – to my amazement – felt we ran the competition because we did not like a "Zulu" name and wanted an English one. I am sorry that people still believe things like this about The Star. This view of us as colonialist is, of course, completely outdated. Like everyone else in this country, it is difficult for us to escape our history. Nor would we want to as it has been, for the most part, an honourable one.

Perhaps our timing for the team name competition was wrong. We should have done it after the final. Perhaps we did not explain adequately what we were doing: allowing readers to have their say over the name, that was all.

It is our stated objective to allow access into The Star of as many views as possible over a range of as many subjects as possible. Some people prefer not to hear opposing views and get angry about it, believing views expressed by writers to The Star reflect the newspaper's views. It beats me how this perception can be reconciled with the debates of opposing views we so often run. Look at Sparks v Mulholland, Qwelane v Suzman. Surely The Star cannot support both sides simultaneously?

■ ■ ■

On another debate, we have allowed all sides their views, almost *ad infinitum*. Both sides have accosted me demanding the newspaper take one side. So far we have not done so, and have called for mediation instead. The Professor Makgoba affair is troubling enough to our top university without this newspaper taking a one-sided view. Our function, as I see it, is to allow access into The Star for the intelligent people in this city (and country) to present their views on what should happen at Wits.

When this newspaper has a definite view on who is right we will write it.

It does seem to me that the views of the two sides are not nearly as far apart as they believe them to be, and that the 13 academics plus Professor Makgoba could get together for the good of the institution. After all, the ANC and the National Party did.

■ ■ ■

Did we find the Angola Pitta? Yes, and its nest with an egg and a fledgling. We also found the Livingstone Flycatcher, and its nest. The books say it does not breed in Zimbabwe which just goes to prove that birds do not read books.

Independent Zim paper closes down

(362)

Harare – One of Zimbabwe's last independent newspapers published its last edition yesterday after the owners said they could no longer afford to lose money.

Elias Rusike, chief executive of the Modus publishing company, said the closure of The Sunday Gazette was "purely a business decision", not the result of political pressure.

In a front-page statement, Rusike said the newspaper, published since 1990, was not paying its way and its losses were hurting the company's flagship, the weekly Financial Gazette, Zimbabwe's only remaining serious independent newspaper.

Rusike, Financial Gazette editor Trevor Ncube and his deputy were convicted of criminal libel and fined last year for reporting that President Robert Mugabe had married his secretary in a secret civil ceremony.

Mugabe (71) has not denied marrying Grace Marufu (36) in a traditional African ceremony. The libel suit appeared to have been part of a long battle between the government and Rusike.

Rusike's Daily Gazette was shut down in 1994, also for business reasons. Its audacious reporting had angered the government, and state-owned enterprises were ordered to withdraw their advertising.

The government controls five newspapers, including two Sunday papers. – Sapa-AP.

Star 12/2/96

Hostel inhabitants voice disapproval of sloppy work

By Hopewell Radebe
City Reporter

Star 12/2/96

Hostel residents of KwaThema, Springs, are unhappy with the workmanship of contractors who have been awarded a R19-million contract to refurbish hostels which were destroyed during the early 90s violence between inmates and township residents.

The residents have accused the local city council of corruption, demanding to know what has happened to the rest of the R5-million earmarked for upgrading their buildings.

They and council authorities have been at odds ever since money was put aside to refurbish the buildings. The residents have also demanded compensation to hundreds of people who lost property during the conflict.

National Hostel Residents Association deputy chairman Sipho Nkwanyane said hostel residents also want the council to develop the squatter camp near the hostel.

They want basic infrastructure such as toilets, water and electricity to be provided to the informal settlement to prevent squatters from abusing hostel facilities.

Nkwanyane said other grievances included the council's lack of response to their complaints, and that blocked sewerage pipes, a number of leaking roofs, and unconnected and incomplete electrical wiring represented a health hazard.

The hostel inmates' misery started in September 1990 when KwaThema residents, allegedly acting on a call by the then civic association, demolished the hostel.

According to the KwaThema town treasurer's report, council insurers were supposed to have paid out an estimated R5,2-million for the building and material damage, contents and income losses incurred during the violence.

They want basics like toilets and water

The council received R3,63-million from insurers. The National Housing Board also granted an additional R16-million for the upgrading of the hostel, bringing the total put aside for refurbishment to R19-million.

Council treasurer Willie Steinberg argued in his report that the monthly rental received from the hostel dwellers was not sufficient to cover upgrading costs.

The inmates had begun paying for the services despite being dissatisfied with the quality.

Independent Zim paper closes down

(362)

Harare – One of Zimbabwe's last independent newspapers published its last edition yesterday after the owners said they could no longer afford to lose money.

Elias Rusike, chief executive of the Modus publishing company, said the closure of The Sunday Gazette was "purely a business decision", not the result of political pressure.

In a front-page statement, Rusike said the newspaper, published since 1990, was not paying its way and its losses were hurting the company's flagship, the weekly Financial Gazette, Zimbabwe's only remaining serious independent newspaper.

Rusike, Financial Gazette editor Trevor Ncube and his deputy were convicted of criminal libel and fined last year for reporting that President Robert Mugabe had married his secretary in a secret civil ceremony.

Mugabe (71) has not denied marrying Grace Marufu (36) in a traditional African ceremony. The libel suit appeared to have been part of a long battle between the government and Rusike.

Rusike's Daily Gazette was shut down in 1994, also for business reasons. Its audacious reporting had angered the government, and state-owned enterprises were ordered to withdraw their advertising.

The government controls five newspapers, including two Sunday papers. – Sapa-AP.

Star 12/2/96

Mugabe on the warpath against donors, peasants

(362) BD 14/2/96

HARARE — Zimbabwe's President Robert Mugabe is almost certain to win elections due in March, but political analysts say he is making campaign errors that could cost him dearly in coming months.

Mugabe has in the past week unnecessarily attacked and antagonised Western donors and may have fanned ethnic tensions over an election for which he barely needed to campaign, analysts say.

The 72-year-old president is facing weak opponents in Bishop Abel Muzorewa and veteran opposition leader Ndabaningi Sithole in the March 16-17 poll where analysts see voter apathy as his main problem.

At rallies, Mugabe is trying to win votes by threatening to grab without compensation white-owned farms to resettle landless black peasants.

He persistently accuses the UK of failing to honour a promise to help his government buy the land from white farmers, although the British government says he has not asked for any such help since 1988.

Whites own most of the fertile land and the issue, the rallying point of the guerrilla war that led to majority rule in 1980, remains very emotive.

The government has not been able to deliver on the promise because it has no money and cannot afford to confiscate the land.

Mugabe has also attacked Zimbabwe's main donors, the World Bank and the IMF, for pressing his government to cut annual spending from 40% of GDP, saying this was affecting vital services. The analysts said this would irritate Mugabe in view of his attempts to avoid any mention of recent huge salaries that he awarded himself and his top officials.

They also point to his big government team, seen as the main drain on Zimbabwe's coffers. "These errors and promises serve very little ... and may prove very costly in the next few months," said political analyst and lawyer Kempton Makamure of the University of Zimbabwe.

The country needs vital assistance from the World Bank and IMF, which withdrew some aid last year when the government failed to meet certain cost-saving measures for a new five-year economic reform programme.

Mugabe has also threatened to send home to their provinces of origin those peasants who have moved to greener pastures in other provinces. He said this was aimed at forestalling possible chieftainship wrangles and instability that might arise from clashes of different cultures and traditions.

But so far there have been no sign of ethnic wrangles in rural Zimbabwe and the move appears to be aimed at peasants who enjoy freedom of movement as long as they are granted land by rural district authorities.

Analysts say the idea could have been inspired by chiefs fearing that too much movement by peasants might undermine their traditional authority.

"This borders on fanning tribalism... People will start harassing each other and it will be particularly bad for those who have their roots in neighbouring states," said David Chimhini, executive director of the local human rights group Zimrights. "The last thing we need is people asking each other their origins. That may turn out to be a dangerous time bomb."

About a quarter of Zimbabwe's 10,5-million people trace their origins in Malawi, Zambia and Mozambique.

Mugabe has been able to maintain social stability in the country partly through a delicate tribal and regional balance in his government and by underplaying ethnic politics. — Reuter.

Zimbabwe's cellular phone project on track

(362) BD 15/2/96

HARARE — Zimbabwe's first mobile cellular telephone project is back on track after local backers managed to secure a partner to replace a US-based investor who quit last week, citing stifling rules.

TS Masiyiwa Holdings Ltd — which initiated the project — said it had managed to secure another US-based investor after Telecel International pulled out of the joint venture following the publication of new rules to control private mobile phone operators.

"We have replaced them. We now have a new partner which is an even bigger international partner," chairman Strive Masiyiwa said.

Telecel had a 40% stake in the project, which was expected to provide mobile cellular telephone services in Zimbabwe by 1998 at a cost of Z$500m and improve the country's creaky telecommunications.

The project was thrown into crisis after Telecel quit and some contractors stopped work on it because TS Masiyiwa had not applied for a licence as required by the new rules.

Under the rules, set by presidential decree, anyone found operating without a licence will face a fine of up to Z$100 000, imprisonment for up to two years or both.

A technical team yet to be appointed by President Robert Mugabe will also approve frequencies.

The rules came in the wake of a successful court challenge by TS Masiyiwa last year to have the state-owned Posts and Telecommunications Corporation's monopoly on provision of mobile telephone services declared unconstitutional after it was denied a licence to operate one.

Masiyiwa said on Tuesday his company was consulting the government on interpretation of the rules, which he said some of his major contractors believed were threatening.

"We are looking at our concerns, which arose from the measures and the interpretation being given to them.... It looks like we are going to have an amicable agreement on the way forward," he said.

An agreement with the government should be reached by the end of the week. This should clarify where his project stood under those measures, he said.

"The government is very keen to make sure that the measures do not have a negative effect on investment in the country," he said.

Local economic and political analysts feel the measures could scare away foreign investors, saying the decree seemed intended to frustrate private enterprise. Some interpreted the measures as a restoration of a state monopoly in a lucrative commercial area. — Reuter.

AFRICA

Good rains boost Zimbabwe bourse

(362) CT(BR) 16/2/96

BY ANDREW MELDRUM

Harare — Expecting a bumper harvest and its benefits to agro-industrial companies, the Zimbabwe Stock Exchange posted record trading highs throughout the last two weeks of January, pushing the stock index above the 4280 mark.

"If the rains continue through April, I think we could see the stock index reach 5000," said one dealer.

The rains mean the agriculturally based economy should have a good harvest of maize, cotton, tobacco, coffee and other crops. This should have a positive effect on the country's retail, manufacturing and industrial sectors, according to analysts.

Another big boost for the Zimbabwe exchange comes from renewed interest from foreign investors.

A great deal of interest has been shown in the Zimbabwe market by the three new Africa funds that have been launched in Europe and the United States by GT Management, Mercy Asset Management and Baring Asset Management.

Zimbabwe's stock exchange is Africa's third largest, behind South Africa and Morocco, with a turnover last year of Z$1,3 billion (R500 million).

Foreign investment has become a dominant force on the Zimbabwe Stock Exchange. Since the market opened to foreign investment in June 1993, foreigners have accounted for 70 percent of turnover.

Foreign investors have bought Z$2,15 billion worth of Zimbabwean shares since the opening.

Other positive indicators for the Zimbabwe stock market are a decline in inflation from the 30 percent mark of late last year. Though the government predicts that inflation will drop to 19 percent this year, independent economists believe that 21 percent is a more realistic figure.

Zimbabwe's presidential election, set for March 16 and 17, is widely viewed on the market as a non-event. President Robert Mugabe is seen as a shoo-in and no one expects a change in the country's leadership.

Business circles will have to wait until after the elections for Mugabe to appoint a new finance minister to replace Ariston Chambati, who died last year.

"No action is expected until the elections are over," said one Harare broker.

The stock market will also have to wait until after the presidential elections for the government to take action on privatisation, which the World Bank, the IMF and western donors are urging.

"Many in the government don't like the idea of privatisation, but the pressures for it are very strong," said Tunmer.

The first move the government is expected to make is to sell off its remaining shares in a number of Zimbabwean corporations.

These include: Finhold, in which the government holds 61 percent; Wankie Colliery, in which the government holds 41 percent; and Delta, in which the government only holds 11 percent after selling 40 percent of its shares last year for Z$300 million.

The sales of the remaining stocks later this year are expected to raise Z$800 million. The government badly needs that revenue to offset its budget deficit of $3,7 billion.

A more serious aspect of privatisation will come when the government decides to sell off the large state-owned corporations.

Stock market analysts say attractive privatisations will include the Zimbabwe Electricity Supply Authority, the Dairy Marketing Board and the Cotton Marketing Board (now known as the Cotton Company). Foreign investors are expected to be the ones most interested in these potential issues.

The government will want to hang on to its control of Zimbabwe Newspapers and the Zimbabwe Broadcasting Corporation as these monopolies permit government-manipulated news coverage.

"It looks like 1996 will be a good year for the stock exchange," said Tunmer.

"If the rains are good and foreign investors maintain their interest and the government makes some major privatisations, then our estimate of Z$1,5 billion turnover for 1996 could go much higher." — Independent Foreign Service.

Call for boycott of Zimbabwe elections

ARG 17/2/96 (362)

ANDREW MELDRUM

HARARE. — Fiery independent Zimbabwean politician Margaret Dongo has called for a boycott of the upcoming presidential elections on March 16 and 17, dismissing them as a "farce".

She also urged opposition candidates Bishop Abel Muzorewa and the Rev Ndabaningi Sithole to withdraw from the race, as they were giving credibility to President Robert Mugabe.

"The presidential elections are only for the consumption of the international and donor community and not oppressed Zimbabweans," charged Mrs Dongo. "The elections are meant to hoodwink the international community into believing there is democracy in Zimbabwe."

Mrs Dongo called for the country's constitution to be rewritten to offer a fair opportunity to opposition parties.

But, Mrs Dongo's broadsides against Mr Mugabe and Zimbabwe's political system has heated up what has so far been a tepid presidential race. She stands as Zimbabwe's leading critical political voice in what is a de facto one-party state.

She is one of the only politicians to win against President Mugabe's Zimbabwe African National Union-Patriotic Front (Zanu-PF). She won her Harare South parliamentary seat as an independent.

"A massive abstention will record a silent 'no' vote and it will be a negation of the chicanery Zanu-PF stands for," said Mrs Dongo.

Appealing to the "two old men" — Bishop Muzorewa, 71, and Mr Sithole, 76 — Mrs Dongo said: "Let them not be used to give credibility to elections which have been rigged."

Mrs Dongo's call is unlikely to be heard by many Zimbabweans as the state-owned broadcasting corporation has banned any news stories about her. — Independent Foreign Service.

Mugabe's old rival launches presidency bid

(362) ST 18/2/96

By CHRIS BISHOP
Harare

POLITICAL dinosaur the Rev Ndabaningi Sithole is one of the few opposition leaders in the world to go into an election under threat of imprisonment for the attempted assassination of his rival.

Mr Sithole, 76, launched his campaign this weekend for the leadership of Zimbabwe, hours after being remanded in court on charges of plotting to kill President Robert Mugabe. The government said this week it would not complete the prosecution until after the elections because it didn't want to be accused of "harassment".

Mr Sithole was bullish at his Harare headquarters this week with extravagant claims that he had vast membership and a loyal guerrilla army in Mozambique ready to wage a civil war.

"The people are determined to get rid of Zanu PF," he said.

Mr Sithole, a lay preacher for the United Church of Christ, claimed that his opposition Zanu (Ndonga) party has 2,5 million members, nearly a quarter of Zimbabwe's population.

Political observers have poured scorn on Mr Sithole's promise to draw 100 000 supporters next weekend in Harare's Mbare township, a fanatical Zanu PF stronghold.

Undeterred, Mr Sithole said he was ready for anything and admitted that he held the allegiance of Chimwenje, a ragged group of guerrillas in Mozambique.

"We can have a civil war anytime. The guerrillas are not to be cowed; they are prepared to fight."

The presidential campaign is likely to be Mr Sithole's last chance to settle old scores with the president. The two men have been at loggerheads for more than 20 years. Mr Mugabe was Mr Sithole's understudy when Zanu was formed in 1963, but superseded his mentor to take power in 1980.

Another campaigner with an equally slim chance of dislodging Mr Mugabe is Bishop Abel Muzorewa, the first head of the unrecognised Zimbabwe-Rhodesia. He is haunted by government allegations that he sanctioned air raids on guerrilla camps in Mozambique during the liberation war.

Both are likely to win few votes but could be recommended for their optimism.

Said Mr Sithole: "The heavy rains are making it easy for me. In our tradition when the rains come it is a prophecy that a new chief will be installed."

Triangle Sugar strike ends ~~(3) SUGAR~~ (362)

Harare — A strike by more than 6 000 workers at Zimbabwe's second-largest sugar producer, Triangle Sugar, ended at the weekend after the intervention of the Masvingo provincial governor, Josiah Hungwe, the company said yesterday.

It said the governor had helped end the five-day strike. Workers went on strike last week, asking for their pay to be raised to Z$750 (about R300) from Z$331. The company said it would only raise wages by between 26,5 percent and 29,5 percent and accused workers of unreasonable demands.

It said workers set fire to about 30ha of young sugar cane during the dispute, the second pay-related strike in seven months at Triangle Sugar. Triangle normally produces about 30 percent of the country's 520 000 tons of sugar a year. — Reuter

CT (BR) 20/2/96

Zimbabwe's 'Rip van Winkle' election derided

BD 23/2/96 (362)

Michael Hartnack

HARARE — Zimbabwe's leading economic commentator, Prof Tony Hawkins, derided the country's "Rip van Winkle" presidential elections yesterday.

Hawkins, a Rhodes scholar and head of the business studies department at Zimbabwe University, said a Rip van Winkle who fell asleep soon after 1980 independence would wake up to find personalities contesting issues and thinking from 30 years ago.

President Robert Mugabe, now aged 72, is seeking a third term on March 16-17 as executive head of state. His rivals in the presidential fight are Ndabaningi Sithole, 76, who launched the armed struggle against white rule in 1962, and Bishop Abel Muzorewa, 71, who has focused his campaign on his actions when he was Zimbabwe-Rhodesian prime minister in 1979.

Hawkins said real incomes and living standards had gone back to where they were 30 years ago and business needed "a far-reaching cultural change to get us into the next century".

There were less than 10% unemployed in the early 1980s, compared with 30% today.

Manufacturing had stood still, he said.

Hawkins told delegates to the Marketing 2000 two-day conference: "I am depressed by the intellectual quality of debate.

"We have become again a dangerously insular society as we were in the days of Rhodesia's UDI (unilateral declaration of independence) — the sun, the moon and the stars shine only on this country," he said.

"The real issues are not being addressed in what light-heartedly passes for an election."

He said not only the state-controlled news media, ruling party politicians and officials continued to talk in terms of protectionism, state intervention, and reviving Rhodesia's 1964 bilateral trade pact with SA.

Business leaders, too, were talking like that.

While world trends were towards privatisation and reduced state activity, Mugabe continued to promise voters clinics, schools, a new university and "to confiscate white farmland if the British do not pay for land redistribution".

Hawkins said: "Just try confronting some of these promises with the facts."

Zimbabwe was increasingly dependent upon foreign aid and foreign expertise, even having an IMF official in its reserve bank "to tell our lads what to do".

Hawkins said he was convinced that within the next five years Zimbabwe would have to focus on industries in which it enjoyed competitive advantages.

It would have to look to a new regional, multilateral trade regime, through the Southern African Development Community (SADC), rather than to the moribund bilateral agreement with SA, he said.

"These intellectual cobwebs will, I am sure, be swept away, but the longer we sit and watch, the greater will be the backlog in terms of lost investment and missed opportunities.

"I remain convinced that over time we are going to get policies right, but more because the realities of modern economics will slowly come home to roost. It is only a tiny minority in the ruling party who believe that our path lies in treading the success story path of such admired states as Cuba, North Korean and Libya ...

"The longer we drag our heels in moving towards an SADC agreement which is a real agreement, not just a talking shop, the greater the danger more activity, more development, is going to focus on SA."

Anti-graft call unlikely to faze Zimbabweans

(362) Star 24/2/96

By ANDREW MELDRUM

Harare – Zimbabwe heard an unexpectedly strong call for an anti-corruption drive from High Court judge George Smith in the eastern border city of Mutare this week.

Corruption and nepotism are widely acknowledged to have ballooned into major problems in Zimbabwe in the past two years, affecting nearly every aspect of the economy.

Efforts to set up an independent cellular phone network, to build a new international airport and to refurbish the state-owned steel mill have all become mired in what are clearly corrupt behind-the-scenes deals.

President Robert Mugabe's cabinet members, at whom accusing fingers are pointed as beneficiaries of much of the corruption, have not taken any steps to curb the problem.

Justice Smith's stern call for action is therefore an implicit strike at the Mugabe government and highlights the continued independence of Zimbabwe's judiciary.

"In order to deal effectively with corruption, some countries have set up anti-corruption commissions," said the judge, opening this year's first session of the High Court circuit in Mutare this week.

"I consider that our country would be well advised to do something on similar lines."

He charged that soaring corruption in Zimbabwe's public and private sectors had distorted major new business developments and that, ultimately, it was the already overburdened taxpayer who paid the price.

Harmful effects

"To award a major development contract to the company which pays the highest amount to the right official or politician can have tremendously harmful effects for the country," warned Judge Smith.

"The country might be saddled with a telecommunications or transport system which is not appropriate or is not the most economical."

Here he was referring to the suspect purchases and leases of inappropriate aircraft by the state-owned Air Zimbabwe and the state's relentless efforts to block a new independent cellular phone network worth Z$500-million (about R147-million).

Judge Smith was even more specific when he questioned why it was taking so long for the Harare international airport to get beyond the drawing board stage and why the state-owned Zimbabwe Iron and Steel Company had delayed relining its blast furnace.

But this pointed anti-corruption speech is not likely to have much effect, according to economic analysts in Harare.

The current government is surrounded by "commission agents" who expect a percentage on any major government contract.

Even the private sector is feeling the pinch because wide-ranging government regulations force many firms to seek official approval for new developments. – Independent Foreign Service

Zimbabwe to crack down on HIV sex crime

(362)

HARARE. — Zimbabwe, faced by one of the worst Aids epidemics in sub-Saharan Africa, is to make deliberate infection with HIV a criminal offence, parliament was told. ARG 24/2/96

"The Criminal Law Act is being amended so that a person who is HIV positive and deliberately infects others would be charged with a criminal offence," said Deputy Health Minister Tsungirirayi Hungwe.

The legislation would apply to spouses who did not disclose they had the virus to their partners and to those accused of rape of minors.

A million of the 10,4 million Zimbabweans are infected with HIV which causes Aids. Reported Aids deaths average 42 daily. More than 100 000 Zimbabweans have died of the disease in the past 10 years. A further 100 000 are expected to die in the coming months. — Sapa-AFP.

...esday February 27 1996

Sithole says his wife is paid by the opposition

Star 27/2/96
(362)

Harare – A prominent opposition leader's presidential election campaign in Zimbabwe has hit a snag with the veteran politician accusing his wife of being used by the ruling party to disrupt his own movement.

The Rev Ndabaningi Sithole of the Zimbabwe African National Union-Ndonga (ZANU-Ndonga), who is on bail facing charges of plotting to assassinate President Robert Mugabe last year, charged that his wife, Vesta, had been paid millions of dollars by the ruling ZANU-PF to cause havoc and ruin in the party.

"I was told six weeks ago and I took it lightly but as I focussed more on the issue, I began to see it clearly. Imagine, my own household has been infiltrated by ... senior government officials who want to disrupt ZANU-Ndonga", Sithole said late on Sunday.

Vesta denied the charges and counter-claimed that senior ZANU-Ndonga officials were in a conspiracy to destroy her and the party.

"They are using my husband ... He is confused. He has not even talked to me about it," she said.

Sithole's lawyer declared the 76-year-old was senile and frail when he sought his release from police custody, saying he needed the day-to-day care of his wife.

Vesta is 20 years younger than the nationalist Sithole and has always publicly stood by her husband of 16 years.

Asked what evidence they had of allegations against Vesta, a party spokesman said Vesta used to hold private meetings with some party supporters without the knowledge of the central committee. – Sapa-AFP.

Zimbabwe govt gags media to stop criticism of Mugabe

Leading independent paper forced to become blandly apolitical

(362) Star 28/2/96

Independent Foreign Service
Harare

Just three weeks before Zimbabwe's presidential elections, the government has stepped up its pressure against the country's ailing independent press to prevent criticism of President Robert Mugabe.

Zimbabwe's leading independent newspaper, the Financial Gazette, has abandoned its anti-government stance as the weekly paper's owners succumb to the government's relentless financial and political pressure.

Despite the Financial Gazette's new policy to be blandly non-political, the Mugabe government has increased its campaign against the paper. The State-controlled Zimbank has reportedly refused to reschedule debts owed by the paper in the coming months.

Two front page stories in the state-owned Herald newspaper have triumphantly predicted the collapse of the Financial Gazette by June. The articles are seen as warnings to Zimbabwe's business community to refuse any financial assistance to the independent paper.

Because all Zimbabwe's daily newspapers, radio and television channels are state-owned, the loss of the Financial Gazette's independent voice leaves the country with no regular critical view of the Mugabe government.

Tight state control of the news media is one of the chief impediments to a pluralist democracy, according to Zimbabwe human rights groups. Financial Gazette publisher Elias Rusike has seen his independent newspapers crumble in the face of government antagonism.

The crusading Daily Gazette, which exposed numerous corruption scandals, folded last year and the Sunday Gazette closed earlier this month. The papers won avid readerships but advertisers shied away for fear of losing lucrative government contracts. Burdened with debt, Rusike sought new financial backers. One potential investor, South Africa's Times Media Limited, was blocked by the government from buying more than 25% of the publishing house and therefore withdrew its offer.

Starved of advertisers and new backers, Rusike is "deliberately toning down the Financial Gazette and changing its complexion to be more acceptable to the political establishment," said suspended editor Trevor Ncube. Zimbabwe, said Ncube, is left in the "worrying position of being without any weekly scrutiny of issues of governance, accountability and corruption. Examination of these issues will now be a thing of the past".

Several steps to weaken the Gazette's editorial position were taken last week. The publisher told reporters not to write about "personalities", particularly that of the president. The paper scrapped its wildly popular "Muckraker" column, a wickedly witty send up of the Mugabe government.

Protesting at the Financial Gazette's new apolitical stance, assistant editor and columnist Iden Wetherell resigned last week, charging that "attempts from any quarter to shield Mugabe from criticism are misguided and prejudicial to effective journalism".

Wetherell's resignation followed the suspension of Financial Gazette editor Ncube because he published a Reuters story last month which showed Mugabe in an unfavourable light. The story, from Maseru, stated that an irate Mugabe demanded his plane land immediately.

The Maseru control tower reportedly replied that Mandela must land first because his plane arrived first.

Coverage of the presidential race in the state-owned broadcasting and print media amounts to slavish reporting about Mugabe's speeches.

Good rains should boost Zimbabwe's economy

(362) BD 28/2/96

HARARE — Zimbabwe's agriculture-driven economy was expected to grow 6% this year because of heavy rains which had broken a 20-year drought, the central bank chief said yesterday. The country's economy shrank about 2% last year.

Reserve Bank governor Leonard Tsumba told a business reception good rains were likely to boost production of Zimbabwe's main cash crops — maize, tobacco, cotton, sugar and soya beans — by 18% from a drought-induced fall of 12% last year.

"This should benefit the agro-based manufacturing sector, through the availability of inputs."

"If supported by a strong turnaround in manufacturing and a continuing buoyant mining sector, these trends should see a rebound in our economy," he said.

Mining had been growing at an average 20% a year over the past five years, due to increased foreign investment, analysts said.

Preliminary official and private business estimates show that Zimbabwe's real economic growth fell more than 2% last year. Analysts say this was mainly due to the very poor performance of its key agriculture sector and also that of its secondary manufacturing industry, whose output dropped about 14%.

However, certain industrialists predict economic growth would be between 3% and 5% — stunted again by a shrinking export market in "protectionist SA".

Industrialists say that SA has been dragging its feet on reaching a new trade agreement with its northern neighbour. Others have urged Zimbabwe to drop its preoccupation with an SA trade deal and seek other remedies.

Tsumba urged Zimbabwean business to diversify its markets and warned that if no drought alleviation programmes were put in place soon, any economic growth could be reversed by future drought.

"For this economic recovery to be sustainable, efforts should be made to reduce the dependence of our economy on weather conditions," he said of a country that has suffered from drought for the past 20 years.

Zimbabwe's farming-driven economic growth dropped more than 10% in 1992 to 12%, after suffering its worst drought in a century. — Reuter.

6pc economic growth forecast for Zimbabwe

ARG 28/2/96

(362)

HARARE – Zimbabwe's agriculture-powered economy is expected to grow by six percent this year because of the heavy rains which have broken the drought, the central bank chief said yesterday.

The economy shrank an estimated 2 percent in 1995.

Reserve Bank governor Leonard Tsumba told a business reception that the current good rains lashing the southern African state were likely to boost production of its main cash crops – maize, tobacco, cotton, sugar and soya beans – by 18 percent from an estimated drought-induced fall of 12 percent in 1995.

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Welcome rains expected to boost Zimbabwe's economy

CT(BR) 28/2/96 (362)

By Cris Chinaka

Harare — Zimbabwe's economy was expected to grow 6 percent this year because of heavy rains, which had broken a 20-year drought, the central bank chief said yesterday. The economy shrank about 2 percent last year.

Reserve Bank governor Leonard Tsumba told a business reception that the good rains presently lashing the state were likely to boost production of its main cash crops — maize, tobacco, cotton, sugar and soya beans — by 18 percent from an estimated drought-induced fall of 12 percent last year.

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Mining had been growing at an average of 20 percent a year over the past five years because of increased foreign investment, analysts said.

Preliminary interim estimates show that Zimbabwe's real economic growth fell more than 2 percent last year.

Analysts said this was mainly because of the poor performances of its agriculture sector and manufacturing industry, whose output dropped about 14 percent.

But some industrialists predicted that economic growth would be between 3 and 5 percent this year, stunted by a shrinking export market in South Africa, which they accuse of being protectionist.

Tsumba urged Zimbabwean businesses to diversify their markets and warned that if no drought- alleviation programmes were put in place soon, any economic growth could be reversed by future drought. — Reuter.

Mugabe's govt 'will never sell papers'

Michael Hartnack (362) BD 1/3/96

HARARE — President Robert Mugabe's government has classified the newspapers and the national news agency Ziana as "strategic enterprises" which will never be resold to the private sector, according to documents tabled in the Zimbabwean parliament this week.

In the policy document Mugabe's special adviser, minister of state Cephas Msipha, lists the Zimbabwe Broadcasting Corporation, the Mass Media Trust (which controls the daily Herald and Bulawayo Chronicle newspapers, the Sunday Mail and the Bulawayo Sunday News), and Ziana as "strategic enterprises to be retained".

Loss-making parastatal enterprises to be privatised, in response to pressure from international financial institutions for far-reaching reforms, include the railways, Air Zimbabwe, the steelworks outside Kwekwe, the breweries, the Electricity Supply Commission, the Grain Marketing Board, the State Trading Corporation, the Dairy Marketing Board, Zimbank, Wankie Colliery, the Zimbabwe Tourist Development Corporation (which owns a string of major hotels) and former Barlows subsidiary Astra Corporation.

Many of the parastatals have become bywords for giving employment on the basis of political patronage, and for inefficiency and debts.

Among the most controversial enterprises on the "strategic enterprises" list, which will be retained in state hands, is the Minerals Marketing Corporation, which has a monopoly on all base mineral exports.

Muzzling the media watchdogs

(362) M+G 1-7/3/96

As elections in Zambia and Zimbabwe draw nearer, independent newspapers are under pressure to stem their criticism of the two Southern African governments, report **Stefaans Brümmer, Brian Latham** and **Andrew Meldrum**

THE leading independent newspapers in Zimbabwe and Zambia — which will both hold elections this year — are under pressure to silence their criticism of government and ruling party.

Should the newspapers, Zimbabwe's weekly *Financial Gazette* and Zambia's *The Post*, succumb to pressure, the governments of both countries will go virtually unchallenged in the media.

The *Financial Gazette*, facing collapse under financial and government pressure, has been ordered by its publisher to cut "political" reporting. And two editors and a columnist of *The Post* were in hiding this week after the latest government action against the paper, this time under anachronistic legislation empowering Parliament to sentence dissenters for "contempt".

For years, Zimbabwe's President Robert Mugabe has slated the *Financial Gazette* as an opposition mouthpiece and "pink press", a play on the colour of paper it uses. Despite its title — and newsprint colour — the *Gazette* has for years been Zimbabwe's foremost independent political paper.

But last week Elias Rusike, proprietor and chief executive of Modus, the company which owns the *Financial Gazette*, ruled that the paper should go light on politics, telling staffers to concentrate on policies, not personalities — particularly that of the president. The popular "Muckraker" column was also scrapped.

Earlier in February the publisher suspended editor Trevor Ncube for a month after he published a Reuters story which claimed that Mugabe had instructed his pilots to "jump the queue", ahead of South African President Nelson Mandela's plane, at Maseru Airport. Last week senior journalist Iden Wetherell, who is also a correspondent for the *M&G*, resigned, citing proprietorial interference.

Wetherell wrote to Rusike that Ncube's suspension was undeserved, and implied that Rusike had bowed to the will of Mugabe, saying: "Proprietors who bend to the will of politicians and party propagandists instead of defending their right to freedom of expression are unlikely to command respect at any level. Please convey that message to the other shareholders if they are proposing to remain in the newspaper business."

But the message is unlikely to have much effect. Modus sources say Rusike's determination to stand by his reporters' stories dwindled after he spent the weekend in police cells last May, locked up with Ncube after the *Financial Gazette* ran a lead story on Mugabe's "secret" second marriage.

When the *People's Voice*, the ruling Zanu-PF party tabloid, compared *Financial Gazette* reporters to modern-day Selous Scouts out to "poison the minds of the people", Rusike called a board meeting where he changed the paper's political direction.

Despite that, Mugabe's government has stepped up its campaign against the paper. Though the *Financial Gazette* is profitable, the state Zimbank has refused to reschedule its debts. Two front-page stories in the state-owned *Herald* newspaper have predicted the collapse of the *Financial Gazette* by June. The articles are seen as warnings to the business community to refuse assistance to the paper.

Rusike has seen his newspapers crumble in the face of government opposition. The *Daily Gazette*, which exposed corruption scandals, folded last year and the *Sunday Gazette* closed last month. The papers were widely read but advertisers shied away for fear of governmental disapproval. Rusike sought financial backers, but South Africa's Times Media Ltd, withdrew when the government blocked it from buying more than 25% of the publishing house.

Thus the silencing of the *Financial Gazette* will leave Mugabe and his government virtually unchallenged since the remaining media are either state-owned or party-owned. Coverage of the presidential race amounts to slavish reporting of Mugabe's speeches, while only the most scanty coverage is granted to opposition candidates Bishop Abel Muzorewa and the Reverend Ndabaningi Sithole.

Meanwhile, *The Post's* editor-in-chief, Fred M'membe, managing editor Bright Mwape and columnist Lucy Sichone are in hiding to avoid arrest for being "in contempt" of Parliament.

Paramilitary police visited the journalists' homes this week after they failed to appear last Friday before Parliament's Standing Orders Committee, which appears to have the power to impose sentences of up to 12 months, with or without hard labour.

The Media Institute of Southern Africa (Misa) said the journalists were "maintaining a low profile" as lawyers prepared papers challenging the action against them.

The contempt charges followed articles published by *The Post* critical of an attack in Parliament by Vice-President Godfrey Miyanda on supreme court judges who had ruled earlier that sections of the Public Order Act, which requires politicians to get police permission for rallies, are unconstitutional. The Public Order Act has been used, among others, against former president Kenneth Kaunda, who is on the come-back trail and wants to contest elections against President Frederick Chiluba and his ruling Movement for Multi-Party Democracy (MMD) later this year.

Last Wednesday Parliament's speaker found the trio guilty of contempt when Miyanda complained about the articles, and referred the matter to the orders committee for sentencing under the National Assembly Powers and Privileges Act, which Misa says originated in colonial times to stop blacks from contesting the utterances of MPs.

The Post said last Friday it had been informed that the committee had already decided on a four-month sentence.

M'membe, Mwape and co-editor Matsautso Phiri are already facing charges of illegally possessing copies of their own newspaper (an edition that had been banned) and under the Official Secrets Act (after *The Post* revealed what it said was the authorities' secret plan to push through the country's disputed new Constitution).

Women's rightists fight male prejudice

(362) Sowetan 1/3/96

By Patience Rusere

HARARE – Women's rights advocates in Zimbabwe say they pay a heavy price for their fight for gender equality in this patriarchal society.

They lose friends. They suffer verbal attacks from males who call them names ranging from marriage-breakers to prostitutes and they even receive hate mail.

"A lot of people misunderstand the concept of gender equality, so much so that I have lost quite a number of friends because I am a feminist," says Ms Everjoice Win of Women In Law and Development, a non-governmental organisation that educates women on their rights.

Ms Salina Mumbengegwi, director of the Women's Action Group, has not had an easy time either. "I have often been called a hothead who is only interested in breaking down people's marriages," she says.

Win blames such attitudes on male insecurity. "Men resent women who are not afraid to speak their mind or show the ability to be self-reliant," she argues.

"For example, when women decided to earn a living by buying and selling goods from South Africa they were portrayed in the media as prostitutes."

Despite the insults and threats, women's organisations have kept up their fight against inequality. They admit that, on paper, women in Zimbabwe have made some gains since majority rule in 1980.

Women were considered minors by law until a Legal Age of Majority Act passed in 1982 stipulated that every Zimbabwean aged 18 and above was legally an adult.

And a Matrimonial Causes Act paved the way for equitable distribution of matrimonial assets in the event of divorce. Previously the husband could take all the property when a marriage broke up.

However, laws have proved easier to change than mentalities.

Mr Freddie Nyambuya (35) fought against white domination, yet he is surprised that women are fighting for equal rights. "What equality?" he asks. "A woman can only suggest but can never make decisions. Even the Bible says Eve came from Adam."

Mr Ruddy Gaza, a trainee journalist at the Harare Polytechnic, says: "God made men to be leaders."

"These so-called women's organisations are trying to import foreign ideas," he claims.

"They should consider who pays *lobola*. If women are allowed to inherit their husbands' property when they die, they will be tempted to kill their husbands."

It is not just at the grassroots level that there is resistance to gender equality. A few months ago, Zimbabwe Unity Movement MP Mr Daniel Sithole said "women are not human beings" and that their situation was not an issue that should be debated.

Last year Vice-President Joshua Nkomo told a gathering of women's organisations not to blame men but God for the oppression of women.

Part of the resistance to gender equality stems from the fact that Zimbabweans have been weaned on the belief that men are intrinsically superior to women, explains Priscilla Misihairabwi, coordinator of the Women and Aids Support Network.

"Socialisation and the question of who is economically powerful is the root cause of oppression," says Misihairabwi. "For many years women have been considered culturally inferior to men."

Minority political representation in parliament has been a major impediment for the women's movement, points out Stella Makanya, a consultant on women's issues. Of the 150 legislators in Zimbabwe, only 21 are women. – *Sapa-IPS*.

Still waiting ...Zimbabwe women want to step up their fight for gender equality.

For all his faults, Mugabe still has an air of electoral invincibility

(362) Star 1/3/96

Busy pulling weeds from her maize field, Mentha Nyamatamba says this is the best rainy season Zimbabwe has had for years and she is looking forward to a bumper harvest.

"I know we have presidential elections," says Nyamatamba, speaking in Shona, "but I don't have time to think about them, I'm busy with my crops. These elections won't make much difference anyway."

Disinterest and apathy greet President Robert Mugabe's campaign to win re-election to another six-year term of office. Mugabe is assured of victory, the only question is how many Zimbabweans will turn out to vote.

The main interest in these elections is how an effective one-party state, which controls 147 of 150 parliamentary seats, can make itself look like a multiparty democracy.

Little more than two weeks before the March 16 and 17 presidential polls, no banners, posters and slogans can be seen in Zimbabwe's major cities. More significantly in Zimbabwe's rural areas, where 70% of the country's 11 million people live, there are few animated conversations or lively debates about the presidential race.

"People are not interested in these elections," says farmer Shadrack Mashamba.

He says the ruling party, the Zimbabwe African National Union-Patriotic Front (Zanu-PF), will round up rural villagers and take them to the polls to get a good voter turnout.

"Many people would like change, but they know it is useless to expect anything from these elections," says Mashamba.

"People are afraid to voice any criticism. The party and the Central Intelligence Organisation have active networks here and no one wants to be identified as an opposition supporter."

Certainly, few Zimbabweans would stick their necks out for the lacklustre opposition candidates, Bishop Abel Muzorewa (71) and the Rev Ndabaningi Sithole (76).

Both men are indelibly stained by their past associations with Rhodesian leader Ian Smith. Neither offers cogent alternatives to the Mugabe government. Even if the opposition candidates organised an effective campaign, they would have difficulty getting any coverage in the state-owned and tightly-controlled broadcast and print news media.

Margaret Dongo, the only politician who could have stirred up real fireworks in the presidential race, was disqualified when she tried to register as a candidate because she does not meet the age requirement of 40.

He shows no signs of wanting to retire

A former nationalist guerrilla fighter, an electrifying speaker and scathing government critic, Dongo (36) has been one of the few politicians to successfully challenge Mugabe's ruling Zanu-PF. Standing as an independent, Dongo won the Harare South seat last year.

Mugabe (72) has been in power since 1980 and shows no signs of wanting to retire from office. In recent years his rule has been marked by obsessions with security and secrecy, making the president inaccessible to all but a chosen few. He went on a speaking tour last month, flying to rural points in a French helicopter.

Mugabe's speeches have featured attacks on the International Monetary Fund and promises to acquire more white-owned land for redistribution to poor black farmers.

"He always speaks about land when there are elections, but even peasant farmers can see that his promises are hollow," says Mashamba, referring to the government's history of ineffectual land distribution.

Two years ago, the government designated for redistribution several farms owned by white farmers and political opponents. Scandal erupted when it was uncovered that the farms were allocated to cabinet ministers and other well-placed politicians.

"Mugabe's exhortation that his followers should earmark for seizure land belonging to individuals who have criticised or offended the ruling party represents a serious abuse of power," says Iden Wetherell, political commentator for the independent weekly newspaper, The Financial Gazette.

"It shows the government will not proceed by any rational plan, but is determined to take land from anyone who might offend them.

"It is blatantly bad governance. The British government cannot be expected to fund land when it remains part of a pattern of misgovernance."

In the early 1980s the Mugabe government won well-deserved praise for its dramatic improvements in education, health and other social services. But in recent years those gains have been badly eroded while government spending soared on a wasteful defence force and bloated civil service.

Numerous examples of corruption and nepotism have been uncovered, including interference by the president's nephew in the awarding of an airport design and construction contract and government blocking of an independent cellular phone network.

The Mugabe government has wilfully continued to be unaccountable. Its response to the scandals has only been to tighten controls on the news media.

President Mugabe has not earmarked any possible successors, which has prompted a not-so-discreet scrambling for positions within the corridors of the ruling party, the Zimbabwe African National Union-Patriotic Front (Zanu-PF).

"I am disappointed with Mugabe," says farmer Shadrack Mashamba. "I thought with all his education and intellectual abilities he would be different from other African leaders. But he just grips on to power like all the others." – Independent Foreign Service.

Robert Mugabe ...obsession with security and secrecy makes him inaccessible to all but a chosen few

Zimbabwe's lone free voice fades

(362) ST 3/3/96

By CHRIS BISHOP: Harare

ZIMBABWE'S last free voice on the news stands is in danger of being silenced in the run-up to the country's presidential elections.

The Financial Gazette, once a fierce critic of the government, has been shorn of political comment as it totters on the brink of collapse under the load of heavy debt.

The editor, Trevor Ncube, was fired late this week after he ran a story on the front page alleging that President Robert Mugabe had demanded on a recent trip to Lesotho that his jet be allowed to land before President Nelson Mandela's.

An insider, who asked not to be named, said the 27-year-old paper was expected to close within months. "This is the death of a free press in Zimbabwe," he said.

Mr Mugabe's followers are expected to shed few tears over its demise. The government, which has grown used to mollycoddling by the state-controlled media, has been quick to crack down when the Gazette dared to speak out.

The proprietor, Elias Rusike, and two Gazette journalists were arrested in May last year after the paper published allegations that Mr Mugabe had secretly married his partner, Grace Marufu.

The newspaper's political columnist, Iden Wetherell, 47, resigned this month, claiming that editorial interference was making his job impossible.

Mr Rusike denied that the Gazette was going to close and claimed the departure of the columnist was merely part of a restructuring. He denied political stories were muzzled.

But the columnist's vote of no-confidence is likely to lower the morale of the newspaper's dwindling band of journalists.

Those hanging on at the Harare headquarters have been forced to sit and watch their desks, cars and typewriters being sold around them.

Mr Rusike claims the Gazette's future lies in pushing into South Africa and becoming a regional newspaper.

How he plans to do this with two reporters who have to hitchhike to news stories is an unanswered question.

Media implosion leaves Zimbabweans in the dark

(362) BD 5/3/96

MICHAEL HARTNACK
in Harare

FOR the second time in two years, an independent Zimbabwean newspaper has closed on the eve of a major election.

Just before the parliamentary elections last year, Modus Publications closed its two-year-old Daily Gazette after running up losses reported to exceed R12m.

In February, with only weeks to go to presidential elections on March 16-17, Modus closed its Sunday Gazette, simultaneously suspending the editor of sister publication, the Financial Gazette, and drastically changing its content to make it acceptable to government.

Modus CE Elias Rusike told Financial Gazette staff to be "more robustly Zimbabwean" and to refrain from criticising "personalities" (understood to mean "do not print anything which reflects adversely on President Robert Mugabe").

The wickedly funny Muckraker column was summarily stopped.

"It is clear that concerted moves are under way to tone down the newspaper," said columnist Iden Wetherell, who quit the Financial Gazette in protest.

Wetherell, a veteran white radical who worked for Joshua Nkomo's Zapu in Lusaka during the 1972-80 Rhodesian bush war, claimed Modus had bowed to pressure from the information ministry and the ruling Zanu (PF) party in suspending Financial Gazette editor Trevor Ncube until March 6.

Ncube last week said he had agreed to a "resignation package", but said the "transition to democracy" had suffered a major setback.

Ncube enraged State House by publishing a Reuter report from Maseru that Mugabe tried to "jump the queue" and have his jet land ahead of President Nelson Mandela's when flying to King Moshoeshoe's funeral. Wetherell accused Rusike of breaking journalistic norms by suspending Ncube over a dispute which should have been between Reuter and State House.

The Financial Gazette has some of the best advertising receipts in southern Africa, but the ill-judged venture with the Daily Gazette reportedly lost more than R100 000 a month. Managers failed to make the venture a separate company, so the Financial Gazette became burdened with the daily's losses.

Observers believe Modus blundered by installing white editors and orienting the daily towards white, or middle-class black readers, instead of articulating the discontent of the 2-million unemployed, the 1-million homeless and the urban families battling nepotism in the elite and 40% inflation.

Zimbabwe's "official" daily newspapers, controlled by Mugabe's Mass Media Trust (set up after 1980 independence with Nigerian aid

MUGABE

money), have gloated over the possibility of imminent Modus bankruptcy. Modus attempts to sell a controlling interest to SA's Times Media Limited (publisher of Business Day and the Sunday Times) were apparently stalemated by Zimbabwe Reserve Bank rules limiting foreign investment to 25%.

A consortium of pro-Mugabe front men is reported to be negotiating with Modus. Should they take over, the only independent media here will be a number of small monthly magazines with circulations below 20 000, many backed by foreign donor funds.

Sources here say Mugabe plans regulations to stop further bids by outsiders to support an independent local Press. Besides Times Media, various foreign groups had been showing interest in setting up small independent radio stations.

Against this background, leading economic commentator Prof Tony Hawkins told a conference at the end of February: "I am depressed by the intellectual quality of debate. We have become a dangerously insular society, as we were in Rhodesia's unilateral declaration of independence days ... the real issues are not being addressed in what lightheartedly passes for an election".

Political personalities from the 1960s and '70s — Mugabe, Bishop Abel Muzorewa, the Rev Ndabaningi Sithole — were campaigning over 1960s issues with 1960s thinking and 1960s promises, said Hawkins.

Despite World Bank dictation of economic reform, Mugabe continued to promise peasants schools, clinics and land taken from white farmers — "just try confronting some of these promises with the facts," said Hawkins, head of business studies at the University of Zimbabwe.

A clique in the ruling party still urged Zimbabwe to emulate the "success story" of Cuba, North Korea and Libya. While Zimbabwe was sitting back, increasingly dependent on foreign aid and expertise, investment and development were flowing almost exclusively into SA.

"The longer we sit and watch, the greater will be the backlog in terms of lost investment and missed opportunities," he warned.

The same might be true of the media, say industry sources here. While the local industry implodes, and the uncensorable Harare rumour factory and the inflammatory "bush telegraph" thrive, Zimbabweans might turn more to imported SA papers — the overspill from a free economy run by free minds.

LETTERS

Retired judge claims Mugabe failed his country

(362) BD 6/3/96

Nomavenda Mathiane

PRESIDENT Robert Mugabe has failed his country, says retired Zimbabwean chief justice Enoch Dumbutshena, who on Monday night became the first recipient of the Helen Suzman Foundation Award.

The newly formed foundation — named after its chief patron Helen Suzman — aims to promote liberal values and solutions in southern Africa.

Politically active in the 1950s when the famous "winds of change" were blowing in Africa, and African politicians were obsessed with seeking political freedom before all else, Dumbutshena speaks of economic liberation first.

He is critical of African governments arguing that they are still fighting colonialism — long after the colonialists have left their shores — instead of channelling their energies into developing their countries and giving their people good government.

He said the old freedom fighters were preoccupied with seizing power and did not plan what to do once they had achieved power.

"We need political parties to think seriously about their policies, that these should better the conditions of ordinary people and eradicate poverty and hunger."

Many Zimbabweans respect Dumbutshena, who revolutionised the legal system, particularly the rights of women. However, his critics argue that having gained the respect of his countrymen, he "blew it" by getting into politics via the Forum Party, which has since folded.

His critics claim because of his age, he could not take the political pace. There are also reports that he became insolvent after ploughing his investments into the party whose leadership was made up largely of judges, lawyers and industrialists.

He dismisses statements that he is insolvent. However, he says his flower growing business became insolvent because banks refused to give him financial assistance. Instead, he says his lack of interest in further pursuing his political agenda is because of the ruling party's unfair treatment of the opposition.

He said he was out of the race for the presidency but regretted the electorate was not enlightened enough to hold accountable the people they voted into power.

Dumbutshena said he could see a time when hunger and poverty would force ordinary voters without education to change the political scene for the better.

He proudly concedes that as a chief judge he brought justice to the people and particularly "liberated African women from the bondage of African custom and traditions". He refutes allegations that he abolished lobola (dowry).

He argues civil marriages have nothing to do with lobola.

As the Zimbabwean constitution confers major status on a person over 18 years old, he made a ruling that a girl over 18 years could get married without her father's consent.

Dumbutshena said it was important for democracy to survive in SA as this would permeate to other countries in the region. However, he warned SA needed to develop its economy with a view to developing the lifestyle of the disadvantaged people of SA.

"You have to bring into the economy — by way of participation — many more blacks so that the economy expands for a great number more to enjoy and be part of, if we are to see real change in this country," he said.

DUMBUTSHENA

Legal watchdog in Zimbabwe fears implications of latest bill

(362) Star 6/3/96

Proposals aimed at overruling decisions made by the Supreme Court

By Robin Drew

The rights of Zimbabweans as contained in the country's Declaration of Rights in the constitution are being further eroded in terms of a bill to come before parliament.

The trustees of the Legal Resources Foundation, set up 15 years ago to make people aware of their rights, say that like many of the 13 previous amendments to the constitution, the latest proposals set out to overrule Supreme Court decisions.

This continuing overruling of the court's decisions has the effect of undermining the court's authority and prestige, and of undermining Zimbabwe's image abroad by giving the impression that it does not respect the courts of their decisions, they say.

The trustees state that one effect of the latest proposed amendment will be to remove any constitutional provision for the privacy of one's home and other property. If this is intentional it is hard to know why.

They say that one of the measures appears to restore the right of appeal to the courts on the question of compensation for land acquired.

But, it does not actually do so. It states that a law dealing with the compulsory acquisition of property need not make a provision for access to the courts where, among other things, the property is land which is substantially unused or is used wholly or mainly for agricultural purposes and which is acquired for settlement for agricultural or other purposes.

So there is no effective change proposed and the original objection remains : that the jurisdiction of the courts can be excluded where agricultural land is acquired for the purposes of settlement for agricultural purposes.

While the Legal Resources Foundation makes no reference to President Mugabe's latest statements on land, observers note that he has repeatedly promised during his election campaign to make more land available for resettlement, whether or not the government has the money to pay for it.

Vice-President Joshua Nkomo also never misses the opportunity to say that the whites took the land when they occupied the country 100 years ago, so why should the blacks not take it back.

The State television service has given massive coverage in its news bulletins to the Mugabe presidential campaign.

He is being challenged by the Rev Ndabaningi Sithole of Zanu (Ndonga) and Bishop Abel Muzorewa of the United Parties. Sithole's trial on allegations of conspiring to assassinate Mugabe has been postponed until after the election to avoid accusations of political harassment.

Small crowds at opposition rallies at which quite often the leaders fail to turn up emphasise the widely-held view that a Mugabe victory is a foregone conclusion with the key issue the numbers who actually vote. — Independent Foreign Service.

WORLD

Zimbabwe retrenchments leave thousands destitute

(362) BD 7/3/96

BULAWAYO — The International Monetary Fund (IMF) and World Bank-initiated early retirement and retrenchment schemes introduced in 1991 for both the public and private sectors are creating a new form of destitution in Zimbabwe.

It is happening among more than 50 000 former workers lured into the schemes. Both the IMF and the bank recommended the measures, which were attempts to reduce government expenditure and to replace manpower with technology in the private sector.

When the economic structural adjustment programme (ESAP) began five years ago there were glowing predictions that a new breed of indigenous entrepreneurs would be created, using the packages and financial assistance from the government's Social Dimensions Fund to train retrenched or retired workers in business management.

That has since turned into a pipe dream for thousands of retrenchees whose money has run out, forcing them to look for scarce jobs. The unemployment rate now exceeds 40%.

"The transition is not easy. The world of business is different from employment. We are being squeezed out by the more established organisations," says Douglas Muchemwa, who quit the health profession to start an equipment supplies service which flopped after the Social Dimensions Fund turned down his application on the grounds that there was overtrading in that sector.

Deputy Labour Minister Alois Mangwende says that from 1991 25 000 workers were retrenched from the private sector and 13 000 received training on how to run businesses. But only 1 714 projects with worth US$14,3m were approved, creating a mere 7 000 jobs.

The government has also retrenched almost 30 000 people and intends to lay off another 14 000 during the second phase of ESAP, due to begin soon.

The bulk of them have since run out of retrenchment money after spending it on ambitious projects or overtraded sectors of the economy.

Others retired to rural areas where recurrent droughts scuttled their plans. Others have simply become destitute.

Denford Moyo of the Zimbabwe National Chamber of Commerce small business unit says there is a need to restructure the Social Dimensions Fund by setting up a unit of business experts to monitor and advise emerging entrepreneurs.

He said at least a quarter of the retrenchees had reached an advanced age on being retired and were not eligible for the fund as it catered for those below 60. Even those around 55 were often turned down for fear that they might not be able to run successful ventures.

This has created tension between fund officials and the retrenchees.

Public sector statistics show that up to a third of the retrenchees are ex-combatants with low education and business skills who have squandered their packages on overtraded, unprofitable and vulnerable ventures, such as bottle stores or general dealerships. Some, from neighbouring countries, have no rural home to retire to and have since turned to squatting. — AIA.

Tobacco farmers shocked at proposal for 5% withholding tax

Michael Hartnack (362)

BD 7/3/96

HARARE — Zimbabwe's tobacco growers are in shock over government plans to impose a 5% withholding tax on every bale of their R1,4bn crop.

Second reading of a Bill to impose the levy on the country's major export had been deferred to today, while frantic lobbying from the 1 400 mainly white tobacco growers continues behind the scenes.

If enacted, the Bill would theoretically bring R70m into government coffers from the tobacco auction floors. Building societies, facing a bond crisis, are equally alarmed about provisions to impose a 30% withholding tax on interest, while ordinary taxpayers have voiced outrage at a clause extending the 5% 1994-95 "drought levy" while the best rains in 16 years are falling.

The Bill comes against a background of continued government inability to curb spending which last financial year pushed the deficit to more than 14% of GNP, resulting in 40% inflation and state monopolisation of the internal money market.

Zimbabwe's banking sector is reportedly dismayed by the prospect of bankruptcies among farmers who will be unable to repay outstanding loans, contracted at interest rates of about 37%, when the levy has been deducted by the auctioneers.

Simultaneously with the presentation of the finance Bill, imposing the 5% levy on every bale of the forecast 205-million kilogram crop, parliament was asked to condone overspending by government ministries totalling R80m.

Home Affairs Minister Dumiso Dabengwa retorted with a threat to bring all police work in Zimbabwe to a halt if MPs did not condone R56m unauthorised spending, more than 25% above its 1994 vote.

Backbenchers said with bumper harvests expected it was impossible to justify extension of the drought levy, bringing the top tax level to 45% on incomes over R26 000 a year. Acting Finance Minister Herbert Murerwa said the measures were necessary to pay for imports of maize at about R672 a ton instead of R480 budgeted.

The tobacco levy was essential if revenue-raising measures were to be "applied equitably". Approximately 75% of last year's tobacco crop, worth R1,8bn when processed for export, was produced by commercial growers whose confidence has already been eroded by the 1993 Land Acquisition Act, placing them under threat of state takeover, for reallocation of their farms to blacks.

ICA

EC to withhold Harare aid

(362) CT (BR) 8/3/96

FROM REUTER

Harare — Michael Laidler, the head of a visiting EC delegation, says the European Union will give Zimbabwe more than Z$300 million (about R122 million) this year for drought relief, health and education projects.

Laidler said yesterday the European Union was withholding disbursement of a further Z$175 million for economic reforms until Harare met some fiscal targets agreed with the World Bank and the IMF.

"We can only release the funds if the IMF conditions have been met. The government is aware of that. One of the conditions is that the economic reform programme should be on track and that fiscal targets have been met," he said.

"We would like to be as helpful as possible and disburse the funds we have for structural adjustment. But we have these conditions that have to be met."

The IMF and the World Bank — marshallers of Western aid for Zimbabwe's economic reform programme launched in 1991 — last year suspended further disbursement of aid for the reforms after the government failed to meet some cost-saving targets.

State spending accounts for 40 percent of gross domestic product

The IMF has supervised a shadow programme under which the government has to sharply cut state spending, which accounted for 40 percent of gross domestic product, and by June bring down annual inflation to 17 percent from the present 28 percent.

Local economists say the government has no hope of achieving the inflation target after the annual rate hit 28 percent in January, the highest since April 1993 when it was pegged at 30,7 percent.

Laidler said: "We are waiting to see ... the March figures, after which we understand the IMF will send a mission to Zimbabwe."

Part of the Z$300 million to be disbursed would be used to buy drugs for Zimbabwe's cash-strapped state hospitals which have been hit by a shortage of essential medicines.

"We have stated that we will finance only budgeted items in the health sector, such as drugs, building clinics and hospitals, and not recurrent expenditure such as salaries and vehicle costs. A large percentage of the funds has and will continue to be provided for drugs," Laidler said.

Drought relief funds, he said, would boost the government's programme to distribute free crop and seed packs as well as food handouts for those in need following a fall in last year's harvest due to drought.

Poor phones irk Zimbabwe businessmen

(362) CT (BR) 8/3/96

By Cris Chinaka

Harare — Zimbabwe's embattled business sector says the poor telephone service offered by the local state telecommunications monopoly is severely undermining its operations.

Almost daily, companies advertise in the dominant official media that their telephones or faxes are out of order due to problems at the Posts and Telecommunications Corporation (PTC).

Some companies berate the PTC for a shoddy service, which the corporation's management blames on old, decaying underground telephone cables.

The PTC's constitutionally sanctioned monopoly was ended by Zimbabwe's Supreme Court late last year after an appeal by a private local company that had been denied permission by the corporation to set up a cellular phone service.

But a new set of stifling regulations enacted by President Robert Mugabe's government earlier this year has slowed down the cellular project, which many hope will help the private sector in its fight for export markets.

The PTC's public relations department says recent problems, especially with the telecommunications link with South Africa, were due to a fault in the neighbouring country.

It argued that Zimbabwe's telephone service had improved greatly over the years particularly after a multimillion-dollar modernisation programme. — Reuter

he ro 1)ers and muggers e ection

(362) 8-14/3/96

\pathy, a muzzled press, ınd an Act which finances he election campaign of the uling party ensures Robert /lugabe will again be resident of Zimbabwe, eports **Brian Latham**

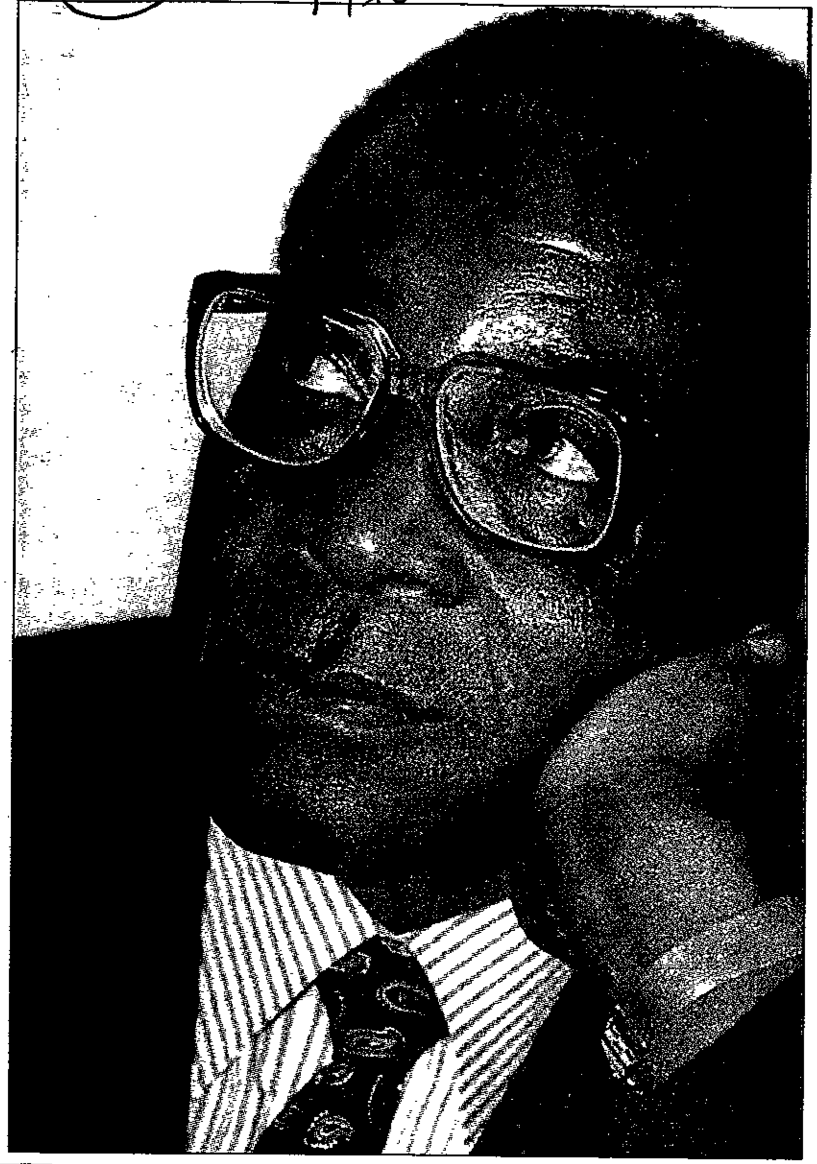
A S Zimbabweans prepare for presidential elections on March 16 and 17, opposition parties lack even a fraction of the esources to pose a challenge to obert Mugabe's government.

Bishop Abel Muzorewa and the everend Ndabaningi Sithole are oing to the polls as ill-prepared mbs to the slaughter.

Apathy has gripped the nation as obody doubts that Mugabe will, for ie fifth consecutive time, make a ean sweep.

Muzorewa's party headquarters, a athetic little office on the third floor of run-down building in Harare's city entre, lacks even a telephone. And his nited Parties workers, peering over les of cheap recycled paper, rarely now their leader's whereabouts. "He a busy man, he is out campaign-g," they say. "We do not know when e will be back."

And at the bishop's modest home ı Harare's outskirts, his matronly, fable wife tells a similar story as she kes time off from selling vegetables her makeshift vendor's kiosk. "He a busy man. He may be back soon, ıt the car is giving us problems."



(362) MtG 8-14/3/96

Nobody left to speak

Zimbabwe's last 'independent' newspaper has bowed to pressure to tone down its critical stance. Former Financial Gazette assistant editor and columnist. **Iden Wetherell** mourns the demise of his country's free press.

DID you jump or were you pushed? The question from colleagues was understandable, given the mounting list of casualties in the Modus House massacre — last month's ruthless purge of staffers at Zimbabwe's pre-eminent independent newspaper, *The Financial Gazette*, flagship of troubled Modus Publications.

I had the satisfaction at least of handing in my resignation. That same day a memo had arrived from management banishing reference to "personalities" in the news, an unambiguous reference to President Robert Mugabe who is entering the final week of an election campaign. The same memo sought to limit unkind references to Zimbabwe's leadership by reminding staffers of the need to produce a newspaper that was "truly Zimbabwean in context and character".

This Orwellian injunction was part of an attempt by Modus chief executive Elias Rusike to "restructure" *The Financial Gazette* to make it more palatable to Zimbabwe's rulers after unprecedented attacks on the newspaper in the state and rulin·-party media.

attitudes".

What the party and government really objected to, of course, was *The Financial Gazette's* exposure of high-level corruption, its advocacy of constitutional reform, and its insistence upon fiscal rectitude. In a society where ministers are largely unaccountable, where presidential posturing is reported as divine revelation, and the fiscus is regularly plundered by the ruling party to sustain its administrative functions, *The Financial Gazette's* approach was indeed subversive.

Modus proprietors obediently responded to official complaints by suspending their editor and muzzling journalists. Instead of standing by the editor they silenced him.

The Financial Gazette will now be unable to reveal anomalies in the land redistribution process that have favoured an official elite; nor will it be able to raise questions about government's spending priorities which have led to the collapse of hospital services and the closure of training institutes while Mugabe and his cabinet award themselves salary increases of up to 134%.

In my four years as assistant to

ie bishop is a.ways "busy".
Sithole is also suffering setbacks. He ıs made a middle class suburban ome his party headquarters and, hile there is at least a telephone, ere is also an air of defeat. Sithole as accused his wife, Vesta, of working against him by colluding with ugabe's ruling Zanu PF.

The utter hopelessness of the opposition's bid for leadership is exacerbated by Zimbabwe's notorious Political Parties Finance Act which gives the ruling party R12,5-million a year om the state's coffers.

No other party benefits from state unding, nor do they profit from the use of government helicopters, transport and blatant propaganda from the state-controlled media. Mugabe enjoys all these benefits and uses them unashamedly. He also has a massive civil service and the shadowy Central Intelligence Organisation working for his party's self-perpetuation.

So while Muzorewa and Sithole beaver away with their lieutenants, fretting over limited resources and inadequate funding, Mugabe flits effortlessly around Zimbabwe attending rallies organised by faceless bureaucrats. And while Mugabe's campaign is reported on by fawning party hacks, the opposition faces ill-disguised antagonism from Zimbabwe's muzzled media.

Both Sithole and Muzorewa know the battle is lost. While both men claim two million supporters, Muzorewa concedes he "believes in miracles", implying that only a miracle will get him into Zimbabwe's State House.

In reality not even Mugabe can claim two million supporters. Political discontent may be rife in Zimbabwe, but the absence of any real alternative to Mugabe has bred an all-pervasive indifference towards politics.

While history shows that Zanu PF is not above chicanery at the ballot box, this month's presidential elections will prove that vote-rigging will not be required. Zanu PF's grip on the country is so strong, and its tentacles spread so far into all sectors of society, that Mugabe is safe for at least one more five-year term.

Secure: Robert Mugabe is sure to remain Zimbabwe's president for another five years

PHOTO: HENNER FRANKENFELD

It was the newspaper's satirical comments which raised high-level hackles. When Mugabe referred last year to the human rights body, ZimRights, as an organisation of "Zim-Looters", *The Financial Gazette's* Muckraker column replied that such charges were inappropriate emanating from the chairman of Robbers and Muggers (RobMug) Ltd.

Zanu PF's organ, *The Peoples Voice*, charged the intention of *Financial Gazette* writers was to "play havoc with the minds of the majority ... This psychological warfare has as its objective the brainwashing of Zimbabwe's media practitioners so that they adopt anti-national and thus anti-Zimbabwe

editor Trevor Ncube and as a columnist committed to disclosing the connection between flawed governance and national impoverishment, I was privileged to serve a newspaper with the courage of its convictions — situated at the cutting edge of Zimbabwe's democratisation process. That process has suffered a serious blow with the effective silencing of *The Financial Gazette's* voice and Ncube's departure. By their actions, its timid proprietors have ensured — wittingly or unwittingly — that the country's well-entrenched ruling elite no longer has to answer for its conduct, a situation perilous to good governance and inimical to the interests of all Zimbabweans.

Zimbabweans angry over proposed constitutional amendments

Government's latest move is to prevent marriages of convenience which give foreign men an automatic guarantee of residence and benefits of citizenship

Mew 8/3/96 (362)

AFP
Harare

Proposed constitutional amendments which will remove the automatic guarantee of residence for foreign husbands married to Zimbabwean women has riled many Zimbabweans who feel it is a restraint on individual rights.

The proposed changes, published recently, have sparked controversy across the whole of society from women and human rights activists, churches to rural and grassroots Zimbabweans.

Analysts say the constitution, which is being amended for the 14th time in 15 years of independence from Britain, is being subjected to too many piecemeal changes whenever the ruling party has a unilateral view of some parts which it feels inappropriate or when it dislikes court interpretations and decisions.

"To amend the constitution every year as if it was an ordinary law ... is not only dangerous for our freedoms and liberties, but undermines and devalues the constitution," said Welshman Ncube, a university law professor, adding: "This is in itself disturbing in that the constitution is meant ... to be the most basic and most fundamental law of the country."

The pending changes, Zimbabweans say, are blatant discrimination against women and that the amendments are being made not just to tighten immigration and citizenship laws, but to overrule and reverse Supreme Court decisions.

While foreign women married to Zimbabwean men are entitled to automatic right of citizenship in Zimbabwe, previously, foreign men were not entitled to residence, let alone citizenship. The men had to satisfy certain immigration criteria, such as possessing scarce skills or a US$50 000 (about R195 000) investment project.

But in two important judgments last year, the Supreme Court ruled that husbands of four Zimbabwean women who had been denied residence by the immigration could freely reside and seek employment here.

The court argued that the immigration practice contradicted a section of the constitution which provides for equal protection of the law regardless of gender, and that denying them permission to live here would seriously impair women's constitutional freedom of movement.

"This restriction would undoubtedly cause great hardships in freedom of choice of Zimbabwean women," lamented Elizabeth Feltoe, a member of the Catholic Commission for Justice and Peace.

Experts say overturning court decisions undermines Zimbabwe's image internationally, by giving the impression that the courts in Zimbabwe are not respected.

"This is the fourth time in just over five years that a constitutional amendment has been passed to reverse a court decision, according to Zimbabwean Lawyers for Human Rights.

It appears the government's concern is that Zimbabwean women are facilitating entry of criminals into the country, particularly West Africans, by contracting marriages of convenience with aliens.

But Lydia Zigomo of the Association of Women Lawyers said government should impose police checks and employ Interpol to screen criminals from genuine families and make follow-ups on the applicants.

After all, the trend all over the world is that more men commit crime than women, added Zigomo.

"The suggestion that women need to be protected from contracting marriages of convenience with foreign men who seek to marry merely to obtain the benefits of Zimbabwean citizenship, only goes to emphasise the unjustifiable assumptions that women are incapable making mature decisions," read a joint statement by seven women and human rights bodies.

The most commonly voiced argument, which was endorsed by President Robert Mugabe recently, that it is against Zimbabwean culture for a man to live at the wife's natal home, is dismissed by women in that customary law should not be applied to mixed marriages.

They argue that culture is dynamic and that there is no need to continue to follow redundant cultural practices.

Mugabe calls industry chiefs a bunch of crooks

Star 8/3/96 (362)

While the European Union witholds aid to Zimbabwe, the president blames industry's captains for economic woes

REUTERS
Harare

President Robert Mugabe said yesterday most of the captains of industry in Zimbabwe were crooks who were undermining the economy.

In an interview with state-controlled Zimbabwe Television (ZTV) before a presidential election next week, Mugabe also accused local industrialists of abusing labour rules by unfairly sacking workers.

"It is sad to note that the majority of our industrialists are crooks. Some are using retrenchments as a cost reduction measure thereby increasing their profit margins at the expense of Zimbabweans," he said.

Mugabe was answering to charges that his 16-year-old government was largely to blame for Zimbabwe's economic woes.

The problems include rising unemployment, estimated to be at about 50% now from between 20-30% in 1980, and low economic growth that has averaged 2% annually over the past 10 years against a population growth of over 3% a year.

"We have done our part but the private business community has not always played its part, a positive role," he said.

He said many firms were evading tax and fraudulently transferring money to other states.

An official with the Confederation of Zimbabwe Industries, who declined to be identified, said the charges were unfair.

"There maybe some cases that fall in that category but I think it's rather unfair to say a majority of companies are guilty of those vices," he said. "Let's just put it down to electioneering."

Mugabe is widely expected to win a fourth term in office against token challenges from Bishop Abel Muzorewa and veteran opposition leader Ndabaningi Sithole, both regarded as political weaklings, in the March 16-17 presidential elections.

Mugabe also said he would like to see more Zimbabwean blacks – 98% of the 10,5 million population – getting into industry.

"We are persuading companies to take our people as partners. I don't see why companies like Lonrho or Rio Tinto cannot have black partners," he said.

"We will continue to persuade them to but if that doesn't work, we have to try other methods," the 72-year-old president said.

Mugabe's government has over the past four years solidly backed black empowerment pressure groups who have been trying to mobilise national support for their business programmes.

■ The European Union said it will give hard-up Zimbabwe over Z$300-million (about R115-million) this year for drought relief, health and education but would block more aid until the country further tightens its belt. European Commission official Michael Laidler said late on Wednesday the EU was holding Z$175-million earmarked for economic reforms until Harare met fiscal targets agreed with the World Bank and the International Monetary Fund.

Hollow victory no remedy for Zimbabwe

BD 13/3/96 (362)

Michael Hartnack

HARARE — The overwhelming victory of Robert Gabriel Mugabe, 72, in this weekend's presidential elections in Zimbabwe is a foregone conclusion.

We can also expect a lot of crowing about the extent of the turnout by the 4,5-million registered voters which, you will be told, confounded predictions of apathy. (But voters' rolls lack all local credibility.)

More informative is the contrast between the style of politics here — where white and foreign-dominated big business is being blamed for all the country's economic woes — and that in neighbouring Zambia, where there remains no significant white population.

This country has a long tradition of elections that whip up euphoria among leaders and their loyal voters, but completely fail to address the real issues dictated by the wider outside world.

In the dying days of the ill-fated 1953-1963 federation, Sir Roy Welensky called an election at which his United Federal Party won a hollow triumph. The British and the Americans had already decided to abandon the three territories.

They were to be left to the tender mercies of, respectively, Hastings Banda (Nyasaland/Malawi), Kenneth Kaunda (Northern Rhodesia/Zambia), and the Rhodesian Front (Southern Rhodesia/Zimbabwe).

Ian Smith pulled a similar stunt in 1977, when his war against African nationalist guerrillas was out of hand. He kept all 50 white constituencies, thanks to high-sounding talk about "maintaining standards", "securing the position of the white people" and "never giving in to communist terror".

With the election "won", Smith promptly conceded one-man-one-vote and handed the country over to Bishop Abel Muzorewa whose United African National Council (UANC) had probably done more for the guerrilla cause than any other organisation by providing a countrywide network of recruitment since fighting escalated in 1974.

Muzorewa's own April 1979 election victory, when he robed himself vaingloriously in leopard skins and had himself trekked to the prime minister's residence in an ox wagon, was another ballot box fantasy. Inexorable foreign diplomatic pressures were building up.

The only memorable moment in the otherwise boring, predictable and irrelevant campaigning for this weekend's presidential elections came on March 9 when politburo information secretary Nathan Shamuyarira condescended to a radio debate with Rev Ndabaningi Sithole, 76, who is challenging his ex-lieutenant, Mugabe.

The other challenger, Muzorewa, now aged 71, refused to participate in Mugabe's absence.

Sithole, who in 1962 initiated the war against white rule in former Rhodesia, seized his unprecedented access to air time to make a mass of allegations of corruption against Mugabe and his ministers, ruining his case by wild exaggeration ("some of them have 10 to 20 farms") and total absence of substantiating detail.

Sithole denounced Mugabe's policies but had nothing to offer in their place except farcical promises of land and cash handouts for all, while at the same time safeguarding white farmers' rights and curbing wasteful spending.

Broadcast when most Zimbabweans were having a Saturday afternoon snooze, the debate ended with Shamuyarira (who at least kept his dignity) saying Mugabe was revered as the man who brought victory and freedom at the 1980 independence.

"That is a lie — that is a lie," screamed Sithole.

As the microphones went dead, his voice could be heard shrieking accusations that Mugabe had hijacked the guerrilla forces. As if Zimbabwe's unemployed — 2-million of them, and many born since 1980 — cared.

Whether Mugabe — or Sithole, or Muzorewa — claims most credit for the 1980 departure of 200 000 white "colonialists", they have been followed to SA by more than 440 000 job-seeking blacks, including 14 000 skilled doctors, mining engineers, accountants and other fugitives from a stagnant economy and tax rates of 45% on incomes above R2 100 a month.

Sovereign independence has seen the installation of an IMF official at the reserve bank to "tell our lads what to do", as economics professor Tony Hawkins put it. What sovereignty? What independence?

Mugabe's foreign policy — of trying to put a frontline states/SADC bridle on Pretoria's power to make decisions for itself and the region, has been a total failure. President Nelson Mandela and the 10 other leaders united to block Mugabe's ambition to be permanent chairman of the new "association of southern African states" (as the longest serving head of state).

The survival here of a 70 000-strong white remnant has given Mugabe, and his 78-year-old vice-president Joshua Nkomo, the convenient scapegoat denied the rulers of neighbouring Zambia, who face the naked wrath of their impoverished voters later this year.

Mugabe and Nkomo spoke of imminent transfers of farms, businesses and wealth to the 11,2-million blacks instead of the generation of fresh investment (now going south of the Limpopo). Whites, say Mugabe and Nkomo, have no moral right to own anything since it is "our" country.

The recent furore over the introduction of cellular phones proved what most blacks already know — that it is not only whites but anyone outside the ruling elite who does not, in the eyes of government, have the right to own anything. Rural voters who fail to vote know they risk loss of relief food for their "disloyalty".

The collapse of independent local journalism is merely symptomatic of Zimbabwe's chronic haemorrhage of expertise and free minds.

No-one has the courage to state the obvious: Zimbabwe is being reduced to even more of a satellite dependency of SA than Smith's Rhodesia was at the end of the war.

As Mugabe noisily celebrates his re-election for a third six-year term, SA's people need to look long and hard at the demands that will inevitably be made upon them as world realities impose themselves across the Limpopo.

Guns, bayonets, secret police — and Mugabe's wooing the voters

CT 14/3/96 (362)

BULAWAYO: The first vehicle in the motorcade comes bucking down the dust road, past the tall maize plants and patches of yellow chrysanthemums, and the small heat-dazed crowd in the grassy clearing acts as if it has been hit with a massive charge of electricity.

Children wilting after four hours in the sun without food spring to their feet and eagerly wave little paper flags. A clutch of drowsy, heavy-bottomed matrons in skirts bearing the face of President Robert Mugabe leap to their feet and burst into a jiving praise song.

A seemingly endless procession of 18 vehicles speeds in and they jerk to a halt. Heavily-armed soldiers with fixed bayonets spill out and sprint to the edges of a clearing. Men in sunglasses, dark suits and bulges at the hip fan out.

Politicians and security men might outnumber the crowd of about 300.

A black curtain in the back seat of a low-slung bullet-proof Mercedes-Benz limousine twitches and Mugabe emerges.

He waves briskly, but keeps his distance from the adulating crowd.

Donald Ndlovu, a lorry driver in his forties, looks on wide-eyed.

"Why do they fear us?" he asks softly.

This is the Zanu (PF) campaign show, on the road for five weeks preparing for presidential elections this Saturday and Sunday.

It is a huge, well-oiled machine employing thousands of people and costing millions of Zimdollars.

The performance is repeated unvaryingly wherever the show is taken around the country. The flags, the bunting and the party buttons give it the gloss of a Western campaign.

Mugabe is seen as facing only token opposition from veteran black nationalist the Reverend Ndabaningi Sithole, chief of the Zanu (Ndonga) party, and Bishop Abel Muzorewa, head of the oddly-named United Parties.

However, Mugabe is taking no chances.

His rhetoric to the crowd of old men, mothers and children at this little village in the bush just west of Bulawayo is laced heavily with threats against white farmers, white industrialists and black opposition figures.

BULLETPROOF: Zimbabwean President Robert Mugabe, seen arriving at a function, has a penchant for travelling in luxury motorcades bristling with heavily-armed soldiers and secret police for security.

When he speaks, he remains remote under the shade of a dais.

This is Matabeleland in the west of the country where memories of the massacres of thousands of civilians by the Zimbabwe army in the mid-1980s are still strong, but Mugabe speaks through an interpreter in Shona, the language of the eastern two-thirds of the country.

The posters tied to the trees are in Shona as are the messages on the T-shirts. That people have been waiting four hours is irrelevant.

"He will only come if there are enough people," says an officer of the Central Intelligence Organisation, the secret police.

"If there are not enough, I will tell him on this radio not to come on."

We are lucky today. And anything slightly out of the ordinary is not taken lightly.

A senior plainclothes policeman observes me counting the number of vehicles in the motorcade and demands to know why.

"You want to report negatively on Zimbabwe," he insists.

My notebook, Press card, blood donor's card and everything in my wallet is scrutinised minutely and confiscated while a growing knot of men in suits make laborious notes.

I am forced to read out shorthand notes. My car is searched and one officer carefully prises open a little canister of dental floss.

Heads nod when a business card from the Economist Intelligence Unit is found. I am to be taken to Bulawayo "for vetting", but after lengthy consultations with a senior party official they decide to let me go and my documents are returned.

Nearly an hour after Mugabe's dramatic arrival I am allowed to rejoin the crowd and catch the end of his speech, but not without two men in dark glasses standing behind me. — Sapa

The hazards posed by a Mugabe election tour

(362) BD 14/3/96

METHODIST VILLAGE — The schoolchildren have been waiting in the clearing since 11am with no shade apart from little cardboard sun visors — and nothing to eat. It is nearly four hours later, and they are beginning to drop.

The rest of the 200 people from this small village just west of Bulawayo are mostly elderly, frail people who have been waiting just as long. On the podium, furnished with large armchairs for the cheffes (slang for party bosses), a bored secret police agent with dark glasses lounges under the shaded canopy.

The trees are bedecked with posters. A 1950s Ford arrives to unload a goat from the boot. This is tied to a tree, a gift for the man party functionaries call "the most authentic and consistent revolutionary leader".

A lot of trouble has gone into setting this up. But even at this hour, it is still not clear if President Robert Mugabe will bother to turn up for the next stop on his election campaign.

"If there are not enough people, I will just tell them on my radio he should not come," said another secret agent.

Token opposition

It is the fifth week of Mugabe's campaign trail for the country's presidency, going for his 16th year in office and running against a token opposition, with voting on Saturday and Sunday this week. It has been made clear that the rally at the village — like all the other dozens of venues across Zimbabwe — does not have much to do with winning the hearts of voters.

The next few minutes show that election campaigning in Zimbabwe by Mugabe's party is not the Western-style affair suggested by the flags and campaign buttons, but an intimidating show of power in the style of Africa's now nearly vanished one-party-states and the presidents for life who used to run them.

A high-speed procession of 18 vehicles — including an ambulance — comes bucketing down the dirt road past high flowering maize plants, and pulls sharply to a halt. A score of soldiers armed to the teeth leaps out and sprints to positions on the edge of the clearing. Men in dark suits and sunglasses fan out, most of them with a hand thrust inside the breast of their jackets. In a matter of seconds, the small crowd of villagers is almost outnumbered by security men and politicians.

Donald Dube, a breakdown truck driver, looks on in awe.

"Why do they fear us?" he asks quietly.

From behind the curtained windows of a sleek black, bullet-proofed Mercedes-Benz emerges the president. Children, suddenly active, wave flags and the troupe of Zanu (PF) women's league singers launches into shrill song and a shuffling jive. With a brisk wave, Mugabe acknowledges the adulation, but remains remote and makes no attempt to mingle with the patient crowd.

He speaks from under the shade of the podium, delivering a series of promises of more roads, dams, jobs and money, with a heavy lacing of threats against white farmers to seize their land without compensation, against the country's industrialists, most of whom are whites, and against black opposition leaders.

This is Matabeleland, where memories of the massacres of thousands of civilians in the mid-1980s by the Zimbabwe army are just below the surface, but Mugabe speaks in Shona, the language of the people who dominate the government. His speech must be translated into Ndebele. The campaign posters tied to the trees are also all in Shona. "Who are they trying to impress here, the people who can't speak Shona, or Mugabe?" asked a local journalist.

The large security entourage following the campaign has its own ideas about how journalists should behave.

A senior plainclothed policeman sees this reporter counting the number of vehicles in the motorcade, and I am quickly surrounded by a knot of men in dark glasses. They demand to know why I am counting the vehicles, and the senior officer insists: "You want to report negatively on Zimbabwe."

Notebook taken

The contents of my wallet — except the cash — are confiscated and details from my Press card, vehicle registration and blood donor's card are laboriously recorded. My notebook is taken away — after an officer orders me to read out passages in shorthand.

My car is searched carefully and an officer prises open a dental floss container. The discovery of a business card from the Economist Intelligence Unit causes a stir. They want to take me to Bulawayo "for vetting".

A senior party official is consulted and, nearly an hour after being picked up, they return my documents and allow me to rejoin the crowd for the last few minutes of Mugabe's speech. But two men in dark suits stand behind me.

Meanwhile, **Michael Hartnack** reports Ndabaningi Sithole, 76, described by his lawyer as "subject to fits of senility", has announced his withdrawal from this weekend's presidential election. — Sapa-DPA.

NESS

Zimbabwe market shrugs off election

☐ *No significant changes in policies expected*

(362) ARG 14/3/96

HARARE – Zimbabwe's share market has already discounted the outcome of this weekend's presidential elections, widely expected to be won by President Robert Mugabe although pre-poll rhetoric has slightly disturbed stocks.

Economic analysts and market officials said the market expected no significant changes in policies after the March 16-17 elections despite Mr Mugabe's verbal attacks against the country's predominantly white industry leaders.

"The market has discounted the fact that the president will win the elections hands down so it feels there will be no significant changes in policies which will have an impact on the market," Zimbabwe Stock Exchange (ZSE) chairman Mike Tunmer said.

Mr Mugabe, 72, is widely tipped to win another six-year-term in office as his only opponent, Bishop Abel Muzorewa of the United Parties, is considered to have too little support.

His other challenger, the Reverend Ndabaningi Sithole, withdrew from the race on Tuesday, claiming Mr Mugabe's government had framed him in an alleged coup plot to discredit him ahead of the elections.

During his campaign, Mr Mugabe has accused local industry leaders of sabotaging the economy and threatened to re-introduce some state controls which his government relaxed under Western-backed reforms adopted in 1991.

"The tough rhetoric creates a certain amount of uncertainty but these sort of threats have been made in the past.

"But once the election is out of the way we expect him (Mugabe) to pursue the same policies that he has pursued before," Mr Tunmer said.

Savvas Kyriakides of economic and market analysts Dataworld said the market had seen some buying on the nervousness generated in the market by Mr Mugabe's rhetoric.

He and a local broker said an easing off in market activity over the past two weeks was due more to a price correction following a six-week rally than the effect of the elections.

"The market is driven more by climatic conditions than elections. The market has basically taken the view that the current power base will not be eroded to any extent and will continue to trade in that fashion," one broker said, describing the market as mixed.

The key industrial index soared to a record 4,950.72 points on February 22 after six weeks of intense active buying on the back of soaking rains seen boosting Zimbabwe's agriculture-driven economy.

The index has since lost ground. – Reuter.

Mugabe sure of landslide victory

Sowetan 14/3/96 (362)

Sowetan **Foreign News Service**

HARARE – The Rev Ndabaningi Sithole, leader of the opposition Zanu (Ndonga) party, yesterday withdrew from Zimbabwe's presidential election this weekend, leaving Bishop Abel Muzorewa as the only candidate standing against President Robert Mugabe.

The result is bound to be a landslide victory for Mugabe with the main interest lying in the turnout of voters.

Mugabe and leading members of his Zanu (PF) party have mounted a vigorous campaign urging people to turn out to show international opinion that they are solidly behind the man who has led the country since independence 16 years ago.

Observers are forecasting a heavy poll in the rural areas but are doubtful about the situation in the cities where unemployment and soaring costs have led to great hardship. The good rains have lifted morale considerably in rural areas.

Sithole (76), who has been showing increasing signs of irrationality, said he had documents to show that the Central Intelligence Organisation had plotted to destabilise his campaign. Earlier he claimed his wife had been paid to undermine him and he intended to divorce her. He is currently on bail facing charges of conspiring to assassinate Mugabe.

At the time of this bail application, lawyers said he was showing signs of senility.

Meanwhile, thundering helicopters, screaming motorcades and scores of heavily-armed bodyguards have taken Mugabe's six-week presidential campaign to the most isolated corners of Zimbabwe, overwhelming rural villagers with the trappings of power and heavy-handed security.

Victory is virtually certain for Mugabe in the elections this Saturday and Sunday, but he has extensively campaigned to ensure there is a good turnout at the polls. After 16 years in power, Mugabe (72) is assured of another six-year term in office.

Each rally follows a similar pattern as schoolchildren and women wearing dresses emblazoned with Mugabe's portrait dance and sing praises to their leader. Numerous speeches are given by local and national officials of his party.

Then Mugabe speaks, praising his party's role in the 1970s' war to end Rhodesian rule, attacking white farmers and businessmen, promising more land to the poor rural blacks and urging everyone to vote for him.

Stern and austere, Mugabe is not a natural campaigner but the well-organised, well-funded party machinery has produced a string of rallies before groups ranging from a few hundred to several thousand.

Election in doubt as party goes to court

The Argus Foreign Service

HARARE — Zimbabwe's presidential election, due for tomorrow and Sunday, may notbe held after all.

After the withdrawal of the Rev Ndabaningi Sithole earlier this week it now seems possible that Bishop Abel Muzorewa may also pull out, leaving President Robert Mugabe unopposed.

Bishop Muzorewa's party lawyers said the Supreme Court would meet today to hear an urgent application to postpone the election on the grounds that Mr Mugabe has an unfair advantage.

Muzorewa aides said that if the application failed it was likely he would withdraw.

(362) ARG 15/3/96

Mugabe looks set for another landslide win

(362) Sowetan 15/3/96

By Angus Gova

HARARE – Zimbabwe's presidential election this weekend is the third since independence in 1980. Although Robert Mugabe is assured of a landslide victory, previous elections have been characterised by apathy among the electorate.

It is business as usual, despite the extensive countrywide election campaign that Mugabe has mounted, mainly concentrated in the rural areas where 70 percent of the country's 11 million people live.

The reasons for the apathy are varied and cumulative. They include unemployment, now running at about 30 percent, the deterioration in social services (such as health and education) and economic structural adjustment programme-induced retrenchments in industry, while those in employment can hardly keep their heads above water with the high prices of basic consumer goods.

Apathetic voters

The absence of any serious opposition group has also contributed to voter apathy. Even within the ruling party Zanu (PF) itself, the mood is downbeat as party faithfuls are confident that Mugabe will have a walkover.

Ironically, the good rainy season has also contributed to the lack of enthusiasm, as the country's backbone industry – agriculture, hit by two consecutive years of drought – concentrates on harvesting and rebuilding stock.

On the other hand, big and small companies in organised commerce and industry have been reeling under punitive interest rates. Many have gone into liquidation, others are retrenching workers, and some of the country's largest companies have been hit by a spate of strikes over wage increases.

Locked in litigation

In the civil service, workers are locked in litigation with the Government over the non-payment of bonuses for 1995. The government pleaded bankruptcy but at the same time saw fit to award the president, cabinet ministers and members of parliament salary increases of up to 100 percent.

The two other contenders for Zimbabwe's presidency are Zanu (Ndonga) leader, Ndabaningi Sithole, who many observers dismiss as a write-off, and Bishop Abel Muzorewa of the United Parties.

President Robert Mugabe ... assured of a landslide victory in Zimbabwe this weekend.

Since his return in 1991 from eight years of self-imposed exile in the United States, Sithole's political fortunes have been on the decline. The euphoria which marked his return quickly died down as he made nonsensical claims to give each family 15 hectares of land and R200 to resettle if he was voted into power.

In 1994 he unsuccessfully fought his eviction from Churu Farm outside Harare, where he had illegally settled hundreds of families at a rental of R12.

Sithole has not attracted any meaningful following, although many Zimbabweans sympathised with him when the government detained him last year on allegations of attempting to assassinate Mugabe. It is the latest development, though, that has sealed the nail in Sithole's political coffin.

Earlier this month, he announced that he is to divorce his wife, Vesta, whom he accuses of having been paid huge amounts of money by the ruling party to disrupt his campaign for the presidency. While Zanu (PF) dismissed this claim as silly, observers says Sithole, at 76, is becoming senile.

Muzorewa, former prime minister of the Zimbabwe-Rhodesia government, fares much better than Sithole but still falls far short of posing any meaningful threat to Mugabe.

In his campaign rallies, Muzorewa has challenged Zanu (PF) stalwarts to explain how many of their number, after 16 years in office, have managed to acquire huge tracts of farmland.

He has also appealed to people's emotions by bringing in populist issues like an anti-corruption drive, reduced taxes, the trimming of cabinet and the budget deficit.

Of the three candidates, only Mugabe has released an official election manifesto,in which he cites indigenisation of the economy as the government's main thrust in the next five years.

In his 34-page manifesto, Mugabe records what he says are his government's successes in the last 16 years, and also mentions land reform and resettlement, water and the drought, combating urban poverty and unemployment, the construction of affordable houses, the supply of electricity and collective bargaining at work places as some of the central issues.

Meanwhile, civil society groups have encouraged all opposition parties to boycott the election. They argue that participation would give legitimacy to an election in which the ruling party has a grossly unfair advantage.

The ruling party receives R12 million annually from state coffers. Mugabe, on his election campaign trail, has used three airforce helicopters as well as government vehicles and trucks to ferry people to rallies.

Electoral process

He has also enjoyed wide publicity in the official media, including the government-owned Zimbabwe Broadcasting Corporation.

John Makumbe of the University of Zimbabwe's political science department, has argued that Mugabe will win not because he is popular but because the government has made the race unfair by enacting pieces of legislation such as the Political Parties (Finance) Act and because of an unfair electoral process.

He cites the Electoral Supervisory Commission as an example. The commission is not independent; it is appointed by, and reports to, Mugabe – an interested party in the elections.

Anthony Chimhini, director of the human rights group Zim Rights, says the government should not waste state funds on an election whose outcome is a foregone conclusion.

Says Makumbe: "The question of fairness can never be properly addressed as long as Zanu (PF) is in power. It is not in its nature to run free and fair elections."

Forget elections, Mugabe is king, says Zanu-PF official

(362) Star 15/3/96

ANDREW MELDRUM
Harare

Amid the drumbeats, dancing and ululations of President Robert Mugabe's re-election campaign, a top party official declares: "Robert Mugabe is our king! We don't need these elections because kings don't need to be re-elected!"

Certainly Robert Mugabe (72) is assured of victory in the March 16 and 17 elections, so that after 16 years in power he will be returned to another six-year term. But few democrats would suggest that Zimbabwe does not need any presidential elections at all.

That is exactly the argument made by Didymus Mutasa, the secretary for administration in Mugabe's ruling Zimbabwe African National Union-Patriotic Front (Zanu-PF).

"The British don't re-elect Queen Elizabeth, why should we have to re-elect Robert Mugabe?" asks Mutasa, a confidant of Mugabe. "Zimbabweans overwhelmingly chose Robert Mugabe in the 1980 elections, we don't need any more elections. We are only carrying out this exercise to satisfy outside interests, the international community."

Mutasa overlooks the fact that, unlike Britain's monarch, Zimbabwe's president wields sweeping executive powers. Speaking (to the Independent News Service) shortly before Mugabe addressed a rally in Harare's Highfield township, Mutasa downplayed the importance of the elections and dismissed criticisms that Zanu-PF has become corrupt. "Zanu-PF is a grassroots party," said Mutasa. "So if people are disgruntled with Zanu-PF, they are disgruntled with themselves."

People are scared to criticise the man

The withdrawal of Rev Ndabaningi Sithole from the presidential race does not weaken the legitimacy of the presidential elections, asserted Mutasa. But other Zanu-PF members at the relatively small rally of some 1 000 people admitted privately that the party is facing growing disillusionment and voter apathy.

At the rally Mugabe derided Rev Sithole's decision to quit the race. "Why did Sithole drop out at the 11th hour?" asked Mugabe. "He blames Zanu-PF. Ridiculous!"

Mugabe's hour-long speech recounted his party's victories in the armed struggle against Rhodesian rule. He also listed his government's success in the 1980s in improving health, eduction and housing. Rather than explain why those services have eroded in the 1990s, Mugabe blamed businessmen for cheating the government and called on the Harare city council to fix the potholes in the roads.

Rev Sithole charges that state security, the notorious Central Intelligence Organisation (CIO) has hounded him and framed him on charges of plotting to assassinate Mugabe.

Whether or not his allegations are accurate, opposition politicians and independent analysts say the CIO and Zimbabwe's de facto one-party state have created a climate of fear that intimidates people from speaking freely about their dissatisfaction with the Mugabe government.

Bishop Abel Muzorewa, the only candidate opposing Mugabe, charges that all of his 45 rallies have been disrupted by CIO agents. The CIO act as an arm of Zanu-PF, says Muzorewa.

"People are scared to speak out," says Margaret Dongo, the independent member of parliament. "There is an ever present fear, fear of disappearing, fear of the CIO."

Dongo, who holds one of only three non-Zanu-PF seats in Zimbabwe's 150-member parliament, urges a boycott of the presidential elections. "Let Mugabe go to the polls alone, for then there will be no legitimacy to his claim to the presidency," says Dongo.

The victory of Mugabe is a foregone conclusion. His supporters claim he is king while his detractors charge his government is oppressive. Both sides suggest that the impending presidential elections are seriously flawed. – Independent Foreign Service.

'King' Mugabe assured of another victory

(362)

Sowetan 15/3/96

HARARE – Amid the drumbeats, dancing and ululation of President Robert Mugabe's re-election campaign, a top party official declares: "Robert Mugabe is our king! We don't need these elections because kings don't need to be re-elected!"

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Outside interests

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Sithole charges that the notorious Central Intelligence Organisation (CIO) has hounded him and framed him on charges of plotting to assassinate Mugabe. Bishop Abel Muzorewa, the only candidate opposing Mugabe, charges that all of his 45 rallies have been disrupted by CIO agents. – *Independent Foreign Service.*

BULLETIN BOARD

Star 16/3/96 (362)

No one left, so Mugabe remains president

Harare – The last-minute withdrawal yesterday afternoon of Bishop Abel Muzorewa from Zimbabwe's presidential election has resulted in Robert Mugabe being declared the winner and the elections cancelled.

However, the cancellation was so late it appears that many Zimbabweans will still go to the polling stations today.

Muzorewa's withdrawal was dramatically announced immediately after the Supreme Court rejected his urgent application to postpone the elections because Zimbabwe's electoral laws were "unfair".

"Because our application has been turned down, the United Parties have decided to withdraw participation from the presidential elections with immediate effect," said Muzorewa's spokesman Isaac Manyemba.

"No democratic elections will be possible in Zimbabwe as long as the current regime of laws and institutions remains."

Muzorewa vowed to continue to fight "until we destroy the corrupt one-party-state dictatorship, just as others have toppled regimes in Malawi, Zambia, Romania and the USSR".

Muzorewa's withdrawal left Mugabe unopposed because the Rev Ndabaningi Sithole pulled out earlier this week.

It is not clear how all the nearly 3 000 polling stations – many in remote areas – will be informed of the cancellation.

Muzorewa's eleventh-hour decision successfully drew more attention to his candidacy than he has received throughout the entire six-week campaign.

"We are not going to bless these fraudulent elections," said Manyemba.

"We call for an all-party and all-concerned constitutional conference to draw up a new, thoroughly democratic constitution for Zimbabwe that will ensure a level playing field for all political parties in any elections."

Electoral regulations leave sweeping powers to Mugabe and strongly favour the ruling party, the Zimbabwe African National Union-Patriotic Front (Zanu-PF). – Independent Foreign Service, Sapa-Reuter

Low turnout for Zim polls

(362) Sowetan 18/3/96

HARARE — President Robert Mugabe yesterday appeared to be heading for an embarrassingly low voter turnout in Zimbabwe's controversial two-day elections.

About 758 000 votes — or 15,4 percent of the electorate of 4,9 million voters — were cast on the first day of polling on Saturday.

Electoral officials said, however, that the count was not a complete total as communication had been lost with "a number" of polling stations.

The second day's voting yesterday began quietly. Polling stations in Harare's more affluent low-density suburbs were deserted apart from electoral staff, while trickles of voters were seen going into the booths in the capital's townships.

In the last presidential elections — held every six years — in 1990, a total of nearly 2,59 million votes were cast. Analysts say it is highly unlikely that figure will be reached in this election.

Mugabe is seeking another term of office to add to the 16 years he has been ruler since independence in 1980. But observers say his election campaign has been the most determined and expensive the country has seen as he fought to counter widespread dissatisfaction.

Controversy in an otherwise predictable affair burst last week when Rev Ndabaningi Sithole (76), leader of the Zanu (Ndonga) Party, and Bishop Abel Muzorewa (71), leader of the opposition United Parties, announced they were withdrawing. – *Sapa*.

Mugabe 'embarrassed' by poll boycott

(362) ARG 19/3/96

Political analysts say constitutional reforms may be the upshot of the opposition boycott of presidential elections in Zimbabwe. CRIS CHINAKA of Reuters reports.

Zimbabwe's weak and fractious political opposition may win constitutional reforms soon after bruising President Robert Mugabe's pride by boycotting last weekend's presidential elections, political analysts say.

They say the unexpected total opposition boycott, making Mugabe victor without a fight, embarrassed the 72-year-old leader of the all-powerful ruling ZANU-PF party who was keen to showcase Zimbabwe as a thriving democracy.

"They will try to put up a brave face by calling the opposition cowards and continuing to dismiss demands for constitutional reforms.But I think once the dust has settled, they will try to do something about it," said John Makumbe, a respected political analyst at Harare's University of Zimbabwe.

"ZANU-PF is clearly hurt by the boycott and that's probably worth more than the opposition would have got from the elections," he said of the March 16-17 poll which many people had expected Mugabe to win even before the boycott.

The total boycott, unusual for a generally quarrelsome opposition, was achieved after Bishop Abel Muzorewa of United Parties and veteran opposition leader Ndabaningi Sithole of the small rightwing ZANU-Ndonga party quit the presidential race in theatrical fashion at the last minute.

Muzorewa, 71, and Sithole, 76, joined four other opposition leaders who had refused to run in protest against what they see as unfair electoral rules favouring Mugabe, who has been in power since independence form Britain in 1980, and ZANU-PF.

They complain of Mugabe's tight control of dominant state media, his powers to appoint election supervisors as well as 20 members to Zimbabwe's 150-seat parliament, and ZANU-PF's use of and access to state resources.

Zimbabwe's supreme court, which rejected Muzorewa's 11th-hour attempt to delay the presidential elections on these grievances, is due to consider in June an application by his United Parties to declare the electoral laws unconstitutional.

"I think ZANU-PF may want to forestall a court ruling on that ... and we may start seeing it working on some reforms before then," Makumbe said.

In the past Mugabe and ZANU-PF have dismissed the opposition demands as useless and a cover-up for their organisational weaknesses.

"That argument will and does not hold water. There is need to revisit quite a number of laws in our books, including the electoral laws and I think, deep down, even ZANU-PF realises that," said Welshman Ncube, a political analyst and lawyer at the University of Zimbabwe.

But both Ncube and Makumbe said the opposition — torn apart many times by personality differences — would have to stay together and press ZANU-PF harder for the reforms.

"They have to press their advantage now but that remains to be seen," Makumbe said

WORLD

Wounded Mugabe 'may initiate political reforms'

(362) BD 19/3/96

HARARE — Zimbabwe's weak and fractious political opposition might win constitutional reforms after bruising President Robert Mugabe's pride by boycotting last weekend's presidential election, political analysts say.

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But both Ncube and Makumbe said the opposition — torn apart many times by personality differences — would have to stay together and press Zanu (PF) harder for the reforms. — Reuter.

Mugabe wins presidential election – but voters stayed home

Star 19/3/96 (362)

Harare – Zimbabwe's President Robert Mugabe received one of the biggest jolts of his 16-year rule yesterday as results of weekend elections showed that voters had spurned his call for a large turnout.

With only about 30% of the electorate estimated to have cast their ballots, his mandate to govern for another six-year term has been called into question.

"Mugabe cannot honestly run the country – his government has no legitimacy," said University of Zimbabwe law lecturer Munyaradzi Gwisai.

The head of the Catholic Commission for Justice and Peace, Mike Auret, said the elections had shown that "democracy is an illusion" in Zimbabwe.

The low turnout is the worst blow to Mugabe's prestige since he swept to power on a wave of popular support in 1980.

Despite the fact that the elections degenerated into farce when the only two opposition candidates pulled out, Mugabe put his own popularity on the line when he continued to call for a large mandate.

Both Gwisai and Auret said the poll proved the need for a major overhaul of the constitution, which has been amended since independence to the extent that it is considered undemocratic by human rights groups and the opposition.

One of the candidates who withdrew, Bishop Abel Muzorewa, has launched a court challenge to electoral laws under which Mugabe's ruling Zanu-PF party is the only one to receive government funding, and which give the president wide-ranging powers over the elections.

Muzorewa pulled out of the race on Friday when the Supreme Court turned down his urgent application for a postponement of the elections until after the case is heard in June.

Chief Justice Anthony Gubbay said that while the issues raised by Muzorewa and his United Parties (UP) were "of fundamental constitutional importance" and needed serious consideration, the urgent application had been made too late to delay the voting.

The other opposition candidate to withdraw, the Rev Ndabaningi Sithole, accused the government's secret police of sabotaging his campaign.

But the government said both withdrawals were illegally late and the two were still in the election whether they liked it or not.

Muzorewa and Sithole then condemned the election as senseless and urged their supporters to stay away from the polls.

Officials said the poor turnout could be attributed partly to the mistaken belief that it was no longer necessary to vote because there was only one candidate.

Mugabe had waged an aggressive campaign in which he promised blacks a greater share in the country's land and wealth, much of which is controlled by the white minority. – Sapa-AFP.

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The Zimbabwe election that never was

After a farcical poll, the country's citizens are divided about the benefits of having Robert Mugabe as their president. John Fleming reports from Harare.

(362) Star 20/3/96

When Bishop Abel Muzorewa pulled out of the Zimbabwean presidential elections late last Friday, the most disappointed person was probably President Robert Mugabe.

It wasn't so much the president missing out on the dubious honour of a landslide victory, but the impression the election was supposed to impart to the outside world.

For Mugabe needed an opposition, no matter how anaemic, to be able to boast about a semblance of multipartyism in Zimbabwe.

A scant 16 years ago, Zimbabwe was the great hope for a strong and lasting multiparty democracy in southern Africa.

Opposition campaign offices never had telephones

Then the country was surrounded by one-party states and strongman rulers in Zambia, Malawi and Mozambique, while apartheid reigned in South Africa.

Here was a nation with an elected leadership that held promise for the future. And a president who had the ability to "take Zimbabwe out of Africa", as one of his supporters-turned-critics recently said.

But Mugabe, and his ruling ZANU-PF (Zimbabwean African National Union-Patriotic Front) party's hold on power, has turned the country into a one- party state while the country's neighbours have moved ahead in democratic transformation.

Zimbabwe's economy too has deteriorated during Mugabe's rule.

The economy has grown at only about 2% a year for the past 10 years, while the population rate has grown at closer to 3%. Unemployment, now estimated at around 50%, is up from about 30% when Mugabe came to power in 1980.

"We Zimbabweans used to be proud of what we had," said Dr John Makumbe, a political science professor at the University of Zimbabwe.

"People in southern Africa used to look up to us. Now they are disgusted with us.

"Why, even Mozambique has more opposition than we do. It's a tragedy," he said.

Since 1980, ZANU-PF, which now controls 147 of 150 seats in parliament, has succeeded in amending the Zimbabwean constitution 14 times.

Each amendment is designed to strengthen the ruling party, according to Makumbe.

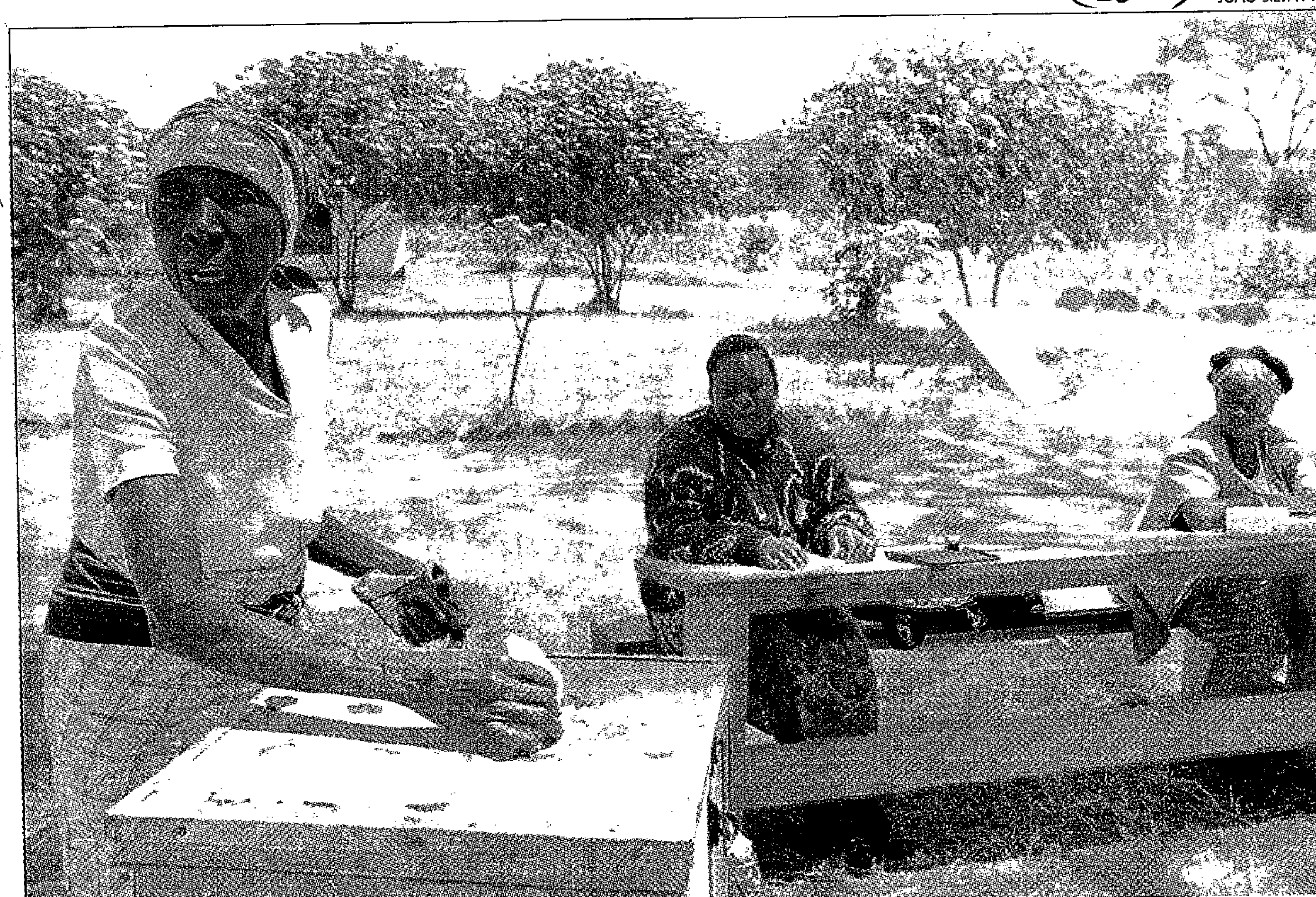
ZANU-PF also has access to the state coffers during election years, while the opposition must find its own way.

The Political Parties Finance Act gives ZANU-PF close to R16-million a year for election campaigning, and access to government helicopters and vehicles.

ZANU-PF's intelligence apparatus, the feared Central Intelligence Organisation, is so effective that it apparently has not only infiltrated the pathetic opposition parties but seems to be present in all walks of life.

Even Harare cabbies speak of harassment and colleagues who have disappeared.

Former opposition candidate Rev Ndabaningi Sithole, leader of the ZANU-Ndongo party, is currently on bail for plotting the assassination of Mugabe.



JOAO SILVA / AP

Near pointless exercise ... a Zimbabwean woman casts her vote on Sunday at Queenstone Mine, some 300km south of Harare. President Robert Mugabe's ruling Zanu-PF party urged people to vote in the single-candidate election to prevent an embarrassingly low turnout in the presidential poll.

On Monday Sithole produced a document that, if authentic, proves the CIO framed him for plotting the assassination.

The CIO agent in charge of the operation, an operative called "Badger", was named in the CIO documents as a Godfrey Mumbamarwo.

Mumbamarwo, it turns out, is ZANU-Ndongo's general secretary.

The reverend finally decided on Tuesday he had had enough, and pulled out of the election.

A few days before the election it was painfully evident that both opposition parties were totally discombobulated.

Sithole's campaign headquarters lacked a telephone.

During a recent interview the reverend appeared to have drifted off to sleep.

He also ran what he described as a secret campaign, seldom publicly announcing his whereabouts, and while Mugabe campaign posters adorned public spaces everywhere, only two Sithole posters were seen in four days in Harare.

Bishop Muzorewa's campaign was in similar disarray.

His dingy Harare headquarters also lacked a telephone, and his aides didn't know exactly where he was mid-week, but possibly, they ventured, in Bulawayo.

Given the Zimbabwean opposition's sorry state, many here wonder why Mugabe and the CIO would waste their time.

"The CIO mobilised for Sithole and Muzorewa just so they could muster an opposition for Mugabe," said Makumbe.

"Otherwise this whole thing would have been a joke. With these two senile old men running for president, Mugabe figured he could convince the gullible EU ministers and US senators that everything was just fine in Zimbabwe," he said.

Meanwhile, around Harare, anti-Mugabe voices ring loud but mostly in private.

In Mbare, a suburb south of Harare, brothers Tanashe (15), and 35-year-old Zundewa Muzondiwa fret over the lack of jobs.

Zundewa hasn't worked in over a year, and his little brother sees no reason to stay in school.

"This government is just bad, bad," said Tanashe.

"Why should I go to school? My brother doesn't work, none of his friends work, but Mugabe and all his boys are rich. They take what should be ours."

But it is in the rural areas where most Zimbabweans live. And it is here where Mugabe enjoys his strongest support, partly because food aid has been funnelled to these people for years, but also because it is difficult to come across a rural Zimbabwean who wasn't involved in the struggle against the white-ruled government.

Beard Chaikapa, a 51-year-old veteran of the war, sits with his family on their farm in Somabe, north of the capital.

The family sits in a circle feasting on sweet pumpkin, ripe tomatoes and corn.

"Why should I vote for change," said Chaikapa, finishing off another ear of corn.

"We've got all we need here. Robert Mugabe is a great man. I hope he is my president for the rest of my life." – Independent Foreign Service.

Foreign shareholding proves to be handicap in Zimbabwe

(362)

Martin Rushmere

BD 22/3/96

HARARE — President Robert Mugabe's government has not shed its hostility to firms with a South African connection, despite five years of economic liberalisation and supposedly active pursuit of foreign investment.

Foreign shareholding had proved to be a handicap for the Murray & Roberts subsidiary in Zimbabwe, International Holdings (IHL), stock exchange sources in Zimbabwe said.

The quoted construction, plastics and abrasives group has found the Mugabe government's public assurances about welcoming outside investment to be "somewhat hollow", a broker said.

After a good first six months of the financial year, when profits rose 10% to R7m against a background of general industrial pessimism, the company is keen to get on the takeover trail.

But political opposition to companies with the majority of their shareholding held abroad — especially those with South African connections — has frustrated its efforts, say those in financial circles.

Management will not comment, saying only that "specific prospects are being looked at", but it is known that there is every chance of the central bank stonewalling attempts to buy local companies.

IHL fell foul of exchange control regulations limiting foreign ownership of local companies to 25% in its bid for industrial conglomerate Mashonaland Holdings, after the central bank found out about its 60% South African ownership. Until then the deal was all set to go through.

Stock exchange analysts say the 25% rule is often applied to mask political influence behind the scenes.

"The Reserve Bank is little more than an agency of the ruling party," one dealer said.

"It can be ordered to invoke the rule for political reasons. This happened with the Times Media bid for Modus Publications. Political manipulation and irrational hatred of foreign companies have severely limited the inflow of foreign capital into the country."

The reverse side of the coin — disinvestment by foreign companies — has been seen recently with Turner & Newall's sale of its Zimbabwean asbestos mines and manufacturing companies. They were bought for US$60m by a hitherto unknown company, African Resources, a price estimated to be a 50% discount on asset value.

Sources in Zimbabwe say that the British parent nevertheless went ahead with the deal, in line with its policy of sticking to core activities, because it will be able to get the money relatively quickly.

It is understood that the buyers are well connected with senior figures in Mugabe's ruling Zanu (PF). Because it has the approval of government, Turner & Newall's proceeds from the deal will not need to be locked up for as long as 20 years in low-yielding government bonds, the official channel for disinvestment of this type.

ballo box. At the Highfield election command centre in Mugabe's constituency, only 20 people had voted by lunch on the first day. One of those was Mugabe himself.

In the lowest ever turnout in a major Zimbabwe election, just over 1,5-million Zimbabweans, a mere 31%, voted in a contest that was won before it even began. And while Mugabe polled 1,4-million votes against Muzorewa's 72 000 and Sithole's 36 960, it was a pyrrhic victory for Southern Africa's longest-serving president. While the obsequious Zimbabwean press hailed Mugabe's win as a landslide victory, it was a victory no opponent acknowledged — least of all Muzorewa and Sithole.

And even those figures may be disputed. David Chimhini, director of the human rights organisation ZimRights, expressed scepticism. While nothing could be proved until he had finished his calculations, he said, polling had appeared far slower than the government claimed.

But Mugabe's biggest problem will not be dealing with the disillusioned at home. He now faces an almost impossible task persuading Western donors that Zimbabwe's democratic process, shaky at the best of times, is still intact. Having decided to take part in the charade of a one man election, it is likely that he will face increased pressure to reform.

Opposition outwits president

Brian Latham

FOR the first time in 16 years of Zanu PF rule, Zimbabwe's opposition has out-manoeuvered President Robert Mugabe.

Announcing Bishop Abel Muzorewa's withdrawal from the presidential elections last Friday, Isaac Manyemba, the United Parties representative, said, "There will be no free elections in Zimbabwe while the present regime exists."

But it was the timing, not the content, of the withdrawal speech that was significant. Muzorewa pulled out of the presidential race on the eve of the elections, leaving Mugabe a lonely candidate in a race against himself.

The United Parties had attempted to have the presidential election postponed in Zimbabwe's Supreme Court, rightly claiming that Zimbabwe's Electoral Act favours Mugabe's Zanu PF. However, Muzorewa's written withdrawal reached the registrar general's office before the court case was even concluded.

Just prior to the Supreme Court hearing, a senior United Parties official, who declined to be named, admitted that the decision had been made weeks before at a central committee meeting.

He said the pull-out had to be at the last minute, after Mugabe had spent an estimated tens of millions of dollars on his campaign. This would also ensure Mugabe did not have time to find a surrogate opponent. Zimbabwe's opposition has long claimed that Zanu PF and the secret police finance certain opposition leaders in a ploy to give Mugabe's claims to democracy credibility.

'A king like Mugabe is not contested'

Mugabe's 'success' in turning his country into a de facto one-party state is to blame for last weekend's election fiasco, argues **Iden Wetherell**

THE state-owned media tried to put a brave face on it. "Landslide win for Mugabe", trumpeted *The Herald* after the final tally in Zimbabwe's presidential poll was in. But nothing could disguise the truth: the result was a humiliating blow to the nation's 72-year-old ruler.

Robert Mugabe had been anxious to crown his fourth term with what his Zanu PF party had forecast as "a crushing victory". Over his 16 years of iron rule, "landslide" and "crushing" have become common epithets to describe Mugabe's carefully managed electoral triumphs. All that is history now. Last weekend's contest may indeed have seen the incumbent raking in more than 90% of the votes cast. But with a 30% turnout of eligible voters, this was hardly the unambiguous mandate he had sought.

The result is all the more remarkable given the pressure on voters to return the president to power. Rural voters were left in no doubt that the distribution of maize and seed packs was dependent upon their continued obedience. And village headmen were given the task of delivering their communities to the polling stations. White farmers, who had received the usual drubbing from Mugabe during the campaign, were also told to transport their workers to the polls. They dutifully obliged.

In the townships, bands of Zanu PF youths were despatched to find reluctant voters. Although Mugabe didn't repeat the scarcely veiled threat he made in April's parliamentary poll, that people not voting might be mistaken for opposition supporters, his officials did make it clear they expected people to vote in large numbers so there could be no doubt at home or abroad as to where the country stood.

When his two lightweight opponents, Ndabaningi Sithole and Bishop Abel Muzorewa, withdrew from the contest, Mugabe went on TV to declare their withdrawal invalid, exhorting the nation to go to the polls. For once, Zanu PF's formidable propaganda machine failed.

In a sense, Mugabe has been the victim of his own success. Having established a *de facto* one-party state which discourages dissent of any sort, he has been left in solitary possession of a vacant field.

Zanu PF secretary for administration Didymus Mutasa reflected a view widely held in his party when he told British journalists that "Mugabe is our king. A king like Mugabe is not contested." He added disarmingly that "this exercise we are only doing to satisfy outside interests".

The president recently declared his opposition to reform of the Constitution which was tailored for a presidential dictatorship. But this latest hollow contest will now push reform to the top of the political agenda. In particular, attention will focus on media regulation, electoral laws, the sweeping Presidential Powers Act, and the Political Parties (Finance) Act which benefits only the ruling party.

Whatever is proposed, one thing is certain: Mugabe will no longer be able to claim the mandate of the masses in resisting change.

Zimbabwe's election: Robert Mugabe's pyrrhic victory is unlikely to convince Western donors

Bob had a multi-party: no one came

(362) M+G 22-28/3/96

Brian Latham

IT was the election that wasn't. On the eve of Zimbabwe's presidential elections, Bishop Abel Muzorewa struck an eleventh-hour blow to President Robert Mugabe's credibility by withdrawing from the race. The only other contestant, Ndabaningi Sithole, had pulled out days before, claiming harassment at the hands of the Central Intelligence Organisation, Zimbabwe's ubiquitous secret police.

Mugabe seethed, having spent millions of dollars on his high-flying campaign. Muzorewa cocked a low-budget snook and left Zimbabwe's president, wearing his gaudy party colours, all dressed up with nowhere to go.

A few embarrassing hours after Muzorewa's announcement, Zimbabwe's monolithic propaganda machine creaked into action. Angrily, Mugabe and the state-controlled media announced that the election would go ahead with all three candidates.

With just hours to go before polling began, Zimbabwe's registrar general, Tobaiwa Mudede, stated that Sithole and Muzorewa had withdrawn illegally. In a contradictory earlier statement, Mudede had said that Mugabe would win by default if all other candidates pulled out.

When the polling booths opened on Saturday morning, the confusion of the previous day manifested itself. For the few who bothered to cast their vote, it was a lonely walk to the

Where's the party? Zanu PF cheer their leader on in a one-horse race against himself

PHOTOGRAPH: REUTERS/SOUTHLIGHT

Hollow victory for Mugabe as voter turnout is chalked up at record low

(362) Star 23/3/96

By ANDREW MELDRUM
INDEPENDENT FOREIGN SERVICE

Harare – "Democracy in Zimbabwe is an illusion. People know that change is not possible while the constitution and the electoral laws are so heavily weighted in favour of the ruling party. People know true democracy is unachievable."

This is the view of Mike Auret of the Catholic Commission for Justice and Peace.

"The low voter turnout is not apathy. It is a determined non-interest among the Zimbabwean people, who know real change is not possible under this system," he says.

The elections are "a challenge to the Zimbabwean people to agitate for constitutional reform and reform of the electoral laws.

"A democratic conference to draw up a new constitution would not necessarily mean a change in government, but it would mean better governance," he says.

Stinging rebuke

The extraordinarily low voter turnout in Zimbabwe's presidential elections is a stinging rebuke to President Robert Mugabe and his ruling party, according to independent journalists, human rights activists and economists.

Civil society groups are calling for fundamental constitutional reform. They say continuation of the status quo will mean continued bad governance, economic mismanagement and corruption.

Significantly, the government-controlled newspapers and broadcast media are carefully avoiding any mention that the presidential election achieved the dubious honour of a record low turnout of voters.

Independent commentators warn that the victory is a hollow one, and that it should be a compelling challenge that sparks fundamental constitutional change.

Auret says a number of Zimbabwean non-government organisations are planning to launch a civic education campaign to press for a constitutional conference.

MUGABE: Greater dictatorship and corruption is feared by many

"It is a hollow victory," says independent Zimbabwean journalist Trevor Ncube, who warns that the low turnout indicates a serious alienation of the Ndebele minority in Matabeleland.

"Zanu-PF should be worried that a large part of the country feels like they are second-class citizens who are out in the cold," says Ncube, who recently resigned from the Financial Gazette newspaper rather than submit to government pressure to tone down the paper's critical political comment.

"Unfortunately Mugabe will take this as a fresh mandate and we will see more dictatorship, more totalitarianism, more corruption and more economic mismanagement," says Ncube.

"We will not see the cuts in government spending and the reduction in the budget deficit that our economy so badly needs."

Ncube says Zimbabwe's rural voters went to the polls in greater numbers because they were more susceptible to government pressure.

"The rural population is intimidated by the government.

"Rural people receive threats that they will not get fertiliser, seed and drought relief unless they vote for Zanu-PF, so they go to the polls. These people are easily manipulated and intimidated, they are in Zanu-PF's grip.

"Their support should not seen as real confidence in Zanu-PF."

Economist John Robertson says Mugabe's victory will have an economic cost for Zimbabwe. The government will continue "mismanagement as usual", which has already brought economic stagnation.

Mugabe's most vocal campaigners included a group of black businessmen who took out huge advertisements in government-owned newspapers, in which they bitterly attacked Zimbabwe's white business community.

"It appears that these self-interest groups could have an even stronger connection with the government," says Robertson.

"This could be the most serious cost of these elections."

The wheeler-dealers who have apparently won Mugabe's confidence are linked to a number of corruption scandals.

Many businessmen characterise them as "commission agents" who do not actually produce anything themselves, but who charge a hefty commission to any company for access to lucrative government contracts.

"This kind of corruption has become endemic in Zimbabwe," said one black businessman who did not want to be named.

"If Mugabe takes his win as a mandate to continue this system, I'm afraid we are going to see more corruption and more economic decline."
– Independent Foreign Service

Zim army bridles at Aids tests

CT 28/3/96

362

HARARE: With Aids reportedly rampant within the Zimbabwean army, the ministry of health is seeking permission to conduct anonymous tests on new recruits — an idea that has not gone down well with the top brass.

Health Minister Timothy Stamps says the HIV prevalence rate is close to 30% among the sexually active population in Zimbabwe. Although not providing the data, Stamps believes the figure is higher within the armed forces.

Unconfirmed reports of a seropositive rate of 70% within one battalion which donated blood to the national transfusion services have been hotly denied by the army.

And the defence ministry's failure to leap at the initiative of random anonymous testing among new recruits has been matched by the concerns of civil liberties groups here.

For Mr Mike Auret, director of the Catholic Commission for Justice and Peace, it's a double bind. On one hand there is a need to protect individual rights and on the other "the army is one of the main contributors to the growth of HIV sufferers in the country".

But while the army acknowledges the gravity of the Aids problem nationwide, it feels it is being unfairly singled out. — Sapa-IPS

SOWETAN Friday March 29 1996

Soweto Sadtu feud finally resolved

(362) Sowetan 29/3/96

Soweto branch resumes its place after court-interdicted suspension

By Victor Mecoamere

THE SOWETO BRANCH of the South African Democratic Teachers Union has returned to Sadtu's fold with renewed determination to maintain its superior status, chairman Nkosana Kubheka said this week.

Kubheka and the members of his branch executive committee were suspended for opposing the union's proposed plans to split the branch into eight small units. The branch subsequently defied the suspension, which was later enforced by a court interdict.

The other members are deputy chairman Bongani Majozi, secretaries Zukile Kosi and Lefty Mtungwa, treasurer Simon Mabaso, media officer Sipho Mthethwa, education officer Palesa Popi, sports officer Silas Tembo, cultural officer Sylvia Maleka and gender officer Pinkie Mncube.

The Soweto branch has 6 000 members who, according to Kubheka, funded a counter-interdict during the tug of war. Sadtu is now funding the withdrawal of the two interdicts.

"It will not happen again," said Kubheka, referring to the erstwhile tensions between two parties. "We have all swallowed our pride. We have found one another. It has been a long road. Tempers have flared. There have been stalemates."

Referring to the issue which led to the fallout, Kubheka said: "The demarcation process is our brainchild. But not the way the union wished us to implement it."

Kubheka said it had been agreed that the demarcation should lead to four strong units, including Eldorado Park, Lenasia and Ennerdale to form a formidable region. This region is to be inaugurated at the end of April.

Zimbabwe tightens screws on spending

CT (PRR) 29/3/96 (362)

By Cris Chinaka

PRESSED *Zimbabwe's President Robert Mugabe needs to reduce the country's budget deficit*

Harare — Zimbabwe's government is tightening the screws on state spending ahead of crucial talks with key Western donors that have been pressing President Robert Mugabe to reduce his budget deficit.

In the past week, the state's central payments office has refused to pay the telephone bills of several government departments and ministries that have overshot their monthly financial allocations, leaving them without services.

Those affected include the ministries of information, posts and telecommunications, environment and tourism. The state's posts and telecommunications monopoly temporarily cut off telephone services at some police stations until "missing cheque payments were found".

Post and telecommunications officials declined to give details about the debts but said they would not reconnect services until the debts were paid.

Treasury officials said they would only clear some of the outstanding money next month or in May, depending on whether the affected departments' monthly budgets could cover the payments.

"We are only trying to make sure they spend within their limits. If they cannot control their operations, hard luck," said one treasury official who refused to be named.

Grounded

The government has for the first time also ordered all ministries that have exhausted their monthly fuel allocations to ground their vehicles.

"If that is what they are doing, that's right. It was long overdue but they need to do more to cut spending to cut the frills," said John Robertson, a private economic consultant.

"I hope this is an earnest start and not just aimed at pleasing the donors for a short while," he said.

Joe Foroma, the chief executive of the private Confederation of Zimbabwe Industries, also called on the government to curb its spending. He said the state was still dominating the local money market and keeping interests rates high at about 30 percent.

"The whole economy and business would benefit from lower government expenditure," he said.

Government spending accounts for about 40 percent of GDP. Last year it contributed to a deficit of 15 percent of the national budget. International donors would like the deficit to fall to between 8 and 10 percent of the budget in the fiscal year ending this June.

The donors have made spending cuts one of the conditions for assisting Mugabe's government fund a new five-year economic reform programme scheduled to start later this year. They are led by the World Bank and the IMF, which have helped marshal economic aid for Zimbabwe in the past five years.

Preliminary talks on the new programme are in progress, but World Bank and IMF officials said the crucial negotiations would take place when Mugabe appointed a substantive finance minister.

Herbert Murerwa, the minister of commerce and industry, has been acting as finance minister since the death of Ariston Chambati last October.

Speculation is rife in the local financial community that Mugabe will appoint a minister this week. Murerwa and Leonard Tsumba, the highly respected governor of the central Reserve Bank of Zimbabwe, are considered to be the top contenders for the post. — Reuter

ZIMBABWE 362

MUGABE'S LAST HURRAH

FM 22/3/96

Were it not for the fact that both Bishop Muzorewa and the Rev Ndabaningi Sithole have shown themselves to be hugely inept politically, their last-minute withdrawal from Zimbabwe's presidential election might have seemed to be a strategic masterstroke.

Certainly, it embarrassed and angered President Robert Mugabe, whose supporters have been quick to blame the electoral farce of a one-horse race on the opposition.

But Muzorewa and Sithole are not the guilty parties. With the ruling ZANU-PF entitled to US$3,5m in government financial support (the opposition gets nothing), the media controlled by the party and ZANU-PF holding 147 of the 150 seats in parliament, the two retired churchmen were never serious contenders against the powerful, if increasingly creaky ZANU-PF political machine.

To suggest that the confusion surrounding their withdrawal accounts for the dismally low turnout is thoughtless scapegoating.

No more than 31,5% of the 4,9m eligible voters went to the polls because they couldn't see the point of the exercise. Their stayaway reflects growing disenchantment with Mugabe's leadership.

So much so, that towards the end of his campaign as his rhetoric became shriller and more extreme, even the president was admitting that past electoral promises — on land resettlement, job creation, public spending on housing, education and health — and "indigenisation" of the economy — had not been honoured. It will be different this time, he assured sceptical supporters.

As with the two previous campaigns, the electioneering did nothing for race relations or the economy. Mugabe's election speeches were peppered with promises that the economy cannot afford, and with threats against the farming and business communities still dominated by Zimbabwe's 80 000 to 100 000 remaining whites.

The antiwhite, antibusiness rhetoric, much of which came from black business organisations, reached epic proportions in the final days of the campaign with full page diatribes in the government-owned media.

The one lesson of the poll is that Mugabe's standing, locally and internationally, has suffered. How will he respond? There are two obvious options. If he concludes that the electorate stayed away because of disillusionment with his government's failure to deliver, then he might well try to implement at least some of the rash promises made during the campaign.

Robert Mugabe

Top of these are the promises to boost black business and to expropriate white-owned farmland without compensation for the land itself, but paying for improvements, such as barns, dams and irrigation schemes. This is an attractive short-term strategy, but only short-term because it will undermine business confidence and investment, especially by foreigners.

The alternative strategy is to return to the economic reform drawing board, seeking IMF, World Bank and donor support to put together a second stage of structural adjustment that will generate investment, output and job growth. For many in the ruling party, this is an unattractive option partly because it has been tried, largely without success, over the past five years, but also because it goes against the ruling clique's antibusiness and antifree market ideology.

Indigenous business groups are against more reform too, which, they say, will favour those — predominantly white businessmen and farmers — who already have too great a share of the economic cake.

First indications of which way he is leaning will come when the president announces a new Cabinet, with the most important appointment by far being a new finance minister to replace Ariston Chambati who died last October. The Mugabe Cabinet largely reappointed after the general elections a year ago and dominated by Ministers who have been in office for at least a decade, with many having held power since 1980, is bereft of new faces and new ideas.

The political landscape, both inside the ruling party and in the opposition, is barren. Unless the President is prepared to make a bold choice from the private sector, he will have to fall back on those within his own ranks who have systematically mismanaged the economy since independence 16 years ago.

At 72, this must surely be the president's last hurrah. Some in his Cabinet expect him to ease himself out over the next three years rather than serving the full six-year term. One thing is clear. Mugabe's departure will set off a furious leadership struggle within ZANU, with every possibility of the party splitting along ethnic and tribal lines. There will be more than one horse running in the next presidential campaign. ■

PROVINCIAL POWERS

STRENGTH TO THE CENTRE

An ANC-NP alliance within the CA is formulating provincial competencies and structures in such a way as to centralise power in parliament in ways that Inkatha must, in principle, find abhorrent. The DP's cavils over these powers and the nature of the National Council of Provinces (CoP — to replace the Senate) carry little force with the major parties.

In March 1995, the ANC first used the term "co-operative governance" to define its intention of creating strong links between the centre and the regions.

Now, in a document laid before the CA, it spells out the extent to which a national legislative "override" might operate: "The national legislation prevails over the provincial legislation if the national legislation is necessary for the achievement of an (essential) national objective and applies uniformly in or within the country as a whole."

National competencies include:

- The maintenance of national security;
- The maintenance of economic unity;
- The protection of the common market in respect of the mobility of goods, services, capital and labour;
- The promotion of commerce across provincial boundaries;
- The promotion of equality and equal opportunities;
- Protection of the environment; and
- The prevention of unreasonable action by a province which prejudices another province or the country as a whole.

The wording is stronger than in the interim constitution. A special schedule lists the areas where government and the provinces have "concurrent" functions. It is lengthy and incomplete — but appears to devolve few exclusive powers to the regions given the national competencies outlined above.

In addition, there is the question of the CoP — not to be confused with the proposed national Council of Traditional Leaders (*Current Affairs* March 15). It will be composed of provincial representatives elected on the basis of a party's proportional representation in the provincial legislature — five or seven from each province — and some appointees.

The council will have the power to consider legislation falling within the exclusive competence of government; it may "consent or object" to such laws; and if amendments are suggested, the National Assembly "must reconsider such a Bill" but need not accept alterations.

All Bills relating to the powers of the provinces — excluding appropriation Bills and constitutional amendments — must pass through the CoP or be submitted to a mediation committee.

In some ways, the CoP becomes a body more focused upon provincial needs — its functions are slightly above those of oversight. It will be the second house of parliament. It will also, of course, be dominated by the ANC for the foreseeable future — the party rules seven of the nine provinces. So it would not be excessively cynical to view it as a mechanism for tightening the hold of the ANC-dominated centre. That appears to be the intent behind the phrase "co-operative governance," which NP chief negotiator Roelf Meyer has also taken to using.

Inkatha's absence has inevitably prejudiced it in the negotiations that have led to the antifederal bias of the debate.

The final constitution must be passed by a two-thirds majority of the National Assembly and Senate sitting together, and be certified by the Constitutional Court. Two deadlock-breaking mechanisms have been accepted by the CA to soften such an outcome.

The first involves referral of the disputed text to the special panel of constitutional experts which would have a month to attempt to secure consensus; the second is that the court must specify where the text is flawed and set a time limit for the CA to rectify matters. Unless the final text is voted on a month before the official deadline, both options would involve an extension and can thus only be mandated by another amendment to the interim constitution. ■

TERTIARY EDUCATION

FM 22/3/96

INCENTIVES TO CHANGE

534

The trashing of university and technikon campuses by disenchanted black students, and arguably the Makgoba affair at Wits, are symptoms of a deep malaise in the tertiary education sector.

Black matriculants are flooding into it in rapidly growing numbers, many of them unable either to meet academic requirements or pay fees. Lecturers are becoming demoralised as their real incomes continue shrinking and the appropriateness of their teaching remains under attack.

The proportion of institutional costs met by the State has also fallen substantially. Among the fears this produces is that highly regarded research institutions, on which some universities depend for their international status, will collapse through lack of funds.

All this explains why Education Minister Sibusiso Bengu has asked the National Commission on Higher Education, appointed by him in January 1995 to conduct a wide-ranging examination of tertiary education and produce recommendations for its transformation, to produce its report six months sooner than planned. It will do so in late June or so, but, says chairman Jairam Reddy, "we would not have consulted as widely as we would have liked."

Nevertheless, the commission has decided on certain recommendations, which will be offered in its discussion document due for release next month. The most important is that the tertiary sector should be significantly reshaped by State funding and financial incentives, so that a much larger proportion of matriculants continue their education and training in technical and community colleges.

SA has more university than technikon students — 347 000 against 138 000 in 1993. An increasing proportion of the latter, too, are studying nontechnical subjects. By contrast, Australia has 600 000 university students, and 1,6m engaged elsewhere in technical and vocational courses, a ratio the commission believes SA should aim for.

Of SA's 360 000 university students, one-third fail each year. A widely ac-

Zimbabwe hit by petrol price hike

(362)

Michael Hartnack

BD 2/4/96

HARARE — Zimbabwean inflation received another huge boost yesterday with the announcement of an immediate 3% increase in the price of petrol to R1,56 a litre and a 9% rise for diesel to R1,26 a litre.

A "knock on" effect in the prices of goods and services is expected to be felt throughout the economy.

With winter coming, Zimbabwe's lower income urban families will also be hit by an increase of 19% in the price of paraffin. Air fares are also likely to increase soon following increases of 18%-19% in the price of aviation fuels.

The transport energy ministry said the increases were forced by an 11% decline in the value of the Zimbabwean dollar against the US dollar since last July, to a rate of nearly 10 to one.

Commercial sources say the problem stems from inefficiency at the parastatal National Oil Company of Zimbabwe, and from government inability to halt the currency's decline.

Last week Zimbabwe acknowledged it would not be able to honour pledges to the international monetary fund to cut inflation to 16%-18% by June, but would be at least 5% over.

Further tranches of IMF aid are likely to be frozen as a result of the failure, caused by continued state spending on political priorities.

Independent wins in Harare

(362) BD 2/4/96

HARARE — An independent candidate won a weekend municipal by-election, beating a top official from Zimbabwean President Robert Mugabe's ruling Zanu (PF) party which had vowed to stop independents chipping away at its power.

Nhlaiso Stephen Maluleke beat Zanu (PF) youth leader Chris Pasipamire 709 votes to 648 to win the Harare City Council seat for Sunningdale township.

The seat was previously held by a Zanu (PF) official who was jailed in December for soliciting bribes.

Sunningdale is also represented in a Zanu (PF)-dominated parliament by an independent, outspoken politician Margaret Dongo. She won the seat in a rerun ordered last year by the High Court, which supported her complaint that the April general election had been rigged.

Senior Zanu (PF) officials campaigned heavily for Pasipamire in the weekend poll, saying it was time to stop all people who thought they could win against its candidates.

Although Zanu-PF dominates Zimbabwean politics against a generally weak and divided opposition, dozens of independents scored unprecedented victories against the ruling party in local government elections last November. — Reuter.

Vic Falls development to continue despite fears

362
Star 3/4/96

SAPA-AFP
Harare

Zimbabwe will go ahead with major development projects at the spectacular Victoria Falls, despite warnings that the site's natural beauty is threatened by overdevelopment.

Environment and Tourism Deputy Minister Edward Chiminga said yesterday it had been decided that it was "not wise" to suspend development, as recommended by the International Union for the Conservation of Nature.

He said the "decision had been taken at a meeting in Livingstone on the Zambian side of the 1.7km-wide falls.

The meeting, attended by officials from both countries, discussed the IUCN report which warned of serious environmental damage at the falls – a World Heritage Site – unless development was controlled by a masterplan.

"It was suggested by the study that we stop any major development in Victoria Falls until after the masterplan, but we agreed at the workshop that it was not prudent because we do not know when the masterplan will be completed – it might take more than a year or two," said Chiminga.

The report did not give precise details of the planned development or a cost estimate, but the project was presumed to entail the construction of tourist facilities in or near the town of Victoria Falls.

It was, however, agreed that there should be no development within the 12sq km World Heritage Site itself, which includes a spray-fed rainforest, and that environmental impact assessments would be undertaken before developments were permitted.

The IUCN study warned that further developments will strain the social facilities and infrastructure beyond the acceptable limits".

This could lead to social unrest and "affect the perception of Victoria Falls as a tourist town, which could ultimately threaten the whole tourist industry in the area".

Ashanti listing a boost to Zimbabwean bourse

(362) BD 4/14/96

HARARE — Zimbabwe's stock exchange was poised to almost double its market capitalisation to \$4bn and enhance its international image with the planned listing this month of Ashanti Goldfields, exchange officials said.

When one of the world's major gold mining companies, Ghanaian-based Ashanti Goldfields, lists on the Zimbabwe Stock Exchange it will turn the market into the second-largest in Africa in terms of capitalisation.

"It's going to be good for the stock exchange because we will see the market capitalisation almost doubling. Ashanti's capitalisation stands at \$2,1bn, which is almost all of our market capitalisation put together," said analyst Savvas Kyriakides.

The exchange's capitalisation is \$2,4bn. "It (Ashanti's listing) puts us on the world map as a serious emerging market to invest in because the capitalisation is there now," deputy chairman Trudy Cashell said.

Ashanti could be listed on the bourse by the end of the month if its recommended offer on Monday to minority shareholders for 20,1% of shares it did not already own in Cluff Resources Zimbabwe is successful.

It controls 79,9% of Cluff through its recent acquisition of 97% of Cluff Resources. On Monday, Cluff MD Godfrey Gomwe said Ashanti's listing was a demonstration of its commitment to the development of the southern African state.

Ashanti's local listing would be a serious endorsement of the exchange.

"It is an endorsement from an international mining giant that our market has the right regulatory framework to justify such a listing," Cashell said.

On prospects for other listings this year, she and Kyriakides said the bourse was poised to end a drought of equity issues with three or four companies planning new floatations.

Cashell said a good 1995/96 rainy season as well as publicly stated commitments by the central bank to rein in high inflation had boosted business confidence in the market. — Reuter.

Zimbabwe's huge tobacco industry facing a shake-up

Star 8/4/96 (362)

By Robin Drew
Independent Foreign Service

Harare – A major shake-up of tobacco marketing in Zimbabwe, which has always prided itself on its free auction system, has been proposed by black tobacco merchants.

Chairman of the Association of Indigenous Tobacco Merchants Roger Boka, whose name has become synonymous with bitter attacks on the hold whites have on business, says he has struck a deal with a German-based marketing company, DCCG, to tender for the whole 200 million kg crop of Virginia tobacco, the mainstay of Zimbabwe's economy.

The annual tobacco auction sales are due to start on April 23. Implications for the tobacco industry will be enormous if the project goes ahead. No comment was immediately available from the tobacco trade.

According to a report in The Sunday Mail, Boka said the arrangement with DCCG would enable the 60 countries which used Zimbabwean tobacco to be able to buy directly from Zimbabwe without having to go through European and North American-controlled marketing agents.

Boka is building a third tobacco auction floor. He said the agreement with the German company would shape the future of the country's main export commodity.

The report said DCCG was made up of several companies covering the banking, trading and industrial sectors of the German economy. Its objectives were to arrange extensive long-term import and export programmes.

The organisation is reported to have worked in different political and economic environments including western, central and eastern Europe as well as countries such as China, North Korea, Vietnam, Angola and Ethiopia.

Fears for the Falls

Tourist development and demands for Zambezi water threaten 'the smoke that thunders'

(362) ARG 9/4/96

A seemingly and unstoppable timeless wonder, the Victoria Falls is threatened by uncontrolled development. ANDREW MELDRUM of the Independent Foreign Service reports from Harare.

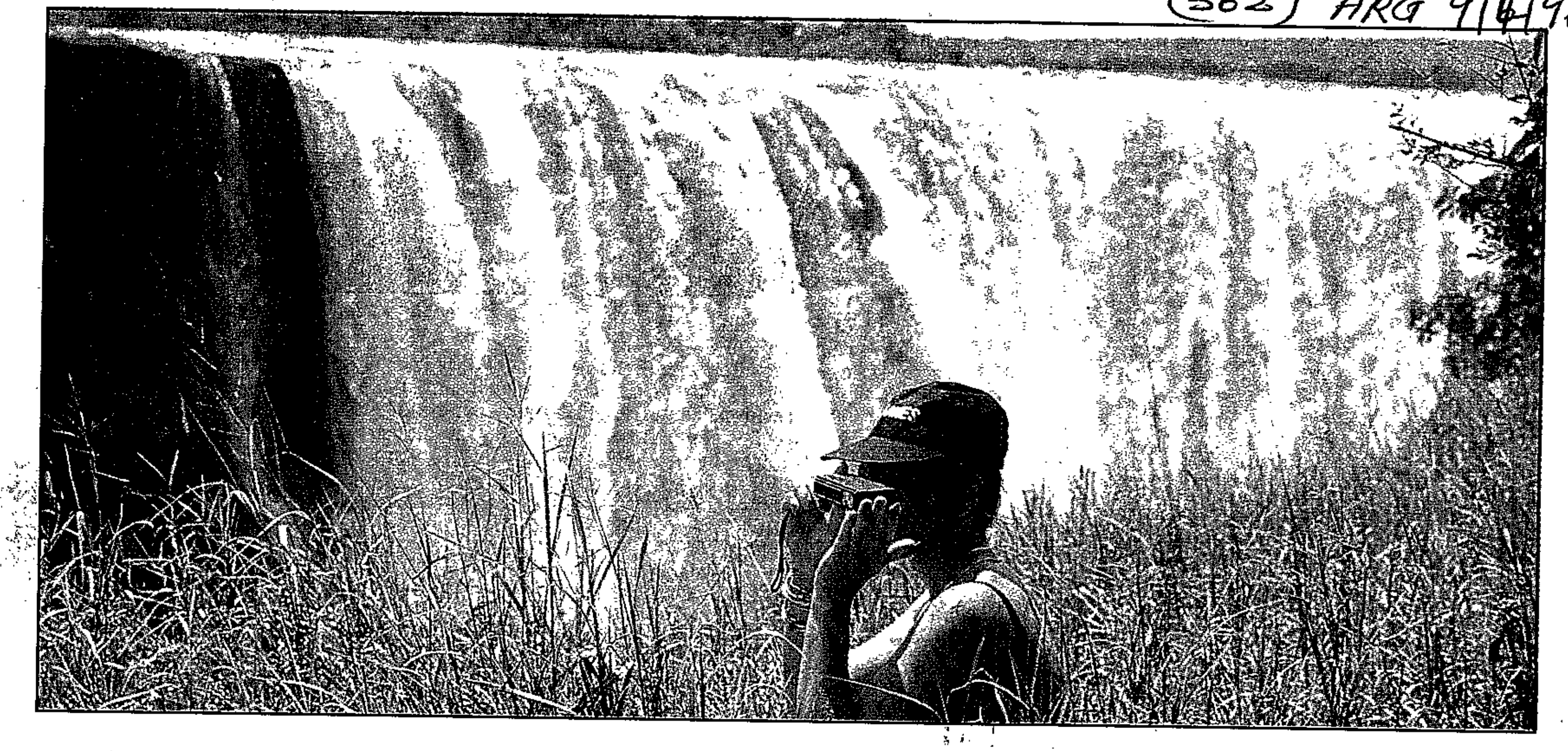
RUSHING, churning, roaring, the green waters of the Zambezi River, 1 708 metres wide, hurtle over the chasm and plunge 99 metres to create the Victoria Falls.

The clouds of mist that rise above the rumbling falls can be seen from kilometres away and prompted the ancient Tonga people to name the falls "Mosi oa Tunya" – the smoke that thunders.

The continual mist has created a verdant tropical rain forest around the falls where Vervet monkeys scamper along vines, golden weaver birds flutter among palm trees and tourists delight to walk so close to the falls, surrounded by relatively unspoiled wilderness.

Elephants often ramble along the riverbank very close to the falls and schools of snorting hippos laze in the river, safely above the falls.

The mighty falls, declared a World Heritage Site by Unesco in 1989, seem an unstoppable and timeless wonder. But the future of Victoria Falls is threatened by the uncontrolled growth of tourism development and demands to extract water from the Zambezi River, according to a detailed environmental assessment published by the International Union for the Conservation of Nature.



Picture: JIM McLAGAN, The Argus

TOURIST DELIGHT ... but unless development is controlled "the Victoria Falls area will lose its attractiveness and its wilderness value", says a report by the International Union for the Conservation of Nature

The report calls for a moratorium on new hotels and developments in the immediate vicinity of the falls, and controlled growth in the greater area surrounding the falls and the Zambezi River, especially to protect the environment for wildlife.

The creation of a responsible body to manage the growth of tourism and to protect the environment for wildlife was urgently needed, resolved the international Conference for Sustainable Development of Victoria Falls which was held within sight of the falls in Livingstone, Zambia, at the end of last month.

A follow-up meeting has been tentatively scheduled for next month to attempt to establish an organisation that would have authority over development in the area surrounding the falls.

Victoria Falls straddles the border between Zambia and Zimbabwe so bilateral cooperation is needed to manage the resource. The conference was attended by cabinet ministers of both the Zimbabwe and Zambian governments as well as officials of the local councils, traditional chiefs of the area numerous tourism operators and environmental groups.

Thundering helicopters and small planes fly over the falls, creating intrusive noise levels.

Access of the wildlife, including 30 species of mammals, to the Zambezi River is hindered by the proliferation of jetties for the 24 boats that take tourists on boat trips along the river. Wildlife movements are further constrained by fences around hotels and the 18-hole golf course.

"The constriction of wildlife movement leads to changes in animal behaviour and increased incidents occurring between animals and humans," states the IUCN report.

"These factors combine with the visual impact of development and the aircraft noise to reduce the natural wilderness value of the Victoria Falls area.

"The visitors are attracted to the spectacle of the falls in its natural state ... if the tourists become disappointed with the spectacle, either because of reduced wilderness value, or because of altered flow regimes over the falls, then numbers of visitors will decrease."

The number of visitors to the falls has quadrupled in the past 10 years to the current level of 286 000 tourists each year. That number is expected to grow to between 563 000 and 825 000 over the next 10 years, according to the IUCN report.

An estimated 529 tourists walk through the Victoria falls rain forest every day and 374 tourists take boat trips on the river. About 50 000 tourists take white water rafting trips in the rapids below the falls annually and 44 372 people take aircraft flights over the falls.

Zimbabwe has the lion's share of tourism development with hotels able to provide 2 525 hotel beds. The hotels on the Zambian side can provide 751 beds.

Victoria Falls' capacity will be tested in 1997 when the Cites conference is scheduled to be held there. More than 2 000 delegates are expected and block bookings of all hotels have already been secured, according to Zimbabwean organisers.

Studying the predicted growth of tourism activities, the IUCN report concludes that unless development is controlled "the Victoria Falls area will lose its current attractiveness and its wilderness value".

"Without control there will be progressive damage to the natural environment and to the cultural fabric of society; the uniqueness of the falls and the World Heritage Site will be lost."

In addition to the growth of tourism, the falls are threatened by the plans to extract water from the Zambezi River for use by Bulawayo, Zimbabwe's second largest city, Johannesburg and by Botswana.

The Zambezi already powers two major hydro-electric schemes, the Kariba dam shared between Zambia and Zimbabwe and the Cabora Bassa dam in Mozambique.

Another dam has been planned just downstream from Victoria Falls at the Batoka Gorge, but the project has been shelved for the time being because of Zambia's reluctance to share the construction costs with Zimbabwe.

Because Victoria Falls is shared between two countries, Zimbabwe and Zambia, effective bilateral cooperation is needed to manage growth. The IUCN proposes the creation of the Victoria Falls Trust.

"Without such a framework," asserts the report, "it will be impossible to maintain the collaboration between the two countries, agencies and to promote sustainable development."

Fishing banned at polluted lake near Harare

(362) Star 9/4/96

Harare – The Zimbabwean government yesterday banned all commercial fishing and recreational activities at Lake Chivero, Harare's main water source, where pollution has killed thousands of fish.

Environment Minister Chen Chimutengwende said the ban would remain in force while the Department of National Parks and Wildlife Management investigated the ecological disaster.

He warned the public not to eat the dead fish found floating in the lake, and threatened action against any companies found to have been dumping toxic waste into the lake's river system.

Scientists warned last week that Lake Chivero, the major source of water for 2,5 million people in and around Harare, was polluted.

"The quality of water in Lake Chivero has deteriorated badly. So many factors are at play and this is an ecological disaster we see unfolding," said Ngoni Moyo, a fish biologist at the University of Zimbabwe.

High levels of ammonia in the lake are killing the most common fish, white bream. Moyo explained that a sudden drop in temperature had caused cold and warm waters to mix quickly, releasing ammonia and hydrogen sulphide that normally lay inert in cold waters at the bottom of the lake.

The lake has also seen a rise in the amount of waste discharged from growing industrial activities and sewage from almost a quarter of the country's population.

Health authorities have in the past insisted that treated water from the lake pumped into Harare homes was safe to drink. – AFP.

Nkomo colleague defends remarks

(362)

Michael Hartnack

20/4/96

HARARE — Zimbabwe's Health Minister Timothy Stamps strove yesterday to smoothe away accusations by Vice-President Joshua Nkomo that whites were trying to exterminate the country's blacks through the AIDS epidemic.

Nkomo's 41-year old son, Ernest, died last Wednesday of AIDS-related respiratory failure, leaving a wife and four young children.

"I am not being apologist for racist remarks, but I do not think this is more than somebody reacting very strongly to negative information," said Stamps.

Speaking in the presence of President Robert Mugabe at Ernest Nkomo's graveside on Saturday, his 79-year-old father said AIDS was brought into Zimbabwe by white people who intended to wipe out the black population and take its land and wealth.

"They have knowledge of its origins and how it can be cured, but they just do not want to share that knowledge," Nkomo sobbed.

Stamps, said by sources in Harare to be in danger of dismissal in an imminent cabinet reshuffle, praised Nkomo's courage in being one of the first to acknowledge publicly a death from AIDS.

More than 10% of Zimbabwe's 11,2-million people are thought to be HIV positive, and AIDS-related deaths exceed 300 a week.

Stamps said there was some justification for Nkomo's outburst as French and US scientists had not shared their knowledge promptly with Africa when the virus was first identified.

In addition, the UN had recently slashed funding for Zimbabwean AIDS control from US$1m to US$50 000, making it impossible to give infected mothers imported drugs which would reduce their babies' chances of contracting HIV.

Stamps said black fears of an AIDS conspiracy had been fanned by repeated visits to Zimbabwe by German author Dr Wolff Geisler, who claims AIDS is "an anti-black plot".

Geisler had been given massive air time by the state broadcasting monopoly, said Stamps.

Mugabe's government announced yesterday plans to give blacks preference in the reallocation of tourist licences, hunting concessions and commercial sardine fishing licences on the 300km-long Lake Kariba, which separates Zimbabwe from Zambia. White fishermen, who have invested millions of rands in the industry, say they are victims of black racism, and have launched a legal challenge.

EWS

Zim opposition fights 'illegal' election in court

(362) Star 11/4/96

By Ross Herbert
Star Foreign Service

Harare – Zimbabwe's opposition Forum party this week argued before the High Court that last October's local elections were illegal and based on an unconstitutional use of President Robert Mugabe's temporary powers.

If the judge rules in the Forum party's favour, Mugabe would be forced to call new elections.

Mugabe has recently faced a string of embarrassing court and political challenges from opposition figures.

In court this week, two points were at issue. The government failed to give proper notice so that candidates could file for elections, and it failed to notify the public that the elections would be held.

Mugabe decided to create the post of "executive mayor", which previously did not exist in Zimbabwe. Instead of passing the requisite law, Mugabe used his temporary presidential powers to call for the elections. However, the powers, terms of office or qualifications of executive mayor were never defined.

Mugabe merely decreed that a law would be forthcoming. In essence, citizens were asked to vote for a non-existent position.

Mugabe's temporary powers are reserved for situations of urgency. He discussed the creation of the post months prior to the election, without putting legislation before parliament.

Moreover, Mugabe delegated the powers to a minister, who disregarded existing election laws.

The attorney-general who argued the case on behalf of the government acknowledged that the elections were mishandled but argued that the government had substantially complied with the law, a point the presiding judge openly disputed.

This is the second challenge to the constitutionality of Mugabe's temporary powers in two weeks. Last week a businessman argued that Mugabe's use of temporary powers to block the creation of a cellular telephone network was unconstitutional.

'King Bob' starts search for his Zanu (PF) heir

(362) BD 12/4/96

MICHAEL HARTNACK in Harare

WHEN President Robert Mugabe was sworn in for a third six-year term as head of state on April 1, the president of Zimbabwe's 120-member council of chiefs, Chief Mangwende, presented his leader with an axe, a spear, a knobkierie and a leopard skin.

It was the first time a swearing-in ceremony borrowed any of the trappings of a traditional Shona "coronation", and revived memories of Bishop Abel Muzorewa's behaviour in 1979 when, upon being elected prime minister of Zimbabwe-Rhodesia, trekked to his official residence in an oxwagon, and donned a ceremonial leopard skin.

The action cost Muzorewa some of his waning store of respect, because in local custom the accoutrements of chieftainship cannot be snatched by commoners without the sanction of ancestral spirits. To a populace cynical about Muzorewa's ability to end the war, it seemed a piece of vainglorious posturing.

For the first 16 years of his rule — born out of Muzorewa's humiliation at the 1980 pre-independence elections — Mugabe punctiliously maintained the title of "comrade" and sought to present himself as a man of the people.

His acceptance of the symbols of kingship reflects, to an extent, the way his rule has been hallowed by time, and traditional Shona veneration for age. Mugabe is 72, and there is much talk of his appointing a prime minister (possibly State Security Minister Sydney Sekeramayi) before his six-year term is up.

South Africans should guard against trying to find a parallel between Zimbabwean politics and their own (in some key respects, Mugabe's rule has resembled that of SA's NP after 1948 as much as Zambia's Unip or Malawi's Banda after 1964).

In one fundamental, Zimbabwean politics will always be radically different from those of countries whose peoples have a tradition of young, martial leaders who succeed their fathers by right of male primogeniture (in other words, being the last chief's eldest son), and where there is a tradition of a paramount chief.

In Zimbabwe, there has been no paramount chief among the Shona, who constitute 80% of the population, since the demise of the Monomotapa state several centuries ago. Equally importantly, when a Shona chief dies his sons are, of all men, least likely to be selected — after interminable deliberation — to succeed him.

Chief Jeremiah Chirau, who died 10 years ago after a chequered but highly influential political career, has just recently been succeeded by a distant cousin. Public opinion and the spirit mediums, speaking for the ancestors, were adamant that power had to pass to another family. Centuries may pass before Chirau leadership returns to descendants of Chief Jeremiah's 24 sons.

All this is not merely an academic matter of anthropology. Because of their system of chiefly inheritance, and the role of public opinion through the spirit mediums, the Shona are uniquely egalitarian among African peoples.

They have no tradition of an "aristocracy" — as Nguni peoples such as the Zulu, Xhosa and Ndebele have — to whom the common clay will instinctively defer.

The Shona have a tradition of public opinion speaking with the equivalent of divine sanction, through the spirit mediums or their modern equivalent, church leaders. But it is too easy for a spiritual leader to discredit himself or herself — as Muzorewa should have known — and for the "voice" to find a new mouthpiece.

The "downside" of Shona tradition, as watchful whites have long noted, is their tendency to be jealous of success and distinction, no matter how deserved. For long years, ordinary people have looked at Mugabe's massive entourage of guards, his residences surrounded by imported SA razor wire, and asked (with Shona mordant humour): "Who put Mr Mugabe in prison?"

A Cabinet reshuffle is imminent, and diplomats are watching closely for signs of Mugabe grooming an heir — possibly the astute, ascerbic and highly educated Dr Sekeramayi, now in his early 50s.

Mugabe has often boasted that the constitutional changes he has made in the past eight years have returned Zimbabwe to authentic "pre-colonial" custom. Other observers say they have merely entrenched the refusal by Zanu (PF) to accept accountability.

When the time for real change comes, foreign observers — and Zanu (PF) — might be astonished how forcefully "pre-colonial" public opinion will make itself felt against the party mandarins.

In the meantime — with an eye on the next elections — groups such as Zimrights and the Catholic Commission for Justice and Peace are quietly educating the grassroots about rights, and ways they may make their voices heard.

A superimposed, superficial culture of fear, inherited from the "emergency powers years" of 1965-1990, is slowly dissipating.

LETTERS

ZIMBABWE'S ECONOMIC OUTLOOK

FM 12/4/96 (362)

SOMETHING HAS GOT TO GIVE

As Harare resumed negotiations with the IMF for the replacement of the Enhanced Structural Adjustment Facility, suspended a year ago, the focus was on the budget deficit.

Reserve Bank of Zimbabwe Governor Leonard Tsumba recently said that, in the seven months to January, government had met its spending targets and stayed within its borrowing target.

Tsumba's claim that government spending controls were starting to pay dividends sparked angry comment from the business community, which says it is not so much government spending that is being controlled but payments which are simply not being made.

Even if spending targets are met, insiders put the 1996 budget deficit at around 10,5% of GDP — down three percentage points on last year's 13,4%. This is more than double the Enhanced Structural Adjustment Facility target of 5%.

The Zimbabwe problem is similar to that of SA — a heavy public-sector wage bill and a deepening debt trap.

Tsumba puts Zimbabwe's public-sector debt at almost US$7bn or a horrendous 130% of GDP. Between them, the salary bill and interest charges absorb more than 60% of the budget. No wonder government has gone back on promises to cut taxes and has been casting around for new sources of revenue.

These include last December's 5% increase in sales tax on nonessentials, the extension of the 5% drought levy on personal and corporate income tax for a second year, the increase in the withholding tax on building society interest to 30% from 20% and the controversial tobacco auction floor turnover tax.

The 5% levy applies to all tobacco sold on the floors in the sales which start this month. The new tax should bring in Z$300m (R128m).

The tax is not deductible for income tax purposes and therefore takes 5% off the top from growers. Ironically, the impact on the bottom line will be greatest for the 9 500 small-scale producers — most of them black — many of whom could be pushed out of production, says the Zimbabwe Tobacco Association which represents tobacco farmers.

The Cabinet is split on the new tax, too, with Agriculture Minister Denis Norman — one of two whites in the pre-election Cabinet — coming out publicly against it.

President Robert Mugabe is unlikely to be sympathetic. After all, throughout last month's presidential election campaign, he promised massive increases in government spending, especially in rural areas, on land resettlement, on schools, clinics, dams and a third government university.

Yet, government capital investment spending has been slashed — from nearly 6% of GDP in 1994-1995 to 2,6% in the current fiscal year ending on June 30.

Such a policy cannot be maintained for long, especially in view of the President's unfulfillable election promises.

The government hopes the debt burden will ease as interest rates come down. At present, it is borrowing Z$16bn in the Treasury bill market, at rates of around 28,5% — an annual interest rate cost of more than Z$4,5bn. The theory is that as rates come down — in the second half of 1996 — so the Treasury bills will be replaced by longer-term borrowing at lower rates.

This rose-tinted view of the economy depends on inflation coming down sharply later in the year. In the first two months of 1996, it has averaged 27,2% and is set to remain above 20% into the third quarter and possibly longer.

A new round of price rises — petrol, diesel, taxi and bus fares, rail rates — and the probability of higher food prices before the bumper harvest brings prices down, suggest inflation will average at least 23% this year. With a real interest rate of 5%-6%, the implication is that bank lending rates are not likely to fall much from current levels of around 30%-31% until early in 1997.

The good news is that, after falling 3% last year, real GDP should grow at least 6% in 1996 as it rebounds from the 1995 drought. Mining will have a reasonable year, too, though it is being squeezed by government's surprising determination to cling to an overvalued exchange rate.

The IMF will have difficulty with Tsumba's monetary targets. The governor is predicting real growth of over 6% and inflation of more than 20% with money supply growth contained at 22%. The numbers don't add up since inflation of 22% and real GDP growth of 6% point to monetary expansion of at least 28% — probably more.

Something will have to give. ■

Zimbabwe's lessons in how not to grow

(362) (~~362~~) 12-18/4/96

Reformsaimed at turning Zimbabwe into Africa's first 'newly industrialised country' have missed their mark, argues economist Richard Saunders

IN the latest round of adjustment-related shocks in Zimbabwe, government health facilities have been brought to the brink of collapse iby funding cuts which have seen Harare hospitals asking patients' families to supply relatives with food. Government schools have been hit by worsening shortages of equipment, food for boarders and even the most basic of all stock items — toilet paper.

Even the dead have not been spared. Last week a local magazine reported that economic reforms have forced many ordinary Zimbabweans to avoid funeral insurance schemes, in favour of "pauper burials".

This is clearly not the vision former finance minister Bernard Chidzero had in mind in the early 1990s, when he announced a package of reforms which would reshape Zimbabwe as Africa's first "newly industrialised country".

Esap, as the adjustment programme is known in Zimbabwe, was launched in 1990 and contained typical World Bank-inspired reforms: trade and currency deregulation, large devaluations of the local currency, a movement towards high real-interest rates, the lifting of price controls, chopping of "social spending" and removal of consumer subsidies.

As elsewhere, a key element of the package was an emphasis on the reduction of the public sector — not only in its regulation of markets, but also in its delivery of services and its leading role in the development of national social infrastructure. Talk of "privatisation", "commercialisation" and "cost-recovery" featured heavily, and was cheered on by the Zimbabwean private sector, where initial enthusiasm for Esap was born out of a mix of naivety, myth-making about the recent past and the allure of price decontrols and rising margins.

The campaign to implement "market liberalisation" tended from the start to rely more on conviction and ideology than demonstrated fact.

While it is true that much of the economy at the end of the 1980s was typified by production bottlenecks, effective monopolies in protected domestic markets, and cumbersome regulations governing foreign exchange and imports, the accepted orthodoxy of the 1990s — that the pre-Esap economy was stagnating, if not collapsing — was far from evident. In fact, despite its problems, in the first decade of independence Zimbabwe's economy grew at an annual average of 4,2% — and 5% in years without drought.

For the government, however, the key point was that this moderate growth was unable to attract substantial new investment into the economy, or absorb increasing numbers of unemployed.

And so an uneasy and unlikely alliance was formed, bringing together the government, the white-dominated private sector and international lending institutions led by the Bank and IMF, with the aim of reshaping an industrial economy that until then was one of the strongest in Africa.

The new credo had a familiar ring. Protected markets bred inefficiency and limited growth; free markets fostered competition and expansion. It seemed to matter less that the country's own 25-years experience of UDI (unilateral declaration of independence) sanctions and market regulation showed that a different route to national development was possible, that market competition was not always commensurate with job and wealth creation, or that neighbouring economies might be less willing to lift protectionist regulations in response.

Esap planners claimed to take such considerations into account by endorsing the phased reduction of protectionism alongside large modernising investment in the productive infrastructure.

> **Everyone except the government, it seems, has a sense of where to head next**

Better still, the programme would be self-sustaining. The huge loans (at least $3,5-billion from the World Bank alone) used to fund industrial renovation, and to support trade and currency liberalisation, would be paid back with the help of steadily growing export earnings.

Five years on, Zimbabwe's swollen national debt and deteriorating economic and social indicators testify to a different, if more familiar, outcome of adjustment in practice.

While government borrowing has doubled the national debt in five years, and boosted the foreign debt-service ration from 16% to 22%, it has done little to expand productive capacity, export market share or local employment. Suddenly, the government appears to be stuck in a deep and spiralling groove of deficit and debt.

On the other hand, manufacturing shows worrying signs of decline. Many local producers, besieged even in home markets by a wide range of competitive imports, have been rendered punch-drunk. Denied local protection as well as export incentives, key manufacturing industries, and notably clothing and textiles (whose output contracted by an astonishing 63% last year), have been pushed to the brink of collapse.

The state's own employees have come under attack too. At least 22 000 public-service jobs have been eliminated through retrenchment and attrition, at a pace which had even the World Bank calling for the government to slow down the swinging of the axe. In the face of higher workloads, declining real wages and tighter budgets, many of the best in the civil service have left for the private sector, or for other countries.

The anticipated growth in skilled industrial employment has been answered in practice by a mounting unemployment crisis. Tens of thousands have been retrenched, and many more have seen their jobs, pay, benefits and employment security downgraded. The real incomes of those remaining in the formal sector have tumbled to a 25-year low. More than 1,5-million now depend for survival on the marginal subsistence of the informal sector.

The question now, as Zimbabweans await the unveiling of the second five-year phase of Esap, is whether the government will be able to stay its punishing course.

Though the World Bank rates Esap a moderate success, and is making new efforts to convince non-governmental organisations and other critics that what is needed is "better communication" and more involvement of all national interest groups in the programme's implementation, a range of business and social organisations beg to differ.

The private sector, once an ardent supporter of liberalisation, is now openly questioning the logic of an unprotected domestic market and demanding an end to the government's regime of punishing real-interest rates, which has suffocated private investment. An important indigenous business lobby has emerged to demand "re-regulation" of the economy in the interests of Zimbabwe's growing black business community, whose highly geared enterprises are especially exposed to continued high rates of interest.

Meanwhile, the ruling party's traditional constituency base of popular groups in civil society is fragmenting under the weight of austerity social reforms, and reconsolidating to challenge the new elitist politics of adjustment. Human rights activists regularly attack the undemocratic rescinding of rights to education, health and economic well-being; trade union leaders demand the renegotiation of Esap by all social interests.

Everyone except the government, it seems, has a sense of where to head next.

MAIL & GUARDIAN
April 12 to 18 1996

Join the queue: In the face of widespread retrenchment and unemployment, more and more Zimbabweans are queueing up for opportunities offered in neighbouring countries

PHOTO: MARGARET WALLER

'Sacked' editor rising like phoenix

(362) CP 14/4/96

By FELIX MOYO

ZIMBABWEAN Trevor Ncube's journalistic star is on the rise again, shining brightly and putting a silver lining to the dark cloud that had hung over his future.

Ncube has been hand-picked to captain the new *Zimbabwe Independent*, an independent business weekly scheduled to hit the streets on May 10.

The future looked bleak for Ncube after he was acrimoniously "sacked" from his post as executive editor of the now ailing *Financial Gazette* with the prophets of doom in the capital Harare telling him his future as a journalist was finished in the country.

This is because all major newspapers in the country – two dailies and three weeklies – are owned by the government of which Ncube was stingingly critical during his tenure at the helm of *The Financial Gazette*.

This was the prime reason given by the proprietors of *The Financial Gazette* when relieving him of his duties.

It takes courage to be Trevor Ncube.

What had promised to be a scintillating interview to profile Ncube, the man, turned out to be a tale of conflicting and acrimonious statements with Ncube's former boss, Modus publications' Chief Executive Officer Elias "ET" Rusike adamant that Ncube had not resigned but had been "fired".

Ncube, in an interview at his Cranborne Park home, had said he had resigned his post – a statement supported by a copy of a letter, which is in City Press' possession, to Rusike lambasting his former boss for trying "to pre-empt my resignation".

He referred to a meeting he had had with Modus chairman on February 15 where he had made it "clear that it was no longer possible to work with you (Rusike) and offered to resign if a mutually agreeable package was structured for me".

FIGHTER . . . Trevor Ncube in his office at Modus House. His star is on the rise again after being fired.

In a telephone interview Rusike first denied the existence of the letter but later changed track and said the letter was of no material importance because a decision had been taken to fire Ncube.

Rusike reaffirmed comments he made in a front page lead article carried by the paper on March 7 that Ncube had been "fired for persistently disregarding the company's editorial policy and redeem this newspaper from being used to promote sectional interests".

He went on: "Some people actually complained that the *Fingaz* (pet name and acronym of *The Financial Gazette*) was being used to promote sectional interests and to champion an anti-Mugabe and anti-Zanu-PF crusade."

Rusike said *Fingaz* had suffered under Ncube because of reckless reporting and editing, leaving Modus with a high number of libel cases and legal expenses."

Business hopes for cabinet cutback

Expectations rise as Mugabe delays reshuffle

(362) CT (BR) 15/4/96

BY CRIS CHINAKA

Harare — Zimbabwean business leaders expect President Robert Mugabe to cut back his government team when he finally announces a long-awaited cabinet reshuffle.

Joe Foroma, the chief executive of the Confederation of Zimbabwe Industries, said on Friday that he expected Mugabe to chop his government team substantially. "That would be the logical thing to do. It will send the right message to the international donor community that the government is serious about cutting costs," he said.

In the past, Zimbabwean business leaders have unsuccessfully urged Mugabe to halve his government team of two vice-presidents, 23 cabinet ministers, 15 deputy ministers and eight provincial governors with ministerial rank.

Business leaders and analysts, commenting on the fact that the finance ministry has been without a substantive head since October, said the delay might be an indication that Mugabe planned sweeping changes.

"We were expecting an announcement last month and nothing happened. Now many people believe the delay might be a sign the changes will be big," a money market dealer said.

Mugabe and his officials have refused to comment on rumours of an imminent reshuffle.

Speculation is that Mugabe plans to get rid of all the provincial governors, seen by many as duplicating the work of local government provincial administrators, and of a couple of deputy ministers.

"If that happens it will be commendable ... but I think the main concern remains that of finance minister," said Danny Dube, an economist.

The finance portfolio has been vacant since the death in October of Ariston Chambati. Many industrialists tip Leonard Tsumba, the governor of the Reserve Bank of Zimbabwe, to get the job. Another likely candidate is Herbert Murerwa, the industry and commerce minister who has filled the finance post in an acting capacity.

Local political and business analysts said both men would be grudgingly accepted by the international donor community, which expected them to pursue economic reforms now under way.

But the analysts, including John Makumbe of the University of Zimbabwe, regard them as political lightweights who may turn out to be ineffective in a ruling party with some strong politicians.

"My feeling is that the donors want a strong man for the job," Makumbe said. — Reuter

Zimbabwe's beef exports 'under threat'

(362) BD 16/4/96

BULAWAYO — Zimbabwe's beef exports to the European Union, amounting to about $44,4m a year, were under threat after Britain imposed stringent import restrictions in the wake of the mad cow disease, Ziana reported at the weekend.

The Cold Storage Company, which has a monopoly on the 9 100 tons of beef Zimbabwe ships yearly to the EU, said Britain was no longer buying meat from animals older than 30 months.

CE Laurence Masanga said most Zimbabwean cattle were above the age limit. "Our ability to export the full 9 100 fixed annual quota will depend on whether that restriction is lifted or remains in force," he said.

Zimbabwe had initially been tipped to provide an extra quota to the EU as many countries banned British beef after scientists linked the mad cow disease to its fatal human equivalent, Creutzfeldt-Jakob disease. — Sapa.

Zimbabwe govt urged to act on students

(362)

Harare – University of Zimbabwe authorities yesterday urged government action against unruly students after scores of students went on the rampage destroying property worth hundreds of thousands of dollars and looting food, Ziana news agency reported.

The students, who were protesting against food quality and a 33% food price increase, broke windows of campus dining halls, a clinic, a bank, a supermarket and student affairs offices.

Two students were arrested.

Three security guards were injured in the rampage which occurred on Monday night.

No follow-up incidents were reported yesterday and the atmosphere on the campus was calm, a witness said.

Acting vice-chancellor Graham Hill said the rioters were "a small group of the hooligan and criminal element of the student body".

"The situation at the university has gone out of hand as far as discipline is concerned," said another university official.

"The time has come when the government should come up with a decree that indiscipline at the university will not be tolerated ... and that any undisciplined student will be dismissed without any questions by the courts," he said.

Hill said the college had withdrawn all cutlery and plates from the dining halls and all students in residence would be expected to bring their own if they wished to eat.

The university, the largest in the country, has been rocked by violent clashes in recent years. The last unrest was in July last year over non-payments of grants. Some 35 people were injured and the campus had to be closed for a week. – Sapa-AFP.

Star 17/4/96

ng his rocket-propelled grenade in Training Centre, a former military

Picture: AP

Railway reinstates 2 000 fired strikers

LUSAKA — The Tanzania-Zambia Railways Authority (Tazara) has reinstated about 2 000 workers fired at the weekend after a strike that has paralysed the railway network, Press reports said yesterday.

MD Austine Mweemba confirmed by telephone from the Tazara regional headquarters at Mpika, in northern Zambia, that the workers had been reinstated on condition they returned to work immediately.

However, it was not clear whether the strike was over. BD 18/4/96

"Some people have reported for work today but others have not come," said a Tazara employee who declined to be named.

The workers have been on strike since last week over pay. They rejected a management offer of a 5% salary hike, asking instead for an increase of 150%.

Goods worth millions of dollars and scores of passengers have been marooned along the line since the strike started.

The giant Zambia Consolidated Copper Mines (ZCCM) said this week it had redirected its copper and cobalt exports from Tazara to Beira and Port Elizabeth.

Tazara, which runs for nearly 2 000km from the small town of Kapiri-Mposhi in central Zambia to the Tanzanian port of Dar es Salaam, is owned jointly by the two countries and is an important artery of the Zambian economy.

It was built by the Chinese in the mid-1970s as an alternative route to the sea for landlocked Zambia during the turbulent years in the southern African region. — Sapa-AFP.

Zimbabwe bank hits out at IMF

(362) BD 18/4/96

HARARE — One of Zimbabwe's state-owned banks hit out at the International Monetary Fund (IMF) yesterday, saying the fund was heavy-handed in its dealings with the southern African state.

The Commercial Bank of Zimbabwe (CBZ) said recent IMF threats to stop further funding of economic reforms showed frustration at government's failure to curb high spending, but some of its conditions were unrealistic.

"Some of the stringent conditions laid down by IMF for the government to reduce its expenditure seem unrealistic given the economy's fragility and sensitivity to such natural disasters as drought," said the bank in its latest quarterly review.

"While it is important to ensure consistency and focus so that the necessary conditions for the successful implementation of the economic structural adjustment programme are sensibly laid down, the IMF's approach to government expenditure has been heavy-handed and lacking in proper wisdom ... sometimes," it said.

The IMF and World Bank marshalled Western aid for Zimbabwe's first phase of economic reforms, and last year suspended further disbursements of funds after government failure to meet some cost-saving targets.

Government is now under an IMF-supervised shadow programme. The two Washington-based organisations want sharp cuts in government spending, and annual inflation reduced to 17% by June from the current 26,4%.

Government spending gobbles up about 40% of GDP and last year produced a 15% budget deficit.

The CBZ urged government to move speedily at its next budget review in July to slash its bloated public service, which accounts for at least 13% of GDP in salaries and wages. — Reuter.

'HORSE-TRADING' STILL POSSIBLE

ANC gives go-ahead for W Cape rural elections

CT 19/4/96 (362)

THE ANC has dropped its objections to the ground rules for May 29 local elections — but may challenge them in court afterwards. **PETER DENNEHY** reports.

RURAL elections can now go ahead in the Western Cape on May 29 after all. The ANC formally dropped its objections to Local Government MEC Mr Peter Marais' "imperfect" ground rules for the polling, the ANC announced yesterday afternoon.

This means that the scheduled Special Electoral Court hearing that was due to be held in the Cape Town Supreme Court this morning will no longer take place.

After the elections, the ANC will support towns like Worcester, Hopefield, Paarl and Robertson which have said they will challenge the rural elections' ground rules in court.

But provincial ANC leader Mr Chris Nissen said his party would not seek to scrap the elections after they had happened.

On the other hand, he would not be averse to "a little horse-trading" afterwards, in an attempt to fix some problems without subverting the election results.

ANC local government spokesman Mr Cameron Dugmore said the rural elections ground rules in the rest of the country, for the November 1 voting last year, differed from those in the Western Cape.

Elsewhere in the country, the relative power that towns and rural areas had on district councils depended on their respective number of voters, Dugmore said.

In the Western Cape, there will be 50-50 representation of country towns and rural areas, even though their numbers of voters sometimes differ vastly. This was one of the problems the ANC had had with Marais' two proposed proclamations.

The other main objection had been to a proposal that rural councils (below the district councils) will have 80% of their councillors elected by proportional representation.

This is a system in which political parties or other groups submit lists of their candidates. The number of candidates from each party or group who get on to the council depends on the slice of the total vote that the party or group gets.

Half the remaining 20% of seats will go to farmers' nominees, and the other half to farmworkers' nominees.

The nominees have to be approved by Marais and the multi-party Provincial Committee.

Chairperson of the six-person Provincial Committee, Mrs Hilda Ndude of the ANC, and her two ANC-inclined colleagues Mr John Neels and Mr Kam Chetty had earlier objected to the proposed formula for rural elections.

But yesterday they sent a letter to Marais saying they now formally concurred with both his proposed proclamations. They were still unhappy, they said, but did not want to delay the elections.

Mr Leon Markovitz, an NP member of the Provincial Council, said last night he was disappointed with Ndude and her side of the committee because they called a meeting of the whole Provincial Committee and other people, and only after half an hour or more did she disclose that her side had already "signed a document in which they caved in".

The meeting was therefore held under false pretences, he said. He would not have continued with it had he known about the letter.

Besides, Markovitz said, Marais had said all along he would be amenable to consulting all parties after the elections to address concerns about the framework for the polling.

Mugabe blames IMF for economic woes

M+G 19-25/4/96 (362)

Brian Latham

ZIMABWEAN President Robert Mugabe this week blamed the International Monetary Fund (IMF) for the country's economic woes and claimed his earlier Marxist approach had not stifled growth.

In a rare television interview, Mugabe said the IMF's economic reform strategy had hit his country hard. Zimbabwe, which celebrated its 16th year of independence this week, has high inflation, and only one in four adults is in paid employment. The Zimbabwean government has repeatedly come under fire for profligate spending and the IMF has cut off its balance of payments support in the hope of encouraging some belt tightening.

Mugabe, who was re-elected last month, also vowed to take land from white farmers without compensating them. He said Cecil Rhodes had given the white farmers the land and that Rhodes himself had simply snapped it up without paying for it. His comments on land appropiation could signal renewed commitment to the controversial policy as he has in the past only referred to it ahead of an election.

Meanwhile, Mugabe denied the state controlled Zimbabwe's media, which is almost entirely owned by government and the ruling Zanu party. He did admit, however, that he had no friends in the foreign press, singling out Britain and South Africa as being particularly unsympathetic to his regime.

The 72-year-old president was tight lipped about his possible marriage to Grace Marufu, with whom he had two children. He started a relationship with Marufu, who was herself married at the time, before his Ghanaian wife Sally died.

Government sources say that as Marufu comes from a rural background, she has to be primed to understand the import of becoming Zimbabwe's First Lady.

Zimbabwe mine commissioned

(362) BD 22/4/96

HARARE — Commissioning began last week, over two months ahead of schedule, at Zimbabwe's Hartley platinum mine which is owned by Australian companies, The Broken Hill and Delta Gold.

Metallurgical development manager Chris Rule said development of the $264m mine, 80km southwest of the Zimbabwean capital, Harare, was progressing well after 18 months of construction.

"Construction is ahead of schedule and commissioning is starting this week although it was not due to start until June or July," Rule said.

Hartley was due to start production in December but the early commissioning, with water being put through one of the project's three plants from Thursday, could bring this forward.

"We are well on track to reach full production (of 18 000 tons of ore a month) by April next year ... and then will look at a possible ($100m) expansion in the next few years to double output, with extra space left on site for this," Rule said.

Hartley, pre-expansion, was forecast to process 2,16-million tons of ore a year to produce 150 000 ounces of platinum, 110 000 ounces of palladium, 11 500 ounces of rhodium and 23 000 ounces of gold as well as some nickel and copper.

This would make Zimbabwe — which already has one small operating platinum project — the world's second-largest platinum producer after SA, accounting for 3,5% of world output.

The project was now moving quickly with one third of a 2 700 workforce recruited and another 200 employees taken onto the books monthly.

Contracts for some of the production from Hartley, which is 67% owned by BHP and 33% by Delta, were already set. The partners will fly all Platinum Group Metals concentrate amid high security to Inco and Johnson Matthey in Britain for toll refining.

The cost of producing platinum at Hartley remains undisclosed but Rule said it was comparable with the lower cost producers in SA as labour costs in Zimbabwe were low and the metre-thick reef to be mined was shallow.

BHP and Delta were continuing to look in other others areas of Zimbabwe for further platinum. — Reuter.

COMPANIES

Ashanti lists at Z$185

(362) BD 23/4/96

HARARE — Ashanti Goldfields Company, the Lonrho-controlled company thought to be Anglo American's main target in its tie-up with the UK conglomerate, listed on the Zimbabwe Stock Exchange yesterday, following its takeover of Cluff Resources Zimbabwe.

Exchange chairman Mark Tunmer said Cluff would remain listed until May 8 — the closure of Ashanti's extended offer to remaining minority shareholders. Ashanti opened at Z$185 a share.

Ashanti made a recommended offer this month to Cluff's minority shareholders for the remaining 20,1%, after it took control of 79,9% through its recent acquisition of97% of Cluff Resources Plc.

The offer was extended because some minority shareholders had received their documents late.

"It's a fait accompli because Ashanti have already had 90% of the minorities agreed to the offer and listing," said a Quincor Portfolio Management Services broker.

"We expect this market to trade at a slight discount to the overseas price because of foreign exchange restrictions which bar trading on overseas markets," he said.

Ashanti — one of the world's major gold mining companies, 41%-owned by Lonrho — is also listed in Accra, London, New York and Toronto.

Its listing is expected to boost the Zimbabwean exchange's capitalisation to $4bn from a current $2,4bn — turning it into the second largest in Africa after the JSE — Reuter.

Lonely at the top for Zimbabwe's Mugabe

BD 23/4/96 (362)

HARARE — President Robert Mugabe must be one of the loneliest heads of state. He has just won the presidential elections, but he must have felt dismally let down when the opposition hit him below the belt by withdrawing at the last minute.

The presidential elections were supposed to be a three-way fight between Mugabe, Rev Ndabaningi Sithole of Zanu-Ndonga and Bishop Abel Muzorewa of the United Parties. Sithole withdrew four days before the elections, citing intimidation and Muzorewa stepped down a day before after failing to get the courts to postpone the elections.

Despite the withdrawals, the ruling party decided to go ahead with the elections arguing that candidates could withdraw only 21 days before the elections. But the well-oiled nationwide campaign, which saw the president and his two deputies criss-crossing the country to ensure a massive voter turnout that was supposed to silence critics, failed, leaving Mugabe with a hollow victory.

Only 31% of the electorate turned out. No one cheered or congratulated Mugabe.

The only praise came from the local media, which hailed the president's victory as a "landslide", and from his lieutenants, who tabled a motion in parliament to congratulate him for "thoroughly thrashing the two misguided clerics, Muzorewa and Sithole".

Leading political analyst John Makumbe said the elections had proved that the ruling party and Mugabe were no longer as popular. It was, therefore, crucial for the present leadership to revise the whole political system.

At independence in 1980 about 94% of the electorate voted, with Zanu-PF getting 62% of the ballot. The voter turnout improved in 1985 to nearly 98%.

But with the advent of peace in 1987, which saw the merger of Joshua Nkomo's PF-Zapu and Mugabe's Zanu-PF and an end to the six-year civil war allegedly started by disgruntled supporters of PF-Zapu, apathy crept in.

Only 54% of the electorate voted in the 1990 elections. The figure went up to 61% last year, largely because nearly half of the seats were not contested. It has now dropped to 31%, less than the 42% recorded a week later in the Harare City Council by-elections for Sunningdale, an urban constituency.

Makumbe said while the country had weak opposition parties, their withdrawal from the elections had drawn the attention of the world to the electoral system which is heavily skewed in favour of the ruling party. "The withdrawal has enabled the nation to ask: what is wrong with our system?" Makumbe said.

He said it was now high time the ruling party seriously looked at the Electoral Act, the Political Parties (Finance) Act and the constitution to level the political playing field.

Opposition parties and human rights groups, including the Zimbabwe Human Rights Organisation and the Zimbabwe Council of Churches which normally monitor all elections, have been arguing that there can never be free and fair elections in the country under the existing laws.

The constitution allows the president to appoint 30 members of parliament — 10 chiefs, eight governors and 12 non-constituency members. This means that out of a house of 150, the ruling party needs to win only 46 out of the 120 contested seats to win a general election.

Besides, the president appoints members of the Electoral Supervisory Commission which is responsible for ensuring free and fair elections. Critics argue that the commission can never be impartial since it is answerable to the president.

The third obstacle is the Political Parties (Finance) Act which allows the state to fund any political party with 15 or more seats in parliament. This act was passed after the merger of Zanu-PF and PF-Zapu and so far no other party except the ruling party has benefited. Currently the ruling party gets Z$30m (about $3,2m) of taxpayers' money under the Act.

Makumbe says although amending legislation to enable fair play would be the right thing, he does not believe the current leadership will do this because they are "so obsessed with power that they would rather die in office. They genuinely believe that there cannot be a Zimbabwe without them in power."

This was clearly evident in the motion tabled in parliament to congratulate the president. Leader of the house Emmerson Mnangagwa said despite the "11th hour withdrawal" of the two clerics "our people were not fooled".

Transport Minister Simon Moyo said the party owed its "thunderous victory" to the people. "The two men of the cloth, who worship deceit, have been sentenced to hell by the people through the ballot," he said.

However, the only independent in the house, Margaret Dongo, a former Zanu-PF member, had a different view. She said Mugabe's right-hand men had to be very concerned about his hollow victory because only 1,4-million voters out of 4,9-million had voted for him.

She even cast doubt about the number of people who had actually voted. "Do you want us to believe that you are still rigging the elections?" asked Dongo, who proved rigging in her constituency last year, forcing a fresh election which she won. "Maybe the votes that were given to Muzorewa do not belong to him . . . but for the donor community to believe that we had a democratic election, we had to give votes to Muzorewa and Ndabaningi."

Dongo argued that the elections had clearly revealed that there was a need to limit the term of office of the head of state. "That is a constitutional requirement," she said.

Makumbe said: "The only way out, I believe, is for the opposition parties to boycott all coming elections, pull out of parliament, and tell the ruling party: 'You want a one-party state, here it is'. This will make Zimbabwe the most undemocratic state in the region, apart from the absolute monarch in Swaziland." — AIA.

African Aviation Conference

Zimbabwe ambivalent on air deregulation

CT(BR) 23/4/96 (362)

By Thabo Leshilo

Johannesburg — Bilateral air traffic agreements between nations will stay the norm for the foreseeable future despite current moves towards regional co-operation, AK Marawa, the director of civil aviation in Zimbabwe, said yesterday.

He said Zimbabwe supported the moves towards regional integration within the Southern African Development Community, but there were still a number of grey areas to be resolved with regards to the proposed Southern African Regional Air Transport Authority.

He told delegates to the African Aviation publications conference that Zimbabwe believed in a liberalised regulatory environment for air transport but its policy was not one of "wholesale deregulation".

"Our own industry is structurally imbalanced, particularly with only three scheduled airlines.... While changes are occurring, many countries limit what our airlines can do in terms of route access and pricing and sometimes frequency and capacity," Marawa said.

Many scheduled markets were more characteristic of oligopoly than competition, making regulation necessary.

"Removing controls creates the opportunity for competition but does not guarantee it. New airlines may enter the market but simply join the club, replacing monopoly with duopoly or oligopoly," he said.

Larger airlines might take steps to keep out smaller competitors, confining them to smaller niches or even driving them out of the market.

"Some markets are simply too thin for competition," Marawa said.

Zimbabwe tobacco industry under siege

BD 24/4/96 (362)

HARARE — Zimbabwe, the world's third largest tobacco producer, opened its annual auctions yesterday in a market rattled by a new state levy on sales and attacks on the industry by blacks vowing to end white control.

Zimbabwe Tobacco Association president Peter Richards told reporters at the opening that producers were trying to persuade President Robert Mugabe's government to scrap a new 5% levy on sales, regarded by many as punitive double taxation.

The levy would not be collected at the auctions until Mugabe signed the levy Bill and gazetted it as law.

"That is the procedure...and I think we still have room to appeal to government to reconsider this issue," he said, in a statement repeated gloomily by many farmers at the auction.

Richards said Zimbabwe's position as third largest tobacco grower after the US and Brazil could be threatened by the new levy — expected to squeeze growers' profits by making them cough up between Z$250m to Z$300m yearly.

Tobacco is one of the country's two major foreign exchange earners, bringing in about Z$2bn each year.

"I cannot believe for one moment Zimbabwe's government will allow any event to take place which would prove detrimental to this industry," Richards said of the levy.

He said the association was also "highly disturbed" by a campaign of attacks from some black business lobby groups which allege that the tobacco industry is dominated by the country's minority whites and racists who are sabotaging the national economy.

Several black groups took out a full page advertisement in a state-owned newspaper to denounce Agriculture Minister Denis Norman, whom they accused of promoting white supremacy at the expense of black business. He is one of two whites in Mugabe's cabinet.

"The public utterances of certain groups of individuals that all sectors of the tobacco industry indulge in economic sabotage are fallacious and exaggerated," Richards told hundreds of producers and buyers yesterday.

"If such practices do take place, government has the wherewithal and support of the industry to eradicate them and punish the offenders," he said.

One leading black businessman and tobacco trader, Roger Boka, advertised a tender for almost the entire crop last week, which industry players said created an impression the auction system would be not be used this year.

Richards said, however, that 200-million kilograms of tobacco would go under the hammer in this year's marketing season, from April to October.

Prices are expected to equal or surpass last year's US$2,12 a kg, due to good crop quality and more international demand, following a 30% drop in the Brazilian crop. — Reuter.

Ghana giant Ashanti gives boost to Zimbabwe stocks

(362) ARG 25/4/96

HARARE. – The Zimbabwe Stock Exchange (ZSE) moved within range of becoming Africa's second largest bourse, following the listing of Ghanaian mining giant, Ashanti Goldfields.

The ZSE, which only opened up to portfolio investment in June 1993, now boasts capitalisation of nearly $5 billion (US) (R21,25-bn) behind South Africa's $240 billion (R1 020-bn), and Egypt's $7 billion (R29,75-bn).

With about four companies planning floatations this year following good rains this season, market analysts say it will not be long before the ZSE moves into second place.

Ashanti, one of the world's largest gold mining companies, was quoted on the ZSE with its recent 97-percent acquisition of the mining company Cluff Resources Zimbabwe (CZRL). In the process, it doubled the market capitalisation of the bourse.

"I think, ultimately, with this exercise the ZSE will become the second largest stock exchange in Africa after the Johannesburg Stock Exchange," said Godfrey Gomwe, Cluff's managing director, when accepting in principle Ashanti's offer.

"It's very positive for our market as well for Zimbabwe that Ashanti chose Zimbabwe instead of the Johannesburg exchange," said Mark Tunmer, president of the ZSE.

The ZSE depends heavily on foreign interests who have so far invested close to $87 million (US) (R370-bn) since they were allowed to trade on the market three years ago. According to Mr Tunmer, Ashanti registered 800 000 shares and opened up at $19,27 (US) (R81,97) per share.

"It's a tremendous sign of confidence in our market. They could have well chosen South Africa," said the ZSE president. "This will have tremendous benefit to the exchange as we will be about the third largest in Africa."

Notable exchanges in Africa are Morocco, whose market is worth $5 billion (R5,25bn), Ghana $2,5 billion (R10,62bn), Kenya $1,9 billion (R8,07bn), Mauritius $1,7 billion (R7,22bn) and Nigeria capitalised at $1,3 billion (R5,52bn).

In 1994, Africa had 14 active stock markets some of which have grown dramatically over the past three years. For example, the International Finance Corporation (IFC)'s price index for the ZSE soared 122,3 percent in the last half of 1993 while Mauritius's – opened up to foreign investments in 1994 – jumped 43 percent in US dollar terms.

Ashanti Goldfields' quotation on the ZSE also marks the first time the bourse has had a dual listing. Ashanti is also listed on the Ghana, London, New York and Toronto exchanges.

Analysts say holding shares in Ashanti would also give locals an ideal Zimbabwean dollar devaluation hedge. The mining company's quotation also sends a message to foreign investors that the days of a lack of shares to buy on the market – the bane of emerging markets, according to the IFC – are soon to be over. Foreign investors in Zimbabwe are permitted to invest on the ZSE provided foreign funds are utilised for such acquisitions and also allowed to remit dividends and disinvestment proceeds freely. – Sapa-IPS.

Zimbabwe's exchange boasts capitalisation of close to $5bn

Harare bourse looms as JSE's main African rival

(362) CT(BR) 25/4/96

By Lewis Machipisa

Harare — The Zimbabwe Stock Exchange (ZSE) moved within range of becoming Africa's second largest bourse after the listing of Ashanti Goldfields, the Ghanaian mining company, this week.

The exchange, which opened up to portfolio investment in June 1993, now boasts capitalisation of almost $5 billion, behind South Africa's $240 billion and Egypt's $7 billion.

But with about four companies planning flotations this year, market analysts said it would not be long before the exchange moved into second place.

Ashanti became one of the world's largest gold mining companies after it's 97 percent acquisition of Cluff Resources Zimbabwe.

It was quoted on the exchange on Monday and, in the process, doubled the market capitalisation of the bourse.

"I think with this exercise the ZSE will become the second largest stock exchange in Africa after the (JSE)," said Godfrey Gomwe, the managing director of Cluff.

"It's positive for our market and for Zimbabwe that Ashanti chose us instead of the Johannesburg exchange," said Mark Tunmer, the president of the Zimbabwe exchange.

The Zimbabwe exchange depends heavily on foreign investors who have so far invested close to $87 million since they were allowed to trade on the market three years ago. Ashanti registered 800 000 shares and opened up at $19,27 a share, said Tunmer.

"It's a sign of confidence in our market. They could have well chosen South Africa," said Tunmer. "This will have tremendous benefit to the exchange as we will roughly be about third largest in Africa."

Notable exchanges in Africa are Morocco, whose market is worth $5 billion, Ghana, $2,5 billion, Kenya, $1,9 billion, Mauritius, $1,7 billion, and Nigeria ,which boasted a market capitalisation of $1,3 billion.

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Analysts said holding shares in Ashanti would give locals an ideal Zimbabwean dollar devaluation hedge. The mining company's quotation also sends a message to foreign investors that the days of a lack of shares to buy on the market will soon be over. — Sapa-IPS

Harare — Zimbabwe's year-on-year inflation rate fell to just more than 23 percent last month, but is expected to soar again because of the recent spate of price hikes, Ziana reported yesterday.

Analysts said inflation, which had hit Zimbabwe over the past three years, had continued its downward trend in March after reaching a three-year peak of 28 percent in January this year.

Recent increases in fuel prices, medical fees and bus fares were expected to negatively effect inflation and a rate of up to 26 percent was forecast over the next few months. An economist at Barclays Bank said inflation was only expected to start falling again during the second and third quarters of this year. — Sapa

Zimbabwe halts chrome ore exports (362)

Harare — Zimbabwe halted exports of chrome ore yesterday in what mining industry analysts say is a bid to protect the country's ferrochrome industry from competition.

CT(BR) 25/4/96

Exports of the ore were yesterday suspended with immediate effect to allow state mineral authorities "to rationalise the activity and determine realistic quantities which could be allowed for exports".

A Zimbabwe Chamber of Mines official said about 20 000 tons of chrome ore had been exported since the first approval was given two years ago for chrome to be exported as ore, instead of being shipped out as smelted and refined ferrochrome ingots. According to the latest figures available, Zimbabwe exported 219 000 tons of refined ferrochrome in 1994 worth Z$722 million (R309 million). The suspension was "ensuring that we are not exporting something that would be refined elsewhere and compete with our own ferrochrome", a chamber official said. — Sapa

Zimbabwe tobacco industry under pressure

CT (BR) 25/4/96 (382)

By Cris Chinaka

Harare — Zimbabwe's annual tobacco auctions opened on Tuesday in a market rattled by a new levy and attacks on the industry by blacks vowing to end white control.

Peter Richards, the president of the Zimbabwe Tobacco Association, said producers were trying to persuade the government to scrap a new 5 percent levy on sales.

He said Zimbabwe's position as the world's third largest tobacco grower could be threatened by the new levy, which was expected to squeeze growers' profit by making them cough up Z$250 million to Z$300 million (about R106 million to R128 million) a year.

Tobacco is one of the country's top foreign exchange earners, bringing in about Z$2 billion each year.

Richards said the association was "highly disturbed" by attacks from some black business lobby groups, which claim the tobacco industry was dominated by whites and racists.

Several groups took out a full-page advertisement in the Sunday Mail to denounce Denis Norman, the agriculture minister, whom they accused of promoting white supremacy at the expense of black business.

"The public utterances of certain groups ... that all sectors of the tobacco industry indulge in economic sabotage are fallacious," Richards said.

"If such practices do take place, government has the wherewithal and support of the industry to eradicate them and punish the offenders."

Roger Boka, a leading black tobacco trader, advertised a tender for almost the entire crop last week. Industry players said this created an impression that the auction system would not be employed this year.

But Richards said 200 million kilograms of tobacco would go under the hammer in this year's marketing season. Prices were expected to equal or surpass last year's $2,12 a kilogram because of the crop's good, highly flavoured quality and higher international demand caused by a 30 percent drop in the Brazilian crop. — Reuter

Lifeblood of Zimbabwean economy now a burning issue

(362) Star 25/4/96

By Robin Drew
Harare

Growers of tobacco – lifeblood of the Zimbabwean economy – hit back yesterday at attacks on the industry by black business bodies who have accused whites of continuing to dominate it.

At the opening of the annual auction sales, the biggest in the world, the president of the Zimbabwe Tobacco Association, Peter Richards, said recent advertisements by leading black merchant Roger Boka that the crop was to be sold by tender were mischievous and served to create the wrong impression.

"The crop will continue to change hands on the auction floor by way of an auction system; thereafter the processed tobacco will continue to be sold for foreign cash: no barter, no counter trade," he said, urging customers not to hesitate to place their orders.

Richards said accusations that all sectors of the industry indulged in economic sabotage were fallacious and exaggerated.

"If such practices do take place, government has the wherewithal and support of the industry to eradicate them and punish the offenders."

Tobacco farmers take firm stand

Black businessmen have accused the whites and western-controlled companies of transfer pricing.

On moves to localise the industry, Richards said the past few years had seen the emergence of local licensed buyers and a third auction floor was being built by a local company. All the established members of the industry welcomed these newcomers and hoped they would succeed.

This success, however, should not be at the expense of others and above all it should not be achieved in a disruptive manner.

This year, he said, the 200-million kg crop could earn Zimbabwe more than R3-billion, all of it coming from outside the country.

The government plan to introduce a 5% levy on all tobacco sold had come as a demoralising blow to farmers but he was hopeful its effects on all producers of tobacco would soon be mitigated.

"I cannot believe for one moment that the government will allow any event to take place which would prove detrimental to the tobacco industry.

"It has lent its support in the past, it will continue to do so in the future," he said. – Independent Foreign Service.

Swedish firm wins contract

(362)

BD 26/4/96

HARARE — A Swedish communications company has won a government contract for the installation of a R90m cellular telephone system in Zimbabwe amid a long-running scandal over the tender procedure.

The Financial Gazette yesterday quoted official documents as saying the contract had been awarded to Ericsson Radio Systems.

The newspaper earlier published a series of embarrassing disclosures on attempts to bypass official tender procedures for the contract. The award puts to an end an 18-month saga in which President Robert Mugabe was forced to use emergency powers to override a constitutional decision by the Supreme Court to ensure the contract stayed in state hands.

Suspicions first emerged in 1994 when companies bidding for the contract were told by the state-owned Posts and Telecommunications Corporation they had to submit new tenders.

Then it was discovered 62 tons of transmission equipment worth R6m had been delivered the day after the new closing date for bids last February.

Sources confirmed soon after Ericsson's transmitters had been installed on top of the corporation's main exchange. A finance ministry investigation later found Ericsson had been "favoured" by authorities. The tender was then shelved, only to be reissued by the corporation last year.

In December last year businessman Strive Masiyiwa won a landmark constitutional decision from the Supreme Court which ruled the corporation's "delinquent" telephone service was so bad its monopoly over telephone services in the country was a violation of Zimbabweans' right to free expression.

However in January Mugabe issued a decree effectively blocking the ruling. One of Masiyiwa's US co-investors pulled out and Masiyiwa said he faced massive debts.

Ericsson's senior representative in Harare Henrick Moberg would not confirm yesterday that his company had won the tender. — Sapa.

Envoy slates Zimbabwe rates

26(362) BD 26/4/96

HARARE — Zimbabwe's high lending rates and runaway inflation were a major disincentive for potential US investors in the southern African state, US ambassador Johnnie Carson said yesterday.

"Interest rates are too high, inflation is too high and there needs to be a greater effort to promote and create an environment which attracts foreign investors," he said.

The US ambassador was addressing the media at the annual Zimbabwe International Trade Fair in the southwestern city of Bulawayo.

Carson said interest rates of more than 30% and high annual inflation, pegged at 23,7% year-on-year in March, were scaring away US companies, many of them now opting to invest in neighbouring SA.

The Zimbabwean business sector has been pressing President Robert Mugabe's government to bring down interest rates and inflationary levels by cutting down on its spending.

Last year the World Bank and the International Monetary Fund suspended financial aid for Zimbabwe's economic reform programme after it failed to meet a number of cost-cutting measures. — Reuter.

ZIMBABWE (362)

BURNING BOTH ENDS

FM 26/4/96

With tobacco growers and merchants predicting a bumper year for Zimbabwe's top export, virginia flue-cured tobacco, some economists are revising their growth projections for 1996.

Barclays Bank Zimbabwe is predicting 7,6% real GDP growth this year after an officially estimated 3% drought-driven downturn in 1995. Others, less optimistically, have settled for 6%-7%.

Agriculture is spearheaded by a maize crop of about 2,6 Mt (875 000 t last year), of which about half will be sold to the State-owned Grain Marketing Board and millers, and cotton production, which should double to more than 220 000 t.

At 200m kg, flue-cured tobacco output will be up marginally on last year's 198,8m kg. But dealers expect the price to increase almost 20% to US$2,50/kg, valuing the crop at about $500m — second highest in the country's history, after the $555m of 1991.

The outlook for mining is mixed. The ferrochrome industry, third largest exporter after tobacco and gold, has been hit by lower world prices. And nickel output is constrained by production problems at Anglo American Corp's Bindura Nickel Mining Co.

Gold will be up in volume and value and, in the final weeks of the year, the country's first significant platinum mine should come on stream when the BHP Minerals Hartley mine starts production.

Tourism will continue to grow rapidly but manufacturing will remain the problem child. Output is estimated to have fallen about 12% last year — though this official number is challenged by some, including Barclays Bank, which claims output is unchanged.

There is likely to be a modest rebound in manufacturing this year but there is a question mark over medium-term prospects as Zimbabwean manufacturers are losing market share, especially to SA — at home and in the region — and Asian suppliers.

Two crucial policy decisions could change all this: the revamping of Zimbabwe's tariff structure, which is expected to be announced soon, and the proposed Southern African Development Community trade protocol under discussion and scheduled — optimistically — for approval by the community's leaders in August.

Leonard Tsumba . . . trying to hold the line

With exports on a roll and import demand dampened by a sluggish economy that has grown at less than 1% a year since 1991 (though this official estimate is also questioned by some in the private sector) and by high interest rates, the balance of payments on the current account is likely to strengthen, though remaining in modest deficit of around 2% of GDP.

Government economic policy is fraught with unknowns and uncertainties. So the growth speaks volumes for private-sector drive and tenacity.

A month after his lacklustre election victory, President Robert Mugabe had still not got round to appointing a Finance Minister to replace Ariston Chambati who died seven months ago.

Economic policy is in limbo, except in the monetary field where Reserve Bank governor Leonard Tsumba is trying to hold the anti-inflationary line in the face of a soaring budget deficit, a weakening currency and administered price rises.

Optimists are forecasting a steep fall in inflation in the closing months of 1996 as relative food price stability returns to Zimbabwe. In the first quarter, inflation averaged 26% and Tsumba says there can be no lowering of interest rates — the Reserve Bank's rediscount rate is 29,5% — until there is a sustained fall in the rate of price increases.

Economists are asking whether that will be enough. They also point to holes in Tsumba's argument. He is committed to holding money supply growth to a maximum of 22% this year, which — if he sticks to his guns — will not accommodate inflation of 20% and real growth of 7%. Something will have to give.

Not even inflation optimists believe inflation will average less than 20% over the year, which means either money supply will have to grow quicker than targeted — with resultant higher inflation next year — or Tsumba will have to countenance an increase rather than a fall in real interest rates as inflation starts to slow down.

Another puzzling factor is just how the government hopes to finance its borrowing requirement this year without a further rise in interest rates. Already the public corporations and municipalities have said they will be borrowing more than Z$7bn. And central government will need Z$6bn.

Even before the private sector's requirements are taken into account, this implies a borrowing requirement of 20% of GDP. This is incompatible with lower real rates and meeting Tsumba's monetary targets. ■

17

'Race Zim's

(362) M+G 26/4-2/5/96

The man at the centre of a black-white battle for Zimbabwe's tobacco trade has links with a former CCB agent, reports Jan Raath

THE delicate perfume of freshly cured, silk-textured, golden tobacco leaf wafting from the sprawling tobacco auction floors in Harare is the setting for Zimbabwe's latest race tangle. A bitter black-white war of words and political wheeling and dealing has erupted, with the prize the control of the pickings from the tobacco trade in Zimbabwe that this year is expected to earn US$720-million.

The main protagonist in the struggle is Roger Boka, a short, stocky former small-town insurance salesman who has become the champion of militant black empowerment in Zimbabwe.

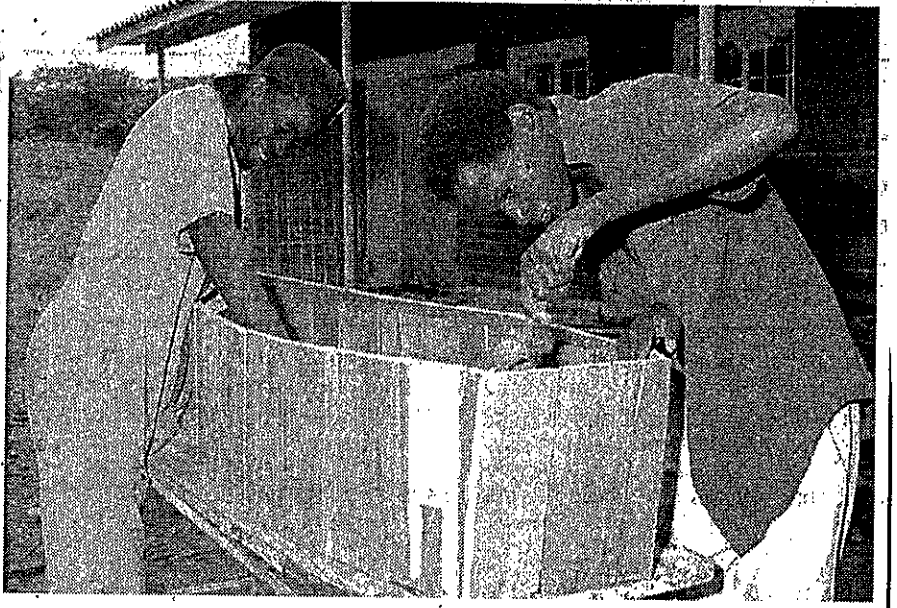
His campaign is being fought through a long-running series of crudely phrased full-page newspaper advertisements, in which he vilifies whites, and demands government action to drive them out of commanding positions in the economy, and to replace them with blacks.

The weed was the engine of the country's rapid post-World War II economic growth, and remains the most important contributor to national GDP. Zimbabwe is the world's biggest exporter of tobacco and European manufacturers are dependent on the Zimbabwean leaf, whose expertly cultivated aromatic qualities make it indispensable to high-quality international cigarette brands.

Solidly connected to the hierarchy of President Robert Mugabe's Zanu(PF) party, Boka claims that 98% of the economy is controlled by "Rhodesian Selous Scouts disguised as economists and accountants" who "killed our brothers and sisters". The time has come, he says, "to clean our society once and for all".

Boka has himself had links with unsavoury "third force" elements, according to the independent *Financial Gazette*, which three years ago quoted senior Zimbabwean intelligence officers as saying that Arnoldus van Eck, the self-confessed former Civil Co-operation Bureau agent, worked out of Boka's Harare offices.

AFRICA



Joseph Mateuzo, left, and Tawanda Mviambo build a coffin in Harare, Zimbabwe. Coffin-making has become big business in Zimbabwe where health authorities report more than 300 AIDS-related deaths a week. Picture: AP.

AIDS spawns coffin boom in Zimbabwe

BD 30/4/96 (362)

HARARE — AIDS has made coffin-making a big business in Zimbabwe.

Caskets come in varied shapes and sizes made from all kinds of cut-rate materials. Some models can be folded for easy transportation by bus to funerals in distant tribal villages.

Sellers offer bargains next to roadside kiosks. Cut-price coffin stores have sprung up with brightly painted advertising signs.

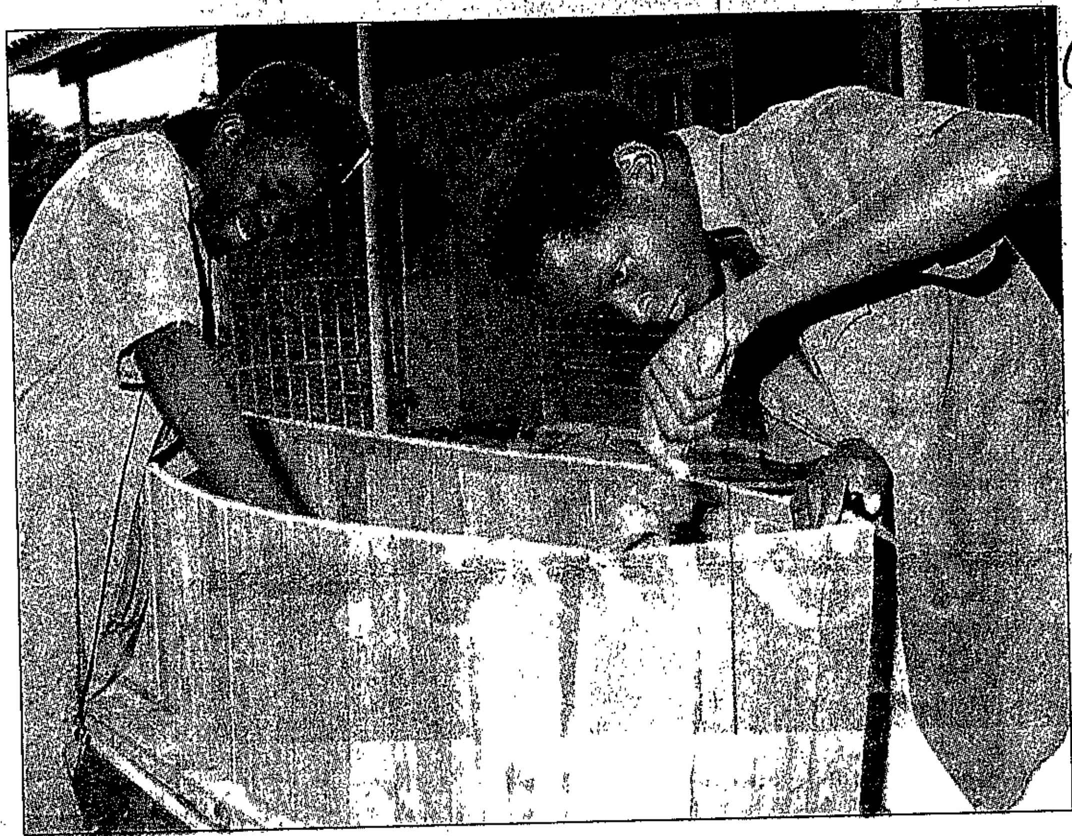
Putting aside its simple furniture, the workshop for mentally handicapped trainees in Harare now turns out rough caskets. "The demand is very high. That's why we are part of it," said Stephen Ncube, workshop manager.

Zimbabwe's biggest conventional funeral parlour says it opened eight new branches around the country to cope with increased demand.

Regular coffins sell for about Z$1 000. New styles made from reject timber, cardboard packaging material or framed canvas start at about Z$200.

The collapsible coffin, a shroud on a sturdy wooden frame, folds into a bag slightly larger than a briefcase. It saves on the high cost of transporting a standard coffin to a remote tribal burial. Says one advertisement: "Bury your dead, not your future." — Sapa-AP.

DYING BUSINESS



Joseph Mateuzo, left, and Tawanda Mviambo work on a coffin outside Harare, Zimbabwe. Coffinmaking has boomed in Zimbabwe, where health authorities report more than 300 deaths weekly from Aids and Aids-related illnesses

PHOTO: SARAH JANE POOLE

Food shortage plagues Zimbabwe

(BR) CT 30/4/96 (362)

Harare — More than a million Zimbabweans, about 10 percent of the country's 11 million people, will depend on state famine relief this year despite widespread summer rains that should provide most regions with a food surplus.

Willard Chiwewe, the permanent secretary for social welfare, was quoted in Monday's edition of The Herald newspaper as saying preliminary investigations by field staff indicated 1 034 000 people were likely to need government food aid to avoid starving.

Most were in the provinces of Masvingo and Matabeleland South, in perennially drought-stricken areas not reached by the heavy rains that soaked the rest of the country. Zimbabwe has suffered widespread crop failures in four of the past five years because of drought.

Last year drought left more than 5 million people, most of the country's rural population, without crops and 300 000 tons of maize had to be imported.

The maize harvest this year is expected to more than treble to 2,6 million tons from last year's 840 000 tons. — Sapa

Harare lake bans bites after pollution kills fish

CT (BR) 30/4/96 (362)

By Emmanuel Koro

Harare — The Zimbabwe government has banned all commercial fishing and recreational activities at Lake Chivero, Harare's main water supply, after thousands of fish in the lake died.

The ban was imposed to allow the department of national parks and wildlife management to establish the extent of the pollution-induced deaths.

Now the viability of multi-million-dollar fishing and tourism investments is at risk.

The owners of tourism establishments on the shore have already started running at a loss, with some of them seeking legal opinion on the legality of the government's unexpected ban.

The most likely cause of fish deaths is that at this time of the year the water at the lake's bottom, which is heavily polluted and devoid of oxygen, to the top layer, where the fish live. As a result there is no oxygen for the fish to breathe.

The lake is contaminated by many forms of chemical pollutants emanating from industries in and around Harare.

Fertiliser chemicals, chemicals from industrial complexes and sewage have accumulated in the lake over the years.

These pollutants have not been flushed out of the lake for a considerable time because of poor rainfall, and this has contributed to eutrophication — the build-up of oxygen-depleting algae.

"The ban has already affected the business of boat manufacturers, boat sales, fish sales and hotel occupancy. Hotels around the lake are empty," said Gary Stafford, the managing director of one hotel, the Admiral's Cabin.

His establishment has already lost Z$25 000 (about R12 000) since the ban on activities on the lake and he is now considering laying off 70 of his employees.

More than 600 people working for lakeside companies risk losing their jobs if the ban is not lifted soon.

Some tourist operators are concerned about the loss of their credibility because overseas customers who have paid up-front are being told there is no fishing or cruising.

"We are being forced to take them elswhere," said the owner of Harare Safari.

Environment 2000 said: "Many a time when environmentalists issue warning signals about potential disasters they are branded alarmists.

"What is happening at Lake Chivero is a good example of something that could be avoided through good water management and pollution control on the part of responsible authorities." — Independent Foreign Service

The struggle continues – to provide for more Aids patients

Star 2/5/96 362

Governments are short of money for treatment or even education campaigns

By Angus Shaw

Harare – The skeletal young man with sweat-drenched limbs waited for four hours in the emergency room of Harare's main hospital.

He finally made it to a ward with other Aids sufferers where he spent a few days before being sent home to die.

With him went a leaflet on basic Aids care containing tips for those unable to afford medication, such as sucking tomatoes to soothe mouth lesions.

Zimbabwe's state hospitals and clinics offer little else for victims of *"mukondombera"* – which means "the big kill" in Shona. Aids has spread so far and fast in Zimbabwe that the government resources and medical care cannot keep up.

In a chilling example of priorities, Aids patients requiring expensive kidney dialysis treatment have been cut off by the government, which has decided it cannot afford to spend scarce health funds on dying people.

The situation is similar in other impoverished African nations where Aids is rampant and governments are short of money for treatment or even education campaigns. Zimbabwe now has the highest infection rate in Africa, partly because horrendous death tolls in Uganda and other spots in central Africa have wiped out many of the afflicted there.

At the end of 1995, nearly 97 of every 100 000 people in Zimbabwe were infected with the Aids virus, the World Health Organisation (WHO) says. The number was 66 in Botswana, 58 in Congo, 49 in Malawi, 45 in Ivory Coast, 33 in Togo, 25 in Kenya, 24 in Guinea-Bissau and 23 in Uganda.

In comparison, the United States had a rate of almost 23 for every 100 000 people.

But health experts stress these figures are based only on reported cases and say African nations grossly understate their Aids cases.

Zimbabwe Health Minister Timothy Stamps estimates that by the end of this year, the epidemic will have killed 270 000 of the country's 10,8 million people.

At least 300 victims die each week, according to official statistics, and the actual figure is believed to be two or three times higher because many people do not disclose they have the disease.

By contrast, a little over 800 people die from Aids each week in the United States, which has nearly 25 times the population.

An estimated 25% of urban adults aged 19-45 have contracted the Aids virus, mostly from heterosexual promiscuity rooted in polygamous African traditions.

Only one personality, David Mankaba of the Bhundu Boys pop group, has publicly admitted he had Aids. On April 6 Vice-President Joshua Nkomo became the first prominent person to announce an Aids death in the family – his son Edward Thutani, (41), a former guerrilla and businessman.

"We need someone like (US basketball star) Magic Johnson to give impact to Aids education," said Helen Jackson, director of Safaids, a southern African Aids information service,. "Right now, people are frightened."– Sapa-AP.

Aids pushes coffin sales up in Zim

(362) (992)

AIDS has made coffin-making a big business in Zimbabwe.

Caskets come in varied shapes and sizes made from all kinds of cut-rate materials. Some models can even be folded for easy transportation by bus to funerals in distant tribal villages.

Sellers offer bargains next to roadside kiosks. Cut-price coffin stores have sprung up with brightly painted advertising signs. Sowetan 2/5/96

Putting aside its simple furniture, the main workshop for mentally handicapped trainees in Harare now makes rough caskets using donated materials.

"The demand is very high. That's why you find everybody is into the business. That's why we are part of it," said Stephen Ncube, the workshop manager.

Zimbabwe's biggest conventional funeral parlour says it opened eight new branches around the country to cope with increased demand for burials in the past five years.

Regular coffins sell for about R480. New styles made from reject timber, cardboard packaging material or framed canvas start at around R96.

The collapsible coffin, a shroud on a sturdy wooden frame, folds into a small bag. – *Supa-AP.*

'Useful' Mugabe, 72, in no hurry to groom a successor

(362)
ARG 2/5/96

HARARE. – The old guard who won black majority rule for Zimbabwe are getting long in the tooth and should be grooming a new generation of political leaders for the next century, analysts say.

But Zimbabwe's venerable liberation war leaders are in no hurry to hand over the reins of power and seem uninterested in encouraging new blood.

"There is no doubt that we need younger blood. Our system does not seem ready to accept anyone outside those who fought for independence," said political scientist John Makumbe.

"Your war credentials are your passport to high office or so it seems," he said.

Dr Makumbe, of the University of Zimbabwe, said this was one major reason why Zimbabwe's generally weak and divided political opposition, led by men whose war records were questioned, had failed to unseat president Robert Mugabe.

Mr Mugabe is 72 and has been the country's sole ruler since it gained independence from Britain in 1980.

He has just been re-elected for a second six-year term and says he has no plans for early retirement. He first assumed power as prime minister.

The two vice-presidents, Joshua Nkomo and Simon Muzenda, are 77 and 74, respectively, and they too say they will continue in office "for a while".

Veteran opposition leader Ndabaningi Sithole of Zimbabwe African National Union (ZANU)-Ndonga party is 76 and retired Bishop Abel Muzorewa, president of the opposition United Parties, is 72.

The five represent a fair sample of the warrior nationalists who have dominated Zimbabwean politics since the launch of the struggle for self-rule by the majority blacks over 30 years ago. Former Rhodesia premier Ian Smith is 77.

Like US Republican presidential candidate Bob Dole, who is also 72, and South African President Nelson Mandela, 77, their age is cause for concern.

Mr Mugabe refuses to discuss his retirement or who will succeed him, saying he does not like the subject and still feels healthy and useful. – Reuter.

SA boosts private Zimbabwean airline

(362)
BD 3/5/96

Martin Rushmere

HARARE — SA aircraft and SA passengers have been the saviours of Zimbabwe Express Airlines, the country's first privately owned carrier.

After a calamitous start last year, the challenger to the state's notoriously inefficient and loss-making Air Zimbabwe had achieved a complete turnaround in its fortunes in the past four months, said managers of Zimbabwe Express.

The breakthrough came with a lease from SA of a 118-seater Boeing 727 (from millionaire George Soros) and a 44-seater Hawker Siddley 748 turboprop. Johannesburg had been added to the Zimbabwe Express route, and South Africans now make up 60% of the passengers on its 90 flights a week to Johannesburg or within Zimbabwe.

Travel industry sources said Zimbabwe Express now had good prospects of making a permanent breach in the Air Zimbabwe monopoly. No figures on overall passenger occupancy were available, and Zimbabwe Express spokesman Peter Mukuna said guardedly that it is "satisfactory and growing all the time". Travel industry sources believe just over 50% had been achieved.

For years it was obvious a new airline was needed to cater for increasing traffic, but getting permission from President Robert Mugabe's government seemed as likely as a Zimbabwean shot at the moon.

Heavy political backing for Air Zimbabwe's monopoly ensured all potential rivals were instantly squelched.

There were gasps of astonishment when former Bulawayo-based businessman Evans Ndebele did get a licence, insisting he had no political backing and all his funding came from private investors. He was, however, reported to be on good terms with Vice-President Joshua Nkomo, a vocal exponent of indigenous entrepreneurship. Recently, Ndebele's capital base was extended by a 49% stake from Trans Zambezi Industries, an investment company with interests in SA, Zambia and Zimbabwe.

Zimbabwe Express's main money-spinner is the Victoria Falls route, second most popular tourist destination in Africa. Five direct flights a week from Johannesburg are usually at least 75% full. There are plans to extend the routes to other destinations. "We see ourselves as a feeder airline and want to stay within the confines of Africa," said Mukuna.

Zimbabwe to get new independent voice

MrG 3-9/5/96 (362)

A new newspaper aims to fill a gaping hole at the heart of Zimbabwe's media market, reports **Richard Saunders**

A NEW independent newspaper will hit Zimbabwe's streets next week in an effort to keep alive a faltering voice in the national press.

The *Zimbabwe Independent*, a business-oriented weekly, comes in the wake of a crisis in the independent press which has seen many publications disappear or teeter on the brink of financial collapse.

After blossoming in the wake of political liberalisation in the late Eighties, Zimbabwe's celebrated private sector press has been buffeted in the Nineties by the strong winds of economic reform.

High interest rates, soaring production costs and restricted consumer demand led to shrinking margins. As a result the commercial foundations of the private sector press have been severely eroded, and the scope and national reach of published opinion has narrowed. Zimbabweans might now feel freer to criticise government and debate national policy, but there are few places where their voices can be heard.

After a flurry of publishing activity featuring a rash of new titles in the early Nineties, Zimbabwe's publishing giants reasserted themselves. Today the market is dominated more than ever by Zimpapers, the publicly owned government-controlled chain which publishes six papers, including four weeklies and the country's only two dailies.

But, whereas Zimpapers wields unchallenged command of market share, it no longer leads opinion.

"In the early Nineties ordinary Zimbabweans had a brief taste of a free press, and they liked it," says *Independent* assistant editor Iden Wetherall.

"Since then space has opened in the media market, because the broad readership has become more sophisticated. Zimbabweans will no longer accept news which is hidden, distorted or massaged by editors unashamedly beholden to the government."

Zimpapers' primary unearned advantage rests in the fact there are few alternatives.

A clutch of smaller monthlies and weeklies, addressing themselves to narrower communities, have mostly shied away from trying to establish a broad national presence. A limited set of popular magazines, which have been more politically adventurous, have had muted impact because of their limited publication frequency and distribution.

On the other hand, newspapers which have tried to break the Zimpapers monopoly have been confronted by the enormous and rising costs involved — and by a government jealous off its privileged access to the national press.

The latest victim of tightening margins and the ruling party's political sensitivities is Modus Publications, where spiralling debt fuelled by punishing interest rates forced the closure of two papers and the editorial reining-in of a third, the respected *Financial Gazette.*

'Zimbabweans will no longer accept news which is hidden, distorted or massaged by editors unashamedly beholden to the government'

Once a leading exponent of critical opinion and debate, the *Gazette*'s editorial independence gradually fell prey to demands from Modus's owners, themselves under pressure from their creditors at the government-controlled Zimbank.

In the wake of management's increasing admonition to ease up on criticism of the government and ruling party, *Gazette* editor Trevor Ncube and several other senior editorial staff left the paper this year.

Since then, Modus has struggled to maintain the *Gazette*'s traditional readership and advertising base. Staff and infrastructure have been pared back sharply, in a desperate attempt to cut costs and stay afloat.

All of this — the financial collapse of Modus and the political crumbling of Zimpapers' legitimacy — has left a gaping hole at the heart of the Zimbabwean newspaper market, which the *Independent* aims to fill.

With solid capital, management and editorial resources (including a translocated senior editorial team from Modus, headed by former *Gazette* editor Ncube), there is a good chance it will succeed. Nonetheless, the paper's backing raises questions about where the *Independent*'s support comes from, and which national voice it represents.

The *Independent*'s leading investors, Clive Murphy and Clive Wilson, have been important players in the local industry since the Eighties, when both were involved in the ownership and management of the *Gazette*. In 1989 they sold their controlling interest in Modus to the company's curent owners, a consortium of black businessmen led by former Zimpapers CEO, Elias Rusike. In the following years Murphy and Wilson consolidated a new publishing company and developed a national distribution agency, both of which will now help support the *Independent.*

If the origins of the paper's capital backing expose it to populist attacks from government and an increasingly militant black business "indigenisation" lobby, the composition of the *Independent*'s editorial staff make it difficult to sustain this line of criticism.

The editorial team insists it has been given firm guarantees of editorial autonomy by the *Independent's* owners, and that the previous editorial line developed during tenure at the black-owned Modus will be maintained. That stance included support for meaningful "black empowerment" measures, as well as government's punishing economic reform programme.

But both these positions may well become sticking points for the *Independent* in the current era of indigenisation politics, which has seen pressure groups calling for the rapid indigenisation of the economy.

Zimbabwe businesses upset by state decree

(362)

ROBIN DREW
Independent Foreign Service

– ARG 4/5/96

HARARE – The Zimbabwean government is forcing companies here to keep staff on the payroll even though many employers face certain bankruptcy.

In a May Day announcement Zimbabwe's Labour Minister Nathan Shamuyarira said the government had suspended all applications for retrenchments. He has been sharply criticised by employers.

Many business concerns are in bad shape and have been forced to cut down on staff. The government's delay in reducing tariffs on raw materials, the inflow of manufactured goods from South Africa, the prolonged negotiations over a new trade agreement with South Africa and sky-high interest rates have all contributed to the problems faced by commerce and industry.

Dr Shamuyarira has also upset companies with his support for union calls for wage increases this year above the inflation rate of about 24 percent.

The Reserve Bank has called for restraint in collective bargaining.

Economists said that "what we are seeing is political expediency being used to make what will ultimately become a disastrous decision".

Deputy President of the Confederation of Zimbabwe Industries Ian Ferguson said the government was taking a step backwards by insisting on controlling the labour market and forcing companies to keep staff when faced with bankruptcy.

Unemployment in Zimbabwe is rife and estimated at about 40 percent of the workforce, with 200 000 school leavers joining the ranks of the jobless every year.

Increased hospital fees and bus fares are the latest in a long series of price hikes that are having a severe effect on the economy struggling to recover from earlier drought.

Three clouds over tobacco industry in Zimbabwe

(362) ST(BT) 5/5/96

By TONY HAWKINS

GOOD rain and the world shortage of quality leaf pointed to buoyant prices when Zimbabwe's tobacco auction floors were opened this week. Following the wettest rainy season in a decade, the flue-cured tobacco crop will be slightly below the forecast 210-million kilograms, but, at 200-million, production will still be up fractionally on last year's 198,8-million.

Quality, however, will be far superior to 1995's drought-stressed crop, and the market is anticipating an 18% increase in average prices to around 250 US cents a kg (1995: 212c). If achieved, this will be the third highest price obtained on the floors, after the record 325 US cents in 1991 and 265c the previous year.

The last time prices took off in this way, was in 1990-91. The combination of output expansion and consumer resistance resulted in a sharp downturn that pushed the price as low as 125c in 1993. This time however, the tobacco industry is more optimistic.

Low labour costs and high yields make Zimbabwe a far more competitive producer of quality tobacco than its rivals in Brazil and North America.

The Zimbabwe industry ought to be laughing all the way to the bank, but there are three clouds on the horizon.

One is the land issue, revived in last month's presidential election campaign by Robert Mugabe. Since taking office 16 years ago, his administration has been promising to expropriate — with some compensation — white-owned farmland for redistribution to the country's black majority. Little has been achieved, but, in recent months, the president has turned up the heat a few notches, insisting that this time the government really will implement its election promises.

The second, more imminent, problem is the announcement in February of a 5% turnover tax on tobacco sold at auctions.

Although the finance bill including this new tax was passed by parliament last month, it has not yet been gazetted, and growers hope that last-minute representations might just result in a change of heart in government. It is not clear just how this could happen, since it would involve the president either overruling parliament or sending the bill back to be amended.

The chief bone of contention at this stage is that growers are required to pay income tax on the 5% that accrues to the state. Because the tobacco sales tax is not deductible for income tax purposes, a grower is paying tax on income he never received.

With prices set to rise 18%, the 5% tax is less than industry is threatening, though ironically it will impact severely on the 9 000 or so black, small-scale growers. These farmers are most vulnerable because their yields are well below those obtained by large-scale farmers. Leaf quality is usually poor too.

The most serious threat to the industry is the activity of a vociferous black businessman, Roger Boka, who has set up the (indigenous) Zimbabwe Association of Tobacco Merchants.

In recent months, he has promised to set up a third tobacco floor — scheduled to start operations within weeks — with a capacity of virtually double the existing crop. He has set a May "tender" date for the entire 200-million kilogram crop, and tried to block the award of buying licences to the white-owned merchant company Tribac, thereby bringing himself into open conflict with Denis Norman, minister of agriculture. Just how Mr Boka's tender plan will operate in a market where — by law — growers must sell their leaf on the auction floors, and in an industry with a vast range of different grades and qualities, is unclear. The auction floor sale system, criticised because of the dominance of a handful of major multinational buyers, may be imperfect, but seems the best available.

The industry is too big and far too important for Zimbabwe — accounting for more than a fifth of total world exports — to be disrupted by his campaign, but the signs are that Dr Mugabe himself will step into the fray before very much longer.

It is not going to be easy for him to come out against those pushing for tobacco industry indigenisation. The trick will be to find a way of appeasing that lobby, without damaging confidence in the country's top export business at the same time. — *Financial Times*.

Zimbabwe stalls at the privatisation gate

CT(BR) 6/5/96 (362)

From The Economist

Harare — The case for privatisation in Zimbabwe is strong. Its state-owned companies are mostly loss-making, and increasingly inefficient. The government's budget deficit is about 13 percent of GDP. Those are good reasons for a sell-off. Not good enough for President Robert Mugabe though.

There is plenty to sell, if they wanted to. The state runs telecommunications, two commercial banks, Air Zimbabwe, the railways, steel, television and radio monopolies and daily newspapers.

Why not sell such state holdings? Mugabe is still steeped in the liberation theories of the 1960s which favoured socialism and a centrally controlled economy. The government has, since 1990, brought in some market-orientated reforms, but Mugabe and his cabinet still largely mistrust private enterprise.

The world of politics adds a stronger argument: the state sector is a handy source of patronage through which the president can reward loyal supporters.

Yet not even Mugabe can escape economics. He dislikes the idea of privatisation, but his government has begun moving towards it. State shares in private companies have been sold in the past year. Subsidies to state enterprises have largely been stopped and several enterprises have been commercialised.

These reforms, though criticised by some as merely cosmetic, have made things better. The grain marketing board lost the local equivalent of more than $100 million in 1994, and recorded a profit of $21 million last year. The World Bank congratulated the government on these changes, but the IMF is looking for further progress towards full privatisation.

A third difficulty is that if any state enterprises are to be sold into private hands, Mugabe wants those hands to be not just Zimbabwean, but black. But there are few Zimbabwean blacks or black-run companies rich enough to buy.

Bumper wheat crop for Zimbabwe

(362) ET (BR) 8/5/96

By Emelia Sithole

Harare — Zimbabwe's wheat output is expected to treble to 250 000 tons this year because of strong rain, an industry official said yesterday.

Peter Wells, the chief executive of the Zimbabwe Cereals Producers' Association, said the bigger crop would help reduce the country's import needs.

Zimbabwe is a net importer of wheat because local production is usually below the average domestic consumption of 350 000 tons a year. Wells said projected output for this year was much higher than last year, when drought cut production from 276 000 tons to 70 000.

"With rain, the majority of farm and government dams did fill up with a few exceptions. It's a major recovery from last year," Wells said.

There is a strict ban on wheat exports because the government says Zimbabwe has yet to achieve self-sufficiency.

The producers' association is lobbying for liberalisation.

"We could have the wheat move around the region and import as and when we need it. It will be cheaper for the country," Wells said. — Reuter

Mugabe attacks Anglo over 'apartness'

CT (BR) 10/5/96 (362)

By Andrew Meldrum

Harare — Anglo American's operations in Zimbabwe have come under scathing attack from President Robert Mugabe, who also announced that all future investors in his country would require black Zimbabwean partners and that big business should award shares to its workers.

"Why, when there is so much black advancement in South Africa, should Anglo American seek to have a white South African appointed as executive of its Zimbabwe operations?" said Mugabe yesterday after his announcement of a cabinet reshuffle.

"When we are seeking to have all Zimbabweans have a stake in our economy, especially blacks, why is this company seeking to maintain an apartness; to keep the company controlled by whites?"

Mugabe's outburst came after he announced a long-awaited cabinet reshuffle. Asked at a media conference after he made the announcement if anti-white rhetoric by government officials and by black businessmen was having a negative effect on investment, Mugabe said if potential investors were put off by the need to increase black ownership, then Zimbabwe could do without their investment.

Robert Mugabe

He singled out Anglo American, Zimbabwe's largest corporation. Mugabe charged that Anglo American was attempting to have a white South African appointed to a key executive position in Zimbabwe when there were black Zimbabweans qualified for the position. He also said the company had kept blacks in technical and lower-level management positions.

Far from toning down the anti-white rhetoric that characterised his presidential campaign in March, Mugabe said his government would continue pressing for greater control of the economy by blacks.

"We are going to demand that the big companies operating in Zimbabwe, one, recognise the role of the workers, like in Germany, and give them a share in the ownership of the company. Two, the companies must open up entry for ownership by blacks. It will be on an agreed, voluntary basis.

"We will want to see 20 percent ownership by blacks, for a start. We want to gently persuade them, but if that doesn't work we will continue pushing."

New foreign investment must have black Zimbabwean partners, said Mugabe.

Critics of his black empowerment drive charge that although there are many blacks well connected with the ruling Zanu-PF party who would like to be owners of major corporations, few of them have the funds to purchase shares.

Mugabe appointed Herbert Murerwa as the new minister of finance.

Mugabe attacks Anglo over 'apartness'

CT (BR) 10/5/96 (362)

By Andrew Meldrum

Harare — Anglo American's operations in Zimbabwe have come under scathing attack from President Robert Mugabe, who also announced that all future investors in his country would require black Zimbabwean partners and that big business should award shares to its workers.

"Why, when there is so much black advancement in South Africa, should Anglo American seek to have a white South African appointed as executive of its Zimbabwe operations?" said Mugabe yesterday after his announcement of a cabinet reshuffle.

"When we are seeking to have all Zimbabweans have a stake in our economy, especially blacks, why is this company seeking to maintain an apartness; to keep the company controlled by whites?"

Mugabe's outburst came after he announced a long-awaited cabinet reshuffle. Asked at a media conference after he made the announcement if anti-white rhetoric by government officials and by black businessmen was having a negative effect on investment, Mugabe said if potential investors were put off by the need to increase black ownership, then Zimbabwe could do without their investment.

Robert Mugabe

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Mugabe reshuffles his cabinet

(362) CT 10/6/96

HARARE: Zimbabwe President Robert Mugabe reshuffled his cabinet yesterday and appointed Mr Herbert Murerwa as Finance Minister. He formerly held the Industry and Commerce portfolio.

Zimbabwe's state radio said Mugabe announced a full cabinet reshuffle, which had been expected by local markets since he was re-elected in March.

Local industrialists welcomed the confirmation of Murerwa as Finance Minister and economic analysts believed he would be accepted in time by international donors, who expected him to pursue current economic reforms.

Mugabe appointed Labour and Social Welfare Minister Nathan Shamuyarira to take over from Murerwa as Industry and Commerce minister.

National Affairs Minister Florence Chitauro was appointed Labour and Social Welfare Minister, and Education Minister Thenjiwe Lesabe replaces Chitauro.

Information Minister David Karimanzira was dropped and replaced by local governor Ms Joyce Mujuru. — Reuter

Mugabe defiant

(362)

By CHRIS BISHOP: ~~Harare~~

ST 12/5/96

ZIMBABWE's president Robert Mugabe has met the growing crisis in his country's affairs by reshuffling an enlarged cabinet that gathers his tired, but trusted, hardliners into a defiant laager.

Donor countries and political commentators have warned Mr Mugabe to reduce the size of his cabinet, improve the management of his country and implement change, but he has responded with a bigger, fiercely loyal inner circle.

Herbert Murerwa, the man who was this week given the job of steering Zimbabwe's tattered economy, has been criticised by the business community and observers have been astonished by the appointment of Joyce Mujuru, a regional governor, to the post of Minister for Information, Post and Telecommunications.

The reshuffle has failed to throw up a likely successor to Mr Mugabe and observers believe the appointments were made because they pose no threat to him.

Mugabe takes full control of Press group

(362)

Sowetan 13/5/96

HARARE – Zimbabwean President Robert Mugabe's government has assumed full control of the country's main Press group following the cancellation of the last legal vestiges of independence protecting it from state interference.

A local newspaper reported yesterday that the Zimbabwe Mass Media Trust, the nominally independent body that owns the country's largest Press chain, Zimbabwe Newspapers (Zimpapers) and the domestic wire service *Zimbabwe Inter-Africa News Agency (Ziana)*, would now have to take orders from Mugabe or the information minister.

The Sunday Mail, the country's largest-selling weekly newspaper and a ZMMT title, quoted Information director Bornwell Chakaodza as saying the legal deed that created the ZMMT had been amended last month to strip the trustees of their independence and put the government in charge.

Chakaodza said the ZMMT's freedom from state control was "unhealthy, since it meant that the trustees could run Zimpapers the way they wanted and neither the minister of information nor the president had the legal powers to do anything about it".

Chakaodza's announcement came days after the launch of the new locally owned *Zimbabwe Independent*, which took over the role of the formerly outspoken independent weekly *Financial Gazette*, whose editor was sacked by its proprietor for publishing after a report that embarrassed Mugabe.

Zimbabwe Newspapers titles have been regarded as little more than state mouthpieces. Mugabe has personally ordered the sacking of three editors.

Politicians also have the final decision on the appointment of senior executives.

However, the election last year of a new ZMMT chairman saw the first attempts by the trust to resist direct government influence and to improve the professional standing of the newspaper group that includes the main daily newspaper *The Herald*, another daily, *The Chronicle*, and four weeklies.

The ZMMT was founded in 1981 to take over the ownership of Zimpapers after its previous owner, South Africa's Argus Group, sold out. – *Sapa*.

Zimbabwe 'exhausted, sad and sick to its soul'

(362) Star 16/5/96

INDEPENDENT FOREIGN SERVICE

Harare – Former Southern Rhodesian premier Sir Garfield Todd, who was detained and restricted by the Smith government during UDI for his support for black nationalism, says Zimbabwe today is a sick country.

"Our beloved Zimbabwe is today sick to its soul, directionless, exhausted and, for many reasons, physical and spiritual, in a state of deep sorrow," said the New Zealand-born missionary in an article here.

Sir Garfield, now in his 80s, described how the headmaster of a boarding school where the Todd family supported a number of children had sent out an SOS for food because the suppliers were owed so much by government that they had stopped meeting orders.

"This is one of the shattering results of woefully inadequate housekeeping on the part of the guardians of Zimbabwe – in some cases, it seems, guardians turned looters."

Sir Garfield said the last general election when three million of the five million voters chose not to go the polls showed that the right to vote for which many had thought worth dying, was now for most a matter of indifference or bitter scepticism. Appealing for an end to attacks on minorities, he said racism, tribalism and regionalism should be despised and rejected as the diseases they were.

Sir Garfield said there was also a need for a standing committee on corruption.

The article in the independent Financial Gazette concluded: "It was never of course the purpose of Mugabe and Zanu (PF) to damage Zimbabwe so grievously. Quite the opposite. So while condemning the results of their policies we must try to be on good terms with them as people.

"We must work for the possibility that they will learn to cherish Zimbabwe as a whole and start to live more humbly and lovingly with the rest of us.

"We would be happier and so would they."

DIGEST

Zimbabwe passes law for levy on tobacco farmers and traders

(362)
CT (BR) 16/5/96

Harare — The Zimbabwean government has approved a controversial new law that will allow it to collect millions of dollars a year from growers and merchants of tobacco, the country's biggest single foreign exchange earner. The Finance Bill, which sparked an outcry from farmers protesting that it would further strain producers already overburdened by exhorbitant interest rates, was gazetted on Tuesday with the levy pegged at 5 percent.

But Herbert Murerwa, the finance minister, was reportedly seeking an amendment to the Act to raise the levy to 6 percent with farmers now expected to pay 2 percent, while buyers would be taxed the remaining 4 percent. This year, producers of flue-cured tobacco expect to sell about 200 million kilograms of the golden leaf and haul in about Z$5 billion (about R2,1 billion).

If the amendment is approved, the 6 percent levy will siphon off more than Z$300 million a year from the tobacco industry, in addition to other usual taxes such as income and corporate taxes. Economists fear that the levy could be another way of penalising a profitable industry to finance loss-making, quasi-government operations and ill-conceived state projects. Zimbabwe is the world's top exporter and third largest producer of tobacco after China and Brazil. — AFP

Zimbabwe's tobacco industry in turmoil over govt levy

(362) BD 16/5/96

Michael Hartnack

HARARE — Zimbabwe's tobacco industry was yesterday in turmoil with President Robert Mugabe's government tabling new legislation for a 6% levy on buyers and growers the very day it promulgated an Act imposing an immediate 5% levy solely on growers.

"We are in total confusion," said a spokesman for the Zimbabwe Tobacco Association.

Due to an unexplained delay in the signing into law by Mugabe of the Finance Act, passed by Parliament earlier this year, no levy was imposed on the 19,4-million kilograms of tobacco sold since auctions opened on April 23 at an average price of $2,84/kg.

Mugabe said at a news conference last week that what had been intended was a levy of 2% on growers and 3% on the trade which buys the tobacco, Zimbabwe's major export, for sale to world markets.

The new proposals put before Parliament by Finance Minister Herbert Murerwa are for 2% to be borne by growers and 4% by the trade. Experts say this will merely depress tobacco prices as international buyers cut their bids to offset the 4% extra cost.

So far, sales have netted more than R426m in foreign currency, a vital boost for Zimbabwe's crisis ridden economy. The total 205-million kilogram crop was expected to earn more R3bn, but there are fears bidders may be scared away by political factors.

Pressure for the levy was reported to have come from the militant exponent of black economic empowerment Rodger Boka, who is building his own tobacco floor with Chinese help.

With immediate effect from yesterday's promulgation of the Finance Act, 5% of the price of each bale will have to be remitted to the treasury before bales can be removed from the floors or monies sent to farmers.

Farmers, including about 6 000 emergent small scale black growers, will bear the entire brunt until the Finance (number two) Bill has passed through Parliament and is promulgated, which could be up to two months from now. Reading the signs, many of Zimbabwe's 1 500 white large scale commercial growers have prepared for diversification into fruit, vegetables and flowers to export.

"Those who have sold already will have done pretty well and been very lucky, but those selling their crop from today will be hard hit," said a tobacco industry source.

The association has warned of a possible loss of international confidence in the Zimbabwean crop caused by a series of high profile attacks by Boka on the industry. He alleged it had defrauded Mugabe's government of billions of rands in tax and foreign currency earnings since independence.

Boka announced plans to sell the entire crop himself by tender to a hitherto unknown German consortium, then to sell to the Chinese, who traditionally buy much lower grade leaf than Zimbabwe produces.

Zimbabwe crushes faith in trust

(362) MtG 17 -23/5/96

Richard Saunders

THE Zimbabwean government's recent raid on the Zimbabwe Mass Media Trust is a worrying benchmark in the life of the national press, and sends ambiguous signals about the ruling party's commitment to continuing a programme of political liberalisation.

For 15 years the trust was paraded by President Robert Mugabe's government as concrete proof that Zimbabwe would not go the way of many neighbouring countries in crushing the standard-bearers of freedom of speech and mercilessly reining in the media.

So the surprise announcement by Director of Information Bornwell Chakaodza that the trustees had acceded to the government's demand for an effective veto over a supervisory role within the organisation came as a shock — particularly because the same official had recently marked World Press Freedom Day by declaring Zimbabwe "an oasis of press freedom".

These moves involving the amendment of the trust's founding deed come after several years of government attempts to undermine, marginalise and otherwise weaken the trust.

In 1981 the non-partisan trust was set up by the government to manage the majority shareholding in Zimpapers, the country's only national newspaper chain, which until then had been controlled by Argus. At independence, the government was anxious to remove the South African presence in the national press, but was sensitive about alienating skilled locals and potential investors.

The trust emerged as an innovative solution, combining public ownership with politically independent management. A board of trustees was appointed and made self-perpetuating; and the government claimed it would have no further direct operative role in the body.

Bornwell Chakaodza at the G7 conference in Gauteng this week

PHOTO: RUTH MOTAU

For a while it seemed to work. However, Zanu (PF) wasted little time in undercutting and surrounding the trust, by fostering a culture of financial and managerial dependence on the Ministry of Information, and ensuring the ruling party's influence inside trust-controlled media with the help of strategically placed party adherents.

As it happened, this combination of pressures, and especially Zanu (PF's) back-door access to Zimpapers and Ziana (the national news agency also placed under the trust's control in 1981), made the trust mostly irrelevant as a key media player within a few years of independence. When ruling party leaders ordered a series of editorial dismissals at Zimpapers, starting in 1985, trustees were given no space to intervene, and were informed that firings and hirings were a "company matter".

In the past there was always the hypothetical possibility of calling the editors of the partisan Zimpapers to account, by appealing to the tenets of fair play and tolerance set forth by the trust. Now even that small space for principled intervention has collapsed.

"Many people used to give Zimpapers the benefit of the doubt because the trust was there", says Judith Todd, a campaigner for press freedom and one-time member of the Zimpapers board of directors. "They argued that claims of government control of Zimpapers were exaggerated. The very fact the trust was there made people think twice. No longer."

Simba Makoni, Zimpapers' managing director, has yet to see the revisions to the trust deed. The first he heard of the matter was a brief news item on the front page of the *Sunday Mail* and, despite his inquiries, there has been nothing since.

The Mass Media Trust itself has not commented. Observers are now wondering if this is a sign of resistance — or submission.

Richard Saunders is an academic specialising in Zimbabwe media matters and is concluding a book on the Mass Media Trust

Zimpapers under Mugabe's control

BD 13/5/96 (362)

ZIMBABWEAN President Robert Mugabe's government has assumed full control of the country's main media group following the cancellation of the last legal vestiges of independence protecting it from state interference.

A local newspaper yesterday reported that Zimbabwe Mass Media Trust, the nominally independent body that owns the country's largest Press chain, Zimbabwe Newspapers, and the domestic wire service, Zimbabwe Inter-Africa News Agency, would now have to take orders from Mugabe or the information minister.

The Sunday Mail, Zimbabwe's largest selling newspaper and a ZMMT title, quoted Information director Bornwell Chakaodza as saying the legal deed that created the ZMMT had been amended last month to strip the trustees of their independence and put government in charge. He said ZMMT's freedom from state control was "unhealthy, since it meant that the trustees could run Zimpapers the way they wanted". — Sapa.

Ecological row is looming in Zimbabwe

(362)

Michael Hartnack BD 20/5/96

HARARE — A consortium of SA-based businessmen may be embroiled in a looming ecological row in Zimbabwe over the merits of coal versus methane for Zimbabwe's next major electricity generation project.

Gold mining group Rio Tinto is pushing for a plant to be fuelled by coal from a field in an area of bush and communal farmland near Gokwe, 300km west of Harare, where Rio Tinto has exploration rights.

About 100km further south immense reserves of coalbed methane have been located by a recently formed company, Shangani Energy Exploration, a partnership between private investors and Zimasco.

Zimasco is owned by a group of formerly Zimbabwean resident businessmen now living in SA, headed by mining entrepreneur Patrick Quirk.

Shangani energy is convinced coalbed methane is a far better option.

An environmental impact study commissioned by Shangani and carried out by the Zimbabwean firm ME Services says the only lasting problem is getting rid of the large quantities of water involved in commercial exploitation of methane. Due to its chemical content, the water is undrinkable before treatment. It is also hot, with a minimum temperature of 55°C.

"Any other environmental problems are temporary and any other mess caused is soon cleared up," said a spokesman for Shangani.

"When a coalbed methane pumping plant is in operation it takes up no more space than an ordinary office and can easily be made to blend in with the surroundings.

"When the reserves are exhausted, everything is taken away and the area should look exactly as it was before pumping started."

In an obvious swipe at the alleged greenhouse gases and acid rain produced by coal-fired power stations, the spokesman said: "Acids such as sulphur dioxide and nitrous oxide are not pumped into the atmosphere, as with some other sources of energy.

"Coalbed methane power stations are much cleaner than those fuelled by coal, which also produce huge ash dumps — and coal mines can also cause considerable damage to the vegetation."

The company believes there is enough methane to supply a 330 megawatt power station for 25 years. Probable reserves could be enough to fuel an 800 megawatt plant for up to 75 years.

Zimbabwean conservation groups currently favour methane, and plan major campaigns if the government swings towards coal.

The State Electricity Authority, Zesa, is not saying what its intentions are.

Zesa apparently favours the coal option.

Birds threaten Zimbabwe's wheat crop (362)

Zimbabwe's winter wheat crop is threatened by an invasion of more than 500 million quelea birds, a pest-control specialist said yesterday. The birds, which have soared in number because of the good seasonal rains, are said to have almost wiped out sorghum and millet grown mainly by small communal and peasant farmers. Headman Sibanda, the head of the quelea control unit, told the Herald newspaper his department's financial crisis was hampering the fight against the birds and was crippled by a lack of transport and chemicals. — Sapa-AFP, Harare

CT (BR) 21/5/96

President Robert Mugabe ... accused of paying lip service to the sacrifices made by those who fought for Zimbabwe's independence.

candidate in last year's parliamentary elections.

With the support of her Sunningdale constituents, she decided to go it alone and stood as an independent.

Despite a large and loyal following, she lost to a Zanu-PF-backed candidate. Confident of the strength of her support, she decided to try to expose the irregularities and rigging of the electoral system.

She became the first person to challenge the validity of election results in the High Court, and in a landmark decision the vote was annulled.

After a new vote last year, she emerged victorious against the party of which she was once a stalwart.

Her record of protecting the rights of women, children and the poor helped her secure a place as the first woman in Zimbabwe's history to win a parliamentary seat as an independent.

She urges her constituency members to become self-sufficient and has helped set up cottage industries, including soap-making, retailing, tie-dying and wax-making.

Among her plans for Sunningdale, where she lives, are to build a secondary school and day-care centres, donor-funded adult literacy classes and expand existing cooperatives.

Her preoccupations may seem small beer. But they address her constituents' real needs, and if she continues to listen to ordinary people and act on their behalf, she will be well placed to step in when the discredited old guard finally loses its grip on power. – *The Independent, London.*

ICAN BUSINESS

Road to economic reform gets rockier as donors eye Harare's fiscal policy

CT (BR) 24/5/96 (362)

By Sure Chimbga

Harare — Five years ago Zimbabwe, then deep in serious economic problems, abandoned socialist-inspired policies and introduced an ambitious economic reform programme which won the support of international donors.

Bernard Chidzero, the then finance minister, promised that Zimbabwe would be the Switzerland of Africa come 1995, when the first phase of the reforms had ended. The government committed itself to economic reform aimed at sustaining growth and reducing poverty.

A document outlining the reforms said the programme would include trade liberalisation and domestic deregulation, and would be "underpinned by appropriate fiscal and monetary policies".

Five years later, there is no dispute that the reforms have resulted in remarkable changes to the economic environment — but at great cost to social services.

Among other successes, trade liberalisation has been achieved, the maze of bureaucratic exchange and import controls have been abolished, and direct foreign and local investment is up.

The downside is high unemployment, the closure of companies, and declining living standards — particularly among the poor and the unemployed.

Still, economic performance since 1991 has been improving despite two crippling droughts, while foreign reserves have been maintained at between four and six months import cover.

But praise of Zimbabwe's commitment to the reforms has been overshadowed by the high fiscal deficit, which analysts blame on government financial indiscipline.

Matters came to a head last September when the IMF withheld crucial balance-of-payments aid worth Z$1 billion (about R2,3 billion), because it was unhappy with Zimbabwe's failure to cut the budget deficit to 5 percent of GDP. That goal has remained elusive since 1991 and the latest figures show this year's deficit could reach 7 percent.

The government claims that fiscal targets could have been met had the two droughts not sucked up Z$5 billion.

While the debate on privatisation rages on, the government has relied heavily on borrowed funds, which has fuelled money-supply growth, crowding out the private sector from bank loans.

Monetary rather than fiscal policies have been used during the past five years to restore macro-economic stability, but at a great cost to the private sector. In 1993, interest rates rose beyond 40 percent.

The IMF has declared that it will only consider resuming aid to Zimbabwe after this year's budget has been presented in July. President Robert Mugabe, however, has declared that Zimbabwe will not swallow all the measures they prescribe.

Herbert Murerwa, the new finance minister, faces a difficult task as he prepares the country's economy for the next century. — Sapa-IPS

Mugabe turns on whites

MG 24-30/5/96 (362)

White Zimbabweans are being accused of obstructing the path to black empowerment, writes **Brian Latham**

AS the race debate in Zimbabwe heats up, President Robert Mugabe has aligned himself firmly with hard-line blacks wanting a greater slice of the economic cake.

After his recent cabinet reshuffle Mugabe slated both Zimbabwean whites and multi-national companies operating within the country.

But some of Mugabe's criticisms are not ill-founded. The multinational corporations have done less for black advancement in 16 years of independence than most of the country's homegrown industrial giants. Anglo American, Lonrho and Zimasco, (formerly part of Union Carbide's empire,) have mainly white senior management structures.

However, Zimbabwean business is largely family-owned, with the overwhelming majority of people employed by small businesses. Commercial farmers, nearly all of whom are white, employ about 350 000 people, almost as many as South Africa's gold mining industry.

It is not these whites, though, that affirmative action activists and government are complaining about when they say whites are obstructing black empowerment in Zimbabwe.

Blacks, agitating for control of Zimbabwe's economy, claim 98% of Zimbabwean business is in white hands. And although that figure is obviously absurd, because government owns 40% of the sector in its own right, few whites openly challenged the claim.

Behind closed doors, whites complain and criticise their black counterparts, but they have yet to find a rational representative to articulate their case and present a measured response to the government's increasingly shrill accusations.

In the meantime, shadowy but wealthy black businessman Roger Boka places full-page advertisements in the state-owned and -controlled press, comparing white Zimbabweans with snakes or claiming white accountants employed by white businesses are really former operatives of Rhodesia's notorious Selous Scouts. Mugabe has described the adverts as "understandable".

'Affirmative action should not be for the Bokas, but for the majority who are landless, not those who are already rich'

But Zimbabwe's principal human rights organisation, ZimRights, sees it differently. "It looks like white bashing to me," said Makusha Mugabe, who runs the ZimRights information department.

"While we appreciate the need for some kind of redistribution of wealth, we do not think any reverse racism, or racism, is justified. Affirmative action should not be for the Bokas, but for the majority who are landless, not those who are already rich."

Many ordinary Zimbabweans are deeply sceptical of the two organisations representing black businesses, the Indigenous Business Development Corporation, and the Affirmative Action Group because statistics they quote are so obviously unreliable. They see the two groups practicising cronyism with the small amount of funds allocated by the government delivered to pals and members of the ruling elite.

Neither organistion has delivered any meaningful training or funds to assist aspirant entrepreneurs among the impoverished black majority. Their rhetoric is about taking away white businesses rather than expanding the economy.

"I feel they want to kick me out," said a white businessman who is too frightened to be named. "This is my home and Mugabe is my president, but all this talk of how we are always wrong and how we don't belong is making me seriously worried for my future."

Whites over 30 were almost universally a part of Ian Smith's security forces at some time during the war, so nearly all whites are equally tainted.

Mugabe's huge propaganda machine spares no expense to remind people of the cruel injustices perpetrated by Smith's administration.

That Mugabe's government removed little from Smith's statute books is rarely referred to. Nor is reference made to Mugabe's intolerance of those who do not come from his Zezuru clan, nor of his tribalism, demonstrated by the massacres in Matabeleland in the Eighties.

Zimbabwe's vision

(362) Sowetan 27/5/96

ZIMBABWE needs a sustainable, diversified, broad-based market economy anchored on a good manufacturing base in order to reduce the high rate of unemployment.

This was the feeling of delegates attending a workshop dubbed Zimbabwe Vision 2020 in Mutare this week.

Delegates expressed concern over the high rate of unemployment in the country and said the government should ensure ordinary people had access to financial resources to achieve a sustainable economy and eliminate poverty.

"People should not rely on handouts only and the government has to look into ways through which we can achieve a sustainable economy. We need self-reliance and self-sufficiency to eliminate poverty and reduce unemployment through good governance," said one participant.

There is need for transparency and equitable access to economic resources and an efficient infrastructure to allow ordinary people to achieve self-reliance, especially in the rural areas where the majority of the Zimbabweans live.

Participants also discussed problems facing the country that needed to have been addressed by the year 2020 to create a competitive, sustainable trail and industrial economy that is driven by science and technological innovativeness.

Some of the issues discussed included good governance, diversified economic growth, women empowerment, equal opportunities in regard to the disadvantaged groups, rural development, technological capability and the maintenance of justice.

Zimbabwe Vision 2020 is a national consultation process being undertaken to develop a vision shared through conversation and debate. – *Sapa.*

Mugabe gets tough on imports from SA

([redacted]) ([redacted])

By Emelia Sithole (362)

CT (BR) 27/5/96

Harare — Zimbabwean President Robert Mugabe has vowed to protect his country's industries from imported South African goods.

In a television broadcast on Saturday he said surcharges imposed by South Africa, the country's major trading partner, were punitive and harmful to Zimbabwean exports.

"They have a formidable surcharge, a 90 percent duty that we consider unreasonable and that has adversely affected our trade with South Africa," said Mugabe, who returned home on Friday from the World Economic Forum's regional summit in Cape Town.

A preferential trade agreement between the two countries lapsed in 1992 and repeated efforts to renegotiate it have failed.

"We cannot continue to maintain a position of neutrality or indifference while our industry suffers.

"We are preparing our own regime for protecting our industry. They may read that as retaliatory but we will be doing it to defend our industry and economy," Mugabe said.

The massive inflow of South African goods into Zimbabwe since the expiry of the trade agreement, along with the duties that Pretoria has placed on all foreign textile goods, have threatened the viability of many local industries.

Although many Zimbabwean firms have urged the government to take retaliatory measures against South Africa, some industry players have warned that such an action could develop into a trade war that Zimbabwe would lose.

Richard Hove, the national planning commissioner, denied that the planned measures would constitute a trade war, but said there was concern at the imbalance of trade between the two countries.

"We have been very patient but we feel that we have been shortchanged by South Africa," he said.

"They are saying that they want a multilateral agreement with the region.

"We are not opposed to that but they are taking their time to do it. Meanwhile, they are hurting our industries."

South African trade and industry ministry officials said a delegation of South African government officials, business representatives and trade unionists would visit Harare on June 10 to discuss trade issues. Meanwhile Paul Richardson reports from Cape Town that the Southern African Development Community is pinning its hopes of industrial advancement and economic growth on expanded regional manufacturing.

"We have to proceed with speed. If we don't we will be overtaken by globalisation," said community executive secretary Kaire Mbuende, of Namibia.

"Our vision is that come 2000, fundamental transformation must have taken place whereby southern Africa is classified as a newly industrialised, newly developed region."

Mbuende said a trade protocol expected to be signed by the group's 12 members at a summit in August would form the basis for a regional free-trade area. "Manufacturing is where we need investment dearly," said Mbuende, who was also in Cape Town to attend the economic summit.

Delegates to the August summit are expected to sign agreements on transport, communications and cross-border crime. — Reuter

BUSINESS

Zimbabwe's media squawk a warning

(362) CT(BR) 29/5/96

By Cris Chinaka

Harare — For many industrialists in Zimbabwe, the state media are a parrot perched on the shoulders of Robert Mugabe's 16-year-old government.

The parrot squawks, but it can be useful. It tells them how many firms are closing and how many jobs are lost.

Industrialists may disagree with the government's frequent accusations that the closures are due to their own economic sabotage. But at least they can use the official media to advertise when their telephones are out of order.

That happens frequently because of what they say is the inefficiency of the country's posts and telecommunications.

The state monopoly denies all fault and says the problem lies with rotting underground telephone cables.

Lately, many white Zimbabwean business leaders have another use for the state media. They rush for their newspapers each day to check who is the latest target of a continuing campaign of verbal attacks against alleged racists by pressure groups whose goal is black economic empowerment.

Business leaders are the target of racist attacks which label them slave owners

Many of them are rattled by the vicious advertisements which label them "economic rapists, saboteurs and slave owners", according to John Robertson, a business consultant.

"Most are annoyed, to say the very least ... but they also know business must go on," he said.

Despite the business sector's worries over this and other pressing fundamental issues, Zimbabwe's agriculture-led economy is expected to grow by up to 7 percent this year after shrinking about 2 percent last year.

Zimbabwe's central bank is optimistic that gross domestic product will rise after a good farming season.

Agricultural output is expected to increase by 18 percent after a 12 percent fall last year.

Some private commercial and merchant banks estimate this year's growth in gross domestic product at up to 5 percent.

They are generally wary that long-term growth and social stability may be threatened by political developments.

Peter Richards, the president of the Zimbabwe Tobacco Association, says that the future of Zimbabwe's position as the third-largest grower of flue-cured tobacco after the United States and Brazil is threatened by a planned 5 percent state levy on all tobacco sales. Many farmers see it as punitive double taxation.

Richards believes that if the government insists on the levy, which is expected to squeeze growers' profits by making them produce between Z$250 million (about R109,6 million) and R131 million annually, some farmers may soon divert to other crops.

The government has proposed cutting the levy for growers to 2 percent and imposing a 4 percent levy on merchants.

There is also endless talk in business and political circles that rising economic hardships and unemployment may create social instability for Mugabe.

The creation of an employment ministry has made little progress in an economy that has grown at an average 2 percent a year. Population growth is about 3 percent a year.

To add to the problem, more than 200 000 school-leavers join the labour market each year.

Though everybody recognises how serious the situation is, little is being done to address it, analysts say.

Mugabe experimented with socialism in his first 10 years in office. He abandoned it in 1990 in the face of economic collapse.

In 1991 he adopted a five-year economic structural adjustment programme backed by the World Bank and the International Monetary Fund.

Though he denies it, his critics say he has been implementing the scheme half-heartedly.

The World Bank and the fund suspended some aid to the programme last year, saying that the government had failed to implement cost-saving measures.

Government expenditure swallows up to 40 percent of the gross domestic product and last year contributed to a budget deficit of about 14 percent.

The institutions have told Mugabe that their support for another five-year scheme, due to be launched this year, would depend on government efforts to cut spending.

Political and economic analysts believe Mugabe should cut back on the cost of a patronage system that has been created by his Zanu-PF party to keep him in power.

The new finance minister is committed to economic reforms

"We are going around in circles both in our politics and in our economics," said Kempton Makamure, a political scientist at the University of Zimbabwe.

The government denies the charge. It says it is cutting borrowings, which have kept interest rates above 30 percent and stunted business growth over the past five years.

"Anyone saying we just pay lip service to our commitments is guilty of dishonesty," said Herbert Murerwa, the new finance minister, pointing to cuts in housing and health budgets.

The position had been vacant since the death last October of Ariston Chambati.

Last month Mugabe finally gave the job to Murerwa, considered a political lightweight in his Zanu-PF.

He had been acting finance minister and was already tipped to fill the vacancy.

Harare-based officials from the international donor community said Murerwa was "fairly acceptable" as finance minister.

But many would have preferred a strong political candidate, able to push budget cuts through a quarrelsome government.

Murerwa says he is committed to further economic reforms.

He says that he intends to focus on reducing the national budget deficit to promote a stable macro-economic environment.

"The priorities are to consolidate on the gains of the economic structural adjustment programme and to take measures to reduce the budget deficit," Murerwa said.

Many are watching to see how he will fare.

Some political analysts believe Zanu-PF is likely to get more fractious and its government more difficult to manage as senior leaders jostle for positions in the continuing, but publicly unacknowledged, battle to succeed Mugabe and his top lieutenants.

Mugabe won a new six-year presidential term in March, which many expect to be his last.

There is no obvious successor to the 72-year-old president and he refuses to discuss the issue, saying only that Zanu-PF will choose a new leader only when the time comes for him to retire.

His two vice-presidents, Joshua Nkomo, 78, and Simon Muzenda, 74, are expected to leave office with Mugabe, or earlier.

The Zimbabwean government also needs to produce a privatisation programme and to express a coherent programme to promote black businesses instead of leaving the task to individuals who may subvert the issue, its critics say.

"We need to put everyone into the mainstream economy and stop going about ... talking sweet nothings and taking no action," said Danny Meyer, the head of the Zimbabwe National Chamber of Commerce. — Reuter

Mugabe's tariff threat a strain on relations with SA

(362) (RR4) (K84) BD 30/5/96

HARARE — Zimbabwe's threat to impose retaliatory tariffs against SA is the peak of a trade dispute that has raged for years but is now straining ties between the countries, political analysts say.

Zimbabwean President Robert Mugabe — who has generally stayed out of the quarrel over the past four years — has stepped into the ring, one of the few occasions in which his government has found common ground with the country's private business sector.

"We are at a situation where the two countries' political relations are being tested, and I think many people will be watching to see how things shape up," said University of Zimbabwe political analyst John Makumbe.

Mugabe has consistently denied reports that his relations with President Nelson Mandela are strained, but now analysts say they are watching to see whether the relations will pass the test of the trade dispute.

"There can be no cover up at this juncture," Makumbe said of Mugabe's threat to employ equally high tariffs in the next few weeks to protect Zimbabwean industries from goods imported from SA, which he accuses of using punitive tariffs to shield its companies.

SA, Zimbabwe's main trading partner in Africa, tripled its import duty on Zimbabwean products to 90% after the expiry of a preferential trade agreement in 1992.

"We cannot continue to maintain a position of neutrality or indifference while our industry suffers. We are preparing our own regime of protecting our industry. They may read that as retaliatory but we will be doing it in defence of our own industry and our own economy," Mugabe said.

Makumbe and Confederation of Zimbabwe Industries CE Joe Foroma said growing anger in Zimbabwe against SA — which both Mugabe's government and the private sector accuse of "taking its sweet time" to reach a new trade pact — was, however, drawing the two sectors closer.

"It is an opportunity for Mugabe to broaden his support base, especially now as his political hold looks a bit shaky," Makumbe said.

Mugabe has thrived on a rural power base and has mostly seen the private sector as a punching bag to score political points. But rising unemployment and a collapsing textile industry is slowly drawing him closer to the business sector. — Reuter.

(362)

Chinese team to repair Zimbabwean steel plant

CT (BE) 30/5/96

By Emelia Sithole

Harare — A Chinese team will start repairing the main blast furnace at Zimbabwe's ailing steelworks, Zisco, next month after the signing of a Z$500 million (R223,4 million) pact between China and Zimbabwe last week.

Cornelius Sanyanga, the Zisco chairman, said the agreement was one of seven trade and co-operation pacts the Zimbabwean government signed with President Jiang Zemin of China.

"The agreement to rebuild the blast furnace has been signed. It will entail that the Chinese will put up blast furnace number four at Zisco," Sanyanga said.

The blast furnace — which accounts for 70 percent of the state-owned steel plant's production — had been derelict for the past three years because of lack of money to reline it.

The cash-strapped Zisco had been spending Z$2,5 million to maintain a Z$700 million sinter plant, which had been idle pending rebuilding of the furnace.

Sanyanga reacted to reports in the Zimbabwean media that the deal with the Chinese had left in the cold a 1994 contract Zisco agreed with British-based Davy International Stockton, to reline the furnace.

He said that contract had expired.

Sanyanga declined to give details of a study carried out by the British firm on the viability of Zisco.

The government said the production and cash problems of Zisco burdened its budget and the steelworks had also been plagued by management problems.

Herbert Murerwa, the finance minister said last week that the government was ready to privatise the steelworks to turn it around.

Sanyanga said that Zisco had contracted a local firm to promote its privatisation programme. — Reuter

SA technicians told to leave Zimbabwe

BD 30/5/96

Michael Hartnack

(362)

HARARE — Nine SA technicians employed by BHP Minerals at its $300m Hartley Platinum Complex were forced to leave Zimbabwe last week because they had not been granted work permits by the home affairs ministry.

"We told them to leave last Tuesday, and they obliged," chief immigration officer Elasto Marvellous Muwadi said.

The incident is the latest in which an incoming investment project — assured in advance by President Robert Mugabe's government it would have "no problems over work permits for necessary experts" — has found itself in trouble with the immigration department.

"We did not deport them. We told BHP that we did not need them and that they should leave immediately," said Home Affairs Minister Dumiso Dabengwa.

Some of those forced to return to SA had been in the country for up to five weeks, hoping to regularise their residence and work permits. Dabengwa said "the government had eyes and ears all over" and had asked the immigration department to "clean up the mine".

BHP GM Colin Palethorpe said on Monday the project employed 40 expatriates along with 2 700 Zimbabweans.

Expatriates were needed to set up the project and train Zimbabweans in the technology being introduced.

He said BHP was "continuing to work with the government to agree on a more timely and efficient way of meeting both the needs of the government and the project in terms of work permits".

The BHP project hopes to be on stream by Christmas, making a major contribution to Zimbabwe's strained balance of payments.

Friday May 31 1996 SOWETAN

President Robert Mugabe ... "protecting Zimbabwe against unfair SA competition."

Stiff Zim tariff plan welcomed

(3612) (74)

Sowetan 31/5/96

ZIMBABWEAN economist Erich Bloch says his country's industrial and manufacturing sector welcomed his government's intention to adopt stiff tariff measures against imports, particularly from South Africa, to protect the local industry.

His view echoes that of President Robert Mugabe, who last week said countries in the Southern African region were not happy with South Africa's protective attitude towards regional trade and would retaliate.

Bloch says the Zimbabwean government should first remove all duties on industrial raw materials to enable the manufacturing sector to produce competitive products.

In terms of World Trade Organisation protocols, Zimbabwe can raise tariffs on imports which are in competitive with local goods to force imports to be sold at prices that are not lower than local products.

At issue is the trade imbalance and protectionist tariffs that South Africa has put in place which have denied Zimbabwean goods, particularly textiles, a market, leading to the crumbling of the sector and retrenchment of thousands of workers.

South Africa's industrial sector has also in the past four years blocked attempts by the two countries to conclude a new preferential trade pact, leading to an outcry for a reciprocal "trade war" by Zimbabwe's business community.

"Zimbabwe should also impose punitive duties on South African products which are effectively being dumped at sub-normal prices because of that country's export incentives," argues Bloch.

In addition, South Africa, as Zimbabwe's biggest trading partner, has to be forced to conclude a mutually beneficial trade agreement which will enable a more even balance of payments between the two countries.

He says South Africa cannot afford to counteract these measures because it was benefiting from trade with Zimbabwe.

Not in SA's interest

It will not be in South Africa's interest to impoverish one of its biggest markets.

"If they do, we can impose tax on Zimbabweans on holiday in South Africa or a higher non-residence tax on any fees paid by Zimbabweans to South Africa, thus moving South Africa to recognise that trade is a two way process," he says.

The Zimbabwean government now appears more committed to consulting private sector players as evidenced by their larger representation in Mugabe's delegation to the economic summit in Cape Town last week. – *Sapa.*

Court hears Mugabe's plan is 'to push down farm prices'

(362) BD 31/5/96

Michael Hartnack

HARARE — The Zimbabwean government's designation of farms for takeover was intended for one purpose only — "to push down the price", advocate Adrian de Bourbon told the Supreme Court in Harare yesterday at a the start of a crucial constitutional test case.

The architect of the controversial 1992 Land Acquisition Act, former agriculture minister Witness Mangwende (now minister of sports and recreation), and heads of the Commercial Farmers' Union, were in court for the landmark action on President Robert Mugabe's plan to transfer five million hectares of white-owned land to blacks. The Act and a linked constitutional amendment aim to curb farmers' rights of appeal against the takeover and the compensation offered.

Mugabe had warned earlier this month he would not tolerate any attempt by the 4 500 white farmers to use the courts to stave off his plans for land redistribution.

"They must be joking — tell them we are irresistible," he said, revealing that he was considering revoking all private title and declaring all land "state land" as in former communist states.

Yesterday's test case involves three whites with farms which have been formally "designated" for takeover at a still undisclosed date. The case was heard by all five judges who constitute Zimbabwe's highest court — two whites, two blacks and one Asian.

De Bourbon said although those whose land was "designated" remained the owners of their farms, in theory, until transfer took place, their rights were so circumscribed "they often cannot even raise crops because they cannot raise mortgages from the banks.

"Use of the farm is diminished to an extraordinary extent. It is subject to the whim of the minister. What price is someone going to pay for a farm knowing that it is under the hammer, knowing that at the whim of the government, that farm can be acquired any day?"

Not protected

They might be paid, at government's absolute discretion, in long-term bonds accruing interest at below the commercial rates.

Attorney-general Patrick Chinamasa said although Zimbabwe's 1980 independence constitution protected property owners from acquisition of their rights without compensation, it did not protect them from deprivation of rights — as when the state imposed licensing regulations or limited the uses to which property might be put.

"It is a question of degree," submitted De Bourbon. He did not contest the state's right in principle to take over property. "That is the point," interjected chief justice Anthony Gubbay, "whether it crosses the line and amounts to takeover."

De Bourbon said the government had legislated itself two "routes" to acquire land. Under the first, a landowner had to be formally served notice and had the right to appeal to the Administrative Court for a fair market valuation.

Under the second, the minister of lands published a designation order in the Government Gazette. The minister was given "absolute discretion" whether to revoke or maintain the designation order. The landowner's only appeal on compensation was to a committee "which is the creature of the minister", said De Bourbon.

"The compensation committee does not meet the test of an independent and impartial body," he said.

At an earlier hearing in the High Court Judge Godfrey Chiyausiku, a former Zanu-PF minister, found against the farmers, saying that the Land Acquisition Act expressed the legitimate policy concerns of the government. The state had dominion over all land in the country, he ruled.

The case is expected to take two days and the judges may take several months to rule, which could be followed by further legislation and constitutional amendments if Mugabe feels their finding detracts from his prerogatives.

Zimbabwe farmers fight land test case

Star 31/5/96

(362)

Harare – Zimbabwe's explosive land issue – amounting to a racial struggle over economic power – reached the Supreme Court yesterday as three farmers fought plans to nationalise their land.

A full bench of the country's highest court is sitting in judgment of a crucial constitutional test case involving the government's right to take over five million hectares of mainly white-owned farmland.

President Robert Mugabe has repeatedly scorned attempts by whites to block the programme, saying earlier this month: "They must be joking – tell them we are irresistible."

The land issue is a crucial element in Mugabe's pledge to back black pressure groups pushing for the "indigenisation" of the economy, which they say is dominated by the tiny white minority because of injustices of the colonial past.

Some 4 500 white farmers own nearly 30% of the land in the country, and Mugabe has vowed to take about half of it for redistribution to blacks, most of whom live in overcrowded communal areas.

The case before the Supreme Court is an appeal against an earlier High Court ruling in which the judge found that the controversial Land Acquisition Act of 1992 expressed the legitimate political concerns of the government.

The three farmers say that the "designation" of their land for takeover – the first step in a process that can take up to 10 years – is unconstitutional because it infringes their property rights.

Their lawyers argue that they are unable to sell land which could be taken over at any time by the government, or even to raise loans for crops. – AFP.

Zimbabweans to get priority for jobs

(362) BD 3/6/96

HARARE — Zimbabwe's government will refuse to renew work permits for expatriates holding jobs which could be done by Zimbabweans thrown out of neighbouring countries, it was announced yesterday.

Labour Minister Florence Chitauro said many professional and skilled Zimbabweans were returning from nations in the Southern African Development Community (SADC) as their work permits had not been renewed.

She said the ministry would open a register for them and match their skills to jobs held by expatriates.

"Once we have a Zimbabwean on our register with a skill occupied by an expatriate, we will not renew the expatriate worker's permit," she said.

Returning Zimbabweans would then have a chance to take over the jobs, which she said could involve posts for doctors, pilots, teachers, lecturers and technicians.

Although Chitauro did not cite any of the 12 SADC nations, there were recent reports Zimbabweans in SA had lost their jobs to locals. — Sapa-AFP.

Sowetan 3/6/96 362

Zimbabweans to take over

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Although Chitauro did not mention any of the 12 SADC countries by name, there have been reports recently of Zimbabweans in South Africa losing their jobs to locals. – *Sapa-AFP.*

Public flotation held up in Zimbabwe

(362)

Martin Rushmere

BD 5/6/96

HARARE — The public flotation of Barlow's former subsidiary in Zimbabwe, Astra, is being stalled because the government, which has the controlling interest, is insisting most of the shares are sold to "indigenous" blacks.

Stock market sources said yesterday that the shares were originally to have been listed at the start of May, but no new date had been set.

The stumbling block is reported to be the state pension corporation, the National Social Security Authority (NSSA), which has changed its mind about the size of its stake in the R50m selloff. The parastatal was to have "warehoused" the shares, selling them later in partly paid installments.

Zimbabwe's largest financial institution, Old Mutual, has been left out because — indirectly owned by its SA namesake — it is seen as white-controlled.

The state bought Barlow's Astra shares at the height of its now-discarded "socialist transformation" drive in the mid-1980s and is anything but happy about selling off. Astra is involved in engineering, earth moving equipment, paint and motor vehicles.

But its hand has been forced by the IMF and it has no choice as it needs the R50m to help close the 13% budget deficit gap.

Intense pressure from the World Bank and IMF about chronic overspending made President Robert Mugabe change tack on his crusade for state ownership. In the Astra case, compromise has been planned: new shares will be issued, diluting Mugabe's 60% holding stake without it having to sell any shares.

Government officials and Astra refused to make any comment.

Mugabe attempts to reassure investors

(362) BD 5/6/96

HARARE — Zimbabwean President Robert Mugabe said yesterday his government's controversial land acquisition policy was not meant to deter foreign investors, but to correct past injustices against the black population, Ziana reported.

Opening a two-day trade and investment conference in Harare, Mugabe said the policy did not restrict industrial and commercial land ownership and foreign investors had nothing to fear.

It was only enemies of Zimbabwe, he said, who were misleading people into believing the government was grabbing investors' property for land redistribution.

The conference, organised by Standard Chartered Bank, is being attended by more than 200 businessmen and government representatives from Zimbabwe, Malaysia, Italy, the United Kingdom, Zambia and SA.

"The Land Acquisition Act deals only with agricultural land which for clear historical reasons needs to be redistributed in a fairer and more equitable manner if the peace and social harmony we currently enjoy is to be sustained for future generations," Mugabe said.

The Act allows for the designation of and compulsory acquisition of agricultural land for resettlement purposes.

It angered many commercial farmers whose land was acquired under its powers. Some have taken the government to court to test the constitutionality of the Act's provisions.

Mugabe said his government would do its utmost to reduce the high budget deficit and cut escalating interest and inflation rates to restore investor confidence in his country's economy. He promised foreign business his government's full co-operation in easing the path of their ventures.

Mugabe said the state had to provide a conducive climate for investment and "government will go out of its way to promote greater co-operation between the public and private sectors".

His assurances followed growing concern over his government's dealings with business, marked last week by the announcement that the immigration department had expelled nine SA technicians hired by Australian international mining conglomerate BHP.

The technicians were apparently critical to the establishment of the company's $310m platinum mine near Harare. — Sapa.

Deaths increase as illegal miners open old works

(362) BD 5/6/96

Michael Hartnack

VICTORIA FALLS — Zimbabwe's mining industry last year recorded the highest number of deaths since the 1972 Wankie coal mine disaster as illegal miners sought to reopen "death-trap" disused workings, the Chamber of Mines conference heard here at the weekend.

In addition to the 73 killed — mainly by rock falls — last year, 15 formal and informal sector miners had already died this year, said a report.

Last year, heads of Zimbabwe's formal sector mining houses heard that Wild-West style claims wars were raging in some areas, with explosives being thrown down shafts in attempts to drive off legitimate miners. An SA technician, Lindsay van Leeuwen, was recently cleared of attempted murder after an illegal "claim jumper" was shot in an affray near mine workings at Mount Darwin.

In its report, the chamber's council "voiced concern at the erroneous impression, which had arisen from recent media reports and an address by the state president (Robert Mugabe), that illegal gold panning was to be legalised". This would result in greater environmental destruction along river systems, for which the only solution was a ban on panning, said the council.

Chamber President Roy Pitchford of Masasa Mines said not only illegal mining but gold theft were "as prevalent as ever".

The chamber urged amendment of Zimbabwe's Gold Trade Act "to require that persons wandering about or digging on gold claims will have the onus placed upon them to prove they have legitimate reason for being there".

Although the penalties under the existing Act had been raised considerably, magistrates continued to hand down "ludicrously inadequate sentences," said Pitchford.

In January the government for the first time broke the Zimbabwe Reserve Bank monopoly by giving permits to trade in gold to the militant champion of black empowerment, Roger Boka, to a consortium headed by Vice-President Joshua Nkomo, and a hitherto unknown organisation of black businessmen, Itanya Industrial.

"Some members of the mining community have expressed fear that the initiative may create an incentive for even more gold theft," said Pitchford. However, the availability of legitimate outlets for amounts of gold below the 50g minimum accepted by the Reserve Bank "should mean that a good deal more gold would find its way into official channels rather than disappearing into the hands of illegal buyers".

Pitchford urged the mines ministry to take sole responsibility for work permits for essential expatriate experts. Last week the immigration department confirmed it had ordered nine expatriates employed by the Hartley Platinum project out of the country.

The official news agency Ziana at the weekend repeated earlier claims of racism among imported South Africans at Hartley Platinum.

Newly appointed Mines Minister Swithun Mombeshora denied Vice-President Nkomo's Development Trust of Zimbabwe, now in partnership with Russian firm Ozgeo, was being given preferential treatment.

Zimbabwe's mining industry earns more than R3bn a year, second only to tobacco as a foreign currency source. Chamber executives noted the increased reliance on both formal and informal sector mining by Zimbabweans faced with "the daily round of hand-to-mouth existence (and) the drudgery of their dire deprivation".

Zimbabwe's farmers help Aids orphans

(362) ARG 6/6/96

BULAWAYO. – The HIV/Aids pandemic, leaving a trail of death on Zimbabwe's commercial farms, has spurred farmers to start foster homes for the increasing population of orphaned children.

In Zimbabwe, like in other central and southern African countries, the orphan problem has largely focused on urban-based children, with little or no attention paid to rural areas, farming and mining communities.

According to research conducted on 10 farms and interviews with 176 representatives of the farming community, farm workers are among the most vulnerable groups of the Aids scourge.

The 10 farms employ 917 permanent workers who have 5 753 dependents while the 176 representatives work on farms which employ 1 490 casual workers and 14 323 full time employees.

"The farmer is witnessing the destruction of family units, many of which have been linked to the farmer and his family for generations.

"We have this growing problem of parentless children," says Peter MacSporran, president of the Commercial Farmers Union (CFU).

Two million of Zimbabwe's 10,5 million people live on 4 600 large-scale commercial farms, including one million children.

The research, conducted by the CFU and Southern Africa Aids Information Dissemination Service (Safaids) predicts that at the rate HIV infection is spreading on farms at least 200 000 children could be orphaned in the next decade - hence the need for pilot foster homes.

The research attributes the spread of HIV infection to:

- The farming communities' social and geographical isolation.
- Lack of education among farm workers and rural dwellers.
- Economic insecurity.
- Large populations of female casual workers who move from farm to farm in search of seasonal work.

It adds that recreation facilities centre on beerhalls where commercial sex is readily available, without condoms.

The idea of foster homes came about after it was realised that a substantial number of poorly paid farm workers had lost contact with their weakened extended-family system.

Also, some of the workers came from neighbouring countries like Malawi, Mozambique and Zambia and have lived all their lives on farms.

The research found that 104 farm households were already looking after orphans while 65 percent of the farmers who participated preferred foster care rather than leaving the children to wander away after the death of parents.

"Foster care on commercial farms is both necessary and feasible.

"The study found a high degree of acceptance of the concept among farmers, key workers, general workers and children themselves," said Helen Jackson of Safaids.

Most of the children interviewed identified their need for clothes, food, shelter and education.

The majority of farmers acceded to the concept of foster care on humanitarian grounds and also because of the rise in loss of skilled and experienced labour.

But, they have expressed concern at the high cost of looking after the children and have requested tax relief and that the government's cash strapped department of social welfare work out a mechanism for financial partnership.

Agriculture minister Dennis Norman, who foresees the creation of a generation of "farm kids" on the scale of urban street kids, has already pledged government support.

However, fears have been expressed that foster homes could inadvertently create a new form of child labour.

Ms Jackson admits that while the possibility exists, foster homes are the only immediate short-term option while long term methods are being worked out.

"That risk is there, but child labour has always been there.

"What is required is proper utilisation of existing regulations by reviewing some of them and streamlining the relationship between the department of social welfare and the farming community," she says.

Health experts also point out that while foster homes are a short-term measure the long-term solution lies in a continuous awareness campaign against behaviour that exposes people to infection in a community whose recognition of the impact and danger of HIV/Aids remains low.

There is also the problem that communities refuse to change social behaviour. - Independent Foreign Service–Information Afrique.

Bad debt hits Zimbabwean firm

(362) BD 7/6/96

Michael Hartnack

HARARE — The company set up three years ago by the Zimbabwean government to encourage black enterprise fears it may never recover over 27% of the money it lent, says a Reserve Bank of Zimbabwe report.

The Commercial Guarantee Company (CGC), launched with state funds worth R182m, has 593 loans totalling R45,3m now in arrears with repayments, while 50 projects worth R4,6m have been written off to bad debts and fraud.

This totals over 40% of projects approved by the controversial credit guarantee company, whose terms of reference — to give loans only to "indigenous" entrepreneurs — break the entrenched constitutional ban on racial discrimination.

Among those denied finance for not being "indigenous" was Bernard McConville, owner of a small engineering workshop and a former guerilla in the war against white rule. He was born in Zimbabwe, of both African and European descent.

"The high level of non-performance is disturbing," said a bank report. "The bank takes a serious view of any abuse of the small business facility by borrowers."

Experience with the CGC's loans parallels that of the agricultural sector, where up to 90% of loans by parastatals to small farmers are unserviced or unpaid. The affirmative action group last month broke up an auction in Bulawayo, when a members' property was to be sold to defray bad debts.

Meanwhile, members of Zimbabwe's militant "indigenisation" lobby claim CGC loans have not targeted the most deserving members of their community.

In an editorial the state-controlled Herald lashed out at Zimbabwe's Chamber of Mines for criticising the lobby's efforts in the mining sector, in the light of soaring accident deaths, thefts of gold, and environmental destruction.

"Indigenisation is worthy of more transparent commitment and agendas than such individuals and groupings have been able or willing to provide over the past 15 years," said the multiracial chamber, whose members comprise well-established, formal sector firms.

The Herald accused the chamber of continued domination by whites, and said it was protraying the indigenisation lobby as "economic terrorists".

Zim attacks SA on trade policies

(362) MtG 7-13/6/96

ome Zimbabweans claim 'resident Nelson Mandela is oing more to hurt them now ian apartheid ever did, eports Brian Latham from larare

RELATIONS between South Africa and the rest of the region are at their worst since the end of apartheid.

When South African Trade Minis-r Alec Erwin visits Zimbabwe this eek, he will be astonished at the vel of anger which meets him over outh African tariffs and subsidies hich have left the region devastated y unfair trade practices.

South Africa's economy is 20 times gger than Zimbabwe's, but prior to outh Africa's inclusion in the South-n African Development Community ADC), Zimbabwe accounted for ore than 50 percent of gross domes-c product in the region.

Many businesspeople in the gion feel South Africa should decide whether it belongs to the SADC or the South African Customs Union (Sacu), saying that membership of both allows South Africa to move the goalposts.

John Robertson, a leading economist in Zimbabwe, claims that South Africa is a victim of its own history. "Sacu is very expensive for South Africa," he said. "Customs duty payments are shared within Sacu, but these could never be extended to a country like Zimbabwe. It was a sort of political buying off of Botswana, Swaziland and Lesotho during the apartheid years, the need for which has gone." He added that disbanding Sacu requires the assent of all members, making South Africa's position difficult.

South Africa has imposed import tariffs of between 60 and 90% on many countries in the region — and a deposit tariff of 125% on goods in transit. The World Trade Organisation (WTO), which recommends tariffs of no more than 35%, has given South Africa a moratorium on bringing import duties down which lasts well into the next century. But elsewhere in the region, manufacturers argue South Africa's high import duties were deviously imposed just before South Africa joined the WTO. "They may have done this so that they could negotiate down," said Robertson.

The dispute is further complicated by South African subsidies for manufactured exports, a measure brought in by the previous administration in its fight against sanctions. The subsidy allows, for instance, South Africa to sell car batteries in Zimbabwe and Zambia at a price well below their production price in those countries.

As a part of their economic reforms, most countries in the region have removed all producer subsidies. This is despite levels of productivity in South Africa being well below Zimbabwe and, in certain sectors, below even Tanzania and Kenya.

Elsewhere within the SADC, governments and business alike accuse South Africa of pandering to both its trade organisations and its militant trade unions who fear competition and job losses. South Africa counters that its fight is not against imported goods from the SADC alone, but also from the Far East. South African officials allege that Zimbabwe has been used as a conduit for cheap textiles from China, dressed up as Zimbabwean clothing.

Accusing South Africa of economic imperialism, manufacturers in the SADC say that it is unfair to penalise the region simply because South Africa is unable to police its civil servants.

Mark O'Donnell, chairman of the Zambian Association of Manufacturers, says that South Africa has again gone into the laager. "They would like to control the region," he claims, adding that his country's 13-to-one trade imbalance is worsening by the month.

Appearances appear to back him up. At the Shoprite supermarket on Lusaka's Cairo Road, even the milk is from South Africa — and the Spur restaurant flies in meat from Johannesburg. On the street, hundreds of hungry vendors sell cheap products as diverse as toys and perfume — often labelled in Afrikaans.

The region remains divided on how to tackle South Africa's devastating push into Africa, with many countries seemingly willing to let South Africa and Zimbabwe battle it out.

Zambia would prefer its own dispensation with the southern giant. "We cannot sustain the imbalance," said O'Donnell, "but our position is not the same as Zimbabwe's. Our impact on the South African economy would be negligible even if the tariffs were removed, whereas Zimbabwe could have a significant impact."

But there is another issue and it is charged with emotion. The countries worst affected by South African protectionism are all former "frontline states", countries which suffered, to a greater or lesser degree, the ravages of destabilisation and the torment brought about by helping and providing shelter to those who now rule South Africa.

O'Donnell says Zambians are hurt by their exclusion — and Zimbabweans say Mandela is doing more harm to their economy than apartheid ever did.

Zimbabwe whites shocked by Mugabe's 'bloody murderers' gibe in funeral speech

Star 8/6/96 (362)

BY ROBIN DREW

Harare – Conflicting statements by Zimbabwe's President Robert Mugabe this week have left whites reeling.

Just two days after making reassuring noises at a conference to promote investment, Mugabe lashed out at whites, accusing those who had fought guerrilla incursions during the Rhodesian era of being "bloody murderers" who deserved to die and their "carcasses thrown to dogs and vultures".

That this had not happened was due to the blacks' sense of morality which required them to show mercy and forgiveness.

But the whites were still not responding to the hand of reconciliation and they should do so, before that extended hand tired.

Mugabe's emotional outbursts against whites came at a state funeral for a former guerrilla who was declared a national hero. He was wounded during the liberation war and had been in a wheelchair since then. His death this week was said to be due to the injuries he had received during the war in the late 1970s.

Mugabe asked why whites were not present at the funeral and said in a televised address: "Let their consciences please respond to our hand of reconciliation before that extended hand tires."

During the runup to this year's presidential election, Mugabe made a number of attacks on whites, in particular the farming community.

Partnership

However, to be fair, he has also emphasised the need to build one nation and has urged whites to work in partnership with blacks.

Britain's Minister for Overseas Development, Baroness Chalker, was quoted in yesterday's Zimbabwe Independent newspaper as saying of inflammatory statements that "political rhetoric sometimes exceeds what is best said".

Asked in an interview about what has come to be known as "white-bashing", she said: "People take with a pinch of salt some of this rhetoric." But one had to understand the problems associated with trying to empower the masses of the Zimbabwean people.

Chalker, who attended the investment conference and had a private meeting with Mugabe, who greeted her with a kiss on both cheeks, said she had emphasised the need for the government to reduce the budget deficit, control its expenditure, and bring down inflation and interest rates.

She also revealed that Britain had offered to help Zimbabwe effect changes to the constitution to give it a more democratic appeal.

Opposition parties have been calling for a constitutional conference, saying the present arrangements give the ruling party unfair advantages. Chalker said she was aware of the impediments put in the way of opposition parties.

"We have done as much as any other Commonwealth country to try to promote democratic elections and help with the promotion of electoral law. If it is needed here we will be prepared to assist," she said. – Independent Foreign Service

Erwin to lead business officials in talks with Zimbabweans

(362) BD 10/6/96

Michael Hartnack

HARARE — Trade and Industry Minister Alec Erwin today leads officials, trade unionists and business chiefs into talks with their Zimbabwean counterparts at Victoria Falls, in a summit which could shape SA's economic relations with its neighbours for the next decade.

Business and diplomatic sources in Harare suggested the South Africans would offer Commerce and Industry Minister Nathan Shamuyarira a compromise for the defunct 1964 "most favoured nation" bi-lateral pact, but feared the 25-member SA delegation might be exasperated by repetition of President Robert Mugabe's threat of a trade war.

They fear particularly that outspoken Confederation of Zimbabwean Industries president Jonee Blanchfield might cause an SA walkout if she repeats her calls for immediate imposition of punitive tariffs.

The sources said SA would try to placate both the World Trade Organisation (WTO) and the Zimbabweans by suggesting an "interim arrangement" to relieve the current crisis for Zimbabwean exports, until a regional trade agreement could be agreed under the aegis of the Southern African Development Community (SADC).

Signing of an SADC trade protocol heads the agenda for a planned August summit.

Sources also noted Zimbabwe's previously autocratic, secretive decision-making process was being obliged to follow the ANC pattern, with Shamuyarira taking with him to Victoria Falls a broad spectrum of private sector parties.

The recent appointment of Erwin was seen as hopeful by the Zimbabweans who were disappointed by predecessor Trevor Manuel's dogmatic view: "SA is just not into bi-laterals".

During her recent visit British Overseas Aid Minister Lynda Chalker urged SA to make an exception and renegotiate a bi-lateral trade agreement with Zimbabwe, in the face of previous criticism from SA employers and trade unionists, who say thousands of jobs are at stake.

SA High Commissioner to Zimbabwe Kingsley Mamabolo said: "I don't think the meeting can resolve in one day what had not been resolved all the time."

AFRICAN BUSINESS

Zimbabwe a large prospector's claim

(362) BD 11/6/96

VICTORIA FALLS — The world's mining giants are sifting the soils of Zimbabwe in a search for diamonds, platinum and gold.

Zimbabwe mining industry officials say 92,5% of the southern African state is under exploration.

Demand for exclusive prospecting orders is rising steadily, they say.

Many prospectors, Zimbabwe Chamber of Mines chief executive Derek Bain says, have been renewing their exclusive prospecting orders, especially after 1993 when Australia's Broken Hill sealed a deal with the government to develop the Hartley Platinum mine.

The platinum project, costing more than $200m, is Zimbabwe's single biggest investment since the country gained independence from Britain in 1980 and one of the first after President Robert Mugabe abandoned a 10-year experiment with socialism for a Western-backed economic reform programme.

The mine is planned to start production next year, but output may start before the end of the year.

"It (the platinum project) gave us a very big boost and since then, things have been slowly falling into place," said Bain at Victoria Falls where the Chamber of Mines was holding its annual meeting.

Mugabe's government — it has a reputation for treating private industrialists with suspicion — has been pampering the mining sector, like the goose that lays golden eggs.

For a start, Mugabe appointed as mines minister Eddison Zvobgo, rated by many Zimbabwean political analysts as one of his best ministers. Zvobgo was removed from the post two months ago in a cabinet reshuffle, but mining chiefs credit him with keeping a tight lid on price increases imposed by the state electricity supply authority and for introducing in 1993 an offshore borrowing facility for the industry.

Political and business analysts say new Mines Minister Swithun Mombeshora has Mugabe's ear — an important factor in an economy still being liberalised after decades of tight state control.

The government also eased work permit requirements for expatriates in the industry, allowing them to apply through the mines ministry rather than immigration.

The mining industry is Zimbabwe's second biggest foreign exchange earner after tobacco. It has grown at an average 13% annually over the past five years, but its dominant gold sector has expanded by 20% annually over the same period. The sector has become increasingly important in the wake of recurrent droughts hitting the mainstay agricultural sector.

"The contribution of mining to (national) export earnings is likely to exceed the current figure of 45%," Mombeshora said. The state Zimbabwe Investment Centre had over the past two years approved Z$8bn (US.$814.66m) worth of projects, 75% in mining.

"It is, therefore, no wild speculation to say that, from a total mineral production of Z$6,04bn last year, this figure could rise to Z$10bn by the turn of the century."

With an economy that has been pushed to the wall by an almost collapsing manufacturing industry, Zimbabwe has been actively encouraging mining exploration.

Rio Tinto Zimbabwe, for example, has been allowed to prospect for diamonds and gold in the country's biggest game reserve, the Hwange National Park, despite some opposition from national environmentalists.

The Zimbabwe Chamber of Mines commends the government for insisting on sound environmental management in the sector.

But it urges the government to ensure that legitimate mining development is not jeopardised by ... "extremist and draconian regulations, to which some other mining countries have fallen prey".

Other big companies which are prospecting in Zimbabwe include Broken Hill Proprietary Co Ltd, Anglo American Corp, Lonrho and Zimbabwe Alloys.

"They are exploring everywhere ... but it will be a while before we get a clearer picture," Bain said.

"Exploration is a long-term affair, but the fact that the big guys are still out there is encouraging." — Reuter.

Zimbabwe bends over backwards to attract world's mining investors

CT(BN) 11/6/96 (362)

By Cris Chinaka

Victoria Falls — The world's mining companies are sifting the soils of Zimbabwe in a search for diamonds, platinum and gold.

Zimbabwe mining industry officials say 92,5 percent of the country is under exploration and demand for exclusive prospecting orders is rising steadily.

Many prospectors had been renewing their prospecting orders, especially after 1993 when Australia's Broken Hill Proprietary and Delta Gold sealed a deal with President Robert Mugabe's government to develop the Hartley platinum mine, said Derek Bain, the chief executive of the Zimbabwe Chamber of Mines.

The platinum project, costing more than $200 million, is Zimbabwe's single biggest investment since the country gained independence in 1980.

The mine is expected to start production next year, but output may start before the end of the year.

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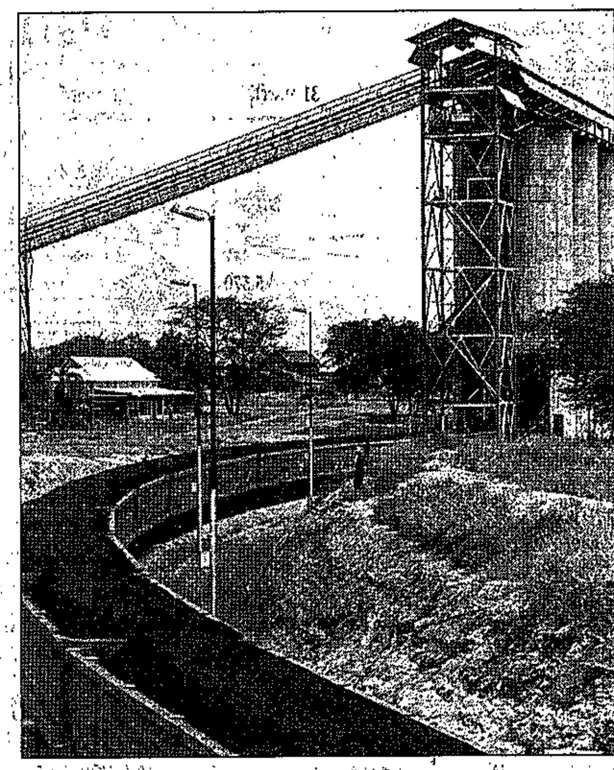
The Zimbabwe Investment Centre had over the past two years approved $814,66 million worth of projects, 75 percent of which were in mining.

"Total mineral production of Z$6,04 billion last year could rise to Z$10 billion by the turn of the century," said Mombeshora.

Zimbabwe has been actively encouraging mining exploration. Rio Tinto Zimbabwe has for example been allowed to prospect for diamonds and gold in the country's biggest game reserve, the Hwange National Park. Other big companies prospecting in Zimbabwe include Broken Hill Proprietary, Anglo American, Lonrho and Zimbabwe Alloys. — Reuter



GOING FOR GOLD *Zimbabwe has allowed mineral exploration in Hwange National Park, adjacent to the colliery*

SA accused of power blackout

BD 13/6/96 (362)

Michael Hartnack

ZIMBABWE's Electricity Supply Authority (Zesa) has claimed that SA is responsible for last week's unprecedented blackout over the entire country for three hours.

But Zesa CE Simbarashe Mangwengwende dismissed as "far-fetched" allegations by the state-owned media that the blackout was deliberately timed to discredit last week's major investment-promotion conference opened by Zimbabwean President Robert Mugabe.

"I wouldn't want to believe that they would want to sabotage their source of money," Mangwengwende said. "We benefit by getting the power but they are also selling the power. They (SA) are in business to make money."

Hundreds of people were stuck in lifts, traffic lights failed causing rush hour pandemonium, rail movements were halted, and thousands of rands of industrial production lost when all power lines went dead.

Initially, Mangwengwende said that lines from the Kariba hydroelectric power scheme and from the giant Kwange coal fired thermal station had isolated themselves, causing fuses to blow from overload on lines to all smaller generating plants.

On Tuesday, he said power loss was caused by an "abnormal power flow" from SA. "The Zimbabwean grid, in terms of capacity and consumption, is very small compared to that of SA. Changes which can be easily cushioned by the SA network will cause problems to our distribution system," he said.

Minor fluctuations of 200MW could be absorbed easily on SA's huge network, but these would have far-reaching effects on Zesa's grid, Mangwengwende said.

In the course of further investigation, SA and Zimbabwean teams of engineers would be co-ordinating their efforts.

"The investigating team will be discussing these issues with Eskom operations people as part of their enquiries and search for a solution to the problem of power-swings," he said.

A second national wide blackout nearly occurred at 4pm last Friday when the power flow went up to 700MW on the multimillion-rand Matimba-Insukamini interconnector between the two countries, completed last year. It normally carries 300MW.

The surge was noticed before it caused safety switches to trip, and Insukamini was disconnected manually.

However, Zesa then had to impose load shedding which had affected a number of Harare's suburbs.

Ironically, Eskom chief Ian McRae spent years promoting the concept of a regional grid in the hope it would foster harmony and economic co-operation.

Nkomo to quit Zimbabwe politics

Star 14/6/96 (362)

Harare – Joshua Nkomo (79), one of the founders of black nationalism in Zimbabwe and the acknowledged leader of the country's minority Ndebele people, is to step down from his role as one of two vice-presidents of the country and of President Robert Mugabe's ruling Zanu (PF) party because of his advanced age and ill-health.

The weekly independent Financial Gazette yesterday quoted Nkomo as saying he had not yet decided on a date for his departure from work, but that at the end of the month he would be returning to work, although at a slower pace.

Last month Nkomo underwent surgery at a private Cape Town clinic. He told the Gazette he did not understand his illness, although senior government sources say he was operated on for prostate cancer.

The Gazette said Nkomo celebrated his 79th birthday quietly at his home in Bulawayo last Friday. He was unable to blow out all his candles. He also admitted to suffering memory lapses.

Political sources say his impending departure has created a fierce struggle within the ruling party in the western province of Matabeleland for leadership of what is still the core of his old Ndebele-based

Joshua Nkomo ... stalwart of black nationalism in Zimbabwe.

Zapu party, which was dissolved in 1989 when it merged with Mugabe's Zanu (PF).

For 39 years, the huge, overweight frame of Nkomo, universally referred to as "Umdala" (the old man), has loomed large over Zimbabwean politics, almost from the first stirrings of active black discontent with white minority Rhodesian rule.

As black politicians moved into increasing conflict with the white administration, Nkomo and his lieutenants rapidly attracted the admiration of the country's blacks, and for six years he was the head of the African nationalist movement, a role that has given him the title "Father Zimbabwe", reserved for him by the Ndebele people.

In 1963, however, when the movement had become known as the Zimbabwe African People's Union (Zapu), one of his lieutenants, the Rev Ndabaningi Sithole, who took with him Zapu's publicity secretary, a bright young schoolteacher called Robert Mugabe, broke away to form the rival Zimbabwe African National Union (Zanu).

The split left Nkomo with essentially an Ndebele hierarchy and support, while Zanu became a Shona-based organisation, a tribal divide that lasted throughout the war to end white rule, into Zimbabwe's independence in 1980, and through to the late 80s. Nkomo fled the country, but returned, and in 1989 the two organisations merged.

His political rhetoric became increasingly racist as he demanded that whites be stripped of their land and be forced to hand over business assets to blacks. – Sapa.

Zimbabwe's smoky dilemma

SHARON MLAMBO of the South African Press Association reports from Harare on the irony of a country simultaneously trying to boost revenue from tobacco while clamping down on smoking.

362) ARG 14/6/96

AS the anti-tobacco crusade scores some successes in the West and more places are declared no smoking zones, just how successful will the lobbyists be in Zimbabwe?

Zimbabwe is the third largest tobacco producer in the world after Brazil and the United states.

Hundreds of thousands of unskilled and skilled workers are employed by over 8 000 tobacco growers who include small-scale indigenous farmers.

Zimbabwe's tobacco production is set to increase as prices firm and climatic conditions become more favourable, with the average 200 million kg annual output likely to be exceeded in a few years, the Ziana national news agency reports.

While for years the fiscus has not benefited directly from the golden leaf production, recently legislation was passed imposing a 10 percent levy to be shared equally between growers and merchants of tobacco.

Government expects to net at least Zimdollars 300-million from the levies whose collection has been tightened to ensure no cent is lost.

It is anticipated that Zimbabwe's tobacco, the largest single export earner, will bring in about Zd 7-billion this year.

Zimbabwe, about to embark on its second phase of economic reforms, is exploring how domestic producers can be levied to increase national revenue and subsequently reduce dependence on international financiers such as the World Bank and International Monetary Fund, some of whose policies have often not gone down well with government.

It is at this time, when the industry is at its peak, that anti-tobacco lobbyists have chosen to intensify their campaign.

"Tobacco continues to bring in a lot of money to the country to sustain activities which include health. Banning production would be like cutting our own throat," says Health and Child Welfare Minister Timothy Stamps.

He says, however, per capita consumption of tobacco in Zimbabwe has increased by 70 percent in the last 25 years and so have the incidences of smoking-related cancers.

Lobbyists have so far managed to force manufacturers to reduce nicotine levels in cigarettes as well as label packaging that smoking is hazardous to health.

Tobacco has been proven to cause cancers of the lip, pancreas, lung, kidney and other urinary organs.

It has also been established that tobacco can cause some respiratory diseases like asthma and bronchitis and affects new babies of mothers who smoke.

The campaigners are aiming at making Zimbabwe a tobacco-free zone.

"We are making steady progress, because smoking is now outlawed in most public buildings, but we still have a long way to go," says a lobbyist who is also a medical practitioner.

Smoking is banned on Air Zimbabwe's domestic routes and in government and municipal hospitals, but the ban on smoking on public transport is not being enforced.

The lobbyist says government is spending more money than what is earned from the sector, in the form of handling patients with smoking-related illnesses, most of whom have cancers whose treatment involves use of expensive equipment.

Spearheading the campaign, the World Health Organisation (WHO) encourages tobacco farmers to diversify.

According to WHO, cigarette smoking will have killed about 62 million people in developed countries by the end of the 20th century.

Global statistics indicate that over three million deaths, about six percent of world total, are caused by tobacco.

"Most smokers live in developing countries. Of the 1,1 billion smokers in the world in the early 1990s, 800 million live in the developing world," says WHO.

Erwin defuses Zim trade row

MtG 14-20/6/96 (362)

Iden Wetherell in Harare

SOUTH AFRICAN Minister of Trade and Industry Alec Erwin is pressing for an early resolution of the trade dispute that has soured relations with Zimbabwe — South Africa's most important regional market.

Erwin brought a 25-strong delegation that included industrialists and trade unionists to one-day talks hosted by his Zimbabwean counterpart, Nathan Shamuyarira, at Victoria Falls on Monday.

The talks were aimed at defusing an increasingly acrimonious row over terms of trade which have recently threatened to get out of hand. Zimbabwean industrialists called for a "trade war" if South Africa refused to remove obstructive tariffs on Zimbabwean goods. President Robert Mugabe recently adopted similar fighting talk at an economic forum in Cape Town.


Alec Erwin: Impressive command of detail

Erwin is determined to find solutions, sources in the South African delegation said. "He agreed there was a lack of balance in the present situation and communicated a willingness to resolve differences," said one delegate, who was impressed by the new minister's command of detail.

But significant obstacles remain. Zimbabwe is hoping to revive preferential access to the South African market as provided for in the 1964 trade agreement between the two countries which lapsed in 1992.

The South Africans, however, conscious of World Trade Organisation rules that bar bilateral pacts, are anxious to focus on a wider range of issues that will free trade in the region as a whole.

"We don't want negotiations with Zimbabwe to be out of step with what we might achieve later at the regional level," said South African high commissioner Kingsley Mamabolo.

Present at the Victoria Falls talks were leading members of the Steel and Engineering Industries' Federation, textiles manufacturers and representatives of the Food and Allied Workers' Union, the National Union of Metalworkers of South Africa, the National Union of Mineworkers and the South African Textile Workers' Union. They met their Zimbabwean counterparts in bilateral talks.

As a result, three working groups have been formed to look at the three main problem areas: textiles and clothing, agricultural produce and other sectors such as minerals and leather products and the motor industry. They are due to report back at a meeting in South Africa at the end of June.

The formation of the working groups "demonstrated seriousness on the part of the South African and Zimbabwean governments," said Mamabolo who spoke of a new sense of urgency.

Zimbabwe's textiles industry is on the verge of collapse since South Africa, partly at the insistence of trade unions, made access to its market prohibitive. Beef and poultry producers have also been hard hit while local manufacturers complain that Pretoria's export incentives encourage South African companies to flood the Zimbabwean market with cut-price goods.

Progress in talks will depend on local-content monitoring. The South Africans complain that Zimbabwe includes items imported from the Far East in its manufactured goods. While South African manufacturers want goods entering South Africa to contain no less than 75% local content to qualify for tariff reductions, Zimbabwe would prefer the figure to be closer to 25%.

The meeting saw a South African proposal for a local-content sliding scale that would increase annually. But such a scheme would be difficult to monitor, observers say.

While there is a clear willingness to make progress, several hurdles remain.

Economists point to the influence of trade unions in South African policy making. The Congress of South African Trade Unions believes neighbouring countries exploit cheap labour. This explains in part their inflexibility regarding textiles imports.

But their presence has had at least one positive result. Zimbabwean trade unionists, mostly marginalised by their government in the past, are delighted to be sitting at the top table in the current negotiations, unthinkable a year ago.

"Zimbabwe is having to learn the politics of inclusivity," one delegate said.

Observers have said Erwin got on well with Shamuyarira despite the Zimbabwean minister's adherence over many years to the Pan Africanist Congress. "It is irrelevant," said one diplomat attending the talks. "The politicians got on well. Everything now depends on the other players."

Nkomo to relinquish Zim vice-presidency

(362) ARG 14/6/96

HARARE: The end of an era is at hand in Zimbabwean politics as the man known to the Ndebele as the "Father of Zimbabwe" withdraws from active politics.

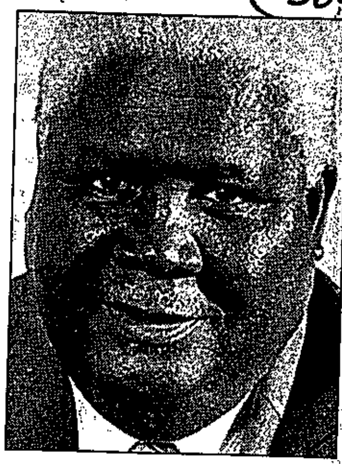
JOSHUA NKOMO, one of the founders of black nationalism in Zimbabwe and leader of the country's Ndebele minority, is to step down as one of the country's two vice-presidents because of his advanced age and ill-health.

The independent weekly Financial Gazette yesterday quoted Nkomo, 79, as saying he had not yet decided on his date of departure, but that at the end of the month he would return to work — at a slower pace.

Last month Nkomo underwent surgery at a private Cape Town clinic. He told the Gazette he did not understand his illness, although senior government sources say he was operated on for prostate cancer.

"I am still sick, but each day I am getting better," he said. "Tell the people that Nkomo amuka (Shona for "he survived"). For the first three weeks (after the operation) it was terrible. I could neither walk nor move. But I am all right now."

The Gazette said Nkomo celebrated his 79th birthday quietly at his home in Bulawayo last Friday. He was unable to blow out all his candles. He also admitted suffering memory lapses.



"FATHER OF ZIMBABWE": Vice-President Joshua Nkomo

Nkomo's doctor, who was not named, said the veteran politician had been overworking. "I advised him that at his age, he should take it easy."

Yesterday local officials of the ruling party joined church representatives in holding a prayer service for Nkomo at his home.

Political sources say his impending departure has created a fierce struggle within the ruling party in the western province of Matabeleland for leadership of what is still the core of his old Ndebele-based Zapu party which was dissolved in 1989 when it merged with President Robert Mugabe's Zanu (PF).

For the last 39 years, the huge, overweight frame of Nkomo, universally referred to as "Umdala" (the old man) has loomed large over Zimbabwean politics.

He was born in the Semokwe reserve in Matabeleland, the son of a London Missionary Society worker.

He was a Rhodesia Railways welfare officer, when plucked from relative political obscurity in 1957 by the forerunner organisation to Zanu (PF).

He was elected president of the then Southern Rhodesian African National Congress.

As black politicians moved into increasing conflict with the white administration, Nkomo and his lieutenants rapidly attracted the admiration of the country's blacks, and for six years he was the head of the African nationalist movement, a role that has given him the title "Father Zimbabwe", reserved for him by the Ndebele.

After independence in 1980, Nkomo found himself in conflict with Mugabe. This was resolved in 1989 when a second vice-presidency in the party and the government was created for him. — Sapa

Zim press awards steeped in farce

MtG (pm) 21-27/6/96 (362)

\ speech that struck few chords and a boycott nay have marked the end of Zimbabwe's ıdependent press awards, writes Jan Raath

ZIMBABWE'S national award ceremony for journalists, an annual beanfeast which for the past six years has presented solid trophies and ›al prize money for independent, ınfrightened journalists, is probably › more, following this year's occa-on.

The National Journalists and ›edia Awards (NJAMA) is an institu-›n where the praise singers of Zim-›bwe's press are, for one day of the ›ar, ignored, and reporters who ›rite what is in front of their noses ›e rewarded for doing it.

In a nation where the daily news-›apers, radio and television are ›wned by President Robert Mugabe's ›vernment and receive their ›structions from the seldom-swept ›fices of the Ministry of Information ›central Harare, NJAMA has been › inspiration.

Last year, a pair of journalists ›ceived due recognition as news ›porters of the year for catching ›ost of the ruling Zanu-PF party *›litburo* parcelling out former white-owned farms to each other. This year the first prize was for a series of reports exposing ruling party officials trying to purloin the tender for the country's first cellular telephone network.

The second prize was for breaching the bounds of the presidential bedroom and identifying Mugabe's new wife, whom he married clandestinely.

But this year's ceremony was blighted by folly from which it may prove impossible for the organiser, the Willie Musarurwa Memorial Trust, to recover. One after the other, sponsors on whose support the ceremony is dependent, have announced their withdrawal.

It was a critical misjudgment to hold the affair in the hall of the Zanu-PF headquarters, a vast and dingy auditorium the size of a rugby field whose parquet flooring obviously has not tasted polish in the decade of its existence.

The bar at the Zanu-PF headquarters was run by someone's relative who runs a bottle store 30km outside town. It was a revealing indication of the headquarter's usual clientele. It cost Zim $5 deposit for a glass for each drink, and it was a nightmare trying to get the money back.

On the day of the ceremony, Kindness Paradza, the president of the Zimbabwean Union of Journalists (ZUJ), was urging members of his union to boycott the awards because, he said, the electronic media, which consists entirely of the state-owned Zimbabwe Broadcasting Corporation (ZBC), were not represented in the awards.

'It was a critical misjudgment to hold the affair in the hall of the Zanu-PF headquarters, a vast and dingy auditorium the size of a rugby field'

ZBC had let the organisers know in March that it was withdrawing its participation because of the way its journalists had been "lampooned" at the awards last year, but also because one of the judges was Jeremy Brickhill, a private television producer who is suing the ZBC for a large amount of money for non-payment of fees. ZBC journalists affirm they were instructed by their management not to have anything to do with NJAMA.

ZUJ had already expressed concern that the venue, chosen because the organisers got it "dirt cheap", might prejudice the impartiality of potential participants, 90% of whom comprised the ZBC, Zimpapers, the national newspaper chain and the Zimbabwe Inter-Africa News Agency (ZIANA), the domestic news agency, all of whom fall under the financial and editorial direction of Zanu-PF.

ZUJ was a member of the organising committee which had been meeting twice a month since November last year, although its representative made only sporadic appearances. The first the committee heard of ZUJ's withdrawal was in the columns of the daily newspapers on the day of the awards.

But ZUJ's boycott pretty well worked. The collection of tables in the southern section of the hall was already dwarfed by the immensity of the auditorium, and the effect was enhanced by the occupation of only about half of the seating.

Recipients of awards had been advised, however, that failure to attend the ceremony would deprive them of their award and of the prize money (R1000 for first place, R500 for second and R250 for third). The only person not to turn up for his award failed to do so because he was injured in a car crash. It could not be established whether he forfeited his prize money.

Guest speaker for the occasion was Deon du Plessis, managing director of Gauteng Newspapers, whose huge bodyguard drew appreciative murmurs as he ferried many large brandies and coke to his employer.

Du Plessis's speech, stating that South African newspapers have "a good news obligation" under the new government, went down like a stone with those in the audience who had anything to do with the late Willie Masururwa, the patron of the trust and former editor of the *Sunday Mail*, Zimbabwe's biggest selling newspaper. Msururwa had repeatedly warned his staff of the dangers of "sunshine journalism".

The massacres of civilians in the western provinces of Matabeleland by Mugabe's 5th Brigade, corruption, Zanu-PF's peculiar support for the PAC instead of the ANC, and its "leadership code" of austerity that everyone ignored were issues that Musarurwa could not close his eyes to.

Musarurwa was sacked on Mugabe's orders in 1985. Maybe, in his time, he would have survived had he listened to the likes of Du Plessis.

The Star ... Monday June 24 1996

Mugabe threatens to grab land without compensation

Star 24/6/96 (362)

Unless Britain provides funds for acquisition programme, there is no money for land 'not paid for in the first place'

REUTERS
Harare

Zimbabwean President Robert Mugabe has threatened to seize white farmland for resettlement by blacks without compensation unless Britain gives his government money for a land acquisition programme.

Britain, the colonial power until independence in 1980, should help Zimbabwe's programme to resettle blacks on land given to white settlers decades ago, Mugabe told a meeting of his ruling Zanu-PF party on Saturday.

"We do not have the money to buy back the land, which was not paid for in the first place. We do not follow the example of other countries who demanded compensation for all land grabbed during the colonial era," he said.

Mugabe said British Foreign Secretary Malcolm Rifkind had written to him saying their two governments could negotiate for aid worth Z$465-million (R211-million) to buy the land.

"We said if they (Britain) have the money or aid to give us for us to pay for the land acquired, then they should give us and we will pay," he said, adding that his government would only pay compensation for farm investments, such as buildings and dams.

Rifkind had suggested a broad meeting of interested groups, including donor agencies such as the World Bank, to discuss Zimbabwe's emotive land acquisition programme, Mugabe said.

His cabinet would discuss the proposal, he said, adding: "But it could be a delaying tactic, therefore we should be careful. The issue is that we should acquire land."

Britain suspended aid for the resettlement programme after the Zimbabwe government, which says whites own around 80% of the most fertile land, passed new laws in 1992 allowing the seizure of farms to resettle thousands of blacks squeezed into marginally productive areas.

Farmer accuses Mugabe of seizing land for himself

(362)

CT 24/6/96

HARARE: A white Zimbabwean farmer accused President Robert Mugabe yesterday of having a personal interest in seeking to nationalise his farm under the land reform programme to resettle landless blacks.

Mr Nigel Butler, 43, said that his farm, which is next to Mugabe's rural home about 70 kilometres west of Harare, was designated for the personal use of the president after the land was deemed unfit for resettlement.

"The only reason we can think of (for the designation) is that Mr Mugabe wants it for his personal use," he said in a telephone interview.

Butler said private surveyors and government specialists had determined that the soil on the 3 000 hectare farm could not be tilled by hoe but only by high-powered tractor ploughs.

Under the controversial 1992 Land Acquisition Act, Mugabe has vowed to take five million hectares to resettle hundreds of thousands of landless black peasants living in crowded communal areas while some 4 500 white farmers own about 30% of the prime farmland.

Butler said he bought the farm in 1983, three years after independence.

Butler refused to comment on his letter to the government, which was published in the mass circulation Sunday Mail, saying it was a private letter from him to Lands Minister Mr Kumbirai Kangai.

His letter describes the designation of his land for Mugabe's use as "government lunacy" to "satisfy the president's ego".

"This transaction smacks of racism and favouritism and dirties the hands of anyone connected with it," he said.

Mugabe, who has scorned white attempts to fight land reform, has said his government will pay for improvements made on the properties, but not for the land itself. — Sapa-AFP

(362)

Opposition takes Mugabe's govt to court

Star 25/6/96

Harare – Zimbabwean opposition grouping the United Parties (UP) yesterday took President Robert Mugabe's government to court over four laws it considers undemocratic.

The UP, under the leadership of Bishop Abel Muzorewa, former premier of the Rhodesia-Zimbabwe transitional government, is challenging the Electoral Act, the Political Finance Act, the Broadcasting Act and the Presidential Powers Act, which it says favours Mugabe and his ruling Zanu-PF party.

The Supreme Court postponed the case yesterday but did not fix a new date for a hearing.

UP spokesman Isaac Manyemba told reporters outside the courtroom that people's patience was running out over the unfair political playing field in Zimbabwe.

"Our observation is that if we do not level the playing field legally and professionally, the people's patience is running out and the temptation to change the situation otherwise may be uncontrollable," Manyemba said.

Opposition and civic rights organisations have in recent years been calling for a consultative conference with the government to examine the country's laws and how they impinge on the rights of other groups not in government. They argue that the laws and constitution in place are undemocratic, put in place by the ruling party for a one-party-state system.

Opposition parties have boycotted the country's recent general elections on similar grounds. Muzorewa withdrew from the last presidential polls in March this year after the Supreme Court rejected his 11th-hour bid to have the elections postponed because they were not democratic.

Chief Justice Anthony Gubbay said that although the points raised in the application were "of fundamental constitutional importance", it "should have been made months ago".

Mugabe, who this year secured a fresh six-year presidential term – because elections went ahead without any contenders – has been in power since Zimbabwe became independent in 1980. – Sapa-AFP.

Zimbabwe battles to polish image

ARG 26/6/96 (362)

Infrastructure 'falling behind'

HARARE. – A nationwide power blackout which hit Zimbabwe shortly after an investment conference in Harare showed the country still has work to do to polish its image as a premier emerging market.

Over the past three years, President Robert Mugabe has spearheaded missions to Europe and East Asia, marketing Zimbabwe's virtues.

The main thrust of the country's sales pitch has been advances it has made over the past five years under market-led reforms which Mr Mugabe adopted in 1991 after a 10-year experiment with socialism left the economy in tatters.

Under the reforms, the state has abolished a host of controls on prices, imports and foreign exchange which hemmed in investors.

Restrictions on corporate blocked funds have been lifted on pre-1979 investments. Foreigners can now trade on the local stock market and commercial banks can now issue credit cards.

Zimbabwe has signed a number of international and bilateral investment protection pacts to calm fears about the security of foreign-owned businesses.

It also touts a politically stable environment an educated workforce and low production costs.

Mr Mugabe and his Finance Minister Herbert Murerwa are promising to bring down a high budget deficit to boost investor confidence.

All this has seen a steady increase in investment to Zimbabwe, with statistics from the Zimbabwe Investment Centre showing a rise to Z$5,5 billion (R12,1 billion) from Z$1,9 billion in 1991.

However, investors and economic analysts say the country has to do more if it wants to win foreign investment and trade needed to drive economic growth. They say the power blackout served to pinpoint areas which need attention.

"Zimbabwe has traditionally had good infrastructure, but lack of investment in recent years has resulted in it falling behind," said Jeffrey Goddard, chief executive of the Commonwealth Africa Investment Fund Limited.

He pointed to its creaky telecommunications – which have become the butt of cynical jokes by frustrated subscribers – as a major area crying out for development.

"Foreign capital will not come into Zimbabwe simply by offering lower taxes or the freedom to repatriate profits and dividends. Everyone's doing that," said Standard Chartered Plc group chief executive Malcolm Williamson.

He said Zimbabwe needed to go further to make a successful transition from its past inward-looking, highly regulated economy policies to be outward-looking and market-focused.

"Zimbabwe shouldn't get frightened or draw back. It needs to go faster with deregulation because it's the way of the world. International companies want to come to Zimbabwe not for the internal market. There's no point in them coming here only to be hemmed in by regulations and rules," he said.

Tight immigration controls figure high on the list of investor grievances against Zimbabwe, with several delegates to the recent conference saying this frustrated their efforts to bring in expatriates to plug local gaps in some skills.

Colin Palethorpe, senior vice-president with Australia's Broken Hill which, with Delta Gold NL, owns Zimbabwe's new Hartley Platinum Mine, said he battles with immigration officials to get skilled expatriates to the mine.

Standard Chartered Bank Zimbabwe chief executive Jim Mackenna said slow decision-making and government action, particularly on the establishment of export processing zones, also clouded the investment climate.

The plan to establish the zones was mooted seven years ago but is only taking shape now.

Unclear policies as well as slow progress to privatise loss-making state firms also dampen investor enthusiasm, economic analysts and business leaders say. – Reuter.

Zimbabwe battles to back up its pro-investment sales talk

(362) BD 26/6/96

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Zimbabwe is the only country in southern Africa which lacks mobile cellular telephones.

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The plan to establish the zones was mooted seven years ago but is only taking shape now.

A board to process applications for firms wishing to operate in the zones — they offer a five-year tax holiday and other incentives — was appointed early this year but the staff still has no offices. — Reuter.

Zimbabwe's terminally ill seek euthanasia legislation

BD 27/6/96 (362)

HARARE — Enia Zulu rubs powder onto her swollen cheeks before drinking a cocktail of herbs prescribed by a traditional healer.

The medicine is not a lasting solution but will relieve her pain for several hours.

A terminally ill AIDS patient, written off by doctors and given six months to live, she says that she has endured so much suffering she now wishes to die.

"In view of the ever-rising number of cases of desperately ill AIDS patients, it is time government enacted legislation to allow sufferers to choose when they want to die. Given a choice, I would rather die than go through this slow and painful process," says Zulu.

There are others with similar feelings. The Final Exit Society formed recently has as its goal the legalisation of euthanasia in certain cases of terminal illness and unbearable mental stress.

There are those who argue that Zimbabwe, as a democratic country, should support the euthanasia campaigners by legalising the right to die by choice.

"I meet cancer and AIDS patients and I find their suffering hard to endure," says Dr Phanuel Magaya. "It is not my work to end lives, but occasionally it might be better to end a life than to prolong suffering," he says.

"The formation of the Final Exit Society is a welcome move and government should seriously consider legalising a patient's wish to die in certain cases."

However, Father Oscar Wermter, the social communications secretary of the Zimbabwe Catholic Bishops' Conference, says his church is against granting the right to die under any circumstances.

"Human dignity is respected if we accept life and death from the hands of the Maker. We do not need to speed up dying. We need to give more care and more resources to the living, including those whose life is coming to its natural end," he says.

Others opposed to the practice argue that the system is open to abuse and are agitating for it to remain illegal. They urge the use of organisations such as the Zimbabwe Cancer Association and Island Hospice, which offers care for terminally ill patients.

The Final Exit Society has called for the establishment of a euthanasia committee drawn from members of parliament and professionals such as doctors and lawyers, as well as human rights watchdog the Catholic Commission for Justice and Peace. They suggest that this committee would give doctors sufficient legal protection and prevent them being accused of murder.

Says euthanasia campaigner Paul Gotora: "Before one wishes to end one's life, a doctor would be required to consult the euthanasia committee for counselling and for verification of the person's point of view to find out if it is a voluntary decision. If it gives a go-ahead, then a person is quietly rested."

In spite of all the safeguards suggested by the society to guard against abuse of euthanasia, their cause continues to attract official criticism. Zimbabwean Deputy Health Minister, Tsungirirai Hungwe, has ruled out the use of euthanasia, saying it is "unchristian and un-African". — AIA.

Building boom is transforming Harare skyline

CT 27/6/96

(362)

THE CRANES piercing the skyline of the Zimbabwean capital Harare point to an insurance company-led building boom that is transforming this African city.

Shopping malls and office complexes are being thrown up at an unrelenting pace, with each addition seeming grander than the one before.

Behind the construction boom are the country's pension funds and insurance companies, which are investing their wealth in property assets in Harare, a city with a rising population of one million that is beginning to have the feel of an international business centre.

"Returns on our properties are very good. This is the major reason why we invest in these buildings," says Brian Bradford, the general manager of Old Mutual, Zimbabwe's largest insurance company and property developer.

Old Mutual, which controls more than 80% of the nation's insurance industry, has just opened Zimbabwe's latest office and shopping complex, the US$36,7-million (about R155m) Eastgate building in the city centre.

The squat, solid structure, reminiscent of a chimneyed Victorian factory, uses a remarkable system of low-cost natural ventilation based on the technology of the termite mound to keep its airy interior cool without air-conditioning.

"The demand for offices and shop space in Harare is directly proportional to the increased economic growth we are experiencing. This means more business demands — hence more offices are needed," explains Zimbabwe National Chamber of Commerce chief economist Mr Edmore Tobaiwa.

Zimbabwe's construction industry has grown in parallel with the economy. Its contribution to the overall GDP, which itself increased on average by 2,7% in 1985-1994, went up slightly from 2,03% in 1990 to 2,17% in 1994.

However, in absolute terms, the construction industry's growth is more significant, judging from figures from the Central Statistical Office in Harare. The industry's output increased from Z$298m (about R133m) in 1990 to Z$865m (about R386m) in 1994, the last year for which figures were available.

"Pension funds and life assurance companies' investment is long-term and evenly spread. As investors come into the country the demand for office space increases, so they have to capitalise on this to make money," says Tobaiwa.

In this southern African nation of 10,5 million, pension funds and life assurance companies control about 55% of domestic savings. They tend to prefer investing in property, where returns are surer and higher, than in other sectors, such as manufacturing.

Shopping malls and office blocks are being thrown up at an unrelenting pace, each addition grander than the one before. Behind the boom are the country's pension funds and insurance companies.

"There is security in buildings through laws that protect us. Above all, buildings always make profit because they grow in value through rentals," an investment analyst with Fidelity Life Assurance said.

Mr Albert Mafusire, a University of Zimbabwe economist, reckons that the liberalisation of the Zimbabwean economy over the past six years has spurred growth in foreign investment and local commerce, which in turn has fed the need for buildings.

He sees the cranes and cement mixers grinding away in the city as proof that the local construction industry is also cashing in on that need but local firms complain that they are being by-passed for better-capitalised foreign construction companies.

"It takes four years to get a tender, particularly to construct modern buildings, and as a result some local companies are closing," says a spokesperson for Conforce, a local engineering and building contractor. "The construction industry is dead. International companies are the ones who are gaining because they have a huge capital base."

Of the 322 construction companies registered in Zimbabwe, 190 are foreign.

Asked for a comment on the health of the industry, a spokesperson for the Construction Industry Federation of Zimbabwe said: "We cannot speak for individual companies but surely most of them are not doing well." — Sapa-IPS

Cold Mugabe snubs Mbeki

(362) Sowetan 28/6/96

Sowetan Foreign News Service

ACCRA — An icy, sullen President Robert Mugabe of Zimbabwe could not bring himself to speak a word to South African Deputy President Thabo Mbeki on Wednesday night, although the two were seated next to each other at a dinner hosted by Ghanaian President Jerry Rawlings.

In the diplomatic world, where every detail counts, Mugabe appeared to go out of his way to snub Mbeki, which left South Africans in the audience shaking their heads in disbelief.

The dinner, at the conclusion of an international conference in Accra on reviving private investment in Africa, also included the prime minister of Ivory Coast, the presidents of Mali and Namibia and ministers representing Ethiopia and Tunisia.

Mugabe sat between Rawlings and Mbeki on the dias. When toasts were offered, Mugabe clinked glasses with Rawlings. Mbeki reached across and touched glasses with Rawlings, but Mugabe, seated between them, stared ahead and would not toast with Mbeki.

Mugabe's coldness to Mbeki stood in stark contrast to the otherwise cordial, light-hearted summit gathering, which greeted Mbeki warmly. Mbeki was gracious throughout, and all the leaders engaged in conversation.

Meanwhile, Mugabe stared conspicuously straight ahead as if Mbeki were not there. Mugabe frequently turned to his left to try to engage Rawlings, but never looked right to Mbeki. When Rawlings left the table for 20 minutes, Mugabe stared straight ahead, never uttering a word to Mbeki who talked freely with other guests.

At dinner's end, Mugabe shook hands with Rawlings then walked past Mbeki without a word or handshake. Mbeki graciously moved his chair out of Mugabe's way but received no response.

Some at the dinner speculated that Mugabe's slights stem from deep jealousy. He was once the centre of attention among frontline states but now has lost the spotlight to Mbeki and President Nelson Mandela.

The Star . . Friday June 28 1996

Sullen Mugabe snubs Mbeki at VIP dinner

Star 28/6. (362)

Atmosphere at post-summit gathering marred by what appeared to be calculated rudeness of Zimbabwe's leader

By Ross Herbert
Accra, Ghana

An icy, sullen Robert Mugabe, President of Zimbabwe, could not bring himself to speak a word to South Africa's Deputy President, Thabo Mbeki, on Wednesday night, although the two were seated next to each other at a dinner hosted by Ghanaian President Jerry Rawlings.

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Behaviour possibly caused by jealousy

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Some at the dinner speculated that Mugabe's slights stem from deep jealousy. He was once the centre of attention among the former Frontline states but has now lost the spotlight to Mbeki and Nelson Mandela.

Trade tensions is another explanation. The dinner followed a round-table discussion in which Mugabe spoke of "some African countries" who keep their borders closed to trade.

The statement was stark enough that several in the audience said they thought Mugabe would actually name South Africa.

Mugabe has long accused South Africa of blocking Zimbabwean goods by charging high import duties.

Zimbabwe in shock tariff move

(362) BD 28/6/96

Michael Hartnack

HARARE — Zimbabwe yesterday announced new protectionist tariff structures which will hit imports from SA while urgent negotiations to solve the two countries' protracted trade dispute are still in progress.

The tariffs were allegedly aimed at increasing local employment and state revenue inflows.

New scales of duties which will come into force on Monday affect, among other sectors, motor and electrical components, clothing, textiles, batteries, luggage ware and agricultural products.

All are focal to the row about the obsolete 1964 most favoured nation bilateral pact, on which special talks took place in Victoria Falls on June 10.

"It has become imperative to take measures that will provide a level playing field with competing imports and also avail a level of protection which is adequate but not excessive," Deputy Finance Minister Mishek Chinamasa said yesterday, unveiling the new tariff regime.

Observers here were astounded not only by the timing of the announcement, but at Chinamasa making it in the absence of Finance Minister Herbert Murerwa, who accompanied President Robert Mugabe to a conference on private investment in Ghana.

Only the state-controlled media were invited to the news conference at which the scales were announced, but according to the official news agency Ziana, Chinamasa made no reference to the June 10 meeting.

SA Trade and Industry Minister Alec Erwin and his Zimbabwean counterpart Nathan Shamuyarira, who led delegations representing officials, organised business and trade unions, said the Victoria Falls meeting had backed away from talk of a trade war and had brought hope of a compromise.

Militants in Zimbabwean business have for the past three years been urging Mugabe's government to impose punitive duties on SA exports in retaliation for the ending of preference for their manufactures in 1993. Ziana said special new tariffs, above the present 85% ad valorem maximum, would be imposed on clothing, textiles, batteries, luggage ware and "selected agricultural products" which appear to include SA foodstuffs, alcohol and beverages.

Thousands of jobs have been lost in Zimbabwean firms that until 1993 looked principally to SA to market textiles, leather and footware, foodstuffs and electrical goods. SA enjoys a four-to-one imbalance in trade with Zimbabwe.

Zim prisons shock

(362) ARG 28/6/96

HARARE. – Shocking conditions in overcrowded Zimbabwean prisons were exposed by local media reports of a government minister's visit to one of the country's main jails.

The government-supporting Herald newspaper carried a picture of a prisoner, half-naked in the chill of winter, pleading with Justice Minister Emmerson Mnangagwa at Chikurubi maximum-security prison in Harare.

The newspaper reported that another man – stark naked – was grabbed by guards as he advanced towards the minister through a crowd of other prisoners in tattered clothing.

Mr Mnangagwa, who is on a tour of prisons ahead of an expected amnesty announcement by President Robert Mugabe, promised more uniforms would be provided. When prisoners complained they were plagued by lice, he told them to hand their blankets in for steaming. – Sapa-AFP.

Mugabe does an about-turn on capitalism

362

The Argus Foreign Service

ACCRA (Ghana). – Zimbabwe President Robert Mugabe has announced the formation of an African Capital Markets Forum to promote development of stock exchanges and training in the securities industry and regulation.

ARG 28/6/96

The irony of a one-time Marxist promoting such a capitalist institution apparently was not lost on Mr Mugabe, who said: "You will pardon us if our policies of the past were of collective socialism. It was to enable us to fight this colonial control we still have."

The forum, announced here at the conference on reviving private investment in Africa on Wednesday, has been formed and funded under the United Nations' Economic Commission for Africa.

Mr Mugabe used the occasion to repeat his assertion that the Zimbabwean economy still was dominated by whites.

"There are huge pension funds, funded by workers. But, what do they do with them, those who are in authority? They so cleverly manipulate them so those who (benefit) from them are, by and large, white," he said.

"That is why we said to the IMF we will not be rushed into privatisation. Who will it be who owns us? Will it be the same companies who own us in mining? Who own us in manufacturing?"

"We hope our brothers will support us when the Press in Britain and elsewhere say Mugabe wants to seize land."

Mr Mugabe said lack of capital was one of the key factors holding back black development and the political sovereignty of African countries was undermined when external investment exceeded domestic investment.

Mumba Kapumpa, chief executive of the Zambian Securities and Exchange Commission, said initial funding would come from the Economic Commission for Africa. Training regulators and dealers would be one key goal.

Zimbabwe raises tariffs to aid weak economy

(362)

ARG 28/6/96

HARARE. – Zimbabwe has announced plans to sharply raise its import tariffs on a wide range of goods, from textiles and clothing to batteries, electronic goods and selected agricultural products.

At the same time the government said it planned a three-year tax holiday for imports of capital goods needed by local industry to retool to compete with imports. The new duties are effective from July 1.

Deputy finance minister Mishack Chinamasa told a press conference, "Tariffs higher than the maximum level will be applied on clothing and textiles, electronics, batteries, luggage-ware and selected agricultural products, in view of the threat to these products from foreign suppliers."

Tariffs will be raised from 40 percent to about 75 percent on car batteries and 65 percent on clothing.

Mr Chinamasa's announcement follows threats by President Robert Mugabe to slap retaliatory tariffs on South African clothing and textiles to match duties of up to 90 percent that Pretoria levied on Zimbabwean goods four years ago.

Some Zimbabwean firms, particularly textile and battery manufacturers, have been urging the government to adopt punitive tariffs against cheaper South African products flooding the market while Pretoria was protecting its own firms.

Mr Chinamasa said yesterday the new duties were not directed at South Africa but were aimed at rationalising a tariff structure which had evolved in a haphazard way when the country had a centrally-controlled economy when import licences were used to regulate trade while tariffs were aimed at boosting national revenue. – Reuter

'Socialism helped us fight colonial control'

Mugabe promotes capital markets

(362) CT(BR) 28/6/96

By Ross Herbert

Accra — Zimbabwe's President Robert Mugabe announced the formation of an African Capital Markets Forum this week to promote the development of stock exchanges and training in the securities industry.

The irony of a one-time Marxist promoting such a capitalist institution was apparently not lost on Mugabe. He said on Wednesday "you will pardon us if our policies of the past were of collective socialism. It was to enable us to fight this colonial control we still have."

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"That is why we said to the International Monetary Fund we will not be rushed into privatisation. Who will it be who owns us? Will it be the same companies who own us in mining? Who own us in manufacturing?

"We hope our brothers will support us when the press in Britain and elsewhere say Mugabe wants to seize land."

Mugabe said that lack of capital was one of the key factors holding back black development.

The political sovereignty of African countries was undermined when external investment exceeded domestic investment, he said. Building expertise in capital markets would stengthen Africa's development.

Mumba Kapumpa, the chief executive of the Zambian Securities and Exchange Commission, said that initial funding would come from the Economic Commission for Africa.

He said the forum steering committee hoped to secure enough funds to train five to 10 people a year in securities market operations and regulation.

Kapumpa said the biggest problems impeding African stock exchanges were the continent's lack of cultural exposure to share ownership and the lack of individual savings to buy shares.

"Developing capital markets is a long-term programme. It is not something you can develop in three or five years.

It will probably take at least 10 years for exchanges to spread across Africa," he said. — Independent Foreign Service

Zim farmers lose bid to overturn land laws

(362)

CT 28/6/96

HARARE: The Supreme Court yesterday dismissed the first of a series of court challenges to President Robert Mugabe's "revolutionary land programme" which he says is aimed at correcting racial inequalities in land distribution.

ZIMBABWE'S white farmers lost their first constitutional challenge to controversial laws giving the government sweeping rights to confiscate farms.

Chief Justice Anthony Gubbay and four Supreme Court judges yesterday dismissed an appeal by three commercial farmers for the court to declare invalid the first steps of land seizure by the state.

The case was regarded as the first test from the about 4 500-strong commercial farming community. They want to defend their farms from President Robert Mugabe's campaign to redress the "skewed" distribution of land between blacks and whites.

Mugabe intends to confiscate about half of the 11-million hectares owned by farmers to resettle thousands of peasant farmers from overcrowded tribal lands.

Farmers Mr Allister Davis, Ms Erna McLean and Mr Mike Clark took their case to the High Court last year after they had their farms "designated for compulsory acquisition" under a new law in 1993.

"Designated" farms cannot be sold or leased and the owners are prevented from embarking on a major capital development during the five-year period that the classification lasts.

Property ownership rights enshrined in the constitution were radically altered to remove clauses that guaranteed farm owners' compensation on the basis of "willing seller, willing buyer". The new land law allows the government to set its own level of compensation, and has removed landowners' right to challenge the state in court for unfair compensation.

Only 16 farms have been taken over under the new laws and all the owners got the price they asked for.

Davis, McLean and Clark charged that designating their farms was no different from the government effectively taking over the ownership of the farms, and appealed to the Supreme Court after losing their High Court case.

Legal sources said the case was likely to be only the first of a series of challenges that the government had laid itself open to with the law's wide-ranging powers.

Mugabe had the Land Acquisition Act passed in 1992 and declared it the weapon he would use to enforce his "revolutionary land programme". He also vowed he would "brook no interference from any court in acquiring any land".

But scandal overtook the land issue as soon as the law was put into effect, with Lands Minister Witness Mangwende being the recipient of the very first farm acquired under the law. The 30 peasants the farm was intended for were sidelined.

Officials of the Commercial Farmers' Union said the government had also abandoned assurances to confiscate only derelict and under-utilised land, and that large swathes of productive land had been earmarked. — Sapa

Zimbabwe announces new tariff structure

CT (PR) 28/6/96 (362)

From Sapa

Harare — The Zimbabwe government yesterday announced the long-awaited rationalised tariff structure to enable local producers to trade competitively on the international markets.

Misheck Chinamasa, the deputy finance minister, said the rationalisation would address anomalies and distortions inherent in the present tariff structure, the Ziana news agency reported.

Advantages

The existing macroeconomic environment made it difficult for companies to survive in the short to medium term, he said.

That was true even where they had comparative advantages that allowed them a more open trading environment in the longer term.

"It has therefore become imperative to take measures that will provide a level playing field with competing imports and also avail a level of protection which is adequate but not excessive," Chinamasa said.

He said that simplifying the tariff structure would enhance the efficiency of domestic companies and promote trade.

Confusion arising from the many tariff bands would also be eliminated, he said.

"The new tariff regime involves the categorisation of goods according to layers and interrelationships within the industry," he said.

Under the regime, to become effective on July 1, the duty on raw materials and merit goods such as educational material, medical items and equipment for people with disabilities was fixed at 5 percent. At present the range for these items was from zero to 40 percent. The duty on capital goods was also fixed at 5 percent, compared with the present range between zero and 56 percent.

Duty on partly processed goods was pegged at 15 percent compared with the current range of zero to 55 percent.

The duty for intermediate goods and other consumables was fixed at 30 percent. Duties for finished goods, which attracted a maximum duty of 85 percent, were fixed at 50 percent.

He said that lower rates of duty would apply on components for assembly in the electronic and motor vehicle sectors under conditional entry.

Chinamasa said "tariffs higher than the maximum level" would be applied to clothing and textiles, batteries, luggage and selected agricultural products because of the threat to them from foreign suppliers.

Surtax at the present rate of 10 percent would be retained on finished goods and consumables.

Chinamasa said exemptions from duty and tax posed a tremendous administrative burden. Exemptions were a hidden subsidy that inhibited transparency around the actual expenditures incurred.

As a result, he proposed that exemptions on a variety of goods be removed.

These were goods for government use, goods for use by the District Development Fund, capital goods, merit goods cleared on a certificate issued by the industry and commerce ministry and goods imported for approved projects.

He said most of the exemptions would take effect on July 1 but exemptions on goods for use by the government and the fund and capital goods entered into consumption would become effective on or before September 30.

However, exemptions for goods imported under technical aid agreements, mining exploration and goods for charitable and religious organisations would be retained.

He said passenger vehicles entered into consumption by religious or charitable organisations on or before September 30 this year could be cleared under the existing rebate, as long as the approval for the rebate was issued before July 1.

"It is my sincere hope that removal of the above exemptions will stimulate demand of domestic goods, in line with the buy Zimbabwe campaign being promoted by the Confederation of Zimbabwe industries," Chinamasa said.

New Zimbabwe tariffs hit out at SA trade

Star 29/6/96

(362)

By ROBIN DREW

Harare – The first shots in what some regard as an impending trade war have been fired by Zimbabwe, with moves to control the flow of South African goods into the country, which has damaged local industry.

New tariffs were announced on Thursday which will have the effect of protecting Zimbabwe's clothing and textile, electronics, battery and luggage-ware industries and selected agricultural products.

Zimbabwe and other southern African countries have accused SA of dumping goods by subsidising exports and of imposing punishing import tariffs on goods such as textiles.

Local battery manufacturers will now have a tariff protection of about 70%.

Tariffs on raw material imports for local manufacture have also been reduced.

Officials said the new tariff regime would have a significant positive impact on industry in terms of job creation and increased output.

It would stimulate demand for domestic goods in line with the "Buy Zimbabwe Campaign" being promoted by industrialists.

But Deputy Minister of Finance Misheck Chinamasa has dismissed the notion that the new tariffs were directed at SA, saying the issue of trade with SA was being dealt with separately.

"We are not at war with South Africa," he said. – Independent Foreign Service

Zimbabwe court dismisses farmers' appeal

Star 29/6/96 (362)

By ROBIN DREW

Harare – White farmers in Zimbabwe suffered a severe defeat on Thursday, when the Supreme Court dismissed their appeal to have the designation of farms intended for government acquisition declared unconstitutional.

The farmers maintained that by designating a farm for acquisition, a process which could last for 10 years, the government took away the rights of ownership such as the right to sell or dispose of land in any way. It was also likely to push the price down and difficulties could arise in raising loans for farming.

However, the full bench of the Supreme Court ruled that designation did not amount to compulsory acquisition, though it did deprive farmers of the right to dispose of their land. It could well be true that designation had the effect of lowering the value of their lands, but while this was to be regretted, it did not amount to taking the land, and so having to pay compensation.

If a landowner was able to establish one of the recognised grounds of illegality, irrationality or procedural impropriety, he could appeal to the High Court.

The ruling is a blow for farmers, scores of whom have had productive properties designated. The president of the Farmers' Union, Peter MacSporran, said he would have to study the judgment before he could comment. – Independent Foreign Service

Mbeki denies Mugabe snub

Star 29/6/96 (362)

Deputy President Thabo Mbeki has denied being snubbed by Zimbabwe's President Robert Mugabe after reports that the Zimbabwean leader had "stared straight ahead", during a dinner hosted by President Jerry Rawlings of Ghana, "as if Mbeki were not there".

Newspapers reported yesterday that Mugabe had refused to toast Mbeki or to shake hands with the deputy president, and had avoided eye contact.

Mbeki had been participating in a round-table discussion with other heads of state concerning principles for the revival of investment in Africa.

Thami Ntenteni, a spokesman for Mbeki, said the report contained factual inaccuracies and was based on groundless assumptions. "The report was based on assumptions and observations made with insufficient information and no concrete evidence," he said.

Zimbabwe fires first salvo in trade war

(362)

ARG 29/6/96

HARARE - The first shots in what some regard as an impending trade war have been fired by Zimbabwe to control the flow of South African goods into the country which has damaged local industry.

New tariffs announced this week will have the effect of protecting Zimbabwe's clothing and textile industry, electronics, batteries, luggage-ware and selected agricultural products.

Zimbabwe and other countries in the region have accused South Africa of dumping goods here by subsidising exports and of imposing punishing import tariffs on goods such as textiles.

Officials said the new tariffs would boost job creation, increase industrial output and stimulate demand for domestic goods in line with the "Buy Zimbabwe" campaign promoted by industrialists.

BUSINESS

Relief for Zim trade

Sowetan 1/7/96 (362)

Simplification of the tariff structure will enhance efficiency of domestic firms

THE ZIMBABWE GOVERNMENT over the weekend announced the long-awaited rationalised tariff structure aimed at "levelling the playing field" to enable local producers to trade competitively on international markets.

Announcing the new tariffs, deputy finance minister Misheck Chinamasa said the rationalisation will address the anomalies, inconsistencies and distortions inherent in the current tariff structure.

He said the existing macro-economic environment made it difficult for companies to survive in the short to medium-term even where they had comparative advantages that allowed them in a more open trading environment in the longer term.

"It has therefore become imperative to take measures that will provide a level playing field with competing imports and also avail a level of protection which is adequate but not excessive," Chinamasa said.

He said simplification of the tariff structure would enhance the efficiency of domestic companies and promote trade through the elimination of the cofusion arising from the large number of tariff bands.

"The new tariff regime involves the categorisation of goods according to layers and inter-relationships within the industry," he said.

Under the regime, to become effective on July 1 1996, the duty on raw materials and merit goods such as educational, medical and goods for the blind and disabled was fixed at five percent, narrowing the range from the current range of between zero and 40 percent while the duty on capital goods was also fixed at five percent compared to the current range of between zero and 56 percent.

Processed goods

Duty on partly processed goods was pegged at 15 percent compared to the current range of zero to 55 percent.

Intermediate goods and other consumables had their duty fixed at 30 percent while finished goodS duties, which currently attracted maximum duty of up to 85 percent, were fixed at 50 percent.

Lower rates of duty, he said, would apply on components for assembly in the electronic and motor vehicle sectors under conditional entry.

Chinamasa said tariffs higher than the maximum level would be applied on clothing and textiles, batteries, luggage-ware and selected agricultural products in view of the threat to these products from foreign suppliers.

Surtax at the current rate of 10 percent would be retained on finished goods and consumables.

He noted that exemptions from duty and tax posed a tremendous administrative burden on the customs administration and, furthermore, exemptions are a hidden subsidy which inhibits transparency on the actual expenditures incurred.

"I therefore propose the removal of the following exemptions: goods for government use, goods for use by the District Development Fund, capital goods, merit goods cleared on a certificate issued by the Ministry of Industry and Commerce and goods imported for approved projects."

He added that while most of the exemptions became effective on July 1, goods for use by government, the DDF and capital goods entered into consumption would become effective on or before September 30.

However, Chinamasa said exemptions provided for goods imported under technical aid agreements, mining exploration and goods for charitable and religious organisations would be retained. – *Sapa-Ziana.*

(362)

'Mugabe's rhetoric harming investment'

Anglo American executive seeks meeting with Zimbabwean president over claims corporation is stifling black aspirations

Star 2/7/96

SAPA
Harare

Anglo American Corporation executive director and deputy chairman Nicky Oppenheimer says the rhetoric of Zimbabwe's President Robert Mugabe is driving away foreign investment.

Oppenheimer says Anglo American has been in touch with the Zimbabwe government to arrange a meeting with Mugabe following the president's accusations that the company was deliberately stifling black aspirations.

Mugabe said Anglo was keeping white executives in charge in the company's Zimbabwean concerns to maintain a whites-only business empire.

"It's always easy to say you haven't done enough, and no doubt in these circumstances when you look back ... you would most probably find we haven't done enough," Oppenheimer said in an interview in yesterday's edition of The Herald, the country's main daily newspaper.

"I think the important thing is to look forward against the review of what has happened in the past and be determined to do everything you can to give citizens of the country in which you operate an opportunity within your organisation."

Anglo is the largest private company in Zimbabwe with vast assets in mining, agriculture and manufacturing, as well as in London-based Lonrho.

Mugabe has criticised Anglo American twice in the past two months. In May he said: "They want to continue the system of all-white management, all-white control." He said the government would "demand" that blacks be given a share in ownership, and threatened "to find some way of persuading them" if the company refused.

Oppenheimer said Mugabe's allegations were "of great concern to us, and something we want to get into a dialogue with the government about".

"I think this paints a picture of conflict between business and government, and when you are trying to attract investors in your country, it is not a good thing, in my view, to have this sort of impression given to new investors."

Oppenheimer said the number of black executives Anglo employed was "not a debate that should take place". The corporation employed people regardless of their race or skin colour.

"What I think one (should) want to ask is: Is Anglo in Zimbabwe contributing to the development of the country in the way that it should? And in that regard, I certainly believe it is."

He added the corporation "has made very good strides in producing black managers". Contact had been made with Zimbabwe's government, "and I hope it will be possible for me to meet members of the government shortly".

Mugabe stepped up his anti-white rhetoric with the start of his presidential election campaign early this year.

NEWS NEWS

Mbeki says he was not snubbed

(362) Sowetan 2/7/96

Report was 'based on groundless assumptions by journalist'

By Coudjoe Amankwaa

DEPUTY President Thabo Mbeki's office has poured cold water on claims that Zimbabwean president Robert Mugabe snubbed him at a heads-of-state meeting in Accra, Ghana last week.

A syndicated report in *Sowetan* was headlined "Cold Mugabe snubs Mbeki".

The report followed a visit to Ghana by Mbeki at the invitation of Ghana's President Jerry John Rawlings to chart the way forward on "Reviving Private Investment in Africa".

Mbeki's spokesman, Mr Thami Ntenteni, said the report contained factual inaccuracies based on groundless assumptions by the journalist involved.

He said Mbeki participated in a round table discussion with Mugabe and other heads of state.

Ntenteni said the snub allegedly took place at a dinner hosted by Rawlings at the end of the conference but did not.

He said Rawlings walked away from the table to propose a toast from the rostrum to the guests.

"It was at this point that both Mbeki and Mugabe toasted each other, adding that this may have gone unnoticed by the journalist," he said.

He said that Rawlings resumed his seat and then toasted with Mugabe and Mbeki individually.

"It was therefore incorrect and misleading to assume that Mugabe snubbed Mbeki at a dinner table without the privilege of having observed their interaction when they were together in private," he stressed.

Anglo slams attacks on white control

From AFP CT (PR) 2/7/96 (362)

Harare — A crusade by President Robert Mugabe against white economic power in Zimbabwe, including fierce attacks on Lonrho and Anglo American, sparked sharp reaction yesterday.

Nicky Oppenheimer, Anglo-American's executive director, said that Mugabe's strong criticisms could harm the country's drive for vital foreign investment.

"I think this paints a picture of conflict between business and government and when you are trying to attract investors in your country, it is not a good idea in my view," Oppenheimer said.

In the past month, Mugabe has accused Dieter Bock, the new chief executive of Lonrho, of having "messed up things for us" by disposing of key assets in Zimbabwe and frustrating attempts to appoint blacks to key positions in the company.

He also attacked Anglo American for wanting "all-white management, all-white control and all-white ownership", 16 years after Zimbabwe attained independence and black majority rule.

In response, Oppenheimer said: "If you say does Anglo have senior black people on the board, it certainly does. Does it have senior black Zimbabweans as operators and running companies? It has that.

"If you say is the chief executive of Anglo in Zimbabwe a black person, he is not."

Mugabe is also unhappy that Anglo is reportedly planning to replace Roy Lander, its chief executive in Zimbabwe, with another white when he retires.

Mugabe's attacks on multinationals are the latest manifestation of an intense drive against the country's white minority of farmers and businessmen launched during his campaign for re-election earlier this year.

Anglo chiefs plan a meeting with Mugabe

BD 2/7/96 (362)

Michael Hartnack

HARARE — Anglo American chairman Julian Ogilvie Thompson and executive director Nicky Oppenheimer planned to meet President Robert Mugabe to defuse the confrontation over the corporation's pace in giving top jobs to blacks in Zimbabwe.

Oppenheimer told The Herald in an interview published yesterday Mugabe's public onslaught against Anglo over the past two months painted a picture of conflict between business and government.

"It is not a good idea in my view to have this sort of impression given to potential new investors. I am pleased to say that contacts have been made and I hope that it will be possible for me to meet members of the government shortly."

He denied claims Anglo had no senior blacks on its board or running its operations, but acknowledged that "when you look back you would probably find we haven't done enough".

In a separate interview with the Zimbabwe Independent, Ogilvie Thompson said he would be happy to sit down with Mugabe, but declined to comment further.

Business sources here say Mugabe may use his stringent immigration controls to stymie Phillip Boum, Anglo's desired replacement for retiring Zimbabwean chief executive Roy Lander.

Anglo was reportedly considering an act of defiance against Mugabe's political interference — having Boum run its Zimbabwean operations from Johannesburg.

Sources say the mines ministry had ordered Anglo to "reinstate" former board member Elias Ngugama who last year resigned to found a private airline and chair the state-owned Astra Corporation. But Ngugama, an outspoken critic of Mugabe's economic policies during his chairmanship of Zimbabwe's Chamber of Mines, reportedly did not want Lander's job.

White Zimbabwean Bill Smart had been groomed to succeed Lander, but was snapped up by the platinum and chrome mining company Zimasco when Anglo favoured Boum, its specialist in Zimbabwean minerals for many years.

Ogilvie Thomson said a black advancement programme was under way. "We have invested heavily in education and training."

Anglo "would soon initiate a meeting with Zimbabwean government officials to try and iron out any differences — Zimbabwe is important to us as attested by the more than Z$4bn we are investing in that country over the next four years."

Mugabe alleged both in Harare and London: "Here, they (Anglo) want to continue the system of all-white management, all-white control and all-white ownership. In South Africa they are doing the opposite."

Thousands fired at Amplats mine

BD 2/7/96 (363)

Bonile Ngqiyaza

AMPLATS said yesterday it had dismissed 13 261, or "just less than 50%" of its workforce at its Rustenburg Platinum Mines (RPM) operation — 5 577 at the Union section and 7 684 employees at Amandelbult.

The dismissals followed an ultimatum to return to work issued in terms of a Supreme Court interdict late last week. "The workers have ignored both the interdict and the ultimatum," Amplats said.

Amplats management and the National Union of Mineworkers (NUM) held a meeting last night at the request of the union which was concerned about the position of their members, Amplats spokesman Johan Adler said. About 30% of the miners at the Union section were NUM members, while the figure was "close to 40%" at the Rustenburg section, Adler said.

The company, which is the world's biggest platinum producer, said revenue losses had increased to more than R13,5m a day as a result of the strike.

Adler said the illegal strike action had spread to all shafts at RPM and that 100% of underground output was affected.

The smelter and refineries at the mine were continuing to operate on stockpiled material but all underground production had been affected.

Employees on strike at the mine's Rustenburg section had been issued with a similar ultimatum and would also be dismissed if they did not return to work in terms of final ultimatums issued. Workers are in dispute with management over payouts of company benefits and bonuses.

Rustenburg Platinum Mines' production of refined platinum in the year ended June 30 1995 was 1,43-million ounces.

□ Reuter reports that Gold Fields' Northam Platinum Ltd said about 180 workers involved in an illegal work stoppage last week had returned to work.

Mugabe to legislate black empowerment

(362)

BD 3/9/96

Michael Hartnack

HARARE — A massive programme of legislated "indigenisation", favouring black Zimbabweans, was yesterday outlined by President Robert Mugabe when he opened the new parliamentary session here.

Ignoring continuing demands for financial discipline from organisations such as the World Bank, Mugabe unveiled ambitious plans for a 25-year "national vision" in which empowerment of the 11,5-million blacks would form a major goal.

He announced pending legislation to put the country's main foreign currency earner, its R3bn-a-year tobacco industry, under a revamped board., currently headed by the militant advocate of affirmative action, Rodger Boka.

In the wake of recent attacks on the Lonrho and Anglo American mining houses over black advancement, Mugabe said all mining companies would be forced to reveal the names and nationalities of their shareholders.

Both Anglo American and Lonrho said shareholder information was publicly available. A Lonrho spokesman said the group had "no problem" with submitting its shareholder register which listed the names and nationalities of 300 000 to 400 000 shareholders.

The 4 500 white farmers are to be given maximum farm sizes for each region and restricted to "one man, one farm". More blacks are to be on farms on long-term leases.

The tourist industry, radio and telecommunications are to be opened up — "to indigenous Zimbabweans and their partners" — while a "national investment trust" is to be established to ensure state enterprises are sold only to blacks.

Law society believes in most members' integrity

BD 3/7/96

Susan Russell

THE Transvaal Law Society, when it appointed an independent commission to investigate unsubstantiated public complaints about misconduct by attorneys, said it believed the move would substantiate the confidence it had in the integrity of the majority of its members.

The relatively few complaints received by the one-man commission, conducted by retired magistrate Willem Krugel, indicated that the society's faith in its members as a whole was not misplaced.

However, the fact that Krugel, who released his report last week, was presented with evidence that an increasing number of attorneys were involved in the relatively new phenomenon of money laundering and fraud, does support public calls for more transparent disciplinary procedures by the various law societies.

While the society remains convinced that most of its members are honest, it has repeatedly emphasised its commitment to creating greater transparency in the way it exercises its regulatory and disciplinary functions. In doing so it has to balance the interests of its members and those of the public, which perceives it as being too protective of members.

The commission received about 110 complaints and allegations. Less than half were against specific practitioners, but did include 14 complaints of unethical or dishonest handling of third-party claims by individual attorneys, and allegations of involvement in money laundering against five others.

Although Krugel formally handed his report to the society last week, he and the society stressed that the names of none of the attorneys implicated would be made public at this stage.

There are a number of reasons for this. Firstly, Krugel's commission was not a public one and had no power of subpoena so that attorneys implicated could not be called to testify.

Secondly, Krugel made the point in his report that the inquiry drew an unexpectedly large response from the public, which meant there was insufficient time to give attorneys implicated by evidence notice to attend if they wished to.

Among those who did give evidence, or provided documentary proof under oath behind closed doors, were representatives from various financial institutions who submitted information about incidents of money laundering.

Krugel said he was informed by concerned financial institutions that the instances in which attorneys trust accounts were being used to launder money were on the increase.

Vast sums of money were involved, Krugel said.

Handing over his report to society president Esme du Plessis last week, Krugel said it would have been preferable if a public commission with greater powers had been appointed although he believed his commission would benefit the profession and public.

Du Plessis said the society's disciplinary bodies had already started investigations into the evidence received from Krugel. It was now policy to publish the names of members found guilty and struck off the roll, or found guilty of disgraceful conduct.

Zimbabwe's textile woes

(362)

Michael Hartnack

BD 3/7/96

HARARE — A further 2 000 Zimbabwean clothing workers yesterday faced redundancy, just as SA Textile Federation president Mike Hankison said it was ready to agree to a 50% tariff reduction and drop the demand for 75% Zimbabwean content.

Sources in Harare said the textile industry's problems were not only due to loss of SA markets but from interest rates of up to 40% caused by chronic government monopolisation of the money market, and protracted problems with lint production.

Industry and Commerce Minister Nathan Shamuyarira appealed to managements to stave off closures until conclusion of the latest round of talks with SA officials, business and trade union leaders, begun with Alec Erwin in Victoria Falls last month.

Hankison said that further meetings were scheduled for Cape Town later this month.

Mugabe muscles in on his Harare neighbours

M+G 28/6-4/7/96 (362)

Iden Wetherell in Harare

PROPERTY owners in Harare's upmarket Borrowdale suburb whose homes overlook an estate used by President Robert Mugabe as a weekend retreat have been told to sell their properties to the government for "security reasons". But they say they are only being offered half the market value.

The 12-hectare estate, including an imposing homestead, is owned by the ruling Zanu-PF party's shadowy investment company M&S Syndicate which bought it in 1987 as a weekend retreat and retirement home for the president and his late wife, Sally. The previous owner who made his fortune from commodity broking in Zimbabwe lives in Cape Town.

The five neighbouring property owners said they were first approached last year by the senior government valuator, Sunil Fernando, who said he was acting for the Ministry of Defence.

Informed they didn't want to sell, Fernando cited security considerations: "You are not listening. The Ministry of Defence wishes to acquire your property," he told them, suggesting they obtain independent valuations of their properties.

'When we submitted the independent valuation he went ballistic'

"When we submitted the independent valuation he went ballistic," said one of the owners, Rick Passaportis. "He claimed the valuation was worthless and out of all proportion to the value of the property."

Passaportis said a reputable local estate agent had valued his property at Z$6-million (about R3-million). His 10ha property contains a four-bedroom main house, three-bedroom cottage, dam, stables, tennis court and swimming pool. The government has offered Passaportis Z$3-million.

The total value of the properties the government seeks to acquire is Z$20-million. This is twice the figure the government allocated to its rural resettlement programme in the current fiscal year. Mugabe made land redistribution the centrepiece of his re-election campaign in April. But critics have said the programme has seen prime land distributed to Mugabe's cronies rather than to peasants crowded in former rural reserves.

"I understand that governments everywhere have the right to acquire land. But in view of the fact that in our case this is not for resettlement, government should pay the market price," Passaportis said, pointing out that he had invested enormous capital and energy building up his property.

His lawyers argue the controversial Land Acquisition Act, authorising the government to acquire land, does not cover cases such as this, where no health, public safety or defence interest is involved.

So far, two of the owners have accepted the government's offer to purchase their properties. But the government has yet to come up with the money, leaving the owners in a predicament.

"The houses are blighted," says Peter Hartnack, one of those who have agreed to sell. "Nobody will buy them knowing the government has expressed an interest. And we can't make the government pay because a successful suit in the courts could not be enforced."

Mugabe is known to be obsessive about his security, sealing off the approach roads to his main Harare residence and travelling only in heavily armed motorcades.

He owns other properties in Zvimba, north of Harare, and in Nyanga, in the Eastern Highlands. In both locations people have been displaced, mostly peasant farmers.

Asked why the government had not made good its offer to buy those properties offered to it, Fernando told the *Mail & Guardian*: "I don't know. You should talk to the relevant authorities."

No response could be obtained, however, from the Ministry of Defence.

Zimbabwe's gays brace for n

M+G - ~~5/11/96~~ 5-11

?rospects of a large church ?ongress in Zimbabwe has given impetus to the gay rights movement, writes **Iden Wetherell** in Harare

Popularity under pressure: Pictured at a campaign rally earlier this year, Zimbabwe's President Robert fervent anti-gay stance

ZIMBABWE's embattled gay community, the target of an abusive campaign last year by President Robert Mugabe and Zimbabwean church leaders, is bracing for another confrontation with the same opponents.

A proposal by international Protestant umbrella body, the World Council of Churches (WCC), to hold its 1998 assembly in Zimbabwe has led to early skirmishing in which the president of the Zimbabwe Council of Churches (ZCC), Anglican Bishop of Harare Jonathan Siyachitema, has repeated anti-gay remarks made last year when he supported Mugabe's view that gays and lesbians had "no rights whatsoever".

This time, however, the country's small gay advocacy organisation, Galz (Gays and Lesbians of Zimbabwe), believes it has considerable leverage. The WCC is insisting on dialogue over the gay rights issue ahead of the assembly and wants gay delegates to be able to hold demonstrations on the University of Zimbabwe campus where the meeting will be held. Over 3 500 delegates and 200 journalists are expected to attend.

The ZCC has moved quietly behind the scenes to assure the WCC its delegates will not be harassed or barred from entering the country.

Siyachitema, however, continues to adopt a combative posture saying that while gay rights will be on the WCC agenda, "homosexuality is a sin and there can be no compromise on that". He said he was grateful the government had taken a strong stance against homosexuality in accordance with church principles.

"The gathering at the University of Zimbabwe will be open for discussion on the topic but if people want to masquerade as homosexuals from the university we declare that the law must take its course," Siyachitema warned in remarks clearly directed at Galz.

However, other church spokesmen said the bishop had gone too far, and accused him of "political appeasement". Siyachitema's remarks were "most unfortunate and compromised the pastoral responsibilities of the church", said Jonah Gokova, co-ordinator of Ecumenical Support Services, a church-related non-governmental organisation helping to prepare for the WCC assembly.

David Hatendi, the former Anglican bishop of Harare, last week called for the government and ZCC to set up a commission of inquiry into homosexuality ahead of the 1998 meeting.

Representatives of Galz met a church group last week to determine a basis for dialogue. Galz's organisational capacity has been boosted by the donation of Z$600 000 (nearly R300 000) from Dutch agency Hivos with more to ... year, a move that is bound ... ate Mugabe.

"Galz can play a promi... building a plural and ... society," said Hivos dir... Vossen.

Mugabe's anti-gay ca... year ran into strong opp... foreign governments ...

Same old story as SA crunch hits Zimbabwe textile industry

(362) Star 6/7/96

By ROBIN DREW
INDEPENDENT FOREIGN SERVICE

Harare – The headlines tell the story: "Clothing, textile industry collapse imminent"; "Two thousand lose jobs"; "Workers appeal for chance to run company".

They all appeared in recent weeks in Zimbabwe, where the embattled industry has suffered a further blow with the closure of another large clothing company.

The government has urged companies to avoid rushing into liquidation as negotiations with South Africa on a revamped trade agreement continue and a new tariff structure is being put in place.

The Zimbabwe Clothing Council has appealed to the government and the private sector to go into partnership to save the collapse of the industry.

The most dramatic blow came last year when Cone Textiles, one of the largest plants in Africa, closed its doors, throwing 6 000 people out of work. But the warnings go back a number of years. Two years ago it was the same story: "Clothing, textile industry jobs in the balance".

So what went wrong? South Africa drastically raised import duties on textiles to protect its domestic industry from cheaper Asian imports. Zimbabwe was not exempted, although its own exports to South Africa, while significant for Zimbabwe, represented a negligible threat to SA.

APPEALED FOR ACTION: Robert Mugabe said industries were facing collapse

Zimbabwean manufacturers had also been hit, however, by the removal of their own government's export subsidy, increased cotton lint prices, the high cost of borrowing money (more than 30%), inflation at about 25% and an inflow of second-hand clothes.

The liberalisation of the economy under the economic structural adjustment programme, coupled with SA's return to the world, led to a massive inflow of South African goods.

It was the textile industry and the battery manufacturing sector that cried for help.

Zimbabwe has been trying for four years to get South Africa to update the trade agreement first negotiated in 1964.

The agreement is hopelessly out of date and in 1993, before the new South Africa was born, Zimbabwe's then industry and commerce minister flew to Cape Town for talks with his counterpart Derek Keys.

Despite many meetings between officials, no real progress was made until a top-level meeting was held at Victoria Falls last month between delegations headed by SA's Alec Erwin and Zimbabwe's Nathan Shamuyarira.

Before that, President Robert Mugabe had appealed for action, saying Zimbabwe's patience was running out and its industries were facing collapse.

Committees were appointed to go into specific areas and another top-level meeting was planned for July 16. However, the semi-official press in Zimbabwe hinted that more delaying tactics were being employed by South Africa and by this stage talk had surfaced of a trade war. Ministers denied it, but ...

Then, at the beginning of this month, Zimbabwe unilaterally introduced a new tariff structure designed to protect local industry by lowering tariffs on components and raising them on finished goods.

Within a week, however, the government was forced to suspend the implementation of the new tariffs, saying it had decided to discuss the new measures with its Southern African Development Community partners (including South Africa) who were in the process of formulating a new trade protocol.

Finance Minister Herbert Murerwa denied there had been pressure from other countries, but quite why Zimbabwe had decided to go ahead with new tariffs without consultation remains something of a mystery.

Zim pro-democracy body hailed

(362) Star 6/7/96

Harare – Human rights activists have welcomed the creation of a new pro-democracy organisation, but some fear it will not last long if it turns out to be a political party in disguise.

The Foundation for Democracy in Zimbabwe intends to promote democracy in a country viewed by some as a one-party state. Its activities will include workshops on good governance.

The foundation will support independent candidates in elections as long as their agendas and policies are in line with its aspirations, and intends to promote legal reform, enhancing democracy, including a provision allowing the president to appoint 30 of parliament's 150 legislators, which makes it difficult for any opposition party to obtain a majority. – Sapa-IPS

Zimbabwe 'sick and tired' of SA media

ARG 6/7/96 (362)

HARARE. – Zimbabwe had excellent diplomatic relations with South Africa, the semi-official Herald newspaper said, quoting Foreign Affairs officials who accused South African newspapers of making "venomous attacks" on President Robert Mugabe and his government.

Asked for comment on a report in the Johannesburg Star that President Mugabe had snubbed South Africa's deputy president Thabo Mbeki at a dinner in Accra, the officials said the government was sick and tired of South African media attacks and had decided to keep quiet.

"There are better ways of promoting ourselves than fighting the South African media," said an unnamed senior official.

Earlier attempts by a foreign correspondent to seek official comment here met with no response.

According to the Herald, Mr Mbeki's office had issued a statement trashing the Accra report.

"All we care about is that Thabo knows the truth," said one official.

The Herald said officials claimed that most of the report originated in Zimbabwe. "Virtually all the adverse reports are written by white correspondents. We have decided to keep quiet about it except once in a while when we really feel they have crossed the bounds of hate," the paper reported.

A new bid to boost democracy in Zimbabwe

(362) ARG 8/7/96

A new group promoting human rights and constitutional reform has been launched in Zimbabwe, but some fear it could just be a new political party in the making and that the government will thus seek to crush it. **PEDZISAI RUHANYA** of International Press Service reports from Harare.

HUMAN rights activists in Zimbabwe have welcomed the creation of a new pro-democracy organisation, but some fear it could have a short life if it turns out to be a political party in disguise.

Launched in Harare recently, the Foundation for Democracy in Zimbabwe (FDZ) aims to promote democracy in a country that is viewed by some government critics as a de facto one-party state.

Its activities will include workshops to educate the youth on good governance, democracy and their role in social progress.

The FDZ will also support serious independent candidates in national elections as long as their agendas and policies are in line with its aspirations, the foundation's draft constitution says.

Eventually, the FDZ intends to create an institute for democracy and research.

"As an organisation we would be happy to do research work to help members of parliament identify major issues in rural areas so that they can be debated in parliament," says political scientist John Makumbe, a founder member of the FDZ.

The group also aims to promote legal reforms that would enhance democracy which, critics say, is limited by constitutional provisions that benefit the ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF).

These include a provision allowing the president to appoint 30 of the parliament's 150 legislators, which makes it difficult for any opposition party to obtain a majority since parliamentary elections are held [illegible] dential po[illegible]s.

Another bone of contention is an act that limits state funding to parties which have at least 15 seats in parliament.

So far, only ZANU-PF qualifies.

Against this background, human rights organisations here say they welcome the new group.

"Anything that leads to democracy is welcome to us. Their efforts must be complemented by others to bring about constitutional reforms in the country," says Mike Auret, executive director of the Catholic Commission for Justice and Peace in Zimbabwe (CCJP).

However, such sentiments are tainted by the fear that the FDZ may founder either because it is a covert opposition political party in the making, or because the government may interpret it as such – since its leading members are outspoken critics of President Robert Mugabe's administration – and crush it.

"I fully support such an initiative but I am not looking forward to a political party," says David Chimhini, director of Zimrights, another human rights watchdog.

"This has killed people of big minds in the country. This is not what the country wants now."

His fear seem based on the fate of an earlier body, the Open Forum, which started off promoting pluralism, but became the opposition Forum Party of Zimbabwe (FPZ) led by former Chief Justice Enoch Dumbutshena.

While the Open Forum generated some interest, its successor has performed dismally at elections.

Makumbe has sought to dispel any fears that his group might suffer a si[illegible]ar fate.

"We regret the path taken by Open Forum. Ours is a platform to publicly discuss national issues collectively without fragmentation," said the political scientist.

"They have already accused us of having political ambitions but ours is purely a civic organisation and we will not be intimidated.

"We are not violating the law, so I do not see any reason why the government should get worried," added Makumbe, who is one of three members of the FDZ's board of directors.

Also on the board is Margaret Dongo, who became the only independent legislator in the parliament after being expelled from ZANU-PF, which has ruled this country for 16 years and occupies all but three seats in the legislature.

The FDZ's third director is Chris Mushonga, a medical doctor.

Rights activists also fear that, even if the new organisation does not eventually become an opposition party, its efforts to reach grassroots people could lead to a head-on clash with the ruling ZANU-PF.

"Anybody who talks about grassroots empowerment is an enemy of the government," noted Chimhini. "If the ruling ZANU-PF party allows this, it means the beginning of true democracy in Zimbabwe."

Similarly, Auret believes that "if these people gain support they are going to be branded as enemies of the state. They are also going to be accused of forming a political party."

"The constitution does not safeguard human rights," he adds. "Unless we have a constitution written by Zimbabweans for Zimbabweans, democracy will be a mere dream." – Sapa-IPS

President Robert Mugabe – the present constitution benefits his party and weakens the opposition.

BD 9/7/96

Zimbabwe govt blamed for 'go-it-alone bungle'

(362)

HARARE — Captains of Zimbabwean industry and commerce urged the government yesterday to consult them to correct anomalies in new import tariffs, which were suspended on Sunday.

The Confederation of Zimbabwe Industries and the Zimbabwe National Chamber of Commerce said the government's go-it-alone style had resulted in a bungled new tariff structure which was suspended after being in force for only a week.

Industries confederation CE Joe Foroma said: "We are asking for an early meeting with the government so we can iron out this problem quickly and the economy can move ahead."

He said although government had consulted industry in the initial stages it had failed to go back to them for input on the proposed rates.

John Robertson, who heads a private economic consultancy, said: "The government appeared to have gone into the exercise alone without referring to anybody ... and all that added up to a complete mess that had to be fixed."

At issue — said the chamber of commerce and the confederation of industries, who have been pressing government for new duties to counter alleged dumping of cheaper foreign goods — was the government's failure to specify rates for different products. Some intermediate goods needed for input by manufacturers attracted higher duties under the new structure, defeating its aim of boosting production.

Senior economist Edmore Tobaiwa of the chamber of commerce, which represents mostly importers, said: "Why should a product being imported, when no similar one is made locally, attract a duty of more than 50%? Who are we protecting?"

An SA trade and industry official denied Pretoria was involved in the suspension. — Reuter.

THURSDAY
JULY 11, 1996 ★

ZIM TV STATION ASKS TABOO QUESTION

Who will take over when Mugabe goes?

CT 11/7/96 (362)

HARARE: For 16 years no one has dared ask who will fill President Robert Mugabe's shoes when he leaves public life, but now the state-controlled TV station has raised the question — and some think Mugabe himself is behind it.

ZIMBABWE'S tightly controlled state television this week asked, for the first time, a question it has strenuously avoided over the years — who will succeed President Robert Mugabe?

It interviewed Father Fidelis Mukonori, a Catholic priest from Mugabe's rural home district and considered by some to be very close to the president, who said it was now time to focus on the issue.

Some political analysts see in the broadcast by Zimbabwe Television (ZTV) the most pointed public hint from Mugabe himself that he is preparing to leave office.

Mr John Makumbe, a political science lecturer at the University of Zimbabwe, said he suspected Mugabe, 72, would try to keep the debate alive, but under control in the official media, to offload pressure from foreign and local critics who accuse him of stretching his rule too long and of letting the succession question drift.

Mugabe, re-elected to another six-year term in March, has previously refused to discuss the subject, saying that when the time comes for him to go, his ruling Zanu-PF party will choose a new leader.

Some people believe he will not stay out his new term and will choose to retire with dignity. But he wants to influence the succession process.

"I think his calculation is that a focus on this issue will relieve the current pressure and probably help highlight what he sees as his own strong points," Makumbe said.

Mugabe is accused by many of mismanaging the economy, which has grown at an average two percent annually against a population growth rate of about three percent a year since 1980. But he is also credited with setting Zimbabwe on a stable social and political path.

Possible successors are Industry and Commerce Minister Mr Nathan Shamuyarira, 66, Local Government Minister Mr John Nkomo, 62, Minister Without Portfolio Mr Eddison Zvobgo, 60, State Security Minister Mr Sydney Sekeramayi, 52, Justice Minister Mr Emmerson Mnangagwa, 50, and Lands Minister Mr Kumbirai Kangai, 58.

Mugabe's two deputies — veteran nationalist Mr Joshua Nkomo, 78, and Mr Simon Muzenda, 74 — are widely expected to retire before Mugabe. — Reuter

Zimbabwe's grain board posts a loss

The Zimbabwe Grain Marketing Board reported a deficit of more than Z$960 million (R420 million) during last year, a slight reduction from the Z$1,2 billion recorded in 1994. Albert Nduna, the board's chairman, said the bulk of the deficit was because of losses on the maize account, which totalled Z$802 million. (362)

"As usual, finance charges once again feature as the single largest contributory factor to board costs, as it accounts for 73,5 percent of total costs," Nduna said. However, finance charges were expected to be eliminated after the government takeover of the board's accumulated debt of more than Z$3,4 billion. This was expected to enable the parastatal to realise a profit of Z$50 million in the year to March 31.

CT (BR) 15/7/96

Meanwhile, the board has been implementing a rationalisation programme to cut costs. — Sapa, Harare

Black businessman wins over white tobacco farmers

(362)

BD 15/7/96

Michael Hartnack

HARARE — Militant exponent of black Zimbabwean economic empowerment Rodger Boka has made a breakthrough with white farmers after a blunt exchange of views earlier this month, tobacco industry sources said last week.

A member of the farmers' association at Wedza, 100km south east of Harare, yesterday confirmed that on July 4 Boka addressed 90 whites at what was initially a tense confrontation.

Boka denied that he was seeking special concessions from President Robert Mugabe's government to force the 1 400 large-scale tobacco growers, mostly whites, to sell their R3bn tobacco crop through his new multi-million rand trading floors.

He said his commission rates would undercut existing floors and persuade growers to sell through him.

After the meeting Boka and his party of four blacks drank and joked with the white farmers whom he previously accused of sabotaging Zimbabwe's economy.

"His parting words were 'I think it was a very constructive meeting, I enjoyed it'," said a white farmer who was present.

Boka did not apologise for his stinging attacks on Zimbabwe's remaining 70 000 whites but suggested that the time for high-profile rhetoric was past.

Boka felt there was still room for whites in the tobacco industry.

"We have achieved enormous success in that we have opened the doors," said a leading member of the industry, who asked not to be named.

Tobacco is the country's prime source of foreign exchange.

The meeting was held behind closed doors in view of Boka's notorious touchiness.

"It took an awful lot of ground work to get him to come," said a farmer who attended.

Some fear Boka was tailoring his words for his audience and will resume his demands for affirmative action.

Under his chairmanship the tobacco marketing board has denied licences to white would-be buyers. Farmers blame Boka for a new 10% levy imposed by the government on the price of every bale of tobacco sold.

Boka was not available for comment.

BUSINESS

Importers pay dearly for Zimbabwe tariffs bungle

Confusion as new structure catches companies on the wrong foot

(362) ARG 15/7/96

HARARE. - Some Zimbabwean companies lost thousands of dollars after they were forced to pay additional money to compensate for differences in duty following the introduction of new tariffs which were only used for less than a week.

A spokesman for the Zimbabwe National Chamber of Commerce told Ziana news agency the suspension of the tariff regime had caused confusion in industry and commerce, as some had already budgeted import costs using the new tariffs.

Companies were in some cases being forced to pay tariff differences of more than ZD 30 000 (R13 000) for goods which were in transit, whose tariffs had suddenly gone up.

The ZNCC criticised the decision to implement the suspension of the tariffs on July 7, a Sunday, rather than on July 4, the day the decision was announced by Finance Minister Herbert Murerwa.

"However, it comes as a welcome relief that new tariff structure was eventually suspended. We do welcome consultation and dialogue between industry, commerce and government.

"We hope that they come to an agreement on how their conducive tariff structure can be put in place not only as fiscal revenue generating pool but as an economic developmental mechanism as Zimbabwe embarks on the second phase of economic reforms," he said.

The Zimbabwe government last week shocked the private sector with a surprise announcement that it was suspending until further notice new tariffs which had been gazetted to replace another tariff regime which was said to be killing industry.

In a brief statement read at a press conference, Mr Murerwa said the implementation of the tariffs had been suspended with effect from July 7 until further notice.

Among other reasons given was that Zimbabwe wanted to consult other members in the Southern African Development Community, the economic grouping of 12 countries seeking to rationalise tariffs and boost regional trade.

The suspension of the tariffs came amid a chorus of criticisms by manufacturers that, instead of providing relief to importers of raw materials, the new tariff structure would have caused the closure of many companies with widespread job losses. - Sapa.

14 years later, Mugabe to settle torture damages

(362) Star 17/7/96

Harare – Zimbabwean President Robert Mugabe's government plans to settle a 14-year-old High Court award of torture damages, which it previously defied, Judge Wilson Sandura was told yesterday.

Wallace Stuttaford (77), parliamentary chief whip for Ian Smith's opposition party, the Rhodesian Front, in 1981, was detained without trial the year after Zimbabwe became independent and was tortured by members of Mugabe's Central Intelligence Organisation (CIO) during a three-month ordeal.

Although an elderly man in poor health, he was subjected to hours of kicking and punching, forced to perform exercises until he collapsed, and had his hands, arms and ankles crushed in what Judge Charles Waddington said was the worst proven account of torture in the country's legal history.

Records obtained from the secret 1982 hearing relate how Stuttaford screamed with pain and begged for mercy. He was denied access to lawyers or family.

His alleged crime was to hold parliamentary talks with members of Joshua Nkomo's Zimbabwe African People's Union (Zapu), in 1981 also in opposition, on the formation of a lobby alliance against Mugabe's Zanu (PF).

More than 8 000 Zapu supporters were murdered in unrest in Matabeleland province. Human rights lawyers are still striving to expose details, and hope the Stuttaford case reflects a new conciliatory policy by Mugabe.

In 1982 Waddington awarded Stuttaford a local record in torture damages, equivalent to about US$20 000 (about R86 000) at contemporary exchange rates, but Mugabe declared he would ignore the award as "a waste of the nation's money".

Lawyers for Stuttaford, who has been living in South Africa since shortly after his release, recently began making attempts to attach property of the three CIO agents who tortured him, having failed to get court orders against former CIO head Emmerson Mnangagwa, who is now minister of justice.

Papers put before Judge Sandura yesterday said the State had called for figures to calculate the total of costs and interest owed to Stuttaford, believed to equal some US$6 500 (about R28 000) now because of the collapse in value of the Zimbabwean dollar.

In 1981 Mugabe's ruling Zanu (PF) held 57 parliamentary seats, Nkomo's Zapu held 20, Bishop Abel Muzorewa's United African National Council held three, and Smith's RF held 20. The white-supremacy RF ruled Rhodesia from 1962 to 1979.

Stuttaford quit parliament after his 1982 release but has never fully recovered from his injuries.

Since Nkomo's 1987 unity pact with Mugabe, Zimbabwe has been a de facto one-party state. – Sapa-DPA.

Zimbabwe's Cottco 'ready for weaning'

(362) BD 17/7/96

GOKWE — Zimbabwe's national cotton company, Cottco, was ready to be weaned off the state and to be privatised, its chairman Paddy Zhanda said.

Zhanda said further delays in privatising the company might jeopardise its future as competition in the cotton industry increased with the opening up of the market under economic reforms started in 1991.

"We are now geared for privatisation. This is the right time for government to get the benefits out of privatisation. I think the sooner government decides (to do that) the better it will be for the company as well," he said on Monday night in Gokwe, in north-western Zimbabwe where 70% of the country's cotton crop is grown.

President Robert Mugabe said earlier this year that his government would soon move speedily with its planned privatisation programme.

Zhanda said Cottco — one of a couple of state firms which have been commercialised with the government's loosening of marketing controls on the country's key cash crops — had taken some measures to gird itself for competition. These included, employment of agents to buy the crop from growers, introduction of a part-payment system when farmers deliver their cotton and a speedy final cash settlement after the crop had been graded.

Zhanda said Cottco was also well equipped, with eight gins, although it was leasing out two of them to competitor Cargill, a US firm.

The Zimbabwean company was also planning to put up a gin in the main growing area of Gokwe to make it easier for farmers to deliver their crop.

Zhanda and Cottco CE Sylvester Nguni said the advent of other players — such as Cargill and Cotpro (a company run by local farmers) had them boost efficiency.

"Before we used to wait for farmers to bring their cotton in to us. Now we go out there and get it because if we don't someone else will," Nguni said.

The measures seem to have paid off as Cottco has so far managed to rake in 160 000 of 250 000 tons of seed cotton the country produced this year.

He said the company was looking at taking in 220 000 tons of seed cotton by the end of the month, leaving its competitors with 30 000 tons. — Reuter.

ZIMBABWE'S BUDGET (362)

DEEPENING DEFICIT

FM 19/7/96

Zimbabwe's new Finance Minister, Herbert Murerwa, has little room to manoeuvre in his first budget to be presented to parliament next Thursday.

A year ago, his predecessor, Ariston Chambati, who died last October, had to report a whopping 13,4% (of GDP) deficit. He hoped to halve this to around 6,7% by cutting spending, especially on capital projects, in the fiscal year to June 1996.

Zimbabwe does not publish monthly or even quarterly budget numbers. But at the halfway point in December, the government reported a deficit of Z$2,87bn (R1,28bn) or 4,5% of forecast GDP.

Murerwa has since announced government borrowing of Z$4,8bn (R2,26bn) for the first 10 months of the fiscal year, implying net borrowing of a further 4% of GDP — taking the deficit to around 8,5%.

Government has also been borrowing massively in the Treasury bill market, raising more than Z$7bn (R3bn) in the first half of 1996, some of which must represent open-market operations to mop up excess liquidity.

During the fiscal year, a number of new taxes were imposed.

The 5% drought levy on personal and corporate profits was reimposed for another year, a 10% tax was slapped on tobacco turnover on the Harare auction floors (though only 5% of this has yet been gazetted), and tax on interest earned on building society savings was raised from 20% to 30%, bringing it into line with the tax on savings accounts held with banks. Sales tax was increased by 5% on nonessentials.

There must have been huge expenditure overruns on government borrowing. The 1995 budget provided Z$6,5bn for interest charges (about 30% of the total budget) but the massive Treasury bill borrowing of the past six months will have pushed that up by over Z$1bn.

When everything is taken into account, it seems Murerwa will report a deficit of around 10% of GDP — a real improvement on the disastrous 1994-1995 performance but still double the target of 5% that the government set itself in 1991.

Having raised taxes significantly, in the past six months, the Minister has little scope for further revenue measures. But he is coming under intense pressure from some of his backbenchers in the ruling Zanu-PF party to widen the export tax on tobacco to cover other commodity exports such as metals, including gold.

His officials are advising him against this. With an overvalued Zimbabwean dollar and a stagnant bullion price, the gold mining industry — and some other minerals like ferrochrome — are in no condition to face such export taxation.

A more likely solution is yet another attempt to cut spending. A three-year rolling expenditure plan has been put into place to force government departments to stick within programmed spending guidelines. The initial reaction has been one of dismay, with many ministries facing real cuts in spending levels in the next two or three years.

At the heart of the problem is the high level of interest charges. Domestic debt has ballooned, especially in the past year, pushing the country's total debt to 130% of 1995 GDP.

With high domestic interest rates and the Zimbabwean dollar likely to weaken over the next 18 months (raising the cost to the Treasury of servicing Zimbabwe's R20bn external debt), tackling interest expenses at over a third of the 1995-1996 budget will remain the Finance Minister's main challenge.

Privatisation is one option for raising once-off revenues. But, as in SA, the government's attitude is ambivalent. Though some Ministers are anxious to commercialise and privatise, President Robert Mugabe — becoming more of an economic liability each day — is playing the race card for all it's worth.

He insists privatisation now would merely transfer ownership from government to the whites and that a National Investment Trust, to warehouse shares in privatised companies for black investors, must be established before assets are sold off.

In other words, government has to find the money to buy at least some of the assets — which destroys at least part of the case for privatisation.

Despite the forecast upturn in the economy this year — GDP growth is projected at 7% — the business mood is sombre.

Mugabe's repeated attacks on white and foreign business are taking a toll. Last week, Industry Minister Nathan Shamuyarira trained the government's guns on Anglo American. He said he would not allow South African Philip Boum, Anglo's nominee to replace retiring Anglo (Zimbabwe) CEO Roy Lander, to take the post.

Government is insisting that a Zimbabwean (preferably black) be appointed. And Harare is urging Anglo to unbundle some of its Zimbabwean operations and "give" — presumably offer — the shares to black investors.

There is a hint that unbundling of Anglo would lead to Boum getting a work permit.

The President is upsetting people overseas and at home. BHP Minerals, which is developing the R880m Hartley platinum mine, has warned that government failure to grant work permits to skilled expatriates is holding up work at the mine and delaying the export of platinum, which is scheduled to start towards the end of the year.

Whatever the truth of the alleged "snubbing" of Deputy President Thabo Mbeki by Mugabe at this month's investment conference in Ghana, there is no doubt the Zimbabwean President's outburst against foreign investment by multinationals upset not just his hosts but agencies such as the World Bank.

Mugabe, addressing a conference designed to boost foreign investment in Africa, sharply criticised foreign investors, saying they already controlled too much of his country.

This is not what prospective investors expected or wanted to hear and Mugabe's comments may well have undermined the pro-investment efforts of other African leaders, including President Gerald Rawlings of Ghana. ■

Who will replace Mugabe?

(362) M+G 19/-25/7/96

While Zimbabwe's President Robert Mugabe tries to quash all discussion about a successor, there are candidates waiting in the wings, reports Julius Zava

SINCE Zimbabwe's President Robert Mugabe announced on television earlier this year that he will soon retire, identifying a successor has become a major topic of debate in Zimbabwe.

But there is a succession vacuum which political observers blame on Mugabe's leadership style. Mugabe, a Marxist-Leninist, had ambitions to establish a one-party state in the 1980s, and heavily aligned himself with North Korea, former communist Eastern Europe, China and Cuba, all places where the idea of the "dear leader" was cherished.

In 1987, Zimbabwe's Constitution was amended to create structures to entrench the effective one-party state, including the executive presidency, which gave Mugabe extraordinary power.

Since the 1987 unity accord between Mugabe's Zanu-PF party and Joshua Nkomo's now-defunct Zapu that brought an end to the civil war which, from 1981 to 1987 left more than 5 000 dead and devastated the Matebeleland province, Mugabe has become extremely powerful through Zanu-PF's Soviet-styled Politburo.

The Politburo is mainly composed of Cabinet ministers and effectively rules the country. Its members are appointed solely by Mugabe at his discretion.

Professor Welshman Ncube, a constitutional lecturer at the University of Zimbabwe and a political analyst, says there is a succession vacuum in Zanu-PF and the country, because "the two vice-presidents, Simon Muzenda and Joshua Nkomo, are too old and ignorant — they cannot be an alternative to Mugabe. They are not qualified for the job."

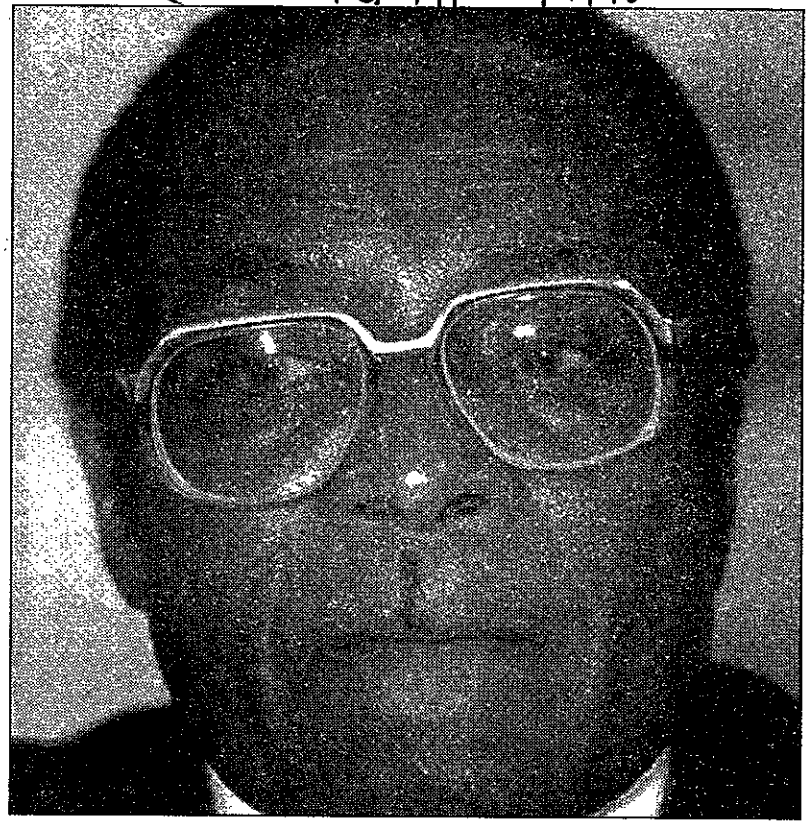
Ncube says the Politburo has been used by Mugabe to marginalise "intelligent ministers, because to be near to Mugabe you have to be a puppet. If the ruling party had a policy of giving people positions on the basis of merit alone, then you would obviously have competent people around Mugabe."

As it is, he says, "Mugabe has perfected [the] politics of patronage." Succession debates have been ruthlessly quashed within the party in its congresses, most notably earlier this year.

Mugabe himself says the time will come when he will retire, "and perhaps it is not far off and then young ones will take our place". But unlike South African President Nelson Mandela who is punting Thabo Mbeki to replace him, Mugabe does not want to groom a future president. His attitude is that the debate on succession should surface when he has left.

Mugabe says a leader "must be chosen by the people, not groomed. I can groom ministers, but I cannot groom a president. People must groom their president."

Many observers think Mugabe has destroyed all potential leaders. Dr John Makumbe, a University of Zimbabwe political scientist, says potential presidents have been reduced to tribal provincial leaders and no individual, other than Mugabe himself, cultivates a national image.



Robert Mugabe: Has extraordinary powers since Zimbabwe's Constitution was revised in 1987
PHOTOGRAPH: SACHA J

"The result is that Zanu-PF is now a conglomerate of provincial factions ... The old guard want Mugabe to go on because they fear that if he goes, the various tribal factions will be at war," says Makumbe.

But despite Mugabe's efforts to marginalise opponents within and outside the party, a few remain visible.

The most notable is Dr Eddison Zvobgo, Zanu-PF's legal secretary and a shrewd politician. He has, since the 1980s, been identified as having presidential ambitions.

Zvobgo, leader of the majority Karanga tribe of the Masvingo Province in the south, has tried to lead the succession debate. Giving his "personal views" to parliamentarians at a function earlier this year, Zvobgo said the debate should "be placed on the national agenda for the 21st century".

Zvobgo said the executive presidency has dictatorial powers and that future presidents should be limited to two terms only. Mugabe's term is unlimited. Zvobgo also wants the electoral bodies to be independent, and not to be appointed by the president.

Ironically, Zvobgo was the architect of the present amended constitution when he was the minister of justice.

Another presidential hopeful is Minister of Home Affairs Dumiso Dabengwa, who is tipped to succeed Nkomo as leader of the Ndebele. Nkomo has expressed a desire to retire following a recent operation in a Cape Town clinic.

Dabengwa, a former Zapu intelligence supremo, is another well-known politician who could eventually — and ironically — fill Mugabe's shoes. In 1982, after being acquitted by Zimbabwe's courts of treason, Mugabe sent Dabenwga back to jail, only releasing him in 1986.

Dabengwa has since risen steadily to become a Cabinet and Politburo member. He has leadership qualities and is well respected. He is also a former ruling-party chairman in Matebeleland.

Minister of Lands and Water Development Kumbirai Kangai is yet another contender. He is the current party chief in the eastern Manicaland province, which is dominated by the Manyika tribe. Although the party, like in Masvingo, is facing bitter internal feuding, Kangai has survived since the liberation war in the 1970s. He was a member of the High Command (Dare Rechimurenga) of Zanu-PF's liberation movement.

Emmersor Mnangwagwa, the current minister of justice, is another contender. He is the party supremo of the Midlands province, but his record is tarnished by his years as minister of national security during the Matebeleland skirmishes. The Central Intelligence Organisation committed many atrocities during his tenure.

The incumbent Minister of National Security Dr Sydney Sekeramayi, an ex-guerrilla who has been credited with reforming the CIO, is another dark horse who could win the top post.

Shock awaits new bank chief

Foreign Service

ARG 20/9/96 (362)

HARARE. – The radical Affirmative Action Group (AAG) in Zimbabwe has threatened to make life a nightmare for the newly appointed chief executive of Standard Chartered Bank – because he is being sent to the country from Britain by the British-owned bank.

Barry Hamilton is due to take over next month from another expatriate, Jim McKenna, who has completed his term of duty.

The outspoken president of the AAG, Philip Chiyangwa, said in a statement, "Let him land here and we will give him the shock of his life.

"If he stays here, we will frustrate him."

Another black economic empowerment group, the Indigenous Business Development Centre, has also condemned Mr Hamilton's appointment, calling it an affront to the people of Zimbabwe.

Industry and Commerce Minister Nathan Shamuyarira said Anglo American Corporation would not be allowed to bring in someone from outside the country to replace outgoing chairman Roy Lander, who is a Zimbabwean.

President Robert Mugabe has criticised multinational companies for not giving black Zimbabweans control of their affairs in the country.

Analysts say the government's attitude is discouraging investment.

Tourists do well reselling crafts

(362) CT 22/7/96

TAMBAYI NYIKA.

ZIMBABWE'S ever-growing curio industry has the potential to generate big business for thousands of desperate informal artists who sell their works at give-away prices that do not match their creativity, artistry and labour.

The artists, determined to make a quick dollar, appear to depreciate the market value of their wares through unco-ordinated marketing, opening the way for exploitation by tourists who pay as little as Z$20 (about R9) for items that could sell for 10 times more.

Mistrust, lack of education and business and management skills appear to be the major disadvantage for most of them who prefer to operate individually and without standard prices for particular items, the Ziana national news agency reports.

"Nobody has thought about forming a co-operative or organisation. Everybody is happy selling more items than the next man by the end of the day. This is how we have operated over the years and to change it would be difficult," says Champion Mudenda, from under-developed Binga district in northern Zimbabwe's Zambezi Valley, who specialises in Tonga traditional artefacts.

Zimbabwean artists, determined to make a quick dollar, appear to depreciate the value of their wares through unco-ordinated marketing, opening the way for exploitation by tourists who can resell items at 10 times the price.

Tourists to Zimbabwe's resort centres also take advantage of the weaker Zimbabwe dollar against major foreign currencies by buying the art works in bulk at low prices, either as souvenirs or for resale in their home countries at international market rates.

In the absence of organised marketing strategies, some tourists are not only enjoying Zimbabwe's scenic sites, but are also recouping local expenses.

On the other hand, the artists' priority is to earn money for the day, unconcerned about the final destination of their work.

"We have to earn a living from carving to raise money for food, clothing and other needs like school fees for our children," says Albert Ncube, one of the hundreds of artists dotted along the 435km Victoria Falls/Bulawayo road, dubbed the "Curio Highway".

Like elsewhere in Zimbabwe, the resort town of Victoria Falls is home to hundreds of artists from surrounding communal areas who, because of their increased numbers over the years, are forced to scale down their rates.

They have been able to transform a piece of dead wood into any artefact ranging from small household souvenirs to giant works that fetch thousands of dollars at overseas exhibitions.

Tourists, who have been accused of exploiting the artists, say they cannot afford to buy from established curio shops which charge exorbitant prices.

Victoria Falls town chief executive Godfrey Maphosa confirms the boom in the industry but says the local authority is not in any way involved in the artists' activities.

"Our only involvement is allocation of space for them to operate. The council has not officially considered regulating or marketing their activities although the issue has been discussed before," he says.

The artists, most of them unexposed to the world of wheeler-dealing, say they have only heard rumours about the resale of their wares overseas but appear unbothered as long as they make their cut.

"Yes, at times we receive large orders of particular artefacts, particularly from South Africans who give us orders well in advance of their departure," says Ncube.

However, Basil Steyn, manager of Sondela, says the overseas curio market, like any other, is not as rosy as it is painted. Apart from occasional depressed markets, tourists who buy from the highways risk losing the item after a few years.

"They buy crude curios. The wood used by these artists is not treated and it will eventually crack because it is not treated chemically. There are many catches to it. Otherwise these people are earning an honest living if they are not destroying forests by cutting green instead of dead wood," he says.

Bulawayo publicity secretary Valerie Bell says there is no co-ordinating body to market curios apart from a few galleries in the capital Harare, and tourist centres.

"Perhaps it is one area that could be looked into but that could be through the Ministry of Environment and Tourism," she says. — Sapa

Gold panners shrug off dangers to earn a living

BD 24/7/96 (362)

HARARE — Along the banks of the Mazowe River, 300km north of the capital, hundreds of craters up to 40m deep have been gouged out.

From each a steady stream of wet sand pours out, shovelled by families and informal groups toiling in atrocious conditions. These are the sites of the growing army of illegal gold panners, working with picks and shovels to do the digging and mercury to collect the gold, who have virtually taken over the river for almost 100km.

Theirs is a risky existence, with the ever present danger of sand collapses. Technically they are also risking imprisonment for dealing in gold without a licence. These dangers are shrugged off, because the few grams of gold that are produced are the only way that the panners can make a living.

The government has accepted the situation and has tried to make the best of it by channelling the sales through official buyers.

To the south the country's largest gold mine, Freda Rebecca, is expecting to produce four tons this year. With a capital cost of $30m it uses the latest equipment and methods to earn its profit. The same applies to all large-scale gold mines in the country, which together will produce 27 tons this year, earning about $400m.

The government prizes their economic contribution and does not want to jeopardise their operations. However, it is coming under intense pressure to allow the ordinary people to be involved in or benefit from the large-scale mines.

An answer that has been proposed by development foundations is to extend the principle of the successful Communal Areas Management Programme For Indigenous Resources system. This channels the proceeds from game hunting, tourism and safaris to the local communities in which the activities are taking place.

With this extra income clinics, schools and roads have been built by villages throughout the country — improvements that would otherwise have taken decades to materialise.

"The extension of the principle should pose no problems. By their very nature, gold mines are in rural areas and it is justifiable that the local communities want to get more of the benefits," said Zambezi Society chairman Dick Pitman, whose group has become heavily involved in the programme.

The companies themselves have no objection. The Hartley platinum mine will earn $100m a year in exports. It has taken particular care to get local people involved as much as possible in the project, and its managers have said they would welcome other ways to benefit the people.

Ironically, the only difficulty might come from government. With a budget deficit of 13%, it is looking for every cent possible in taxes, and losing revenue might prove unpalatable.

However, as with the project, this consideration will probably be overridden by the realisation that more will be gained in the long run from allowing the under-developed rural areas to benefit. — AIA.

WORLD

Budget unlikely to bring tax cut for Zimbabweans

24/7/96 (362)

HARARE — Zimbabwe's annual budget, due to be unveiled tomorrow, was likely to leave individual taxes intact despite a strong lobby for cuts, economic analysts said.

"The revenue base is already narrow as it is, and although with big cuts in state expenditure that would be ideal and possible, I don't see the government taking that step at this stage," economic consultant John Robertson said.

The Consumer Council of Zimbabwe (CCZ) says Zimbabweans are among the world's most heavily taxed people, with income tax of up to 42%. CCZ managing director Muchaneta Nyambuya has been waging a battle for a taxation review, arguing that higher taxes were stunting economic growth.

"Many people can hardly survive, let alone save or invest in businesses. Redress of this situation should be item number one on the 1996/97 budget if Zimbabwe is to enjoy economic growth and stability," Nyambuya has said.

But Robertson said Nyambuya and those members of parliament supporting his viewpoint looked likely to be disappointed when new Finance Minister Herbert Murerwa presents his budget.

Many local economic analysts expect the 1996/97 budget to be donor and industry-friendly — giving commitments to slashing a budget deficit estimated at about 10% of gross domestic product and to speed up a longstanding privatisation programme.

"We are still far from the promised kingdom," Robertson said, referring to last year's budget statement when the late finance minister Ariston Chambati warned Zimbabweans to brace for hard times.

Chambati said then: "We are going through a period of turbulence, and in this respect I ask my fellow Zimbabweans to fasten their seat belts hopefully for a short period.

"I would also appeal to our people not to ask to be served with dinner while we go through the storms. Once we are over the clouds, you may dine like kings."

Political cost

Analyst John Makumbe said the political cost of a consumer-hostile budget would be low for President Robert Mugabe, in power for another six-year term after March's largely ceremonial presidential election which was boycotted by his opponents.

"He can basically pursue his plans without worrying too much on this score, and I note he has been trying to patch up with the donors ahead of the budget," Makumbe said.

Mugabe — who has regularly treated the World Bank and the International Monetary Fund (IMF) as political punch bags for their economic advice — has quietened in the past three weeks.

Officials say Mugabe is counting on the two institutions to lead Western donor support for a five-year economic reform programme due to be launched later this year.

Although government rhetoric has calmed down, some analysts suspect it is using radical black pressure groups fighting for a bigger stake in Zimbabwe's economy to distract public attention from the budget.

After resting their tongues for weeks, the leaders of the Affirmative Action Group (AAG) and the Indigenous Business Development Centre (IBDC) have come back strongly to lash out at Standard Chartered Bank Zimbabwe's plans to replace its CE with another white British expatriate.

AAG president Philip Chiyangwa accused the bank, a subsidiary of the British-based Standard Chartered Bank, of arrogance in appointing Barry Hamilton to succeed Jim McKeena, saying the post should be filled by a local black. He threatened unspecified action to make Hamilton's life difficult in Zimbabwe, backing an IBDC spokesman who had said the appointment was an "affront to the people of Zimbabwe".

Economic analyst Eric Bloch said: "They might be playing politics, but these guys have done more damage to Zimbabwe's investment image abroad than has anyone else." — Reuter.

Zimbabwe looks for its hangman

(362)

ARG 24/7/96

HARARE. – For those wishing to have the death penalty abolished, the response from Emmerson Mnangagwa, Zimbabwe's Justice, Legal and Parliamentary Affairs Minister is a straight "no".

In spite of prayers from churches and appeals from civic organisations to have capital punishment scrapped, Mr Mnangagwa has gone ahead and invited applications for the post of hangman, which has been vacant since the death in March of Zimbabwe's only executioner.

The late hangman had been in office since 1982.

"I have received a lot of applications from overseas but very few from Zimbabweans," Mr Mnangagwa said this week after a tour of Harare Central Prison.

Elizabeth Feltoe, acting director of the Catholic Commission for Justice and Peace in Zimbabwe (CCJP), sees his disclosure as vindicating her organisation's stance against capital punishment.

"That very few Zimbabweans have applied for the job is in itself showing that not many Zimbabweans want the death penalty," Ms Feltoe said.

"It's a good thing that few Zimbabweans have applied for the job. It just goes to show people do not want to take the life of another as compensation for another life."

Another human-rights watchdog, Zimrights, also opposes the death penalty, says its director David Chimhini.

"We deplore hanging for any reason whatsoever," he said. "No one has the right to take any person's life. So while we deplore the taking of someone's life in the first place, we also condemn the taking of life as a form of punishment.

"It is not a deterrent. To us a life sentence would be a much more effective deterrent."

Capital punishment is mandatory here only in cases of murder without extenuating circumstances.

Emotions run high each time Zimbabweans discuss the death penalty. To some, it is inhuman and barbaric, but others feel the death penalty should be upheld.

But a commentary in the semi-official daily The Herald: "There is clearly support among the people for the death penalty to continue. It is not inhuman. It is ultimate punishment, a deterrent to others who may be contemplating doing the same.

"These dangerous undesirables deserve to be removed from our midst forever."

A senior government official was quoted by the state-owned Zimbabwe Inter-Africa News Agency (Ziana) as saying the government was convinced that many Zimbabweans were in favour of executions.

The CCJP, on the other hand, has advocated the abolition of the death penalty ever since the Commission was formed in 1972.

"The taking of one human life does not compensate for the loss of another, but only adds violence to violence. Nor have any studies been able to prove the deterrent effect of capital punishment," says the CCJP.

"The Commission believes that the imposition of the death penalty is dehumanising and degrading as much for the executors as the executed.

"The Commission therefore earnestly requests the President – Robert Mugabe – to commute all death sentences to life imprisonment pending the removal of the death penalty from our statute books."

Many of the 110 prisoners on death row have been there for years. The most recent execution was in late 1995. Before then, no one had been hanged since 1988. – Sapa-IPS.

White placings raise ire

(362) Sowetan 25/7/96

'Zimbabwean business is way behind on affirmative action...'

By Lewis Machipisa

HARARE – THE DECISION by the United Kingdom-based Standard Chartered Bank to appoint a Brit to head its Zimbabwean branch has angered economic pressure groups here and has drawn attention to the recruitment of foreign professionals by firms operating in Zimbabwe.

A newspaper reported last week that Standard Chartered Zimbabwe had applied to the Immigration department for work permits for 26 foreign employees.

Task force

Similar moves by other transnationals were noted and may account for the creation of a task force set up last Friday to monitor the employment of expatriates.

According to Luxon Zembe, vice-chairman of the National Manpower Advisory Council, the taskforce will ensure transparency in employment of foreign nationals and lay the groundwork for a clear policy on expatriate recruitment.

Its creation came a day after black advancement groups had lashed out at the appointment of Barry Hamilton to replace fellow Brit Jim McKeena as head of Standard Chartered Zimbabwe from August 8.

"Let him land here and we will give him the shock of his life. If he stays we will frustrate him," said Philip Chiyangwa, president of the Affirmative Action Group.

"He will regret ever coming to Zimbabwe." He did not elaborate on what action his organisation would take – it has threatened "physical force" to stop the marginalisation of blacks from the economy in the past.

The appointment has been criticised by another black economic empowerment group, the Indigenous Business Development Centre.

Groups like AAG and IBDC have generally focused on the fact that local whites, who constitute less than 2 percent of Zimbabwe's 11,8 million people, control more than 90 percent of industry and commerce.

All white

However, the dearth of Zimbabwean senior managers in the subsidiaries of transnationals has become a hot issue since President Robert Mugabe fired away at two transnationals on May 9.

Mugabe lashed out at the Anglo American Corporation's appointment of a South African to head its Zimbabwean branch and at Lonhro for maintaining white dominance in the executive of its local subsidiaries. – *Sapa-IPS.*

Zimbabwean president Robert Mugabe is not amused at Anglo's appointment of a South African to head the local branch.

Zimbabwe banks cut rates

Standard Chartered Bank Zimbabwe and Zimbabwe Banking cut their minimum lending rates on Tuesday, following Barclays Bank Zimbabwe's lead. On Monday, Barclays cut its minimum rate from 32 percent to 30 percent. It was the first bank in almost a year to reduce its rate. Standard and Zimbabwe Banking cut their rates from 32,5 percent to 30 percent.

(862) CT (BR) 25/7/96

Isaac Takawira, the managing director of Barclays, said the bank had decided to cut its rate because of a softening in short-term money market rates and expectations that annual inflation, which is 24,7 percent, is on a downward trend. "Short-term money market rates have been softening over the past few weeks so we believe now is the time for us to start reducing our lending rates," Takawira said on Tuesday.

However, economic analysts say they expect Zimbabwe's Reserve Bank to maintain its rediscount rate, the rate at which it lends money to commercial banks, at 29,5 percent, its level since the beginning of the year, until annual inflation comes down substantially. Industrialists have been complaining bitterly that the cost of borrowing is too high and is driving them to the wall. — Reuter, Harare

Zimbabwean companies try to offset tax

CST(BE) 25/7/96 (362)

By Lewis Machipisa

Harare — Zimbabwean entrepreneurs charge that late payments by ministries disrupt their cash-flows and have thus asked the government to reduce the corporate tax it charges them by amounts equivalent to the unpaid bills.

This has been proposed by the Zimbabwe National Chamber of Commerce in its contribution to this year's budget preparations, Edmore Tobaiwa, the chamber's chief economist said yesterday.

The entrepreneurs say that if the government allows them to deduct unpaid bills from the corporate tax they pay each year, that would go a long way towards easing the discomfort caused by late payments by ministries.

Government departments sometimes take a year or more to pay their bills to suppliers of goods and services. Businessmen say this prevents some firms from meeting their expenses and they default on their tax payments, as a result.

The state then reacts by slapping penalties on them.

"This very unsatisfactory position could be alleviated to a certain degree by allowing companies to set off their debt against amounts owed to them by government ministries," says Tobaiwa.

Tobaiwa says the principle of set off is common in business and should be in normal use between business and the Zimbabwe government where the government cannot pay its bills within normal credit dates.

Eric Bloch, a local entrepreneur and a board member of more than a hundred companies in Zimbabwe and abroad, supports the chamber's line of thinking.

"It's totally unreasonable that companies have to pay 35 percent interest on overdue tax while government does not pay when it's late in paying its accounts," he says.

According to the 2 000-member chamber, the main reason for companies' late payment of taxes is "the shortage of cash in the economy which is greatly due to non-payment of accounts by government to traders in commerce and industry".

It says it is aware that off-setting would cause accounting problems between ministries, but this "is far better than the vast penalties being imposed on cash-strapped companies due to the non-payment of accounts by government".

It is not known how much of the estimated Z$1,5 billion (about R665 million) in corporate tax which the government earns each year comes from penalties. The tax represents 37,5 percent of businesses' gross earnings, says Bloch.

The commissioner of taxes declined to comment on the issue. So did ministry of finance officials.

A law lecturer at Zimbabwe University said he did not think the offset proposal stood much chance of being accepted. "Unless the whole structure is changed in the courts of law, I don't think companies have a right to do that," he said. "Tax is owed to another arm of government which is different from the ministries."

Bloch says two companies want to take the commissioner of taxes to court over this issue. Legally there is a right to off-setting and indications are that these companies are likely to win their cases.

If that happens, it could open up floodgates for claims from other companies, some of which have not been paid by government for more than two years.

Ben Mucheche, the president of the Indigenous Business Development Centre, has in the past lambasted the government for the desperate situation some of his members find themselves in.

In May, Mucheche said the government owed small-scale enterprises more than $5 million for services and goods supplied. He said many of these companies were facing liquidation.

The government owes about $4,5 billion to external creditors, while its domestic debt is equivalent to nearly $3 billion. As a result, it is desperate to raise cash. To this end, it increased a number of taxes in 1994. The government paid about $400 million in interest on its foreign debt in 1994/95.

"Government is using money on recurrent expenditure, wages and interest repayments. That is where the problem is." — Sapa-IPS

WANKIE COLLIERY (362)

TAX DYSPEPSIA

FM 26/7/96

The last time the *FM* examined Wankie's annual results was two years ago. One thing's for sure about this Zimbabwean coal producer — it operates in exciting times.

FINANCIAL MAIL · JULY 26 · 1996

ACTIVITIES: *Mines and markets coal products.*

CONTROL: *Zimbabwe government 40%.*

CHAIRMAN: *N Kudenga. MD: O K Bwerinofa.*

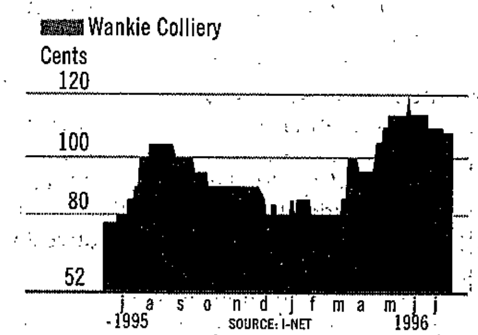
CAPITAL STRUCTURE: *168,9m ords. Market capitalisation: R182m.*

SHARE MARKET: *Price: 108c. Yields: 7,5% on dividend; 32,1% on earnings; p:e ratio, 3,1; cover, 4,3. 12-month high, 120c; low, 80c. Trading volume last quarter, 141 000 shares.*

Year to end February	'93	'94	'95	'96
ST debt (Z$m)	65,8	21,8	12,6	79,2
LT debt (Z$m)	49,6	184,0	333,6	340,8
Debt:equity ratio	4,2	3,5	0,27	0,31
Turnover (Z$m)	284	445	545	665
Pre-int profit (Z$m)	73,9	134,6	85,3	125,5
Earnings (Zc)	31	51	59	58
Dividends (Zc)	1,0	15,0	17,5	22,5
Tangible NAV (Zc)	577	427	464	499

And it continues to behave in a manner which resembles one of those gravity defying rail rides, now *de rigueur* at classy amusement parks. Look at this for a track record: disaster in 1990; hope in 1991; sorrow in 1992; more hope in 1993; fat cat in 1994; still better in 1995; taxation misery this year.

Two things come through especially about the company's performance this year. The first is that it's clearly well run. Over the four years I have looked at Wankie's performance, it's plain that MD Obadiah Bwerinofa (he has a Masters from Massachusetts and another from Queens) has been at lengths to husband



resources and reward shareholders. Doing this hasn't been easy in an economic climate which is frankly inimical to the pursuit of free enterprise excellence.

The second is the extent of government's grey hand in all Wankie's endeavours (and the embarrassment this obviously causes Wankie's directors).

This year a quick little note from chairman Ngoni Kudenga blandly announces a significant increase in the deferred tax charge "arising from the withdrawal of the mining depletion allowance." No further mention is made.

But the numbers are alarming: the tax charge (solely from deferred tax) rose from Z$2,4m in 1995 to this year's Z$56m. This severely dented the bottom line and spoiled an otherwise superlative effort: turnover rose 22% to Z$665m and the operating margin lifted to 18,8% (1995: only 15,6%). Profit before tax was 51% improved at Z$154m. After the taxman ran off with a bagful of loot, however, the net position is a decline in EPS to 58c after 1995's 59c.

This is underlined by another curious happening: it transpires that the government-controlled Zimbabwe Iron & Steel Company (Zisco) owes Wankie a cool Z$91m. Kudenga says the matter has been taken to "the highest level in government. Payment arrangements which had been agreed to . . . have not been adhered to."

And just to add insult, government's tax hand raids the kitty to boot.

I do notice one further area of interest: Bwerinofa's personal holdings in Wankie increase steadily — 1 09 680 shares in 1994, 146 880 last year, 171 880 this year. Well, at least he displays confidence in his own ability. *David Gleason*

Zim companies under fire over white CEOs

(362)

M&G 26/7-1/8/96

Large multinationals in Zimbabwe have been criticised for not putting blacks in top spots, reports Iden Wetherell

SIXTEEN years after Zimbabwe's independence, company chairmen may be black but chief executives are still mostly white.

This is so even in companies where the government has a majority share. Skewed recruitment patterns which overlook local talent led the National Manpower Advisory Council last week to set up a taskforce to lay the groundwork for a clear policy on expatriate recruitment.

The government is under increasing pressure, in a period of liberalisation and expansion, to allow companies to bring in skilled personnel.

Blacks are climbing the corporate ladder, says Danny Dube, chief economist at the Commercial Bank of Zimbabwe. But after years of command-economy certainties, they have little exposure to managing change in a rapidly evolving environment. "It is a different context," Dube says. "We are in a trial-and-error situation. Multi-nationals could be jittery about how new opportunities are exploited."

But the absence of black faces at the top of multi-national companies operating in Zimbabwe is providing ammunition for President Robert Mugabe's attacks on white domination of the country's economy — a problem underlined by the imminent arrival of an expatriate to head Zimbabwe's largest banking group.

Robert Mugabe: Took corporate giants to task

Mugabe recently took corporate giants Anglo American and Lonrho to task for preserving the lily-white complexion of their top management. He said correspondence he had seen from Anglo American indicated black empowerment in Zimbabwe was not a corporate priority.

"Instead of appointing a black executive, they chose to appoint a white man from South Africa when in South Africa they are doing all in their power to include blacks as partners," the president told reporters in May.

Mugabe was thought to be referring to the arrival last year of Jonathan Oppenheimer (26), son of Anglo American deputy chairman Nicky Oppenheimer. Although ostensibly a management trainee, Jonathan Oppenheimer has been attending board meetings of Anglo-owned companies and there is speculation he is being groomed to succeed current chief executive Roy Lander (60).

The United Kingdom-based Standard Chartered Bank is also currently in the firing line, for imposing a new chief executive on the Zimbabwe company. Barry Hamilton will replace fellow Briton Jim McKenna, whose contract has expired after a turbulent tenure at the company's helm.

Workers took to the streets last year when management raided a profit-sharing scheme to cover a bad debt. And a controversial Zim$20 charge on third-party cheques fuelled customer discontent with what were seen as opportunist imposts.

Hamilton, who takes up his appointment on August 8, faces a fiery welcome from black empowerment lobbyists who have threatened to make his life a "nightmare".

The Indigenous Business Development Centre has described Hamilton's appointment as "an affront to the people of Zimbabwe" while the president of the Affirmative Action Group, Phillip Chiyangwa, has promised that the new chief executive "will regret ever coming to Zimbabwe".

Reports suggest Standard Chartered has applied to the Immigration Department for permission to bring in a further 26 expatriates.

In a full-page advertisement this week, Standard Chartered stated that its chairman and five out of eight senior executives are black. But this doesn't impress Chiyangwa who refuses to believe there are no blacks capable of occupying the top job.

One candidate for the post, Nkosana Moyo, announced his resignation from Standard Chartered last week. Although he declined to give reasons, it is thought he is dissatisfied with being sidelined to senior posts in London and Tanzania.

A black board member of an Anglo-owned company offered another view. The company's chief executive would need to combine both technical skills and the right corporate image. Very few black corporate heads, he said, found time for school boards or charities and similar bodies. "Their careers end at 5pm on Friday and resume at 8am on Monday," he said. "The good all-rounder is hard to find."

More to the point, Anglo accords extensive managerial autonomy to its chief executives and there may be a reluctance to appoint individuals — black or white — susceptible to importunities from ministers in Mugabe's government. Critics say Mugabe is ignoring the company's contribution to training and development and pressing instead for the appointment of cronies who would complement the ruling party's elaborate patronage network.

Meanwhile, Anglo insiders say the company has built up a strong second tier of black managers from which a future chief executive may well be drawn.

Economist says budget 'a non-event' for Zimbabwe

BD 26/7/96 (362)

Michael Hartnack

HARARE — Zimbabwe's new Finance Minister Herbert Murerwa yesterday tabled a R14,4bn budget, which left many questions unanswered about plans for further economic reform and its on-off protectionist tariff regime.

"It is a non-event," commented Prof Tony Hawkins, head of the University of Zimbabwe's business studies department.

Murerwa announced a seven cents increase in the price of petrol and two cents increase in the price of diesel, and raised the income tax threshold to R4 069 a year, at which level wages are taxed 20%.

He did not clarify a proposed 5% "development levy" surcharge on individual taxpayers who remain some of the world's heaviest payers at a top rate of 40% on incomes above R26 000 a year. Companies pay a flat rate of 37,5%.

Reuters reports Zimbabwean shares traded largely softer in a market watching the outcome of the budget later in the day.

The main 56-industrial share index fell 8,45 points to close at 5 402,70 and the secondary eight-share mining index slipped 0,81 points to 1 265,94.

Murerwa said strenuous efforts would be made in the coming year to enforce collection of R400m owed the state in outstanding taxes but he left doubts whether Zimbabwe will be able to stick to the target of 8,5% of GDP for the annual budget deficit.

The minister, a former diplomat, disclosed no hard plans for the next phase of Zimbabwe's traumatic economic reforms, nor did he reveal when the tariff regime — announced and then cancelled earlier this month — would be finalised.

Murerwa's predecessor, the late Ariston Chambati, inherited a 14% budget deficit and set a target of 6%, which turned out to be 10,1%, Murerwa disclosed.

MPs applauded thunderously when Murerwa announced that for the first time since 1980 independence, none of the country's ministries ran up unauthorised expenditure. Murerwa hoped that inflation, down to 22% from last year's figures of more than 40%, would fall to 13% by next June.

He hoped for 7% economic growth, with a 49% boost for agriculture following good rains.

More than 36% of the budget is allocated to servicing of debt. The estimates reveal a 51% boost to R100m in spending on the shadowy central intelligence organisation, which is listed under "special services" and not subject to audit.

On the eve of President Robert Mugabe's impending remarriage, the construction ministry is budgeting R44,7m for a new presidential residence.

Despite Mugabe's inflammatory rhetoric about the takeover of white farms for redistribution to blacks, only R11,3m is budgeted for reimbursing white farmers for improvements.

Murerwa boosted the health vote 17% to counteract the "untold havoc" being wrought on services by the AIDS pandemic.

Political expedience triumphs over economics

(362) BD 29/7/96

MICHAEL HARTNACK in Harare

ONE of the few tangible features in the Zimbabwean budget, presented last week, was the massive increase in the vote for the Central Intelligence Organisation (CIO) — from R66m last year to R100m.

Cloaked under the heading "Office of the President and Cabinet: special services", the CIO vote has a footnote: "Expenditure on this item will not be subject to audit by the comptroller and auditor-general."

President Robert Mugabe's own vote for salary and allowances (all of which are exempt from taxation) goes up from R143 000 to R198 000 a year. Ordinary mortals earning more than R339 a month — a tenth of what a typist earns in Johannesburg — start handing over 20% of their income to the state until they reach the R2 167 a month "ceiling", when the taxman takes 40% — one of the highest tax rates in the world.

Companies pay a flat 37,5%. On top of this, however, companies and individuals pay a 5% "drought levy" (notwithstanding this year's good rains).

In his first budget, incoming Finance Minister Herbert Murerwa announced plans for a new "development levy" of 5%, but did not spell out how this will be applied: specifically, whether it will be imposed on top of the drought levy.

Tobacco farmers are already facing double taxation in the form of the 10% levy withheld from the price of every bale sold.

Students of tax law will not be surprised to learn that the fiscus is owed vast sums of money by taxpayers who are getting increasingly good at contriving for themselves the tax-free perks accorded politicians and top civil servants.

Former commissioner of taxes Eric Harid warned when the perks were introduced that they would "undermine the entire basis of tax morality". In addition, cash-strapped parastatal bodies have collected R400m in pay-as-you-earn off their employees, but have mysteriously failed to hand it over to the finance ministry.

Muchaneta Nyambuya, MD of Zimbabwe's Consumer Council, said the budget showed the government's "obsession with increasing revenues through counter productive means". It was, he said "tired and sterile".

Standard Chartered Bank, embroiled in a massive row with black empowerment campaigners about the recruitment of 36 expatriate experts to update its systems, said Murerwa's announcement of a 6c stamp duty on every ATM transaction was "a tax on innovation".

"The development levy would further widen the gap between tax rates in Zimbabwe and those of its neighbours, especially Botswana, making Zimbabwean business less competitive," said Stanchart, whose British CE-designate, Barry Hamilton, has been "threatened with personal violence if he sets foot here to take up his appointment.

Meanwhile Affirmative Action Group president Phillip Chiyanga lambasted Murerwa for not providing more cash handouts in his budget for emergent blacks. Murerwa allocated nearly R50m for a new "national investment trust" aimed at keeping assets out of white or foreign hands. A paltry R11,3m is budgeted for redistributing former white farms to blacks, despite Mugabe's rhetoric about the urgency of the issue.

Few will quarrel with Murerwa's 17% boost for health services — "the AIDS pandemic has brought untold havoc on the health vote," he said.

Stanchart, and Professor Tony Hawkins, head of business studies at Zimbabwe University, regretted Murerwa's lack of detail on the second phase of economic reform, and on regional trade policy. Murerwa indicated his officials were, after three years, still working on the new tariff structure which was announced last month and then withdrawn 10 days later.

Murerwa's R14,4bn budget was predicated on 7% economic growth and a fall in the rate of inflation to 13% by next June. But his unashamed estimate that the budget deficit will be 8,5% of GDP bodes ill, especially for the local money market which has been monopolised by the state's need for finance over the past five years.

Murerwa received thunderous applause from government backbenchers when he announced that, for the first time since 1980 independence, no government ministry had incurred unauthorised expenditure. The previous day the parliamentary public account committee reported that in the past 16 years it had exposed 142 financial scandals in the defence ministry alone, and 88 in foreign affairs.

Murerwa said the government was determined to "redress macro-economic imbalances", reduce the deficit and the inflation rate, down from last year's 40% to 22%.

Economists say that, overall, the budget reflects once again the obvious triumph of political expedience over economics (in the favour shown sacred cows such as the CIO) and continues to raise questions about Mugabe's preparedness to accept financial disciplines.

BOOKS

Zimbabwe's budget 'to cause more misery'

(362) BD 29/7/96

HARARE — A human rights group on Saturday said the 1996/1997 budget would cause further misery for people in Zimbabwe.

Zimbabwe Human Rights Organisation executive director David Chimhini said the Z$30bn budget announced last week would lower living standards.

One of the measures was the decision to introduce a new 5% development levy on pay-as-you-earn tax, to be used to fund drought-related projects.

Zimbabwe's social services deteriorated over the last five years as government, in pursuing economic reforms, under-financed critical sectors.

"We call on government to involve people more in their preparation of future budgets and on the public to demand accountability," said Chimhini.

He said the government should limit luxuries for its leaders, strengthen tax collection procedures and desist from hosting too many regional and international meetings. — Sapa.

See Page 10

Foreign company to list in Zimbabwe

Trans Zambezi Industries, which was based in the British Virgin Islands and had interests in southern African food, financial services and other industries, said this week that it would be the first foreign company to sell shares on the Zimbabwe stock exchange. The company, which has a market capitalisation of $100 million and is listed in Luxemburg, operates mainly in Zimbabwe, with other businesses in Zambia and Botswana.

Zimbabwe prohibits locals from investing outside the country, so this would mark the first opportunity for nationals to buy shares in a foreign company, the magazine said. — Bloomberg, Harare

(362) CT (BR) 31/7/96

SA optimistic on Zimbabwe trade talks

(362) BD 31/7/96

Tim Cohen

CAPE TOWN — SA Trade Minister Alec Erwin and his Zimbabwean counterpart Nathan Shamuyarira meet tomorrow in what officials hope will be a precursor to resolving the thorny issue of SA's trade relations with Zimbabwe.

Erwin's director for African relations Ufundo Mkuhlu expressed optimism yesterday about the meeting, saying officials had finalised their dialogue, and what remained necessary was agreement at the political level.

The ministers would be discussing an offer on tariff reductions by SA to Zimbabwe, which Mkuhlu said he was hopeful would please Zimbabweans.

The offer is the latest in a series made by SA which have been rejected by Zimbabwe, which has claimed the terms are unreasonably onerous.

The aim of the discussions has been to establish how to restore Zimbabwe's most favoured nation status with SA, which was allowed to lapse in 1992.