ZIMBABWE - LABOUR

1996 - 1997
Issel ejected again for breach of ‘colonial’ dress code

CHRIS BATEMAN

ACCUSATIONS of double standards, hypocrisy, racism and sexism grew thick and fast as the Western Cape legislature again debated their dress code deadlock yesterday.

ANC MPL Johnny Issel was ordered out the chamber for breaking existing clothing norms.

Issel raised the issue last month by wearing a “Cuban shirt” after following for two years an agreed set of rules that allow traditional dress or a jacket and tie.

Yesterday Issel wore a loose fitting, flowing shirt he described as “Malaysian”, and was promptly ordered from the house by Speaker Willem Doman.

Late last week Doman allowed several ANC members to wear an assortment of tie-less shirts, as the rules committee was still reconsidering the code.

Yesterday Issel returned to the debating chamber in regulation jacket and tie 10 minutes after being ordered out.

This prompted Education MEC Martha Olickers to claim that Issel’s protest was a deliberate provocation of the Speaker and contemptuous of a long-standing agreement.

ANC leader and Economic Affairs MEC Chris Nilsson praised the Freedom Front’s Eleanor Lombard for “teaching both parties a lesson and bringing a sense of reason” to the debate.

Lombard said the legislature was “ridiculing itself in the media” and that it should rather devote the 85 minutes to speeding up legislation, fighting crime, and helping street children.

She said the NP was “out of step with the new culture and reality”, and that a tie would soon become irrelevant in South African politics.

She also said the ANC had broken a moral obligation to follow an agreed set of house rules.

Local Government MEC Peter Marais claimed the ANC wanted to “return to rondavels and drums”.

Issel described the existing code as a “version of colonialism”.

Several members pointed out that there was no dress code for women.

Doman ruled that the matter be “removed from the political debate”.
Zim labour minister suspends cutbacks

BY ROBIN DREW
INDEPENDENT FOREIGN SERVICE

Harare - The Zimbabwean government is forcing companies to keep staff on the payroll even though many employers face erratic bankruptcy.

In a May Day announcement, Zimbabwe's Labour Minister Dr 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.

Shamuyarira has also upset some companies with his support of union calls for wage increases above the inflation rate of about 24%.

The Reserve Bank has called for restraint in collective bargaining.

Ian Ferguson, deputy president of the Confederation of Zimbabwe Industries, said the government was taking a step backwards by insisting on controlling the labour market and forcing companies to keep staff on when faced with bankruptcy.

Unemployment in Zimbabwe is rife and is estimated at about 40% of the workforce. With 200,000 school-leavers joining the ranks of the unemployed every year.
Zimbabwe workers ‘will frustrate bank’

Michael Hartnack

HARARE — Hundreds of textile workers facing redundancy demonstrated mostly in central Harare yesterday as black empowerment campaigner Phillip Chiyangwa threatened to make life “a nightmare” for the British chief executive designate of Standard Chartered Zimbabwe.

“Let him land here and we will give him the shock of his life. If he stays here, we will frustrate him,” Chiyangwa said, reacting to news that President Robert Mugabe’s government had granted work and residence permits to Barry Hamilton.

Reflecting the increasingly truculent tone of the “indigenisation” crusade which Mugabe started, chanting workers yesterday marched to the information ministry and the high court supporting the ban on a South African liquidator for the troubled fashion enterprises company.

Police appeared caught by surprise by the march but made no immediate moves to interfere. The workers supported the action of the high court master, Jacob Muzeyi, who said the firm’s SA nominee would be denied a work permit and would therefore face arrest if he tried to comply with a judge’s provisional liquidation order.

Business sources say Standard Chartered’s international heads made a pilgrimage to Harare last month and sponsored a major investment conference in a bid to gain Mugabe’s blessing for the recruitment of 26 expatriate experts, headed by Hamilton.

Mugabe is already locked in confrontation with Anglo American Corporation and Lonrho over their alleged refusal to put blacks in top positions here. Commerce minister Nathan Shamuyarira indicated last week Anglo would not be permitted to bring its Zimbabwe expert, Philip Baum, from 44 Main Street when Roy Landers retired as CE in Zimbabwe.

BHP Minerals, Australian backer of the biggest investment in Zimbabwe in 16 years of independence, says Mugabe has not honoured promises about freedom to import expatriate skills. The mines ministry last week said BHP had been given two years to train local replacements, after which permits would not be renewed.

Diplomats note that while Mugabe and party stalwarts have so far been able to control the temperature of the vote-catching “indigenisation” debate, the potential for runaway ethnic violence is inherent.
Ire at expatriate posting in Harare

By ROBIN DREW

Harare — The Affirmative Action Group in Zimbabwe has threatened to make life a nightmare for the newly appointed chief executive of Standard Chartered Bank because he is being sent from Britain by the British-owned bank.

Barry Hamilton is due to take over next month from another expatriate, Jim McKenna.

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."

Another black economic empowerment group, the Business Development Centre, has also condemned Hamilton's appointment, calling it an affront to the people of Zimbabwe.

Industry and Commerce Minister Nathan Shamuyarira said recently that 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. — Independent Foreign Service
Conservationists furious about plan to blast water tunnel through Zimbabwew Reserve.

May 27, 1996
Public servants defy order to end strike

HARARE — Zimbabwean public servants defied a government order yesterday to end a nationwide strike over pay which has partially paralysed some critical social services.

Public Service Association union officials said "many" of Zimbabwe's 180,000 public servants would continue the strike that began on Tuesday and left only senior officials at work.

"We have not changed our stance. Our position is still that we will return to work only once there is some commitment that the Public Services Commission and public service, labour and social services ministry will address our grievances," said association executive secretary John Makoni.

The association is demanding wage increases of about 30% and says increases of between 3% and 8% recently awarded by the government are not acceptable.

Local news reports said thousands of government employees were milling around their workplaces around the country despite calls on Tuesday by Public Service, Labour and Social Welfare Minister Florence Chitauro for them to go back to work.

Chitauro said the strike was illegal and those who did not return to work would be dismissed.

State hospitals were handling only critical cases and offering rudimentary services in general wards using senior nurses, army medical personnel and Red Cross nurses, with thousands of their own nurses on strike. — Reuter.
Zimbabwe

workers refuse

to end strike

\[ \text{Oct 22, 1986} \]

Harms of thousands of striking Zimbabweans have been

Zimbabwean workers have been

underpaid by more than 10% per

compared with their pay in the

year before the strike began. The

government has refused to

make any adjustments to their

pay. Workers have been

demanding a pay raise of at least 50%.

The strike has caused

major disruptions to the economy.

Workers have been

refusing to work and have

caused delays in transportation and

production.}

\[ \text{Zim.} \]

\[ \text{18000 strike \textnormal{today}} \]
Civil service strikers defiant

HARARE - Zimbabwean civil servants today defied government threats to dismiss them if they did not end a four-day strike over pay that has severely damaged some essential social services.

Thousands of strikers, including junior state doctors, nurses and magistrates, vowed to remain on strike until their demands were met. - Reuters.
Striking civil servants take on Mugabe

(ZL3) / Sun 24/8/96

Harare - Zimbabwean civil servants pressed on with a strike for higher pay yesterday in an unprecedented display of government threat to sack them if they persisted.

Thousands - including junior state doctors, nurses, magistrates and mortuary attendants - emboldened by strong public support, said they would remain on the streets until their demands for wage rises of between 30 and 60% were met.

The strike is a rare challenge to President Robert Mugabe and his ruling ZANU-PF party both in power since 1980.

Some senior officials and MPs have broken ranks with the government to support the workers. Others have insisted that the government could not afford to back down.

On average, civil servants earn $291,000 (Z$145) a month, and union leaders justify their 50% pay rise demand on the grounds that salaries in the public service have fallen far below the cost of living over recent years.

Reuters
Bureaucrats sacked in Zimbabwe strike

ZIMBABWE civil servants who have paralysed state administration for four days with a country-wide strike by government workers were notified yesterday that they had been sacked.

A notice published in the state-owned Herald newspaper by the Public Service Commission, which administers the country's 160,000 civil servants, said that all workers who had failed to turn up for work on Friday "have been summarily dismissed".

They were also barred from their offices with immediate effect, the notice said. The same applies to anyone who incited workers to strike.

Hard-pressed to prevent the stoppage from collapsing on Monday, the government says union leaders will be "hard-pressed" to prevent the stoppage from collapsing on Monday.

The strike was sparked by state workers' meagre salaries, which even the government admits are low -- being hit by inflation of 23 percent.

The government says large pay hikes will wreck cost-cutting reforms desperately needed by the moribund economy.

Sapa
Zimbabwe strikers sacked

Zimbabwe's striking civil servants, who had paralysed state administration for four days with the country's biggest industrial action by government workers, were formally notified yesterday that they had been sacked.

A notice published in the state-owned daily *Herald* newspaper by the Public Service Commission, which administers the country's 160,000 civil servants, said that all workers who had failed to turn up for work on Friday and did not stay there all day "have been summarily dismissed from the service".

They were also barred from their offices "with immediate effect".

The same applied to anyone who incited workers to strike.

The announcement shows President Robert Mugabe's government taking a tough stance in an attempt to halt the action that has cost workers' demands for a 30 percent pay rise.

Observers say union leaders will be hard-pressed to prevent the stoppage from collapsing tomorrow.

Labour Minister Florence Chimocho was also quoted yesterday in the *Herald* as saying that strikers would not get their September salary cheques.

The country's state-owned newspapers, radio and television appeared to have imposed a news blackout on the strike, with coverage limited mostly to official statements.

Fire-fighters in the government's civil aviation department joined the strike on Thursday, and air force fire-fighting personnel had replaced them at Harare, Bulawayo, Kariba and Hwange.

No international flights from Harare have been cancelled, though several were delayed on Friday.

The strike is a result of state workers' meagre salaries — which even the government admits are low — continually eaten into by inflation running now at 22 percent.

The government says large pay hikes will wreck cost-cutting reforms desperately needed by the economy.

Sapa
Zimbabwe customs officials join strike

LUSAKA — The nationwide strike by civil servants in Zimbabwe has resulted in the temporary closure of the Zambia-Zimbabwe border at the Victoria Falls and left scores of travellers stranded on either side, an immigration official said on Saturday.

Zambian immigration officials in Livingstone were caught unaware when Zimbabwean customs and immigration officers joined their striking colleagues, saying the Zimbabweans had not notified them of the border closure.

Scores of frustrated tourists tried to cross into Zambia but were unable to do so. Several foreign tourists who had earlier crossed into Zambia were stranded there, missing their flights in Zimbabwe.

Zimbabwean police have threatened to shoot anyone trying to cross the border illegally.

The Zimbabwean government fired thousands of workers on Saturday for defying an order to end the strike.

The Public Service Commission said the public workers, including nurses, junior doctors, mortuary attendants, customs officers and firefighters, would be barred from entering their workplaces today.

The Public Service Association said police had arrested, for the second time this week, union executive secretary John Makoni and his deputy Charles Chivuru for inciting the workers to stay on the streets. — Sapa-DPA, Reuter.
Strike ‘a chance to trim Zimbabwe civil service’

Mugabe sees sackings of staff, who are demanding up to 60% increases, as good way to reduce bloated bureaucracy

Harare - President Robert Mugabe said yesterday the sacking of civil servants who defied an order to return to work had provided an opportunity to reduce a civil service he described as too large. Saying that his government would not condone illegal strikes, Mugabe added: "They never brought grievances to our attention but we do not take kindly to illegal strikes. The public service is far too large and this could be an opportunity to reduce it."

Interviewed by journalists on his return from the 16th Southern African Development Community (SADC) summit held in Lesotho, Mugabe said the government would nevertheless probe the grievances.

Thousands of civil servants were dismissed by Public Service, Labour and Social Welfare Minister Florence Chitвро on Friday for taking part in a nationwide strike that crippled the provision of essential social services.

Beginning last Monday, doctors, mortuary attendants, nurses, firefighters and air traffic controllers downed tools in protest at an average 9% salary rise and demanding increases of at least 60%.

Services have been heavily curtailed with local and international flights being affected and state hospitals being forced to handle only emergency cases.

"I do not understand the reason for the strike because only two weeks ago I was briefed on their salaries for this year."

"I was happy because statistics showed a 20% rise. Why that has evidently been halved I do not understand," Mugabe said.

Roman Catholics in Zimbabwe, some of whom were incensed by the report that the church had given the Mugabes $20 000 as a wedding present, have been assured the report was false. A spokesman for the archdiocese said the report, which appeared in the Sunday Mail, was "very unfortunate". He said a significant and vital form of participation by the laity was contribution to the upkeep of the church and its work.

President Mugabe and Grace Marufu were married by Archbishop Chakaipa at a huge wedding last weekend. The Sunday Mail apologised for the error. - Sapa and Star Foreign Service.
60 000 strikers to force showdown with Mugabe

Largest and most disruptive strike since Zimbabwe's independence sees chaotic airports and border posts, overstretched hospitals and bodies piling up in mortuaries

A showdown is looming for President Robert Mugabe's government over the civil servants' strike, now in its second week as 60,000 determined strikers demand pay raises of more than 20%.

With overstretched hospitals overflowing with patients, chaotic airports and border posts, the strike is the largest and most disruptive since Zimbabwe's independence in 1980.

All the strikers, including doctors, nurses, accountants and engineers, were fired last Friday by Minister of Labour Florence Chitauro.

"All the civil servants who did not return to work are fired and they will not be permitted to return to work," reiterated Chitauro on state-owned television on Sunday night.

"Adamantly, strikers scoff at Chitauro's ultimatum as an empty threat. "We were not hired on television so we cannot be fired on television," said strike spokesman Givemore Masangoero. "There are procedures for dismissing workers and the government must follow them."

The strike say the government must agree to give them pay increases substantially higher than the 6 to 9% raises received in their latest salary cheques.

They say the raises should at least match Zimbabwe's annual inflation rate of around 26%. The strikers also point to a government survey which concluded that workers in the private sector are paid 175% more than civil servants with equivalent positions.

So far the strike has been peaceful as 5,000 workers demonstrated in Harare's city centre last week. Three strike organisers were arrested and released on condition they do not incite the strikers.

Zimbabwe's hospitals are running on an emergency basis with the help of the army medical corps and Red Cross volunteers. The mortuaries are terribly overcrowded, with many corpses just stacked on the floor. Border posts are badly affected and so are the airports, where numerous flights have been cancelled.

"We don't take kindly to illegal strikes," said President Robert Mugabe, upon his return from Lesotho on Sunday night. "Already the public service is too large and it may be an opportunity for us to reduce it," he said.
Mugabe and unions try to stare each other down

Nationwide general strike 'looms as government refuses to meet public servants' demands for much more pay

Zimbabwe's Congress of Trade Unions (ZCTU) threatened yesterday to call a general strike if the government continued to reject negotiations with thousands of striking civil servants.

ZCTU president Gibson Sibanda said it was giving the government of President Robert Mugabe, who is visiting Kenya, until Friday to resolve the standoff with the striking workers which has paralysed several key social services.

The ZCTU is an umbrella group of all Zimbabwe's independent trade unions which include the key agriculture and mining sectors.

"The ZCTU general council implores the government to come to the negotiating table for a quick resolution of the issues," Sibanda told reporters. "If by Friday these issues are not resolved we are going to review our position and further action is bound to be taken."

"We are not ruling out the question of calling a nationwide strike for all other workers in other sectors to force government to come up with a resolution."

The government has so far remained uncompromising on its decision to fire the striking civil servants, including nurses, junior doctors, mortuary attendants, prosecutors and firefighters, for defying an order to end their week-long action.

The Public Service, Labour and Social Welfare Ministry said in a statement yesterday that officials had compiled a list of 7,000 workers for formal notices of dismissal for taking part in the strike which has posed a rare challenge to Mugabe and his dominant Zanu-PF party, both in power since 1980 independence.

Public Service Association (PSA) union officials say 70% to 80% of the country's estimated 180,000 civil servants were on strike to press demands for pay increases of between 30% and 60%.

Some senior officials said the tough stance the government had taken was for public view, and that it was in fact making desperate private efforts behind the scenes to end the crisis which has left key social services barely functioning.

"That's the government's public position, but privately I can tell you that the government is making desperate efforts to find some sort of compromise," one senior official told Reuters.

"We just cannot afford the expense, whatever angle you look at it," another official said, adding the government was considering enticing strikers back to their jobs with a 20% wage rise and open-ended talks on salaries and working conditions.

Both officials declined to be named.

The civil servants, who earn an average 281.00 Zimbabwe dollars (about $450) a month, say that their wages have not matched high inflation which has averaged 22% in the last two years.
Zimbabwe backs down on strike

Harare: The Zimbabwe government, apparently relenting in its attitude to the strike by civil servants, said yesterday it would pay a 20% salary increase on top of 6% cost of living adjustments, Zimana news agency reported.

Civil servants, who went on strike on Monday, demanding salary increments of between 30% and 60%, will now receive a minimum of 26% and a maximum of 29% backdated to July.

However, the position remained unclear concerning the civil servants that the government had fired for failing to return to work last Friday.

Public Service, Labour and Social Welfare Minister Florence Chitauro said civil servants should have received 20% as part of the 60% recommended by the Public Service Commission.

Last year, the government said it would stagger the 60% over three years following a job evaluation exercise that showed salaries for civil servants lagged behind those in parastatals by 84% and those in the private sector by 172%.

-Sepca
Civil servants turn the pressure on Mugabe

Angry strikers say 20% hike not enough, want up to 60%

Zimbabwe's government backed down yesterday in the face of a crippling strike by civil servants and announced a 20% pay increase, but thousands of workers spurned the offer as their anger turned increasingly towards President Robert Mugabe himself.

"The strike continues," said Richard Mahlahla, an official of the Government Workers' Association, as civil servants gathered in Africa Unity Square in the centre of Harare while their leaders negotiated with Public Service Minister Florence Chitauro.

Cowhides thudded out a beat as some of the workers sang songs complaining that Mugabe was enjoying himself with his new wife, Grace, on a visit to Kenya while they were suffering.

Other songs turned the lyrics of liberation-war ballads against the Mugabe government, which came to power in 1980 after leading an armed struggle against white minority rule.

The targeting of Mugabe personally has been an unprecedented feature of the strike, which has seen corpses piling up in mortuaries, the army called in to run essential services in hospitals and government offices deserted.

Official sources said the decision to award the 20% pay rise backdated to July 1 followed an intense cabinet debate on Tuesday where it was agreed that the strikers had legitimate grievances.

This represents an about-turn on the part of the government, which announced last week that all the strikers among the country's 165,000 civil servants had appeared to blame administrative blundering for the strike.

She said the workers should have received the 20% increase as a matter of course after a job evaluation exercise recommended they get 80% staggered over three years.

The review had shown salaries for government workers lagged behind those in the private sector by 172%, with junior to middle-grade workers receiving between about R550 and R730 a month.

"It has now come to light that the majority of the civil servants did not receive the promised 20%, so I am now directing the Public Service Commission to rectify that anomaly with immediate effect so that our commitment is met," Chitauro said.

Strikers' representatives in Africa Unity Square said, however, that the 20% had been expected anyway and they would continue to push for increases of up to 60%.

They are also insisting that all sacked workers should be reinstated.

Observers believe, however, that the government's move will have averted the threat of a full-scale national strike announced by the Zimbabwe Congress of Trade Unions and due to begin today.
Defiant Zimbabwean workers protest again

Harare - Thousands of Zimbabwean government workers resumed street demonstrations yesterday on the 14th day of a crippling strike, after spurning a government offer of a 20% pay increase.

A union spokesman, Austin Bene, told a large crowd of strikers that labour leaders were still awaiting a response from Public Service and Employment Minister Florence Chitauro, who indicated that she needed to consult President Robert Mugabe and the cabinet on some of the workers' demands.

"But we are confident we should be able to get something out of our demands," said Bene, who belongs to the Hospital Doctors' Association, before the strikers took to the streets of the capital.

"We have not had a response from Chitauro, but a team has gone to her now so that we can see which way forward," Bene said.

Escorted by police, the strikers then marched in orderly fashion through the city, agreeing that they would not obstruct visiting Malawian President Bakili Muluzi's official motorcade if they ran into it.

The seven-point demand handed to Chitauro includes immediate implementation of the recommendations of a job-evaluation exercise which showed that state workers' salaries lagged behind their private sector counterparts by 172%.

The strikers say the 20% offered to them on Thursday and backdated to July 1 is not enough and are demanding up to 60% in pay and allowances. The government's offer apparently came in time to avert a nationwide general strike threatened by union leaders when, early this week, they gave the government an ultimatum to address their demands.

The unions are seeking government guarantees that all future pay rises will be pegged above the prevailing inflation rate and want a single governing labour law, without distinction between private and public sector employees.

Before they resume work, the strikers also want the unconditional reinstatement of all sacked employees. The government announced this week it had fired 7,000 striking employees.

Hardline

The government has backed down from an initial hardline stance, but the strikers, aware that Mugabe and his ministers awarded themselves pay rises of more than 100% in November, have refused to go back to work.

Junior, middle-grade workers earn between RT$450 and RT$250 a month.

The salary bill for the country's 160,000 public service workers represents about 40% of the country's gross domestic product, and the major backers of Zimbabwe's economic reforms - the World Bank and the International Monetary Fund - have been putting pressure on the government to reduce it. - AFP
Civil servants in Zim to end strike if no
‘victimisation’

HARARE – Zimbabwean civil
servants say they will end a
costly 11-day strike if the gov-
ernment assures them nobody
will be sacked or victimised.

"That is our condition after
accepting the government’s pay
and talks offer," said Public
Service Association (PSA) union
president Givemore Masangor-
era.

"We are still discussing this
issue with the government but it
is an issue on which we are not
going to budge because we can-
not have our members fired or
victimised for the government’s
own mistakes," he said.

President Robert Mugabe,
whose ruling ZANU-PF party
has been deeply divided by the
unprecedented strike, has been
attacked over his handling of
the pay dispute, with many peo-
pile calling on him to re-employ
the strikers unconditionally.

The government has awarded
the workers – who include doc-
tors, nurses, prosecutors, mag-
states, tax collectors and fire-
fighters – a 20 percent wage
rise, claiming it had belatedly
realised it had not met a long-
standing commitment to pay
that amount.

It said the increase was in
addition to a rise of up to nine
percent announced in July –
which the 180,000 civil servants
said was grossly inadequate –
and committed itself to open-
ended talks with unions on
wages and working conditions.

The PSA said that 70 to 80
percent of the civil service
joined the strike that began on
August 20.

The strikers demanded wage
increases of 30 to 60 percent.

The government announced a
week ago that it had fired thou-
sands for defying orders to
return to work.

Public Service, Labour and
Social Welfare Minister Flo-
rence Chitauro has not said
whether the dismissals will be
reversed.

Mr Mugabe and his officials
have not commented on the
strike since the government
climbed down on Thursday.

Many ZANU-PF party MPs
have backed the strike, saying
civil servants are extremely
poorly paid.

On average, civil servants
earn Z$1,000 (R445) a month.
They say salaries have fallen
behind annual inflation – which
averages 22% – over the past
two years. – Reuters.
Mugabe and govt condemned for handling of civil servants’ strike

By ROBIN DREW

The outcome of the nationwide strike by civil servants in Zimbabwe in support of demands for more pay has been the lambasting of the government for its mishandling of the crisis.

In parliament government backbenchers tore into the ministers for looking after themselves but neglecting the workers.

Government party backbencher Lazarus Nzarayebani said the leadership had been able to get the kickbacks, "the few millions here and there and fat foreign accounts," but they had forgotten the people who had helped achieve freedom.

The state-controlled media, particularly radio and television, has had a news blackout imposed on it and only officially approved statements about the strike, which has cost the country millions, have been carried.

On some nights, no mention at all was made in the main television news bulletin of the strike and its consequences for the country.

In independent publications, however, there has been an outpouring of criticism of the Mugabe administration and of the president himself.

Mugabe, who went away on holiday after his wedding the week the strike started, was accused by the Zimbabwe Independent of 'dismissing civil servants' grievances with the arrogance that has become his hallmark.

"Sixteen years of so-called landslide electoral victories have made Zanu (PF) complacent and insensitive to the predicament of ordinary people whose incomes have been eroded by government-fuelled inflation," said the paper.

When the government admitted last week that civil servants had a genuine grievance as they had not been paid the 20% increase promised to them under a restructuring exercise, Public Service Minister Florence Chituro said she could not revoke dismissal notices until the cabinet approved such a decision and that would not be until this week.

Even the government-owned Herald carried a report saying "observers" wondered whether it was the government and not the strikers which was prolonging the stoppage.

A prominent Zimbabwean writer, Chenjerai Hove, said the events of the last few days clearly showed that the leadership had so thoroughly decayed that there was little that could be done to re-suscitate it.

He too spoke of the arrogance with which government leaders ran the country's affairs. Hove said the politicians seemed unable to read the anger and frustration running through the national imagination.

"To the strikers I say, strike a blow and live. And to the Congress of Trade Unions, I say strike a blow for justice and a humane leadership."

"Teach the leaders the capacity to talk and negotiate, not to threaten."

He said, "When a leadership lacks vision in critical times, that is indeed doom, the death of an era. Don't say we did not say it. The flower of our freedom is wilting daily and no one seems to care any more." — Star Foreign Service.
Mugabe Tidies While Zim Burns

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Mugabe tidies while Zim burns

Julius Zveva

The country's troubles aren't
just widespread and costly. The
problems start deep roots to
take sukra.
Zimbabwe civil servants strike again

Harare: Thousands of Zimbabwean civil servants, including nurses and doctors, went on strike yesterday to demand higher pay, union officials said.

The Public Service Association (PSA) said the union had called its members off the streets to press President Robert Mugabe's government to open serious negotiations with it on workers' demands. These included the reinstatement of a year-end bonus which the cash-strapped government scrapped last year.

About 3,000 strikers met in a central Harare park yesterday afternoon and thousands others milled around the city. PSA officials expected more from the 180,000-strong civil service to join the strike – the second in two months – today.

The government ended a three-week civil servants' strike last month by awarding the workers a 20% pay rise backdated to July, and promising to start open-ended talks on their demands for wage hikes of up to 60%.

Government officials were not immediately available to comment on yesterday's strike, which the PSA said was aimed at reopening the negotiations.

"Civil servants have postponed industrial action twice already in a bid to accommodate the lack of government urgency," the PSA said in its statement, accusing the government of postponing the talks three times in the past month.

"The workers will review the situation when government seriousness has been gauged based on the response to the strike," it said. - Reuters.
Mugabe's government hit by another public service strike

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"The workers will review the situation when government seriousness has been gauged based on the response (to the strike)," it said. — Reuters.
Thousands of Zimbabwean public servants on Monday began a second-day strike yesterday to demand more pay, ignoring a government promise to settle the salaries of civil servants. A government spokesman representing state-employed doctors and nurses said they would stay on the streets until the government showed it was taking their grievances seriously. "We have been duped before and that's not going to happen again," he said in a statement. The public sector labors and doctors' union said talks would start today. About 10,000 workers were on strike yesterday, but it was not clear how many would join today, the main government worker union said. Some union members did not join the strike, but would later vote on how many would join. The government has postponed the talks three times since last month, promising more time to prepare its position.
Striking doctors defy order to return to work

Harare: Thousands of striking civil servants defied a government order to return to work yesterday, vowing to stay in the streets until their demands for higher wages were met.

The government said that it would not negotiate with the strikers, mostly junior doctors and nurses, because they had broken away from the negotiating team.

"The government will not negotiate with a splinter group. Those nurses not at work today will be guilty of a serious offence with the government," said acting Public Service, Labour and Social Welfare Minister Nathan Shamuyarira.

One of the strikers told reporters: "We will not give in to these threats. We have been patient with the government for the past five years but it has been procrastinating. They have to come up with a solution now."

The civil servants took to the streets last week for the second time in two months after the government twice postponed talks on demands for higher allowances and conditions of service.

Reuters
Zimbabwean government orders strikers back to work

FROM REUTER

HARARE - The Zimbabwean government ordered thousands of striking public servants back to work yesterday, saying it would not negotiate with them because they had broken away from a unified negotiating team.

But the strikers, mostly junior doctors and nurses, defied the order, vowing to stay in the streets until the government awarded them higher allowances and negotiated over their demands.

The government, however, will not negotiate with a splinter group.

"The Cabinet does not have the matter on its agenda," one of the strikers said.

The public servants took to the streets last Monday — for the second time in two months — after the government twice postponed talks on their demands for higher allowances and conditions of service.

Hospitals around the country had to call in army medical personnel to help senior doctors handle emergencies.

Last month, President Robert Mugabe's government awarded the public servants a 20 percent pay increase to stop a three-week strike which crippled essential social services.

Air Zimbabwe, the state airline, also said yesterday that it would open talks later in the day to end a go-slow to press for higher wages by aircraft technicians and engineers which has disrupted some domestic and international flights.
Zimbabwean strikers defy govt order

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Strikers refuse to return to work

FROM SAPA

Harare — Striking nurses and doctors in Zimbabwe's capital Harare defied a government ultimatum to return to work yesterday and the main hospitals continued for the 10th day to run on skeleton staff amid reports of patients dying for lack of attention.

At the main Parirenyatwa Hospital an army medical doctor and an eastern European doctor were working in the casualty department. Officials said many wards have been closed down.

“No nurses or junior doctors came today” said a receptionist at the hospital.

Nathan Shamuyarira, the acting labour minister, warned strikers on Tuesday that if they failed to turn up for work by yesterday they would be fired.

The strike, which late last week spread to hospitals beyond Harare, is the second major labour stoppage in Zimbabwe's health sector in three months.

Labour ministry officials said 2000 nurses and 232 junior doctors were on strike.

A number of patients are believed to have died because of the strike, but no exact figures were immediately available.

Austin Benu, a spokesman for the doctors, said they had reduced their demands for a major overhaul of salary and conditions of service, to improvements in two sets of allowances.

Early yesterday police cordoned off Unity Square, the main rallying point in the city centre for strikers.

The Zimbabwean Nurses Association (Zina) appealed to striking nurses to return to work and allow negotiations on their demands to continue, Ziana, the country's news agency, reported.

Clara Nondo, the president of Zina, said she had received assurance from the labour ministry that no striking nurses would be victimised if they returned to work yesterday.

Meanwhile, Air Zimbabwe announced yesterday that seven scheduled flights, four regional and one international, had had to be rescheduled as a result of a two-week go-slow by technicians. The action has grounded four of the airline's eight aircraft.

Peter Chikumba, the airline's acting general manager, said technicians had agreed to return to work yesterday to allow negotiations to continue.

Economists said a 20 percent increase granted to the civil service in August would push up the budget deficit by 2 percent to over 10 percent. This will be beyond the limit imposed by the International Monetary Fund for Zimbabwe to qualify for a resumption in lending.
Zimbabwe govt fires 11 000 nurses

HARARE — The Zimbabwean government has fired about 11 000 nurses for defying an order to end a strike which has paralysed hospitals around the country.

Acting Public Service, Labour and Social Welfare Minister Nathan Shamuyarira said the government would not rehire the nurses. They stopped working on October 21 to press for higher salaries, allowances and for negotiations on working conditions.

"All the doctors and nurses who did not turn up for duty this morning are fired," he said on Wednesday night. "We will not tolerate strikes any more. People should learn to negotiate."

Shamuyarira said the cash-strapped government was reinstating a year-end bonus, which it scrapped last year and which was one of the key demands of the strikers.

The nurses' strike has forced major state hospitals around the country to close wards. Many hospitals have called in army and Red Cross medical personnel to help doctors, who are handling emergencies only.

Junior doctors who went back to work on Wednesday, after the government ultimatum, said they were sitting around at hospitals because they could not work without the nurses.

The official media said several people had died over the past week because of lack of attention.

The official Herald newspaper said of the doctors and nurses: 'They cannot, at a whim, just withdraw their labour. There are matters ethical they should consider.'

Yesterday morning the fired nurses were nowhere to be seen in the city centre as police continued to seal off a park in central Harare where they had been gathering. Deputy Commissioner (Crime) Godwin Matanga said police had been instructed to arrest any nurses involved in public gatherings, displaying placards or wearing clothing bearing demonstration messages.

He said their strike was illegal. This was the second public servant strike in two months, although this time it involved only junior doctors and nurses and some teachers. — Reuter.

Genocide trial is postponed

ARUSHA — The first trial in the 1994 Rwandan genocide in which at least 500 000 people were killed, was postponed for the second time yesterday when first defendant Jean Paul Akayesu sacked his court-paid attorney and named a substitute.

The move caught the three-judge panel completely by surprise, especially when the new attorney, Michael Zavanas of New York, asked for a six-month postponement to allow him to become familiar with the case.

The trial had already been postponed once on September 27.

Akayesu, a former mayor, is standing trial for genocide, accused of abetting the massacre of about 2 000 Tutsis in his Tabar settlement.

The trial was rescheduled for January 9. — Sapa-AP.
Mugabe vows 'ruthless action' as strike by nurses goes on

Harare - Zimbabwean President Robert Mugabe says his government will deal ruthlessly with civil servants who resort to strike action, as a crippling walkout by nurses continues.

"This time there is no going back. We will have to take action," Mr Mugabe said of the nurses, who stopped work last month for the second time in two months. The current strike has continued for 12 days.

He was speaking to journalists after a Global Coalition for Africa meeting in Burkina Faso.

The first strike in August was started by the nurses before the rest of the 161,000 government workers joined in for two weeks.

Mr Mugabe said his government could "start afresh".

He was reiterating his labour minister's announcement that all striking nurses would be sacked and that new staff would be hired - including expatriates from Cuba or other African countries.

Labour Minister Nathan Shamuyarira said on Thursday that he had dismissed all the strikers.

Mr Mugabe said on Friday: "We are saying nurses should get back to work immediately or there will be dismissals.

"Any action we might take will obviously have adverse effects of prejudicing the sick, but we can't allow this to continue," Mr Mugabe said.

On Thursday his government adopted a carrot and stick approach to the strike.

It gave in to one of the main demands of the workers to pay out the year-end bonus, while firing thousands of striking nurses and banning any further strikes by civil servants.

Mr Mugabe said the workers were taking the government's decision to award them pay rises as a sign of weakness.

Meanwhile, the nurses vowed not to return to work until government introduced a risk allowance and increased their night duty allowances.

Despite an order barring them from gathering, they converged at their union's offices in the quiet part of the capital's avenues on Friday.

Appealing to nurses to return to work, Health Minister Timothy Stamps said: "I want negotiations to continue in an atmosphere of peace and not in an atmosphere of threats and counter-threats." - Sapa-APP
Zimbabwean doctors join strike as leader is held

Harare - Junior doctors in Harare joined the strike by Zimbabwean nurses yesterday to protest against the arrest of Hospital Doctors' Association Chairman Fanyi Jah, Zima news agency reported.

Jah, also a co-chairman of the Unified Civil Service Negotiating Committee, was arrested on Monday night at the Parirenyatwa Hospital residence on charges of contravening the Law and Order (Maintenance) Act.

He is being held at Highlands police station in Harare and was expected to appear in court yesterday.

Jah told Ziana that he was arrested by officers from the criminal investigations department, whom he accused of denying him his right to call a lawyer.

Jah, who is on leave and conducting a study on Aids, has been accused by government officials of instigating the nurses' strike.

Junior doctors returned to work last Wednesday after the government threatened to dismiss them, but most of the striking nurses, estimated at 2,000, ignored the ultimatum and are now demanding their terminal benefits.

Acting Public Service, Labour and Social Welfare Minister Nathan Shamuyaro on Monday said the Public Service Commission had been instructed to send letters of dismissal to all the striking nurses.

Nurses at two provincial hospitals in Pretoria yesterday threatened industrial action unless the Gauteng government revoked its decision to close the hospitals in January.

The Professional Health and Public Sector Union claimed 80% of professional nurses at the Westfort and Andrew McColom hospitals would lose their jobs because of the closure.

"A nurse of the government do this to people who have put it into power?" Pepsu secretary-general Temba Ncalo asked.

The Gauteng health department last month announced that the two Pretoria hospitals, along with the Kempton Park Hospital, would close on January 31 to save costs. Seven other provincial hospitals would be converted to health centres.

Ncalo, said a memorandum had been sent to health director-general Oliver Shisana, insisting on a reversal of the decision within 30 days. If the demand was not heeded, union members would embark on protest actions.

"We will not go on strike because we don't want to abandon patients," he said.

"Staff at other hospitals to be closed or converted do not support their initiative, Ncalo said.

"They are mostly white and belong to other unions. We have approached them, but they don't want to participate."

He said staff associations which had agreed to the closure were being subverted. "They are 'Ja-bass' unions, which have committed labour suicide."

Criticizing the decision to shut down hospitals, Ncalo said the move would create chaos in the health-care system.

"Money donated by secret donors to the national Department of Health should be utilised for all hospitals," he said.

"I can confirm that 80% of professional nurses and 20% of general staff would lose their jobs because they would not be able to accept positions outside Pretoria."

Pepsu claims to represent about 4,000 nurses throughout South Africa.
Strike shuts
Zimbabwe
hospitals

HARARE: Zimbabwe's two main hospitals closed their doors to patients yesterday, after junior doctors and other medical staff went on strike to protest against the arrest of two of their colleagues.

"We are turning away all new cases now because there is nobody here to care for patients, and all critically ill patients will be discharged," said Dr Callistus Madziwa, the medical superintendent at Parirenyatwa Hospital.

He said the hospital was asking relatives to pick up critically ill patients and care for them at home.

At Harare Hospital, the capital's largest, authorities were unavailable for comment, but one of the hospital's senior doctors -- who refused to be named -- said the situation was "chaotic."

"Harare Hospital is also closed to new patients," he said, adding that many of the hospital's senior doctors had left while the junior doctors were on strike and that it was impossible for the hospital to cope.

The whole health system is in shambles and people are dying because no one is doing anything about it," he said.

Surgeons were referring emergency cases to private clinics.

Junior doctors, theatre staff and physiotherapists walked out on Tuesday in protest against the arrest of two leaders of the State Hospitals' Doctors' Association.

Police arrested the leaders -- Dr Farai Jiah and Dr Austin Buen -- on Monday, on charges of inciting nurses to strike on October 21.

The strike was called to press demands for higher pay, allowances, and negotiations on working conditions.

The Zimbabwe government reacted to the nurses' strike last week by firing 10,000 nurses.

Reuters
Strike plunges Harare hospitals into chaos

HARARE — Government hospitals in Harare were plunged into chaos yesterday as striking doctors and nurses rallied to support three colleagues facing charges of sparking a strike, officials said.

Male and female patients were moved into the same wards in Parirenyatwa Hospital as medical staff set off for the courts where two leading doctors and a nurse were due to appear before a magistrate.

Doctors have already reported avoidable deaths due to the strike.

Sick people were being turned away and Parirenyatwa medical superintendent Callistus Wadzawa said some patients in the wards would be discharged.

The arrest of Hospital Doctors' Association chairman Paravai Tulab on Monday led to a new walkout by junior doctors and nurses who had returned to work last week after being threatened with dismissal.

They joined about 2,000 nurses who were sacked after, defying the government's order to return to work last week. Another doctor, Austin Berie, was arrested on Tuesday and an unnamed nurse is also reported to be in custody.

The striking staff are also demanding the reinstatement of all sacked nurses and the resolution of outstanding claims on pay and working conditions.

They have called on other public servants to join the strike as they did in a previous stoppage two months ago, bringing government business to a halt.

The nurses stopped work again after the government delayed talks on demands. — Sapa-AFP
Showdown looms over Zimbabwe hospitals strike

Harare -- The stage has been set for confrontation today between striking Zimbabwean medical personnel and the government.

The strike, in its third week and backed by the Congress of Trade Unions, has paralysed key hospitals in Harare and Bulawayo and an unknown number of people have died.

The Zimbabwe Congress of Trade Unions has called for a mass protest against the government's decision to fire all junior doctors and nurses and has threatened to order a national strike.

Last week the government banned gatherings and said it would not go back on its tough stance to close the strike route for all public servants.

It said doctors and nurses would be recruited from outside the country and steps had been taken to advertise posts in South America and Britain.

Up to 2,000 nurses and about 200 doctors have been involved in the strike. So far letters of dismissal have been sent to 500 nurses.

The strikers are demanding better allowances and conditions of service.
Mugabe delays Italian trip as police teargas demo in Harare

Harare – President Mugabe further delayed a trip to Italy yesterday as Zimbabwean riot police broke up a planned protest march by trade unions, human rights groups and churches in support of striking medical workers.

About 50 police pounced without warning on 200 people who had gathered at the Harare Magistrates’ Court building in preparation for a march into the city centre, firing teargas and beating them with batons.

The clashes came after a call for a two-day general strike by the unions. Among those arrested was Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trade Unions (ZCTU).

He was released later without charges, and announced that union leaders had called a nationwide strike to protest against the government’s uncompromising handling of a stoppage by state health staff that has paralysed the capital’s main hospitals for three weeks.

The breaking up of the demonstration followed a warning on Sunday by acting Labour Minister Nathan Shamuyarira, who said the strike, called for by the ZCTU, state workers’ unions and civic associations, was being supported by groups with a hidden agenda.

Mugabe was due to leave for the World Food Summit in Rome on Sunday, but was still in Harare yesterday, and no explanation was offered by officials.

Also yesterday, Michael Nowak, the International Monetary Fund divisional chief for southern Africa, said Zimbabwe had failed to qualify for lending because its budget deficit was “simply too high” as a result of excessive state spending.

He indicated the bank’s displeasure with Mugabe, who last month called the institution a “dictator”. – The Times, London.
National strike call by Zimbabwean trade unions

Harare — The Zimbabwe Congress of Trade Unions has called for a two-day national strike from next Tuesday.

A spokesman said the union was calling for a strike to protest against the government's intransigent handling of the three-week-old strike by state medical staff in Harare.

"We have decided to go for a national strike as planned," ZCTU secretary-general Morgan Tsvangirai said soon after he was released from police custody for defying a ban on a planned demonstration.

"It will run for two days initially, then we will see how it develops," he said. "Our concern is that if we don't do something to bring sense to these people (the government), they will never act to relieve the (health services) strike."

President Robert Mugabe was still in Harare yesterday after apparently delaying his departure for the World Food Conference in Rome. He was due to leave on Sunday.

The government is facing rising public anger over its failure to resolve the crisis in Harare's health services, caused by the strike of junior doctors and nurses.

State hospitals in the capital have offered emergency services only since the beginning of the strike; and some patients are reported to have died from a lack of hospital care.

Trade unions, church organisations and concerned Zimbabweans yesterday petitioned the government to end the strike by reinstating dismissed nurses and junior doctors, and addressing their grievances.

"The government should restore normality to the health services and should allow professionals to run them, and stop political interference. It should also address the nation and give the facts rather than continue lying," the petition read. — Sapa
Lusaka - The government closed Zambia's largest university after riot police moved in to quell political unrest ahead of next week's general election.

Police used tear gas and batons yesterday to disperse students demonstrating against a ban on a planned march to the presidential residence. They wanted to protest against the election on November 18 which many opposition parties plan to boycott.

Closure of the campus yesterday followed two days of unrest in which 10 students were arrested and several people injured.

The closure came as students armed with stones fought pitched battles with police. Student leaders said they wanted President Frederick Chiluba to reopen dialogue with his political opponents and possibly suspend polls until all political parties reached consensus on the rules governing the elections. – Reuters

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Zimbabwe strike call over health crisis fails to gain support

Harare - A two-day general strike called by Zimbabwe's main trade union body to protest against the collapse of the public health system appeared to flop yesterday as people went to work as normal.

Millions of workers ignored the call by the Zimbabwe Congress of Trade Unions to down tools on Tuesday and yesterday to press demands that the government act to restore normality in public hospitals where nurses and doctors have been on strike for three weeks.

"We are concerned about the situation because if we do not act, the government will never resolve the strike. They will continue saying they are recruiting expatriates but that is not sustainable," union chief Morgan Tsvangirai said.

Shops, banks and factories opened as usual yesterday while streets and car parks were as full as on any normal working day but observers commented that Zimbabweans had not ignored the strike call so much as reacted out of fear.

One observer recalled that unemployment is above 35% and that demonstrators have been beaten and tear-gassed by police.

A political scientist said: "It's a dereliction of duty by the government to turn a blind eye to the dying people in hospitals." - AFP.
Zimbabwe's hospitals 'paralysed'

HARARE: The Zimbabwe government maintained its tough stance against striking nurses and doctors yesterday, and workers continued to ignore union calls for a nationwide industrial stoppage in support of the strikers.

The three-week strike by state nurses and doctors has paralysed Zimbabwe's public hospitals.

This week the government fired 1,000 nurses and 100 doctors. Union officials say 10,000 nurses and 500 doctors are taking part in the strike.

The government refuses to negotiate over their demands for more pay and better conditions.

 Asked when the government expected an end to the crisis — which has led to the closure of the country's two largest hospitals — Health and Child Welfare Minister Mr Timothy Stamps said: "You will have to ask a minister of religion, not a minister of health — I am not a clairvoyant."

Stamps said no expatriates had yet been recruited to replace the strikers, as announced last week by Industry and Commerce Minister Mr Nathan Shamuyarira.

Both ministers accused reporters of exaggerating the problems hospitals were facing.

Shamuyarira said he hoped the Zimbabwe Congress of Trade Unions (ZCTU) would give up its plans for a general strike.

He said calls by the union for workers to down tools had "completely flopped".

ZCTU Secretary-General Mr Morgan Tsvangirai said some people outside Harare had heeded the call and that the unions would meet on Friday to decide their next step.

"We want the government to resolve the crisis in the health sector, and as long as the current state remains critical, it is our responsibility to make sure that the situation in the health sector returns to normal," he said.

The ZCTU represents about 200,000 of Zimbabwe's two million workers in the key farming, tourism, banking, energy, mining and manufacturing sectors.

It called a two-day nationwide strike on Monday evening, after riot police broke up a demonstration — organised by the unions, churches and human rights groups — aimed at pressing the government to resolve the health workers' strike. — Reuter
Harare - The Zimbabwean government, widely criticised for ignoring the chaos at public hospitals during recent weeks, has taken steps to settle a strike and save patients.

The hospitals were plunged into crisis when thousands of doctors and nurses downed tools last month over allowances and general working conditions.

The government, which over the weeks reprimanded the strikers while patients died in hospitals, announced today the setting up of a special cabinet committee to deal with the improvement of conditions at hospitals. Two major hospitals had closed.

The government has now opened negotiations with the country's main trade union body, the Zimbabwe Congress of Trade Unions (ZCTU), to try to resolve the impasse with medical staff.

Details of the talks have not been revealed, but the ministry of public service said it was reinstating doctors and nurses it had fired earlier. - Sapa-AFP
Zimbabwe pulls out all stops to crush strike

By CHRIS BISHOP: Harare

ROBERT MUGABE’s government used a sledgehammer in its efforts to crush this week’s attempts to start a general strike in Zimbabwe.

From hundreds of heavily armed riot police to government statements masquerading as news stories in the state-controlled media, the ruling Zanu PF party used every means available to snuff out growing dissatisfaction in the country.

The crackdown on what political commentators describe as the biggest challenge to the government since independence appeared to have succeeded.

Strike organisers admitted that the response of workers had been disappointing. They promised 200,000 strikers — one-fifth of the national workforce — but said only two of Zimbabwe’s nine provinces had heeded the call to strike.

The acting public service minister, Nathan Shamuyarira, set the tone for the week in an emergency national broadcast in which he accused the unions of trying to set up an opposition party and accused striking nurses, who are at the core of the dispute, of turning off the oxygen supply to newborn babies.

The control on the streets was tight as hundreds of riot police clamped down on demonstrations. In Harare on Monday, 200 people, including many women and children, were teargassed and chased by baton-wielding riot police.

But the clampdown didn’t deter nurses, who were enraged at claims by the minister that they were earning more than R2,400 a month, many times the average wage.

“If I was earning that I wouldn’t be on the streets but with my patients. We have the interests of our patients at heart,” said one nurse.

Harare’s main hospital felt the effects of the strike this week as disgruntled groups waited for hours outside the gates for treatment from overstretched staff.

“I haven’t had medicine for two months. I can’t get a doctor or anything,” said a coughing old man leaning on a stick.

But people waiting for treatment supported the strikers almost to a person.

Rumours of plane loads of doctors and nurses flying in from South Africa to plug the gaps as the government continues to dismiss many strikers, have been denied by the Ministry of Health.

Dr John Makumbe, a political scientist at the University of Zimbabwe, believes the hospital chaos will eventually cause the government to cave in.

“Too many people are dying,” he said.
No compromises yet in hospitals strike
Call to reinstate Zim doctors and nurses

Harare: Zimbabwean deputys yesterday called on President Robert Mugabe to reinstate unconditionally the thousands of doctors and nurses he has sacked, as a crippling health sector strike entered its 39th day.

This was the first time the mainly rubber-stamp parliament had condemned on the ongoing strike which has resulted in a virtual halt of health services in the country's major hospitals and led to an increase in avoidable deaths.

Declaring the strike, over the government’s refusal to give in to any conditions for restoring working conditions, illegal the government fired striking junior doctors and nurses but still would not be bullied.

Members of parliament have urged the government to soften its hardline stance and rehire the workers to resolve the crisis, which has resulted in increases in avoidable deaths.

They further called for an independent body to investigate and arbitrate the impasse between the state and its workers.

"I am not supporting any body but the government should put its house in order," said one deputy, Kennedy Matimba. - Sapa-AP. 

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Nurses renew their strike

Nurses at the city's major hospitals have renewed their strike against the government's refusal to meet their demands for a pay raise. The strike, which began in November, has lasted two months and has caused widespread disruption in the health care system. The government has refused to negotiate, citing financial constraints. The nurses, who are represented by the Zimbabwe Medical and Allied Trades Union, have threatened to escalate their strike if their demands are not met.

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Source: APP
Pilots warned that strike is illegal

Michael Hartnack

HARARE — Air Zimbabwe GM Peter Chikumba warned pilots and technicians yesterday that their four-day-old strike was illegal, and demanded they go back to work.

The parastatal airline, plagued by failing profitability, was reportedly paying R100,000 an hour for each of four aircraft hired from SA to maintain a skeleton service, while all seven of its fleet remained grounded. International flights were cancelled, but some services to Bulawayo, Hwange and Victoria Falls were maintained.

Chikumba demanded the 74 pilots and 318 technicians return to work while negotiations continued. The government was expected to invoke the country’s draconian labour laws to order a return, as it did during last year’s strike by doctors and nurses.

The staff were reportedly seeking 27% rises. Co-pilots’ annual pay is R74,000 — far below international rates. Chikumba said that in view of the airline’s plight it could not afford to meet the pay demands, but he denied reports it was nearing bankruptcy.
Arbitration issues to be discussed

HARARE — Management and striking staff of Standard Chartered Bank Zimbabwe are to make submissions to the High Court today on the issues to go to compulsory arbitration.

The labour ministry declared the stoppage at Zimbabwe’s largest commercial bank illegal last Friday and ordered that the dispute go before a government-appointed arbitration panel.

Standard Chartered CE Barry Hamilton conceded at least 400 of the 3,700 staff were still on strike over the disputed formula for calculating productivity bonuses, and allegations that recent promotions of black executives were influenced by nepotism.

Commercial and Allied Workers’ Union head Shangwa Chifamba joined Hamilton yesterday in an appeal to staff to return to work pending arbitration.

For the past 10 days workers have vandalised automatic teller machines with chewing gum and jeered would-be users, shouting “Mugabe, must go” — an indication of the political undertone in current worker unrest, triggered by years of high inflation and falling living standards.
Bank workers still on strike

Newspaper

Michael Hartnack

HARARE — Several hundred striking employees of Standard Chartered, Zimbabwe's largest banking group, continued their strike into its sixth day yesterday, picketing branches and jeering at customers using automatic teller machines (ATMs).

Picketers chanted "Mugabe must go" from ATM points before baton-wielding riot police moved in.

"Barry Hamilton, the group's CE from Britain, said only six of the group's 44 branches nationwide were closed for business.

"He said dismissal notices had been sent to those who continued their protest against productivity bonuses and recent promotions after Friday, when the government declared the strike illegal.

"The strikers allege recent promotions of black staff were motivated by nepotism.

"Hamilton's appointment in 1995 fuelled the fury of militant members of the black empowerment lobby, who threatened physical violence, but the authorities nevertheless granted him a three year work permit to introduce new banking technologies.

Affirmative Action Group president Philip Chiyangwa had demanded a black person be appointed instead of Hamilton.

The strikers alleged the current system of calculating productivity bonus payments is arbitrary and unfair.

In 1995 employees of all three major banks held a strike for a week in support of pay claims but staff of Barclays, the state-owned Zimbank and Commercial Bank of Zimbabwe, and Stanbic (linked to Standard Bank SA) are unaffected.

The political slogans chanted by the Standard Chartered strikers reflect the general disenchantment of Zimbabwe's workforce, after years of inflation — at times exceeding 40%.

Riot police appeared to have been taking care that the strikers did not link up with students, protesting for the past fortnight against a reduction in grant levels from 90% to 80%.
Illegal mining

Over conditions, Zimbabwe's miners tackle ministry
Big textile firm to retrench a quarter of its labour force

HARARE — One of the largest textile manufacturers in Bulawayo, Cotton Printers (trading as Qualitex) will retrench 25% of its labour force despite the more optimistic climate created by the recent readmission of products to the SA market.

CF Allan Smith said yesterday meetings had been held with labour ministry officials to prepare for the retrenchment of 270 employees as a result of declining sales, which he attributed to falling local spending power and competition from imports.

Smith said quotas of fabric under the revived “most favoured nation” pact with SA were “too small that they are insignificant”. No growth in the export market is going to improve the lot of the Zimbabwean company if we are losing our home market share.”

Commerce and Industry Minister Nathan Shamuyarira predicted last year “tens of thousands” of workers would be saved from joining Zimbabwe’s 2-million unemployment, when he announced a breakthrough in talks on the clothing and textile sector with SA.

Smith said local firms would have “had a chance” with Zimbabwean tariffs levels of 50%, and restored manufac-

turing rebates, requested in talks with President Robert Mugabe’s government last year. But the tariffs had been raised only from 25% to 30% in new schedules. Zimbabwean exporters had lost, too, their 50% incentive rebates as a result of economic restructuring moves agreed with the World Bank since 1991.

Smith said quotas of 3-million square metres of fabric under the revived “most favoured nation” pact with SA represented a mere 3% of Zimbabwe’s 100-million square metres capacity, while a quota of 500 tons of yarn a year represented just more than 2% of Zimbabwe’s 26,000-ton capacity.

“We have been running at half our capacity since February,” said Smith, with turnover down 60% on last year’s R120m.

After SA imposed protective 90% tariffs in 1992 more than 20 Zimbabwean clothing and textile firms closed, with the loss of at least 20,000 jobs. SA’s tariffs were later dropped to 50%.

During President Nelson Mandela’s visit to Harare last week, he clashed with Confederation of Zimbabwean Industries president Jones Blanchfield over her allegations of continuing SA protectionism, and the R2bn-a-year trade imbalance in favour of SA.
Bulawayo hit as municipal workers strike

Michael Harnace

HARARE - Sanitation problems are mounting in Bulawayo where six suburbs are without water because of a pay strike by 7,000 municipal workers.

Fire and ambulance men joined the strike on Friday despite a threat by executive mayor Abel Siwela to have all employees prosecuted for conducting an illegal stoppage.

However, Siwela, a member of the President Robert Mugabe's ruling Zanu (PF), declined to cancel a trip to Malaysia with an official delegation and flew out at the weekend, leaving the city in crisis.

Numerous burst water-pipes went un-repaired, graves undug in municipal cemeteries and rubbish bins unemptied on the fifth day of the strike by workers seeking 57% increments backdated to January last year.

Residents associations appealed to the council to seek a speedy settlement, but Bulawayo Municipal Employes Union chairman Thamsanqa Ndlovu said workers were exasperated by 15 months of fruitless talks. In May last year, senior employees were granted 80% pay rises.

Municipal spokesman said the city's financial plight had been worsened by the "failure" of government departments to pay R33bn in outstanding bills for services and rates.
Zimbabwe's unions in talks to end pay strikes

Cris Chimaka

Harare - Zimbabwe's trade unions have started talks with the country's business sector to try to stop an annual wave of pay strikes which they say is undermining productivity and clouding the national investment climate.

Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions (ZCTU), said the discussions, which began early this month, would culminate in a national conference on wages and working conditions at the end of the month.

"These are not run-of-the-mill talks," he said.

"They are a very serious attempt to restore industrial stability to secure job security to maintain and improve shop-floor productivity and to ensure there is fair remuneration in industry."

The June 30 conference is jointly organised by the ZCTU, whose membership includes workers in the mining, tourism, agriculture, telecommunications and manufacturing sectors, and the Employers Confederation of Zimbabwe (Emcoz).

Zimbabwe has been rocked this year by a series of short wildcat strikes from workers wanting to strengthen their negotiating positions for higher wage rises for the financial year starting next month. Workers have been demanding annual pay increases of between 25 and 60 percent.

"It is not possible to benchmark minimum increases because the performances are different," said Foruma. — Reuters
Zimbabwe civil servants win 30% increase in pay

On July 26, Zimbabwe will introduce a new minimum wage of US$1.97, which would rise to US$2.15 after December 1.

The government has decided to increase the minimum wage by 30%, effective from July 1, and this decision was based on a review of the economy and the need to improve the living standards of Zimbabweans.

The increase in the minimum wage will benefit an estimated 700,000 workers and will be phased in over six months. The government has also announced plans to increase the national minimum wage to US$3.50 by 2020.
Zimbabwean strikers wounded by shots

Harare - Eighteen striking security guards were wounded when the manager of a Zimbabwean security company fired on them yesterday, Ziana news agency reported.

Police said Fawcett Security's general manager was arrested after he allegedly fired on the strikers as they demonstrated outside the premises to demand a 50% salary increase.

Police said one guard was seriously wounded, but declined to elaborate on the shooting. - Sapa.
Wave of strikes hits Zimbabwe

WORLD
Railway workers agree to truce

Michael Hartnack

HARARE — The 7,000 Zimbabwean railway workers who went on strike last week for more pay began restoring normal freight and passenger services to the state-owned network yesterday after calling a temporary truce with management. A drill back to work was reported in many other industries hit by a wave of wildcat stoppages.

“We are providing normal services as of Sunday,” NRZ public relations manager Herbert Modiano said yesterday. He said employees had agreed to refer their dispute to the government-appointed National Employment Council. The strikers wanted the implementation of a 9.5% rise sought last year, plus 49% for this year. Management is contesting the 9.5% in a pending court case, but is offering 16% for this year.

Postal, construction, clothing and cement workers were reported to be heading calls to return to work yesterday, pending talks on their plea for 40% increments on current minimum of about R70 a week.

At their annual congress last week at Victoria Falls, Confederation of Zimbabwe Industries (CZI) delegates blamed the government for starting the strike wave with a 30% award to public servants.

Jonse Blanchfield, re-elected CZI president in Victoria Falls, attacked official procrastination over decision-making as a source of economic distress. She said the budget deficit — in which payment of the inflated public service remains the most substantial factor — remains “the biggest threat to macroeconomic stability.”

The deficit was the root cause of soaring inflation and interest rates, she said.

Meanwhile, Bonile Ngqiyaza reports Transnet spokesman Johan Hugo said a goods embargo placed on rail traffic between SA and Zimbabwe and countries further north on July 9 had been lifted. He said 15,000 tons of goods to Zimbabwe and countries further north, and 5,000 tons of goods from Zimbabwe to SA were behind schedule because of the strikes in Zimbabwe.
Zimbabwe’s workers fight for a liveable wage

A wave of strike actions have swept through Zimbabwe as workers fight to obtain wages high enough to keep them above the poverty line.

 Strikes have hit security companies, hotels, restaurants, construction firms, banks, and cement and lime industries over the past few weeks. Postal workers have just ended a go-slow action. Railway and clothing workers have also downed tools.

 Most workers are demanding wage increases of up to 40%. Some companies have refused to grant any hikes, while others are offering 15%.

 Civil servants who went on strike last year have fared somewhat better. They were this year awarded a 36% increment, which their unions have accepted as fair, given the current annual inflation rate of around 30%.

 Most of the workers who have been on strike in recent weeks are at the bottom of the wage ladder, such as security guards, who take home R170 a month. According to the Consumer Council of Zimbabwe, this is the minimum the average family needs for basics each month.

 It is a small wonder then that the security industry is among those that have been caught up in the strikes.

 In an incident this week the general manager of a security-guard firm, whose employees were striking, shot and injured 18 people, one seriously. In another incident, 30 protesters at a construction firm were arrested, apparently for looting and vandalising of company property.

 Most workers in Zimbabwe have been severely affected by falling wages over the past few years. According to the Standard Chartered Bank of Zimbabwe, real earnings peaked in 1992, but have since declined by more than 40% and are now below 1985 levels.

 The Zimbabwe Congress of Trade Unions (ZCTU) has blamed the strikes on “ungrateful bosses who have refused to address the plight of the almost destitute majority workers in the country.”

 The union said the absolute monthly minimum wage a worker needed to support a family of five was $227 (R1 249), but about 70% of the 1.2 million workers in the formal sector earned less than $72.70 (R602) a month.

 Middle-income employees get between $227 (R1 249) and $318 (R1 750) before tax and only 10% of the workforce have higher monthly salaries, according to the labour organisation.

 In a statement acting secretary-general Nicholas Mudzengerere said the union “strongly advises the employer to seriously take into consideration the plight of the employee.”

 The federation said that, while it appreciated the role of government and the manner in which it has distanced itself from the industrial relations scene, leaving parastatals and private employers to battle it out with their workers, the government’s actions had so far left much to be desired.
LABOUR Solidarity action may include strikes and boycott

Zimbabwe workers' plight stirs Sactwu

SHIRLEY JONES
KWAZULU NATAL EDITOR

Durban — The Southern African Clothing and Textile Workers' Union (Sactwu) warned yesterday it would not hesitate to act against South African companies involved in the mass dismissal of 13 000 Zimbabwean clothing workers this week.

Jabu Ngcobo, Sactwu's general secretary, said the union had no alternative but to consider solidarity action, including organising strikes at companies that owned plants in Zimbabwe, obstructing export points and organising a boycott of Zimbabwean products.

Ngcobo said he was still working through a list of South African-owned plants in Zimbabwe. Of the 20 Zimbabwean companies involved, 16 exported to South Africa.

"A number of employers who dismissed workers in Zimbabwe have businesses in South Africa," he said.

"They have run to Zimbabwe for cheap labour with no intention of creating sustainable jobs.... They responded to workers' legitimate demands with arrogance."

Ngcobo said the continued interference of the Zimbabwean government in industrial disputes — such as issuing a decree which enabled employers to fire striking workers — was of great concern to the local union. He explained that the industrial action adopted by the Zimbabwean workers was both legitimate and justified.

Recent wage negotiations between the National Union of Clothing Workers and Zimbabwean clothing manufacturers deadlocked after workers refused to accept an 18 percent wage increase.

Ngcobo said Zimbabwe's inflation rate of 20 percent meant there was no prospect of ever achieving real wage increases.

He pointed out Zimbabwe depended on South Africa for economic survival. "The recent bilateral trade agreement between Zimbabwe and South Africa is confirmation of this. At least 95 percent of Zimbabwean exports go through Durban harbour. "We expect the South African government to say something about the plight of the dismissed workers," he said.

"Sactwu will leave no stone unturned. This may include a protest at the harbour."

Bernard Richards, president of the Clothing Federation, said yesterday the South African industry was unaware of the Zimbabwean situation, and there was nothing more he could say at this point.
Producer exploration outcomes Zimbabwe actors

FLM INDUSTRY
Organisation launched to protect rights of performers and recognise skills

James Mapasa
SA textile union takes up Zimbabwean strikers' case
Nonstriking journalists told their action is treachery

HARARE — Zimbabwean Union of Journalists’ immediate past president Kindness Paradza called on the rest of newspaper group Zimpapers employees yesterday to down tools in support of their striking colleagues at Herald house in Harare.

Paradza, a deputy editor with the Independent Weekly Financial Gazette, abdicated as union president after the organisation failed for the second time to elect a new national executive, Zimbabwean news agency Ziana reported.

“It is hypocrisy, in fact it is treachery, for other workers from the Zimpapers stable not to join the strike as all decisions are made at head office in Harare, making them equally vulnerable,” Paradza said. He said salaries were "pathetic" compared with those in other countries.

Employees in Harare, including journalists from the National Daily, the Herald, and Sunday Mail have been on strike since Thursday, demanding full implementation of findings of a job evaluation exercise which spell out worker grades and pay scales.

— Sapa
Domestic workers get 31% pay rise

Michael Hartnack

HARARE — President Robert Mugabe's government at the weekend gazetted a 31% backdated increase for all domestic workers to at least R150 a month.

Employers will be required to give cooks R150, gardeners R160 and minders of children or the elderly R200. Extra allowances are payable if employers do not provide free accommodation.

Zimbabwe's Domestic Workers' Union complains the rates are ignored by hundreds of thousands of employers, particularly the rising black middle class who employ relatives from the depressed rural areas for little or no regular pay.

The basic minimum for all other Zimbabwean workers whose employment is not covered by specific industrial agreements was increased from R169 to R304, backdated to July 1.

A wage dispute in Zimbabwe's mining industry emphasises the "apartheid" between Zimbabwe's formal and informal sector economies.

The 20 000 Associated Mineworkers of Zimbabwe members are threatening to strike for a 30% increase to their R400 a month minimum, plus a five-day, 40-hour week. The union, which has rejected a 25% offer by management and appealed for state arbitration, represents only a third of 60 000 formal sector mineworkers. Meanwhile about 250 000 men, women and children informally pan for gold in dangerous, abandoned workings and riverbeds.

The Zimbabwe Congress of Trade Unions rejected the R304 minimum yesterday as unrealistic in view of the cost of living. No Zimbabwean could survive on less than R400 a month, secretary-general Morgan Tsvangirai said.

SA's trade unions have opposed renewal of the 1964 "most favoured nation" trade agreement with Zimbabwe because they say lack of shop-floor democracy in Harare undermines workers' ability to obtain realistic wage rates, and thus threatens SA workers' jobs with cheap Zimbabwean exports.

Zimbabwe school to sue Mail

Michael Hartnack

HARARE — An investigation of alleged racism at Zimbabwe's most expensive private school, Peterhouse College, had been completed and the education ministry was "satisfied" that the school's authorities had "changed their attitude towards their staff", ministry spokesman Stephen Chifunyise said at the weekend.

Legal sources say the school, at Marondera, 80km east of Harare, is meanwhile going ahead with a defamation suit against the state-controlled Sunday Mail, which last year initiated the allegations.

Chifunyise said completion of the report did not end the matter, and invited African staff members "to come forward with any new revelations".

The Mail claimed a racist hymn was printed in the school songbook, that black teachers had been unfairly dismissed and that president Robert Mugabe's portrait had been removed from the staff room wall.
Farm workers' pay dispute turns nasty

HARARE — More than 10,000 farm workers from Zimbabwe’s "maize and tobacco belt", stretching north and east of the capital, have been embroiled since Thursday in unrest over demands for 250% increments.

The media carried pictures of strikers looting fields of vegetables. Others blocked the Harare-Shamva road on successive days until police paramilitary support units were called to clear them. Vehicles driven by employees not supporting the strike were overturned and looted. Farmers were sending "workers" home to protect them from mobs searching for strike breakers.

Zanu (PF) provincial secretary for production, Andre Holland, appealed for restraint in settling the dispute which now affected most of Mashonaland. He called for talks between commercial farmers, who include 25% blacks, and the General Agricultural and Plantation Workers' Union.
Farm labourers' strike for 135% pay rise spreads

Harare - A strike by thousands of Zimbabwean farm workers has entered its fifth day and spread to the western part of the country.

Labourers on three wheat farms near Kwekwe, about 125km west of Harare, joined the strike in support of demands by their union for a 135% wage increase, said Arthur Baisley, vice-president of the Commercial Farmers' Union. They joined action by labourers from about 30 other farms east of Harare.

The labourers began their work stoppage on Monday, when traffic on the main highway to the east of Zimbabwe was blocked and crops were stoned as workers threatened drivers. - Sapa
Mugabe’s appeals fall on deaf ears, strikes continue

HARARE — Sporadic industrial unrest continued throughout Zimbabwe yesterday despite appeals by President Robert Mugabe’s government, employers and trade union representatives for a return to work.

There were reports of wildcat strikes at the Consumer Council offices in Harare, a tent-hiring company and at farms in the eastern Bwaba Valley, the Nyanga tea estates, the southeastern sugar plantations, and the Muvura district north of the capital.

Inflation of more than 20% and the demonstrable success of ex-guerrillas in wresting major concessions by violent unrest have led to agitation, particularly on farms where Malawi-origin workforces remained loyal to their white employers throughout the 1972-80 bush war.

Commercial Farmers’ Union president Nic Swanepoel and the General Agricultural and Plantation Workers’ Union on Monday joined Labour and Social Welfare Minister Florence Chitauro in an appeal for farm workers to accept an interim 20% increase, pending official arbitration of their demand for the monthly minimum to be raised from Z$360 to Z$448.

Farmers claim strike leaders are going from property to property intimidating workers.

Swanepoel warned that the demanded increases would add Z$4.5bn to the wage bill of an industry still burdened with debt, and lead to major retrenchments among its 300 000 workforce.

Leaders of Zimbabwe’s mining industry gave a similar warning on Monday after increases of up to 30% were awarded by government arbitrators, despite recent layoffs linked to the fall in the gold price.

“These retrenchments would have a most unfortunate effect for thousands who are gainfully employed and many of whom live with their families on farms.”

“Reference to this is not intended in any kind of threatening posture, but merely as a realistic assessment of facts. Agriculture is simply not in a position to pay a wage increase of such magnitude in any one year.” The industry had lost a great deal of money through the government’s 10% levy on each bale of tobacco sold, he said.

On Friday, Finance Minister Herbert Murerewa announced Z$6bn cutbacks in essential capital and service spending, in order to find money to pay ex-guerrillas promised a Z$50 000 lump sum gratuity and Z$2 000-a-month pension for life.
Striking Zimbabwean workers stone cars

Michael Hartnack

HARARE — Striking farm workers stoned cars on Zimbabwe’s main Harare-Kariba road for the second successive day yesterday while sporadic unrest was reported throughout the country.

In Harare, several industrial concerns reported wildcat strikes as workers sought to repeat the successful tactics of ex-guerillas, who wrested Z$50 000 tax-free gratuities and Z$2 000-a-month pensions for life from President Robert Mugabe.

In Chiredzi, the lowveld sugar-producing region, two farm workers appeared in court for beating up a manager during protests against the Z$360-a-month minimum wage, which the union wants increased to Z$484.

Workers in the banana-producing Burma Valley, near Mutare, on Tuesday blocked traffic but there were no fresh reports of unrest from eastern border tea and coffee estates.

The focus of yesterday’s violence was the Trelawney-Durwendale region 40km northeast of Harare. Drivers of farm vehicles were forced to abandon their vehicles and groups moved from farm to farm insisting that all work cease.

The Commercial Farmers’ Union, representing 4,500 mostly white landowners, sought urgent interviews with police commissioner Augustine Chiburi and Agriculture Minister Kumbirai Kangai, both commercial farmers.

“We are trying to get them to say ‘enough is enough’,” said a farming industry leader.

The farmers’ union has instructed members to grant a 20% rise but warn that lay-offs may follow any large scale award by government arbitrators, in view of lack of profitability.

Farmers’ union president Nick Swanepoel said yesterday banks were not willing to lend because of predicted El Niño drought conditions. “They are giving us a hard time and are not sympathetic,” he said, noting a Z$4,8bn debt burden on the industry.

There are 300,000 farm workers in Zimbabwe, with up to 1,5-million dependants.

A survey published yesterday by Germany’s Friedrich Neumann Foundation said Zimbabweans were now more openly critical of the government than at any time in the past, believing it had failed to deliver promises made at 1980 independence. However, spokesmen for University of Zimbabwe students seeking a 100% grant increase said they were inspired by the success of ex-guerillas in wringing concessions the government says will force Z$5,8bn cutbacks in capital and social spending.
Farmworkers strike as Zimbabwe harvests

Harare - Zimbabwe's federation of trade unions said yesterday it was battling to end a series of wildcat and, at times, violent pay strikes timed to rock farms on the eve of a new cropping season.

Zimbabwe state radio said some white farmers alleged that they had been physically and verbally assaulted by their black workers in what they regarded as racially inspired attacks.

Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions, said his organisation and its affiliate, the General Agriculture and Plantation Workers Union of Zimbabwe (Gapwuz), had agreed with the commercial farmers to refer their wage dispute to an independent arbitrator.

"While that process is going, we are asking the workers to return to your jobs," Tsvangirai said. He reported that some farm workers were still suffering strikes, looting and violent assaults, days after arbitration had been agreed.

"That is the message we are trying to get across to everyone, but obviously not everyone has come on board."

State media said yesterday that union leaders and heavily armed riot police had battled hard on Wednesday to control about 1,800 violent strikers who were destroying and looting farm property and attacking farm owners, managers and passing motorists in Trelawney, 100 km northwest of Harare.

The police said the situation was generally calm yesterday, although many workers were still on strike in the northern districts of Trelawney, Banket, Mhangara and Concession.

The farmworkers are demanding a 135 percent wage rise, which Nick Swanepool, the president of the main Commercial Farmers Union, said no farmer could meet.

Swanepool said this week that if the workers refused to accept a lower figure, some employers might be forced to retrench and turn to mechanisation whenever possible.

"This is not intended in any kind of threatening posture, but merely as a realistic assessment of the facts," he said.

"Agriculture is simply not in a position to pay a wage increase of such a magnitude in one year."

Agriculture which, according to government figures, employs around 300,000 workers, grew an estimated 19 percent in the farming season ended on April 30, after a 39 percent rise in the 1995-96 season.

Swanepool said the farming sector was struggling with a number of state levies and a debt of around $24.8 billion (about R1.85 billion).

He did not say how much the farmers were able to pay, but said the Agricultural Labour Bureau was urging its members to pay an interim 20 percent increase for September while the case went to arbitration.

Industry analysts expect the total increase to the monthly minimum wage of $2560 to be about 45 percent.

Gapwuz said the 'initial' farmworkers' strike, which began nearly two weeks ago, was timed to affect the preparations for Zimbabwe's coming November to April cropping season.

-Ruter
IN BRIEF

Union chiefs try to end wildcat strikes on farms

Harare - Zimbabwe's federation of trade unions says it is battling to end a series of wildcat and at times violent pay strikes on farms on the eve of a new cropping season.

Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trade Unions, said his organisation and its affiliate, the General Agriculture and Plantation Workers' Union of Zimbabwe, had agreed with commercial farmers to refer their wage dispute to an independent arbitrator.

The first strike began nearly two weeks ago. - Reuters
Peace returns to farms after wage strikes

Peace returned to many Zimbabwe farms yesterday after a two-week wave of strikes, some of them violent, industry officials said.

Strikes around the country for higher pay were generally over, according to Philip Manyanyi, the secretary-general of the General Agricultural and Plantation Workers' Union of Zimbabwe, and David Hasluck, the director of the Commercial Farmers' Union.

"The reports we have are that the workers have heeded our call to return to work while we wait for the outcome of the arbitration process," Manyanyi said. The union, an affiliate of the Zimbabwe Congress of Trade Unions, signed an agreement with the commercial farmers last week to independent arbitration of their bitter dispute over demands for a 125 percent wage rise. But some workers ignored the agreement and union officials appeared to return to work, continuing a wave of violent strikes, especially at farms in the main tobacco and maize-growing districts of Mhangura, Banket and Tredawney.

Farm property worth millions of Zimbabwean dollars was destroyed, and farming owners and managers were assaulted in a wave of violence on the eve of the new November-April crop season, Hasluck said. — Reuter, Harare
Farm workers to wait for arbitration

HARARE — Zimbabwe's 300,000 farm labourers have temporarily returned to work following the first countrywide strike in a century, when tens of millions of rand damage was done by rioting mobs, and some white landowners evacuated their families to town.

A spokesman for the General Agricultural and Plantation Workers Union said among members who had agreed to await arbitration were those in the Darwendale-Trelawney area, in the north of Harare; in the southeastern lowveld sugar plantations and the Nyanga tea estates, where the worst violence occurred.

Workers are seeking increases in their statutory minimum wage from Z$360 to Z$840 ($320) a month.

Zimbabwe's 4,400 large-scale commercial farmers, 75% of whom are white, say this will bankrupt the industry at a time of falling profitability, increased taxation and uncertainty over President Robert Mugabe's plans to take over more than 2,000 farms, totalling 4 million hectares, without paying compensation.

At the height of the unrest last week, some whites who had remained on their land throughout Rhodesia's 1972-80 bush war hurriedly sent their wives and children away. Rural police initially said lack of transport prevented their responding to stone-throwing mobs who blocked main roads.
Victory for Zimbabwe farmworkers

BY ANDREW MULDUR
Star Foreign Service

Harare - Zimbabwe's 350,000 farmworkers returned to work yesterday, ending a strike which for two weeks crippled the country's commercial farming during the critical planting season.

The farmworkers accepted a 40% wage increase offered by farm owners to the General Agricultural and Plantation Workers' Union of Zimbabwe (Gapwuz). The 40% raise takes the minimum farmworkers' wage up to Z$593 (R185) a month.

This was far short of the 105% increase demanded by Gapwuz, but it was double the 20% increase the farm owners originally offered the workers.

In addition, the workers' annual leave was increased from 12 to 15 days a year. The strike is widely viewed as a significant victory for the farmworkers.

Second Algerian terror group offers truce

ALEXANDER DEMYANCHUK / REUTERS

Paris - An Algerian Muslim armed group which targeted intellectuals and said it killed
Colcom workers on strike

Michael Huntzack

HARARE — A strike by 800 employees of Colcom foods went into its second day yesterday as parent company Colcom Holdings announced a 7.2% increase in income after taxation for the six months ended September 30.

Folks were deployed near the company premises, but no incidents were reported as labour ministry officials tried to convene talks.

The recently privatised Colcom reported an 18.9% increase in turnover from Z$139.8m to Z$158.6m and declared a 6c dividend for the nine months ending December.

Employees at the plant manufacturing sausages, packed meat and pork products are demanding a 10% increase and investigation into alleged racism by managers.

They also demanded "transparency in the way the company was handling promotions", workers' committee chairman David Tauro said.

The workers alleged that only a favoured minority of supervisors had received a recent 10% rise.

The directors said the company had "performed admirably against a background of uncertainties in the economic environment".

Processing had been centralised to the Harare factory, a "rightsizing-exercise had been completed" and processing systems had been improved to make efficient use of new equipment.
ZIMBABWE Economic growth under threat

Unions, industry protest tax levels

CT (PR) 3/12/97 (G)

GOFFREY MUNIZWA

Harare — Zimbabwe's Congress of Trade Unions was gathering support against the government's latest round of tax increases, Morgan Tsvangirai, its secretary-general, said yesterday.

"There is national consensus on the need to organize a protest of this nature," said Tsvangirai. "The general council will hold a meeting on the issue on Saturday."

The government, under pressure to raise $US6 billion (about R1.3 billion) to pay compensation to independence war veterans and increased salaries, tax to 17.5 percent from 15 percent. It also doubled the electricity tax to 10 percent and announced a 5 percent war veterans' levy to be paid by all taxpayers from April 1998.

Economists described the measures as inflationary and certain to further damage economic growth. The tax increases came less than three weeks after a collapse in the Zimbabwe dollar on November 14.

On Tuesday the Confederation of Zimbabwe Industries (CZI) added its weight to calls that the government is damaging the economy, saying the taxes would overburden already demoralised industry.

"The rate at which the business environment is worsening has picked up pace over the last three weeks," said Jome Blanchfield, the CZI president.

"These measures will seriously undermine exports, and in many cases it will be the further demise of some hard-won export markets, where our margins were borderline and impossible to regain in a competitive world," she added.

The government has revised its estimate of 1997 economic growth from over 5 percent to under 4 percent, following poor prices for the key tobacco crop, low international mineral prices and the worsening macroeconomic environment.

Private economists are forecasting growth of 2.5 percent this year and zero growth next year, owing to a forecast drought and a projected one-third drop in farm production as a result of the government's controversial land reforms.

The government has not answered the attacks. — Reuters.
Zimbabwe union vows to continue with strike plan

Michaél Hartnack

Leaders of Zimbabwe's traditionally weak and ineffectual union movement have vowed to go ahead with tomorrow's planned one day national strike against taxes aimed at raising an extra $2.2bn towards ex-guerrillas' $2.4bn-2.6bn tax gratuities.

Unsourced statements yesterday by the official media that a 5% "war veterans' levy" would be rescinded, but other taxes might be left in place, failed to divert the Zimbabwe Congress of Trade Unions' (ZCTU's) strike plan. Employers were giving workers Tuesday off as a solidarity gesture.

A backdated 5% additional levy on company tax, already 43%, plus average 5% rises in petrol, diesel and electricity duties had been announced, besides further levies on individuals. Those were to fund payments to between 40,000 and 60,000 ex-guerrillas without increasing the budget deficit.

An increase beyond 8% would rule out resumed World Bank and International Monetary Fund balance of payments support that Zimbabwe urgently requires.

The taxes were rushed into law by a Government Gazette "statutory instrument" when ruling Zanu (PF) backbenchers refused immediate ratification.

The ZCTU has resolved to go ahead with its Tuesday "national mass protest" in view not only of the extra taxes but "the general deterioration of the standard of living of the workers", said secretary-general Morgan Tsvangirai.

A year ago the ZCTU made an ineffectual national strike call after Tsvangirai was arrested and nurses tear-gassed during an eight week hospital strike.

Tomorrow's temporary stoppages, expected to take the form mostly of lunch hour demonstrations, will be the most serious union challenge to President Robert Mugabe's government in his 17 years in power.

The ZCTU, representing about 20% of the 1.2 million formally employed Zimbabweans, said it had vainly sought dialogue with Mugabe's government over a situation in which 60% of workers are below the poverty lines, and there are 4 million unemployed.

Farmers deny land policy protest plans

HARARE—White farmers have denied reports of organised protests against Zimbabwean President Robert Mugabe's targeting of land for takeover.

However, Zimbabwe's Catholic bishops have called for fairness, legally recognised appeal, and consideration for 150,000 farm workers and their families.

The British Broadcasting Corporation suggested that despite official warnings that those who spoke out would be targeted first, some form of strike might proceed before Christmas. However, a farming leader said farmers were too busy trying to lodge their appeals by December 15 to meet the deadline.

Speaking in a closed session at the end of the ruling Zanu (PF) party conference in Mutare at the weekend, Mugabe warned whites this was "a matter for the courts to decide".

Diplomats and independent journalists were excluded from the conference, which resolved to back Mugabe's policy.

Mugabe rejected the farmers' claims that annual agricultural output of $2.6bn was at risk. He said since 1985, peasant farmers in communal areas had produced 51% of the country's maize and two-thirds of its cotton.
Police act as protest cripples Zimbabwe

Hundreds of SA tourists stranded

Harare - Police fired teargas at thousands of demonstrators in central Harare today as the first nationwide strike in decades began with a huge response from civil servants and private sector workers.

In the southern city of Masvingo, on the main road to South Africa, residents said hundreds of South African tourists were stranded by the closure of petrol stations and hotels.

Heavily armed riot police were stationed round the approaches to the central business district and sealed off Africa Unity Square in the centre, meant to be the focus for a one-day strike called by the national trade union movement.

State radio announced that President Robert Mugabe would deliver an address to the nation today.

Trucks carrying riot police patrolled the city centre where all businesses appeared shut. Police fired teargas at demonstrators who panicked and scattered.

Reports from outside the capital said the second city of Bulawayo had closed down.

The action was called by the Zimbabwe Congress of Trade Unions in protest against the imposition of a series of new taxes 10 days ago meant to raise $24 billion (R1.3-billion) to pay for a lavish package of benefits for guerrilla veterans of the war against white minority-ruled Rhodesia.

The increases in sales tax, income tax and taxes on fuel and electricity provoked outrage after a backbench revolt by MPs of the ruling Zanu-PF in Parliament blocked the moves, but the government went ahead and promulgated the increases without parliamentary approval.

Police commissioner Augustine Chihuri said he would not permit demonstrations, in contravention of a Supreme Court ruling two years ago that struck down restrictions on the right to demonstrate.

The strike is seen as the most critical challenge to President Mugabe's authority since independence in 1980. – Sapa
Police ban on strike in Zimbabwe

Andrew Meldrum

Harare — A nationwide anti-government "strike" by the Zimbabwe Congress of Trade Unions (ZCTU) today could end up in clashes with the police, which have banned the demonstration.

"We will not tolerate any people bent on being disorderly and causing chaos," Augustine Chinuhi, Zimbabwe's police commissioner, said yesterday.

Morgan Tsvangirai, ZCTU's chairman, said the police commissioner told him yesterday that officials were afraid of violence because of the "depth of discontent in the country".

Tsvangirai said the ZCTU would press ahead with the strike to protest the government's imposition of new taxes to pay the $3 billion pension package to war veterans.

"A number of Harare shops, businesses and factories have already announced they would be closed for the day — Independent Foreign Service"
Zimbabwe strike unites races

HARARE - The nationwide strike and harsh police action against demonstrators in Harare, yesterday produced unexpected unanimity between some of Zimbabwe's blacks and the beleaguered white community.

Information Minister Chin Chinutengwe was quoted in yesterday's issue of the state-controlled Herald newspaper as saying that whites were fuelling the strike 'in an attempt to embarrass the government'.

However, Zimbabwe Congress of Trade Unions (ZCTU) secretary general Morgan Tsvangirai said later: 'Any inference that there is a deliberate attempt by white employers to undermine the government should be dismissed with contempt it deserves.'

The protest, organised by ZCTU, would have gone ahead with or without the support of whites and had nothing to do with being white or black.

At the barricades in Mhonde township, driver Joseph Mtandtso drew cheers from fellow strikers when he said the strike was not only related to a series of controversial tax increases.

'We are also trying to protect the farmers because we know they feed us. The farmers must be left alone. The ministers have got four or five farms, but they are the ones not utilising their land.'

Another protester said:

'The white people who were ruling this country were better. It was better under (former Rhodesian prime minister Ian) Smith.' - Sapa

More details

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Riots erupt as nationwide strike grips Zimbabwe

HARARE — The first nationwide strike in decades gripped Zimbabwe yesterday with widespread rioting breaking out in the capital as police used force to stop antigovernment demonstrations.

Sapa reports thousands of government and private sector workers streaming into the capital yesterday for a peaceful rally in the city centre were tear gassed and baton-charged by riot police. The crowds fled as police saturated the city centre, already shut down by the strike, with tear gas.

Demonstrations were permitted in most other major centres, where no violence was reported.

Shops, banks, offices and factories closed throughout the country to observe a one-day strike to protest against a series of taxes imposed by government to finance a $1bn package of benefits for guerrilla veterans.

Observers say the massive turnout is a sign of the depth of discontent with the severely eroded standard of living, caused by a government widely perceived as corrupt.

MPs of the ruling Zanu (PF) party refused on November 28 to pass legislation for hikes in sales tax, income tax and taxes on fuel and electricity. Government ignored parliament and promulgated them the next day.

Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions, which called the strike, said the day had been a defining moment for the country. "It is the general discontent that is erupting."

Observers say that the strike has presented Mugabe with the most critical time of his 17-year rule.

Many of the main highways out of Harare were blocked by rioters who smashed car windscreen and torched cars and buses. Trade unionists and civic leaders accused the police of starting the violence in Harare.

However, Michael Haynack reports that Information Minister Chen Chimutengwende suggested that white employers, "most of whom are disappointed about the land issue", had used black workers to foment protest. The Zimbabwe Broadcasting Corporation said whites had given their staff the day off with pay to support the protest.

Police, who fired more than a hundred tear gas canisters as 3,000 protesters gathered peacefully near parliament, were acting in defiance of a high court injunction obtained by a congress of trade unions to prevent police breaking up protests. The court had ruled earlier that people had a constitutional right to protest peacefully.

Catholic Justice and Peace Commission director Michael Auret said: "The police created the violence. They were in contempt of court."
three-month credit of about $100m and, if this was repaid on time, further poor time for the

Hard-hit Zimbabwe mines sack 2 000

Michael Hartnack

HARARE — Zimbabwe's mining industry had been forced to lay off 2 000 workers this year as a result of tumbling prices for gold and base minerals, Chamber of Mines president John Nixon said yesterday.

The market was unlikely to recover in the short term, which spelled more problems for companies, Nixon said.

Poor prices for minerals, particularly gold, nickel, copper and ferrochrome had left companies with no alternative except retrenchment, he said.

At least three marginal gold mines were forced to close when the gold price hit a 12-year low.

Nixon said the 2 000 redundancies were among the 60 000 formal-sector employees. About 250 000 illegal gold panners and "fossickers" in disused mine shafts also rely on mining for a living.

Formal-sector mining earns Zimbabwe Z$7.7bn or 8% of gross domestic product.

All base minerals have to be exported through the state-run minerals and marketing corporation, which miners say imposes an increased cost and frustrates sales through tardy bureaucracy.

The BHP Harvey Platinum project has a special government dispensation to market its own output, but all other precious metal output has to be sold to the reserve bank.

The 20 000 members of the Associated Mineworkers of Zimbabwe earlier this year obtained a 30% increase in their minimum wage rate to just under Z$1,000 a month.

The Chamber of Mines has made unsuccessful appeals to the reserve bank to introduce a "floor price" to sustain confidence in gold production.
General strike a rebuke to Mugabe

Harare - Zimbabwe's workers shut down the nation's businesses, shops and factories yesterday with a general strike that was a pointed rebuke to President Robert Mugabe's policies.

Augustine Chihuri, the police commissioner, declared the strike illegal under the Law and Order Maintenance Act, but the unions won a court order stating the strike was legal and the strikers should not be harassed.

The strike was peaceful throughout the country, except in Harare where police prevented people from gathering by firing tear gas and attacking pedestrians with batons.

Although no shops were looted, some violence occurred as government vehicles and buses were stoned and a few set on fire.

The strike was given a boost on Monday when the Employers' Confederation of Zimbabwe decided to close all shops and factories, saying it wanted to prevent workers from being harassed and stores from being vandalised.

The Mugabe government criticised the "white-owned businesses" for encouraging the strike.

"Black people cannot accept being used by white people who are unhappy over the question of land redistribution," said Chen Chimutengwende, the information minister.

Impervious to the turmoil and tear gas in the streets nearby, Mugabe gave his annual "state of the nation" address to parliament yesterday afternoon without making any mention of the work stoppages or of the controversial payments to war veterans.

The Zimbabwe Congress of Trade Unions called the strike to protest at recent hefty tax increases to pay for the unbudgeted Z$4 billion (about R1,5 billion) "gratuity" package to 50,000 war veterans.

Two weeks ago parliament refused to approve a 5 percent income tax levy and increases in sales and fuel taxes, but the government proceeded to push through the taxes using extraordinary powers.

Although Mugabe retracted the 5 percent levy over the weekend in the face of vocal opposition at a conference of his own party, the unions decided to go ahead with the strike to protest against the other tax increases and the government's "unaccountability to the working people." — Independent Foreign Service
Zimbabwe confronted with another strike in New Year

HARARE: Zimbabwe is confronted by the threat of another general strike in the New Year, as trade unions protest heavy-handed police action, the assault of a top union leader and President Robert Mugabe's management of the rapidly unravelling economy.

Zimbabwe Congress of Trade Unions (ZCTU) president Mr Gibson Sibanda warned on Tuesday that his organisation would call a general strike unless Minister of Home Affairs Mr Dumiso Dabengwa and Police Commissioner Augustine Chihuri resigned their posts immediately.

Sibanda said the two officials were to blame for the violence which broke out in Harare during the ZCTU's strike on December 9. That strike brought the nation's business, commerce and industry to a halt.

It also showed a new co-operation between the predominantly black trade union movement and the mainly white business community. This recent common cause between disaffected sectors of Zimbabwe spells serious trouble for the government.

The strike was peaceful throughout the country except in Harare where police used teargas and batons to disperse peaceful demonstrators.

The enraged protesters then had pitched battles with police and looted about 30 shops. Following the strike on December 11, ZCTU secretary-general Mr Morgan Tsvangirai was badly beaten by a gang of eight thugs who burst into his office and left him unconscious. The ZCTU blamed Dabengwa and Chihuri for the assault because they had publicly threatened organisers of the strike.

"We can only point fingers at the people who talk violence," said Sibanda on Tuesday.

The ZCTU demanded that the government scrap the 2.5% increase in sales tax and embark on reform of the nation's constitution, based on a conference representing all segments of society. They called for the constitution to vest less power in the executive in order to reduce corruption.

There is little chance of the government bowing to these requests, so the strike appears likely.

Although Harare has been rife with rumours of another national strike this week, union sources say it would be impractical to stage a successful strike as most factories are winding down for the Christmas and New Year holidays.

They say a strike is much more likely at the beginning of January. The threat of a second nationwide strike highlights the fact that Zimbabwe is facing the most serious political and economic problems since independence in 1980.

The Zimbabwe dollar has lost 50% of its value since mid-November and is still dropping. The stock market has dropped from over 10,000 points to nearly 7,000. Interest rates have risen from 24% annually to more than 35% and economists say most interest rates will go above 40%.

The weekly Zimbabwe Independent warned "The worst is yet to come" in terms of increased economic difficulties for all Zimbabweans. — Independent Foreign Service.
Another strike looms in Zimbabwe as the unions flex new muscle

Buffeted by a crashing currency and stock market, and with interest rates soaring and a drought looming, 1998 looks grim.

BY ANDREW MILORDUM
Harare

Zimbabwe is confronted by the threat of another nation-wide general strike in the New Year, as the trade unions flex their new muscle to protest against heavy-handed police action, the assault of a top union leader and President Robert Mugabe’s management of the rapidly unraveling economy.

Zimbabwe Congress of Trade Unions (ZCTU) president Gibson Sibanda warned this week that his organisation would call a general strike unless Minister of Home Affairs Dumiso Dabengwa and Police Commissioner Augustine Chihursti resigned immediately.

Sibanda charged the two top officials were to blame for the violence which broke out in Harare during the ZCTU’s successful general strike last week on December 9.

That strike brought the nation’s business, commerce and industry to a halt. It also showed a new cooperation between disafflicted sectors of Zimbabwe’s spells serious trouble for Mugabe’s government.

The strike was peaceful throughout the country except in Harare where police used teargas and batons to disperse peaceful demonstrators.

The enraged protesters then had pitched battles with police and looted about 30 shops. Following the strike, on December 11, ZCTU secretary-general Morgan Tsvangirai was badly beaten by a gang of eight thugs who burst into his office and left him unconscious.

The ZCTU blamed Dabengwa and Chihursti for the assault because they had publicly threatened organisers of the strike. “We can only point fingers at the people who talk violence,” said Sibanda.

The ZCTU also demanded the government scrap the 2.6% increase in sales tax and start reform of the constitution, based on a conference representing all segments of society.

They called for the constitution to vest less power in the executive in order to reduce corruption. “Let it be clear that if these demands are not met, we will be back on the streets,” vowed Sibanda.

There is little chance of the Mugabe government bowing to these requests, so a January strike appears likely.

The threat highlights the fact that Zimbabwe is coming to the end of 1997 with the most serious political and economic problems the country has faced since independence in 1980.

The economy is in critical shape. The Zimbabwe dollar has lost an astounding 50% of its value since mid-November and is still dropping. The stock market has dropped from over 10,000 points to near 7,000. Interest rates have risen from 24% annually to more than 35% with forecasts of 40%.

No wonder the World Bank and the IMF are withholding key loans to support Zimbabwe’s rapidly eroding balance of payments.

The government’s plan to nationalise nearly half of the commercially owned farmland is another continuing source of controversy. The land was identified by political committees, not by agricultural experts, and the ZCTU warned the land must not simply be redistributed to cabinet ministers and other party faithful.

And to add to Zimbabwe’s troubles, it appears a drought is on the way. As the weekly Zimbabwe Independent warned: “The worst is yet to come”.

Star Foreign Service
Zimbabwe air controllers in pay strike

Harare - Air traffic controllers have staged a strike to demand pay increases, but the government says senior officials and military controllers have kept most scheduled services running.

Transport Minister Enos Chikower said all unscheduled flights were cancelled yesterday.

The main airfield outside Harare, serving light aircraft, was closed to reduce pressure on officials who had taken over the strikers’ posts.

He said domestic and international schedules by the state airline and international airlines were so far unaffected by the strike and safety was not endangered.

The striking controllers, who earn between $5,000 Zimbabwe dollars (about R18,000) and $13,000 Zimbabwe dollars (R47,000) a month, were demanding a range of increases and transportation allowances.

The government has accused the strikers of timing their action to disrupt holiday travel, but strike leaders said aviation authorities had repeatedly ignored their demands. - Sapa-AP
Air controllers’ strike ineffective

Zimbabwe air traffic controllers were on strike for the third day yesterday over pay and working conditions, with authorities insisting that the action had not disrupted any scheduled flights.

"All flights are operating according to their schedules. There has not been any disruption caused by the strike," a spokesman for the ministry of transport said yesterday.

The country’s main international airport remained open to all scheduled international and domestic flights.

Harare international airport "has been operating normally since the start of the strike," a spokesman said.

But the air traffic controllers have accused the authorities of misinforming travellers and the aviation community by stressing that despite the work stoppage by the scores of officers and cadets, all was normal and that air safety was not being compromised.

The controllers, through their lawyer Sydney Hwacha, said they were aware of the sensitive issue as the strike was the result of the fact that air traffic control is currently in the hands of unlicensed, unqualified and short-staffed stopgap personnel who are trying to cope with duties," the domestic agency ZIANA reported.

The traffic controllers warned last week that they would resort to industrial action if their grievances were not resolved.

The controllers demanded a review of their grades and pay. They complained of under-staffing, long working hours, poorly serviced equipment and lack of transport.

Hwacha reiterated that the air traffic control equipment was in a state of disrepair. "It is a fact that the radar is not reliable," he said.

Their union, the Air Traffic Controllers Association of Zimbabwe, said the country’s total of 30 controllers was at least 30 per cent short of required staffing levels. - Sapa-AFP.
Zimbabwe airports open despite strike

Harare: The Zimbabwe government has managed to restore all scheduled flights in the middle of an air traffic controllers' strike that entered its 10th day yesterday.

Sixty-seven air traffic controllers have been on strike since December 21 and they have been officially dismissed from the civil service.

A handful of senior officials at first worked to keep the airports open and safe in reduced hours. Airlines had to cancel and reschedule many early and late flights. But the Department of Civil Aviation has since recruited new controllers and trainees and has been able to restore regular schedules. Star Foreign Service
ZIMBABWE - GENERAL

1997

OCT. — DEC.
HARARE — Zimbabwe's failure to reduce inflation, particularly noticeable in the housing market, with homes in the low-density or former white suburbs now difficult to find below the $1m tag, the Beverley Building Society reports.

Building costs are pushing the price of high-density houses beyond the ability of wage earners to pay the resulting instalments," chairman John Young said in his report for the year to June 30.

Beverley reported a 34.9% increase in total assets to $93.2bn.

A total of $50.9bn in mortgage loans were offered to 1,722 applicants, Young said.

Inflation averaged 21% during the year while interest on C class Beverley shares was 15.25%.
Zimbabwean mines to pay Z$300m more for salaries

Michael Hartnell

HARARE — Zimbabwean mines expect a Z$300m-Z$400m increase in their wage bill as a result of a decision at the weekend by a government arbitrator to grant 23% to 30% increases to 57,000 formal sector workers.

The "informal" sector industry — including gold pan- ners and "bottlers" in abandoned shafts — give a livelihood to about 250,000 who produce about 10% of Zimbabwe's Z$3bn-a-year gold output, under primitive and dangerous conditions. Most is exported illegally.

Mining sources fear an increased number of formal sector layoffs following the arbitration, with accelerated movement away from past labour-intensive production.

Last week there were disturbances, arson and wildcat strikes at seven mines after the government ordered management to tax workers on an additional 12.5% of their pay if they received company housing. The order has since been rescinded. The head of a government-appointed tribunal announced increases on a sliding scale with workers on Z$784 minimum getting 30% to Z$1,019 (R405), while those on Z$3,140 get an increase to Z$3,962.

Talks on demands by the Associated Mineworkers Union for a five-day, 40-hour week continue. Union president Jeffrey Mutandare described the award as a major victory. The government arbitrators said those on the lower scale "bore the brunt of the economic vagaries".

So far this year, 2,000 formal sector mine workers have been laid off, with Rio Tinto closing its Patchway gold mine near Kadoma, as the gold price fell to $330 an ounce.

The Reserve Bank has rejected pleas from the Chamber of Mines for a guaranteed $375, floor price to sustain employment and production.
Zimbabwe "should not export grain"

Harare - Only days after the parastatal Grain Marketing Board declared it had enough stocks to avert famine should the predicted El Niño drought wreck harvests, the Food Security Early Warning Unit said plans to export 350,000 tons would leave Zimbabwe vulnerable.

"With the stock level about 502,000 tons, exporting 350,000 tons will leave the country with stocks way below the desired strategic reserve to buffer events like the El Niño," the unit said yesterday. It urged the government to "revisit" its export targets.

Farmers are reportedly holding back deliveries, deterred by the R480 a ton price offered by the board. This is far below prices obtainable in Zambia and SA to which they are barred from exporting.

The early warning unit, a branch of the Southern African Development Community (SADC), last month warned its 14 member nations to guard against a repeat of the 1992-93 blunders, when 140,000 tons were exported to try to obtain foreign currency. As a result, much larger amounts had to be spent on imports.

Board GM Martin Muchero claimed last week Zimbabwe had enough stocks to feed the nation for at least four months, and enough cash on hand to import sufficient to carry the country through to the 1998 harvest. He said the board should still be able to meet its export commitments this year.

The SADC's early warning unit said Angola, Malawi and Tanzania could face widespread famine if international aid donors did not move early to help them build up food stocks. The region had a 1.3-million ton grain deficit after the past season, although SA and Zimbabwe had a good harvest.
Zimbabwe becoming a ‘drug-user country’

BY ABRAM MOKO

Zimbabwe is no longer only a transit point for hard drugs on their way to other southern African countries, but has become a user country as illegal drugs flood the local market.

Police and other law-enforcement agencies say they are battling to close loopholes.

Among the hard drugs giving business to dealers, especially in Harare, are cocaine, heroin and Ecstasy.

"These drugs, and mandrax, are becoming commonly used in Zimbabwe. We have our local dagga as the most common drug abused by both adults and youths," says drugs unit inspector Silas Mkoba.

He said other imported drugs like "Malawi gold" — a more potent dagga from Malawi — have found a strong market in Zimbabwe.

Harare has a brisk trade in cocaine and heroin. Business is carried out between foreign or local dealers and their customers at hotels in the avenues of Harare and some nightclubs.

"Business is conducted on a large scale. Cocaine and heroin are big money spinners and everyone, including the police themselves, can be tempted to deal in them because of the money involved," Mkoba said.

According to Mkoba, cocaine, heroin, mandrax and other hard drugs fetch more on the lucrative South African market, but drug peddlers sometimes prefer doing business in Zimbabwe to avoid arrest in South Africa.

Despite stringent security measures at all border posts and the Harare international airport, traffickers sometimes outwit the police and manage to pass through security systems with their contraband.

According to statistics from the CID's drug section, 789 people were arrested on drug charges last year.

"West Africans, especially Nigerians and Ghanaians, and Pakistanis and Indians are among the worst culprits in the cocaine, heroin and mandrax business. They use drugs they trade in the drugs and now they have found a market in Zimbabwe," Mkoba said.

"Cocaine or heroin is concealed in food packages, is sewn into collar seams or hidden deep inside simple food items like cake. Some dealers flying in will either swallow the drug or use pet dogs to swallow the drug," Mkoba said.

Joseph Jabeingwe, liaison officer with the "International Labour Organisation in Zimbabwe said: a study on the abuse of drugs by local youths was carried out today. The results would send shockwaves throughout the country — Star Foreign Service/AIA
As the risk takers in Zimbabwean farming, the country's poverty gap widens.

THOMAS GOMU, Chairperson

Farming riskier as poverty gap widens

ANALYSIS

Michael Hartnell in Harare
Mugabe's policy has met with crisis of expectations

President Mugabe's thousands of expectations, expressed at the recent Conference of Women's Day, were.

Zimbabwe is facing a crisis of expectations as the rights and freedoms previously enjoyed are now being moderated.
Nyanga, Zimbabwe — Zimbabwean President Robert Mugabe says his government will not compensate white farmers for about 5 million hectares of land it wants for the resettlement of blacks.

"We are going to take the land and we are not going to pay a cent to a single white farmer," Mugabe said yesterday in Nyurubwe, and South at the start of a national tour.

Mugabe said British colonists took the land without paying for it and Zimbabwe was not going to buy it back. "The British government wants us to compensate its citizens, it must give us the money or it does the compensation itself," Mugabe said in the keynote speech.

Britain has pledged financial support for land reform in Zimbabwe, but insists that land should only be acquired from willing sellers.

Mugabe said he would discuss the issue with British Prime Minister Tony Blair at the Commonwealth summit.

About 4,000 white commercial farmers in Zimbabwe own around 30% of the land, while millions of black Zimbabweans live in overcrowded communal areas. ZAPP.
Mugabe threatens to take whites' farms

Harare, Zimbabwe: President Robert Mugabe has threatened to take over farms without giving their white owners any compensation for the land, and said the British government should be responsible for payments.

The state-run Zimbabwe Broadcasting Corporation said yesterday that Mugabe had announced Zimbabwe had "finally resolved" to take over farms without paying any compensation.

We are going to take the land and we are not going to pay anything for that soil," Mugabe said. "If the British government wants us to compensate its children it must give us the money of its country's people." The British government must compensate them itself.

National news agency Ziana said Mugabe had qualified his remarks by saying: "We are only willing to compensate infrastructural development, not the soil itself."

Mugabe said he would confront Prime Minister Tony Blair with the ultimatum at this month's Commonwealth summit in Edinburgh.

He said his government, which had pledged more than £5.5bn in welfare payments to guerrilla veterans of the 1972-80 war to end white rule, lacked resources to face Zimbabwe's white farmers. The remaining 3,000 white farmers own about 7 million hectares of the country's most productive land.
Mugabe's land threats hollow — analysts

HARARE — It was unlikely that Zimbabwean President Robert Mugabe would carry out his latest threats to seize without compensation white-owned commercial farms to resettle thousands of black peasants, political analysts said yesterday.

They said they believed the threats — made at a ruling party meeting in southern Zimbabwe on Monday — were mainly to divert public attention from pressing social and economic issues, and to retain the support of the country's large rural constituency of land-hungry peasants.

"We have heard all that before and nothing has come of it. I don't think things will be any different now," said political commentator Lupi Mushayakarara.

An official with the 4,500-member mainly white Commercial Farmers' Union said it was "naturally worried ... but we believe it will be handled sensibly".

Domestic political analysts said Mugabe, 73, in power since 1980, thrived on radical rhetoric but tended to be pragmatic in practice. Mugabe said on Monday his government would not pay for land seized by British settlers more than 100 years ago.

"We are going to take the land and we are not going to pay a cent to any soul. If the British government wants us to compensate its children, it must give us the money or it does the compensation itself," he said. He would raise the issue with British Prime Minister Tony Blair at the Commonwealth heads of state meeting in Scotland later this month, he said.

Mugabe's government has earmarked vast tracts of property under a controversial 1980 law giving it power forcibly to take the land. To date, it has only settled about 60,000 families out of an initial target of 152,000, as it says it has no money to buy the land.

Critics say the government is diverting resources, making up about 20% of gross domestic product, to an elite political patronage system which was intended to entrench Mugabe's rule. — Reuters.
Finance raised for Zimbabwe’s key railway link

Johannesburg — Nedcor Investment Bank (NIB) raised $65 million debt and equity funding for Beitbridge Bulawayo Railway (BBR), a joint venture company created to finance, build and operate the railway link between South Africa and Bulawayo in Zimbabwe, NIB said yesterday.

"This railway line is pretty essential for the region and is the first public-private partnership railway project in Africa," said Izak Botha, the managing director of NIB.

The Zimbabwean government awarded BBR a 39-year concession to build and operate the railway at the end of which ownership of the line would be transferred to National Railways of Zimbabwe (NRZ) and the Zimbabwean government.

The "build-operate-transfer" project financing was arranged by NIB on a classic "without recourse" basis, with debt and equity contributions provided by NIB, First National Bank, Sanlam and Old Mutual.

BBR is a joint venture between NRZ, the Zimbabwean government and New Limpopo Projects, a company in which NIB holds an equity interest alongside a group of unspecified European engineers and international investors.

Botha would not disclose the identity of the parties behind New Limpopo, but said NIB and New Limpopo were already joint owners of the Beitbridge toll bridge.

The total cost of the project is $65 million, funded by the $65 million raised plus NRZ’s contribution of the existing railway line worth $30 million. The project had raised strong interest among lenders and was oversubscribed, Botha said.

Construction of the new 317km line and support infrastructure and upgrading of the existing line would begin early next year. It would be completed in two years. The South African contractors had not yet been selected.

About 1 million tons of freight, mainly oil and cement, would be carried on the line, which would provide a link to the industrial heartland of Zimbabwe.
Landmines: lack of will, money

In Zimbabwe no one will admit that mines act as deadly border controls, writes Laurie Boulden

\[\text{prevent corruption, as in previous contracts. But the delay may be a symptom of greater apathy.}

\] Because Zimbabwe’s landmines are in distant and confined rural areas – unlike Mozambique and Angola where they seem ever-present – the issue of human suffering is highly localised. From an electoral perspective, the mine-affected communities hardly make a difference at the polls.

Moreover, while few officials would ever publicly admit it, the minefields serve as de facto border controls. The government knows of hundreds of reported injuries and deaths of immigrants, poachers and gold prospectors trying to cross the border illegally. To remove the mines would cost money and replacing them with proper border security would cost even more. Indeed, when an official was asked if the government had considered spending its own money even for the short-term solution of re-marking the minefields in order to save lives, the answer was simply “no”.

Another factor is that, unlike other states, Zimbabwe’s committee on landmines is located in the ministry of defence. In other countries, a broader outlook also considers the agricultural, public health, military and environmental ramifications.

Zimbabwe’s handling of the issue also relates to awareness and publicity. While the government claims to be interested in de-mining, few people seem to know anything about the situation.

This is not to say the outlook for Zimbabwe is pessimistic. Despite the government’s reliance on the EU grant – it is not yet seeking any other donations – and seemingly limited concern about mines, President Mugabe’s role in the SADC Organ on Politics, Defence and Security will keep the issue relevant. Many SADC partners are actively concerned about mines, and SADC wants to create a special committee on de-mining. – Star Foreign Service.

\[\text{Laurie Boulden is the South African Institute of International Affairs’ researcher for the Landmines in Southern Africa Project.}\]
Mugabe threatens to change law to seize white-owned farms

Harare - President Robert Mugabe has vowed to change Zimbabwe's constitution if it does not allow his government to seize white-owned farms to resettle landless peasants.

"Forget what the constitution says. If it does not indicate that we can take the land, then it will be changed and people will just have to take the land," the Herald quoted Mr Mugabe as saying on Thursday.

Mr Mugabe has said several times that the constitution would be changed if it interfered with his government's plans on land reform, but has not given details of possible legal changes.

In 1992 Mr Mugabe adopted a law empowering the authorities to forcibly acquire land for resettlement.

On Monday he said the government had no money to pay farmers for land and said Zimbabwe's former colonial master, Britain, should compensate them.

Mr Mugabe said he planned to raise the issue with British Prime Minister Tony Blair this month.

But political analysts said he was unlikely to carry out the threats to seize land. They said the threats appeared to be aimed at diverting attention from pressing social issues. - Reuters
Ivory carvers angered by govt's ban on sales

Michael Hartnack

HARARE - Zimbabwe's mines and the environment ministry has angered local carvers by temporarily stopping sales of ivory, while procedures are tightened ahead of the expected resumption of exports in 1999.

At a stormy meeting in Harare earlier this year, southern African states won approval from the Convention on International Trade in Endangered Species (Cites) for the limited and closely monitored resumption of exports.

Charles Chipato, permanent secretary to the ministry, confirmed suspension of internal sales.

"The truth is that when we open up to the rest of the world, we have to be careful. In the past we were closed and it was easy to sell to each other locally. Now we are part of the international scenario we have to put in place a legal instrument," said Chipato.

He said regulations meeting Cites' strict conditions on all ivory dealing were being drafted to prevent any further controversy at future Cites meetings about poached ivory being passed off as that called from Zimbabwean herds.

Ivory Producers Association chairman Jason Cambira said 300 people employed in ivory carving faced extinction because of the suspension of last month's supplies from the national parks department's 33-ton stockpile. He predicted that unemployed carvers would be tempted to buy poached ivory to feed their families.

Chipato urged manufacturers to meet him to discuss the problem.

Zimbabwe has an estimated 60,000 elephants, three times the number its parks can carry without serious environmental damage.

It hopes to earn a substantial revenue from its Conservation and Management Programmes for Indigenous Resources (Canphire) projects run by tribal people through the scientific exploitation of elephants now that the animals have been downlisted from Cites Appendix One.

Legislation on a statutory instrument governing any internal dealing in ivory and elephant products will be promulgated at the year-end or early in 1999, Chipato predicted. Under the Cites ruling, Zimbabwe may export only to Japan.
Mugabe must face up to human rights violations

Eight months after a damning 261-page report, there has still been no response, writes Tari Murinzwi.

Zimbabwe's former Minister of Home Affairs, Enos Nkala, hardly misses church services these days, and his face seems to reflect a certain meekness, peace of mind and contentment. As he closes his eyes in prayer on a Sunday morning, he appears an ordinary member of the Victory Fellowship Church.

There is little evidence in his demeanour to suggest that in the 1980s, when the state was waging a brutal counter-insurgency war in Matebeleland and Midlands provinces, Nkala was one of the most ruthless men in government.

The controversial war fought by the infamous North Korean-trained Fifth Brigade and other security agencies was justified as necessary given the rising numbers of dissident elements of the defeated opposition ZAPU party. But in reality it was also meant to imperil ZANU, whose support base was among the minority Ndebele-speaking people of the two provinces.

From 1983 to 1987, when a unity agreement was finally reached between ZAPU and the ruling ZANU-PF, hundreds of civilians - men, women and children - had been tortured, raped or massacred for no clear reason except that they spoke Ndebele.

Soon after being made Minister of Home Affairs in August 1986, Nkala told the nation: "We want to wipe out the ZAPU leadership. You have only seen the warning lights. We have not yet reached full blast." He went on: "The murderous organisation and its murderous leadership must be hit so hard that it does not feel obliged to do the things it has been doing." (Allegedly supporting dissident activity.

A recently released report of the Catholic Commission for Justice and Peace (CCJP) and the Legal Resources Foundation (LRF) describes Nkala as a "Ndebele speaker with a long-standing vendetta against ZAPU leader, Joshua Nkomo, dating back to the split between ZANU-PF and ZAPU in 1983."

Nkala might now be trying to make amends through prayer but nothing has been done yet to assist the victims of human rights abuses perpetrated during this period.

The CCJP/LRF report, which has been met with a stony silence by the government of President Robert Mugabe, says that in the interests of true and lasting peace "the events of the 1980s must not be left unattended."

It recommends that the report itself - the first such local initiative - be made available to the general public in Zimbabwe and that the government's hitherto suppressed Chibamakakwe Commission report of 1984 also be published.

Presently only about 1,000 copies of the 261-page CCJP report have been circulated privately, mainly to cabinet ministers and foreign envoys.

While the unity agreement of 1987 brought about the end of hostilities, one does not have to dig very deep to find that not forgetting, nor forgiving, what happened years ago, says the report, means being haunted daily by the ghosts of the past. People have been unable to continue with their lives in peace, and leaders have been unable to fulfil their responsibilities.

The report recommends that those responsible for the atrocities of the past should be removed from their posts, that the report be made public to bring the truth out, that those responsible should not continue in their positions or be reappointed in any way, and that all victims of atrocities should be compensated and provided for.

"To the extent that the victims have not been compensated, they have not been given the justice they deserve," the report says. "As long as they do not get justice, they will continue to hate and demand retribution."

The report concludes: "The report should be an example to the Zimbabwean society of the dangers of silence and the importance of truth and justice."

The report further notes that "the political situation in Zimbabwe is basically the same today as it was 20 years ago, and the challenges facing the country are also the same. The solution is not to ignore the past, but to learn from it and to avoid repeating the same mistakes in the future."

The report recommends that the government should establish a truth and reconciliation commission to investigate and document the atrocities committed during the war and to provide compensation and rehabilitation to the victims. It also recommends that the government should open up the archives and documents related to the war to provide transparency and accountability. The report calls for a national dialogue to address the root causes of the conflict and to build a peaceful and stable future for Zimbabwe. The government should also address the issue of land reform and promote economic development to reduce poverty and inequality. The report concludes that "Justice and reconciliation are not only important for the well-being of the victims, but also for the future of Zimbabwe. The country cannot progress without facing its past and learning from it."

Signed:
Tari Murinzwi

SA tourism to Zimbabwe on upswing

Michael Hartnack

HARARE - South Africans last year constituted 68% of visitors to Zimbabwe as traffic from the country revived, David Chapman, the chairman of the Zimbabwe Council for Tourism, said yesterday.

Briefing journalists on the present state of the industry, Chapman said that annual growth rates of 30%-40% in arrivals from SA slacked off mid-decade as the world "reopened to SA passport holders."

Zimbabwe's tourist industry, he said, is the country's third largest foreign-currency earner after agriculture and mining, and had to be conscious of its price competitiveness, he said.

Of 686,000 visitors last year, from major tourist markets, 572,000 were from SA, compared to 498,000 in 1995, and 452,000 in 1994, growth of 15% compared to less than 10% in 1994-1995.

Chapman, whose association links hotels, safari operators, tour operators and travel agents, appealed to President Robert Mugabe's government to make no further sudden changes, such as the increases in national parks' admission fees "instituted at the end of last year."

He also appealed to the authorities not to become "embroiled in a Zambian-style 'visa war' with developed states if they imposed tighter controls on travelling Zimbabweans."

"Apart from the political issue, far more will be made out of foreign currency if tourists come into the country than from charging for visas," Chapman said.

Last year 84,000 visitors arrived from Britain and Ireland, compared to 67,000 in 1994. In 1995, 54,000 came from Germany, 38,000 from North America and 36,000 from Australia."
Defiant Mugabe may need some bandages in

Robert Mugabe’s planned land grab is set to raise tensions, writes Michael Hartnack in Harare

The British high commissioner to Zimbabwe, Martin Williams, and a strong team of his specialists have flown to Edinburgh to brief the UK’s Prime Minister Tony Blair before President Robert Mugabe arrives to wipe the perennial smile off his youthful face.

Mugabe’s imminent takeover of 2,000 farms, totalling 5 million hectares, threatens to become the most serious threat to London-Harare relations since Mugabe’s confrontation with the British, as Margaret Thatcher in 1980, ten years ago over sanctions against South Africa.

Thatcher told Mugabe: “Go ahead and cut your own throat if you want to, but don’t come crying to me for bandages.”

Unlike Thatcher, Blair’s Labour Party has a long tradition of sympathy for Mugabe.

During a week’s tour of rural Zimbabwe before flying to the North, Mugabe repeatedly told cheering supporters: “Forget what the constitution says. If it does not indicate that you can take land then it will be changed.” He pledged to tell Blair: “If you want your children compensated, give us the money and we will pass it on to them.”

Mugabe’s statements explain why in the past year he and his officials have suddenly abandoned their pro-British rhetoric, rather than giving in to Mugabe’s demands.

Remarkably, Mugabe’s latest battalions of black farmers are in tune with a revealing interview given by his minister with special responsibility for land reform, Cephas Msipa.

Msipa, whose responsibilities seem to clash with a cabinet “indigenisation committee” headed by Justice Minister Emmerson Mngqabane, told the Zimbabwe Directors’ Institute Magazine that: “We must have title deeds. The land reform experiment has been a failure — and Msipa, a veteran nationalist, whose political career began under colonial rule, is leading the charge against the 1958 Land Reform Act.

When the population was 9.5 million, it was aimed to divide communal areas totalling 15 million hectares into individual minimum 40-hectare farms, properly surveyed to include arable and grazing land, and bearing security title deeds.

In those areas where land reform has been implemented there was an immediate leap in productivity and conservation: fences were erected, huts were burnt, and freedom of alienation to the black majority triumphed.

Supporters of Blair’s party such as attendees of the Edinburgh conference on “Going Home” pronounced the act as a white conspiracy to create a new class of landless labour.

The link between Zimbabwe’s problems of rural poverty, communal land, population growth and polygamous, second marriages, is often discussed in the preface to Michael Taylor’s recent book, but it is left to the reader to draw their own conclusions. A 10-year-old girl says: “I want to be a teacher.”

But in Harare, Mugabe has a different vision: “We must have title deeds. The land reform experiment has been a failure.”

And yet, in Edinburgh, Mugabe may not be so far out of step with the international community. The issue of land reform is one of the key points on the agenda for the upcoming Commonwealth summit.

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The link between Zimbabwe’s problems of rural poverty, communal land, population growth and polygamous, second mar-
Zimbabwe investment in co-op ‘in difficulty’

Louise Cook

A US-based seed co-operative, Sensako, one of the world’s largest seed producers and exporters, Seed Co, had run into difficulties last month amid claims it had received a R4.5m investment in Sensako by Zimbabwe’s biggest maize seed producer and exporter. Seed Co had run into difficulties last month amid claims it had received a R4.5m investment in Sensako by Zimbabwe’s biggest maize seed producer and exporter. Seed Co had run into difficulties last month amid claims it had received a R4.5m investment in Sensako by Zimbabwe’s biggest maize seed producer and exporter.

Sensako GM Willie Maree said the transformation of the co-operative would still go ahead, but that the exchange of control complications the Zimbabwean government was blocking Seed Co’s application to transfer funds out of the country for the investment in the new venture.

“This planned arrangement will most likely now not go ahead. We are looking to other options and talking to several other international and domestic investors,” he said.

Sensako, a central co-operative whose members were also co-operatives and not individual farmers, was announced last month that it planned to change into a company. Besides the planned sharing of profits by Seed Co, US-based DeKalb Genetics Corporation would become a minority shareholder with a 14.5% investment in the new company. The DeKalb investment would go ahead as planned, Maree said.

Sensako was keen to obtain Seed Co as a major shareholder because of the Zimbabwean company’s experience in servicing the emerging farmer sector.

Sensako had several thousand small farmers who wanted to improve and upgrade their operations.

The changeover to a company was expected to be completed in the “next few months”, Maree said.

The application to transform into a company had been passed by the registrar of co-operatives and Sensako was waiting only for approval by the registrar of companies.
Subsidy dispute lingered
Addressing in Resolving Oil

Zimbabwe trade week
Row older ahead of
Zimbabwe war veterans to cost less than feared

LONDON — Zimbabwe would end up paying substantially less to war veterans than the $38.3bn initially expected. Finance Minister Herbert Murerwa said yesterday at a commonwealth business forum.

A plan on how to effect payments, including a detailed estimate of how many veterans were eligible, should be ready next week, Murerwa said.

Initial plans to pay gratuities and pensions to veterans of the country’s independence war sparked concern among economists when they were announced in August since the money was not budgeted for in July’s budget.

An extra $28.3bn of expenditure would push Zimbabwe’s budget deficit to 13% of gross domestic product from a target of 8.9%.

The issue led the World Bank to withhold $63.5m worth of balance-of-payments support to President Robert Mugabe’s government until it clarified how it intended to finance the bill.

Murerwa said he believed funds for veteran ‘payments’ could be raised without undue strain on the budget.

“It is our intention to find the money without affecting the reform process and without undermining our desire to keep the budget deficit low,” he said.

He gave no indication of how this might be achieved.

Murerwa also said the El Niño weather phenomenon could trim expected Zimbabwean economic growth of 5% next year. Meteorologists expect this year’s El Niño to be the most severe in 15 years. However, he said that “because of good rains last year our dams are full and we have a strategic grain reserve of over 900 000 tons”.

Murerwa said he believed inflation was coming under control, although the recent weakness of the Zimbabwe dollar — reflecting investor concerns about the country’s macroeconomic stability — had been a “problem”.

He predicted consumer-price inflation, which fell to a year-on-year rate of 14.4% last month, could pick up to nearer 20% by the year end before declining again next year. — Reuter.
Zimbabwe firms increase price of maize meal 36%

Michael Hartman

Harare — Zimbabwe’s milling companies yesterday increased the price of maize meal 36%, and a 5kg bag will now cost R7.07c. Maize was decontrolled last year under liberalization measures agreed to between the government and the World Bank.

The only remaining restriction is on exports by anyone other than the parastatal grain marketing board, which pays farmers ZS1 200 a ton, two-thirds of the prevailing price in Zambia and SA.

The Zimbabwe Millers’ Association chairman Ian Ruff said the price rise had been caused by the much higher prices demanded by farmers and traders on the internal market.

The Herald newspaper linked the price rise to the prolonged El Niño drought and fears of famine in neighbouring states including Malawi and Tanzania.
Call to end ban on 'remanufactured' vehicles

Wytham Rotary
Anglo Zimbabwe to retrench about 50 employees

HARARE — Anglo Zimbabwe CE Philip Baum yesterday disclosed negotiations were under way to reduce its 344 head office complement, with about 50 employees facing redundancy.

He said that the changes at Charter House in no way reduced the commitment of Zimbabwe’s largest industrial conglomerate to a $24bn capital expansion programme in the next four years.

“On the contrary, the redeployment of skills, human resource development, and the focusing of group efforts are aimed at securing the long-term future of Anglo’s business interests in Zimbabwe,” he said.

Baum declined to discuss the effect on Anglo Zimbabwe of President Robert Mugabe’s plans to redistribute about 2,000 farms, totaling 5 million hectares, to Africans.

“That we are not in a position to talk about,” he said. “This is market-sensitive information. We cannot negotiate through the media.”

Ruling Zanu (PF) party chairman Joseph Maika said in drawing up lists of farms for takeover by January 1, 1998, party provincial officials had found one unnamed multinational owned 17 farms, it would be permitted to retain only one. Maika thus contradicted a May statement by Minister with Special Responsibility for Indigenisation Cephas Masipa that “multinationals”, large agro-industrial “plantations” would not suffer fragmentation.

Baum, asked whether he or Anglo vice-chairman Nicky Oppenheimer had been given any assurances at recent meetings with Mugabe that Anglo’s holdings, including Hippo Valley Sugar Estates and its eastern highlands forests, would be left intact, noted Anglo’s willingness to support construction of the 201.6ha loveveld Tokwe-Mukosi Dam to boost sugar output, and its $200m partnership with Portugal’s Sonae, regarding a chipboard plant at Chimanimani.

Oppenheimer’s recent meetings with Mugabe resulted in agreement to offer 20% of Anglo’s holding in Bindura Nickel to government, or to its approved “indigenous” nominees.

Baum noted that many of Anglo Zimbabwe enterprises, estimated by some outside observers to total 30%-60% of the total economy, had been developed from a green field “over a long period, through many fluctuations in business activity and risks.”

He said negotiations with workers over the restructing, were proceeding well, and termination packages would be presented to Zimbabwe’s labour ministry for approval on conclusion.

The focus of the change was on making group companies fully accountable for all operations and eliminating duplication in reporting. Company management teams would be responsible for bottom-line performance and not act as cost-centre managers.

Rationalisation of some functions meant “a little less than 50” employees’ jobs would fall away without any immediate offer of alternative employment, but every effort would be made to find them jobs.

Baum said the move would not make Anglo Zimbabwe more reliant on outside expertise.
Farmers ignore Mugabe's threat
Scepticism over new rail link

Martin Rushmere

HARARE — Transport agents and shippers are sceptical about the viability of a 300km railway line in Zimbabwe that is to be built with SA funding.

The $31bn line will link Bulawayo with Beit Bridge via West Nicholson, Nedcor, Sanlam, First National Bank and Old Mutual are putting up several hundred million rands.

About 200km of the route will be new, while the rest will involve relaying the existing lightweight line to West Nicholson.

The main Zimbabwe backer is the New Limpopo Bridge company, which largely owns the toll road bridge at Beit Bridge and is said to be registered in Switzerland.

The government also has a stake, along with the National Railways of Zimbabwe, which will eventually take ownership of the line. The promoters are laying much emphasis on cargo coming from other countries such as Zaire and Zambia.

Executives of two of Zimbabwe’s largest transport organisations, who declined to be named, describe the economic reasons for the line as “dubious” and “illogical”. They point out that a line to Beit Bridge already exists and say that copper from Zambia and Zaire will not be enough to make the route pay.

“The traffic from Bulawayo to SA is negligible anyway and there will have to be huge volumes coming from the north to make it worthwhile.”

They say it is likely there is a strong element of SA government support, as part of Pretoria’s drive to increase business with Africa.

In contrast, consultant economist John Robertson is in favour of the new line, though not for economic reasons. “It might not be cheap to start with, but the line will stimulate business in the areas through which it passes.”

The Shipping and Forwarding Agents’ Association is taking a non-partisan stance over the issue, merely saying that exporters and importers need to look carefully at the costs of going through other routes.

For Zambia, Beira is the cheapest option, with the cost of sending copper through there 20% lower than going through Durban. However, the SA port has been more reliable and efficient.
Mugabe gets Blair to hear out demands

Andrew Mellen

Harare - Zimbabwean President Robert Mugabe's winning of a hearing from British Prime Minister Tony Blair for his controversial land redistribution plan to take half the farmland owned by large-scale farmers, virtually all of whom are white, is a victory for Mugabe.

Observers in Zimbabwe and Britain believed that Blair would not even listen to Mugabe's demands. Now that Mr Blair has begun a dialogue on the land issue, it is thought he will insist that Zimbabwe's land redistribution be done as fairly as possible.

The two leaders discussed Zimbabwe's burning land issue on Friday in Edinburgh where both are attending the Commonwealth heads of government meeting. On Sunday top British and Zimbabwean officials discussed Zimbabwe's new push for massive land redistribution and the possibility that Britain would fund the programme.

Mugabe said he was "hopeful" that the British government would financially assist the land effort. Speaking to the press in Edinburgh, Mugabe was considerably more moderate in tone than he was in speeches before the Commonwealth meeting.

He had threatened to seize 5 million hectares of privately owned land and vowed his government would "not pay a cent for the soil".

"We are going to take the land," he shouted in Zimbabwe. "If the British government wants us to compensate its children, it must give us the money or it does the compensation itself."

In Edinburgh, Mugabe said farmers would be paid for permanent improvements made to the land. He also modified his position by saying most land acquired by government would be adjacent to communal (black-owned) land or land deemed to be underutilised. Land would also be taken from people who owned more than one farm; Mugabe said young black university and agricultural college graduates would be settled on the land.

So far the British team has not publicly stated its position. The British negotiators include the minister of state in the Commonwealth office, Tony Lloyd, and the parliamentary under-secretary of state, George Foulkes.

The Zimbabwean side includes the minister of agriculture, Kumbirai Kanengis, and the minister of local government, John Nkomo.

They believe Britain will offer considerable funding that Mugabe will not want to turn down, but Blair will require that the land be purchased from willing sellers at competitive market prices and that sellers will have the right to appeal to the courts if they do not believe they have been treated fairly.

Since Zimbabwe's independence in 1980, Britain has spent £30 million on returning land to black peasants forced off their land by British colonialists. But the land reform has been limited in scale and not very effective. -- Independent Foreign Service.
Govt ‘insensitivity’ frustrating investors

Michael Hartnack

HARARE — The Zimbabwean government’s reputation for being insensitive to property rights and the needs of investors has left business promoters “dismayed and frustrated”, says economist John Robertson.

He appealed to the immigration department to drop its resistance to the recruitment of foreign skills vital for the transfer of technology. Zimbabwe’s 70,000 whites constitute less than 1% of the 12.4-million black population.

“If the government was to say it was going to allow them (whites) to become 2% of the total ... it could make a great difference,” Robertson told a seminar on the Zimbabwean stock exchange.

Leading investment banker Nigel Chumakira told the same seminar, organised by David Harrison of human resources, that “undertones of racism and tribalism” were becoming a threat to future investment and the performance of the exchange. He said unless a new breed of professionals took an active interest in the political process, either by joining President Robert Mugabe’s ruling Zanu (PF) or by forming a party capable of bringing the country abreast of modern thinking, Zimbabwe might be split into “tribal fiefdoms” or fall prey to dictatorship by a general or a black Paramount Chieftain.

Large amounts of capital have been lost through delays in creating export processing zones, and in privatisation.

Unfortunately for the majority of the population, the way the country is being run suits the rather narrow purpose of too many of the individuals who make up the current leadership,” said Robinson. He warned that recent strikes and unrest showed “the patience of the masses was wearing thin”.

He said the country was “without exaggeration, on a point of balance, and the wrong moves now could send it into a downward spiral”.

Robertson said direct and indirect taxes had reached 58% of the total paid out in wages and salaries to the productive sector, and that investors were worried about placing savings where “government can get at them”.

Investment analyst John Graham said he believed despite negative factors outlined by Robertson the exchange will still provide a “very exciting market” with sectors such as food and construction performing well.

“Markets go up and markets go down,” said Graham. “Provided domestic investors are satisfied, foreign investors will follow”.

Chumakira feared proposed land redistribution would have “very negative” implications for the fiscal market because investors would fear it reflected lack of respect for fundamental property rights.

The takeover of farms could reduce productivity if land is given to untrained peasant farmers but—precious redistribution has seen farms reallocated to influential Africans — including ministers — without being broken into smallholdings. Export earnings and tax revenues could plummet.
Zimbabweans urged to take politics very seriously
Land talks seen as Mugabe victory

BY ANDREW MELOUM
Star Foreign Service

Harare – Robert Mugabe's hearing with British Prime Minister Tony Blair over his controversial land resettlement plan is a victory for the Zimbabwean president.

The plan is to take half the farmland currently owned by large-scale farmers, virtually all of whom are white. Many observers, in both Zimbabwe and the UK, believed Blair would not even listen to Mugabe's demands. Now that Blair has begun a dialogue on the issue, it is thought he will insist that Zimbabwe's land redistribution be done as fairly as possible.

The two leaders discussed the land issue in Edinburgh, where both are attending the Commonwealth Heads of Government Meeting. On Sunday, UK and Zimbabwean officials discussed Zimbabwe's "land reform" push for land redistribution and the possibility that the UK would fund the programme.

Mugabe said he was hopeful the UK government would assist financially with the land effort. Speaking in Edinburgh, the land.
Manufacturing industry forecast to grow 7%

HARARE — Zimbabwe's manufacturing industry was expected to grow 7% this year against 3.3% rise last year, the central bank said in a report released yesterday.

However, the bank cautioned that to sustain growth the industry would have to expand its export markets.

The Reserve Bank of Zimbabwe said in a half-yearly economic and statistical report the sector needed to produce more value-added goods. It should be given export incentives to expand further and to become the engine of growth the government wants it to be.

Agriculture, Zimbabwe's mainstay industry, contributes about 46% of inputs to the manufacturing sector. Manufacturing posted 2.1% growth last year after agricultural production jumped 45% and Gross Domestic Product rose 5.1%.

The central bank said it expected the manufacturing sector to grow about 7% this year after another good agricultural season, and also on the back of reduced import tariffs by SA.

SA, Zimbabwe's main trading partner in Africa, reduced duty on textile imports by about two thirds to about 30% earlier this year after heavy pressure from Zimbabwe.

"Reduction of the historical high dependence on the SA market will require that domestic producers diversify into other regional markets, such as Mozambique, which have remained largely untapped," the central bank said. —Reuters
Zimbabwe expects upbeat report on Ngezi

Harare — A strongly upbeat assessment of the Ngezi platinum project in Zimbabwe is expected from Australian mining company Delta Gold in its quarterly report, with predictions that it has even more potential than neighbour Hartley Platinum.

The quarterly report to the end of September is due for release before the month-end.

Delta has acquired the mining rights to Ngezi, which borders the Hartley mine being developed by Delta and Broken Hill Properties, and says test drilling shows that its potential is greater than that of Hartley.

In its just-released annual report for the year to end-June, total ore reserves are estimated to be 3 million tons, enough to sustain mining for 15 to 20 years. No details are given of ore grades or annual production, but they are understood to be above 3% and 240 000 oz/a year respectively — compared with about 2.8% and 150 000 oz at Hartley.

The cost of developing a mine at Ngezi is estimated to be US$250m, slightly less than that for Hartley.

Work at Hartley is a year behind schedule and the mine is expected to be at full production only in September next year. Costs have risen steadily and the total cost of commissioning is now expected to be $337m, compared with the original $240m.

The first consignment of platinum in concentrate has been sent for refining to Johnson Matthey in England and according to GM John Grubb, weekly shipments will be sent, rising to twice weekly as ore production rises.

If Ngezi matches expectations, its production, plus that of Hartley, will account for 8% of world output. It is proposed to double Hartley’s production, eventually, giving Zimbabwe about 12% of world output.
**Zimbabwe may sell assets**

**Paying Pensions**

President Robert Mugabe

search at ING Barings.

Whittington suggested inves-
tors would be more interested in buying part of the govern-
ment’s stake in Wankie Colliery and Astra, the industrial con-
glomerate.

President Robert Mugabe recently decided to pay civil war
veterans a pension, which is ex-
pected to push the budget deficit
beyond the target of 8 percent of
gross domestic product (GDP) for
the year to June 30, 1999. The gov-
ernment is still determining how
much will have to be paid.

For the past year to June 30 the
budget deficit was more than
11 percent, compared with the 8.5
percent target.

However, the government also
plans to recalculate GDP to in-
clude the country’s unregis-
tered, informal economy, which
could leave the deficit unchanged as
a percentage of GDP.

Murerwa insisted the 8 per-
cent target was still achievable
through further asset sales. He
refused to rule out tax rises.

The International Monetary
Fund (IMF) has been advocating
increased taxes on energy, beer
and tobacco. It recently suspend-
ed its $720 million loan to Zim-
babwe after Mugabe’s decision to
compensate civil war veterans.

The IMF is waiting for the
government to conclude its as-
essment of the amount it will
have to pay before it resumes ne-
gotiations on the loan.

Murerwa insisted reports that
the president had overruled him
on the veterans’ pension issue
were unfounded.

“Our president fully supports
the reform process we have put in
place,” he said. — Bloomberg
SA negotiators spare no holy cows in trade talks

By 30/10/97

Linda Ensor

CAPE TOWN — SA's proposals for a free trade and development agreement with the European Union (EU) would require the union to address sensitive issues such as its subsidisation of agricultural products, trade and industry officials said yesterday.

No holy cows have been left out of the proposals which SA negotiators take to the table today. They want the agreement to be as all-encompassing as possible even though the EU's original offer excludes 30% of current agricultural trade between the two countries.

Instead, the EU would be asked to reduce its agricultural subsidies over time and indicate when it would be ready to start discussions on this.

In a televised link-up from Pretoria with a joint sitting of Parliament's trade and industry, agriculture and water affairs and foreign affairs portfolio committees yesterday, officials outlined some of the details of the proposals for the first time.

SA has called for both parties to open all trade on all products and sectors within a transitional period of 10 to 12 years.

Foreign trade relations chief director Faizel Ismail said several key principles had been adopted in formulating SA's offer.

First, SA believed the agreement should be about more than just market access, but should have developmental objectives as well. Market access was not enough to redress the trade imbalance between SA and the EU, which amounted to R12bn last year.

An environment which encouraged investment and technological flows was needed.

Also, industries in SA such as the automotive and textile industries, in the process of being restructured, should be protected and other sensitive products included under special "developmental protocols".

Separate agreements, annexed to the main agreement, would have to be negotiated on fisheries and wines and spirits.

In terms of the proposals, 65% of all EU imports into SA would be duty-free by 1999 when the agreement kicked in. Most of these products were already zero-rated, but Ismail said SA would offer a major concession to bind all products now coming in duty-free (57% of the 65%) to a zero tariff, even though SA was not required to do this by 1999 in terms of the Uruguay Round.

The 8% differential would be made up of capital goods which currently had a duty of less than 5% and which were bound by GATT to 10%.

Reviews

Tariff reductions on a further 5% of imported EU products of a capital, intermediate and consumption nature, which now carried a duty of between 5% and 15%, would be cut to zero by 2003, so that 70% of all imports would come in duty-free by then.

A further 15% reduction between 2005 and 2011 would bring the total of zero-rated products to 82% by 2011. These agreements would be reviewed every few years in line with the progress made by the industries in adjusting themselves to competition. The EU was also expected to flag the products it wanted dealt with by way of special protocols.

In return, SA was demanding that 90% of its total trade be given duty-free access into the EU from 1999 and 100% between 2005/2011.

All agricultural products now at a zero tariff would come in at a zero tariff in 1999, excluding maize, which was subject to a tariff band determined by the world price, and wheat, which SA believed should be included in a product protocol.

Special developmental protocols should be devised for red meat and dairy products, which were subject to the EU's common agricultural policy, and all winter grain products such as wheat, which was undergoing a process of restructuring after the deregulation of its marketing system.

Agriculture department official Ralph Otto said the government wanted this restructuring to be completed before including wheat in a free trade agreement. However, by the end of the implementation period there should be a low-zero tariff on wheat within the European Union.

Wheat and maize were currently zero-rated because of high prevailing world prices, but the maize tariff would increase as prices dropped.

A special protocol would be required, too, for sugar because of its complex worldwide system which was governed by quotas and market-sharing agreements.

Over and above the free trade proposals, Ismail said the SA government had applied to the EU to offer concessional loans to assist in the process of trade liberalisation. It had asked EU development agencies for a financial package to help build infrastructure and provide supply-side measures not only in SA but in southern Africa.

"We want a political commitment from the EU and the European Commission to put in place mechanisms and measures to support SA as it attempts to deal with the problems of adjustment in SA and the Southern African Customs Union, which could lose 50% to 10% of revenue because of this agreement," Ismail said.

SA objects to Zimbabwean criticism of trade fare

HARARE — SA on Tuesday objected to criticism from the Zimbabwean business community that its 12-day business exhibition in Harare was designed to secure domination of the local market.

A business news agency quoted the SA ambassador to Zimbabwe, Kingsley Mamabolo, as saying that the cultural and business exhibition, which started on Tuesday, was intended to promote interaction and exchange between the two countries.

"Over the past week Bulawayo businessmen and their mayor were in Johannesburg, inviting investors. We can only hope that it continues to happen," he said.

The question of tariffs is being tackled by the ministers of both countries, who have now gone a long way.

The whole process has not been concluded. It is an ongoing process which is beginning to bear fruit," Mamabolo said.

The trade balance between Zimbabwe and SA swung in SA's favour three years ago after a 20-year-old preferential trade pact between the countries expired.

Since then Zimbabwe has been pushing for the restoration of its preferential trade status with SA.

—Sapa
African Business

Weak investments, debts and shrinking aid are danger signs

Mugabe warns Africa ‘may be marginalised’

FROM AFP

Kuala Lumpur — Zimbabwe’s President Robert Mugabe warned yesterday that Africa may be marginalised in the global economy because of weak foreign investments, crippling debts and shrinking development aid.

Mugabe told the opening session of the annual summit of the Group of 15 (G15) developing countries here that globalisation of economics and trade liberalisation brought “mixed fortunes to various countries”.

Mugabe said: “In the case of Africa, which has 33 of the world’s 48 least developed countries, there is a real danger that the continent may be marginalised in the unfolding process.

“In spite of the fact that most African countries have embarked on political and economic reforms aimed at creating an enabling environment for foreign direct investment inflows, the response on the ground has been far from satisfactory.”

A world economic and social survey released in July showed Africa accounted for less than 5 percent of foreign direct investment in developing countries in 1996, Mugabe said.

Moreover, taking into account dividend and other profit payments on existing investments, the net tranfer from direct investments in non-debtor African countries had resulted in a net outflow of over $1 billion last year, he said.

“This situation has been further exacerbated by the crippling debt burden and the ever-dwindling official development assistance, resulting in low economic growth in many African countries, particularly the least developed among them,” Mugabe said.

Referring to “major structural impediments and inequalities in the international economy which remain unaddressed”, he said the emergence of the World Trade Organisation “had brought much hope for a fair and equitable trading system.

“But alas, the developing world today finds itself confronted by new conditionalities on labour standards, environmental questions and other restrictive measures which negate any potential benefits from globalisation,” Mugabe said.

The G15, set up in 1989 as an alternative to the Group of Seven (G7) industrial powers, groups Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, Zimbabwe and Kenya, the newest member.
Tobacco affected by racial tension

Martin Rushmere

HARARE — Zimbabwe's tobacco industry, the country's biggest foreign exchange earner at 25%, has recovered some confidence after the anti-climatic entry of a black businessman who had claimed to be taking sole control of buying and selling.

Controversial entrepreneur Roger Boka this year gained government permission to set up the first independent auction floor since independence in 1980, boasting in a series of inflammatory advertisements that he was about to topple the monopoly of the long established Tobacco Sales Floor (TSF).

In the event he sold just 0.5% of the total Virginia crop.

A failed bid to monopolise the market blew up in his face when it became known that while he claimed to be getting higher prices for the commodity, they were actually 5% lower than the average of US$2.34/kg paid by TSF.

Many in the industry automatically assumed that Boka, who had made no secret of hating whites in an industry dominated by whites, had been written off as an inconsequential player.

The reality is that he will be back next year. Boka is seen as a symbol of a vengeful black hunger cultivated by President Robert Mugabe's government's allegations of a sinister and secret plot by whites to control the economy.

Boka publicly made claims that US President Bill Clinton would open his auction floor to his tobacco crop.

Politically this incident has become a raw wound given Mugabe's recent threats to nationalise white farming land with tobacco farmers now the main target.

The voice of these farmers is the Tobacco Association, a very rich lobbying, research and marketing organisation which has a major stake in the TSF and is quiet hoping to allow Boka's politically sensitive embarrassment to blow over.

While the association publicly welcomes what it calls "fair and open competition", it is jittery over potential government plans to impose a compulsory selling system or to increase the current 5% tobacco levy.

Amid growing fears of drought due to the El Niño weather phenomenon, farmers are preparing for next year's crop. Tobacco does better in poorer-than-usual rainy seasons.
White farmers will have 'enough land to stay rich', state promises

The Zimbabwe government tried yesterday to reassure white farmers it would not embark on arbitrary forced nationalisation of land and promised that plans to seize 6 million hectares of white-owned land would leave them "with enough land to stay rich". Kumbirai Kangai, the lands minister, said in an interview in the Herald newspaper that the government did not want "to get rid of commercial farmers but rather to share the land that was available".

Kangai's remarks clash with the previous three months of hostile rhetoric from President Robert Mugabe who said there should be no government compensation for seized land, and compensation was the responsibility of the British government. The sudden softening of approach is seen by observers as an attempt to prevent the land reform programme being spoiled by the controversy over Mugabe's hardline rhetoric.

Mugabe met British Prime Minister Tony Blair on October 31 to ask for British assistance. Kangai said the British government had agreed to allocate money for Zimbabwe's resettlement programme. But he was immediately contradicted by a spokesman for the British high commission in Harare, who said Whitehall had "made no commitment to provide new aid for land resettlement during the talks. The land issue has been one of the most volatile issues in this country for decades and is regarded as one of the main causes of the liberation war." --Sapa-DEP, Harare
Harare's investors remain unruffled

Harare: While the stock markets in the world's financial capitals suffered mini-crashes and jitters last week, Zimbabwe's tiny exchange has remained cool.

The Zimbabwe stock exchange (ZSE) has a market capitalisation of Z$24 billion ($224 million). Despite signs of an impending drought and worries over the continuing budget deficit, the Zimbabwe exchange is heading for a record year. Turnover, from January through September, rose to Z$33.1 billion, four times more than the 1996 figure for the same period of Z$13.37 billion," said Antony Barfoot, the exchange's chief executive.

"The Zimbabwe market opened up to foreign investors in June 1993. Since then the influx of foreign funds has been a large boost to the market. The 66 companies on the Harare exchange have attracted a net inflow from foreign investors of more than Z$1.15 billion.

"With overseas markets a bit nervous, investors are looking for new markets and we believe the ZSE will increase in size because of new listings," said Barfoot.

"If basic metal prices firm, there will be interest from mining investors," he said. "We have received a lot of inquiries from mining companies, especially from Canada."

Not everything is so rosy on the Zimbabwe exchange, however, in the long run the government's continuing heavy budget deficit, estimated at 11 percent of gross domestic product, is seen as a significant worry.

"The budget deficit is only going to increase thanks to Robert Mugabe's pledge to pay disgruntled former liberation war fighters' gratuities and pensions worth $240 million. That figure was not included in July's budget," Independent Foreign Service
Zimbabwes says confusion about its land redistribution plan
Harare bracing itself for more power cuts

Michael Hartnack

HARARE — Harare's central business district faces two months of power cuts like those that last week 'paralysed' switchboards, lifts, tills, automatic teller machines and computers, company chiefs have been warned.

Stephen Peron, Harare area manager for the parastatal Zimbabwe Electricity Supply Authority (Zesa), said it would launch a campaign to keep customers informed as repair work proceeds on an 11kV substation adjoining Harare Gardens which exploded on Wednesday morning.

For long periods on Wednesday, Thursday and Friday many businesses could not receive or make calls and hundreds of people were stuck in lifts, while the work of banks, supermarkets and many offices came to a standstill. Court hearings were stopped by failure of recording machines and traffic was brought to a crawl by robots switching off.

Zimbabwe National Chamber of Commerce CE, Wonder Musiri, deplored Zesa's lack of advance planning and standby generators which could have kept 50% of businesses ticking over. "It is a severe blow. We are losing exports because of this."

Employees were unable to draw salaries as a result of continuing blackouts, while long queues gathered at automatic teller machines and supermarkets reported a dramatic fall in turnover.
Zimbabwe land grab: it’s up to British to pay, says Mugabe

Harare - A very large account for dubious business transacted in Zimbabwe by British agents over a century ago has become one of Prime Minister Tony Blair’s first encounters with Africa since his Labour government came to power five months ago.

President Robert Mugabe of Zimbabwe gave Mr Blair an idea of the size of the bill at the Commonwealth summit which ended last week in Edinburgh, Scotland.

The charge is for nearly 1,800 farms, covering almost 5 million hectares, which the government says it intends to seize very soon from their current owners, who are all white farmers.

“We are going to take the land and we are not going to pay a cent to any soul,” Mr Mugabe said during a tour of rural Zimbabwe just before he flew to Edinburgh. “If the British government wants us to compensate its children, it must give us the money – or it does the compensation itself.”

The land issue has dogged Mr Mugabe’s government since he came to power in 1980 after a 10-year guerrilla war, one of the major causes of which was the skewed distribution of farmland between white farmers and 800,000 peasant farming families.

Seventeen years later, the lot of the peasant farmer has worsened. The well-grassed pastures and the spread of even rows of healthy crops in the commercial farming areas are a stark contrast to the dustbowl and squalor in which the peasant farmers live.

In the week before the Edinburgh summit, Mr Mugabe told peasant audiences to “forget the constitution” and its protection against arbitrary confiscation of private property. The land was “grabbed by the colonisers” and this wiped out any right the present owners had to compensation.

In August, Mr Mugabe announced that officials of his ruling Zanu (PF) party had identified 1,772 farms, covering 4.8 million hectares for confiscation. The list of properties has been kept secret, but the area is nearly half the 11 million hectares now owned by commercial farmers, most of whom are white.

The country’s diverse agricultural sector is the cornerstone of the economy, and commercial farmers account for 86% of formally marketed farm output. The cost of compensation for half of the land from which that output comes will be enormous, say analysts.

Late last week Mr Mugabe held his first meeting with Mr Blair, and the land issue was raised. Mr Mugabe said afterwards that he was “hopeful” the British would provide financial aid.

Previous British governments have quietly resisted Mr Mugabe’s assertions that they should be responsible for the colonisation of land by millionaire Cecil Rhodes’ British South Africa Company a century ago, and the subsequent distribution of land according to race by subsequent white minority Rhodesian governments.

Outspoken political commentator John Makumbe said: “Mugabe has no moral basis whatsoever for insisting the British have to pay. You can’t unmake history. How many white farmers are British? A lot of them were born here and have citizenship here. They would be insulted if you call them children of the British.”

At home there is increasing scepticism over Mr Mugabe’s bitter rhetoric. Since he was swept into power on promises of major land reforms, a total of 70,000 families have been resettled – less than half the target at independence.

The government has bought 3.6 million hectares of land from white farmers for resettlement, but about 450,000 hectares of that is lying vacant, much of it vandalised or squatted on.

Few of the farms that have been bought for the resettlement programme have shown any success, according to audits carried out by Mr Mugabe’s agriculture ministry. Mostly, once-prosperous farms have been reduced to primitive subsistence slash-and-burn agriculture.

At independence, the British government set aside £20 million to help finance the resettlement drive.

Later, with £3.5 million still to be spent, Britain suspended further aid out of dissatisfaction with the way Zimbabweans handled the programme.

In recent years, resettlement has all but ground to a halt, and the cash allocated by the Zimbabwean government for land purchase and the establishing infrastructure on new settlements has dwindled to a trickle. - Sapa-dpa
Tourism pressure could take toll on Vic Falls

BY EMANUEL KORDA

Harare—The number of tourists visiting Zimbabwe's premier tourist destination, Victoria Falls, rose to 300,000 last year, double the number from 1992.

With the opening up of southern African travel routes, the falls are now more accessible on a southern African package and this has increased visitor pressure considerably.

It is against this background that a Harare-based non-governmental organisation, the Zambezi Society, has expressed disappointment at the Zimbabwean government's reaction and lack of commitment to the recommendations made following a March 1996 World Conservation Union study on developments in Victoria Falls.

The study was conducted at the request of the Zimbabwean and Zambian governments. It recommended that visitors should not be allowed to exceed two to three times more than the present numbers. It also proposed a halt to developments within the Victoria Falls town until a master plan was completed.

While the Zambian government has shown its willingness to support the study, Zimbabwe is said to have rejected two of the key recommendations—the moratorium on development and the formation of a trust.

Having called for a 10-year management plan for the Victoria Falls area, the Zimbabwe government now finds that it is unable to commit itself to the study's recommended moratorium because of the political need to provide development opportunities for indigenous entrepreneurs in this lucrative tourism market.

The Zambezi Society says it is particularly concerned at the loss of biological diversity in the rain forest area next to the falls and in the riverine forest along the edge of the Zambezi River above the falls. — Star Foreign Service/AIA

LIVINGSTONE AWAKENING

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Plan to harvest hardwood alarms conservationists

Michael Hartnack

HARARE — News that Vice-President Joshua Nkomo’s Development Trust of Zimbabwe (DTZ) has obtained $2.8m offshore finance for a hardwood factory in the Zambesi Valley has further alarmed conservationists.

Nkomo, 81, secured a loan through Britain’s Nat West that appears to have ignored ecological implications for the middle Zambezi Valley, already devastated by squatter settlement and mining of valuable timber.

Timber processing equipment, ready for immediate shipment to Zimbabwe, was announced.

DTZ, having special tax-free status and owning areas of land larger than Belgium, already operates the controversial Limpopo border toll bridge monopoly at Beitbridge and has mooted plans that horrified environmentalists for a similar one at Victoria Falls.

The Zambesi Bridge, upstream of the historic 1905 one over the first gorge, would smash a path through Zambesi riverine forest declared a United Nations “world heritage site”.

Nkomo’s plans for a hardwood processing plant at Muzarabani, 150km north of Harare, were mooted five years ago when disquiet was already being voiced about the European Union’s funding of totoza fly eradication in the area, leading to an influx of landless poor.

Conservation sources said yesterday cattle in the area had increased from barely 600 head to more than 30,000 since 1980 independence, with calamitous impact on a fragile ecosystem.

Dick Pitman, CE of the private pressure group, the Zambesi Society, which links activists in Britain, Zimbabwe, Zambia and Mozambique, said he welcomed development in the hitherto depressed area — but “there are a number of questions that need clarifying”.

“The first is where the timber is expected to come from,” he said, noting the destruction of much of the previous forest in the area. “The second is whether there is a sustainable extraction plan, and the third whether the impact has been properly studied.”

Nkomo was also reported to have discussed building a toll bridge over the Zambesi at Chirundu and the establishment of a casino complex.

Nkomo reportedly went to Europe in September for medical treatment there.
Anglo denies axing 2,000

Michael Hartack

HARARE — Anglo American Zimbabwe denied reports yesterday that it had followed 60 layoffs at its Harare head office with 2,000 redundancies in the subsidiaries that made it the country’s largest industrial conglomerate.

Spokesman Ezra Kanganga said there had been no retrenchments at Bindura Nickel, in which President Robert Mugabe’s government had been offered a 20% stake, or at Zimbabwe Alloys, although both were “assessing their operations in view of the decline in world prices for both nickel and low carbon ferrochrome”.

Anglo — heir to Cecil Rhodes’s British SA Company and owner of a large chunk of Zimbabwe’s economy — has stakes also in banking, manufacturing, and sugar and timber plantations, but is declining to discuss the possible effects of Mugabe’s land redistribution policy.

The Financial Gazette — one of Zimbabwe’s two weekly newspapers outside direct state control but with close ties with black business leaders in Mugabe’s ruling party — claimed CE Philip Baum had begun implementing a plan to trim Anglo Zimbabwe’s 15,000 workforce.

Last week the paper carried a similar report attacking Anglo, saying retired director and public relations manager Oliver Chimeneza had written memoirs disclosing the Oppenheimer family’s plans to impose a “puppet government” on post-apartheid SA.

Kanganga said only a few head office staff had so far lost their jobs. The Financial Gazette said nearly 2,000 Anglo Zimbabwe workers were laid off or accepted voluntary retirement on October 31. “All these people walked away with wonderful packages, and that is why there hasn’t been any noise,” an executive reportedly said.

Baum arrived from Johannesburg seven months ago, to replace Zimbabwean CE Roy Leander, who was retiring. Announcing Harare head office restructuring last month, Baum said Anglo was being as open as possible to check probable rumour-mongering.”
help for Zimbabwe

IMF delegation in negotiations to resume
Tough times for Zimalloys

Michael Hartneck

HARARE — Anglo subsidiary Zimbabwe Alloys mines says the weakening price for standard low carbon ferrochrome continues to have an adverse affect but some cleaned ferrosilicom chrome, extracted by reprocessing non magnetic material, has been sold on a trial basis.

Negotiations for a regular offtake are under way, says a report on unaudited results for the nine months to end on September 30.

The directors — who were chaired by Anglo Zimbabwe's CE Phillip Baum — said the full preference share dividend of $218,2m at March 51 had been discharged.

However, the balance of retained profits brought forward together with earnings for January to September were "not sufficient to fully provide for the 10% cumulative preference dividend of $29,1m as at September 30.

"Available profits of $21 471 000 at September 30 have been fully utilised to provide for the preference dividend and the shortfall of $27 674 000 will have to be recovered from future earnings." Turnover was $211,4m for January-September.

In July the plant at the company's Midlands mine dump was off-line for 14 days for modification and at the same time the receiving conveyor was realigned to give access to a wider face of the dump.

The shutdown resulted in only 141,493 tons being processed during the July-September quarter, but the benefits were reflected in September's 64,863 throughput.

During the fourth quarter improved throughput has been maintained although the percentage metal recovered remains low with adverse effects on unit costs.

Recovery rate was 1,47% for the period June-September against a forecast estimate of 2,02% for the remainder of the dump life.

All Zimalloys mines output has to be sold through the parastatal Zimbabwe Minerals marketing corporation's contentious monopoly.

Zimalloys mines — which specialises in recovery from dumps — is separate from Zimalloys, which is also an Anglo subsidiary.
Britain's砝码 on the wheel of Mugabe's land acquisition plans
Zim war veterans go on rampage

HARARE: About 300 veterans of Zimbabwe's liberation war took over a court room in the High Court building here yesterday, bringing to a chaotic halt the proceedings of a commission of inquiry into a multi-million dollar fraud of a war victims' benefit fund.

After the hearing adjourned, the mob danced on the teak tables, toyed with the railing of the clock, swigged water from the commissioners' bottles, sang war songs and made speeches denouncing the commission.

The secretary of the commission had to flee when women ex-guerrillas chased her out of the courtroom, one taking a swing at her with a bulky handbag.

"What we want is war," was the deafening refrain.

The adjournment was preceded by almost an hour of interruptions as the commission tried to examine Dr Chenjerai Hunzvi, chairperson of the Zimbabwe National War Liberation Veterans' Association, over allegations that he had forged documents to give relatives large cheques for compensation for allegedly fraudulent war injuries.

The state's War Victims' Compensation Fund was set up at independence to help civilians and ex-combatants badly handicapped by injury during the war.

Hunzvi, a Polish-trained medical doctor, appeared in court yesterday to answer charges that he had completed forms assessing the alleged disability of a cousin and an uncle from injuries allegedly inflicted by Rhodesian security forces and then forged the signatures of other doctors.

As he entered the court yesterday, almost the entire public gallery of ex-fighters stood up. He turned round at the front of the court and gave his supporters a clenched-fist salute. In silence, they returned the salute.

As the commission proceedings began, former guerrillas silently held up handwritten placards. One said, "We want our ZD50 000 today or else war", and another, "Back to square one 1962 - 1980 (the period of the Zimbabwean war) until liberation is achieved".

Then the public galleries appeared seized by fits of loud coughing that drowned out the proceedings.

Hunzvi refused to answer questions from the commission, claiming they would force him to incriminate himself. To applause from the gallery, he launched into an attack on the commission, accusing it of behaving like the colonialists and trying to destroy the war veterans.

The war veterans have taken centre stage in Zimbabwean politics in the past six months with a series of violent demonstrations that have challenged directly the authority of President Robert Mugabe.

In August they seized the headquarters of the ruling Zanu (PF) Party, jeered Mugabe's speeches, attacked and critically injured government officials.

The comrades claim the government has ignored their role as "liberators" during the independence war.

In August Mugabe gave in to their demands and promised a package of war benefits - a ZD50 000 (about R18 000) gratuity and a monthly pension of ZD2 000 (R715) pension - which economists estimate will cost the government up to ZD4.5 billion (R6.6bn) and wreak havoc with the economy. — Sapa
Delta goes for gold in Zimbabwe

Andrew Mildrum (362)

Harare - Delta Gold, an Australian mining company, said last week it would embark on a $850 million (R200 million) development of a new gold mine in Zimbabwe.

Delta Gold's board of directors has given the green light to the development of the Eureka mine, 150 km north of Harare. Initial indicators show the project may produce from 30,000 to 75,000 ounces of gold annually through an open pit operation. This will be at an estimated cash cost of $330 an ounce. Both heap leach and conventional carbon leach are being considered as treatment options.

"A construction contract will be negotiated in the near future, and the mine is expected to be operational by early 1999," said a Delta Gold spokesman in Harare. The development increased Delta's investment in Zimbabwe, which included an investment with fellow Australian firm BHP in the Hartley platinum mine. Independent Foreign Service
Veterans force Harare court of inquiry to adjourn

Harare — Veterans of Zimbabwe's independence war forced a commission of inquiry into a corruption scandal to adjourn yesterday when Chenjerai Hunzvi, their leader, was questioned over allegations of forgery.

Judge Godfrey Chidyausiku suspended proceedings because of disruption by 250 veterans.

As he and the other commissioners left, the veterans took over the courtroom, dancing on the benches and singing.

Observers say it was an unprecedented display of lawlessness in Zimbabwe's courts and a demonstration of the power wielded by Hunzvi, who heads the Zimbabwe War Veterans Association, and his supporters.

Veterans recently staged a series of protests which forced President Robert Mugabe to agree to cash compensation for all ex-combatants.

The protests began when Mugabe stopped payments from a war victims' compensation fund after reports that senior government officials had looted the fund of millions of dollars.

Hunzvi was called to the commission of inquiry into these reports to answer allegations that he forged compensation claims for his two brothers.

Having said all veterans would receive payouts, Mugabe has to find the money somewhere.

International donor agencies supporting the country's economic liberalisation programme have said future aid would not be forthcoming if the payouts rocked Zimbabwe's shaky economy.
Mugabe discovers the truth behind Blair’s ‘surrender’
HARARE — Publicity shy Anglo American in Zimbabwe has become mired in a war of words with newspapers.

The group has placed advertisements to deny a newspaper report that the Johannesburg parent is unhappy with its efficiency and that as many as 1,000 workers must be laid off.

Renowned for refusing to make public comments, the change of tactic is being seen as a response to pressure from the government to show all is well.

Officially issued in the name of the identity chairman of the SA parent, Nicky Oppenheimer, the advertisements come in the wake of an announcement by CEO Philip Baum that up to 50 people will be laid off at the Harare head office.

The group has come in for criticism from President Robert Mugabe and ministers for refusing to "indigenise" — give shares and senior jobs to blacks. This reached a peak over the appointment of Baum last year. There were immediate demands for Baum's work permit to be refused.

Baum was appointed and at the same time it was agreed that the government should get a 20% stake in Bindura Nickel.

The government has since come in for criticism from its supporters for paying Z$450m, which they say is far too much. This has made the government more sensitive to criticism over getting involved in private business at a time when it is publicly claiming to be disinvesting.

It is understood that there have been repeated unofficial calls by senior members of the Zanu (PF) party for the group in Zimbabwe to prove that it is master of its own destiny.

Oppenheimer has been in Zimbabwe at least three times this year — meeting Mugabe twice — and is thought to be anxious to increase the group's operations in the country as part of a business drive in the rest of Africa. This week he is in Zimbabwe again to address a mining conference.
Zimbabwean businessman extends interests to SA

Business Day reporter

ZIMBABWEAN businessman and chairman of former Lonrho subsidiary Northchart, John Moxon, has extended his business interests to SA through a R200m acquisition of a 22.9% stake in Real Africa Durolink (RAD).

Moxon is well-known for his diversified business interests in southern Africa, with a holding in Meikles Africa, Zimbabwe’s leading retailer listed on both the Harare and London stock exchanges. Meikles Africa’s Zimbabwe business operations include the famous five-star Meikles Hotel and TM supermarket chain.

In SA, Moxon is part of the controlling consortium in Rehbold, the food, freight and liquor company which listed on the Johannesburg Stock Exchange last year.

The deal between Moxon and RAD, concluded last Friday but announced yesterday, means that the financial services and advisory company’s primary capital base is now in the order of R300m. RAD, which is part-owned by Real Africa Holdings, has applied for a banking licence. Its main activities are structured and corporate finance, privatisation and property financial services. RAD has also established a securities broking operation and a private equity fund. CE Michael Bolton said the deal was consistent with the company’s strategy to move to full investment-banking status.

Real Africa Holdings and RAD’s management will retain joint control of the new structure.
IMF needs urgent answers from Mugabe
Zimbabwean tourism indigenisation ‘sensitive’

Michael Hartnack

HARARE — The CE of the parastatal Rainbow Tourism group and incoming head of the Zimbabwe Council for Tourism said yesterday that the redistribution of permits and concessions on state land was the most explosive issue facing the industry.

Herbert Nkala’s election as head of the body representing tourism in the private sector was announced yesterday. He was asked to comment on reports of established white Zimbabwean operators having their permits and concessions redistributed to blacks, who were then selling them on to foreign interests.

The white operators allege the government’s tourism “indigenisation policy” is pushing up costs and making Zimbabwe less competitive, while adding no value.

“That... is... explosive,” said Nkala. “As a very sensitive issue it is not one I would want to debate through the media.”

Outgoing council chairman David Chapman said it had to be clearly understood there was not one person in the tourism sector who was not in favour of levelling the indigenisation playing field. “Everyone recognises it has to happen and by far the great majority take an active role in the process.”

Chapman said the tourism council — representing hoteliers, travel agents, safari operators, restaurateurs and transport — had its own indigenisation committee which had helped newcomers to the sector.

Nkala said it was equally important to assist newcomers and ensure blacks who had invested did not go under.

He expressed concern for Victoria Falls, where environmental issues were most acute. Nkala said all future development at and around Victoria Falls should take place within a comprehensive plan now being worked out, including regular consultations with the Zambians.

Nkala said he hoped to see some kind of co-operation between the national airline of the Southern African Development Community.
Zimbabwe Sun's income increases

HARARE -- Hotel group Zimbabwe Sun recorded a 43% increase in net income to Z$890m (R34m) for the six months to the end of September.

An associate company of SA Breweries, which owns 25% of the Delport Corporation parent, Zimbabwe Sun is the biggest hotel and resort owner in the country.

Turnover rose 42% to Z$423m, which chairman Eben Mkhalisa attributes to a substantial improvement in business from the southern African region. Occupancy rates were 66%.

The chairman forecasts a "positive" trend for the second half-year. "Net profit should grow ahead of the rate of inflation," he said. Net profit for the whole of last year was Z$130m.

Restructuring boosts PG's profit

HARARE -- Zimbabwe building materials and glass-making group P&G Industries recorded a 158% increase in net profit to Z$43m (R13m) for the six months to the end of September over the same period last year.

The company, which is 40% owned by the SA group of the same name, attributes the improvement to a restructuring of divisions and acquisition of a former competitor, Johnson & Fletcher.

Turnover rose 43% to Z$464m.

REPORTS: AF Q., Sape AF, Own Correspondent
Zimbabwe exchange falls on uncertainty

Michael Hartnack

HARARE — The quality of investor returns on the Zimbabwe Stock Exchange (ZSE) was likely to be poor over the next six months, brokers Quincor James Capel said in their latest newsletter and they wondered if “the big sell-off might still be looming”.

"The ZSE unflinchingly held its own this fortnight while global markets attempted harikiri in response to the Hang Seng bungee jump," said the review.

The exchange lost only 1% in contrast to the overall 12% decline in the emerging-market invisible index since October 21.

"The general consensus among Zimbabwean investors was that they would weather the storm for the moment, however, uncertainty in the fundamentals remains and the big sell-off might be looming.

Quincor said Zimbabwean investors were now tending to look to one another for direction, with market sentiment driving decisions. Volumes traded had fallen off sharply amid uncertainty.

The brokers said the Zimbabwe dollar remained under pressure (falling to 14 against the US dollar in the past week). Import cover was low, only two months, while interest rates were climbing with 90-day treasury bills now 25.3. "We maintain our recommendation for a defensive portfolio with blue-chip stocks being the major component," Quincor said.
Cops crack down on war vet protest

Compensation fund ‘defrauded’

Harare - Hundreds of riot police sealed off Harare’s High Court to prevent a repeat of the previous Monday’s violence, when rioting ex-guerrillas forced a judicial inquiry to abandon its hearing into a multimillion fraud of a war victims fund.

Yesterday barbed wire was stretched around most of the block in the centre of Harare and riot police with shotguns, dogs, teargas canisters, shields and batons stood guard.

Traffic jams developed when Samora Machel Avenue, the main boulevard, was closed to vehicles.

Journalists were turned away by the police, although it is understood that reporters from the state-controlled press were allowed in.

The inquiry, into rampant embezzling of the War Victims’ Compensation Fund, was examining Hitler Hunzvi, chairman of the Zimbabwe National Liberation War Veterans’ Association, over allegations that he had forged documents to enable two of his relatives to be awarded compensation for non-existent wounds.

On Monday about 500 ex-guerrillas, protesting that Hunzvi was the victim of a government conspiracy, ran riot in the courtroom, drowning out the proceedings with singing, jeering and waiting.

They toyed with bottles around the courtroom and danced on tables.

The fraud scandal has turned into a major controversy for President Robert Mugabe’s government – already plagued by claims of human-rights abuses – after evidence that most of the senior officials of his ruling ZANU(PF) party, the armed forces and the civil service had been paid huge sums of money in compensation on the strength of inflated claims of injury.

Mugabe’s brother-in-law, Zimbabwean diplomat Ruedi Marufu, also appeared before the commission for receiving compensation after allegedly forging claims.

The inquiry has heard that Mr. Hunzvi carried out nearly all medical assessments that resulted in the claims. – Sapa
Zimbabwe dollar gets bank help

Johannesburg — The Zimbabwean dollar slumped against the US dollar on Friday, forcing the central bank to intervene heavily in the market to support its beleaguered currency.

At one point it touched $2.35 to the dollar, after having closed on Thursday at $2.14.35, but central bank intervention, valued at more than $2 million, brought the currency back to about $2.15.50 at the close. It closed against the rand at 233.34.

The market sentiment has been the same: if the Zimbabwean dollar keeps on sliding, support from the central bank will appreciate. But if, it does not, we will see it sinking again.

"The bull is now firmly in the central bank's court," a Harare dealer said on Friday.

Speculators are targeting emerging world currencies after the recent stock market and currency crisis in Asia, and the Zimbabwean dollar and rand have been buffeted recently.

Economic uncertainty has knocked confidence in the dollar as the country's foreign exchange reserves have slipped from five months' cover in June to two months. Some analysts believe the reserves could now be as low as 1.5 months' cover.

This has been caused by lower revenue from gold sales, the price of the metal declined this year, and more than 40 percent of Zimbabwe's foreign exchange comes from bullion exports.

The reserves were also depleted when the World Bank withdrew $22.5 million. An balance of payments support two months ago.
Zimbabwe to tighten currency rules

EMELIA SINOCLE

HARARE - Zimbabwe's central bank was likely to tighten its supervision of financial institutions after the local dollar plunged new depths on Friday, economic analysts said yesterday.

The Reserve Bank intervened on Friday to support the plunging currency as worry over the state of the nation's foreign reserves provoked panic selling and drove the local unit to a record Z$29 low against the US dollar.

Rebuff intervention hauled the currency back to close at Z$16.50 -- 10 percent firmer than Thursday's close. The currency was also hit hard by heavy import demand and speculative buying of foreign currency in a short market.

Leonard Tsamba, the Reserve Bank governor, on Friday declined to comment on the local dollar's woes, but the Zimbabwe Broadcasting Corporation announced at the weekend that the central bank and finance ministry would hold a news conference today.

Analysts said the central bank was likely to announce a clampdown on commercial banks, which it suspected of hoarding foreign currency.

"So there's likely to be a reprisal in terms of the bank tightening up its supervisory role of financial institutions," said Edmore Tobazwa, an economic analyst. — Reuter
Zimbabwe’s campfire projects seek to profit from ecotourism

Josey Ballenger

THE concept of conservation in southern Africa was changing from one of isolated “green islands in a human sea” to an integrated plan of hunting and conserving wildlife and sharing profits between parks boards, surrounding communities and the private sector, a Zimbabwean conservationist said at the weekend.

Clive Stockil, a ward committee member in southeastern Zimbabwe’s Maheny, the pioneer site of the Conservation and Management Programmes for Indigenous Resources (Campfire), says Campfire has fully exploited its mission to put wildlife’s value “back into the hands of the community”.

Campfire is a government-supported programme started in 1982 to settle the “bloodbath” between national parks and bordering communities over disputes regarding wildlife. Even after Zimbabwe won independence in 1980, the communities saw wildlife only as a “cost”, as the animals destroyed their crops and cattle. “There has been a trend in southern Africa (whereby) communities have been allowed to have domestic animals, but not wildlife. Campfire is reversing that,” Stockil told an audience at the annual Big Shot Show in Midlands at the weekend.

Campfire has given communities a direct stake in managing those animals which spill into their areas (there are no fences on the parks’ boundaries) by having a community-elected council grant hunting licences.

Now, Stockil says Campfire faces the further “added-value” goal of implementing ecotourism in order to grow both in Zimbabwe and throughout southern Africa. This will put cash in the community’s pockets and provide jobs and infrastructure to the area.

An example is Maheny, where Zimbabwe Sun (no affiliation to SA’s Sun International) has entered into a joint venture with the community (which provided the land) to invest about $17m in two “nonconsumptive” lodges and infrastructure. The community eventually stands to reap 15% of the company’s profits.

Dave Bunyard, Zimbabwe Sun’s GM in SA, said the community earned more than $600,000 per annum from its present 10% stake of the ecotourism profits.
Safari operator caught in ‘indigenisation’ crossfire

**BD 17/11/97**

Michael Hartnack

HARARE — Zimbabwe’s leading safari operator, Touch the Wild, is trailing a bloodstained flag after being caught in the crossfire of the state indigenisation policy.

Earlier this year Touch the Wild was forced out of the world-famous resort it had built up since 1980 in Hwange National Park at its $250-a-night Makololo Camp. Following a controversial tender process, the concession was passed to a local entrepreneur, Alexio Chiyasa, who leased it to SA’s Wilderness Safaris.

With the long-term future of three other Touch the Wild camps around Hwange dubious and in view of the government policy of passing leases over to black entrepreneurs, the parastatal Rainbow Tourism group announced it had taken over the company from September 1. The deal is now in doubt because of Reserve Bank refusal to approve a partnership between Rainbow and the Mauritius-based Ireland Blyth Group, which would have assumed management responsibility.

Touch the Wild’s owners — wildlife expert and ruling party MP Alan Elliott, Harare businessman Rhieth Butler and Zimbabwe Sun Hotels — gave Rainbow until October 31 to secure Reserve Bank approval. Tourist industry sources said this was re-extended to November 13, without result.

Zimbabwe Sun and Rainbow board members were on Friday locked in separate meetings.

Sources said bookings for Touch the Wild had fallen off as the global travel market got wind of its politically inspired problems. White tourist operators are bitter that Elliott, having had the camp he built up passed to a black competitor, saw it then go immediately to a foreign operator.

Sources say this and similar government actions are adding to costs, while doing nothing to expand black expertise, and at a time Zimbabwe risks losing traffic to other destinations in the region.

Rainbow, chaired by Zuma PF mogul Ibbo Mandaza and due for privatisation next year, hailed the takeover as a step forward for indigenisation. The Reserve Bank has given no hint why it barred its deal with Ireland Blyth.

Touch the Wild was 50%-owned by Elliott and the Butler family, and 50%-owned by Zimsun. Nigel Butler is embroiled in a protracted court battle to try and save his farm, bordering President Robert Mugabe’s rural home, from takeover by government.

Elliott’s expertise is likely to be seized on by would-be partners in Zambia or Mozambique if he is forced out of Zimbabwe. In addition to Makololo and three other camps around Hwange, Touch the Wild built up camps in the Maputos and at the Zimbabwe Ruins.

Sources said that Touch the Wild also risked having its entry permits for Hwange blocked if it attempted to defy the indigenisation policy. It has 300 employees.
Zimbabwe warned on foreign capital flight

Lukanyo Mnyanda reports that Standard Corporate and Merchant Bank said that the crisis had been a direct result of economic policy and sociopolitical uncertainty and Zimbabwe’s leaders were faced with the big challenge of satisfying both the needs of the general populace and international markets if the fall was to be contained. “It would take great political skill to navigate the choppy waters between these two rocks. It is unclear whether the political establishment in Harare has the appropriate white-water rafting skills. If they are found wanting, further depreciation can be expected,” the bank said.

Hawkins said good might come of the crisis if it induced the International Monetary Fund (IMF) to relax conditions and caused Mugabe to “go cool” on farm takeovers while cutting back state spending.

However, the IMF would be fearful of setting a precedent for other African states and Mugabe would have political difficulty backing down on land for which British Prime Minister Tony Blair has refused aid.

Hawkins noted predictions on world prices for Zimbabwe’s major export, tobacco, would be lower this year and the Zimbabwe Reserve Bank governor Leonard Tsamba’s admission that there had been a $600m balance of payments swing from surplus to deficit in the first seven months of this year.

Zimbabwe’s exchange rate has been allowed to lag 40% to 50% behind inflation since 1991.

Hawkins said the reserve bank governor lacked the resources to respond. An increase in the bank lending rate — 25,5% — might be announced.

The Sunday Mail “understood from reliable sources there should be no panic as negotiations with the IMF are on course with every possibility a satisfactory agreement will be reached.”

No immediate impact was expected on Zimbabwe’s exports to SA.

Last month 30% increases were announced in the price of maize meal and 7% in the price of bread, reviving fears of the unrest seen during the 1992-1994 drought crisis when riot police had to be called to check looting of shops and supermarkets.
Harare - Nervousness about Zimbabwe's economic prospects is eroding confidence in local markets and this contributed to the Zimbabwe dollar's historic fall this week, according to economic analysts.

"There's a flight of confidence. There are a great many things concerning the economy," said private analyst John Robertson.

The Reserve Bank of Zimbabwe had to intervene heavily to haul the currency back from a 76% plunge on Friday. It was battered by immense import demand, panic and speculative buying in a market short of foreign exchange.

Foreign exchange dealers said at one point the Zimbabwe dollar fell to a low of ZS25 to the US dollar before recovering to ZS13 from ZS14.25 at Thursday's close.

Mr. Robertson and other analysts said the uncertainty centred on worries about where President Robert Mugabe's cash-strapped government was going to get an extra ZS5.3-billion (R1.9bn) to pay disgruntled war veterans.

The sum was unaccounted for in the 1997/98 budget unveiled in July.

The payouts led the World Bank to withhold two months ago, for the second time in two years, $62.5-million (R300m) in balance-of-payments support until it was satisfied with a revised budget taking into account the extra burden.

Finance Minister Herbert Mururwa said he was working on it, pledging that he would try to raise the money in a way which would keep the country's budget on track.

"With speculation about the war veterans' payouts, residual worries about El Nino and the seeming deadlock in negotiations with the International Monetary Fund, everyone is nervous," said Tony Hawkins, a business studies lecturer at the University of Zimbabwe.

Mr. Hawkins said the government needed to provide a clear idea of how it was going to come up with the money to pay the war veterans.

"Confidence is lacking in the economy at present," said Zimbabwe National Chamber of Commerce economist John Makumure.

Mr. Makumure and Mr. Hawkins said confidence was also being eroded by lingering fears that Zimbabwe was headed for an El Nino-induced drought and recent tough remarks by Mr. Mugabe that his government would not pay a cent in compensation to white farmers whose land would be seized for compensation.

Mr. Mugabe said a fortnight ago that the government intended to forge ahead with long-standing plans to seize white farmland to resettle thousands of landless peasants.

He said his cash-strapped government had no money to compensate the farmers, adding that Zimbabwe's former colonial master Britain should fund the programme so the farmers would get paid.

Britain said last week it would not fund the programme.

"Commercial farmers are worried about land and they are delaying their investments in new crops or any new agricultural activity and that's very depressing for the business sector," Mr. Robertson said.

The analysts also said poor management by the central bank had helped to sink the local currency this week.

"It's difficult to understand why the rate has been allowed to be so volatile. Why has the central bank allowed this to happen?" Mr. Hawkins said, adding he saw the currency weakening again if the bank did not review its handling of the currency.

Mr. Makumure said the Zimbabwe dollar's fall would have a severe impact on commerce and industry. - Reuters
**Zim dollar falls abruptly**

The Zimbabwe dollar fell heavily to a record low against major international currencies on Friday. The currency fell from 14.0 to 25.0 Zimbabwe dollars to one US dollar by Friday afternoon. No official announcement came from the government about the currency situation by Friday. The national central bank had been absent from the foreign exchange market before the currency slumped.

The Zimbabwe dollar has been declining under pressure from import demand in recent months, while exports decreased. Analysts said a gradual slide was anticipated until next year, but Friday's sudden slump came as a shock to many.

It is traditional for the currency to depreciate against the world's currencies at this time of the year, when the tobacco selling season ends, and export receipts fall. Tobacco is Zimbabwe's top foreign currency earner.

Observers noted the presence of a visiting IMF team in the country, which has been pressuring the government to explain how it would fund huge and unbudgeted military expenses to veterans of the country's liberation war. The government is to submit its plans to finance the veterans compensation fund, amounting to more than five billion Zimbabwe dollars.

Two months ago, the World Bank and IMF withheld $2.5 million US dollars in balance of payments support until Zimbabwe explained how it was going to fund the hefty payments to more than 40,000 liberation war veterans. (Says AFP)
Zimbabwe dollar claws back most of its losses

Harare talks key to ending money crisis

FROM REUTER AND AFP

Harare - The Zimbabwean government was negotiating to defuse balance-of-payment supports, and analysts said yesterday the outcome of talks in Harare would be crucial to resolving the country's currency crisis.

The International Monetary Fund and the World Bank froze balance-of-payment support to Zimbabwe in mid-1998. Negotiations began two weeks ago under a cloud of secrecy, and officials from both sides have persistently refused comment, feeding speculation that the discussions were deadlocked.

The Zimbabwe dollar, which crashed against major currencies on Friday before clawing back most of its losses, continued to fluctuate yesterday.

After trading began yesterday morning, the local currency was quoted by a leading commercial bank at 2$11.8968 against the US dollar, but was down sharply to 2$13.6518 by early afternoon.

At one point on Friday the Zimbabwe currency fell to a record low of 2$25 to its US counterpart before intervention by Zimbabwe's central bank.

Industrial stocks slipped 1 percent yesterday in response to the currency woes, but mining firms, traders said.

The benchmark S&P index lost 39.84 points to close the day at 968.6. "Traders expected it to scale back further if the Zimbabwe dollar remained volatile. The seven-counter mining index gained 21.64 points to end at 881.47.

"There's nothing more nerve-wracking than a situation of instability on the exchange rate," a trader said.

Another trader said: "Until the dollar stabilises, the market will continue to weaken,"

Yesterday economists, dealers and central bank sources expected the Reserve Bank of Zimbabwe and the ministry to announce a series of measures, including an increase in the key rediscount rate by 3 percentage points to 28.5 percent, to boost the dollar.

Dealers said the central bank had already directed that corporate foreign currency denominated accounts be liquidated, in a move expected to bring the market between $100 million and $150 million.

"They said the trend was too early to say what affect these planned measures would have on the exchange. They said they were also waiting for details from the bank and the government," a commercial banking executive said.

A meeting between the Reserve Bank and commercial banks was scheduled for Sunday.

A bank treasurer said that Leonard Tumba, the central bank governor, "strictly stressed" at the meeting on Sunday that there was some money in the market and that it was needed to help stabilise or boost the local currency.
Zimbabwe announces expenditure cuts

Michael Hartnack

ZIMBABWE's Finance Minister Herbert Murerwa last night announced cutbacks of Z$390m in recurrent expenditure and Z$200m in capital expenditure, plus a Z$2bn raid on the money market to fund gratuities for former guerrillas this year.

Murerwa told a news briefing the rediscout rate might be pushed beyond yesterday's leap from 26.5% to 28.5% to stem any further run on the Zimbabwean dollar which on Monday fell to 23 against the US dollar before coming back to 11.4.

He said he would announce revenue-raising measures to complete a Z$3.6bn "austerity programme".

He said moves to force banks to offload US$160m foreign currency holdings onto the market should make unnecessary a repeat of Friday's US$20m intervention by the Reserve Bank to protect the Zimbabwean currency.

Murerwa acknowledged the former guerrillas' payments were the root of the Zimbabwean crisis but said a programme to find money for them - estimated at Z$4bn maximum - had been put in to an International Monetary Fund team.

The team would leave today with "no reason to refuse" resumption of US$62.5m budget support, he said.

Reserve bank governor Leonard Tsumba said Zimbabwe retained 2.5 months' import cover of foreign currency reserves.

Murerwa accused banks of using foreign currency accounts, introduced under post-1991 economic liberalisation laws, to speculate rather than fund development as intended.

They would now be barred from holding more than US$5m in foreign currency balances.

Reuters reported economists said SA was not at risk of infection from the currency crisis in Zimbabwe.

"To imagine a direct impact on the SA market because of what is happening in Zimbabwe is... unrealistic," said Neil Anderson, forex trading head at UAL Merchant Bank in Johannesburg.

"If the rand gets hit then the other currencies in the region catch a cold, but it doesn't work the other way around," said sub-Saharan analyst James Whittington at ING Barings.

The rand also took comfort on Monday from Reserve Bank governor Chris Stals' assurance that the rand had little to fear from falling gold prices or economic slowdown in east Asia.

Stals said the days of gold calling the shots for the SA economy were long gone and dismissed reports that the rand would suffer from east Asian economic slowdown.

Continued on Page 2
The silent women
MPs of Zimbabwe

Lack of confidence is seen as their main weakness, writes

Molyn Ngoni from Harare

Shila Kanyangara, national co-coordinator of the Zimbabwe Women Lawyers' Association, which works a great deal with women MPs, says the status of parliament is hampering women's efforts.

"I think parliament as a whole is playing second fiddle to government because it is simply reacting to what government is doing. So what the women have done so far is to react to bills introduced by the executive. I am not aware of any female MP who has introduced bills on their own initiative."

Two issues that women have been involved in are the matter of marriage and inheritance, and the law on penalties for deliberate HIV/AIDS infection.

"You hear people saying women MPs are not knowledgeable, but I think parliament as a whole is beginning to wake up. Parliamentarians have not been fully playing their role. They believe the executive must take the lead and their role is to rubber stamp it, so women are working in an environment that was already there. We should blame the history of our parliament rather than just women MPs," says Kanyangara.

But she cites the Administration of Estates Bill as an example of women's contribution to parliament. Women MPs forced the government to change the bill to allow a widow to be the executor of her deceased husband's estate. - Star Foreign Service/AIA
African Business

Zimbabwe Interest rate rise to defend dollar seen as a threat

Business warns of disaster

Cris Chinaka

Harare — Major industry groups warned yesterday that government measures to defend Zimbabwe’s battered currency would severely damage business and investment.

Confederation of Zimbabwe Industries (CZI) chief economist Farai Zishou said the central bank’s raising of its key rediscount rate by 3 percentage points to 38.5 percent on Monday would force financial institutions to raise their lending rates.

“Interest rates were already high in the mid-20s, and this new measure is going to push them up above 30. That’s disastrous for companies,” he said.

“Borrowing will be very difficult, especially in a situation where companies are going to compete with the government for whatever little money is available,” he said.

Finance Minister Herbert Murerwa said on Monday the government would raise Z$2 billion (about $700 million) from the local money market to help finance a Z$4 billion payment to war veterans, expected by next month.

Murerwa said the government would ask part of the veterans’ payments — which President Robert Mugabe promised in August after facing months of violent protests — from the 18-month budget to December next year presented in July.

He said the Reserve Bank of Zimbabwe (RBZ) had raised its rediscount rate in a move to cut speculative trade in the Zimbabwe dollar, and might increase it again if this did not stop.

The Zimbabwe dollar crashed by 76 percent against the US dollar last Friday under buying pressure from importers and panic buyers on reports Zimbabwe’s foreign currency reserves had fallen to a four-year low.

Heavy central bank intervention later pulled the unit back to Z$12/13 to the US dollar.

Central bank governor Leonard Tsumba said on Monday currency reserves were enough for two-and-half months’ imports.

The CZI’s Zishou said the bank’s order to firms to liquidate their foreign currency accounts would damage the country’s investment image and seriously affect local business operations.

“The convenience of falling back on your own money is gone ... and has left many exposed to import contracts,” he said.

John Makumure, an economist at Zimbabwe’s National Chamber of Commerce (ZNCC), and John Robertson, a leading economic consultant, said the government’s new measures would stifle economic growth.

“An environment in which companies are already threatened by El Niño, you need a more relaxed set of rules, not more stifling,” said Makumure.

There are fears that Zimbabwe’s agriculture-based economy will be hit by a severe drought in the new 1997-98 November-April farming season because of the freak El Niño weather.

Robertson said an increase in the rediscount rate would not help improve foreign currency availability because foreign investors were not allowed to invest in the domestic money markets.

The CZI and ZNCC say many companies are operating at below 60 percent of capacity because of high interest rates. — Reuters
More than 1,700 farms to be seized under Mugabe plan

Michael Hartnack

HARARE, Zimbabwe (19/11/97)

White Zimbabweans gathered at district meeting places yesterday to learn from Commercial Farmers' Union (CFU) leaders whose land would be taken under President Robert Mugabe's plan to redistribute 1,772 properties totalling nearly 5 million hectares to blacks.

"This is a nightmare. Some of the most productive farms in the land have been "taken," said a farming source. "And it is not people who have more than one farm or whose land is derelict as Mugabe said. Some people have lost everything."

CFU president Nick Swanepoel, executive director David Hasluck and their deputies were said to be away all week touring rural areas and addressing their 4,500 members, three quarters of whom are white.

Lists of farms were presented to Swanepoel and Hasluck at a meeting at the weekend with Agriculture Minister Kumbirai Kangai, sources said.

"Under the 1992 Land Acquisition Act and a "special" constitutional amendment, the state has up to 10 years to complete the take-over, curtailing farmers' right of appeal to the courts against the level or manner of compensation tendered."

"Neither the CFU nor the government commented yesterday on the move."

Legal sources expect owners of the farms will receive formal "designation for compulsory acquisition" notices shortly. These will bar them from undertaking any alterations without government approval until the takeover takes place.

Mugabe vowed two months ago that transfer to blacks would take place this year and said it was up to Prime Minister Tony Blair's British government to compensate "its children." Blair refused to fund any scheme not linked to poverty alleviation.

British diplomats noted ambiguity in Mugabe's remarks on whether he might pay for improvements or whether all compensation for farmers would have to come from Britain.
Zimbabwe says SA did not cause blackout

Michael Hartnack

HARARE SA was yesterday exonerated by Zimbabwe's state power utility of responsibility for the electrical side of last week's "black friday" when the country suffered six to 10 hour power cuts while the country's dollar plummeted.

Zimbabwe Electricity Supply Authority (Zesa) officials on Saturday blamed "power outages on the SA grid" for the blackout.

However, Zesa spokesman Sam Mahlaza said yesterday the power loss was "triggered by vandalism of high voltage transmission lines near Kafue gorge hydroelectric power stations in Zambia. This caused problems on the interconnected grid in southern Africa with Zimbabwe being worst hit". The thieves were understood to have stripped the pylons of copper wiring.

Three Kafue towers collapsed, creating a massive fault which led to the "tripping" of all lines linked to it at about 8pm - just as Zimbabwe's banks closed their doors after a day of nightmare trading in their currency.
IMF makes no promises to Zimbabwe

Michael Hartnack

HARARE — A seven-member International Monetary Fund (IMF) team left Harare yesterday without making any concrete promises of restoring $62.5m budget support for President Robert Mugabe's battered economy.

The Zimbabwe dollar fell slightly against all major currencies during early trading yesterday, despite drastic "austerity measures" announced late on Monday.

Economists noted the IMF team had given Finance Minister Herbert Murzwa only reassuring words in the wake of Friday's disastrous fluctuations in the value of the Zimbabwe dollar. Murzwa said the IMF had urged other western bilateral and multilateral donors to resume aid, but could give no timetable for the IMF itself.

They were sceptical the "austerity budget" announced late on Monday by Murzwa would either hold the value of the Zimdollar in the medium-term, or impress foreign investors. The government forced banks to sell $180m of foreign exchange holdings, breaking longstanding pledges to free dealing.

The Reserve Bank of Zimbabwe injected $30m on Friday, but governor Leonard Tsamba felt further intervention would be unnecessary after Murzwa's increase in bank rate to 28.5% and the liquidation of the banks' foreign currency assets.

Murzwa warned of impending further revenue raising measures to help fund Z$4bn for ex-guerrillas who were promised Z$50 000 tax-free gratuities and Z$2 000 a month pensions for life.

Other plans include a Z$3bn raid on the local money market and cutbacks of Z$11bn in budgeted recurrent and capital expenditure.

Reuter reports major industry groups warned yesterday that government measures to defend Zimbabwe's battered currency would hurt business and investment severely.

Confederation of Zimbabwe Industries chief economist Farai Zishau said the bank rate increase would force financial institutions to raise their lending rates.

"Interest rates were already high in the mid-20s and this new measure is going to push them up above 30 and that's disastrous for companies," he said.

"Borrowing will be very difficult, especially in a situation where companies are going to compete with the government for whatever little money is available."

Zishau said the bank's order to firms to liquidate their foreign currency accounts would damage the country's investment image and seriously affect local business.

"The convenience of falling back on your own money is gone ... and has left many exposed to import contracts," he said.

John Makamure, an economist at Zimbabwe's National Chamber of Commerce, said the government's new measures would stifle economic growth.

"In an environment in which companies are already threatened by El Niño, you need a more relaxed set of rules not more stifling," Makamure said.
Zim begins seizure of white farm land

Harare – The Zimbabwean government has launched its controversial plan to seize millions of hectares of land from white farmers for resettlement of blacks, agricultural sources said yesterday.

A spokesman for the Commercial Farmers Union (CFU), which represents most of the country’s 4,000 white farmers, said the union had received a list of farms that the government wants.

He would not say how many farms were on the list, but President Robert Mugabe said recently the government was targeting 177 farms totalling five million hectares for takeover before Christmas.

The spokesman said CFU president Nick Swanepoel had begun a nationwide tour to inform affected farmers of the government’s designs on their land.

Mr Mugabe has said his government will not pay for the land, but only for the improvements, such as houses and barns.

“We are going to take the land and we are not going to pay a cent for the soil,” the president said last month.

He said British colonists seized the land from blacks more than 100 years ago, and the white farmers were the “children of Britain”.

“If the British government wants us to compensate its children, it must give us the money,” he said.

Mr Mugabe took the issue up with British Prime Minister Tony Blair during the Commonwealth Heads of Government Meeting in Edinburgh last month, but Britain said later it could not support the programme.

Britain has always said it would only provide aid for land acquisition from willing sellers.

The CFU resents its members being labelled “children of Britain” and says the vast majority of white farmers are Zimbabwean citizens.

It points out also that around 95% of the land would have been traded in the last two generations – meaning that the present owners paid for the farms and did not seize them from blacks.

The government’s takeover plan comes at a time of economic turmoil in the country, which saw Finance Minister Herbert Murerwa announce on Monday a drastic series of financial measures designed to restore stability after the currency crashed.

The measures include the freezing of more than a billion Zimbabwe dollars (some $360 million) in government expenditure budgeted for this year – leading analysts to ask where the government will get the money to pay for even the infrastructural developments on farms.

One economist said the land seizure could have “an imploding effect of horrible proportions”.

The CFU says it agrees on the need for land reform in a country where white farmers own around 30% of the country while millions of blacks live impoverished lives in overcrowded communal areas.

But it disagrees with the way the government is going about it, saying enough land can be obtained from willing sellers and a liberalised subdivision policy which would see intensified use of farmland.

The union points out that the government has already acquired some 355 million hectares since independence in 1980, of which 340,000ha remains unused.

The land reform programme, which has been a major plank in Mr Mugabe’s policies, has been dogged by failure and corruption.

Britain has said acquisition and resettlement must be “open and transparent”. But the Zimbabwe government’s presentation to the CFU of the list of farms it wants appears to indicate that it intends to go ahead with or without British support. – Sepe-AFP
Zimbabwe scheme to seize farms under way

Harare: The Zimbabwean government has launched its controversial plan to seize millions of hectares of land from white farmers for resettlement of blacks, agricultural sources said yesterday.

President Robert Mugabe said the government was targeting 1778 farms totalling 5 million hectares for takeover before Christmas.

Mugabe said last month that the government would not pay for the land, but only for improvements on it, such as houses and barns. "We are going to take the land and we are not going to pay a cent for the soil," he said.

A spokesman for the Commercial Farmers Union (CFU), which represents most of the country's 4,000 white farmers, said a tour had begun to inform affected farmers of the government's designs on their land.

Mugabe said colonists seized the land from blacks more than 100 years ago and the white farmers were the "children of Britain". "If the British government wants us to compensate its children, it must give us the money," the president said.

Britain has said it could not support the Zimbabwean government's programme, but that it would provide aid for land acquisition from willing sellers.

The CFU represents its members being labelled "children of Britain" and says the vast majority of white farmers are Zimbabwean citizens.

It also points out that about 11% of the land would have been taken in the last two generations, meaning that the present owners paid for the farms and did not seize them from blacks.

The government's land-seizure plan comes at a time of economic turmoil which saw Finance Minister Herbert Mur grocery announce on Monday a series of financial measures designed to restore stability after the recent currency crash.

Leading analysts have linked where the government would find funds to pay for the infrastructure developments on farms.

The CFU says it agrees on the need for land reform in a country where white farmers own 80% of the land while millions of blacks live impoverished in overcrowded areas.

But it disagrees with the way it is being done, pointing out that the government has already acquired about 2.5 million hectares since independence of which 340,000 remains unused, and that enough land could be obtained from willing sellers and by a liberalised subdivision policy.
Your cash is safe, Mugabe says

FROM REUTER

Gaborone—Zimbabwe’s President Robert Mugabe said yesterday investors should not be concerned about his government’s ability to make about Z$4.6 billion (about R1.5 billion) of payments to war veterans.

Funds “will come from taxes and from our own sources, but they won’t come from investment capital. If you are investing we won’t say part of the portion should go towards creating a fund for war veterans,” he told a trade and investment conference.

“We are to cut the budget’s allocation to various ministries ... We are privatising some of our assets and through that we will get some funds.”

But Mugabe, who restated the cost of the veterans’ bill above the government’s previous estimate of Z$4 billion, evaded a question on the payments’ likely effect on the fiscal deficit. “We only need about Z$4.6 billion, but we don’t think we should have any headache about it. I don’t.”

On Tuesday the International Monetary Fund strongly endorsed Zimbabwe’s latest efforts to resolve its financial woes, saying it had cleared the way for $100 million in crucial balance-of-payments aid from the World Bank and other donors.

The Zimbabwe dollar remained weaker against most major units yesterday on insignificant inflows from liquidated foreign currency accounts. It was indicated at Z$15.46 from Z$12.50/15.00 against the US dollar on Tuesday, but firmed against the rand.
Mugabe's list is a national thread

LAND REDISTRIBUTION
Pylon girder theft caused huge power grid failure

Harare: The power failure which reverberated throughout the southern African power grid and plunged Zimbabwe and Zambia into darkness at a cost of millions was caused by a Zambian thief who removed a girder for slicing up into bracelets.

The removal of the length of steel from the 59-metre high pylon south of Kafue in southern Zambia last Friday caused it to collapse, said Sam Mahlana, spokesman for the Zimbabwe Electricity Supply Authority.

As it toppled over, it pulled over another leg of the massive pylons on the 330 kV powerline from Zimbabwe's Kafue Gorge power-hydroelectric station and broke the circuit. The sudden absence of power started a reaction of massive swings of current in the regional power grid that also links the power generation systems of Zimbabwe, South Africa, Mozambique, Botswana and the Democratic Republic of Congo.

Zimbabwe's Hwange 960 mega-watt thermal power station, which supplies 60% of the country's electricity, tripped out, as did the 1,100 mega-watt turbines on Kariba Dam over the Zambezi River.

South Africa lost its connection with Mozambique's giant 2000 MW Cahora Bassa hydro-electric dam. The connection with South Africa's Matimba thermal power station cut out.

Nearly 12 hours later, supplies were restored in Zambia and Zimbabwe.

"It's incredible," Mr Mahlana said. "These people are not afraid of being electrocuted. I don't know how they remove the struts because they are bolted on to the pylons. They tell them. They cut them up for steel bracelets. They use them for scotch carts (donkey carts), and all sorts of welding."

The incident at Kafue was not isolated," he said. "It's getting out of hand. It's increasing and it's turning into a regional problem."

The first recorded incident of a pylon collapsing took place in the former ZAR two years ago.

Two months ago, a tower near Bulawayo on the line linking Zimbabwe with Botswana was brought down, but it fell on the man trying to steal a girder supporting the tower, killing him.

No one was hurt in the collapse of the Kafue pylon, Mr Mahlana said.

Sapa
ZIMBABWE
RM 21M/97
Emergency chute deployed

New monetary package attempts to halt currency free fall

With the Zimbabwe dollar on the ropes — down nearly 30% in 1997 and 20% in the past two months alone — government has hastily cobbled together a financial and monetary package. But it is unlikely to stabilise the exchange rate more than temporarily.

Not only that, but Harare has been forced to renge on some of its earlier economic reforms, by commandeering — the State media euphemistically calls it “freeing up” — about US$150m of domestically owned corporate foreign exchange accounts.

Other minor aspects of exchange control have also been tightened, rediscout (bank) rate raised 3% to 25.5%, government borrowing targets increased by more than US$140m, and public spending cut by $75m. Further revenue measures to raise $50m are promised, and higher fuel taxes are anticipated.

The main economic influences underlying the currency’s collapse were the US$600m swing in the balance of payments from surplus to substantial deficit in the first seven months of 1997, reflecting lower exports and rising imports; a decline in donor assistance, and a 50% appreciation in the real exchange rate since 1991, which has undermined the competitiveness of Zimbabwean exports.

The main negative influence on confidence has been President Robert Mugabe’s threat to designate about 1700 white-owned farms and start acquiring them by the end of the year. He has repeatedly called on Britain to finance the resettlement programme — London has declined — warning that if need be government will expropriate the land, paying only for improvements.

There is no money for this, nor for the Z$4bn (US$275m) war veterans compensation package. Finance Minister Herbert Murwera’s package announced on Monday closes this gap primarily by domestic borrowing and spending cuts. He says this will satisfy the IMF, whose team left Harare on Tuesday. But analysts have doubts, warning that the IMF is unlikely to resume lending until mid-1998 at the earliest.

Murwera’s immediate task was to placate the markets rather than the IMF. The takeover of the foreign currency accounts (excluding those owned by nonresident companies and individuals, local or foreign) will boost foreign reserves from the US$380m (10 weeks of import cover) revealed by central bank governor Leonard Tsumba to be about US$500m. This should help stabilise the exchange rate in the short term, but at the high, long-term price of going back on previous reforms and scaring off foreign investors.

Murwera’s financial package is full of holes. Few believe government can — or will — cut spending as projected. But nothing is said about paying for land, or of the Z$2bn in new spending plans, mostly foodstockpiling maize, announced since the budget. Nor does he take account of the budgetary cost of servicing foreign debt which has gone up 30% as a result of devaluation and which adds an unbudgeted Z$1bn to the deficit.

Higher interest rates — Stanbic has already raised its prime lending rate to 30%, almost double the 16.8% inflation rate in October — reduced government spending and higher taxes all point to slower economic growth and increased inflation next year. Business and the markets are in for a bumpy ride.

Special Correspondent

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Customs crackdown finances war pensions

Zimbabwe's customs authorities had launched a major crackdown on smuggling, Ranga Munyadezi, the director of customs and excise, said in an interview published on Wednesday.

"The targeting of individuals and companies trying to evade import duty was expected to net about $2 million (R54 million) a month, and had raised 60 percent of that in the past two weeks. "Millions of dollars have already been recovered" through the operation which began last month, said Munyadezi. The exercise is aimed at raising funds needed to finance pensions to tens of thousands of war veterans."

"The authorities, who previously physically examined just 1 percent of an import consignment, now examine up to 80 percent of the cargo. Munyadezi cited one case in which 1,000 pairs of shoes were falsely declared as oriental ajicoes and another where 1,000 colour television sets were described as old tractor tyres."
Mugabe defends decision to pay ex-combatants

Gaborone — Zimbabwe's President Robert Mugabe on Wednesday defended his cash-strapped government's decision to pay compensation to ex-combatants, saying the money would come from "taxes, our resources and investments".

Addressing the second day of a southern Africa trade and investment summit in Gaborone, Mugabe said the ex-combatants were part of Zimbabwe's population, "and they need assistance like any other citizen".

Harare's decision to pay unbudgeted pensions and gratuities to tens of thousands of liberation war veterans has been blamed in part for the loss of confidence in the Zimbabwean economy and the resulting currency crisis.

Responding to the currency crisis, Herbert Murerewa, the finance minister, announced a "painful programme" to restore economic stability.

A rise in interest rates and the offloading of all foreign currency held by companies on to the foreign exchange market were among measures he announced.

Questioned at the summit on the future of southern Africa, Mugabe said he was confident the crisis would be weathered.

"The money that is going to pay (the war veterans) will come from taxes, our resources and investments, and we are currently putting in place definite measures... as was announced by the minister of finance," he said.

"The country is also undergoing...privatisation, and we hope part of the money we would make through the privatisation process will go towards that." Mugabe said co-operation between southern African countries was stronger than ever before and this augured well for the success of the region.

He said the 14 countries that make up the Southern African Development Community needed to embark on a combined aggressive marketing campaign in face of dwindling foreign investment.

The two-day summit, which ended on Wednesday, attracted 350 participants from Africa, Europe, North and South America, and Asia.

It was attended by Botswana's President Ketumile Motsire, Mugabe and Hage Geingob, Namibia's prime minister.

**Harare exchange slides on panic sales**

Harare — Zimbabwean stocks continued their slide yesterday, diving more than 7 percent, hit by a crisis of confidence and some panic selling triggered by a shaky currency, traders said.

The Industrial Index tumbled a record 688.86 points, or 7.2 percent, crashing below the psychologically important 8500 point barrier to end at 8497.56, a level it last tested last December.

"The market is coming off in big chunks now, it's a crisis of confidence in the currency," a friend said.

She said measures by the central bank on Monday to bolster the shaky currency had failed to boost confidence in the country's markets.

In addition, the exchange's seven-counter mining index dropped 108.20 points to a three-year low of 361.34. — Reuters
Zimbabwe stock exchange hurt by a crisis of confidence

Business Day Reporter

HARARE — Zimbabwe's stock exchange suffered another record slide yesterday, falling 668 points, or 7.3%, in what analysts saw as a crisis in market confidence.

The slide — which analysts attribute to a combination of factors including a run on the currency and concerns about land and economic policy — follows Wednesday's 569-point (5.8%) loss, and amounts to a cumulative 22% drop since the onset of the crisis. The 22% drop amounts to $13.5bn of the total capital value set last Thursday at $61.2bn ($3.5bn on that day's rates).

Following a Reserve Bank move to force banks to offload $130m in corporate foreign exchange holdings, the Zimbabwe dollar yesterday went to 12.15/14.65 against 13.05/15.95 (buyers/sellers) offered the previous day by the largest bank, Standard Chartered.

However, market analysts were concerned about the Zimbabwe dollar's ability to hold in the longer term. "Foreign investors just want to move out, and local investors are following suit," said a broker with Edwards Pooley.

A broker with Quincom, James Capel, said the market "has lost confidence with everything pointing towards the negative." There was a currency crisis, serious concerns over the land issue, and concerns about government's fiscal deficits in the light of payments to war veterans.

Brokers heeded warnings that the prime rate was likely to be pushed beyond Monday's 28.5%, while all countries linked to Zimbabwe's agro-based economy looked vulnerable, they said.

Meanwhile, leaders of the Commercial Farmers' Union (CFU) reportedly told owners of 6-million hectares targeted by Mugabe's party they were confronted "only by a Zanu (PF) wish list", and that many political and legal loopholes remained for them.

Sources in the CFU yesterday tried to play down the crisis and stressed the government list had no force of law yet. A government gazette and notices to farmers may be months away.
Zimbabwe's confidence shattered

Inside Economics 35
Mugabe Speeds Up Land Grab
White farmers head for no man's land

for redistribution to blacks has left the country's white farming community in a state of panic

The Zimbabwean Government announced that it intends seizing more than 1,700 white-owned farms

(After 30/11/97)
Mugabe dismisses charges of poor economic management

Speculators blamed for Zimbabwe dollar crash

Harare — Zimbabwean President Robert Mugabe has blamed what he called "dishonourable" speculative trade for last week's crash of the local currency, state media reported.

It said Mugabe told reporters that the Zimbabwe dollar's 76 percent plunge against the US dollar on November 14, before heavy central bank intervention hauled it back to around Z$13 to the US dollar, was purely a result of speculation.

"There was some dishonourable trade on the part of our financial institutions, speculation which created an artificial great demand and shortage," he said.

Mugabe dismissed charges that the Zimbabwe dollar's woes were a result of poor economic management by his government.

Zimbabwe took sweeping measures last Monday to bolster the currency, which was depressed to record lows last week by high import demand and panic and speculative buying of foreign exchange in a short market.

Finance minister Herbert Murerwa announced a hike of three percentage points in the central bank's key discount rate to 28.5 percent and the liquidation of corporate foreign exchange accounts among measures aimed at stemming speculative trade in the dollar, which he also largely blamed for the dollar's woes.

Traders say the Zimbabwe dollar had fallen on speculation that the southern African country's foreign exchange reserves had dropped to a four-year low of just two months' import cover.

Although central bank governor Leonard Tsumba confirmed that the import cover was at that level on Monday, he said the market was in surplus when the Zimbabwe dollar was battered.

"There was no justification whatsoever for the currency to come down that much. Most of the activity was purely speculative," Tsumba said.
Johannesburg — Intelligent Information, a Kempton Park-based software developer and distributor, hoped to break into the Zimbabwean agriculture market, Schalk de Klerk, the co-founder, said this week.

The company founded in 1989, provides FARMS (financial, accounting and reporting management systems) agricultural software to 42 companies and organisations in South Africa, Swaziland and Malawi. De Klerk said Intelligent was migrating FARMS users to the company’s Radical Accounting software.

He said the software would fit in well in Zimbabwe because of the crops prevalent there, which include tobacco, maize and wheat. “We believe Zimbabwe is an ideal market for Radical Accounting and although we have, until now, not focussed attention there, we will be launching a concerted drive from the first quarter of 1998,” he said.

Intelligent would also look for a distributor there. “Zimbabwe is close and easy to monitor;” he said.

De Klerk said agricultural software was difficult to develop because different organisations had different crop cycles, and the database had to store large amounts of financial and physical data for some time.

There are a few competitors in South Africa, including Agpac and PDS Management Control Systems, but De Klerk said his software was more up to date and had a friendlier user interface.

Beyond Africa, the company has been involved in talks with farmers in California and Israel. He said the company had been looking at similar crops to those found in South Africa, like grape and citrus products.

Intelligent has revenue of about R3 million a year and is growing at about 17 percent. De Klerk said he was happy with growth between 15 percent and 20 percent. “We don’t want to outgrow ourselves,” he said.
Mugabe's move to grab farms raises the question of why now?

Despite a failing economy and the threat of drought, Mugabe has released a list of white farms to be taken over.
Zimbabwe to issue farm list

Cris Chinara

Darwendale, Zimbabwe — The Zimbabwean government is this week expected to publish a list of over 1,700 farms it plans to buy forcibly from white commercial farmers, farming officials said at the weekend.

The plan has stirred anger and anxiety in the country’s commercial farming heartland, where many say there is enough land on the open market for the government’s programme to resettle landless blacks.

At closed-door meetings across the country last week Commercial Farmers’ Union (CFU) leaders listed the farms the government has identified for compulsory acquisition.

One official said the list may be gazetted on Friday.

The CFU is telling the 4,500 farmers to keep quiet until the designations are published and to trust Agriculture Minister Kumbirai Kangai, who has given assurances no productive farms will be taken.

But some farmers are speaking out nevertheless. “We certainly are not taking this lying down,” said John Jones, who could lose two of his family farms. “I have put more than 40 years into this country.”

“It’s all political. Nothing is reasonable,” said another farmer who asked not to be identified for fear of victimisation. “It’s to keep Zanu PF in power,” said the farmer, who owns a 1,500ha farm in Darwendale, west of the capital Harare.

Farmers have been shaken by the CFU list showing 1,722 farms to be designated under government plans to compulsorily acquire some 5.6 million hectares — about half the land owned by the white farmers.

Their farms occupy about 70 percent of the fertile land designated by previous governments for commercial farming.

President Robert Mugabe, Zimbabwe’s sole leader since independence in 1980, has repeatedly raised the spectre of land acquisition without compensation, but had not followed this through before this year.

Mugabe says he will not pay a cent for the land and has been demanding that Britain — the country’s former colonial master — pay for the land which was “stolen” by “its white children” when they colonised the country over 100 years ago.

“We are going to take the land, and we are not going to pay a cent to any soul. If the British government wants us to compensate its white children, it must give us the money or it does the compensation itself,” he has said.

Britain has flatly refused to do this, saying the white farmers are now Zimbabwean citizens and the controversial programme was unlikely to benefit the country’s poor.

Political analysts say the cash-strapped government is unlikely to acquire most of the farms on the list, and may try to revise the programme to win crucial donor support with a willing-seller, willing-buyer scheme.

The government is negotiating with the World Bank and the International Monetary Fund (IMF) and other western donors to give it balance-of-payments aid in the wake of the currency crisis last week.

The Zimbabwe dollar crashed by 75 percent against the US dollar on November 14 before the central bank intervened. Bank officials and market analysts say the crisis is far from over because the country’s foreign exchange reserves are at their lowest in four years. — Reuters
A t a time when African renaissance is the flavour of the year, Zimbabwe, once regarded as one of the continent’s better-managed economies, is on the ropes.

Government ministers, the state-owned media and even the Harare representative of the IMF blame foreign and independent media and the banks for Black Friday (November 14), when the Zimbabwe dollar plummeted 40 percent in a few hours.

But the writing had been on the wall for months, with a disappointing tobacco season, a smaller tobacco crop, a 30 percent fall in leaf prices, a 6 percent decline in mineral production in the first half of the year, the slump in the price of bullion (the country’s second largest export), an increased budget deficit in 1997/98, the after-effects of years of excessive monetary growth, a wages explosion and the worst outbreak of industrial strife in 15 years.

Taken together, these fundamentals were evidence of a fast-deteriorating economy, reflected in falling foreign reserves, a 12 percent decline in exports and a 10 percent rise in imports. The markets misread the problem too. In August, the industrial index reached a record high of 12,000 — and a bullish emerging market pundit predicted 14,000 by Christmas.

But fears that El Niño would bring a 1982-type drought, along with President Robert Mugabe’s unexpected capitulation to the war veteran lobby and his promise of an unbudgeted $84 billion (R1.28 billion) compensation package started the rot. The overvalued Zimbabwe dollar began a gentle, if necessary, slide while share prices retreated.

The World Bank hastily backed down on an offer to resume lending until it knew the details of the funding of the veterans’ package. But the real killer came when Mugabe promised the acquisition of about 1,700 mainly white-owned commercial farms this year: “Confidence collapsed.”

This mixture of a crisis of confidence, an overvalued currency, fears over the possible effect of El Niño and a falling mining sector gave rise first to the collapse of the currency and then to last week’s 18 percent fall in the bourse, which wiped US$890 million off the value of shares.

The currency has since stabilised, though only after the state reimposed some exchange controls, most notably cummuneering the foreign currency accounts of domestic corporates and raising the bank rate three percentage points to 28.5 percent. Prime lending rates have been increased to 30 percent and more. So, with inflation averaging 19.5 percent this year, businesses face real borrowing rates of about 11 percent, further eroding confidence and investment.

The stock market may stabilise, even rebound, this week — although how confidence can be restored until the land takeover threat is clarified is unclear. The farm acquisition list is due to be gazetted on Friday. Time for Mugabe to be greeted with enthusiasm at next month’s congress of his ruling ZANU-PF party. Emotion will dominate the meeting and rational economics will be suspended.

The hard questions remain unanswered: Who will pay? What will be the basis of valuation? Will the state pay for improvements only and not the soil as Mugabe has said? What will happen to the 150,000 or so farm workers who stand to be displaced? How will the banks and the financial system be affected, bearing in mind that farmers owe billions of dollars?

Some believe the government has taken the country to the brink to test the resolve of the donor community. It may be calculating that when the crunch comes, Britain will come to the aid of her kin and finance the programme. Donors certainly would help finance a planned, coherent and viable land resettlement programme, but the government’s current plans do not fit into this category.

Already the economy is feeling the pinch: cattle sales have been cancelled, stocks of unsold agricultural equipment have built up, housing schemes for farm workers have been cut back.

Mugabe may yet pull back from the brink. He has done so before, but this time, having built up such a head of steam behind the policy, a climbdown would irrevocably undermine his credibility. Whatever, the long-term consequences, the near-term effects on business and investment confidence will be dire.

And not only for Zimbabwe. The sight on their television screens of Mugabe being cheered for taking over white land will not be lost on populist politicians in South Africa.

Tony Hawkins is a professor of business studies at the University of Zimbabwe.
Anglo, Lonrho land 'set to be swallowed'

HARARE — Anglo American and Lonrho, two of the biggest foreign investors in Zimbabwe, have emerged as targets of the Mugabe government's planned takeover of white farms.

Anglo is set to lose its 30,000ha south eastern lowveld Miwasine estate and Lonrho the bulk of its 47,000 East Highlands and Mashurugwi farms which have been declared 37,000ha area by the government.

Continued on Page 2

Zimbabwe

Continued from Page 1

...rations seemed to be losing far less, proportionately, than many of the 5,000 smaller-scale white farmers.

Between them, Anglo and Lonrho own 2 million hectares of Zimbabwe's commercial farming area. An Anglo spokesman said yesterday the firm had not received written notification.

Sources claimed some emergent black commercial farmers who had not conspicuously supported Zanu (PF) were also targeted. The state-controlled Sunday Mail quoted a government spokesman as saying "reasonable" appeals would get a hearing, and production would not be disrupted.

Meanwhile, the white Nicolle family from Chinhoyi, who joined Zanu (PF) after 1980 independence and donated land for a provincial "heroes acre", stood to lose most of their maize, tobacco and horticultural farms. Golf courses owned by the Enterprise Country Club, 30km outside Harare, also figure on the lists.
Sithole pleads not guilty to treason charge

HARARE — The Rev Ndabaningi Sithole, the enervating black nationalist leader credited with starting the guerrilla war against white minority-rule Rhodesia, pleaded not guilty in the Harare High Court yesterday to charges of trying to overthrow President Robert Mugabe’s government.

Sithole, 79, now the leader of the small opposition Zanu (Ndonga) party, is alleged to have plotted to blow up Mugabe with a landmine as Mugabe’s motorcade sped over the mine on his way to his rural home in August 1996. The attempt failed.

He is also alleged to have sent recruits into the Chimwewwe movement, his party’s military wing; for training with the former rebel Renamo movement in Mozambique, and to have been caught with a cache of military weapons.

Treason carries a maximum sentence of death.

Sithole was arrested in November 1996 after a passing soldier spotted William Namakonya, one of Sithole’s aides, holding the mine and hiding under a bush next to the road that was due to be taken within minutes by Mugabe’s motorcade.

Namakonya is serving a 15-year jail term and in his trial he repeatedly identified Sithole as the chief conspirator. Sithole was put on bail. It has taken two years for his case to come to trial. Previous attempts were halted repeatedly by challenges from his defence team.

During yesterday’s proceedings Sithole, seated in the dock in a dark blue striped suit, was observed to close his eyes and appeared to drop off to sleep. His counsel, Tendai Biti, has told previous hearings that Sithole is senile.

Director of public prosecutions Augustine Chibuku told the court of Renamo training camps inside Mozambique where Chimwewwe recruits were being trained by instructors of the former SA-backed guerrilla army, which he said was part of Sithole’s strategy to overthrow Mugabe’s government.

The former Marxist preacher with a gift for inspiring oratory rose to international prominence in 1966 when, with a young schoolteacher called Robert Mugabe as his aide, he ousted the burly Ndobele figure Joshua Nkomo from the leadership of the black nationalist movement.

It is the second time Sithole has been in court for allegedly plotting the death of a government leader. In 1969 he was sentenced to six years in prison for conspiring to murder Ian Smith, then the Rhodesian prime minister.

Five years later, while most of the black leadership was in detention under a Rhodesian state of emergency, it was Mugabe’s turn, in a coup organised inside the Central Prison in Harare, to oust Sithole and take charge of the struggle against Rhodesia.
Businessmen ‘should leave if laws are unjust’

Michael Harte

HARARE — Multinational businessmen should withdraw from societies where the law was so unjust that it could not be observed by reputable businessmen, Anglo’s Jonathan Oppenheimer said yesterday.

"Businessmen should be less afraid to exercise that sanction," the 27-year-old grandson of Harry Oppenheimer said during a discussion on “Communication in Africa”. He said Anglo had acknowledged to the truth commission that it had tried to oppose apartheid, but that it had not done enough.

"Business had to work within the law and be law-abiding said Oppenheimer, making only his second public appearance since coming to Zimbabwe two years ago.

"If you are forced into a position where the law is so unjust, you must close your business and leave that society," he said, noting that Anglo had interests in many African states as well as on other continents.

“Taking one’s capital out of a country certainly has economic costs, but in the long term it has economic benefit,” he said. "You will always find a place to reinvest it."

Oppenheimer assured Trevor Ncube, editor-in-chief of the Zimbabwe Independent, that Anglo did not withdraw advertising from newspapers that carried reports of which it did not approve.

Taking part in the discussion with Oppenheimer, independent MP Margaret Dongo said she had been disappointed to find herself on a list of persons who were banned from being reported on in Zimbabwe’s state-owned media.

She said those outside the establishment were often condemned for being negative "yet the ugly has to be heard before it creates negative effects in society".
Plot to kill Mugabe denied

Harare – Zimbabwean opposition leader Ndabaningi Sithole pleaded not guilty in the High Court yesterday to charges of treason and plotting to assassinate President Robert Mugabe.

The 78-year-old Methodist clergyman is alleged to have planned to blow up Mugabe’s motorcade, to have possessed arms of war and to have sent young men for military training with the aim of overthrowing the government.

Two men alleged to have been his co-conspirators in the August 1995 plot have already been jailed on lesser charges, one for 12 years and the other for 15.

Sithole faces a possible death penalty if convicted.

Dressed in a dark pin-stripped suit and supported by family and members of his Zanu-Ndonga party, Sithole appeared to nod off as he sat in the dock and the prosecutor read an outline of the State’s case.

Sithole, who is one of only two opposition members of parliament, is a veteran nationalist who was once an ally of Mugabe’s in the fight against white minority rule. — AFP

Real struck

Indian officials said they virtually eradicated poppy in Afghanistan’s heroin supply chain, but the poppy eradication program would take years and cost millions of dollars.

Mir

A Pakistani convigted of murder was beheaded in Saudi Arabia yesterday, raising to 119 the number of people executed this year in the Gulf Arab kingdom. Mohammed Raji Avenue Babish killed a companion by smashing him on the head with a hammer. Under Islamic laws, the kingdom also beheads convicted rapists, armed robbers and drug traffickers.

Many rebels killed

Bujumbura – Burundi’s army said yesterday it had killed about 100 rebels in an operation south of its capital in which its only casualties were two wounded soldiers. Army spokesman Lieutenant-Colonel Gabar Niyonzima said troops killed the Hutu rebels on Saturday in Mubende zone, about 60km south of Bujumbura. He said heavy weapons, as well as small arms, were recovered.
Zimbabwe’s arms order triggers speculation

Michael Hartnack

HARARE — The state-owned Zimbabwe Defence Industries (ZDI) says it has received an export order for 1-million rounds of AK-47 ammunition, sparking speculation that the Democratic Republic of Congo will be the recipient.

Zimbabwe supplied the rebels, led by new leader Laurent Kabila, in the face of a supposed international arms embargo during the civil war in former Zaire.

The contract for the AK-47 ammunition was placed by an unnamed Southern African Development Community country and its value is not being disclosed due to “fear of competition from China”.

A ZDI spokesman says that exports now constitute 65% of every production run.

Technical and production manager Jacob Mukasa said US-based Vector Arms had ordered 36-million rounds worth of ammunition over the next five years. It is believed the contract may be for 7.62mm Nato standard ammunition, but this was not confirmed.

Mukasa said the US order reflected “international acclaim” for the Zimbabwean government, factory which has been heavily subsidised since independence in 1980. However, total export orders for ammunition had to remain secret to retain customers’ trust.

The Chinese government helped President Robert Mugabe establish the factory at Domboshawa, 30km north of Harare, after independence, when he feared an international arms embargo and a shooting war with PW Botha’s government. In addition to producing ammunition, mortar rounds, bombs and anti-vehicle mines, it makes a wide range of medical and logistical equipment.

ZDI company secretary and marketing manager Douglas Mrewa said the company had earned more than Z$100m from sales around the world in the previous financial year. He acknowledged Zimbabwe had sold arms to the Colombo government.

Earlier this year the company admitted to “losing” a consignment of mortar bombs bound for the Sri Lankan civil war. However, it has attacked reports that Sri Lanka’s Tamil Tigers hijacked the shipment.

Defence sources claimed the rebels attacked the ship carrying it or sent a vessel with fake papers into Mozambique’s Beira port to collect it.
Danes warn against Mugabe's land policy

Michael Hartnett

HARARE - Denmark has issued a warning to Zimbabwe's government on human rights and particularly land redistribution with its latest pledge of $11m.

A Danish delegation said it recognized the need for land reform to alleviate poverty, but had expressed concern about the lack of clarity regarding policy principles guiding the government's plans for land acquisition, including the issue of compensation to farmers, according to minutes released by the Danish embassy.

Denmark is not extending budget support, but is assisting a variety of projects in health, farming, transport, communication and environmental protection.

At a conference in Harare this year, journalist and human rights activist Iden Wetherell attacked the Dutch and the Danes for helping to provide services that President Robert Mugabe should be funding from money spent on political patronage.

Despite pleas from the Zimbabwean negotiators, the Danes followed the recent British refusal to fund land compensation.

Mugabe says the government will not pay 1,700 farmers, on nearly 5 million hectares, now listed for takeover.

"The Danish delegation underlined that the transparency of the whole process could be of great importance, including openness of the criteria for selection of farms to be acquired and allocation of leases," the minutes said, alluding to past diversion of land for peasant resettlement to government ministers' private use.

The Danes asked whether 2 million hectares already taken over by the state could be used for resettlements.

"It was pointed out that the economic consequences needed to be taken into account both regarding the effect on the investment climate if land was acquired without compensation, and regarding the financing of necessary investments in infrastructure for resettlements.

The Zimbabwean delegation responded saying the issue had an important social dimension in order to redress poverty and create equity, and that it did not expect this to have a negative effect on investments.

The Danes also deplored the lack of public debate on the report published this year by human rights lawyers on atrocities committed by security forces in Matabeleland in the 1980s, and continued judicial hangings. They urged Mugabe's government to ratify conventions against torture.
New instant-win lottery a big hit in Zimbabwe

Janet Parker

INSTANT win lottery seems to have captured the imagination of Zimbabweans since its launch in the country with the help of an SA company last week, despite — or possibly because of — the weakness of the country's currency, the Zimbabwean dollar.

Morobo Leisure subsidiary Games Africa, which markets the Viva, Zama Zama and Ithuba scratch card games in SA, is providing the startup services for the Zimbabwe State Lottery to facilitate a successful launch of its national instant-scratch card operation.

Games Africa public relations GM Dave Neppe said the instant-win lottery game, called Scratchers, had been launched in Harare last week and in Bulawayo at the weekend. Demand had "exceeded all expectations", he said. "Tickets had sold "brilliantly", and the print reorder for tickets had grown to 3 million from the original estimate of 1 million."

Games would be changed every few weeks in order to maintain public interest.

The top prize in the lottery was $5 000,000 with a winners' fund of $2,5m per game.

Startup services included a supply of tickets, via international manufacturer Scientific Games International, and computer and software services.

Zimbabweans would be trained in all aspects of the instant lottery business, and also in providing marketing packages, Neppe said.

The Zimbabwe instant lottery was Games Africa's only operation outside SA. It was, however, regarded as a "long-term investment and an extension of its market and expertise into Africa."

The company's main focus, though, was on gaining the contract to operate the SA national lottery, Neppe said.

Tenders for the lottery were expected to be released early next year, and would be awarded from June.
Heiress speaks out on Zim farms list

Grahamstown - A Zimbabwean heiress has broken the silence which has gripped many of the families threatened by President Robert Mugabe's decision to redistribute farms to landless Zimbabweans.

She has told how two Zanu-PF officials approached her and tried to force her to sign the farms away.

Speaking yesterday on condition of anonymity, the 36-year-old Grahamstown businesswoman and mother of two, said families linked to the 1,700 odd farms which had been placed on the Zanu-PF-inspired list of "designated" farms, were living under intolerable stress as they waited for the outcome of the political process.

She said: "This is my father's worst nightmare. It is pandemonium up there."

She said her family owned more than two farms in the Banket District, north of Harare which were productive, profitable and employed about 500 people.

This year's crop of one fruit alone, had brought in R300,000, of which 60% would go to government taxes. She put the value of her family's farms at over R8 million and estimated conservatively that farmers on the list owed banks R3.4 billion.

"Nobody will benefit. What about the families of the workers who are dependent on the farms?"

She said farmers on the list were terrified that once the banks got wind of the fact, "their cheques will be bounced just like that".

She said her father was shocked on Sunday when two Zanu-PF officials approached him outside his golf clubhouse in the northern Zimbabwe district and tried to get him to sign his farms away.

"As he came off the course, one of them handed him a form and told him to sign. It was right in front of the whole clubhouse.

"His signature would have served as confirmation that he agreed to have his farms taken."

"He refused."

She said the list had divided the Zimbabwe commercial farming community in two with those left off it maintaining a strict silence, while those on the list were "gnashing their teeth".

She said that her father was a founding member "the only party" to oppose Ian Smith's government during the Rhodesian Bush War in the late 1970s.

A liberal of the period, she said he had fought for a qualified, but non-racial franchise.

"No one can find a pattern as to who gets placed on the list and who does not. There are black farmers on the list."

She said farmers believed President Mugabe was being motivated by a need to please war veterans prior to the 1999 election. - BCN
ZIMBABWE

Mugabe turns gold into dross

Concern over land issue sends the stock exchange tumbling

After the foreign currency markets, it was the equity market's turn.

In five days' trading, the Zimbabwe Stock Exchange tumbled 18%, wiping over R3.5bn off the value of shares. Ironically, the industrials market slump had more to do with land than the foreign currency crisis.

After the November 14 (Black Friday) crash, the Zimbabwe dollar stabilised at around ZS14 to the US unit — down only modestly from the ZS13.6 level on November 13 — regaining most of the ground lost during Friday's panic.

Industrial shares, which had hit a record high of over 12,000 in August, had looked to be consolidating around the 10,000 level in early November. But, as stories of the planned takeover of 1,770 mainly white-owned farms began to circulate, consolidation turned to stampede and on Thursday the ZSE suffered its largest daily decline (7.5%) for at least 25 years.

By the weekend, industrial shares were at their lowest since last December and miners had touched a four-year low. Brokers expect the market to stabilise and possibly even recover this week, but with details of the land grab due to be gazetted this Friday, rumour, fear and speculation will stalk the markets. In relatively thin trading, volatile conditions are likely.

Now is the collapse of confidence confined to land. Last week, representatives of the Indigenous Business Development Council (IBDC) announced plans to buy control of absentee landlords, deserted or under-utilised farms, farms owned by a person who has more than one farm, and farms close to overcrowded communal lands farmed by peasant producers.

Farmers who have seen the list say more often than not these criteria have been ignored. Many farms to be taken over are the sole property of the owners; few on the list are under-utilised and there are many instances where absentee landlords and farms owned by foreign companies have been ignored. It’s cherry-picking” says a farmer. “The list contains many of the country's most profitable farms.”

No-one knows yet how much government will pay and how; what timetable will follow; and whether it will agree to arbitration.

But whatever President Robert Mugabe decides, the damage has already been done. Zimbabwe’s chances of attracting foreign investment have been dealt a severe — potentially fatal — blow. Even if Mugabe were to climb down after his day of glory at next month’s congress of the ruling Zanu-PF party — and it is difficult to see him doing so, given the momentum and popularity among black people of the campaign — it will take years to rebuild morale.

When the IMF slipped out of Harare last week, leaving behind a confusing, contradictory statement, there was no mention of the land issue. Corruption, cited as a serious problem in Zimbabwe by a High Court judge last week, was carefully ignored and there was no indication of any firm plan to resume lending to Zimbabwe.

The fund thought that other donors and the World Bank might resume disbursements. But the land crisis is likely to make even the most sympathetic Mugabe supporter among the donor community — and there aren’t many — wait to see what happens next.

Confusion arose from discrepancies between the fund’s assertion that the Z$4bn (US$275m) war veterans’ payout would be covered “in full” by fiscal measures and Finance Minister’s Herbert Murere’s statement that half of it would be met by borrowing. Which of the two turns out to be right will make a huge difference to interest rates, inflation and taxes next year.

The fund’s position is clear enough on one point, however. If Zimbabwe wants a new IMF facility it had better take the tax route — equivalent to a 9% tax hike — soon.

Special Correspondent
1 503 FARMS EARMARKED

Mugabe firm on land handover to peasants

HARARE: Even though it is not only white farmers opposing Zimbabwe's land resettlement programme, need and grassroots pressure are forcing Mugabe's hand.

ZIMBABWEAN President Robert Mugabe has vowed to press ahead with a controversial land reform plan which he believes is crucial for social justice. But some political and economic analysts say it is likely to damage the country's fragile economy and its chances of getting badly needed international donor aid.

The government will publish a list today of 1 503 farms earmarked for compulsory purchase from white commercial farmers to resettle landless peasants.

Mugabe has said he will pursue the programme even after Britain's refusal to fund it.

Land has been controversial since whites first pushed blacks from ancestral land in the 1890s, and successive governments systematically seized the best farmland to settle British immigrants.

Britain has flatly refused to pay for the land, arguing the white farmers were now Zimbabweans and the controversial programme was unlikely to benefit the poor.

Although Mugabe hinted he might be able to modify the plan in coming months, some political analysts said he seemed determined in coming days to put up a show and to boost his popularity with peasants, the backbone of his 17-year tenure in office.

"Mugabe really believes he is cornered and is looking at the land question as an issue of political survival," said Mr John Makumbe, a political scientist at Harare's Zimbabwe University.

"His own comrades have him by the collar... and he is looking at easing the pressure," he said in reference to guerrilla war veterans, whose violent protests for compensation earlier this year put Mugabe's rule under close scrutiny.

"He is doing this at a great expense to the economy," Makumbe said of warnings that a quick and massive change in land ownership would in the next two years severely affect agricultural output, which contributes over 40% of Zimbabwe's export receipts and 60% of inputs to its manufacturing sector.

Mugabe did not say on Wednesday when he would actually take control of the 1 503 farms earmarked so far.

However, in October he said this would happen "in the year of our Lord 1997."

Once a farm is designated for purchase, the farmer loses title to it, and the right to sell it or to borrow money on it, according to a compulsory land acquisition law passed by Mugabe in 1992.

"That is the area in which the whole programme is most painful and damaging," said political scientist Mr Masipula Sithole.

"The morality of making fertile land available to a wide cross-section of the Zimbabwean community is defeated by the means."

Mugabe's plans have stirred anger and anxiety in the country's commercial farming heartland, where many say there is enough land on the open market for the resettlement programme. The government wants to compulsorily acquire some 3.5 million hectares - about half the land white farmers own.

Their farms occupy about 70% of the fertile land previous governments designated for commercial farming.

Mugabe, in power since independence in 1980, has rejected calls to obtain farms on a willing-seller, willing-buyer basis, saying it was against national pride and sovereignty.

He says he will pay only for equipment and improvements, but not for the land itself, which he has demanded that Britain, the country's former colonial master, should pay for.
Zimbabwe lifts taxes to pay ex-fighters

Michael Hartnack

HARARE — Zimbabwean Finance Minister Herbert Murerwa yesterday raised sales tax from 15% to 17.5% and imposed an extra 5% levy on personal and corporate tax to help fund gratuities to former guerrillas.

Trade unions and business groups are likely to criticise the measures, expected to raise about Z$2bn. Each ex-guerrilla is due to receive Z$50,000, plus a monthly Z$2,000 pension.

A row erupted at the start of parliamentary proceedings yesterday when ruling Zanu (PF) backbencher Dzikamai Mavhaire accused Murerwa of trying to steamroller the measure through in a day. However, Mavhaire withdrew his objections when told the Zanu (PF) caucus had agreed on Monday the bill would be rushed through so the house could adjourn to prepare for next week's party conference.

With its 147-3 majority, Zanu (PF) has virtually unlimited power in the legislature. No opposition members were in the chamber when the tax proposal was introduced.

The bill — in effect a "mini budget" modifying the one tabled in July — was referred immediately to the parliamentary legal committee. It was certain to go through all its readings late yesterday after the committee's routine report was received back.

The new levies will apply in both the current April 1-December 31 tax year and the January 1-December 31 1998 year.

Zimbabweans currently pay tax of 20% on incomes of more than Z$12,000 a year, rising to 40% on Z$60,000, plus a 5% "development levy".

Company tax is a flat 40%, plus the development levy.

Local economists and the International Monetary Fund have expressed concern at the impact of the gratuities on Zimbabwe's budget deficit, already running at about 9% of gross domestic product.
Mugabe reveals land grab list

Oppenheimers lose ranches

Harare – The Zimbabwean government has gazetted a list of 1,003 farms – mostly owned by white commercial farmers – that it plans to buy forcibly for a controversial programme to resettle about 100,000 peasants.

The list comprises farms belonging to individuals – both black and white – private companies and some government parastatals. It includes property such as Nyamutsi Ranch Ltd (whose 310,000ha farm in southeastern Zimbabwe is the largest single block to be earmarked) and ranches in the south-west owned by the Oppenheimers of Anglo American Corporation.

The government – which says it will pay only for equipment and improvements but not the land – has invited those with “genuine grounds” for objecting to designation of the farms to lodge their complaints by December 28.

The Zimbabwean government has presented plans to parliament for a new tax to pay black impoverished veterans of the country’s independence war.

The War Veterans Levy Bill is expected to be rushed through the parliament before its end of year recess after President Robert Mugabe said the 45,000 former independence fighters should get the first payments by the end of next month.

Earlier this year he promised to pay each of the veterans a Z$50,000 (R17,314) gratuity and a Z$2,000 (R689) monthly pension for life. That promise prompted the International Monetary Fund to suspend $2.5-billion in aid, until his government announced where it would get the money. – Reuter, Sapa, Sapa-AFP
Harare lists farms for sale by force

Blow to securing crucial aid

ARG 29/11/97

Harare – Zimbabwe has published in the Government Gazette a list of 1,503 farms owned mostly by whites – that it has earmarked to forcibly buy for a controversial peasant resettlement programme.

Political and economic analysts say the drive has severely undermined the southern African state’s investment image and is likely to damage its fragile economy and its chances of securing crucial aid from Western donors.

The government list includes company-owned property such as Nuanetsi Ranch Ltd, whose farm of more than 310,000 hectares in southeastern Zimbabwe is the largest single block to be earmarked for the resettlement programme.

It also includes ranches in the southwest owned by the Oppenheimer family of South Africa’s gold mining group, Anglo American Corporation.

The government – which says it will pay only for equipment and improvements on the farms, but not for the land – invited, through the Government Gazette, those with “genuine grounds” for objecting to designation of the farms to lodge their complaints by December 28.

The government list contains more than a dozen farms owned by black farmers but does not include those of senior government officials, some of whom own several farms.

President Robert Mugabe said he was pressing ahead with the controversial land-reform programme because it was crucial to achieving social justice.

The mainly white Commercial Farmers’ Union (CFU) said yesterday that it had told the government that any land reform programme must be judged on how it contributes to economic growth, greater food security, job-creation and stability.

"It must be seen as a means to improve agricultural efficiency and contribute to increasing farm incomes, the eradication of poverty and the promotion of an economically, socially and environmentally sustainable path for development," the CFU said.

The government did not say when it would take control of the 1,503 farms earmarked so far. But in October Mugabe said it would happen "in the year of our Lord 1997".

Once a farm is designated for purchase, the farmer loses title to it and the right to sell it or to borrow money against it, according to a compulsory land acquisition law passed in 1992.

Mugabe’s plans have stirred anger and anxiety in the country’s commercial farming heartland, where many say there is enough land on the open market for the resettlement programme.

The government wants to forcibly acquire some 5,5 million hectares, about half the land owned by the CFU’s white farmers.

Mugabe, in power since 1980, has rejected calls to obtain farms for the resettlement programme on a willing-seller, willing-buyer basis, saying it is against national pride and sovereignty to do so.

Private economic consultant John Robertson said the current resettlement plans, besides affecting production in the coming year, would also leave thousands of workers jobless.

Reuters
Harare holds its 100th birthday bash

From a small colonial fort and trading settlement dotted with about 2,000 people in 1887, Zimbabwe's capital city, Harare, has blossomed into a huge metropolis characterised by highrise buildings and a population of more than 1.5 million people 100 years later.

Reminiscing on Harare's colonial past, in which the majority black population was denied access to many facilities while the whites enjoyed first-class treatment, current mayor of Harare Solomon Tswenga said: "Today is a different situation altogether, and Harare has reason to celebrate."

The centenary bash kicked off with hundreds of residents sweeping the streets and planting trees in their wards.

Traditional healers, spirit mediums and chiefs held an all-night "bira" (traditional ceremony) at Constitution Park, performing cultural activities at the former ancestral site.

The original settlement at what is now Africa Unity Square is where the Pioneer Column of the British South Africa Company established Fort Salisbury in September 1890. The settlement was renamed Salisbury and subsequently Harare. The tents pitched around the fort soon gave way to rondavels constructed out of poles, mud and thatch.

In 1892, these were being replaced by brick buildings, and with the advent of the railway to Beira in 1899 came cast iron and more skilled builders.

The marshy land along what is now Julius Nyerere Way, was then drained and developed. The city did not follow the typical organic African forms of other cities, but adopted a European style and pattern. Africans had to live outside the city in a separate location named Mbare, now Mbare. Settler occupation, exacerbated by oppressive laws, led to the first Chimurenga War of 1915, in which the Mhondoro and Shona were defeated.

Salisbury Municipality was established in 1897. Then followed a lull in development of the city until the building boom of 1910-1911.

The city had its first water supply in 1913 with the buildings of central Harare and, in the 1920s, with the introduction of the lift and reinforced concrete framed buildings.

During the 1930s, a water and sewerage system was constructed. By 1935, Salisbury had been elevated to city status.

The period of Federation, 1935-1953, saw significant development of the city centre with many large office blocks. There was very little new development during the 1950s, especially in the later years under UDI and the Second Chimurenga War.

The 1980s and 1990s have seen the construction of many highrise prestigious buildings which have totally transformed Harare's skyline.

Harare's historic buildings are protected by the National Museums and Monuments Act.

The oldest surviving building is Market Hall, built in 1889 which housed the first council offices.

The first mayor was William Fairbridge, in 1897. Solomon Tsweongwa is the 70th mayor and there are now 22 councillors compared to nine in 1897.

Some people have noted that although blacks were not in control of the city's affairs until after independence, celebrating the centenary was part of a history which cannot be ignored.
Mugabe puts Smith's lands up for grabs

CHRIS BISHOP, Harare

ZIMBABWE's President Robert Mugabe has announced that he will confiscate a large part of the family farm of his old rival Ian Smith.

Smith is among hundreds of mainly white farmers whose property is being nationalised and handed over to landless blacks as part of a controversial land reform programme.

An official list of the first 1,503 farms to be seized was published on Friday.

Smith, 78, led Rhodesia from 1964 through his unilateral declaration of independence and a bloody civil war until shortly before independence in 1980 when the country became Zimbabwe.

Last weekend he denounced the scheme, warning that it would plunge the economy into further chaos.

He also said that it was a cheap political trick aimed at winning votes and he predicted that most of the farms would go to government ministers and officials.

According to Friday's list, almost 4.4 million ha of agricultural land are to be taken. Farmers claim this could cut annual production by one third.

In seizing part of Smith's farm, President Mugabe has struck a wounding blow to his political opponent.

The former Rhodesian premier will lose more than a third of his Gwenororo Farm at Shirugwi in central Zimbabwe, a property that he bought in 1948 with his wartime RAF pension.

The government is seizing 577ha of Smith's 1,620ha holding, where the former prime minister, who is in semi-retirement, farms fruit and crops and breeds Brahman bulls.

The government will pay compensation for farm buildings, but not the land, on the grounds that it was stolen by British colonists a century ago.

Sources said that the Smith property was not on the original list handed to the Commercial Farmers' Union last week.

Smith's son, Alec, who grew up on the farm and is now an Anglican priest in Harare, was trying to contact his father who, he said, was in South Africa on a book promotion tour.

Alec Smith said: "It is one of the most productive farms in the province, and it has the best labour relations. We had promised to take only unproductive land.

"My father bought this farm with his war pension and paid it off through a 25-year bond with hard work. Now he has developed it to a little bit ridiculous to take any of it away."

Nicky Oppenheim, the head of South Africa's Anglo-American mining group, is another prominent casualty of the land designation, losing at least 255,000ha. He is listed as an absentee landlord under the designation criteria.

Sources in Johannesburg, where Oppenheim is based, said the ranches and farms were often used to entertain business clients.

The Commercial Farmers' Union broke its silence to criticise the land seizures, warning of many job losses and a drop in foreign earnings.

Nick Swanevelder, the CFU president, said that many of the farms listed for acquisition bore little resemblance to the criteria.

"Some of the listed farms are among the most intensively utilised and highly productive farms in the country," he said.

The estate owners had until December 28 to appeal. — The Telegraph, London
Zimbabwe approves new levy, hikes tax and petrol

THE Zimbabwe government has approved a new levy and hiked sales tax and duty on fuel in a bid to raise additional revenue to fund gratuities and pensions for impoverished veterans of the country's war of independence.

The taxes and price increases have gone into effect despite opposition from members of parliament.

On Thursday last week, MPs in the ruling party blocked attempts by the finance minister to fast-track the Bill allowing for the tax measures before the end of year recess.

But in a statement published on Saturday, the finance ministry said it had already approved the hike in the price of petrol and diesel by 3.9 and five percent respectively, with immediate effect, while sales tax on goods and services went up 2.2 percent.

The country's laws empower the finance minister to set new tax rates and even collect them without the approval of parliament.

In addition to these rises, a new War Veterans levy will be imposed on individuals from next year, which will be backdated to April this year for companies.

The proposals were criticised by the deputies, many of them ex-freedom fighters who felt that the government was running out of ideas to raise funds and that it risked losing public popularity if it proceeded with its plans.

"We cannot sacrifice the 11 million people (the country's total population) for the sake of satisfying the concerns of a few thousand (war veterans)," said independent MP Margaret Donga, herself a celebrated ex-combatant.

The additional taxes come after drastic measures implemented two weeks ago to combat an economic crisis that saw the currency crash to record low levels.

The measures included the liquidation of R777.6 million held in corporate foreign currency accounts and a hike in interest rates.

The crisis was seen to have been precipitated by President Robert Mugabe's pledge to pay tens of thousands of former guerrillas in the country's independence struggle a package of hefty gratuities and lifetime monthly pensions.

The immediate cost of the lump sum of about R17.490 billion in gratuity payments will be R1.458 billion.

The promise has prompted the International Monetary Fund to suspend R303.7 million in aid until the government announced where it would get the money from. - Sajid-AFP.
Parents of fallen heroes take dim view

Harare - Parents of combatants who died or disappeared during the liberation struggle are aggrieved by the government's decision to impose further taxes on Zimbabweans to raise revenue for ex-combatants' pensions, Ziana reported yesterday.

Former Zimbabwe Teachers Union president, Felix Mafa, who lost a son in the war, said the move was retrogressive.

He said he viewed the introduction of the war veterans' levy as punishment of the masses and the workers.

This, he said, was opening up old wounds and there was a growing feeling of resentment among relatives of dead and missing combatants. - Sapa.

THE RIGHT

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VARIE
Oppenheimer farms targeted in Zimbabwe

Michael Hartneck

HARARE — About 37% of Zimbabwe's £3.14 billion-a-year farm production could be wiped out “at a conservative estimate” by government's planned land takeovers, the Commercial Farmers' Union claimed after lists of targeted properties were made public on Friday.

A total of 1,503 properties for initial takeover were published, but President Robert Mugabe warned last week that many more might be needed.

A spokesman for Anglo American said he had confirmed with Jonathan Oppenheimer that six family properties; totalling more than 250,000ha were on the list. Another two were listed under the name "Poppenheimer," but this was likely to be a misprint.

Commercial Farmers' Union leaders appealed for more talks, noting "numerous anomalies" and a departure from the principle of taking only surplus or unproductive land.

A quarter of former Rhodesian prime minister Ian Smith's 2,000ha Gwenoro ranch outside Gweru has been taken.

Kermanshah, the 700ha former home of novelist Doris Lessing, is listed in the Banket area 80km north of Harare. In her recently published autobiography, Lessing said the farm proved unviable when her father, Alfred (Michael) Taylor, sold it. The coffee farm in the eastern Vumba Mountains in which she inherited a share from her late son, John Wisdom, was also designated.

The lists include a property near Harare of a prominent government official, Anne Knuth, but does not affect any politician and cabinet members.

The Zimbabwe Independent said the lists were "vindictive" and represented "political score-settling." The Herald said they represented an overdue step in redistributing resources and alleviating rampant poverty.

Economist John Robertson said he feared farms would be reallocated to favoured persons in the ruling party without regard to agro-economic. He said the government appeared not to have considered the plight of up to 500,000 workers and their families.
Harvest of tears for the heirs of colonialism

Zimbabwe’s white farmers face their most formidable threat, writes CHRIS BISHOP

Penny Gibson woke up on Thursday, her 46th birthday, to the news that she was to lose her home and livelihood.

Gibson, 46, sat stone-faced as officials of the Zimbabwean government told a farmers’ meeting which of 1,700 properties were to be handed for resettlement.

"I was scared stiff. When they read out my farm I just felt sick. I couldn’t move," she said.

For 30 years, Woodrow Farms in Darwendale, 45km north of Harare, belonged to the Gibson family. This week, at the stroke of a pen, it was gone.

Gibson has run the farm single-handedly for two years following her husband’s death, surviving drought, government levies and striking farm workers.

As she celebrated her birthday in Harare in defiance, she said Zimbabwe’s 4,000 farmers would be angry and confused.

Her 12 neighbours, including two black farmers, have been earmarked for resettlement. She fears that she will not be compensated for her 1,000ha of prime land. She has 30 days in which to lodge an appeal. If that fails, she has four months to pack up and leave.

Many farmers broke down in tears at the announcement. Others charged angrily into their banks, throwing their farm keys at tellers. Craig Hughes, a tobacco farmer from central Zimbabwe, whose farm was just named, said: "Many of my neighbours are going to be destitute. Despite the fact the government promised to take only from those who have got more than one farm, many of those designated have got nothing else. They will probably end up leaving the country."

The Commercial Farmers' Union has refused to comment, but its members are organising to fight the land-grab in the courts.

Petra Beatte, whose family has farmed cattle and tobacco in the Darwendale region for three generations, said: "We agree with the principle of redistributing land, but is this the right way? People need to be fairly paid and we don’t know if this is going to happen."

Most of Zimbabwe’s farmland was acquired from the 1890s onwards by the colonists at nominal costs. It was often the practice for the prospective farmer to ride for a full day from a given point designated by the colonial agents.

When he came to the end of his ride, he would mark the boundary of his farm, which would stretch roughly in a circle or square.

"Most of the indigenous population was crowded into reserves and often asked to pay taxes to the colonial government. Which they could raise only by working for white farmers."

About 4,000 white farmers now own one third of the country’s agricultural land. Their farms are one of the few vibrant areas of the economy but their presence and success are a nagging reminder of the colonial past.

With the economy in disarray, President Robert Mugabe faces mounting pressure for action from over 100,000 black families and 50,000 former guerrillas.

At last month’s Commonwealth summit in Edinburgh, Mugabe demanded that the former colonial power, Britain, should pay compensation. But Britain has made clear it will not fund any plan unless it is clearly linked to poverty relief.

Despite Thursday’s panic, a few farmers believe the latest announcements may prove to be nothing more than government rhetoric. The next few months will provide the answer." — The Telegraph, London
Zimbabwe misses on UK cash

Pay for 14m qds, says Mugabe's government, because we want...
Hanekom criticises land usurpation in Zimbabwe

Louise Cook

LAND and Agriculture Minister Derek Hanekom condemned the takeover of 17,000 farms by the Zimbabwean government, but said yesterday there was a "world of difference" between that situation and SA's land reform policies.

SA banks involved in farm finance confirmed the "takeovers" could put banks in Zimbabwe out of business, saying the crisis made it even more imperative that land reform in SA was based on "sound long-term planning, order and real strategic orientation".

Agricultural economic analyst backed by land affairs director-general Geoff Budlender warned that unless local role players helped make government's land reform policies succeed, there was a "real risk" of SA going the same way as Zimbabwe.

Zimbabwean President Robert Mugabe on Friday published a list of 1,603 properties for takeover by the government — a move said to threaten 37% of Zimbabwe's Z$14bn-a-year farm production and "plunge" Zimbabwean banks into a major crisis.

State-owned companies, banks and businesses would be "greatly destabilised", the government warned, adding that the country would also be hit directly or indirectly by the planned land reform package, and that it would cost the country Z$5,5bn-Z$7bn to pay compensation for infrastructure and improvements made to the land.

Unconfirmed reports said Zimbabwean banks were plunged into chaos because of Mugabe's intention to pay landowners only for improvements they had made to the land, a move that would lose banks billions of Zimbabwean dollars on bonded properties.

Indications were that about 60% of industries in the country would also be hit directly or indirectly by the planned land reform package, and that it would cost the country Z$5,5bn-Z$7bn to pay compensation for infrastructure and improvements made to the land.

Absa Bank agricultural division chief Andre Louw confirmed that banks would be heavily exposed. "They will lose all confidence because, without compensation for the land, they effectively have no form of security," he said.

The lack of investors' confidence is "central to the Zimbabwean situation".

This view was backed by Budlender and farm economic analyst Johan Willems, who said it was vital role players co-operated with government.

Willems warned that the present events in Zimbabwe were of direct importance to every South African and property owner.

"It shows clearly the dangers and instability caused by empty political promises," he said.

"The future will be determined by the degree of SA's economic growth, job creation, land reform and the settlement of new land owners.

"Political promises that come to nothing, spiralling poverty and a relatively unsuccessful land reform programme over the past 15 years are all part of the Zimbabwean problem," Willems said.

The Zimbabwean government is seeking compensation for landowners who have been "forcibly" removed from their farms under the land reform programme. The list of properties is expected to grow.

See Page 11
Dispossessed farmers may harvest

Africa
Zim govt taking my birthright — McNulty

HARARE: Zimbabwean professional golfer Mark McNulty used the prize-giving ceremony at the Zimbabwe Open to express his unhappiness at government plans to nationalise his family farm, media reports said yesterday.

The world-class golfer said he was saddened by the news that his family farm, Chikale, in the northern Centenary district, had been put on the list of 1000 mainly white-owned farms to be confiscated for distribution among black Zimbabweans.

The state-controlled Herald newspaper reported that McNulty said he had always been proud to play for Zimbabwe, but was "disheartened" by the possible loss of the farm his family had lived on for 44 years.

McNulty said it would be difficult in future to return to the country which had taken away his birthright.

His statement was greeted with applause from the audience of some 3000 gathered at the 18th hole at Chapman golf course in Harare for the prize-giving ceremony on Sunday. McNulty, the defending champion, was runner up to fellow-Zimbabwean Nicky Price.

Family friends said the farm Chikale was the only one owned by McNulty's step-father, Mr Vernon Price, and was highly productive. The government had earlier promised commercial farmers they would leave productive farms alone, as well as single units which were farmers' sole property.

Independent Foreign Service
Harare - Zimbabwean President Robert Mugabe's ruling party opens an annual general conference today where it will drum up support for plans to seize white-owned commercial farms for a peasant resettlement scheme.

Nathan Shamuyarira, the spokesman for Mugabe's Zanu-PF party and the industry and commerce minister, said the four-day conference in Mutare would be attended by about 6,000 delegates and would focus on land reforms, the economy and ways to reinvigorate the party regarded by some members as lethargic.

Last Friday the Zimbabwean government gazetted a list of 1,503 farms which it had earmarked for compulsory purchase from mainly white commercial farmers to resettle thousands of black peasants.

The move has been condemned by industry and economic analysts, who say it will hurt the country's fragile economy.

But Shamuyarira told state media the land reforms enjoyed tremendous support in rural Zimbabwe, where overcrowded peasants had been the backbone of Mugabe's 17-year rule.

The mainly white Commercial Farmers' Union argues there is no need to acquire farms forcibly because there is enough land on the open market, but the government says it is a matter of national pride and sovereignty to get the land. - Reuters
Harare — Zimbabwe's Congress of Trade Unions was gathering support against the government's latest round of tax increases, Morgan Tsvangirai, its secretary-general, said yesterday.

"There is national consensus on the need to organise a protest of this nature," said Tsvangirai. "The general council will hold a meeting on the issue on Saturday."

The government, under pressure to raise $8 billion (about R11.5 billion) to pay compensation to independence war veterans, increased sales tax to 17.5 percent from 15 percent on Monday. It also doubled the electricity tax to 10 percent and announced a 50 percent war veterans' levy to be paid by all taxpayers from April 1998.

Economists described the measures as inflationary and certain to further damage economic growth. The tax increases came less than three weeks after a collapse in the Zimbabwe dollar on November 14.

On Tuesday the Confederation of Zimbabwe Industries (CZI) added its weight to calls that the government is damaging the economy, saying the taxes would overburden already demoralised industry.

"The rate at which the business environment is worsening has picked up pace over the last three weeks," said Jome Blanchfield, the CZI president.

"These measures will seriously undermine exports, and in many cases it will be the further demise of some hard-won export markets, where our margins were borderline and impossible to regain in a competitive world," she added.

The government has revised its estimate of 1997 economic growth from over 5 percent to under 4 percent, following poor prices for the low tobacco crop, low international mineral prices and the worsening macroeconomic environment.

Private economists are forecasting growth of 2.5 percent this year and zero growth next year, owing to a forecast drought and projected one-third drop in farm production as a result of the government's controversial land reforms.

The government has not answered the attacks. — Reuter
Zimbabwe to review illegal land distribution to officials

HARARE — In an effort to placate angry white farmers, the ruling party's politburo had agreed to review alleged illegal distribution of state-owned land to top government officials, the Herald newspaper reported yesterday.

The review was expected to be presented at a ruling party conference that started yesterday in the eastern town of Mutare. Mugabe planned to address the conference tomorrow.

The government announced last week it would press ahead with plans to seize 1,500 farms and hand them over to landless black peasants. The government has said it would not pay the owners for the land, but it would pay for improvements on the land. It said the land was illegally seized during the colonial era.

Nearly 12 million acres have been targeted for takeover, or about a third of the nation's land. About 8 million peasants live on another third. The remainder of the land comprises national parks and infertile regions.

Independent newspapers have reported that much of the 8 million acres taken over since 1986 for resettlement of peasants has been given to prominent establishment figures. The benefactors included former agriculture minister Witness Mangwende, who drew up the 1982 Land Seizure Act. Mangwende received a 3,000-acre estate east of Harare that was intended for the resettlement of 18 peasant families.

Since independence in 1980 the government has bought more than 1,800 farms under "willing seller-willing buyer" deals partly funded by Britain. However, Britain refuses to continue funding the takeovers because the government intends to seize the farms regardless of whether the owners are willing to sell or not.

On Monday Agriculture Minister Kumbira Kangai said the first farms would be seized by the end of summer, to allow farmers to harvest their crops. Mugabe's nephew Leo Mugabe's farm in the Makonde district of Mashonaland West was one of those targeted.

Kangai says farms designated for redistribution include those bordering communal lands, derelict or underutilized land, properties belonging to absentee landlords or farms belonging to landlords with more than one farm.

Meanwhile, members of the Zimbabwe Municipal Workers' Union were yesterday still on strike after the city council's failure to honour its promise to award them housing and education allowances. The strike began on Tuesday. Union acting chairman Kenneth Muteva said the council cited cash flow problems when it reneged on its earlier promise to award them the allowances with effect from next month.

A letter from the mayor, dated November 21, indicated the allowances would be paid in July. The letter said the finances was expected to have improved by then, a move that riled workers. — Sapa-AP.
Shares slip further as new taxes imposed

Zimbabwean shares slipped further yesterday under the weight of poor sentiment stemming from unpopular government moves to raise additional revenue, brokers said.

The All Industrial Index, which dropped almost 13 percent last month, dropped a further 1.3 percent, or 102.52 points, to close the day at a year low of 7836.76. Mining stocks were similarly affected, with the seven share index gaining up 1.7 percent, or 54.4 points, to end at 335.93 after losses in nickel producer Jindal, which eased 11 points to 5640, and gold miner RioTinto, down 86 to 231 000.

There is more bad news coming if (Zimbabwe Congress of Trade Unions secretary-general Morgan) Tsvangirai brings people into the streets next week," said a broker referring to the Labour leader's plans to stage protests against new government taxes imposed from Monday. "Right now there are no buyers and there are very few sellers in this market." — Reuters Harare
Captain Bob beams up into the Twilight Zone

Mugabe has run out of ideas. He has picked land reform as a short-term winner to revive his government's tired image

Julius Nyerere, Nelson Mandela and most recently Botswana's Ketumile Masire have set a pattern for southern African presidents — stepping down when they sensed it was time to go. Malawi's Hastings Banda and Zambia's Kenneth Kaunda outstayed their welcome and were thrown out.

Robert Mugabe (73) is in the twilight zone; he still has five years before the next poll, implying that he is nearing the end of his stint in power.

Yet there is no obvious pressure on him to go, no political opposition worthy of the name, no obvious successor. Nor has he given the slightest indication of any willingness to retire. He remains as energetic as ever, towering over his party, held in awe by senior members of Cabinet.

But after 18 years in office, the tide is turning: criticism of him and his coterie, the majority of whom have been in the administration since 1980, is more open and outspoken than ever before. Twice in the past six months, his backbench MPs have turned against him — over the airport contract scandal, in which his nephew was awarded a lucrative contract, and over the decision, on IMF instructions, to raise taxes to finance part of the Z$4bn (US$275m) war veterans' compensation package.

No doubt they will be whipped into line and approve the minibudget next week, though possibly only if Finance Minister Herbert Murerwa is prepared to compromise and abandon the 5% surcharge on personal income tax while retaining the company tax levy.

Ministers shrug off the threat by the Zimbabwe Congress of Trade Unions to call a national strike to oppose the tax hikes. But after several months in which demonstrations, first by ex-combatants and then by workers in industry, mining and agriculture, turned violent, the popular mood has soured.

That people are fed up is hardly surprising. Just as it was in the days of Rhodesia, Zimbabwe is a two-nation society of haves and have-nots. Most of the less than 90,000 whites are in the first category, along with a growing black elite: the politicians, professionals in medicine, law, accounting or engineering; top civil servants, public corporations bosses; and a burgeoning group of "indigenous" business people.

But for the man in the street, the farm employee and the peasant farmer in the rural areas, the fruits of independence have been meagre. Average real wages have fallen by a third since 1990 and are now back to their levels of the Sixties. Unemployment, estimated at 8% in the early Eighties, is now conservatively put at 25%. Per capita incomes are scarcely above their 1980 levels and lower than in 1975, while inflation has averaged 25% since 1991 and is set to increase sharply in 1998, notwithstanding ministerial claims of single-digit price rises by the end of the year.

The government's proud record of increased social spending in the early Eighties has been turned on its head. The share of education and health in GDP fell from 7% at independence in 1980 to a peak of over 9% in the late Eighties to below 6% last year. Medical expenses have more than quadrupled in four years while education costs for parents have doubled.

This is emphatically not what the people were promised at independence — houses, schools, clinics and hospitals and above all jobs and land.

After the failure of "socialist transformation" to deliver the promised Utopia and the collapse of most of Mugabe's role models in eastern Europe, Zimbabwe was hustled into a World Bank-designed structural adjustment programme in 1991.

The results have been disappointing, falling well short of the modest targets of 5% annual GDP growth, lower inflation, a budget deficit of 5% of GDP by 1995 and sweeping policy and institutional reforms. Per capita incomes have fallen, the tax burden remains intolerably high — and will
increase again next year — the budget deficit target was missed by a wide margin, while a lax monetary policy contributed to rapid inflation and a depreciating, though still overvalued, Zimbabwe dollar.

The reform programme had its pluses — trade and payments liberalisation, a friendlier investment climate, the abolition of price, import and most interest rate controls, and most recently a stuttering start to privatisation.

But the crucial difference between Ghana, Uganda, even Zambia, and a structurally sounder Zimbabwe is caught by one word: leadership.

Whereas Jerry Rawlings in Ghana and Yoweri Museveni in Uganda have led reform from the front, Mugabe has had to be cajoled and massaged down the reform path by business, Western governments and the IMF and World Bank promising aid and soft loans. Getting old Marxist dogs to embrace new economic tricks is not easy.

The failure — first of Mugabe's quasi-Marxism and subsequently of half-baked reform — has left Zimbabwe in no-man's-land. It is more than two years since the first reform programme petered out and 18 months since a draft second programme for economic and social transformation (Zimprest) was prepared. A final plan is due to be approved by Cabinet any day now, but meanwhile politics has taken control.

Warned last week by the white-dominated Commercial Farmers Union (CFU) that his plan to take over almost half of the country's commercially farmed land (5.3m ha), would have devastating economic repercussions, Mugabe responded that the move was political, not economic. The CFU calculates that commercial farm output and exports will plunge almost 40% and nearly 150 000 jobs (10% of formal sector employment) will be lost.

That there is a compelling political — and social — case for land redistribution is beyond dispute. It's a matter of how and when, not whether. However, the farmers are right to warn of the economic consequences of a rushed, unplanned, incoherent, and most of all underfunded, programme.

In 1982 Harare promised to resettle 162 000 families by 1985. Fifteen years later less than half that number has been resettle; tracts of expensively purchased former white-owned land lie idle; many of the resettlement areas are under-utilised, while 400 000 ha set aside for resettlement remain untouched.

These are failures of policy and politicians, not politics. Resettlement is just one of many ca- sualties — health, education, telecoms, the railways, oil procurement, policing — where the State has performing abysmally. Underfunding has been a major factor, but so also has weak management, non-ex- istent planning and misplaced priorities that have put Mugabe's tireless pursuit of the political kingdom before economics.

In making land the vehicle for reviving the tired, tarnished image of his government, he has picked a short-term winner. It is a popular strategy that literally no one dare oppose in principle. But successful resettlement is about logistics and funding rather than just the desire to build a more equitable society. Mugabe's his- tory in politics illustrates that it is one thing to promise, but quite another to deliver.

Land redistribution is not mission impossible, but if it is to be done by seizing land without proper compensation, and without the money to invest in subdivision, fencing, sewage, roads and dams, marketing, credit and extension facilities, it will fail. Not only that, but land nationalisation without proper compensation will torpedo Zimbabwe's fast-receding prospects of attracting foreign investment. A further consequence is that the banks — to whom commercial farmers owe upwards of US$400m — will be undermined.

Though agriculture accounts for only 17% of GDP, its linkages with the rest of the economy, especially manufacturing and banking, are extensive. So important is agriculture that GDP seldom increases significantly in a drought year. It may be that thousands of resettled peasant farmers will eventually replace most, if not all, of the output lost by dispossessed commercial growers. But eventually could be a long time and the transitional impact could be a drop of 10% or more in GDP, not to mention much-reduced em- ployment and exports.

There is a non-confrontational way forward that would be supported by donors and the World Bank, and that would meet many of the concerns of agriculture, business, potential investors and the white community. But because it would be gradual and transparent it might well under- cut the short-term political gains Mugabe is so anxious to exploit.

There are two lessons in this for SA: politicians neglect land redistribution at their peril, while populist leaders (witnessing Mu- gabe's resurgent popularity de- rived by a headline-grabbing land nationalisation programme), could see this as a way to win votes in 1999.

Mugabe must know that there can be no going back to the com- mand economy of the Eighties, but he must also know that eco- nomic reform will not — cannot — succeed without substantial foreign private investment. In weeks he has managed to transform Zimbabwe from one of sub-Saharan Africa's more promising invest- ment locations to one of its least attractive.

The race card will win tumultuous applause at this week's party congress and votes at the next election, but it is destroy- ing business and investor confidence and undermining the economy.

Mugabe has run out of ideas and after 18 years of failing to deliver, it is time to do a Masire.
From 2,000 people to 1.5 million, from shacks to a high-rise metropolis, from war to peace.

Growth, division and achievement.

Harefield looks back on 100 years of
Trans Zambesi spreads its net around southern Africa.
Harare-based banks struggle to compete

By Martin Kushmeret

HARARE - The Zimbabwe government's policy of pushing for greater black ownership of commercial banking has led to the establishment of more banks, but it is also resulting in layoffs among some established players.

Pinhold, the parent company of Zimbanc (at one time a subsidiary of Nedcor) and the original vehicle for wresting control from the multinationals and white domination, is retrenching 20% of its staff.

In the past two years the number of commercial banks has doubled to eight, all black-owned, and Pinhold's staff have been trimmed as competition for profitability has become keener. The new entrants, characterised by a few dozen staff operating out of one or two offices, have aggressively gone after business, thereby creating pressure on the multibranch networks.

The 800 staff being laid off by Pinhold are about the same number as the total amount employed by the newcomers, according to an assessment by one of the multinationals.

Pinhold has been going through a rough time recently, and at the end of its last financial year was effectively bankrupt as liabilities exceeded assets by $7m. The Reserve Bank came to the rescue, buying $10m in bad debts for $2.15m and allowing a separate Pinhold company to be set up to deal with bad debts.

This was followed by a rights issue, with government taking 40% and other banks 20%, and Pinhold's stock price has since tumbled from 200 on the Capindex to 100.

Second in the Pinhold woes were a result of being forced to keep all but the rock-solid customers such as the ruling Zanu PF party, and others, were, a consequence of the liberalisation of the banking sector and competition for more business.

Barclays, for example, has been caught in the squeeze and has already cut 20% of its staff. But while the smaller banks are starting to compete, it is likely that the multinationals will have a brief day in the sun.
Asbestos mines seek help

HARARE - One of Zimbabwe's top black-run companies, Africa Resources Limited (ARL), has sought government help to secure a $20m loan for its troubled asbestos mines, the independent Financial Gazette newspaper reported yesterday.

The paper said both the government and ARL officials confirmed the mine's ministry was processing the application under an act passed seven years ago to assist distressed mining companies.

Neither government nor company officials were immediately available for comment.

The article said that the company had retained up to 1,000 workers last month at its Shaban asbestos mines, the country's only asbestos producers in Zhombe, southeastern Zim-

babwe, as a result of poor world asbestos fibre prices.

ARL, whose interests have expanded to manufacturing and financial services, was established by Mutumwa Mawere, a former international finance corporation executive who took control of the asbestos mines, Turnall Fibre Cement and Tube & Pipe Industries from Britain's Turner & Newall.

Mawere, who was unavailable for comment, told the Financial Gazette the loan was normal and would be used to fund the group's mining operations.

ARL has grown rapidly since its establishment last March.

The company now runs a number of medium-sized gold mines, a commercial bank, an insurance company, a leasing firm and a shipping concern. -- Reuters.
El Niño expected to hit Zimbabwe jobs

FROM SAPA

Harare — The El Niño weather phenomenon would result in numerous labour problems in Zimbabwe as many people were likely to lose their jobs, a labour official said yesterday.

Francis Dube, Matabeleland North principal labour relations officer in the ministry of public service, labour and social welfare, said employers and employees had to prepare themselves for the tough times ahead.

"While the ministry will strive to maintain good labour relations, we must appreciate and understand problems which would be brought by drought and we have to accept them," Dube said at the Edgars group long-service awards. He promised the ministry was working out strategies to prevent unfair dismissals.

Edward Makova, Edgars group managing director, said the imposition of a levy and taxes to finance war veterans' gratuities would erode customers' buying power, resulting in his group losing millions of dollars.

"We are disappointed by government's move, particularly at this time of the year. Effects of drought and these taxes will have an adverse bearing on the majority of Zimbabweans," he said.

The imposition of the levy and taxes meant the group had to work extra hard to achieve its budgeted levels, Makova said.

The government increased fuel prices by 20c a litre for petrol and diesel, doubled electricity tariffs from 5 to 10 percent and raised taxes by 2.5 percent to 17.5 percent with effect from December 1, to raise money to pay Z$5000000 gratuities and Z$2000000 monthly pensions to each of 50000 ex-combatants.

It also plans to impose a war veterans' levy of 5 percent on income tax of all workers next year.
Impeachment: The official inquiry for the impeachment of President Robert Mugabe will be held on December 2.

The opposition has been proposing a recall of the president for his alleged abuse of power, corruption, and human rights violations.

The impeachment process is expected to be complex and lengthy, with Mugabe's supporters likely to resist any attempts to remove him from power.

Meanwhile, efforts are underway to stabilize the country's economy, which has been plunged into crisis due to high inflation, currency depreciation, and a lack of foreign investment.

The situation in Zimbabwe remains volatile, with opponents of Mugabe calling for his resignation and supporters of his government seeking to consolidate their position.

The United States and other Western countries have imposed sanctions on the country, further complicating the political and economic situation.
Embattled Air Zimbabwe aims to rectify past errors

HARARE — Troubled Air Zimbabwe, currently entangled in a tug-of-war with its suspended MD Huttush Murungi, is reported to be heading for a loss which could run into millions of dollars this financial year.

Yet some observers are saying the national airline which has experienced a string of operational and viability problems since its birth 17 years ago at independence — is now firmly on the recovery path.

Air Zimbabwe's woes and the predicted deficit are attributed to a combination of factors.

These include a series of industrial actions by more than 1000 workforce, costly aircraft hire and bungling by its board of directors.

Government investors in the parastatals and state investments committee set up by parliament last year implored the government to appoint competent people to run the national airline.

Investigations found gross anomalies in the running of the corporation, chief among them being the dubious signing of a 10-year contract with a Dutch company for use of two Fokker 50 aircraft which were later found to be unsuitable and costly to the airline.

The committee also found irregularities within the management and administration implicating MD Murungi as chief culprit.

Events at Air Zimbabwe were bad for the promotion of tourism in the country, the committee said.

At present, the airline is paying both Murungi — who is on suspension — and its expatriate managing consultant Brendan Donohoe, who was engaged by the government to lift Air Zimbabwe out of its doldrums.

Commercialisation has been suggested for the airline, but newly-appointed transport minister Enos Chikowore says this is being disrupted by the management crisis.

Former transport minister Simon Moyo said there was no Zimbabwean suitably qualified to head Air Zimbabwe, hence the appointment of an expatriate for two years.

Air Zimbabwe has lost substantial revenue due to massive flight disruptions caused by arbitrary charters of the corporation's aircraft to take President Mugabe and his entourage on trips abroad, said a source close to the airline's operations.

Among remedial action planned is that leasing of aircraft is to be stopped, and non-strategic partnerships cancelled, while handling facilities — which generate considerable revenue — are to be upgraded. — AIA.

Better tobacco crop expected

HARARE — Zimbabwean tobacco farmers are expected to raise production by more than 17% to 220-million kilograms in the 1997/98 season despite the government's controversial land plans, an industry official said yesterday.

Zimbabwe Tobacco Association (ZTA) public relations manager Lal Taylor said this season's flue-cured tobacco crop, planted under a cloud after the announcement of controversial government land-reform plans, had an ideal start — a deluge of rain and plenty of sunshine.

"It has been a perfect start and the crop is looking magnificent. We think we will be able to achieve 220-million kilograms," Taylor said.

Zimbabwean tobacco farmers sold 157.1-million kilograms produced in the 1996/97 season at an average price of $2,33/kg for total earnings of $436m — about 26.2% down on the about $591m earned from 261-million kilogram produced previously.

The 1996/97 crop, initially estimated at a record 250-million kilograms, was curtailed by excessive rain. Prices, which had averaged about $2.94 in 1996 declined on abundant supplies from other world producers.

Taylor said although the government list of 1,500 mainly white-owned commercial farms targeted for compulsory acquisition to resettle landless blacks from next August contained about 700 tobacco farms, this was unlikely to affect output.

Taylor said El Niño, the weather phenomenon forecast to hit southern Africa with a drought in the latter part of the season, was unlikely to affect production as large-scale farmers had enough water supplies.

Zimbabwe receives about 40% of its foreign exchange earnings from tobacco. — Reuter.
Mugabe tells white farmers not to appeal to the courts

Mukurwe - Zimbabwean President Robert Mugabe has emphasized his government's determination to equitably redistribute land and warned white commercial farmers not to resort to legal action as it was not a court matter.

"We know some white commercial farmers would want to take the matter to court when their farms are designated, but this is not a matter for the courts to decide," he said at the weekend at the close of his ZANU-PF party's national conference in Mukurwe.

Mugabe also attacked the British press for publishing what he said were negative reports on the matter.

Equating the programme to "land grabbing" would not deter his government, he said.

"We are bringing a stop to colonialism. So go back to your homes and tell your people we are taking the land back," Mugabe told delegates. He believes land reform is a matter of national pride and sovereignty.

Meanwhile Zimbabwe's Catholic bishops urged Mugabe's government to ensure justice and fairness in its land-reform plans. The bishops said the government should set up a mechanism to resettle the landless and fairly compensate those farmers whose land will be seized.

They said the government should allow farmers whose properties are to be seized to appeal to the courts, adding: "No citizen can legally be prevented from appealing to the courts as neutral arbiter, whatever the issue."

The government plans to take 5.5 million hectares, about half the country's prime commercial farmland, mainly from white farmers.

It has said it will pay only for buildings and improvements, but not for the land, saying Britain can compensate the whites who are descended from British settlers.

Britain has refused to pay for the land, arguing the white farmers are now Zimbabwean citizens.

Tony Blair's Labour government has also said clearly that it believes the controversial programme is unlikely to benefit the poor.

More than 5,000 ZANU-PF delegates who attended the party convention endorsed the government plans.

They have however been widely criticised by economic analysts as certain to ruin Zimbabwe's economic growth.

Agriculture is the backbone of Zimbabwe's economy providing 60 percent of the manufacturing industry's inputs and 20 percent of the gross domestic product.

Zimbabwean police commissioner Augustino Chihuri yesterday said he would stop a planned national mass strike called for tomorrow by the Zimbabwe Congress of Trade Unions.

"The strike was called to protest the rejection of a five percent war veteran's levy by the ruling ZANU-PF party.

The labour body said yesterday that efforts to seek dialogue and a way out of a national crisis had fallen on deaf ears after the ruling party rejected the levy last week."

The bill on the levy was thrown out by Parliament as parliamentarians considered it would be a burden on an already over-taxed workforce.

Chihuri said police would not allow any demonstrations.

He said the strike had been preempted by a decision at the conference, when Mugabe instructed finance minister Herbert Murerwa to find other means to raise the funds.

The Zimbabwean government needs to raise enough money to pay gratuities of ZS9000 (about R17,000) and a life-time monthly pension of ZS2000 (about R700) for each ex-fighter. - Sapa, Reuters
Gamble behind Mugabe’s farms plan

FROM REUTERS  

Harare — Zimbabwe urgently needs more land. But the government’s plan may not be the right way to give it to them.

On November 30, Zimbabwe’s government designated 1.5 million hectares, nearly half the country’s 11 million hectares of big commercial farms, to be expropriated after the harvest next year.

Even Derek Hanekom, South Africa’s land affairs and agriculture minister, finds a similar dilemma about how to achieve a fair distribution of land, thus warning that Zimbabwe’s precipitate nationalisation could well bring ruin.

Agriculture is the backbone of the Zimbabwean economy, contributing 30 percent of the country’s annual production and 40 percent of its foreign-exchange earnings. It is the country’s largest employer, giving jobs to 320,000 labourers. The

Commercial Farmers’ Union reckons nationalisation will reduce that figure by 100,000.

Economists suggest that farm production will drop 37 percent from $314 billion to $283.8 billion. Exports could fall from $310 billion to $236.6 billion.

Already farm-related businesses are showing a sharp fall in orders.

Yet, as Rhodesia, the country was a by-word for arbitrary land seizures. In 1965, 300 white “pioneers” from South Africa marched in, defeated the African ruler and took the land. Land acts in 1990 and 1996 stripped yet more land from black Africans for settlement by white farmers.

Land was a central issue in the war for majority rule, which ended in victory in 1980. When he first came to power, Robert Mugabe pursued policies of reconciliation and nation-building.

Health services and education were extended to the black majority, minimum wages rose and 62,000 families were resettled on 3 million hectares purchased from white farmers at market prices.

Then, in 1989, a stagnant economy forced the president to abandon the country’s tightly controlled system and accept free-market policies. But he took only half-hearted steps to liberalise the economy.

Health, education and social services, but not the defence budget, were cut; many law-making, and increasingly corrupt, corporations were kept in state hands.

The budget deficit remained at more than 10 percent of gross domestic product. Land resettlement was shelved.

Now Mugabe faces a precipitous drop in living standards and a consequent erosion of political support. To get it back, he first tried to woo the 62,000 war veterans who fought to end white minority rule and are now a politically potent force. He promised them a “gratuity” of $250,000 each, to be paid this month, and a pension of $232,000 a month.

Mugabe’s second populist bid is land nationalisation, which he hopes will win over the peasant farmers who make up about 70 percent of Zimbabwe’s 12.7 million people.

These farmers barely subsist on crowded and overworked land. They will now get a share of the designated farms, and will, in time, says the government, receive title deeds.

They will not, however, be able to sell the land or use it as collateral. Zimbabwe’s peasant farmers want to be small-scale commercial farmers, and they can do it: they now produce most of the country’s maize and cotton. But that means tenure, credit, training and incentives.

Can Mugabe’s cash-strapped government deliver these?
Investors alarmed by Harare reserve bank 'leaks'

Business Day Reporters

FOREIGN bankers and investment analysts are alarmed over what they claim are repeated leaks of confidential documents held by Zimbabwe's Reserve Bank.

The latest case cited involves the publicising of a bid for the country's third largest building society — a consortium which includes SA's NBS Boland. NBS Boland is discussing a possible 33% stake in Beverley, along with Meikles Africa, Zimbabwe's Batanai Venture Capital and Johannesburg investment trust Real Africa Durolink.

Bankers and analysts say reserve bank documents on the proposal were leaked to a government newspaper, The Sunday Mail. One of the partners involved said: "Everyone is extremely embarrassed ... the one third by NBS is nowhere near decided and neither are the shareholdings of the others."

A reserve bank spokesman said the bank did not believe its staff were responsible for leaks.

Confidential documents went through the sponsors and large organisations such as commercial banks, passing through the hands of a variety of people before they reached the reserve bank.

However, an international banker based in Harare said: "The case involving the Beverley documents is not an isolated instance. Almost every deal that we become involved in, that includes possible foreign investment in a local company, that is submitted to the Reserve Bank, somehow comes into the hands of the government press or a black pressure group trying to frustrate foreign investments."

A manager of the corporate finance department of an international banking group underlined what he termed the growing apprehension of foreign business groups.

"For a long time we refused to believe tales alleging a lack of confidentiality by the reserve bank. But then it started to happen to us and now it is happening all the time."

"What really gives me cause for concern is that one of the black pressure groups — the Affirmative Action Group led by Philip Chiangwa — boasted publicly that it could get any foreign investment proposal from the reserve bank within 24 hours."
Zimbabwe scraps tax after day of turmoil

Unions accuse police of barbaric action at Harare protest and say the government is 'trying to play the race card'

Harare - The Zimbabwean government formally scrapped a controversal war veterans' levy yesterday, hours after police used teargas and clubs to stop a workers' demonstration against the levy.

But the government left intact other components of the tax package that has sparked fierce opposition across the country.

Zimbabwe Congress of Trade Unions (ZCTU) secretary-general Morgan Tsvangirai called off the anti-tax protest in Harare yesterday after riot police teargassed and clubbed workers in the capital.

Union officials said about 150,000 workers around the country had staged peaceful demonstrations.

Home (Interior) Affairs Minister Dumiso Dabengwa warned that if any workers resumed the protest today, the police may be forced to shoot to protect property and other people.

"Those who choose to continue with the demonstration stand a danger of being shot at by the police," he told state media.

"The government has already announced that it will not tolerate any form of violence," he said in a statement to parliament.

But he said nothing about the other components of the tax package imposed on December 1 which workers also want dropped.

Besides the levy, the government used extraordinary powers to raise sales tax and the price of fuel and electricity as part of efforts to raise Z$8 billion for fighters of Zimbabwe's 1970s independence war.

Political tension has been running high since the government pushed through the taxes.

Unions say the government must scrap the taxes and cut its spending to finance the payments, which Mugabe, who led the guerrillas in the independence war in the former Rhodesia, promised after months of violent protests from the veterans earlier this year.

Tsvangirai said the police had provoked the property destruction, describing their action as "barbaric and unjustified" heavy-handedness.

Witnesses said police initially attacked some 500 people assembled in Africa Unity Square before spreading across most of the city, spraying tear gas and chasing and clubbing pedestrians.

Tsvangirai said the police were in contempt of a court order against Chihuri not to interfere with the marchers. Chihuri claimed he was only served with the order yesterday afternoon.

Mugabe addressed the nation yesterday on social and economic issues, but made no mention of the tax dispute.

But one of his top officials, Information Minister Chengeto Nyashanu, yesterday denied civil servants were being paid in worthless bond notes.

Nyashanu called on the opposition MDC Alliance to stop vilifying Mugabe, saying the leader's government had "studiously avoided" any discrimination against whites.

The government has listed 1,800 farms, most owned by whites, which it wants to forcibly buy but says it will only pay for improvements and not the land because the British allegedly seized the land from blacks when they colonised the country.

Tsvangirai rejected the so-called financial concessions, saying the government was in the habit of playing racial politics in the face of socio-economic pressures. "The race card cannot win this time. The workers have genuine grievances," he said.

Rebuke to Mugabe

Business Report
Zimbabwe drops war veterans levy
Climbdown after clashes

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Union officials said about 150,000 workers around the country had staged peaceful demonstrations.

Home Affairs Minister Dumsa Dabengwa warned that if any workers resumed the protest today, the police might be forced to shoot to protect property and other people.

Finance Minister Herbert Murerwa said the government had accepted a weekend resolution, by President Robert Mugabe's Zanu-PF party at its annual conference in the eastern border city of Mutare, to drop the tax.

"I therefore announce that the proposed 5% war veterans' levy on individual and corporate income tax stands removed," he said in a statement to parliament. But he said nothing about the other components the tax package imposed on December 1, which workers also want dropped.

Besides the levy, the government also used extraordinary powers to raise sales tax and the price of fuel and electricity as part of efforts to raise Z$4 billion (about R1.3 billion) for war veterans.

Unions say the government must scrap the taxes and cut its spending to finance the payments, which Mr Mugabe promised after months of violent protests from the veterans earlier this year.

Mr Tsvangirai said police violence had provoked the property destruction.

Information Minister Chen Chimutengwende dragged white farmers into the dispute, accusing them of instigating the protests to get at the government, which plans to seize their land for blacks.

But Mr Tsvangirai scoffed at Mr Chimutengwende's accusations, saying the government was in the habit of playing racial politics in the face of social pressures. — Reuters
Riots erupt as nationwide strike grips Zimbabwe

HARARE - The first nationwide strike in decades gripped Zimbabwe yesterday with widespread rioting breaking out in the capital as police used force to stop antigovernment demonstrations.

Sapa reports thousands of government and private sector workers streaming into the capital yesterday for a peaceful rally in the city centre were tear gassed and baton-charged by riot police. The crowds fled as police saturated the city centre, already shut down by the strike, with tear gas.

Demonstrations were permitted in most other major centres, where no violence was reported.

Shops, banks, offices and factories closed throughout the country to observe a one-day strike to protest against a series of taxes imposed by government to finance a R1,1bn package of benefits for guerrilla veterans.

Observers say the massive turnout is a sign of the depth of discontent with the severely eroded standard of living, caused by a government widely perceived as corrupt.

MPs of the ruling Zanu (PF) party refused on November 28 to pass legislation for hikes in sales tax, income tax and taxes on fuel and electricity. Government ignored parliament and promulgated them the next day.

Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions, which called the strike, said the day of strike had been a defining moment for the country. "It is the general discontent that is erupting."

Observers say that the strike has presented Mugabe with the most critical time of his 17-year rule.

Many of the main highways out of Harare were blocked by rioters who smashed car windscreen and torched cars and buses. Trade unionists and civic leaders accused the police of starting the violence in Harare.

However, Michael Hartnack reports that Information Minister Chen Chimutengwende suggested that white employers, "most of whom are disappointed about the land issue", had used black workers to foment protest. The Zimbabwe Broadcasting Corporation said whites had given their staff the day off with pay to support the protest.

Police, who fired more than a hundred tear gas canisters as 3,000 protesters gathered peacefully near parliament, were acting in defiance of a high court injunction obtained by the congress of trade unions to prevent police breaking up protests. The court had ruled earlier that people had a constitutional right to protest peacefully.

Catholic Justice and Peace Commission director Michael Arem said: "The police created the violence. They were in contempt of court."
Zimbabwean MPs join revolt over tax

President Robert Mugabe's government also tried to press ahead with the imposition of a series of new taxes, the main reason for Tuesday's strike. The imposition suffered a setback in parliament when it was blocked in a revolt by MPs of the ruling ZANU-PF party.

Nearly all of the country was shut down on Tuesday in an unprecedented display of government sentiment. Violence broke out in the capital after police disrupted marchers with baton charges, dogs and teargas.

The city returned to normal after the Zimbabwe Congress of Trade Unions, which called the strike, ordered workers to return to work.

Police said one policeman was injured in Harare.

Minister of Home Affairs Simon Dabengwa was quoted as saying people should not take to the streets for the sake of demonstrating only.

Workers should know that no strike with police permission too far. It is the police to shoot them.

No reaction was yet available from the ZCTU or the civic bodies backing the strike.

The Catholic Commission for Justice and Peace in Zimbabwe was preparing to file a petition calling for police commissioner Augustine Chihuri to be prosecuted for contempt of court after police ignored a court order not to interfere with demonstrators.

In 1984, the Supreme Court abolished the old Rhodesian law which permitted public demonstrations only if police gave approval. It was replaced with the constitutional right to freedom to demonstrate.

Dabengwa said he had ordered police not to allow demonstrations on Tuesday because there was "an unholy alliance" between the ZCTU, employers and white farmers aggrieved over government plans to confiscate nearly 1,500 commercial farms.

He said the alliance was planning to cause turmoil.

"The ZCTU," secretary-general Morgan Tsvangirai on Tuesday said, "accusations that blacks were being used by whites to foment trouble should be dismissed with contempt."

Parliament was yesterday due to consider the Finance Bill to raise sales tax by 2.5% to 17.5% and 5% increases in taxes on fuel and electricity.

The increments were to pay for guaranteed and monthly pensions to retrenched workers.

The union and independent economists say the three tax hikes would cause major increases in the cost of living for poorer-income families.

Finance Minister Herbert Murerwa on Tuesday withdrew a proposed 4% levy on income tax, but faced outrage from MPs when he refused to scrap the other three taxes.

MPs warned against government arrogance, saying its behaviour was dangerous. MP Edward Mudzuri warned that the controversy would lead to the fall of the government.
Zimbabwe scraps tax increases after nationwide protest

Michael Hartnick
HARARE - Zimbabwe last night called off all increases in sales and energy taxes in the face of protests against the measures to raise $2bn to fund pledges to war veterans.

On Tuesday night, the planned 5% "war veterans' levy" was scrapped.

The Zimbabwe Broadcasting Corporation said Finance Minister Herbert Murerwa told parliament the increase in sales tax from 15% to 17.5% would be revoked on January 1, along with the 20c/l hike in petrol and diesel prices. Electricity price rises would be halted immediately, following Tuesday's nationwide protests against the hikes, which turned violent in Harare.

The government's capitulation is certain to complicate further relations with the World Bank and International Monetary Fund, which are insisting that $84bn to $85bn in gratuities for former guerrillas do not push the budget deficit target beyond 8%.

Earlier yesterday, Murerwa tabled a supplementary appropriations bill that would authorise payment of an initial $2.5bn in gratuity and pension payouts to more than 40,000 former guerrillas. Disbursements of $50,000 in tax-free lump sum gratuities has been promised by President Robert Mugabe to start next Monday and former guerrillas will also get $2,000 in tax-free monthly pensions for life.

Mugabe estimates the total cost of payments to guerrillas to be $34.5bn, while Murerwa puts it at $34.5bn.

In an admission of problems with the World Bank and IMF over state over expenditure, Murerwa said the "war veterans' money" had to be raised without plunging the country into debt.

He suggested accelerated privatisation of parastatals might help but, experts said, these sums were already part of budget calculations.

The government will find other sources to finance the war veterans' causes of the freedom fighters in a way that does not involve the people," Murerwa said.

Zimbabwe Congress of Trade Union members and sympathisers returned to work yesterday after banks, offices and shops were closed for the preceding 24 hours.

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LAWYERS MARCH IN HARARE

Police brutality condemned

HARARE: Tuesday’s police violence translates into a direct contempt of court, says the Zimbabwe Human Rights Organisation.

A WAVE of anger and denunciation fell on President Robert Mugabe yesterday as civic organisations reacted to brutal police handling of demonstrators in Harare on Tuesday supporting a national one-day strike against the government.

The country was almost totally shut down on Tuesday as government and private sector workers participated in the most comprehensive strike in the country’s history.

The strike is in protest against a series of tax measures meant to help the government finance a controversial Zimbabwe$4 billion (R1.1 billion) package of benefits for guerrilla veterans of the Rhodesian civil war.

The usually reserved Zimbabwe Lawyers for Human Rights said that “instead of enforcing the law, which they are paid to do, and in flagrant breach of a High Court order, the police attacked dozens of citizens peacefully trying to assemble to exercise their democratic right to protest against excessive taxation.

“Using tear gas, batons and dogs on unarmed Zimbabweans is nothing short of fascism.”

It called on Home Affairs Minister Mr Dumiso Dabengwa and police Commissioner Augustine Chihuri either to apologise or resign.

The organisations marked International Human Rights Day with a march through the city by lawyers, in court gowns.

Mr Reginald Matchaba-Hove, chairperson of the Zimbabwe Human Rights Organisation, said that police violence “translates into a deliberate contempt of court and a violation of fundamental human rights”.

“Tuesday’s affair calls into question the entire process of democracy and popular governance in the country,” he said.

Dabengwa warned yesterday that police would not hesitate to shoot at demonstrators if they “stretched police patience too far”, but his remark drew an angry response from Mr Mike Auret, director of the Catholic Commission for Justice and Peace in Zimbabwe.

The statement was most irresponsible and would do nothing but encourage police in these circumstances to use firearms against demonstrators, Auret said.

Many riot police in Tuesday’s violence in Harare were carrying automatic weapons, which ordinary police also carry routinely on the beat.

There have been repeated incidents of police opening fire on suspects in crowded city streets, resulting in death and injury.

Mr Nicholas Mudzengerere, deputy secretary-general of the Zimbabwe Congress of Trade Unions (ZCTU), which organised the protest, said that the day before the strike Dabengwa had merely appealed to the union to ensure demonstrations were orderly.

Outside Harare, Mudzengerere said, police had assisted organisers with controlling the demonstrations, and no serious incidents of violence occurred.

“These people must be consistent with their rhetoric,” he said.

The union would be holding a general council meeting next Tuesday, where “these utterances” would be discussed, Mudzengerere said.

Meanwhile, Reuters reports that, according to Zimbabwe News Agency, Mugabe’s official vehicle was slightly damaged when a man threw a brick at it at the weekend.

Mugabe was escorting visiting Zambian President Frederick Chiluba to Harare airport on Sunday when his car was attacked.

A 33-year-old man, Mr Gift Mukata, was arrested by Mugabe’s escort police and ordered by a court on Monday to undergo a psychiatric examination.

Social tension has been high in Zimbabwe since December 1 when Mugabe’s government used extraordinary powers to impose the new tax package to raise money for disgruntled ex-combatants. — Sapa-Reuters
Zimbabwean dollar slips further

Andrew Meldrum
and James Lamont

Harare — The Zimbabwean dollar was unlikely to strengthen above 15 to the US dollar in the coming days after it slipped further in the wake of Tuesday's general strike protesting the government's economic policies, currency dealers said yesterday.

"We are not expecting it to come back soon," said Gordon Sikhakhana, a dealer with Standard Corporate and Merchant Bank in Johannesburg. "It could go higher if problems keep on going like this."

The Zimbabwe dollar fell yesterday from 15.5 to 15.7 to the US dollar and to 3.5 to the rand. The Zimbabwe stock market also dropped by 43 points. The industrial index closed at 7956, down from over 10,000 in November.

"The strike and the slipping dollar have taken confidence out of the market," said a Harare dealer. "We expect the exchange to be soft again tomorrow."

Sikhakhana said the dollar had fallen because of the national strike and a 25 percent increase in sales tax, and could drop further unless there was improvement over the issues of farm appropriations and payments to war veterans.

He said the central bank had vainly intervened yesterday to prop up the dollar. "The IMF has given the government a $1.50 million loan facility to support the currency, but who knows how much they have used up?"

Last month, Leonard Tsamba, the governor of Zimbabwe's Reserve Bank, said the level of 14 to the dollar was "about right." The Zimbabwean currency crashed on November 14 from 13 to the dollar to 26. The government has forcibly converted foreign currency accounts to free up dollars to prop up the sagging local unit.

Investors are unhappy with the nationalisation of one-third of the commercial farmland and the government's desperate bid to find the unbudgeted $2 billion needed to pay to war veterans.

"Lots of people are calling for Mugabe's resignation, and that looks like the only thing that would support the currency," one dealer said.
**ZIMBABWE MARKET**

**Economics take their toll**

It seems the Zimbabwean economy is still leaking at the seams, and the government will have a tough job stemming the tide of adverse international investor sentiment that has overwhelmed it this year.

News that confidential documents held by the Zimbabwean central bank and detailing important foreign investment deals is being splashed all over the local press. This could not come at a more awkward time. The latest case involves NBS Boland and its interest in Beverly, the third-largest building society in the country.

Government and monetary authorities have been battling to control a run on the Zimbabwean dollar and have made urgent strides to get their economic house in order and attract IMF and other funds back.

In November, the financial markets took a hammering. The stock market has plummeted nearly 26% following the 2% dollar’s 26% depreciation during the first two weeks of the month. Heavy central bank intervention brought the currency back to a range of ZS14-ZS16 from the ZS20 nadir.

But ING Barings, in its November Zimbabwe Stock Market Review, says: “Recent volatility in the foreign exchange market has highlighted adverse economic fundamentals and the absence of a consistent economic policy framework. However, the brief currency crisis did prompt the government to present a firmer policy line.”

It expects government measures to tighten financial and monetary policy to pave the way for negotiations with the IMF on a new Enhanced Structural Adjustment Facility (ESAF) in 1998. And the World Bank and the EU are likely to disburse the frozen US$100m balance of payments support.

ING Barings says the release of the balance of payments funds, with the transfer of foreign exchange from the commercial banking sector to the Reserve Bank of Zimbabwe, would “have the immediate, favourable effect of bolstering the payments balance and the foreign exchange reserves.” The latter have offered less than two months’ import cover since the wave of forex selling in the first half of November.

The policy changes announced by Finance Minister Herbert Murereza included tighter foreign exchange controls - a move met with “much criticism. He abolished corporate foreign currency accounts for exporters with immediate effect and imposed further limitations on local banks’ foreign currency holdings to US$5m.”

However, ING Barings says “the fact that the central bank came out in defence of the currency has asserted its position vis-a-vis the commercial banks and had a stabilising effect on the foreign exchange market.”

After a shock in early 1998, when the Industrial index surged 90%, the Zimbabwean stock market has had a bumpy ride this year. The bull run extended into early 1997, when the Industrial index broke 10,000 during January based on hopes for lower inflation and good rains.

It remained above this until the beginning of June and then a flurry of blue-chip buying despite negative economic indicators, strikes and El Niño concerns, sent the index through 12,000 in early August.

But ING Barings says the index was “obviously overvalued” on an historical p/e ratio of 19.4 and “though the rise was impressive, the fall was spectacular.”

The Industrial index plummeted from 10,500 in late October to below 8,000 in early December. This week the slide appeared to have turned around.

ING believes the correction in the equity market has made it “appear fairly valued by most emerging-market standards.” The market stands on a p/e ratio of 14 and, assuming forward earnings growth of 18%, the forward p/e ratio is 11.

ING believes there are attractive buying opportunities when it comes to the rapidly growing and well-managed companies, such as Delta Corp and Metlakes Africa.

The Dutch-based bank expects the currency to stabilise at about ZS14.5 by the end of the year — a 34% depreciation from the year before. Its predictions are for the Zimbabwean dollar to fall to an average ZS16 during 1998, ZS19.2 in 1999 and ending 2000 at ZS24.6.

*Sharon Mood*
Green, there's Old Mutual.

Uncertainty Future.

FM NEWS FOCUS
Tax hikes spur challenge to Mugabe

Iden Wetherell

An unprecedented rebellion by usually docile members of Zimbabwe’s ruling Zanu-PF party and anti-government riots in the capital Harare this week have exposed gaping fissures in the previously monolithic edifice of President Robert Mugabe’s 17-year-old regime.

Delegates to a Zanu-PF conference in the eastern city of Mutare refused point blank last Friday to approve a government proposal for tax increases stemming from Mugabe’s belated pledge to pay gratuities to veterans of Zimbabwe’s liberation war.

"Hatidi (we don’t want it)," delegates chanted when Mugabe put the proposal to them. The unanimous defence of 5,000 key party officials came as a rude shock to a leadership accustomed to grassroots obedience and reflected extensive public dissatisfaction with levels of taxation among the highest in the world.

The government has already seen its tax initiative stall at a parliamentary roadblock when normally obedient MPs rejected increases in sales tax and taxes on fuel and electricity.

When ministers responded to that challenge by resorting to executive fiat they faced a barrage of criticism in the press and from business and trade unions.

The riots in Harare on Tuesday resulted from heavy-handed police attempts to prevent the Zimbabwe Congress of Trade Unions from organizing protests against the tax hikes.

Confrontations between police and stone-throwing demonstrators were the worst the country has witnessed since 1985. Protesters held placards that said "No to levies" and "Don’t blame whites for your failures" — a reference to government claims that employers had facilitated the strike by closing their businesses.

Police Commissioner Augustine Chihuri ignored a high court injunction instructing him to allow the protesters to go ahead while Minister of Home Affairs Dumiso Dabengwa warned protesters they could be shot if they continued to demonstrate.

"Mugabe is buying the war veterans at our expense," one protestor said. "He has failed as a leader and no longer cares about the country."

Demonstrations at other major centres were well-attended and peaceful.

Mugabe, who has used his party as an instrument of top-down management, is now facing a further challenge from within his own ranks. Delegates from Masvingo province in the south, home of powerful party baron Eddison Zvobgo, came to Mutare armed with proposals for confining the president’s tenure to two consecutive five-year terms, an undisguised challenge to Mugabe’s seemingly limitless rule.

The Masvingo delegates also sought a wholesale review of the Constitution, which has undergone 14 amendments since independence in 1980, mainly aimed at establishing a one-party state and reversing court rulings on human rights.

Equally challenging to the extravagant lifestyle of the Mugabe administration was Masvingo’s call for runaway state expenditure to be curtailed by limiting presidential appointees. Although these proposals were shelved by party chief Joseph Maika, constitutional reform — and with it the hitherto taboo succession issue — have been placed firmly on the national agenda.

Meanwhile, the government will have to find new ways to raise the money it needs to pay the war veterans. MPs have suggested that ministers cut back on luxuries such as the new Cherokee Jeeps they recently took delivery of.

In relation to its population, Zimbabwe has one of the largest governments in the world, which has shown little inclination to share the sacrifices being asked of workers. Giving an address to Parliament on Tuesday, Mugabe blithely ignored the riots outside and referred to recent economic setbacks as “temporary.”
Zimbabwean union leader beaten up

Assault follows successful strike over tax hike to pay war veterans.

Harare - Zimbabwean trade union leader Morgan Tsvangirai was beaten up by a gang of thugs in his office yesterday morning. Tsvangirai on Tuesday led the successful nationwide general strike to protest against increased taxes to make an unbudgeted $3 billion (about R1.1 billion) payment to war veterans.

Officials suspect the seven people who beat him with office chairs and a table were war veterans. Tsvangirai was rushed to hospital where he was in a critical condition. Frightened union officials would not say which clinic he was treated in. Blood-soaked curtains and carpets and a blood-soaked shirt were chilling evidence of the violence which broke out in the city centre offices of the Zimbabwe Congress of Trade Unions, which Tsvangirai heads as secretary-general.

Union officials said a man entered the premises and spoke with Tsvangirai in his office briefly at mid-morning yesterday. About 15 minutes later, the man returned with six others - four men and two women.

They stormed into Tsvangirai's office and beat him up. The anti-union violence comes after the widespread success of the strike to demonstrate against the government's imposition of hefty new taxes in order to pay an estimated 50,000 war veterans' gratuities of $350,000 each and monthly pensions of $2,000.

Confronted by such opposition, as well as protests from within his own party, President Robert Mugabe withdrew the 5% income tax levy.

On Wednesday, Finance Minister Herbert Murerwa went further and scrapped the 5% increase on sales tax and electricity, and the increased duty on petrol and diesel fuel. The increase in general sales tax from 15 to 17.5% remains effective. Murerwa said he would be looking at increased privatisation of state-owned corporations to raise the funds needed to pay the war veterans.

Mugabe backs down, pressures remain

Harare - Zimbabwe President Robert Mugabe's climbdown in scrapping key parts of an unpopular tax package will not be enough to end the crisis in the country, political analysts said yesterday.

Tension remains high over controversial land reform plans, lack of donor support, falling investor sentiment and charges that many government leaders are arrogant and out of touch with the public mood, they said.

"The tax drops are important but the most important issues are the ones still on the table: land, public trust, economic growth and prospects, and the need for clear measures on the part of the government itself," said political commentator Lupi Mushayakara.

"These issues must be addressed very urgently," she said, a day after Mugabe's government, confronted by a parliamentary revolt and public anger, revised a tax package that sparked nationwide protests.

Mugabe, 72, has governed Zimbabwe with little opposition since it became independent in 1980. The government has already announced a $2.1 billion (about R1.1 billion) cut in recurrent expenditure in the 1997-98 budget.

"There are still too many frills around the government. Too much luxury and travel," said private economic consultant John Robertson.

"A serious privatisation programme and clear austerity measures will help resolve some of our problems. But investor confidence will only come if we pursue clear and predictable economic and political policies, a thing we are not doing at the moment," he said.

Robertson was referring to Mugabe's plans to seize more than 5.5 million hectares of mostly white-owned farmland to resettle landless blacks.

Industry and economic analysts say the move will ruin the country's economy but Mugabe denies this, accusing the 4,500 white farmers of trying to keep Zimbabwe's majority black people poor.

Reuters
MUGABE CANCELS TAX INCREASE

Union leader beaten up

HARARE: Union officials suspect that war veterans beat up a union leader after he led a strike that successfully blocked a tax rise to fund the veterans.

ZIMBABWE trade union leader Mr Morgan Tsvangirai was beaten up by a gang of thugs in his office yesterday morning.

Tsvangirai led the successful nationwide general strike on Tuesday to protest against increased taxes to make an unbudgeted $4 billion payment to war veterans. Union officials suspect the seven people who beat him with office chairs and a table were war veterans.

Tsvangirai was rushed to a clinic to be treated for head wounds and a possible fracture. Frightened union officials would not say which clinic was treating him. Blood-splattered curtains and carpets and a blood-soaked shirt were chilling evidence of the violence which broke out in the city centre offices of the Zimbabwe Congress of Trade Unions, which Tsvangirai leads as secretary-general. Union officials said that one man entered the premises and spoke with Tsvangirai in his office briefly at mid-morning yesterday.

About 15 minutes later, the man returned with six others, four men and two women. They stormed into Tsvangirai’s office and beat him using pieces of office furniture.

The anti-union violence comes after the widespread success of the general strike to demonstrate against the government’s imposition of hefty new taxes in order to pay about 50,000 war veterans “gratuities” of $50,000 each and monthly pensions of $2,000.

Confronted by such opposition, as well as protests from within his own party, President Robert Mugabe withdrew the five percent income tax levy. On Wednesday, Finance Minister Mr Herbert Murzwa went further and scrapped the five percent increase in sales tax on electricity and the increased duty on petrol and diesel fuel.

The increase in general sales tax from 15% to 17.5% remains effective. Murzwa said he would be looking at increased privatisation of state-owned corporations to raise the funds needed to pay the war veterans.

The botched tax increases have left the Mugabe government with very few friends. Although the payments may have bought the support of the war veterans, members of Mugabe’s own Zanu-PF party, the urban working class, businessmen and industrialists found common cause in protesting against the tax increases. — Independent Foreign Service
Signs of Zimbabwes's Fault Lines

From December 22, 1997

Leader Page
Shaken and stirred Zimbabwe braced for grim times

By ANDREW MELDRUM
Northern Rhodesia Service

Harare - The big supermarkets in Harare are decorated festively and stocked full of special Christmas items and gadget with shoppers. But there is an underlying sense of insecurity about the country's current economic and political instability.

Zimbabwean society has been badly shaken by this week's events, with the national general strike and pitched battles between police and strikers in Harare's streets. Then the strike organizer, Zimbabwe Congress of Trade Unions secretary-general Morgan Tsvangirai, was badly beaten by thugs. Despite a shortage of funds, the government is going ahead with generous payments to 80,000 war veterans. And the country faces a continuing economic crisis, with the currency and stock markets slumping daily.

"We might as well enjoy the holidays, because everything else is going down the tubes," says Marion Davies, a druggist, who adds some imported wine to her trolley, already loaded with sweets, fruit, toys and frozen prawns. She dismisses the increased sales tax from 15 to 17.5%. "With the Zim dollar dropping so fast, I am buying what I want now, because these goods will be much more later, or probably unavailable, like in the bad old days of the 70s and 80s."

She has not felt so unsettled since the years when the country was called Rhodesia and there was a bitter bush war to end white minority rule. "All the news for the last month has been bad news," says Davies.

Jonah Tsvangirai, whoizc is the other end of Zimbabwe's socialist economic spectrum. He is buying a 5kg bag of roller meal, some ration meal, tea and cooking oil. He counts out his 2-dollar notes before deciding to buy some sugar.

"It is vicious. These prices are too high," says the night security guard. "We are suffering because prices are too high and our wages are too low."

Tsvangirai says he took part in the nationwide strike on Tuesday.

"We have to let our leaders know that we are not happy and that we are willing to stand up," he says. Tsvangirai was visibly distressed about the beating of union leader Tsvangirai. "It is terrible. They think they can frighten us by trying to eliminate our leaders. But now we can see they want to oppress us. We will fight for justice. We must let them know they cannot make the working man pay for the rich life they enjoy."

Tsvangirai is another worker who participated in the strike and remains disgruntled. "We support the war veterans, but Mugabe should not favour them at the expense of the rest of Zimbabwe," he says.

Somewhat surprisingly, current events in Zimbabwe have shown that these shoppers have more in common than one would think from the glaring differences in their shopping trolleys. They are critical of President Robert Mugabe's government, especially his economic policies, the land nationalisations and the use of heavy-handed force to suppress public demonstrations of dissatisfaction.

"We did not loot the shops in town because we were not protesting against the shop owners, we were protesting against the government," says Chiradza. "But if things continue, if the police are brutal and people are desperate, then maybe we will see looting."

Another common theme among Harare shoppers is that nobody spoke of the strike or other problems as temporary. Virtually everybody spoke of an ongoing downward spiral of economic mismanagement, higher prices and dropping standards of living.

The general mood is in stark contrast to the rosy view of Zimbabwe that Mugabe expressed in his "state of the nation" address to parliament on Tuesday. Despite the shortages and rock-throwing skirmishes in the blocks surrounding parliament, Mugabe boldly avoided any mention of the strike or the difficulties the government is having finding the funds to pay the war veterans.

First Mugabe made the extravagant promise to pay $250,000 "gratuities" and monthly $250,000 pensions to the war veterans, to stop them demonstrating against the government. Then the government had to scurry to find the $24 million that was not included in the July budget. Zimbabwe's budget deficit is already estimated to be more than 10% of gross domestic product. But the finance ministry was ordered to find a way to pay the veterans. So the 5% levy and other tax increases were introduced, over the objections of parliament. Then the 5% levy was withdrawn after Mugabe's own party protested. After the national strike, the increases in fuel and electricity surcharges were withdrawn. Now the government is expected to pay the veterans next week, and find the money later.
Whites launch campaign to fight land plan

Harare - Some white farmers, along with some white-owned private companies and church leaders, have launched a campaign to fight the Zimbabwe government's plans to seize millions of hectares of mainly white-owned farmland.

The Sunday Mail reported that the campaign is aimed at lobbying the public against the land acquisition programme of more than five million hectares of farmland to reactivate landless black peasants.

The report said some white farmers and businessmen are issuing green ribbons to members of the public supporting their cause against the decision to nationalise land. Others are reportedly forcing their workers to pin the ribbons on their clothes during working hours.

The paper also said some white parish priests have started preaching against the land reform exercise.

Meanwhile, the state-run Zimbabwe Information Service reported that some white farmers whose farms have been designated for acquisition are forcing their employees to sign petitions against the move.

Another Sunday newspaper reported that a multimillion-dollar sugar project to have been undertaken in the central region of the country had been shelved because of concern over the land acquisition programme.

The independent Sunday Standard said overseas financiers have allegedly withdrawn their support in light of the plan to seize the farms. - AFP
HARARE: Zimbabwe's finance minister at independence in 1980 and former treasurer of the ruling ZANU PF, Mr Enos Nkala, claims government departments waste money and that the country's current $70bn budget is wasteful of all departments.

"The ministry is the most wasteful of all departments. More than adequate equipment and supplies are bought at deliberately inflated prices. Officers are left to pull money... and no one raises a finger. When they ask for more it is given."

Nkala said other ministries were also given excessive allocations, for which they failed to account fully.

He suggested that the government engage economists and accountants to review its budget, reallocate funds and enforce accountability.

President Robert Mugabe should also trim his cabinet to "10 capable, dedicated and hardworking ministers."

"Ministers of state are unnecessary. Their jobs can be done by officers... (Most) laughable of all are deputy ministers. They do nothing."

"Another of Mugabe's controversial plans -- the seizure of millions of hectares of white-owned farmland for resettlement -- has prompted the launch of a campaign by some white farmers, businessmen and church leaders."

The Sunday Mail reported that some farmers and businessmen were issuing green ribbons to campaign supporters. A number were making workers wear the ribbons during working hours.

The paper also said, without giving details, that some priests had given sermons opposing the programme. -- Sapa-APP
Zimbabwe can pay veterans from budget—ex-minister

HARARE — Zimbabwe's first finance minister at independence in 1980 and former ruling Zanu PF treasurer, Enos Nkala, has claimed that the government could easily raise Z$4m if it needed to pay war veterans from within its Z$706bn 1997/98 budget. Ziana news agency reported yesterday.

Commenting on the veterans compensation saga at the weekend, Nkala said there was "a lot of money being misallocated in all ministries, mostly because no proper financial supervision existed in government."

"Misallocation of funds has been the system ever since independence. I was part of the system right at the top, so I know what I am saying. I was the lone voice against it and that is why I quit the finance portfolio in 1982," claimed Nkala.

Nkala—who also held the national security, law and order, and defence portfolios before he left government in 1989, following his implication in a government scandal — said the defence ministry alone could contribute Z$2bn because half of its budget was unnecessary. He said there was "excessive abuse of funds" in the defence ministry which over the years reduced the lion's share of the national budget, and this year got Z$5.42bn.

He said other ministries were also given excessive budget allocations that were never properly accounted for at the end of each financial year. He suggested that the government engage well-qualified economists and accountants to review its budget and reallocate funds and enforce accountability.

Meanwhile, with the prospect of some budget allocations being cut to pay the war veterans, some sectors which have not yet received their money are panicking, Ziana reported.

One such group is the Gwanda Zintec Teachers' College development committee, which was promised Z$30m construction money by last July, but has not received it. Committee member and Gwanda town vice-chairman, Petros Mkwena, said the committee was now worried that the money might end up being used to pay the war veterans. — Sapa.

Mugabe condemns attack

HARARE — Zimbabwean President Robert Mugabe said on Saturday that he deplored last week's brutal attack on the leader of Zimbabwe's labour movement by yet unknown assailants.

Mr. Tsvangirai, secretary general of the 300,000-strong Zimbabwe Congress of Trade Unions, was attacked in his office after he organised a mass protest on Tuesday against a government proposal to levy new taxes to finance pensions and gratuities for the country's former freedom fighters.

"Why should that ever happen at all? We do not settle our scores in that manner," said Mugabe, whose cabinet minister is among the people suspected to be behind the attack.

Labour leaders say the attack, which left Tsvangirai with a severe cut on the forehead, was politically motivated. They have accused Home Affairs Minister Dumi Dube, police commissioner Augustine Chiwuri and the leader of a war veterans association, Chenjerai Huma, of being linked to the assault.

The accusations are based on verbal onslaughts on the trade union prior to and after the protests, which turned violent when police broke them up.

Mugabe said he supported the idea of expressing grievances through demonstrations as long they were done peacefully.

The Zimbabwean Public Service Association said the assault would not deter workers from protesting against "unfavourable political decisions. There was no doubt Tsvangirai's assailants wanted to eliminate the leaders of the recent protest, it said. "We wish to emphasise that the workers' struggle is unstoppable and workers will not sit by and watch unfavourable policies thrust upon them." — Sapa-AFP.

Increase in poaching denied

HARARE — Conservationists in southern Africa denied claims yesterday that there had been a rise in poaching in the region since the decision by the Convention on International Trade in Endangered Species (Cites) to downlist the African elephant in June.

The Zimbabwe Trust and the Wildlife Environment Society of SA said yesterday there had not been any measurable increase in elephant poaching so far while in some areas it had dropped.

At the Cites conference, the African elephant was downlisted from Appendix I, where trade is banned, to Appendix II, where controlled trade is allowed.

Cessions were set under which Botswana, Namibia and Zimbabwe could resume controlled but strictly limited trade in ivory by 1999, provided there was no increase in poaching activity.

Many animal rights groups, which fought the downlisting heavily, have published material claiming there was an increase in poaching activity in the past six months.

The Zimbabwe Trust secretary-general Rob Monro said Traffic, the official monitor for decisions made by Cites, had not found any evidence of the purported increase in poaching.

Statistics showed that in 1992, 97 elephants were killed, either for meat or ivory, 124 were killed in 1993; 47 in 1994, 47 in 1995, 76 last year, and 53 so far this year. — Sapa.
Mugabe turns up heat, plays ‘the race card’

HARARE: President Robert Mugabe's criticism of white farmers and business leaders are meant to drive a wedge between blacks and whites in the country, say analysts.

ZIMBABWE'S embattled President Robert Mugabe has turned up the heat on the country's tiny white community in the face of rising economic and political pressure.

Political analysts said earlier this week Mugabe was trying — as he has done many times since he came to power over 17 years ago — to play “the race card” to mobilise criticism against his administration.

In the past week Zimbabwe's government-controlled media, Mugabe and top state and ruling party officials have accused white farmers and business leaders of plotting social unrest in the country.

Mr. John Makumbe and Mr. Masupha Shoko, political analysts at the University of Zimbabwe, say the accusations are aimed at diverting attention from the government's alleged failures to manage a fragile economy and an increasingly volatile political climate.

"They are also meant to put a racial wedge between blacks and whites, poisoning the whites as inherently evil, and by extension try to convince of blacks that there is nothing wrong in the way that the government plans to get land," Makumbe said.

"It's his same old trick," he said of Mugabe.

Information Minister Mr. Chen Chinutengwende said last week the union-sponsored anti-tax protests were instigated by white employers angry over the government's plan to seize white-owned farmland.

"These whites are opposed to the land issue. But black people cannot accept to be used as tools by white people who have their own agenda," he said.

Zimbabwe Congress of Trade Unions Secretary-General Mr. Morgan Tsvangirai, the main protest organiser, scoffed at Chinutengwende's accusations, saying the government was pulling out the race card again in the face of social pressures.

"It has worked before, but it won't work this time round," he said.

Last month the government gazetted a list of 503 farms, mainly owned by white commercial farmers, it wants to take for a peasant resettlement programme.

Industry and economic analysts say the land grab will ruin Zimbabwe's farm-based economy, but Mugabe denies the claims, saying it will help achieve social justice for the country's black majority.

He says the government will only pay for improvements and not the land because the British immigrants allegedly seized the land from blacks when they colonised the country in the 1890s and named it Rhodesia.

Police Commissioner Augustine Chihuri also blamed whites for last week's protests which police suppressed in Harare by teargassing and clubbing workers.

Chihuri said the whites "wanted to see social unrest.

"There is an unholy alliance developing (between white farmers and industrialists and trade union leaders) which we are watching very carefully," Mugabe said last weekend at a year-end party he hosted for his office workers.

"These whites are exploiting our people," he said.

Last week's protests forced Mugabe to scrap a tax package he had imposed on December 1 to help raise money for disgruntled veterans of Zimbabwe's 1970s war of independence. — Reuters
Zimbabwe should learn the lessons of South America in its land reform programme.
Sithole jailed for 'senile' plot to kill Mugabe

Attempt to blow up Zimbabwean president's motorcade with a landmine could never have succeeded, says judge

Zimbabwean opposition party leader Ndabaningi Sithole was yesterday sentenced to two years in jail for an "amateurish" plot to blow up President Robert Mugabe.

Sithole (77) is the leader of Zimbabwe's small opposition Zanu (Ndonga) party.

Judge Ishmael Chatikobo said Zimbabwe's law on conspiracy gave him no alternative but to send the ailing, forgetful former congregational preacher to jail.

"If I had my way, I would have made an effort to keep the accused out of prison," Chatikobo said. "My hands are tied."

He released Sithole on bail to appeal against his conviction and urged the government to grant him clemency.

Sithole was convicted on December 5 of trying to raise an army to topple the Zimbabwe government, of possession of arms of war and conspiring to assassinate Mugabe.

He was arrested in October 1995 after a party member was caught when he was about to lay an anti-personnel landmine in the path of Mugabe's motorcade.

Sithole accused the judge of being a CIO (member of the Central Intelligence Organisation, Mugabe's secret police).

"I am not guilty of anything," Sithole said.

Sithole, who was credited with the start of the armed struggle against the white-minority Rhodesian government, glozed as the judge said he was "old, frail and looks tired and broken down."

Earlier, Sithole's doctor, Christopher Ntuli, said he gave Sithole up to eight years more to live. He said Sithole had a serious heart condition and there was "quite a high risk of him expiring" if he was sent to jail.

He said Sithole suffered from high blood pressure, angina, fibrillating heart rhythm and diabetes.

After sentence was passed, Sithole was asked if he still had ambitions to become the president of Zimbabwe.

"Certainly," he replied. "Why not? The question of age shouldn't interfere."

The judge said the would-be assassin was on his own and standing at the side of the road with a claymore mine in his hands when a passing unarmed soldier apprehended him.

The anti-personnel mine was incapable of inflicting injury on Mugabe in his heavily bullet-proofed presidential limousine.

The plot was "so amateurish one cannot but wonder from the outset that it was meant to fail. It certainly smacked of the product of a senile mind."

"The futility of his criminal endeavours makes it undesirable to send him to jail," the judge said.

It was the sixth time that Sithole has faced charges relating to political violence, five of them while he was a leader in the black nationalist campaign against the Rhodesian government.

Sithole and another member of his Ndonga party hold two of the three seats in the 150-member parliament not under the control of Mugabe's ruling Zanu (PF) party.
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Jail sentence for 'frail, old' Sithole

HARARE: Zimbabwean opposition party leader Ndadzvingi Sithole was sentenced yesterday to two years in jail for an "amateurish" plot to blow up President Robert Mugabe.

Sithole, 77, is the leader of Zimbabwe's small opposition Zanu (Ndongo) party.

Judge Ishmael Chatikobo said Zimbabwe's law on conspiracy gave him no alternative but to send the ailing, forgetful, former preacher to jail. "If I had my way, I would have made an effort to keep the accused out of prison," Judge Chatikobo said. "My hands are tied."

He released Sithole on bail to appeal against his conviction, and urged the government to grant him clemency.

Sithole was convicted on December 5 of trying to raise an army to topple the Zimbabwean government, of possession of arms of war and of conspiring to assassinate Mugabe.

He was arrested in October 1995 after a party member was caught as he was about to lay an anti-personnel land mine in the path of Mugabe's motorcade.

Sithole accused the judge of being "a CIO" (Central Intelligence Organisation and Mugabe's secret police).

"I am not guilty of anything," Sithole said.

Sithole, the man credited with the start of the armed struggle against the white-minority Rhodesian government, gloved at the bench as the judge said he was "old, frail and looks tired and broken-down."

Earlier, Sithole's doctor, Dr Christopher Nutt, said he gave Sithole up to eight years to live.

He said Sithole had a serious heart condition and there was "quite a high risk of him expiring" if he was sent to jail.

He said Sithole suffered from high blood pressure, angina, fibrillating heart rhythm and diabetes.

Dr Nutt said Sithole was on a range of drugs for his condition, but regularly forgot to take them.

"I always found him not a person to comprehend what a doctor is trying to do. He has been a person who always needed someone to keep an eye on him."

After sentence was passed, Sithole was asked if he still had ambitions to become president of Zimbabwe.

"Certainly," he replied. "Why not? The question of age shouldn't interfere."

Judge Chatikobo said Sithole's crimes were very serious, but there was never a chance of the plot succeeding.

The judge said that from the beginning a CIO agent had infiltrated Sithole's group.

The circumstances of the arrest of the man tasked with detonating the "mine" as Mugabe's motorcade passed were "mind-boggling."

The would-be assassin was on his own and standing at the side of the road with a claymore mine in his hands when a passing armed soldier apprehended him.

The anti-personnel mine was incapable of inflicting injury on Mugabe in his heavy, bullet-proofed presidential limousine.

"The pathetic features of this case are, manifold," Judge Chatikobo said.

The plot was "so amateurish, one cannot but wonder from the outset that it was meant to fail," certainly exclaiming "the product of a senile mind."
Zim war veterans go on a spending spree

Former guerrillas over-indulge themselves

The independent Sunday Standard reported yesterday morning that the Christmas business in the capital was given a major boost from Thursday after the first of 50 000 ex-combatants qualifying for the R30 000 grant ordered by President Robert Mugabe in August, descended on the city with loaded wallets.

The newspaper said supermarkets, bars, fast-food outlets and taxis clocked up roaring trade as many of the ex-guerrillas appeared to try and spend their newfound wealth as fast as they possibly could.

Apparantly timed to catch the veterans' last chance to arm with AK47 rifles and rob a hold-up in a major supermarket in the city centre, getting away with near-record loot of about R120 000 in a rare armed robbery. One man was arrested.

Not many of the veterans appeared to be heeding the advice of Mr Hitler Hunrvvi, chairman of the Zimbabwe War Veterans Association, to "avoid a repeat of what happened before". In the early 80s when they were given their first payouts by the government, most of them wasted their money.

Monthly pensions

The veterans are also due to receive an inflation-linked monthly pension of R600.

The Standard said by the end of the evening after the payouts began, the city's main bus terminus "resembled a typical baseball, with vomit strewn all over the place" from veterans drinking to excess.

One man went into a bank to collect his money, bringing a taxi driver because he thought he would need help carrying the money out.

Another spent R1 500 on scratch cards. A third was seen in a supermarket with a large trolley filled with nothing but frozen chickens which he then loaded into a taxi to his township home.

One bought a second-hand car and went drinking in a township. Five hours later the car was written-off when he rolled it. He escaped with minor injuries.

Others, however, made an effort to invest their cash sensibly. The paper quoted a "surprisingly sober" ex-guerrilla as saying that he was using his money to complete building his house, and only then would he celebrate.

He warned his less thrifty comrades they would regret their free spending.

"There are tough times ahead," he said.
Zimbabwean farmers appeal land purchases

HARARE — Zimbabwe's commercial farmers yesterday submitted final appeals against designation of their farms for government purchase.

President Robert Mugabe's government on November 28 published a list of 1,506 mainly white-owned farms it said would be forcibly bought under its controversial land reform plans, and gave farmers up to yesterday to appeal against the designations.

Government and industry officials said last week final figures of the number of farmers appealing against the proposed seizure of their farms would be known only in the new year.

But Nick Swaneepoel, president of the mainly white Commercial Farmers' Union, said the response had been "good" and he was confident that the government, which has already admitted anomalies in the original list, would spare productive farms as agreed with farmers.

"All I know now is that the response has been good. Farmers have responded well," Swaneepoel said.

"I am encouraged by what the president has said. We are optimistic the process will be open and transparent as the president has said," he added.

Under the 1992 land acquisition act farmers are allowed to appeal to the courts if they are unhappy with government compensation packages.

Mugabe says his land reforms seek to balance land ownership and are not meant to drive out whites, who make up less than 1% of Zimbabwe's 12-million people.

His government, which argues that Britain, the former colonial power, must compensate white farmers for loss of their farms, says it will buy 5.5-million hectares to resettle landless blacks.

Britain has refused to fund the programme, saying the white farmers are now Zimbabwean citizens and the exercise is unlikely to benefit the poor.

Mugabe, who says he will compensate farmers only for improvements and not for the land, rejects charges his senior officials grabbed most of the land under the first attempt at redistribution, saying on Wednesday his ministers bought their farms.

"Agriculture is the fulcrum of Zimbabwe's economy, earning more than 40% of its foreign exchange, producing 20% of gross domestic product and 60% of the manufacturing industry's inputs," Reuters.
Michael Hartnack

HARARE — The World Bank had disbursed a previously frozen US$60m credit facility to Zimbabwe, the Zimbabwe government announced yesterday.

The authorities say the move is a vote of confidence in the country’s financial record.

Mass protests by trade unionists forced President Robert Mugabe to backtrack this month on plans to raise Z$2bn in extra taxes to help pay Z$30 000 gratuities to more than 40 000 guerrilla veterans of the 1972-80 war that ended white rule.

State expenditure commitments have cast doubt on Zimbabwe’s ability to meet the target, which Finance Minister Herbert Murerwa agreed to with the World Bank and International Monetary Fund (IMF), of limiting the budget deficit to 6.5% of gross domestic product in the 1997-98 fiscal year. Failure to meet previous targets resulted in freezing of budget support in the past two fiscal years.

Murerwa surprised financial commentators with a Christmas Eve announcement that the World Bank had unfrozen the negotiated credit facility. It was suspended three months ago when Mugabe bowed to war veterans’ violent lobbying, during which they jeered him into silence and wrecked the ruling Zanu (PF) headquarters.

The veterans, whose numbers were estimated at between 20 000 and 90 000, were enraged by revelations that politicians irregularly received payments of up to Z$900 000 from a “war disability fund”.

Financial analysts had believed international institutions would refuse aid until Mugabe proved practical ability to restore fiscal discipline.

Murerwa also announced that the World Bank had agreed to speed up processing of a new “enhanced structural adjustment facility” while an IMF mission next month would finalise arrangements for $100m balance of payments support.

“The decision by the IMF and World Bank will trigger the disbursement of more concessional balance of payments support from bilateral donors and the European Union,” Murerwa said.

Britain, Germany, the US and other western countries have made renewed balance of payments support conditional on Zimbabwe satisfying the World Bank of restored financial probity.

Murerwa said the World Bank and IMF were clearly satisfied with the way Zimbabwe had “tackled financial imbalances brought about by the need to pay war veterans’ gratuities and pensions”.
Listed farmers submit objections to land plan

Michael Hartnack

HARARE — Most of the 1,503 farmers whose land was listed for takeover under the Zimbabwe government's land reform plans met Sunday's deadline to submit formal objections to the takeover, sources said yesterday.

Only a few, particularly those with undeveloped land or farms bordering a communal area who had longstanding problems with cutting of fences and stock theft, were reported to have "thrown in the towel" and now plan to submit claims for compensation by the next deadline — January 26.

A community farming leader near Harare said yesterday: "They hope that by being first in the queue they may find the government is a bit more generous. Those who make a long fight of it may be penalised."

Zimbabwe's parasit Texts to perform the function of Agriculture Finance Corporation yesterday acknowledged it was owed $312m by farmers whose land is on the takeover list. Other financial institutions are understood to be owed more than $4bn by 4,000 commercial farmers.

Many of those with highly productive land, or whose listed land was the only farm they possessed, have been heartened by President Robert Mugabe's recent statements that he would not reject "reasonable" objections since his intention was only to redistribute surplus or underutilized land.

The 30-day deadline for objections was technically December 31, but in practice the Christmas break for government offices gave farmers only three weeks to lodge protests after receiving notification of the planned takeover at the beginning of December.

Farmers' anxieties, roused by the lists published so far, and by Mugabe's ambiguous statements on whether any compensation will be paid should Britain continue to refuse funding, have been further stirred by Mugabe's pledge that further lists were pending.

A farmer from the Enterprise valley northeast of Harare went to the agriculture ministry to confirm his land was not due for takeover, only to find it was shaded on a new map. "That is intended for a minister," he was told, fulfilling fears land would be given to party favourites and not to the landless.

Commercial Farming Union president Nick Swanepoel said he believed there had been a strong response by farmers to the 1,500 takeover notices sent out, but he was hopeful the government would remedy anomalies. "We were encouraged, and optimistic the process will be open and transparent as the president said."

A particular worry for farmers is the recently amended law on land takeover procedure, which allows outgoing owners to be evicted within 12 months even if official consideration of objections is not finalised.
Belaguered Mugabe may be forced to sit tight

In west Africa's small embattled regime, President Robert Mugabe's grip on power is tighter than ever. The 80-year-old leader's government has been facing mounting pressure from the international community to address human rights abuses, economic crisis, and political crisis. The recent announcement by the United States and the United Nations to impose sanctions on top officials of the Mugabe regime has added to the pressure. However, Mugabe has shown no signs of yielding to these pressures, and his government has crackdowned on any opposition movements. The situation in Zimbabwe remains tense, with the future of the country hanging in the balance.
HARARE—Zimbabwe's government, on Monday night, formally scrapped a controversial 4.4% average rise in fuel prices which this month sparked unprecedented worker protests and a revolt by ruling party legislators in an effort to drop the new taxes, which included a 5% war veterans' levy on corporate and individual income tax and a five percentage point increase in sales tax to Z$4.08 a litre, respectively, from January 26. However, worker protests and revolts by ruling Zimbabwe African National Union-PF party parliamentarians sparked the government to drop the new taxes, which included a 5% war veterans' levy on corporate and individual income tax and a five percentage point increase in sales tax to Z$4.08 a litre, respectively, from January 26. The government, which now says it will raise the petrol and diesel prices next month to Z$5.31 and diesel to Z$4.23 a litre to raise part of the Z$2 billion recurrent expenditure and in compensation promised to liberation war veterans. Other taxes were also imposed. **See Page 5**.
Aid to Zimbabwe to be reduced

HARARE — The US said yesterday it would close its development aid mission in Zimbabwe in the year 2003 because of a decline in resources.

The US embassy in Harare said USAid assistance to the southern African country would be reduced in the coming years after peaking at $14.7m in 1997.

"USAid will provide declining levels of support to Zimbabwe over the next few years and will close its bilateral assistance programme to Zimbabwe in the year 2003," it said, adding that the two countries were exploring other ways of providing support.

"One such mechanism is an endowment to a Zimbabwe American Development Foundation that could, with the private sector, provide development resources long after the USAid mission closes in 2003," it said.

"The closure results from dramatic declines in resources and the recognition that Zimbabwe is one of the few countries in sub-Saharan Africa that can graduate to new forms of co-operation based on trade and mutual respect.

"The USAid mission was opened when the then British colony of Rhodesia became independent Zimbabwe in 1980, and its $14.7m aid to the country went into natural resources management, microenterprise development, family planning and the prevention of AIDS.

"The US said it hoped to provide new assistance worth $38m before the mission closed. — Reuters"
Zimbabwe's maize board stocks up for feared drought

HARARE—Zimbabwe's state Grain Marketing Board has stockpiled more than 500,000 tons of maize, but is looking for an additional 436,000 tons on the domestic market to meet reserves required for drought relief, a top board official said yesterday.

Board MD Martin Muchero told the official Herald newspaper that although his board had enough money to import maize in case of a drought in the current 1997/98 November-April season, the government had for now directed it to boost its strategic grain reserves from the local market.

"In the normal sense, I cannot say there is a shortfall because reserves are supposed to be 500,000 tons. But we were instructed to purchase more maize to reach the maximum because of indications of a disturbed weather pattern," Muchero said of fears of an El Niño-induced drought.

"(But) we are not going to import to reach the 500,000-ton level."

The board is buying maize from local farmers at ZS1.200 per ton, much lower than the average price of ZS2.300 currently being offered at the private "Zimbabwe Agricultural Commodity Exchange," by millers and brokers.

Traders say many farmers have stopped selling, fearing they might be forced to buy back the maize at a much higher price in the coming months if Zimbabwe suffers a drought due to El Niño, a freak weather pattern that brings floods elsewhere but drought to southern Africa.

Zimbabwe is estimated to have produced 1.8 million tons of maize in 1996/97, up from 2.6 million tons the previous year, industry officials say. Zimbabwean farmers have cut maize plantings by about 10% this season because of drought fears, and they estimate output will be significantly lower but have not yet given any figures.

The board — the only organization allowed to import and export maize — cut its export target to 260,000 tons from 350,000 tons in 1996/97 to help stock up for a possible drought. — Reuters.
Spending cuts 'are c

EMERGENCY measures announced this week to steer Gauteng hospitals' spending back into the black are a threat to the safety, hospital superintendents say.

The measures include reducing overtime payment and ensuring contracted personnel, and the compulsory use of generic drugs.

Ge-Rankhoven Hospital superintendent Reg Broekmann said his hospital would be severely affected by the decision to lay off contracted workers. Most nurses and pharmacists were in this category.

The hospital received a revised budget from the Gauteng health department about two months ago. The new budget trimmed R8m a month from Ge-Rankhoven's spending until the end of this financial year, which included a R8m a month cut on salaries, Broekmann said.

The money available for overtime had already been spent by the end of October. These emergency measures will not solve the problem, but could result in a bigger cut, said Dr Andre van der Walt, Pretoria Academic Hospital's acting chief superintendent.

The hospital was instructed to reduce overtime payments by 50%. "Doctors will work for free forever," Van der Walt said.

It was inevitable for the hospital to spend its current budget of less than R4000. "In fact, we do not see it as overspending, but as understaffing. We informed provincial government that our budget is too small," he said for overspending to curb the government needed to curb clear policy directions.

UK sets 'well defined' conditions for Zimbabwe

HARARE — Britain said yesterday that it was prepared to help finance Zimbabwe's land resettlement programme provided designed schemes were transparent, benefit rural areas, and that government fulfilled its obligation regarding protection of investment.

It could not support President Robert Mugabe's government's programme to seize 1 600 mainly white-owned farms, and warned that the takeovers would harm Zimbabwe's international credibility.

British Foreign Office (BCO) Minister Tony Lloyd said the programme failed to meet conditions that would allow Britain to contribute aid towards the resettlement of landless black and poor farmers.

He said Britain also wanted to ensure that some land already secured by the resettlement lay idle long after it was vacated by the beneficiaries and that the programme was transparent.

Lloyd said British viewed seizures, scheduled to start this year, as breaching human rights, and that they were unlikely to benefit the poor and were not being carried out transparently.

We are prepared to continue discussions on how we can help but our conditions are well defined," he said.

Lloyd said one of his two-day visits was to show "there's no ambiguity in Britain's position on land seizures."

In November, Mugabe's government released a list of 5000 "productive" farms targeted for handover to black peasants. It gave farmers a month to lodge complaints.

Mugabe said then that Britain should be the one to compensate "its children", mostly the descendants of British settlers, who had "lost my generation who benefited from colonialism," he said.

"Britain has no right and obligation to interfere."

Farming leaders predicted a 40% drop in agricultural production if the takeovers began after the harvesting season ended in August this year, the government had indicated.

Britain's commitment to help finance Zimbabwe's land resettlement programme was in the spirit of the London conference and was part of its moral obligation towards poverty alleviation worldwide.

The resettlement scheme should benefit the poorest people.

The scheme should also be implemented, according to Zimbabwean law and in compliance with the international obligations Zimbabwe has already signed.

— Reuters, AP-DJ.

Opposition to challenge Mwai victory

NAIROBI — Kenya's second most popular political party said yesterday it would file a legal challenge to President Daniel arap Moi's fifth electoral victory.

We will take Moi to court," Jackson Muyunza, secretary-general of the Democratic Party, said at a press conference in central Nairobi's Uhuru Park, where Moi took the presidential oath on Monday.

I would like to say: reject the election results," Muyunza told 2 000 supporters.

In contrast to past opposition events, no police were deployed to control the crowd.

Moi was declared winner during a two-day general election with 40% of the vote. His nearest challenger was Mwai Kibaki, the Democratic Party candidate, who gained 31%.

Kibaki's, runner-up to Moi, said his party would sit in government but continue to reject the results. "The DP says that the elections were not rigged," Kibaki said.

The electoral commission yesterday said the ruling party candidate could nominate some six extra MPs, while the DP was allowed to nominate two MPs and the NDP, FORD-K, SPD and Safina one each. — Sepa-AP, Reuters.
Zimbabwe's President Mugabe faces real rebellion risk

Mugabe faces real rebellion risk

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Opinion
Zimbabwean thermal power station gets go-ahead

HARARE — President Robert Mugabe's government has given the go-ahead for a huge new thermal power station on the asset-undeveloped Sengwa coalfield.

The power station will eclipse the output of Kariba south bank hydroelectric turbines and the Hwange thermal station.

An announcement by Transport and Energy Minister ENOE Chikowore will rouse concern among environmentalists who fear that development at Sengwa North, close to current wilderness areas on the shores of Lake Kariba, will lead to an influx of poachers and illegal settlements, as well as atmospheric pollution.

The alternative to the Z$22bn Sengwa North project, for which "exclusive negotiating rights" were granted to the parastatal Zimbabwe Electricity Supply Authority (Zesa), Britain's privatised National Power Company, and Rio Tinto, would be the previously proposed Batoka Gorge hydroelectric scheme 70km downstream from Victoria Falls. Apart from drowning the world-famous whitewater rafting course on the Zambezi, Batoka would have no major ecological drawbacks in the narrow Victoria Falls gorges, and could be useful drawing tourist development away from the overcrowded falls themselves.

The Sengwa development may be a setback also for Eskom's hopes that all regional states will work for a grid reliant on the Zaire River's vast hydroelectric reserves.

Chikowore said Sengwa North would have installed capacity of 1,400MW, twice as much as Kariba south bank and 30% more than Hwange. Sengwa should be able to supply a third of Zimbabwe's total needs, said Chikowore.

"National Power is to invest up to Z$7.7bn in a majority equity stake and will operate the plant with Zesa," he said.
Joint venture may carry power to Maputo smelter

Robyn Chalmers

ESKOM and the Mozambican and Swazi power companies are looking at a joint venture to build, operate and maintain two 400 kilovolt power lines to supply the planned $1.5bn Billiton alumina refinery to Swaziland next year.

Eskom trading manager Jack Neushloss said at the weekend that the multimillion-rand lines would make the smelting operation possible, and talks were being held on details such as operation and capital expenditure.

It was envisaged that one of the power lines would run from Gauteng, through Swaziland to Maputo, with Swaziland tapping into the power line for its supply. The other would run from Mpumulanga to Maputo.

"At the moment there is good potential for a joint venture between Eskom, the Swaziland Electricity Board and Mozambican electricity supplier EDM for joint ownership of the power lines," Neushloss said.

Neushloss said talks on issues including investment in the power lines were still under way. It was possible that international capital markets would be involved in funding the infrastructure.

On the Cahora Bassa power tariff issue, he said Eskom was seeking feedback from the relevant government departments at a senior level were jointly considering options on the way forward.

A subcommittee formed last year to deal with tariffs had met three times, and negotiations were still under way.

"Obviously, the seller (Hydroelectri de Cahora Bassa) is looking for a higher price and the buyer (Eskom) for a lower price, but this is simply a matter of negotiations and these are still taking place," he said.

Cahora Bassa has a capacity of 2,000MW — all of which Eskom can contractually buy. However, the contract between the two parties said Eskom could acquire 200MW and it had subsequently been agreed that Zimbabwe could get 500MW out of Eskom's allocation.

Eskom therefore had access to 1,500MW of which 400MW was considered "firm" or unallocated, so the parastatal could realistically expect to get about 900MW uninterrupted power, he said.

Neushloss said previous estimations that Hydroelectri de Cahora Bassa's debt totalled $3.2bn were a "rough ballpark" figure. Cahora Bassa's revenue was adequate to operate costs and the tariffs paid by Eskom would therefore determine the rate at which the debt was amortised.

The project was initiated by Portugal in 1969 during its occupation of Mozambique.

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Zimbabwe farm plan ‘will avert murders’

Michael Hartnack

HARARE - If the government did not take over white farms, "the people will grab the land and they (farmers) will be killed by the landless peasants", Zimbabwe Information Minister Chen Chinutengwende said at the weekend.

Thus, the government was taking over 1,400 white-owned farms for whites "own protection", he said.

He also accused white businessmen of forcing prices higher in a plot to make black Zimbabweans' lives unbearable and to discredit President Robert Mugabe's government.

We are aware that some sections of the white community would like to put government in a fix. We shall not sit on our laurels and watch them," he told the Sunday Mail that price controls might be reintroduced, despite dismissal that this would cause "unemployment and economic paralysis.

Hunters who tenant farms from the government have been warned that land will be taken if they do not support the government.

The government is aware of the plot by some white businessmen," Chimutengwende said. "I would like to warn them that they will not succeed in making the lives of the masses unbearable. If they carry on with their plots, we might be forced to control prices again.

However, the government should move with "caution and speed" to balance the economy.

The government has been accused of "attempting to create friction" and forcing black workers to join last month's protests against increased prices for essential goods.

The government has promised to raise money to pay pensions promised to 60,000 ex-guerrillas.
INTERNATIONAL BUSINESS

Zimbabwe bourse makes a flying start

By Corina Romani

Despite being the last market to recover from a sharp selloff in 1997, the Zimbabwe Stock Exchange is enjoying the best of times.

The national index, which had reached a record high of over 8,000 in late 1996, fell by 80% soon after. But with the government's support, it has since recovered, reaching a peak of about 6,000 in early 2000.

Among the major companies listed, mining and financials have been the biggest winners. The industrial index, which was down 60% in August, has since rallied back to 90% of its pre-crash levels.

Markets are also setting up for the possibility of further gains as the government plans to introduce more reforms to attract foreign investment.

In foreign currency, the share prices are up 50% on average, with some companies seeing gains of over 100%.

Despite the optimism, some analysts warn that the market is still vulnerable to economic shocks, particularly with the debt burden increasing.
Zimbabwe bank's partner a puzzle

Harare — Gideon Gono, the managing director of the recently privatised Commercial Bank of Zimbabwe (CBZ), last week denied speculation that Amalgamated Banks of South Africa (Absa) would be CBZ's technical partner.

Absa refused to confirm or deny the speculation.

CBZ was established in 1980 as a joint venture between the government of Zimbabwe and the now-defunct Bank of Credit and Commerce International (BCCI), with BCCI holding a 51 percent stake. When BCCI collapsed in 1991, the government took over the bank, which had accumulated a non-performing portfolio of Z$599.11 million ($59.95 million).

The non-performing loans were separated from the normal portfolio in May 1995 and placed under a separate company, Commercial Bank of Zimbabwe Nominees. The performing book subsequently recorded pre-tax profit of Z$63 million in 1995 and Z$84 million in 1996.

When the CBZ was privatised in August last year, the plan was to reduce government shareholding to 20 percent, with 37 percent reserved for local institutions, 26 percent for the public and the National Investment Trust, 25 percent for a technical partner and 2 percent for employees.

In the prospectus, the bank said: "In order to harness the best international experience, superior information technology and product development and to have leverage in negotiating credit lines, it has been decided that a reputable foreign technical partner be identified." The matter will be concluded before December.

The Insider
Land grab is for farmers' own good, says Zimbabwe minister

Harare - Zimbabwe's white farmers would be killed by angry peasants if the government did not seize their land for redistribution, a government official said yesterday.

Information Minister Chen Chimutengwende also accused white businessmen of deliberately whipping up anti-government sentiment by increasing prices and warned that price controls might be reintroduced.

Chimutengwende said that whites were bitter over the government's plan to seize some 1,500 farms for redistribution to blacks and were raising prices of basic commodities so that the government would be blamed.

"We are doing this (land reform) for their own protection. Otherwise the people will grab the land and they will be killed by the landless peasants," Chimutengwende said.

"If they think they can bring down the government by creating hardships, they are daydreaming. They will not get anywhere."

Uncertainty over the future of agriculture, along with several other economic problems, caused the Zimbabwean dollar to plummet against foreign currencies last month, and prices in shops have soared as a result.

Chimutengwende said it was all a plot. "The government is aware of the plot by some white businessmen. I would like to warn them that they will not succeed in making the lives of the masses unbearable," he said. - Sapa-AFP.
Mugabe slates Oppenheimer objections

HARARE — President Robert Mugabe has attacked the Oppenheimer family for lodging objections to his government’s planned takeover of the family’s farms among more than 1,400 targeted for redistribution to black Zimbabweans.

Five properties of more than 250,000 hectares belonging to “Oppenheimer ranches private limited” were among those specified in schedules issued by Lands Minister Kumbirai Kangai. All are in southern Zimbabwe, where the fragile soil is considered unsuitable for peasant agriculture.

Mugabe said Anglo American chief Nicky Oppenheimer had written to him personally after lists of farms were published in November, describing the targeted land as a “family homestead developed around the Second World War when Hitler persecuted Jews in Germany”.

The government would look at the total acreage owned by the Oppenheimers to determine how much land had to be excised.

Commercial farmers would be left with one farm each. There would be no escape from the takeover of underutilised land, oversized farms, farms bordering communal areas and farms owned by absentees.

Farmers who lost land to neighbouring communal areas would be allocated land so they could continue farming.

Rejecting warnings of a slump in farm production, he said farm labour was predominantly black although ownership was white.

The 17 years since independence had trained indigenous farmers “who had toiled too hard for too little. Now we want them to till harder on bigger pieces, with inputs given them, with extension services given them.”

Most farms would be given to settlers from communal areas and some kept intact as “going concerns” for “black farm managers, agricultural graduates and individuals of aptitude and means.”
**Mugabe plans to grab land owned by Oppenheimer family**

Harare - Zimbabwe President Robert Mugabe has vowed to seize some of the five farms owned by South Africa's Oppenheimer family in Zimbabwe for a peasant resettlement scheme, state radio reported yesterday.

Zimbabwe radio said Mugabe had told Zimbabwean diplomats during a private visit to Belgium last week that his government would this year push ahead with its controversial plans to forcibly buy hundreds of mostly white-owned commercial farms for its resettlement programme.

It said Mugabe had accused critics of his land policies, especially in South Africa and Britain, of running a propaganda campaign to force him to reverse his stance.

Mugabe said some Britons and South Africans were absentee landlords in Zimbabwe, citing as an example the Oppenheimer family.

He also said the Oppenheimers controlled close to 40% of the South African economy and the government would look at the total acreage owned by the Oppenheimers to determine how much land had to be excised. The Oppenheimer family could not be reached for comment. - Reuters

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**Angolan army accused of slaughtering 21 in church**

Kinshasa - An armed separatist movement in the Angolan oil enclave of Cabinda accused the Angolan army yesterday of massacring 21 worshippers in a church last week.

The incident allegedly took place in Cai-Kutene, not far from the border with the Democratic Republic of Congo, the FLEC faction of the Cabinda Enclave Liberation Front (FLEC) said.

It said the massacre was aimed at terrorising civilians in separatist areas.

Founded in 1963, FLEC splintered into three guerrilla forces, all seeking independence for Cabinda, a 7,000 sq km territory that produces 69% of Angola's oil. - Sapa-AFP
Hundreds of Harare protesters take to streets

HUNDREDS of people marched in Harare yesterday to protest against recent price increases in basic commodities.

The demonstrators appealed to President Robert Mugabe to intervene and reintroduce subsidies on essential goods, reports said yesterday.

Demonstrators forced shops in the area to close in the morning. They regrouped in the afternoon.

Zimbabwean manufacturers and retailers raised the price of basic commodities by between 17% and 42% on January 5, citing the steep fall of the Zimbabwe dollar against hard currencies and increased costs in the last quarter of 1997.

On Sunday, Information Minister Cindy Chizhensewende accused the mainly white business community of plotting to foment social unrest through indiscriminate price increases to retaliate against government plans to forcibly buy 5.5 million hectares of mostly white-owned farmland.
Harare takes steps to curb border hoppers

Michael Hartnack

HARARE – Zimbabwe’s air force has deployed a helicopter to patrol the 200km Limpopo River frontier with SA to curb a spate of border-jumping that has claimed 36 lives in the past four days.

Inspector Helmond Sheko, police officer in charge at Beitbridge, and senior officers in Bulawayo, appealed to Zimbabweans not to cross illegally, especially when the Limpopo — notorious for crocodiles — is in spate after heavy rains.

Last Sunday 29 people drowned from a large group led by a member of the local “Va-postori” sect who knelt to pray on the bank and claimed to have received divine guidance before leading them into the swollen waters at Chikwarakwarwa, close to the Mozambican border.

On Saturday three more Zimbabweans were lost near the same spot and four Mozambicans died the same day.

Home Affairs Minister Dumiso Dabengwa reports there are nearly half a million Zimbabweans working in SA, beside the 100,000 whites who emigrated at the end of the 1972-80 Rhodesian war.

About 40,000 are skilled professionals including black doctors, nurses, accountants and mining personnel, who earn more than six times the salaries paid in Zimbabwe and are taxed well below Zimbabwe’s 43% rate on incomes over Z$60,000 a year.
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Michael Hartmann

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Zimbabwe denies it plans to introduce new health levy

HARARE — The Zimbabwean government, which was forced to scrap a tax rise package after unprecedented street protests last month, denied reports yesterday it planned a new levy to rescue the crumbling health delivery system.

"We are not proposing to introduce a levy or tax on health," health ministry permanent secretary Paulinas Sikhosana said.

"What we have done is conduct a feasibility study on the possibility of introducing a social health insurance scheme in Zimbabwe," Sikhosana said he had been misquoted by the state-controlled Herald newspaper yesterday.

However, other officials confirmed yesterday such a plan would be introduced "very soon".

The Herald quoted Sikhosana as saying the government had proposed a tax of between 2% and 5%, split between employers and all their employees earning more than $400 a month, to rescue the health system. Mismanagement and inadequate funding have been blamed for the dire straits of the system.

Zimbabwe's main trade union federation said yesterday that it was opposed to the proposed tax.

The federation has vowed to oppose any plans by the cash-strapped government to raise or introduce new taxes, saying workers and companies who pay up to 42% in income tax cannot afford to pay any more. — Reuters.
White farmers slate minister's land remark

Harare - Zimbabwe's white farmers hit back yesterday at a government minister who said they would be killed by angry peasants if their land was not seized by the government for redistribution.

The Commercial Farmers Union (CFU), which represents most of the country's 4,000 white farmers, condemned the weekend remark by Information Minister Chen Chimutengwende as "inflammatory and irresponsible".

Chimutengwende also accused white businessmen of supporting the farmers in a plot to bring down the government by raising prices.

The minister accused whites of being bitter over the government's plan to seize about 1,500 farms for redistribution to blacks and were therefore raising prices of basic commodities so that the government would be blamed.

CFU president Nick Swanepool rejected the allegation that whites were holding the government to ransom over its plans to seize the farms.

"On the contrary, the CFU and members of the private sector are working with government and donors in seeking a solution to the problem of land distribution.

"I am confident that a sensible and lasting solution can be found in the interests of all Zimbabweans," he said. - AFP
Reforms of its banking sector

China announces sweeping

Farms sciences

Reforms of its banking sector

China announces sweeping
New Zimbabwe unrest feared as maize meal price rises again

Michael Hartnagel

HARARE — The wholesale price of maize meal is set to go up again today by a further 21%, arousing fears of more unrest after a week of sporadic demonstrations against the soaring cost of living.

This follows a 36% price rise in October and a 24% hike in December.

People of the high-density suburb of Mabvuku, who have been picketing mainly black-owned shops since last Monday to protest against increases of 30%-40% in the price of bread, flour, sugar, margarine, oil, soap and other staples, may be joined today by Tafara and Highfield residents.

The Zimbabwe Congress of Trade Unions (ZCTU), which organised last month’s protests against planned tax rises to pay Z$4.6bn to ex-guerrillas, has dissociated itself from the boycott. It says it is considering its own scheme of action following the beating up of ZCTU secretary-general Morgan Tsvangirai the day after the government revoked most of a planned Z$3bn revenue-raising package.

Ian King, MD of one of Zimbabwe’s leading millers, National Foods, said the increases were forced by added transport costs and the price it was paying. While the parastatal Grain Marketing Board continued offering farmers only Z$1 300 a ton it was charging customers Z$2 900 as its strategic stockpile, established in fear of drought, ran down.

“The Grain Marketing Board has now demanded advance payment before we can collect,” said King. “This is effectively a cost increase as interest on today’s very high rates has to be borne on much earlier payments.”

A racially tense situation may have also been created by claims that price rises result from a white business conspiracy to “fix” government by “making the lot of Zimbabweans unbearable.”
HARARE: President Robert Mugabe's government has been pressured by the World Bank and the European Union into dumping a planned grab of white-owned farms.

The World Bank and EU have written undertakings - endorsed personally by Mugabe - that land reform will be carried out openly, in terms of human rights guarantees and within the present budget.

"It means the plan to confiscate 1 500 farms without the proper compensation and blocking farmers' recourse to legal action, cannot happen if the government sticks to the agreement," said a senior European diplomat.

Observers say the best the government can do for land reform this year is expropriate "a token handful" of farms.

The EU and the World Bank demanded the guarantees, as well as a string of financial commitments, as conditions for finance to rescue the government from its economic crisis.

On Friday, the EU signed an agreement with the government to release $23 million (about R115m) aid that will help shore up the collapsing Zimbabwean dollar.

The World Bank has also agreed to release $120m (about R600m).

Both loans were frozen in August 1995, because of Zimbabwe's persistent defaulting on promises to cut spending and keep its budget deficit within limits set by the International Monetary Fund.

Mr Mike Laidler, the head of the EU delegation in Harare, said at the signing of the loan agreement on Friday that failure to stick to the loan's conditions would spell disaster for Zimbabwe.

Reneging would see Zimbabwe suffer severe censure from the international donor community, diplomats said.

Mugabe's decision in August to pay a lavish package of benefits to Zimbabwe's war veterans at a cost of 2D4.2 billion (R1.2bn) and the listing of 1 480 commercial farms for seizure, has plunged the country into unprecedented economic chaos.

The currency has plummeted by nearly 50%, the stock market crashed, billions of dollars of planned investment have been withdrawn, consumer prices have surged and trade unions have warned they will repeat the nationwide strike that paralysed the country in December.

The independent Zimbabwe Standard reported yesterday that the country's banking system faced major disruption because owners of listed farms had stopped paying installments on their loans. The 1 480 listed farms owe banks about R500m.

The government is restricted by the undertaking to spending what it has already budgeted for land acquisition this year: R17,5m, enough for about 10 farms.

The owners of 60 listed farms have said they are willing to sell to the government.

- Sapa
Incomes in the Price of Meat, Spar & Zimbabwemwits
Riots rage in Harare for a second day

Prices anger mobs

Harare — Food riots erupted for the second day in the Zimbabwe capital today in response to price rises, causing schools, shops and offices to close.

Schools and stores in Harare’s townships were closed minutes after they opened as word spread that rioting had continued overnight in the suburb of Highfield.

Witnesses said rioting resumed in the city’s densely populated suburbs of Mbare, Tafara and Mabvuku.

There also was rioting in some industrial areas on the outskirts of the troubled residential areas.

Looting went on overnight in Highfield, especially of individually owned backyard stores known as tuckshops, which had remained open yesterday to supply basic food after the major shops had closed.

Unconfirmed reports said police fired teargas into houses to quell the overnight looting.

Military helicopters flew over the city today after reports that rioters were closing in on the city centre. Most shops in the CBD were closed and streets were virtually deserted as tension mounted.

One of the country’s largest bakeries, situated in an industrial area near Mbare, was attacked by hundreds of youths who smashed windows with stones and tried to get in.

An employee in the bakery said by telephone the mob also was attacking other businesses in the area in the light industrial site south of Harare.

Police were using teargas and rubber bullets against rioters, but they kept regrouping and attacking again.

Yesterday, at least three people were wounded by police gunfire and millions of dollars worth of property was looted or destroyed in Zimbabwe’s worst riots since majority rule in 1980. — Sapa-AFP
Price rises lead to
Harare wildcat strike

HARARE: The crisis in Zimbabwe seems set to deepen after protesters went on a wildcat strike yesterday, the latest reaction to the government’s economic policies.

A WILDCAT protest strike against price increases swept through Harare yesterday forcing city centre shops and businesses to close abruptly as pitched skirmishes broke out between stone-throwing protesters and police firing teargas canisters.

“We are striking against these high prices. We cannot afford them,” said one young striker who ran away from a truck of riot police firing tear gas. Another young striker shouted: “Tell the murungu (white person) we are striking against increases in food prices.”

The strike is largely a result of the chaotic economic policies pursued by President Robert Mugabe’s government at the end of last year when he sought political support at the expense of the country’s economy.

In December the government paid unbudgeted “gratuities” of $24.4 billion (about R1,15bn) to the politically potent war veterans. This boosted the budget deficit well above 10% of GDP and caused dramatically higher interest rates and inflation.

In addition, the government announced the impending seizure of half the country’s privately owned farmland, further destabilising confidence in the economy.

The stock market has plummeted and the currency has crashed to half its previous level against most currencies. Now it takes 20 Zimbabwe dollars (about R5,10) to buy one US dollar (about R4.90).

While the government’s economic management has created an unstable political situation domestically, it has brought immense economic pressure internationally.

A combination of threats from the World Bank and the IMF and inducements offered by the European Union appears to have forced the Mugabe government to pause in its campaign to seize 1 500 large farms, most of them owned by whites.

The EU last week granted Zimbabwe Z$420 million (about R107,6bn) badly needed to prop up the sagging currency.

The EU also offered to hold an international donors’ conference for land redistribution — but only if the Mugabe government agreed to carry out the land reform in a transparent and fully accountable manner.

Hand-pressed by the tough economic conditions, largely of his government’s own making — and the political repercussions, such as yesterday’s strike — Mugabe may well decide to back off his plans and implement the sort of thorough land reform that meets the approval of international donors.

That would include full consultation of all affected parties, an accountable selection procedure and freely negotiated compensation paid to farmers.

“The government’s economic policy has been disastrous, and that means the situation is getting out of control,” commented Trevor Ncube, editor of the weekly financial newspaper, The Independent, about yesterday’s strike.

Yesterday’s protest erupted without backing from the Zimbabwe Congress of Trade Unions (ZCTU), Union officials denied any involvement in the disruption, but said they were considering a national strike later this month.

The ZCTU staged a successful national strike early last month.

Deep-seated anger at Zimbabwe’s rapidly increasing inflation has been brewing since the Christmas holidays.

Once the Zimbabwean dollar dropped to half its previous value, the escalation of prices was inevitable. Prices for imported goods have nearly doubled, which is expected. But prices for locally produced items have also gone up considerably. The price of the staple food, maize meal, was increased by 216% yesterday.

The Zimbabwean public is furious. On Saturday a group of disgruntled shoppers began shouting and protesting in a large supermarket at Harare’s Avondale shopping centre.

It took the shop manager 30 minutes to calm people down and explain the economic reasons for the price increases.

Trying to take advantage of that anger, the Mugabe government itself has stoked the burning resentment.

Minister of Information Mr Chen Chimutengwende has repeatedly blamed the white business community for increased prices, charging that while businessmen are trying to make the country unenviable by raising prices.

Government critics charge that yesterday’s protest action was covertly instigated by the government to frighten the white-dominated business community.

No matter who sparked the strike, it rapidly took hold throughout the capital.

“The government is trying to pass the blame on to the whites to channel public anger at the whites, but this is wrong,” said Zimbabwe’s leading opposition politician, Ms Margaret Dongo.

“The government has no one to blame but itself. It has caused these price rises.” — Independent Foreign Service
Maize price rise dropped after Zimbabwe riots

Protesters tear-gassed and clubbed, parts of Harare like ‘a war zone’

Zimbabwe police helicopters teargassed homes in black townships south of Harare yesterday as violent protests against price rises spread out from the city centre.

Police said tearers and clubs had been used by demonstrators in central Harare to stop the violent protests, which left a trail of broken and looted shops.

Witnesses said police helicopters using flares teargassed homes indiscriminately in the townships of Glen View, Glen Norah and Highfield as the protests spread from the city centre into residential areas.

Parts of the capital resembled a war zone. Smoke billowed from the south of the city, known as “New Delhi,” because of its heavy concentration of businesses owned by Zimbabweans of Asian origin.

The area shook with sounds of police firing bursts of tear gas. Roads were barricaded and shards of broken glass littered the streets. Many shops and banks closed early.

State radio reported that “some people” had been injured in the protests, but the police said they had no details.

Home Affairs Minister Dumiso Dabengwa vowed that police would protect people and property.

President Robert Mugabe’s government reacted by ordering millers to scrap a 21% rise in the price of the staple maize meal planned for yesterday. It also announced it would review all recent increases in basic commodity prices.

“We have asked our officials to call in the millers and tell them that these increases are null and void,” Industry and Commerce Minister Nathan Shamuyarira told state television, referring to the maize meal increase which followed a 24% rise on January 5.

Many manufacturers and retailers raised the price of basic commodities by between 17 and 42% on January 5, citing the steep fall of the Zimbabwe dollar against foreign currencies and increased input costs in the last quarter of 1997.

Sources in Mugabe’s administration said the government had acted because it feared the riots could get out of hand.

Yesterday’s riot was the second wave of violent protests since December, when protests forced Mugabe to scrap a deeply unpopular tax package.

The Zimbabwe Stock Exchange suspended afternoon trade because the protests prevented some brokers from reaching the exchange.

There were also protests in the western towns of Chitungwiza and Chinhoyi.

Information Minister Chen Chimutengwende has said the government was not planning to raise prices in line with the country’s inflation rate. Social unrest, he said, was a charge they had vehemently denied.

Chimutengwende said that the government had not agreed that some unnamed white businessmen were retaliating for government plans to compulsorily buy more than 1,800 mainly white-owned commercial farms for a peasant resettlement scheme.

Mugabe, who has been in power for nearly 16 years, rejects economists’ warnings that his plans will ruin the economy and add to already mass unemployment.
**Tough times ahead**

**Harare** - As Zimbabwe braces for what is likely to be a tough year on the economic front, the potential for increased riots and crime engendered by the sharp rise in the cost of living is becoming more apparent.

Already the Zimbabwe Congress of Trade Unions (ZCTU), organisers of a highly successful civil protest against increased taxes last December - albeit having a criminal and riotous element - are working on strategies to resist the escalating cost of living.

But it appears Morgan Tsvangirai's group does not have to work hard to organise demonstrations against the erosion of the workers' buying power.

While the ZCTU general secretary said the labour movement was still consulting on what course of action to take, residents of the working class suburb of Malabwuku in eastern Harare were already in the streets in a spontaneous demonstration against price increases.

While Malabwuku residents told-told in the streets denouncing businesses for the sharp rise in the prices of basic commodities, economists have said business people have no choice but to increase prices following the nearly 50 percent devaluation of the Zimbabwe dollar in the last three months.

Economist Kenias Mafukidze said doing business in Zimbabwe was now more difficult with the recent increases in the price of basic commodities without adjustments in income.

Mafukidze, who is president of the Economic Society of Zimbabwe, said the price hikes, which averaged 20 percent, were of concern as they left an inflationary drag on economic activities.

“From the companies’ point of view, this is going to impact negatively on them as they face increased costs while at the same time they cannot transfer all these costs to consumers because their purchasing power is already under pressure,” Mafukidze said.

He noted that various factors, including the high cost for imported inputs due to the depreciation of the local currency and high cost of borrowing due to the central bank's efforts to control money supply-growth, contributed to price hikes.

Because of the high lending rates by commercial banks, companies were failing to meet their margins. After all, he said, profit was the bottom line of any business.

Since any company needs to report positive results to shareholders, the only way is to increase prices if they are to survive,” he said, adding that without such adjustments some would have to close down.

And company closures would only worsen Zimbabwe’s unemployment rate, estimated at 30 percent in a country of about 12 million and a factor behind the riotous behaviour and looting that takes place each time there are demonstrations in Harare.

However, the Zimbabwean government - sensing the potential for riots as a result of the worsening cost of living - has blamed the economic woes on what it sees as a venal government unhappy with nationalisation of up to 50 percent of commercial farms for the resettlement of land-hungry black people.

Information, posts and telecommunications minister Chen Chinamugwenda blamed the white establishment for “subverting” the economy in order to turn the people against the government but also conceded the government’s helplessness because of its commitment to market reforms.

In a snap survey, ordinary consumers, perhaps not so much conversant with the economics of currency depreciation, interest rates and inflation, were bitter about what they called “unjustified price increases”, especially on basic commodities such as meat, meal, cooking oil, sugar and bread.

The target of their anger is an “avaricious” business community.

The same sentiments were echoed by the Consumer Council of Zimbabwe (CCZ) who called for government intervention and even the reintroduction of subsidies to protect the poor.

“It's important that the government introduces targeted subsidies on essential goods to cushion vulnerable groups against the increases,” said CCZ senior official Bright Mpofu.

Mpofu also warned of unrest among desperate consumers in urban areas, saying they would not be able to absorb or tolerate the price increases, a situation he said was unhealthy for the country.

Mpofu said it was the responsibility of all stakeholders to make sure that there was harmony and stability at the market place.

He said although it was necessary to make profit, there was need for a harmonious coexistence between the business sector and consumers. He accused some businesses of making “above normal” profits which he called consumer exploitation.

“The two sides (business and consumers) depend on each other and the business sector should remember that it has an economic and social obligation to help consumers,” he said.

Opposition politicians, however, have rallied to the side of business against attacks by the government, saying the current hardships were a result of mismanagement of the economy by the government.

Edwin Ngwau of the small Zanu (Ndonga) party blamed the problems on the depreciation of the Zimbabwe dollar and the inability of the government to “downsize itself and reduce spending,” Sapa.

Zimbabwe’s capital was tense yesterday amid fears of a repeat of Monday’s food riots in which at least three people were wounded by police gunfire and millions of dollars of property was looted or destroyed.

Shops and offices in the centre of Harare reopened but businessmen were keeping a sharp eye on the high-density suburbs on the southern and eastern outskirts of town, where most of the violence took place on Monday.

Many demonstrators said they planned to keep up their protests until price increases for basic foodstuffs are dropped. The government has already scrapped a planned 21 percent rise in the price of maize meal and has promised a review of all prices.

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**Zimbabwean demonstrators flee teargas fired by riot police in Harare on Monday.**

**PIC: AFP**
Zim calls in army to quell riots

HARARE — Troops ready to shoot “trouble causers” were sent to Zimbabwe’s capital yesterday, the second straight day of rioting over increased food prices.

It was the first time troops were deployed to control unrest since independence in 1980.

“They have not been trained to use bullets like the police. They will not hesitate to shoot any trouble causers,” home affairs minister Dumiso Dabengwa said yesterday.

He said the Zimbabwe National Army was ordered on “alert countrywide” in case rioting spread from Harare to other urban centres.

“We have been left with no other choice than to bring in the army,” Dabengwa said.

The unrest, the second eruption of rioting in Zimbabwe in recent months, has demonstrated a growing hostility towards President Robert Mugabe’s government.

Mugabe has been accused of heading an autocratic, corrupt administration that is driving the country towards economic ruin.

Government officials and their cronies have benefited from land schemes that are supposed to help poor blacks. A pension plan for former freedom fighters was riddled with corruption, leading to increasingly bitter protests by the war veterans until the government agreed last year to pay them over $600 million.

This week’s “police fired teargas and live ammunition at people who looted shops and stations vehicles.”

Yesterday, thousands of people evacuated the city centre out of fear of more violence. Military helicopters circled overhead as most businesses locked up by mid-morning.

The day before, demonstrators and police battled in the downtown area, with hundreds of people left choking and retching from teargas. One man was seen bleeding heavily from gunshot wounds to his legs.

Shopping centres in Harare’s high-income northern suburbs, unaffected on Monday, shut down yesterday after demonstrators threatened to set fire to one luxury mall.

Most bus services were suspended and minibuses ran limited routes, preventing many from reaching their workplaces.

See also page 12.
Foreign credit to rescue Zimbabwe

By Michael Hartnack

HARARE — Zimbabwe's Reserve Bank says it has established foreign credit lines worth $300m with the aim of stabilising the Zimbabwe dollar in the first quarter of this year.

The bank said additional donor support granted by the World Bank and the European Union (EU) and under discussion with the International Monetary Fund, should assist in halting further depreciation.

Since November 21, "Black Friday" — when the Zimbabwe dollar fell from 14 to 26 against the US dollar and recovered following the Reserve Bank's injection of $22m — into the market — the Zimbabwe dollar has continued to fall. Yester-

day it averaged about 20 to the US dollar and 3.5 to the rand.

At the weekend the EU and World Bank signed agreements to resume budget support which appeared to preclude President Robert Mugabe's plans for immediate radical land redistribution.

To qualify for $30m aid from the EU and $60m from the World Bank, Zimbabwe pledged not to prejudice productivity or farm workers' rights, and to abide by constitutional processes of law.

Papers signed by senior secretary for finance Charles Kuwawa committed Mugabe to conducting land reform in an "orderly" manner that did not push the budget deficit beyond 6.5% of gross national product — an impossible task if Mugabe hopes to offer pay-

ment to present white owners and resettle peasant families.

The Reserve Bank was confident it could build up sufficient funds for three months' import cover, and expected the start of tobacco auctions in April to provide further relief.

Most analysts fear more pressure as importers seek to build up stocks in expectation of further decline. Revenue forecasts for Zimbabwe's traditional major exports — gold, base minerals and tobacco — show a downward trend, while manufacturers blame "protectionism" for poor earnings.

The bank said "shortcomings" had been revealed in the foreign exchange market including "vulnerability to nonfundamental factors" such as speculation.
Threat of emergency in Zimbabwe

Michael Hartnick

HARARE — Business in Zimbabwe's capital ground to a halt for the second consecutive day yesterday as a result of riots which saw President Robert Mugabe deploy troops in the townships and threaten a state of emergency.

Home Affairs Minister Dumiso Dabengwa said the entire army had been put on standby.

The riots have been triggered by sharp increases in the prices of many basic foods following the decline of the Zimbabwe dollar.

Dabengwa warned that the deployed troops had 'not been trained to use batons like the police and they will be carrying arms and live ammunition.

They will not hesitate to shoot any troublemakers who are encouraging looting and destruction of property.'

SAPA reports Mugabe warned that he would be forced to introduce a state of emergency if the riots continued. He said his government would not hesitate to impose the harshness of the law. 'We cannot allow hooliganism to continue.'

The deployment of soldiers to suppress urban civil unrest is unprecedented in independent Zimbabwe.

Overnight, air force helicopters bombed groups of suspected looters with tear gas in many townships, catching many law-abiding householders as well. The Zimbabwe Broadcasting Corporation reported that a squadron of armoured cars was deployed in Chitungwiza near Harare.

Dabengwa denied reports that up to four people had been shot dead by police in 24 hours of rioting in and around Harare. He said only one looter had been wounded and four policemen seriously hurt.

He said no further demonstrations were justified because maize meal prices — which rose 21% on Monday after sharp increases last year — would revert to their former level.

He refused to elaborate on Monday's announcement that price rises would be reversed. Business sources said they had no knowledge of any meeting between government and businessmen aimed at revoking the increases.

But Commerce Minister Nathan Shamuyarira said millers who broke an agreement on prices, reached yesterday, would be 'dealt with severely.'

Dabengwa said there had been widespread destruction and gave no time-limit for deployment of troops, which he denied was tantamount to a state of emergency. He said gangs of looters were still trying to force their way past police roadblocks to attack the city centre. 'Somebody did some organising. There is no doubt. It must have started from something. It was not spontaneous.'

Claire Piekard-Cambridge reports that a minibus filled with SA businessmen was stoned by a mob in the city last night. The businessman, who did not want to be named, said bricks had been thrown through their windows, narrowly missing them before they managed to flee.

'It was very frightening and makes one reluctant to do business there after such an experience,' one said.
Real economics forces Mugabe to ditch his big land grab

MARY BROAD

Johannesburg - Zimbabwean President Robert Mugabe's controversial plan to confiscate 1,400 white-owned farms has been halted — probably indefinitely — by conditions imposed on new loans by the World Bank and the European Union.

For months, Mr Mugabe, whose government's popularity has slumped to an all-time low, has been sabre-rattling at commercial farmers, threatening a mass land grab after the May harvest with little or no compensation for owners.

In Zimbabwe, 18 years after independence from Britain, commercial farms remain in white hands. Reform is admittedly long overdue, but Mr Mugabe has been using the issue as a smokescreen for the political and economic failures which have sparked unprecedented mass protests throughout the country in the last few months.

Even the most ardent land reformers warned that the crude measures proposed by Mr Mugabe — take-over by force and redistribution among landless peasants — would spell economic disaster for the country.

Not only does the government not have the money to buy the land, it has no funds to invest in machinery or to train black farmers, who generally have no experience of anything other than subsistence farming.

At the weekend, political rhetoric finally gave way to hard economic realities when the beleaguered government persuaded the World Bank and the EU to release $90-million and $80-million ($230-million and R100-million respectively) of frozen budget support.

In return, the government pledged to respect the Zimbabwean constitution which guarantees compensation to those affected by land reform. The promise contradicts Mr Mugabe's recent threats to ignore the constitution on the issue.

Crucially, the government also has promised not to push Zimbabwe's budget deficit beyond 8.2% of the gross national product — an undertaking which also seems to torpedo the land grab.

Zimbabwe badly needs outside investment. The Zim dollar is in free fall, ironically its difficulties are at least partly due to the uncertainty surrounding the land threat.

The implications of the loan conditions became public as more than 1,000 protesters again took to the streets against price rises. As riot police teargassed and baton-charged the people, the government again blamed whites for the country's problems.

But ordinary people seem not to have fallen for the government line. During last month's riots they queued up to denounce Mr Mugabe's government as corrupt and claim that his days were numbered. — The Independent, London
Anger over rising prices

Soldiers deployed to halt Zim riots

HARARE: For the first time since the end of white rule in 1980, Zimbabwean troops have been called in to control urban violence.

PRESIDENT Robert Mugabe warned yesterday that his government would introduce a state of emergency in Zimbabwe if riots over increased food prices continued.

Mugabe said his government would not hesitate to impose the harshness of the law. "We cannot allow hooliganism to continue."

Army units, armed with live ammunition, have been deployed in the capital Harare to control demonstrators and looters.

Home Affairs Minister Mr Dumiso Dabengwa announced the deployment shortly after yesterday’s cabinet meeting.

"It is the first time that military units have been used to control urban violence in Zimbabwe since the Rhodesian government used troops to suppress revolt in the townships before the country’s independence in 1980."

"The deployed army personnel will be carrying arms and live ammunition and will not hesitate to shoot any people who are troublemakers. We have been left with no choice but to bring in the army," Dabengwa said.

The news agency Ziana said tension in Harare had reached explosive proportions as thousands of residents braced for a showdown with authorities. At least one man was shot and seriously injured by police at the Machipisa shopping centre in the politically volatile Highfield high-density suburb.

The unrest that started on Monday and continued yesterday is the second outbreak of rioting in Zimbabwe in recent months, showing a growing hostility towards Mugabe’s government.

Mugabe, who has ruled Zim-

babwe since independence, has been accused of heading an autocratic, corrupt administration that is driving the Southern African country toward economic ruin.

Government officials and their cronies have benefited from land schemes that are supposed to help poor blacks. A pension plan for former guerrilla fighters was crippled by corruption, leading to increasingly bitter protests by the war veterans until the government agreed last year to pay them more than R1 105m in a budget-breaking move.

In this week’s rioting, police fired teargas and live ammunition at people who looted shops andstoned vehicles in Harare and some of its suburbs. Yesterday, thousands of people evacuated the city centre. Military helicopters circled overhead as most downtown businesses locked up by mid-morning.

On Monday police fired teargas as they clashed with demonstrators in the city. One man was seen bleeding heavily from gunshot wounds to his legs.

Police have released no information on the number of people injured or arrested so far.

Shopping centres in Harare’s high-income northern suburbs, unaffected on Monday, shut down yesterday after demonstrators threatened to set fire to one luxury mall. Most bus services were suspended and taxis ran limited routes, preventing many workers from reaching their jobs.

The protests were sparked by a 21% increase in the price of corn meal on Monday, following on increases of more than 25% on most essential goods and foods during the first two weeks of 1998.

On Monday night, the government ordered milling companies to scrap the maize meal price rise. Commerce Minister Mr Nathan Shamuyarira said the government had found no justification for the price increase and blamed it on excessive profiteering.

Business leaders have blamed price rises on ruinous government policies that have weakened the Zimbabwe dollar by about 50% against the US dollar since November.

Speaking to journalists yesterday, Mugabe blamed the riots on opposition political parties whom he accused of taking advantage of the country’s economic hardships.

"We do not want to go back to the days of the repressive state of emergency because people should be free to move around and express themselves in a peaceful non-violent manner," he warned.

Mugabe said there was no reason for people to riot as everyone was affected by the hardships.

"While we, as government, accept that people are facing economic hardships, there is no need for people to behave in such a savage manner, looting shops, stealing cars and beating innocent people."

"Let me give them a serious warning that they are asking the government to invoke the harshness of the law. The government will not hesitate to impose that harshness on the people. We cannot allow hooliganism to continue," Mugabe said. — Sapa
Hundreds flee troops entering capital
Stampede as Harare panics
Army ordered to shoot at looters in Amok in Haifa
Zim Riots Spread Countrywide

Security forces arrested more than 300 people to retrieve looted property.

The country was plunged into a state of chaos and confusion as violence erupted in several parts of Zimbabwe. Shops and businesses were looted and destroyed, and the streets were filled with rioters. The government has vowed to crack down on the violence and restore order.

The violence has sparked international condemnation, with many countries calling for a peaceful resolution to the crisis. The United Nations has also expressed concern about the situation and has called for an immediate end to the violence.

In the meantime, the government has vowed to take tough measures to ensure law and order is restored. However, many residents are calling for greater accountability and transparency from the government.

The situation remains tense, and it remains to be seen how the government will handle the crisis.

Source: News International

(362) 1998

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Source: News International

(362) 1998
Zimbabwean woes to knock SA exports

On Tuesday the army was deployed to quell widespread riots and looting.

Standard Bank economist Nico Cypionka said an economic slowdown in Zimbabwe caused by rises in interest rates would limit demand of SA's exports to Zimbabwe, which was SA's main trading partner in the subregion.

Figures supplied by the Industrial Development Corporation (IDC) show the Southern African Customs Union — including SA, Botswana, Lesotho, Namibia and Swaziland — ran a R4.14bn surplus in trade with Zimbabwe in 1996. The surplus was R3.9bn in the first nine months of last year. Exports to Zimbabwe represented 4.3% of the customs union total in 1996.

Cypionka said Zimbabwean exports might become intensely compet-

Continued on Page 2

Zimbabwe

Continued from Page 1

tourism to Zimbabwe and the region.

Foreign markets often viewed unrest problems in a regional context rather than a country-specific context.

As a result the southern African tourism region could experience some spillover, but the SA tourism industry would not face severe consequences.

Farr said 30% of SA's foreign tourists also visited other African countries, mainly Zimbabwe. Tourists now might exclude Zimbabwe or postpone the whole trip.

An independent tourism specialist, Delano Carre, said the effect of the riots in Zimbabwe "would not be too bad", unless they continued and spread to Victoria Falls and other important tourist areas.

On the positive side, the IDC said more attractively priced Zimbabwean equities presented opportunities for the less risk-averse SA investors. "Further opportunities are likely to arise in the form of an accelerated privatisation process due to mounting fiscal pressures."

Land plans still stand: Page 6

Government not in control: Page 12
Events are in control of Zimbabwe

Economist Prof Tony Hawkins warns that Zimbabwe's government is no longer in the driving seat and is looking to outsiders to resolve its problems, writes Michael Hartnack in Harare.

HAVING destroyed investment confidence both at home and abroad, President Robert Mugabe's government and the wider community here must seek to rebuild it. Prof Tony Hawkins of the University of Zimbabwe has warned.

"There can be no quick fix," he said in a speech to chartered secretaries while food riots paralysed the capital. Recent policy reversals and unpredictability have soured the business climate to the point where even if the government is seen to climb down over its land policies, the damage has been done," said Hawkins, one of the most outspoken critics of public and private sector leadership voiced here.

"If one conclusion stands out it is that events have taken control. The government is no longer in the driving seat. It is locked into reactive mode, unsure which way to turn, how to respond and what solution to try next.

"That all sections of the community, not least the government, are looking to outsiders — the donors, the International Monetary Fund (IMF), the World Bank — to resolve the crisis is profoundly depressing."

Referring to white business leaders' pleas to Mugabe for a "team Zimbabwe" approach to land and other reforms, Hawkins said they "must explain how irredeemably, irrevocably compromised players — the government and the present leaders of the business community, including the farmers — who have failed in the past will somehow change their spots sufficiently to make a market economy work.

"Maybe team Zimbabwe is the solution, but it will need different teams from both government and the private sector, along with a different set of rules."

The government, the state-owned media, the World Bank and IMF had been taken aback by the crash of the Zimbabwe dollar and stock exchange at the end of last year, but the weakness of economic fundamentals had been clear. The currency was overvalued, the balance of payments was deteriorating, more than a quarter of the workforce was unemployed, money supply growth was excessive, corruption was growing, real wages were down by more than a third since 1999, while infrastructure and social services were deteriorating.

"Against that background, two events — the unbudgeted payment to the war veterans and the belated decision to rush through a populist package of unfunded and ill-conceived land acquisition — set off a train of events that is still unfolding," said Hawkins.

He attacked the IMF for misjudging the situation "encapsulated in two comments". The IMF's local representative Robert Franco "on emerging from the 1997 budget last July judged it to be good although he admitted he had not read it", said Hawkins.

"Confidence in such professionalism was further undermined when the IMF team left Harare last year having detected what it called "a strong adjustment programme". Just how strong that programme is has been made clear for all to see in recent weeks."

Hawkins said it was fashionable among those who read "and even believe" Zimbabwe's state media to believe funding from the World Bank, IMF and European Union will turn the economy around.

"They won't. The promised $270m or so that has been reported would not be enough on last year's estimated balance of payments figure to cover more than a month's obligations, including service payments such as dividends and interest, let alone debt repayments.

"Such blood transfusions of aid or concessional lending are no more than band aids."

Failure to understand that economic policy and business confidence could not be based on and off like a tap was shown by Commerce Minister Nathan Shamuyarira's statement, in the same breath, that government did not control prices but would outlaw massive price increases which had triggered the riots.

This was "indicative of this government's failure to understand what business is about, what markets mean and what drives investment," said Hawkins.

He said that not all farmers were negative and the rains had been better than feared, while floods in Brazil had boosted prices for tobacco. Zimbabwe's main export, manufacturing would not regain 1991 levels of output (when the SA trade agreement lapsed) until 2001, and mining was heading for another difficult year.

"He forecast weak economic growth of 3% at best and a volatile currency southward over the year. Inflation was set to increase to 50% a key imponderable being fuel which ought to have increased 40% to accommodate devaluation."

"It won't come as a surprise if government opts to subsidise fuel prices rather than increase them, though how this will be paid for will be difficult for what creative accountants' techniques will be applied to keep such a subsidy off budget remains to be seen."

He feared there would be "tough bargaining" despite government hopes to avoid one this year. "Clearly if price controls are imposed and made to stick — which is highly unlikely — then wage awards will be nearer 25% than 15%. But I wouldn't hold my breath if I were you."

Send us your comments or write to bwnews@els.co.zw.

Soldiers patrol the streets of Harare in the aftermath of yesterday's looting of shops by demonstrators. Army and police are trying to keep the peace in the tense city. Picture AP.
Land plans not abandoned either.

Two Algiers blasts kills one, injures another.

Dr. June Takes the helm in emergency session.

A youth guard wades over numéro firms from a championship sports in the Mideast.

Continued effort to be channelled into the...
Riots: Mugabe set to curb prices

Harare: Many factories and banks failed to open in Zimbabwe's capital today, but it was not clear if the slowdown reflected a strike or employer concern after food riots this week.

President Robert Mugabe's cabinet said after an emergency meeting yesterday that workers had a right to protest against the average 20% increase in the prices of basic foods this year.

The government named a cabinet panel to recommend price control measures to prevent similar increases in the future. - Reuters
Arrogance of Mugabe comes home to roost

Harare municipal worker Ennath Murombo sighed yesterday as she swept the broken glass along the usually busy Simon Mazorodze Road leading to the industrial sites and beyond to the Highfields, Mukakoe and Glen View townships.

The Mazorodze Road, a thoroughfare from the poor townships to Harare’s glistening city centre, was one of the most embattled in the city’s food riots. The shattered glass was from cars and trucks stoned by angry mobs and from the plate glass windows of fast food outlets that were looted.

“I don’t know what is happening to our city,” said Murombo. “We cleaned up the glass after the national strike (on December 9) and now we clean up this mess. Who knows when there will be more trouble?” And sure enough, just later a stone-throwing mob from the townships marched toward the central business district, only to be turned away by teargas and the threat of gunfire from the massed army troops.

Further down the road, security guards surveyed the gaping holes where plate glass used to surround a Steers outlet. The glass had recently been repaired after the rioting on

the presence of the army helicopters and riot police would restore calm and order and Harare would slowly begin returning to normal.

Like the municipal workers sweeping up the shattered glass, all Zimbabweans are asking themselves “Why?” and “What does this mean?”

The Zimbabwe Congress of Trade Unions had not authorised a strike and no other group claimed responsibility for the most serious civil disturbance the country has seen since independence.

But the causes of the food riots are not hard to find. The Zimbabwe dollar has lost 50% of its value since November, causing an inflationary downward spiral. Food prices have skyrocketed and Harare’s lowly paid majority, not to mention the unemployed, found it even more difficult to get by.

The final straw was a 21% price hike of the staple food, maize meal.

The price of mealie meal had already been raised twice in the past two months. What had been simmering discontent erupted into angry violence.

“The government has

finance minister. According to official sources he ordered the minister to “find” the money. This was a hard job for Herbert Murerwa, who had already struggled to keep the high-spending government’s budget deficit to below 10% of the GDP.

At the same time Mugabe courted renewed enthusiasm from his rural stronghold by announcing seizure of nearly half the country’s privately owned farmland, most of which is owned by whites.

Once again, little heed was given to the economic consequences of this political manoeuvre. Zimbabwe’s most productive sector and largest exporter was drastically undermined. The lack of regard for private property caused investor confidence to plummet. The Zimbabwe dollar began its freefall, the stock market crashed, interest rates soared above 30% and prices rose to match that rate.

Many Zimbabwean economists, not to mention the International Monetary Fund and the World Bank, warned of economic disaster, but Mugabe marched defiantly ahead, paying the war veterans in December and repeating his vows to seize the farmland. Sensing the rising public anger, the government attempted to blame its perennial scapegoat, the country’s white minority.

Minister of Information

Many economists warned of disaster
Zimbabwe's government has vowed to prevent price hikes similar to those which sparked violent food riots in Harare this week. Information Minister Chen Chimutengwende said yesterday an emergency session of President Robert Mugabe's cabinet had set up a three-man committee to review all recent price increases and suggest measures to prevent profiteering. The committee is expected to report to the cabinet next Tuesday.

"The government is determined to address the situation fully and as a matter of urgency to ensure that nobody in future will be able to put up prices of basic food commodities to unjustifiable and unrealistic levels," the minister told reporters.

An uneasy calm settled on the Zimbabwean capital last night, but workers said the country faced more disruption after word spread of more strike action planned for today.

"They say we mustn't come to town tomorrow," said one woman yesterday. Union officials were unavailable for comment.

Mugabe's government called in the army on Tuesday to help police restore order after riots by protesters angered by post-Christmas price rises of up to 42%.

Businesses said the rises were necessary to recoup higher costs from the Zimbabwe dollar's 70% drop against the US dollar in 1997. Zimbabwe's markets were subdued yesterday, with industrial shares dropping 55 points while the Zimbabwe dollar firmed on reduced demand.

Chimutengwende repeated accusations yesterday that some whites were fuelling the unrest in retaliation for Mugabe's plan to seize 5,033 mostly white-owned commercial farms to resettle landless blacks.

Cash-test dummies ... a security guard walks over display models thrown from the shop at Chitungwiza shopping centre in Harare yesterday. A crowd of demonstrators looted several shopping centres in the city and surrounding areas. Police and the army were in control of the streets yesterday.

Soldiers guarded looted shops south of Harare, preventing reporters from filming or photographing the damage wrought by angry mobs earlier in the week. Officials said at least 400 looters were arrested.

Political analysts say the riots could pose the most serious threat yet to the 17-year rule of 73-year-old Mugabe, who led the former British colony of Rhodesia to independence in 1980.

Harare's food riots were only partly quelled by the impressive deployment of the Zimbabwe National Army yesterday, and looting spread to other cities.

For the third day, demonstrators protested against high food prices, forcing shops and businesses to close in the city centre and throughout Harare's southern townships. The army and riot police sealed off central Harare from protesters, but there were some skirmishes, and tear gas was fired in the central business district.

In the eastern city of Mutare, police shot at looters yesterday, injuring at least one, according to the Zimbabwe Broadcasting Corporation.

There were reports of looting and disturbances in the cities of Gweru, Masvingo and Chitungwiza.

Protests against brutality by police and the army are expected this week.

There were several reports of injuries and deaths, but none had been confirmed, except for the case of a baby trampled to death by a running crowd.

Meanwhile, President Robert Mugabe's cabinet has appointed a three-minister committee to make proposals on the prices of basic foods.

In a mopping-up exercise yesterday, the army carried out house-to-house searches in the townships for looted goods.

Three hundred people were arrested in Chitungwiza, Harare's largest township with an estimated 600,000 residents.

There are growing complaints that the army's searches are brutal.

"The army has no right to shoot people just because they are exercising their democratic rights," complained a street vendor in central Harare.

Namibian President Sam Nujoma flew into Harare yesterday and met briefly with Mugabe. No explanation was given for the meeting.

Mugabe's arrogance...
Mugabe's grip slips further

Something has to give as all the promises count for primary

Now that the entire donor community has rejected Zimbabwean president Robert Mugabe's land-grab plan, his political future looks bleaker than ever. If he needs donor advice and opts for a slower, shiner and altogether less radical land resettlement strategy, he may secure some funding for his plans - but at what cost politically?

This week's angry food-price riots in the streets of Harare are a stark reminder - if one were needed - that Mugabe is losing his grip. One reason for this is his failure to deliver - jobs, schools, homes, higher wages and, above all, land. To back down now on land might not bring out the rioters in the same way as did higher taxes last month and increased food prices this week, but it would harden the feeling in the ruling Zanu-PF party, as well as the country at large, that events have overtaken the 73-year-old founder of the nation.

From the moment Mugabe promised to "solve" Zimbabwe's land problem by redistributing over 1,470 mainly white-owned commercial farms to black peasant farmers, it was obvious that the chief obstacle would be finance. Where, government officials and Ministers were asked, would the money be found not just to buy the farms but also to fund partitioning the land, roads and other infrastructure, and the provision of agricultural credit and extension services? True to form they gave no answers. For a while it was hinted that Britain would pick up the tab, but in his brief visit to Harare earlier this month, junior Foreign Office Minister Tony Lloyd dispelled that notion in the bluntest possible terms.

Last week it was the European Union's turn. Earlier in January the EU had suggested that a donors conference be called to fund land resettlement - not the land takeover as proposed by the Mugabe government, but a coherent, long-run strategy of rural development. Last week, when releasing US$20m in aid to Zimbabwe, the EU's Harare representative Michael Laidler made it clear that any land acquisition programme must be carried out constitutionally, with payment of compensation and a transparent process of land allocation. The World Bank was reported to have adopted a similar stance.

It has long been obvious that donor funding would not be forthcoming for the planned land-grab. Government must either finance the scheme itself (which, with a budget deficit already verging on 10% of GDP, is not a start), seize the land without compensation (which would run foul of the donor community), or slow down the programme, if not abandon it altogether.

Of these, the most likely option by far is to slow the process to no more than 100 farms annually. An alternative option - to be floated at this week's National Economic Consultative Forum in Harare - would be for the white farmers to come forward with a package of land resettlement proposals as a basis for subsequent negotiation and possible compromise. It is just possible that a farmer-promoted package would win donor support, thereby getting Mugabe and Zimbabwe's economy - off the hook.

This assumes, however, that Mugabe is in control of events and can go back on his past promises. The reality is different, as this week's events demonstrated. For the second time in six weeks, the capital was brought to a halt by rioters - this time mainly young blacks protesting against the 21% hike in maize meal prices.

Government promptly stepped in to rescind the price increase, but it cannot get away from the fact that over the past year the market price of maize has more than doubled because of a poor harvest and stockpiling in expectation of an El Nino-driven drought this year.

With the abolition of price controls in the early 1990s, government has no power to fix prices, unless this is done using emergency regulations, but the threat to review all prices - not just maize meal - is a measure of Mugabe's mounting desperation. The reimposition of price controls while his treasury is seeking to negotiate new loans with the World Bank and IMF highlights the bind government is in.

Even if this move buys a little time - it cannot be no more than temporary - the next crisis is not far down the road. Fuel procurement costs have risen over 40% since the petrol price was last adjusted. If government agrees to raise prices by such a margin, the outcry from business as well as the trade unions and people on the streets will make this week's Harare riots look mild.

Yet what alternative does Mugabe have? He has no money to finance a fuel price subsidy which, in any event, would torpedo any chance of an agreement with the IMF. As the problems crowd in, so Mugabe must be asking himself whether retirement is not the best option.

Special Correspondent
Mugabe admits Zimbabwe’s economy in serious trouble

The economy in Zimbabwe is in serious trouble, says President Robert Mugabe, following recent criticism of the government’s economic policies.

"The situation is not as bad as people think," Mugabe said in an interview with the BBC last week. "We have been facing challenges for some time now, but we are working hard to address them.

"We are implementing a series of measures to stabilize the economy, including the introduction of a new currency and the reduction of imports.

"We have also implemented a series of social programs to support the poor and the vulnerable," he added.

Mugabe said the government is working hard to improve the economy, but acknowledged that there is still much to be done.

"We have a lot of work to do," he said. "But I am confident that with the right policies and hard work, we can turn things around.

"We are committed to making Zimbabwe a prosperous and successful country," he concluded.
Mugabe softens land stance in speech on economy.
Business slates Mugabe as he skates over unrest

Harare – Business and community leaders rounded on President Robert Mugabe for being remote and surrounded by “deadwood” after he addressed a key business forum, a day after rioting ended in the capital.

In his keynote speech yesterday at an eagerly awaited National Economic Consultative Forum of government and private business leaders, Mr. Mugabe admitted to economic “disruption” but made no reference to three days of rioting, which petered out on Wednesday after he ordered troops on to the streets.

Press reports say the violence cost at least five lives and millions of dollars through looting, destruction of property and lost business.

Sombre-faced captains of industry and commerce, still trying to calculate their losses and wondering if they would recover, grabbed the opportunity to tell the president that he should publicly comment on the rioting in order to help restore business confidence.

“Mr. Mugabe, who addressed about 120 business leaders, academics, ministers and other policy makers, admitted that business optimism was “at present quite low” but blamed this on “prohibitively high increases in interest rates” – Sape-AFP
Food riots a clear warning to Mugabe

HARARE - Municipal worker Enatho Murenga sighed as she swept the broken glass along tne usually busy Simon Mazerede Road leading to the industrial sites and beyond that to the Highfields, Muhonde and Glen View townships.

Murenga Road, a thoroughfare from the poor townships to Harare's glittering city centre, was one of the most embattled in the city's food riots.

The shattered glass was from cars and trucks slowed by angry mobs and from the plate glass windows of fast food outlets that were looted.

"I don't know what is happening to our city," said Mrs Murenga. "We cleaned up the glass but we have to keep it. People will know what they have to do if they see it."

The riot began on Saturday night and quickly spread to other areas in the city.

"I was afraid to go home," said Mrs Murenga. "I don't know what will happen next."

The rioters were largely made up of unemployed young people.

"They are angry because they don't have jobs," said Mrs Murenga. "They are angry because they don't have food."

The rioters attacked the homes of wealthy people and looted their cars and houses.

"They ruined everything," said Mrs Murenga. "They took everything they could.

The riot lasted for three days and caused widespread damage.

"The city is in ruins," said Mrs Murenga. "People are losing their livelihoods."

The rioters were eventually dispersed by the police and the army.

"We had to act to stop the riot," said Mrs Murenga. "We had to protect the city."

The riot was a clear warning to the government of President Robert Mugabe.

"We need to take action," said Mrs Murenga. "We need to take action to stop the riot."
Harare calm as soldiers patrol streets

At least five people, including baby, reported dead week of unrest

AFP

Harare

Life returned to normal in Zimbabwe's capital yesterday after three days of riots which, press reports said, claimed five lives and saw millions of dollars in property looted or destroyed.

A flurry of violence during the unrest were still present on the southern outskirts of Harare, where street violence over high food prices and economic hardships had erupted at the beginning of the week.

Two of the dead, a baby and a 7-year-old boy, were trampled to death by mobs fleeing police. A 14-year-old boy was run over by a car and two men were shot dead, reports said.

At least nine people have been treated for bullet wounds in hospital.

President Robert Mugabe's government sent troops into Harare on Tuesday, warning they would not hesitate to use gunboats to stop looters.

The government has declared the worst affected suburbs "disaster areas", which means looted shopkeepers may receive state assistance to get back into business.

An emergency cabinet meeting on Wednesday set up a ministerial committee to probe the price rises which sparked the riots and work out how to prevent "profiteering" in future.

The government has blamed everyone from "international donors and their economic prescriptions to white farmers and industrialists for the upheaval."

But the independent Financial Gazette said in an editorial yesterday that a whole range of policies of Mugabe's Zanu-PF party "have plunged the economy into near-crisis."

The Anglican and other churches also squarely blamed the authorities.

Economists say a series of government decisions last year had led to the collapse of the value of the Zimbabwe dollar, which, in turn, sparked the price rises.

One of those measures was an agreement to pay billions of dollars to veterans of the country's independence war.

Another was the announcement that the government would seize about 1,500 white-owned farms for redistribution, causing uncertainty over the future of agriculture.

The Financial Gazette said the payment to the war veterans, who helped to win Zimbabwe's independence in 1980, had triggered "an inflationary spiral whose toll will show a nation literally on the ropes."

Mugabe's Intransigence

Page 12

Mugabe alters his land-grab approach

Harare's Zanu-PF's President, Robert Mugabe, yesterday redrew his government's controversial land policy, saying his farmers would no longer be forced to relocate their farms.

He said it was critical to start reconciliation between the government and the white farmers who had been resettled onto thousands of hectares of land. Mugabe said his government would work with the farmers to set up a compensation fund for them.

Many farmers were upset by the policy to seize their farms and relocate them to communal land, saying it would disrupt their livelihoods and food security.

In effect, that he may be seeking to quell opposition and to create a "softer" image for his government, Mugabe said that his government would work with the farmers on a voluntary basis to set up the fund.

In addition, Mugabe said he would meet with the white farmers to discuss the issue.

Mugabe's moves come after the government had already faced criticism from the international community and donors, who had threatened to cut off aid to Zimbabwe.

The government is considering appealing to the UN and other international bodies to intervene and help resolve the crisis.

The government announced plans to change the constitution to allow for a referendum on the issue.

In the meantime, Mugabe said his government would work with the farmers to set up a compensation fund for them.

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 edición 17}, que llevó a cabo un encuentro con representantes de la administración pública, empresarios y académicos, con el objetivo de debatir sobre el papel de la educación en el desarrollo económico de la región.

El evento se llevó a cabo en el marco del programa "Educa y Desarrolla", que busca fortalecer la educación y el desarrollo económico a nivel regional. Durante el encuentro, se realizaron diversas presentaciones y paneles de discusión, en los que se abordaron temas como la importancia de la educación en el desarrollo económico, la formación de liderazgo y la innovación en el sector educativo.

Un punto de partida importante del encuentro fue la creación de un grupo de trabajo para el desarrollo de una estrategia de innovación en el sector educativo, que busca promover la creación de nuevos productos y servicios educativos, así como la implementación de métodos de enseñanza modernos y eficientes.

El encuentro se realizó en el centro de la ciudad, en una sala de conferencias equipada con las últimas tecnologías, y estuvo participado por cerca de 200 personas, provenientes de diferentes partes del país. El evento contó con la participación de destacados expertos en el campo de la educación, así como de representantes de la administración pública y de la comunidad empresarial.

En resumen, el encuentro "Educa y Desarrolla" fue una oportunidad valiosa para debatir sobre el papel de la educación en el desarrollo económico regional, y para promover la creación de nuevas estrategias y soluciones para mejorar la educación en la región.
of riots in protest against spiraling food prices, a crying of two for riots

Atlantic News

Although Mr Mugabe's government has loudly complained about the country's white-dominated business sector, there were only a handful of white executives invited by the government to attend the conference. Philip Baum, chief executive officer of Anglo American Zimbabwe, was one of the few white executives attending.

Mr Mugabe reiterated that he would not back down from his plans to nationalise nearly half of Zimbabwe's commercially-owned farmland, most of which is white-owned.

"I must warn you that if the government does not redistribute land, then in a few years' time the people will redistribute land, and if they do it, alas, it will be in a disorderly and violent manner."

The Zimbabwe Congress of Trade Unions refused to attend the economic conference, dismissing it as a "circus".

But many business leaders told Mr Mugabe that his government had lost touch with the people and urged the government to cut its spending and to sell off the state's large, loss-making corporations. - Independent

Business leaders issue warning against reinstating price controls

Harare - Zimbabwe's business community has warned President Robert Mugabe against reinstating price controls after violent food riots this week.

Mr Mugabe on Wednesday appointed a cabinet committee to seek ways of preventing future sharp increases in basic consumer goods prices.

The committee, which is to report to the cabinet next Tuesday, will also review all recent price increases and suggest ways to combat profiteering.

"I don't believe in price controls - that would be retrogressive," said Confederation of Zimbabwe Industries President Jonele Blanchfield. She suggested limited subsidies on selected basic consumer goods to assist the poor.

Three people, including two schoolchildren, have been killed in the violent protests against rises of up to 40% in basic commodity prices, and more than 2,000 have been arrested.

Zimbabwe National Chamber of Commerce president Danny Meyer said he believed the government remained committed to the economic reform programme but was wasting energy on the price committee.

Mr Meyer said: "There is no point in the ministerial committee being set up, because prices are rising because of the unstable macro-economic environment."

"But I believe the government is committed to reforms, as we saw in the national economic forum today," he added, referring to a one-day meeting in Harare of some 200 business, civic and government leaders.

Zimbabwe Congress of Trade Unions secretary-general Morgan Tsvangirai said the forum's effectiveness was limited because it was dominated by individuals representing no corporate constituency.

Mr Mugabe gave the opening address at the forum, which was convened to discuss economic problems.

The agenda includes his own controversial plans to seize mainly white-owned commercial land to resettle black peasants.

Economic analysts say inflation, which has averaged above 20% since 1991 when Western-backed reforms were launched, has eroded real wages to pre-independence levels.

Independent economic consultant Mervyn Ellis said Zimbabwe's social instability would persist as long as the authorities failed to tackle its political problems.
Army free to shoot looters, troublemakers
Mugabe hammered for abuses after bloody riots
Zimbabwe under siege after three days of looting in protests against spiralling food prices

Sunday News Saturday 24 July 1999
protests, sparked because government ministers had bled a fund meant for them.

Without consulting cabinet or parliament, Mugabe reversed course and agreed to give 30,000 veterans of Zimbabwe's liberation war US$50,000 (R13,900) gratuities and $2,000 (R5,500) monthly pensions.

To pay the veterans Mugabe tried to force a substantial tax hike through parliament, which refused, in spite of overwhelming control by Mugabe's Zanu-PF party. Mugabe enacted it the next day by executive fiat.

At a Zanu-PF party congress vice-president Simon Muzenda demanded that members show the party leaders the same kind of unquestioning obedience they would show a religious order.

Unfazed, delegates shouted in unison 'Hatidi' (We do not want) when a stunned Mugabe mentioned the tax package.

Into the fray stepped the once-docile Zimbabwe Congress of Trade Unions. Morgan Tsvangirai, the labour federation's secretary-general, organised a nationwide strike on December 9 to block the tax package.

Harare erupted in violence as police attacked demonstrators with teargas and batons.

Two days later Tsvangirai was beaten unconscious by eight thugs.

In spite of the beating he vowed more strikes would come in January unless Mugabe dismissed the national police chief, the Home Affairs minister, scrapped other taxes and called a constitutional conference to move power away from the president towards the parliament to fight corruption.

Ross Herbert, Africa correspondent for the Independent Foreign Service, interviewed Tsvangirai about the ongoing crisis.

**Q:** Initial reports on this week's riots in Harare blame the 21% rise in maize meal prices, which the government claims is a conspiracy by white business to embarrass the government. What is the cause?

**A:** Nobody takes that (conspiracy) comment seriously. The intent is to drive a wedge between business and employees after the December 9 protests. It is not just maize alone. It is tied to the broader price rises. Unions had nothing to do with this week's strike.

It was an expression of economic discontent, but it was also an expression of discontent in the financial and political management of the country.

You can be certain that this is a defining moment for Zimbabwe. The unemployed have no jobs, the farmers have no land, the interest rates are too high for business. What has the government done for 17 years in power?

**Q:** The currency crisis and recent price hikes stem from the market's reaction to the land acquisition plan and payments to veterans in October and November. How critical is land reform to Zimbabwe and how do you analyse the issue?

**A:** Land reform is a must for this country. It must rehabilitate communal areas, which are seriously overcrowded.

You must relocate some people, but those left need to learn proper skills. You need a proper extension service. You do not want to transfer communal meth-

That was genuine national interest. The protest was about tax and government accountability. The question of using the race trump card is very convenient but it is very old-fashioned. I don't need a white man to tell me that I am over-taxed.

Were it not for the economic disadvantage perpetuated by Smith's policy, race would not be an issue here.

The whites still maintain the overwhelming economic power. Politics here is an end in itself, not a means. They put up a policy of indigenisation, but they put so much political rhetoric into it that it loses any economic meaning. What has always been lacking with this government is any kind of strategic plan.

For 17 years, why didn't Zimbabwe have a veterans programme or a land programme with specific goals? There are no economic plans for anything.

**Q:** What do you think the future will hold for Mugabe?

**A:** The old man should just step down. He has nothing more to offer. There must be young people to provide a fresh breath.

For 17 years, why didn't Zimbabwe have a veterans programme or a land programme with specific goals? There are no economic plans for anything.

**Q:** You have said the government was involved in your beating after the December protests. Is this just supposition?

**A:** We know the instruction came from Mugabe himself. It is not just supposition. After I was attacked we had reports that they were celebrating. This demonstration shook the political establishment. It almost became a political threat. Why should workers have to pay for the shortcoming of government, for corruption and looting?

**Q:** What is your prognosis for the future?

**A:** I think 1998 will be a tough year because the conditions and the situation are not improving.

The problem is that people have tasted power and Zimbabweans will have to practise restraint so that mob psychology doesn't go too far.

We now have a system where people know that to get what they want they must apply pressure and the state will eventually give in.

Everybody is making demands, but the state is bankrupt.

I think the government has only one budget option, and that is to cut political patronage, which is its political base.

Once they do that, political fragmentation will follow.

Before the December 9 protests I was becoming frustrated but parliament's refusal to pass new taxes has given me hope.

Zimbabwe is not a normal society because there has been no public debate and parliament was marginalised and had simply become a conveyor belt for executive orders.

I think that parliament realised that it had given in to Mugabe on the tax issue it would have no future. December 9 has raised the possibility of debating public issues. - Independent Foreign Service.
Zimbabwe's economic pain erupts into crisis

By ROSS HERBERT
in Harare

In the midst of the farm crisis, and weeks before the country's presidential elections, the Zimbabwean economy is struggling. The country is facing a severe economic crisis, with inflation rates reaching unprecedented levels. The government has implemented austerity measures, but many are questioning whether these measures are effective. The economy is struggling, with businesses and individuals facing financial difficulties.

In Harare, the capital city, there is a sense of uncertainty. The government has been accused of mismanagement and corruption, which has contributed to the current economic crisis. The country is facing a food crisis, with many families struggling to provide enough food for their families.

The government has announced plans to privatize some of the state-owned enterprises, but many are skeptical of the effectiveness of these plans. The country is facing a serious financial crisis, and the government needs to take urgent action to address the situation.

In conclusion, Zimbabwe is facing a severe economic crisis, and the government needs to take urgent action to address the situation. The country needs to implement effective policies to stabilize the economy and provide relief to its citizens.
Mugabe forced to back down

IMF, Fools Land Grab

CF 2/7/1999

(362)
Facing the nationwide economic downturn, the shopkeepers of the local market have been facing a significant drop in sales. Many have been forced to close their businesses due to the lack of customers.

The shopkeepers have been forced to cut their expenses and reduce their workforce. Some have even resorted to selling off their stock at a loss to clear their debts. The government has announced various relief measures, but they have not been sufficient to help the local businesses.

The situation has been exacerbated by the recent increase in the price of bread and butter. The price hike has led to a significant fall in the purchasing power of the local residents, making it difficult for them to buy basic necessities.

The local government has been accused of not taking sufficient measures to address the situation. The residents have been protesting against the price increase and have urged the government to take action to bring down the prices.

In response, the government has announced a relief package that includes a temporary suspension of taxes and interest rates. However, the residents are not satisfied with the measures and have called for more action to be taken.

The situation remains critical, and the local businesses are struggling to survive. The residents are hoping that the government will take more decisive action to address the crisis.
IMF sets conditions for Zimbabwe's govt

The International Monetary Fund (IMF) has told Zimbabwean president Robert Mugabe and his government that it wants a public statement which commits it (the government) to paying white farmers fully for confiscated land.

The organisation also demanded that the process of land reform be transparent.

These developments come after white farmers facing confiscation of their land have offered Mugabe's government all the land he needs for his reform programme.

Zimbabwe's Commercial Farmers Union (CFU), a body of mostly white farmers threatened with the confiscation of almost half their land, said up to 300,000 hectares of white-owned land had been made available for Mugabe's plan to resettle thousands of black peasant farmers.

An IMF team, led by Michael Nowak, the head of the World Bank's Africa division, flew out of Harare last Thursday night after a 11-day mission on talks about Zimbabwean government's request for about $860 million loan.

The IMF team and the government were both tight-lipped on the outcome of the talks.

A high-ranking source in consultation with the IMF said the bank left the Zimbabweans a loan proposal with a series of conditions it insists must be met before the IMF disburses any money.

"It says it will be expecting Mugabe, as the head of state, and Kumbirai Kangai, as the minister of agriculture, to make a public undertaking," a source said.

"It must state that the government is going to compensate farmers for the land it acquires and that the whole process of land reform will be transparent.

The bank's demand refers to Mugabe's repeated threats that the government will pay white farmers for improvements and infrastructure on their farms but refuses to pay for the land because it was "stolen" by whites in the 107 years since the arrival of the first European settlers in the country."

Observers say the IMF's demand for a public statement by a head of state is unusual but reflects the bank's concern over Mugabe's "often wild statements" over the land controversy and the damage they do to the confidence of investors in the economy.

"The offer is on the table for the government, which includes this requirement (the public statement)," said the source.

"If the government complies with this requirement, they will release the money. It has been made clear to the ministry of finance."
IMF mum on Zimbabwe

Michael Hartnack

HARARE — The International Monetary Fund (IMF) has so far withheld comment on negotiations which were concluded at the weekend on vitally needed budget support for President Robert Mugabe’s government.

They were unhappy with Mugabe’s continued shilly-shallying about land and with economic fundamentals as well,” financial sources said.

Zimbabwe has requested $77m in loans from the IMF.

Strongly positive statements at the conclusion of the last round of talks in November contrasted with equivocal silence yesterday.

Sources said the IMF welcomed Mugabe’s pledge at a meeting with business leaders, that “in the implementation of the land reform programme the government is fully committed to consultations with the farming, banking, and donor community”.

But, the sources said, the IMF wanted Mugabe and Lands Minister Kumborai Kangai to go further in restoring general business confidence in the wake of last week’s food riots.

Mugabe and his state-controlled media denied reports that he had backed down on land takeovers in response to pressure from the World Bank and European Union.

This made sources believe that it was politically unthinkable at this stage that he would publicly guarantee whites market rent compensation and “transparent” land reallocation to peasants rather than to ruling party bigwigs, as in the past.

The IMF delegation, led by the head of its Africa division, Michael Nowak, left after 11 days of talks.

The Zimbabwean Commercial Farmers Union (CFU) has presented a possible face-saver to Mugabe. The plan would allow for the settling of land-hungry peasant families on former white-owned farmland while sustaining commercial output and without depriving whites of compensation.

Mugabe’s plan involves speedy eviction of 1,480 whites on more than 4-million hectares. Their constitutional right of appeal to the courts has been curbed and compensation for even tangible infrastructure may not be paid if Britain continues to refuse funding. “We are trying to establish a positive thrust and conserve production, while conceding absolutely that there is a need for land redistribution,” CFU executive director David Hasluck said.

Farmers have already offered 300,000ha and could meet the target of 5-million hectares, said by donor funding, Hasluck said.
Security forces will maintain their patrols in Zimbabwe

Harare - In the wake of last week's food riots, Zimbabwean troops and police will continue to patrol the capital Harare and a nearby town for at least another week, police said yesterday.

President Robert Mugabe ordered soldiers and armoured cars to help police to crush violent protests over steep increases in the prices of basic consumer goods. At least six people were killed and police arrested more than 2,300 people for alleged looting.

Mugabe interrupted his month's leave on Tuesday to manage the government's response to the riots, which had broken out 24 hours earlier and which many political analysts saw as the sternest challenge to his 18-year-old rule.

Police provincial community relations officer Assistant Inspector Francis Muswere said the government would retain a heavy police and army presence in Harare and the satellite town of Chitungwiza "until all is in order."

"I want to assure residents that army and police will be out in full force throughout this week as we continue searching for looted properties," he said.

Looted goods worth millions of dollars had been recovered. Many schools and businesses that have remained shut, fearing further unrest, were expected to reopen today.

- Reuters
Everybody wins if the land issue tackled right

Zimbabwean ecologist and former opposition politician Allan Savory appeals for the development of a holistic land policy to address redistribution and soil erosion, writes Michael Hartnack in Harare

A NATIONAL land policy must reverse the current deterioration of all classes of land in Zimbabwe, including its commercial farms, all of which are exporting more soil down rivers today than every other product combined warns veteran ecologist Allan Savory.

"Zimbabwe is literally bleeding to death," he said in an appeal to the government to raise above party politics and form a holistic policy with national support.

Savory, a former game ranger and lone opposition voice in the Rhodesian parliament, was pilloried in 1974 for urging all-party talks to end the African nationalist insurgency, only to have his suggestion adopted by then prime ministers Ian Smith and SA's John Vorster when the opportunity had been lost.

Driven into exile in 1978, he today pioneers "holistic resource management" from his headquarters in Albuquerque in the US but continues ecological projects in Zimbabwe.

He is said to have reportedly refused a seat in President Robert Mugabe's cabinet two years ago because it would have become involved in contributing to political conflict.

He said the development of a national holistic goal would make it clear that the redistribution of land was essential. He appealed for a national dialogue to solve the bitter dispute over continued white ownership of 8-million hectares, while the 20-million hectare communal areas were facing an ecological crisis.

This was "a national issue beyond agriculture and landless people," he said.

Whole civilisations failed when productivity of surrounding land failed. "The levels of business, unemployment, crime, abuse of women and children, social breakdown, urban drift to slums, disease, political turmoil, social violence and upheaval, and never-ending downfall of governments are all directly associated with the productivity and health of land," said Savory.

However, these problems only attracted attention when they showed up in cities and began to threaten the government.

Savory said his experience working with government officials in several countries to manage natural resources had taught him that holistic policies "had to proceed from a point of national agreement over what everyone, from the president to the village chief, wants to achieve for the country and the land itself."

He suggested that a draft policy should list forms of production needed to achieve the goals, including all Zimbabweans required and their future resource base.

Savory says land does indeed need to be redistributed but on the basis of a policy supported by all and which ensures the reversal of land degradation. No one could be secure or well-governed until this was achieved.

"Once such a national holistic goal is formed, then only then should ideas be brought forward as to how land might be redistributed - and there are many views being expressed, and many as yet unexpressed, which need to be respectfully heard," he said.

Years of experience showed ideas brought forward before a holistic goal was agreed on inevitably result in conflict such as Zimbabwe is witnessing," he said. Nor did compromise between conflicting views produce successful policies. All ideas passing the test of contributing to the defined holistic goal could be moulded into a management policy "healing rather than dividing a complex community such as Zimbabwe, with many issues and past hurts."

Savory said Mugabe and former agriculture minister Denis Ncube had backed holistic management and training in the 1980s but "since then, for reasons associated with governance by many ministries and a bloated bureaucracy," government had not moved forward and the land of Zimbabwe continues to desertify, increasing droughts, poverty, social violence, land hunger and conflict.

Development of a policy would best be done under Mugabe himself because "it is difficult otherwise to avoid inter-ministerial battles and institutional egoes clouding and slowing policy formation," said Savory.

Land had to be redistributed as a matter of urgency, but a holistic policy could see millions — rather than a few hundred thousand — resettled with international support and without displacing a single farmer, or disrupting production.

He praised Mugabe's determination to address the long-neglected land issue but urged all sectors to insist on participating in policy formation "and to support the president in bringing it about."
Zimbabwe millers in bid to break price deadlock

*By Michael Hartmack*

HARARE — Zimbabwe’s millers, including Anglo American subsidiary National Milling, held talks yesterday with Commerce Minister Nathan Shamuyarira in a bid to break the deadlock over maize prices.

Increases in food prices caused widespread protests and rioting last week. When the riots broke out last Monday, Shamuyarira announced that millers had been ordered to revoke 21% increases in the wholesale price of Zimbabwe’s staple food, which had gone up that day from Z$25,09 to Z$30,25 a 5kg bag.

The following day he said talks with millers and the parastatal Grain Marketing Board had resulted in an agreement that the board would revoke its new pricing policy, paying farmers Z$1,200/t while demanding that millers pay Z$3,900/t in advance and underwrite the cost of transportation into town.

Fearful of a confrontation with President Robert Mugabe’s government, millers withheld comment, but sources said the board had not revoked the price increases and millers were having to supply retailers at the risk of driving themselves into the red by several million dollars a day.

Supermarkets, which continued to sell meal at Z$35,09 yesterday, denied claims by the state-controlled media that millers were withholding supplies.

The millers’ difficulties are compounded by claims that increases in the price of staples since the beginning of the year were “engineered” by white businessmen to embarrass Mugabe in the wake of the designation of 1,400 farms for government takeover.
ZIMBABWE

'TGreat helmsman' has run out of steam

TONY HAWKINS

The Zimbabwean ship of state drifts aimlessly in turbulent waters. Those nominally in charge argue angrily among themselves over who will lead the mutiny. Meanwhile, the Great Helmsman leaves the bridge for the umpteenth time to hurry to Kigali to chair a meeting of the Organisation of African Unity.

Taxes are raised and then withdrawn; the exchange rate loses a third of its value. Government officials claim a deal with the International Monetary Fund (IMF) is imminent.

As thousands of food-price rioters loot the satellite towns around the capital, it is revealed that the cabinet has spent $24 billion (R17.1 million) on 50 new Mercedes-Benz sedans for its members. A 'political conspiracy', says the Helmsman crookily; a white business plot says the分管 minister of information. This is Zimbabwe over the past 10 weeks.

Two lessons are clear: President Robert Mugabe's government is at sea. The $24 billion payout to war veterans has sparked a fiscal crisis that is still unravelling, while the promise to take over 1,070 commercially owned farms, most of them belonging to whites, has been given the thumbs down by just about everyone they might have helped pay for the grandiloquent schemes.

Whichsoever way Mugabe turns, the way is barred. He cannot take over the land because he hasn't got the funds; he has paid the war veterans, but has been left holding the tab because, first his own backbenchers, then his own party and finally the general public, led by the trade unions, have refused to pay higher taxes.

There is no strategy — merely reaction to events. When the million increase the price of maize meal and the people take to the streets, the government reimposes price controls, insisting all along that this is a one-off response and not a return to blanket controls.

The second, less obvious lesson — one that business leaders will not accept — is that it is too late for national economic consultative meetings of the kind organised in Harare last week. After 18 years in office, the Mugabe government has run out of steam, ideas and increasingly of support. It is time for a change.

"You cannot," says a Harare economist, "teach old Marxist dogs new market-driven tricks." Yet that is what the World Bank, the IMF and donor communities have been trying to do since 1990. After substantial initial progress, the wheels of reform became stuck in the sand in 1999-2000, where they have remained ever since. At the hint of crisis, the knee-jerk reaction is to bring back price controls, confine foreign exchange accounts and curb forward cover contracts.

What began as a run on the Zimbabwe dollar last November has now degenerated into a full-blown social and political crisis. While an IMF package would take some of the pressure of the exchange rate, it would be only a partial solution, since so great is the loss of business confidence in the government that foreign assistance would be no more than a band-aid.

In this context, the promised Zimprest programme — a second round of economic reforms — still to be published, is finally flawed before it starts. It depends on capital inflows of over US$200 million annually, which, unless Mugabe or his successor abandons his land takeover plans and does a great deal more besides — is pie in the sky.

The third lesson is that Zimbabwe cannot be rescued from outside. The solution has to be home-grown, which, given the political dimension of the crisis, implies that the solution must be partially political — at least a new leadership, at best a new government.

At this stage, neither looks likely. Some believe that Mugabe's cabinet colleagues hope to persuade him to accept being kicked upstairs, leaving him with the trappings of power; the foreign travel and endless conferences, while an executive prime minister manages the economy. But disagreement reigns within the ruling Zanu-PF party over just who would be the successor.

A new government is simply not on. Zanu-PF has a virtual monopoly of the 150 parliamentary seats. There is no serious political opposition and, again, unlike Zambia, no Frederic Chiluba waiting in the wings to launch a party and defeat Mugabe at the polls.

This explains why the business community is looking to outsiders to save the day. There is no one else. But it is a dangerous strategy, because the donors and foreign investors cannot be seen to be championing the cause of the white farmers in the land dispute against the government. That would play into Mugabe's hands.

The government has few options. A new plan for land that would be gradually implemented over 20 years would humiliate Mugabe in the eyes of his followers, and internationally hastening his downfall.

A bigger solution of taking over 200 farms or more a year would dislocate agriculture, undermine exports and investment and set the economy back a generation.

The most likely outcome is to continue propping over crackers, talking tough and doing very little; promising land, homes and jobs if not next year, then in 2006; keeping the World Bank happy by agreeing to privatise and public spending cuts.

This might keep the party together and keep Mugabe in office for a while longer but the medium-term implications would be dire. After 18 years of procrastination, the government has really to grasp the nettle, tackle the budget crisis, develop a serious industrialisation strategy and woo foreign investment.

If the past is any guide, Mugabe is not the man for such an agenda. Nor, as one looks through the ranks of the cabinet, is there anyone else whose talents spring to mind as an economic reformer. The crisis has some way to run yet, but the longer it takes to unravel, the more the economy will suffer. Zimbabwe's hopes of sustained Asian Tiger-level economic growth depend on political change first, and economic change later.

Tony Hawkins is professor of economics at the University of Zimbabwe in Harare.
Retreat over Land Grab—IMF

AFRICA
Inside Story

Musgrove's troubles will glut over... New African States

Zimbabwe woes spark unease
Strings attached to Zim IMF loan

HARARE: In a surprise turnabout, the International Monetary Fund (IMF) has released an $880 million loan to Zimbabwe, in return for assurances from President Robert Mugabe's government that it will moderate its land redistribution programme.

Although Mr Mugabe has stated "there is no turning back" on his plan to nationalise 1,500 large-scale farms without compensation, his government has now given assurances to the IMF that it will disburse compensation to farmers and will carry out the land redistribution in a transparent and responsible manner.

The IMF insisted on this public statement because in recent months the Mugabe government had given private assurances to the IMF and other donors, but then made contradictory public statements.

The government refused to make a public statement, so local IMF representative Mr Robert Franco issued a statement on Tuesday: "Government has given assurances it will implement its land reform programme in accordance with the law, and consistent with its limited financial and administrative capacity to successfully resettle farmers from overcrowded marginal lands.

"Public announcement of this programme, and its pace of implementation, will be in accordance with the fiscal framework agreed with the IMF mission. The programme will safeguard productivity and welfare of farm workers."

Political analyst Mr Iden Wetherell, assistant editor of the Zimbabwe Independent, said: "This clearly restricts the government from undermining these assurances by making populist statements." — Independent Foreign Service
Old man Bob on the blink

Unable to deliver on his promises, Mugabe's time is running out

After last week's riots, President Robert Mugabe's political future looks less secure than ever. Back-benchers and even Cabinet Ministers have been heard to complain that the "Old Man" is out of touch and should step down.

Easy to say, but difficult to achieve. Nobody seems to be in any hurry to cast the first stone and, significantly, when some businessmen drummed up the courage at last week's National Consultative Forum to attack the government, they were careful to criticise those around the president rather than Mugabe himself.

A week after the riots which left four people dead and millions of dollars of damage in the high-density satellite towns around the capital, there is still no clear idea who was behind them. There seems little doubt that they were orchestrated, but by whom and why is unclear. Some blame Mugabe's challengers in the cabinet seeking to embarrass him and push him into resignation. Others see it as a government-inspired plot to demonstrate to the IMF and World Bank - both of whom had visiting teams in Harare last week - that they were asking too much of the government.

Whatever the truth, the genie is now out of the bottle which will make it enormously difficult for Mugabe, or his successor, to govern. Two issues stand out - land and the fuel price.

On land, the government is in a bind. It dare not back down, though many white Zimbabweans, especially the farmers, are sure it will. It cannot just take the land without compensation since this would alienate the entire donor and international business community, and it doesn't have the money to buy the land (see page 46).

If Mugabe retreats as the donors, the World Bank and the international media expect, his humiliation at the hands of foreigners might well destroy him in the eyes of his followers. But his successor would know that a compromise over land that failed to meet the exaggerated expectations of the masses would be political suicide.

Yet, what alternative is there? The donors will fund a land resettlement programme, but only a phased, gradual scheme that would fall far short of what Mugabe has promised to deliver. The only way out, apparently, is a fudged compromise allowing all the players to claim some of the spoil, but the mood of the angry rioters suggests that won't be acceptable.

The fuel price issue is altogether less serious but raises similar questions. Zimbabwe's petrol sells at US27c/l against 45c in SA and the State-owned National Oil Company reportedly loses US190m (US$160m) monthly.

There is no way that a government that is seeking money from the IMF and World Bank can allow this to continue for much longer. Again, what is the alternative? A 40% price hike would bring the rioters back on to the streets, spur inflation and further hit business confidence.

Last week's decision to bring back price control on maize meal got the rioters off the streets, but only at the cost of making a deal with the IMF even more difficult and raising the spectre of more subsidies. Despite this, the IMF might come through with some short-term support for Harare, but nothing that will alter the fundamentals. A $100m standby would help stabilise the currency, for a few weeks, but Zimbabwe needs both more and longer-term money. Neither the IMF nor the Bank is likely to provide that at this stage. Mugabe is well and truly boxed in.

SPECIAL CORRESPONDENT

Zimbabwe under threat

Kanhema's permanent residence questioned after he roused ANC ire

The Department of Home Affairs is trying to serve a letter on Zimbabwean-born Journalist Newton Kanhe in Johannesburg to leave SA within 21 days. It has already served a similar letter on his wife Jean. The letter has not been served on Kanhema, though, because The Sunday Independent senior reporter is on a four-month sabbatical at Emory University in the US city of Atlanta.

The department says that no longer qualifies to live in SA because of a discrepancy in his application under the special moratorium granted in mid-1996 to people living in SA from member countries of the Southern African Development Community (SADC), which includes Zimbabwe.

To qualify for permanent residence under the moratorium, SADC citizens had to have lived in SA continuously from July 1991. The department is questioning Kanhema's claim, his wife's right to remain here is dependent on his eligibility.

Kanhema is known to have angered upper echelon members of the ANC by his bold, probing reporting. His interview last year with controversial ANC Women's League leader Winnie Madikizela-Mandela, in which she sharply criticised the incumbent ANC leadership for reneging on election promises, is a cause in point.

Fellow journalists suspect the move against Kanhema is retaliation for his reporting, but that the ANC-led government is trying to deport him by focusing on his residence status, with that of thousands of other SADC citizens living in SA.

Kanhema is not without friends in the ANC and is believed to have requested one high-ranking ANC leader to intercede on his behalf. Lawyers for Independent Newspapers have meanwhile taken up his case with the department.

Sunday Independent editor John Battersby confirms that Home Affairs is contesting Kanhema's right to permanent residence and that a letter, dated January 14, has been served on his wife requesting her to leave within 21 days.

"The matter is in the hands of lawyers of Independent Newspapers and the company will take appropriate steps on the advice of the lawyers," says Battersby.
Zimbabwe's economy pins hopes on IMF cash

HARARE — Zimbabwe's struggling economy, which many economists see growing by 1.5% this year, was likely to be boosted by aid from the International Monetary Fund (IMF), business leaders said yesterday.

"I am very positive after reading the IMF statement. It gives us a lot of hope for our economy," said Joniee Blanchfield, the president of the Confederation of Zimbabwe Industries. "I think we have bottomed out now and I am seeing a gradual improvement of business confidence."

The IMF, one of the key sponsors of Zimbabwe's western-backed economic reforms, said on Tuesday it had reached broad agreement with President Robert Mugabe's government on a new $117m programme to rescue its economy, battered by controversial government policies last year.

The package commits the government to tighter fiscal discipline, acceleration of its privatisation programme and implementation of Mugabe's controversial land reforms within the confines of the law and budget.

The director of the 4,500-member, mainly white Commercial Farmers' Union, David Hasluck, said the union was pleased with the IMF statement which he said fitted in well with its "Team Zimbabwe" proposals.

"It's good news," Hasluck said. "We are very happy with the IMF and we now need to discuss with the government what it means for them."

The IMF said the government had agreed its plans to seize 5,6-million hectares of mainly white-owned commercial farmland would be implemented within its financial and administrative capability; addressing poverty alleviation, productivity and the welfare of farm workers.

"Public announcement of this programme and its pace of implementation will be in accordance with the fiscal framework agreed (on) with the IMF mission," the IMF said.

Mugabe, who argues it is immoral for just 4,500 people to own 70% of the country's prime commercial farmland, last year listed 1,503 mainly white-owned farms for compulsory acquisition.

He said the government would compensate farmers for improvements only and not the soil, arguing the farms were seized by British settlers more than 100 years ago.

The union's "Team Zimbabwe" proposals, crafted with some leading business executives and economists, suggests the government immediately resettle peasants on about 60 farms, whose owners have not appealed against the December designations.

It suggests setting up a special fund to help black get into commercial farming and convening a donor conference to discuss the costs of resettlement.

Hasluck said farmers wanted the land reform programme to be tackled once and for all, saying: "We cannot afford to delay the land reform programme. It's too important to be put aside."

Independent economic consultant Mervyn Ellis said the IMF agreement might help rescue Zimbabwe's agriculture-based economy, aided by welcome rains this month that have lashed the country throughout January, the forecast peak month of an El Nino-induced drought.

"The economy is not in a chronic condition and it can be turned around now," he said. — Reuters.
Mugabe’s empty mansion taunts Zimbabwe’s poor

Harare. – When Robert Mugabe married Grace Marufu, his former secretary, in August 1996, he resolved to provide her with a home fit for a first lady.

But as Zimbabwe’s president struggled last week to contain growing economic unrest, the R8-million house on the outskirts of Harare had become a potent symbol of the gulf between the veteran Marxist and his impoverished people.

Nicknamed “Graceland” by its neighbours, the brown brick house has 32 rooms. Three cottages have been built for servants in grounds ringed by a spiked fence to conceal them from prying eyes.

Six months after the house was completed, however, Mr Mugabe, 73, and his 38-year-old wife do not appear to have moved in. Ms Marufu is said to have changed her mind about living so far from the city centre.

“She is a disgrace,” said Simpilso Chinawa, who ekes out a living by selling vegetables on a pot-holed road nearby. “How can the government go about putting up taxes and asking the people to be patient when a house like that is built and then left empty?”

The house reflects the lavish lifestyle enjoyed by Mr Mugabe, the diminutive former guerrilla leader who has ruled the country since 1980 after the fall of Ian Smith’s government in 1979, and his bride, who has become a focus of resentment amid mounting economic woes.

The tone was set by their wedding, planned as a modest affair, to which 10,000 guests were eventually invited at an estimated cost of more than R16 million.

Ms Marufu, who once worked in a Harare flea market, has quickly grown accustomed to the trappings of power. On one occasion, she reportedly commandeered a state airliner to fly her to Cape Town on a shopping trip.

According to reports, Ms Marufu has even persuaded Mr Mugabe, once a teetotaller, to stock a cellar beneath the official presidential residence with fine wines.

One cabinet minister is reported to have claimed that as Ms Marufu’s influence has grown, she has exerted increasing control over access to the president.

“One has to crawl on one’s belly like a crocodile on ground spread with fresh dung, bare-footed and clapping one’s hands, before you can get past her to see the emperor.”

Opposition members of parliament, who claim some of the money to build “Graceland” came from a government fund set up to provide housing for the poor, have criticised the president’s wife for making speeches at charity functions in which she has spoken of her desire to “put a roof over everybody’s head if I could”.

At least four people died in three days of rioting that spread from Harare to other cities, including Chinhoyi, Mr Mugabe’s home town.

More than 2,000 people have been imprisoned as the troops targeted those suspected of involvement in the looting.

Mr Mugabe has presided over relentless economic decline amid allegations of widespread state-sanctioned corruption.

Inflation is running at 24%, while the value of the Zimbabwe dollar has halved in the past two months. Nearly half of the country’s 12 million people are unemployed, and some survive on a bowl of porridge a day.

“The anarchy is the result of pent-up anger,” said Trevor Ncube, editor of the weekly Zimbabwe Independent. “This country is destined for violent change.”

Mr Mugabe’s announcement last November that about 1,480 mostly white-owned farms were to be seized and redistributed to blacks has become the subject of an international dispute that may force him to compromise.

Although his supporters insisted last week the seizures would go ahead, the policy has been denounced by the International Monetary Fund, which is calling for an unequivocal undertaking to compensate white farmers in full for any land that might be taken from them.

Western diplomats say Mr Mugabe could be creating further trouble for himself with an attempt to reduce the threat of unrest by introducing price controls rather than following free-market principles.

Theresa Murewera, a Harare academic, has a different suggestion to restore confidence.

“Mugabe could show he is serious about reform in one simple step,” she said. “His wife is always going on about the pain she suffers when she sees children begging on the streets. He could hand over her empty mansion and let the homeless sleep in it.”

State of grace: Robert Mugabe and his wife Grace are under fire for their lavish lifestyle.
Zimbabwe editor ‘must be punished for offensive stance’

Michael Hartack

HARARE — The editor of the state-controlled Herald newspaper is under threat of dismissal after writing editorials accusing the ruling Zanu (PF) party of losing touch with the people.

The board of directors of state-controlled Zimbabwe Newspapers had a stormy meeting last week over Tommy Sithole, whose editorials challenged official claims whites were behind the Zimbabwe’s foot riots last month.

Sources said Information Minister Cheo Chimutengwende wanted Sithole, once considered an ultra-loyalist to the ruling Zanu (PF) party, moved to be “group public relations manager” and Sunday Mail editor Charles Chiherema to take over the Herald. “Tommy must be punished,” Chimutengwende was reported to have said after Sithole’s offending editorials.

Board chairman Honor Mukushi said a decision on Sithole’s future “has not been finalised, but the matter is definitely under discussion.”

Anyone who “hurts abuse at racial minorities in the hope the problems would go away was deluding himself”, Sithole wrote as troops were deployed in townships for the first time since independence in 1980.

Chimutengwende claimed whites engineered the riots in revenge for the lists of 1,400 farms earmarked for takeover by the government.

“Have the price hikes entirely been the responsibility of the evil white man?” asked another 600-word editorial understood to have been written by Sithole.

In 1996 President Robert Mugabe revised the mass media trust deed to give himself even tighter grip on news outlets, including the national news agency Ziana and Zimbabwe Newspapers, which publishes the two daily newspapers, the Herald and the Bulawayo Chronicle.

Last year Mugabe forced the removal of Zimpapers MD Simba Makoni, for attempting to sack Chiherema, Mugabe’s cousin.

Chiherema had embroiled Zimpapers in record defamation damages, defying company guidelines in his virulent attacks on government critics.
Invest Z$50m in new fund

Zimbabwe War Veterans

Michael Hwira
Mugabe may remove editor

Michael Hartnack

HARARE — President Robert Mugabe was yesterday expected to have final say over Information Minister Chen Chimutengwende’s efforts to have Tommy Sithole removed as editor of the main national daily newspaper, The Herald.

Recent Herald editorials accused Zanu (PF) of losing touch with Zimbabwe’s 12.4-million people, and challenged Chimutengwende’s claim that “the evil white man” lay behind food-price rises that led to riots.

Sunday Mail editor Charles Chikerema, who describes himself as “an unrepentant Stalinist” and is Mugabe’s cousin, reportedly told senior editorial staff at the weekend he would be promoted to the Herald position from yesterday.

Sithole, once considered an ultra-loyalist to Mugabe, was expected to be offered noneditorial positions either as “group public relations manager” or “executive director responsible for the welfare of journalists”.

Honour Mtsweni, chairman of the board of Zimbabwe Newspapers, which is controlled by the parastatal Mass Media Trust, confirmed that it had considered removing Sithole at a day-long meeting on Thursday.

In 1996 Mugabe amended the Mass Media Trust decree to give himself more control over news outlets falling under its control, which include Zimbabwe’s daily newspapers.

Bulawayo Chronicle editor Geoff Nyaora was removed after exposing the “Willowgate” corruption scandal and ministers’ racketeering in cars from the state’s assembly plant, and Sunday Mail editor Willie Muzarura for allegedly giving too much prominence to critical viewpoints.

Muzarura’s successor, Henry Muradzikwa, was summarily dismissed for reporting Zimbabwean students were expelled from Cuba after tests found they carried HIV.

The chairman of Zimbabwe’s Olympic committee and a wing commander in the air force reserve, Sithole has been Mugabe’s personal pilot.
Mugabe bids farewell while civilians tighten belts.
Old lines, exchanges blamed for bad service

Michael Hartnack 4/2/98 (76a)

HARARE — Hundreds of telephone lines have been out of order in Harare's central business district for two weeks as heavy rain caused water to seep into antiquated lines and exchanges.

During a three-day seminar last week intended to introduce Zimbabweans, particularly businessmen, to the Internet, the net link went down for 24 hours due to a still undisclosed fault.

A spokesman for the seminar organizers said the problem revealed widespread ignorance about the net, which only spread to Zimbabwe two years ago and was still establishing itself.

One business executive complained yesterday that his premises in Harare's suburbs had been without a working telephone for more than five weeks, but the problem was also reported to be acute in inner city areas.

The Post & Telecommunications Corporation's faults department said its technicians were doing everything possible to rectify complaints, but were hindered by a lack of qualified staff.

Some equipment still in use dates back to the 1950s, it was kept in service through the 1965-1980 sanctions era by improvising. Rhodesian engineers, and never replaced due to other government spending priorities since Zimbabwe's 1980 independence. Revoking the "parastatal" Posts & Telecommunications monopoly in 1996, the Supreme Court described Zimbabwe's telephone system as "notorious."

Cellphone pioneer Strive Masiyiwa plans to introduce the first private service within weeks after a four-year battle against bureaucracy.
Harvest will offset low Zimbabwe maize area

BY MICHAE3 HERTINAKA

HARARE - A drastic reduction in the area that Zimbabwe's black farmers, acting outside the frame, this year would be offset by ideal growing conditions and a bumper harvest, said the Special Commercial Farmers' Union chairman, Thomas Nhuringa.

In Niño, the warming of the eastern Pacific and associated weather patterns, led weathermen last year to predict a prolonged dry spell, and many farmers planted millet and other drought-resistant crops.

Meteorologists, however, have been severely criticized for making incorrect forecasts.

A cultural group, Sangano Munhumutapa, plans to hold a traditional festival to thank ancestral spirits.

Nhuringa said black farmers would benefit greatly from the 11-million hectares commercial farming area, which is understood to be owned by 203-owned businesses, 80 of whom were listed with those of 1,400 whites in the takeover plans published last November by the government.

All the black landowners have appealed and are likely to have the notices revoked, according to says of the ministry, which suggests that Nhuringa said the rainfall pattern had wiped out the threat of army worm to the maize crop, but cotton suffered from waterlogging and lack of sunshine. He expected his union members to produce more than 20-million kilogrammes of Zimbabwe's expected 235-million-kilogramme Virginia tobacco crop, as blacks moved rapidly into a previously "white" sector.

Fear of El Niño drought conditions, as well as the threat of farm takeovers, caused banks to tighten lending conditions last year. Nhuringa said his members borrowed $390m, which would produce crops worth more than $250m.

He rejected the predominantly-white Commercial Farmers' Union (CFU) plan, unveiled last week, to provide 1.5 million hectares land reform, as part of a programme aimed at assisting "peasants" from the 20-million hectare communal areas.

Nhuringa said what was needed was not "poverty alleviation" as envisaged by the CFU, but black empowerment through the transfer of large units.

"We are saying we do not need this programme. Government should go ahead with compulsory acquisition," Nhuringa said. His union is closely allied with the government.

Nhuringa said most of the CFU's promised 1.5 million hectares would come from marginal areas and would be "disastrous for the country."
Mugabe seen to be ‘feathering his nest’

HARARE: Two weeks after angry mobs looted Harare suburbs over increases in food prices, President Robert Mugabe has submitted a bill to parliament that will provide him, his family, his two vice-presidents and their families with free unlimited cars, air travel, entertainment, staff, bodyguards, and pensions for life.

The bill explicitly provides for illegitimate children, to ensure the children he fathered out of wedlock with his former secretary and now wife, Grace, are covered. “This incenses people because this pension extends to wives and children when everyone else is living under very hard conditions,” said Mr Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trade Unions.

With scandals still simmering over government ministers looting a housing fund and a fund for people injured in the war of independence, the pensions are a potential flashpoint.

Recently, Mugabe decided to buy some 50 luxury Jeep Cherokees and 50 Mercedes to ensure government officials move around with dignity.

Economic pain in Zimbabwe suddenly grew worse last year after Mugabe decreed pensions would be paid to protesting war veterans and that 40% of commercial farmland would be confiscated and given to the landless within a year.

His government had no money for either programme, nor, in the case of the land resettlement scheme, the administrative capacity to assist the thousands of peasants involved.

The International Monetary Fund agreed last week to resume lending for one year, after Mugabe gave assurances land resettlement would be financed without widening the budget deficit and that resettled farmers would be given proper finance and support, instead of simply being dumped on vacant land.

Privately, a wide variety of government officials, bankers, and parliamentarians have said a rash, ill-planned land programme would be an economic disaster. But so deep is Mugabe’s distrust of critics that he seems to push ahead stubbornly precisely because he is criticised. And those close to him appear unwilling to challenge him.

His predicament raises significant issues for South African foreign policy. A disaster in Zimbabwe has the potential to ruin hopes for the Southern African Development Community. Without integration between South Africa and an economically sound and growing Zimbabwe, SADC is little more than another multinational talkshop.

If an ill-considered land programme destroys commercial agriculture in Zimbabwe — as predicted by nearly every farm organisation, black or white — it will increase already tense trade relations with South Africa and boost the flow of Zimbabweans into this country.

South African diplomats must be careful not to tread on Mugabe’s ego or appear to be lecturing. However, it is legitimate to express diplomatic concern that his land reform could reverberate across the region.

Mugabe has grossly oversimplified the issue, declaring that whites stole land from blacks by conquest and the solution is to take it back. Rectifying past inequities is important, but it misses the larger problem: peasants want economic empowerment.

If Mugabe is left to his own devices, the economy will continue downward, dragging other economies with it and raising the risk of serious public disorder as the public tries to turn his attention away from feathering his nest to serious reform. — Independent Foreign Service
‘Racist’ Zimbabwe farmers earmarked to lose their land first

Harare – White farmers in Zimbabwe who use racist terms or bad-mouth the government will have their farms seized for the resettlement of blacks, Agriculture Minister Kumbirai Kangai has warned.

Any farmer using the term "you bloody kaffir" or referring to "bloody (President Robert) Mugabe" or the "bloody government" is "a bad farmer", Kangai told parliament on Wednesday. "We will acquire his farm."

Kangai urged MPs to report racist farmers in their areas. "I would be very interested in dealing with such forces," he said.

Kangai said such "social and political" reasons had already played a part in the targeting of some farms among the 1,500 the government plans to take over in a controversial land reform programme.

Ruling-party MP Jacobus de Wet, himself a white, told parliament he had been abused by other white farmers when he asked them to contribute money towards Independence Day celebrations.

The farmers had told him to "go to your bloody Mugabe and get your donations", he said.

He claimed they also said their farms were "still in Rhodesia", while Zimbabwe was "outside". Kangai asked De Wet to submit the names of the "Rhodesians", adding "we can deal with them without any problem".

Some 4,000 white farmers own around 30% of the land, while millions of blacks are crowded into impoverished communal land. - Sapa-APP
'Tourists need reassuring on Zimbabwe'

Michael Hartnack

HARARE — Since the recent food riots, one of Zimbabwe's main tour operators had been sending 50 faxes a day to clients, assuring them it was safe to come to the country. Herbert Nkala, chairman of the Zimbabwe Tourism Council, said recently.

"We need to do a lot of public relations work to re-establish our position as a safe destination," said Nkala, who took over last month from David Chapman as head of the organisation linking hoteliers, safari operations, restaurateurs and other sectors of the rapidly expanding industry with earning potential estimated at $2bn a year.

Nkala said the riots had undermined Zimbabwe's ability to attract tourists. "Over the past 10 years the industry's selling point has been safety," said Nkala, MD of the parastatal Rainbow tourism group.

Meanwhile, the fall in the value of the Zimbabwe dollar since November might make the country more attractive as a destination, he said.
Staff cuts at Anglo’s timber firm ‘not due to redistribution’

Michael Hartnack

HARARE — Anglo Zimbabwe subsidiary Border Timbers will be laying off nearly 600 staff due to falling local consumption, “deep-seated problems” with export markets in southeast Asia and interest rates exceeding 30% on debts put at $280m in the past half-yearly report.

However, at a news conference yesterday MD Bursary Munyotu denied cuts were linked with designation for redistribution to black Zimbabweans of half Border Timbers’ 10,000ha Sawerombe Estate at Chimanimani, 400km southeast of Harare.

Munyotu said Sawerombe was virgin land where planting of forest was in progress. Anglo Zimbabwe CE Philip Baum said Sawerombe’s future was “sub judice” as negotiations were continuing. It is part of Border Timbers’ 32,000ha holdings in Zimbabwe’s Eastern Highlands.

1 November’s listing of 1,400 estates — including Sawerombe — for takeover, “had absolutely not” influenced Border Timbers’ cutbacks nor commitment to Anglo’s long-standing forestry operations, said Baum. Although Anglo was encouraging outsourcing of timber, forestry was an expensive operation with strong economies of scale, he said.

Redundant employees from the workforce of 3,299 would be given preference in subcontracting, for which the timber industry offered scope.

Anglo had recently invested more than $200m in a wood processing plant aimed at the southeast Asian market. It would now have to scale down production to keep prices competitive.

Negotiations on retrenchment packages for 373 permanent staff were taking place in Mutare and 208 contracts would not be renewed.
HARARE — Zimbabwe stock market investors are still waiting on the sidelines to see when the International Monetary Fund (IMF) intends to release funds to the country, broker Quincon James Capel says in its latest review. It warned that investors had ignored announcements that talks went “well” between President Robert Mugabe’s government and the IMF, “mainly because the institution did not make any firm commitments”. Zimbabwe’s state-controlled media reported last month that the IMF was “content with progress” on economic reform and would release $83.3bn in budget support, but a later IMF statement revealed that its board would meet only next month to consider loans for a smaller amount.

“Whatever little foreign investor confidence was left was kept in check as the nation experienced some of the worst civil disturbances since independence.”

The market remained jittery as business ground to a halt during recent disturbances fanned by a 21% increase in maize prices. The industrial index fell a further 3% and the equity market would remain “in the doldrums” until uncertainty eased.

Relative stability of the Zimbabwe dollar at around $17.75 to the US dollar could have been due to temporary closure of business and reduced import demand. However, continuous January rainfall raised cautious optimism. A good harvest depended on rains until late February in the 11-million-hectare commercial areas and until April in the 20-million-hectare communal ones.

The review warned that local fuel prices had yet to be adjusted to reflect the 50% slide in the Zimbabwe dollar’s value since November, when the government announced a $84.6bn payout to former guerrillas and published its list of 1 400 white-owned farms due for takeover. Increases in fuel prices could trigger more demonstrations, yet subsidies would be too strenuous on the budget.

“The country may find itself faced yet again with the suspension of donor funding, which is crucial for balance of payments support,” Quincon James Capel said.

“There is a need for striking a political as well as economic balance to reach some form of stability and restore investor confidence,” it said.

“Given the current uncertainty in the economy, we believe the market will remain unstable and our recommendation is for investors to stay in blue chips.

“Bargains are available but need to be selected carefully.”

The review cautioned that the parastatsal, Finhold group (which owns Zimbank), had yet to feel the benefits of restructuring and David Whitehead also remained a “sell” due to textile prices and availability of large quantities of second-hand clothes.

However, Murray & Roberts in Zimbabwe had shown excellent interim results and TSL looked promising with a 235-million kilogram tobacco crop due.
Mugabe replaces editor of Herald in his absence

HARARE — The chairman of Zimbabwe's Olympic committee, wing commander Tommy Sithole, is due home from the Nagano Winter Olympics this weekend, when he will find President Robert Mugabe has replaced him — after 14 years as editor of the Herald — by Charles Chikerema.

Chikerema, Mugabe’s cousin and a self-styled “unrepentant, stalinst”, won a confrontation last year with the new MD of the parastatal Zimbabwe Newspapers, Simba Makoni, who had attempted to remove him from the editorship of the Sunday Mail.

Mugabe had Makoni sent on paid leave and given a multimillion-dollar golden handshake.

Zimpapers chairman Honour Mkusha announced Sithole’s replacement yesterday after Mugabe endorsed a month-long campaign by Information Minister Chen Chimutengwende, sources in Harare said.

Chimutengwende reportedly said “Tommy must be punished” when repeated Herald editorials rejected the minister’s claims a plot by white businessmen lay behind three days of food riots in revenge for the planned takeover of 1,400 farms.

“Have the price hikes entirely been the responsibility of the ‘evil white man’?” asked a Herald editorial, condemning bungled management of the economy.

Other editorials said Mugabe’s ruling Zanu (PF) party had “lost touch with the people” and this would not go away if ministers “bunched abuse at racial minorities”.

Makoni’s failed attempt to remove Chikerema stemmed from continued Sunday Mail attacks on whites.

Mkusha said Chikerema would be succeeded at the Sunday Mail by the paper’s former managing editor, Pascal Mukondwa. He gave no reasons for the changes.

Mugabe last year gave himself tighter control by amending the deeds of the Zimbabwe Mass Media Trust, through which the government holds a majority shareholding in Zimpapers, until 1980 a subsidiary of the former SA Argus Group.

Sithole “would be answerable to the MD and the board” in his new position, said Mkusha. The MD’s position remains vacant following Makoni’s departure. A former cabinet minister pardoned on perjury charges has been tipped for the job.

Sithole’s treatment closely mirrors that of former Bulawayo Chronicle editor Geoff Nyarora, who was demoted to group public relations manager after exposing the 1988 corruption scandal when ministers profiteered in cars from the state-owned Willow Vale assembly plant.

Chikerema became Sunday Mail editor in 1989 after Henry Mudzichwa was summarily fired by Mugabe for reporting Ouba had expelled Zimbabwean students who tested positive for HIV. Mudzichwa’s predecessor, the late Willie Munsarwe, was also fired for ‘giving too much space to opposition views’. 
Zimbabwe oil importer in crisis over fuel prices

HARARE—Zimbabwe’s official fuel importer was facing a severe financial crisis which had been caused by a government delay in approving new prices, industry sources said yesterday.

They said the National Oil Company of Zimbabwe (Nocim), the state oil importer, was locked in a pay dispute with transporters who supplied retail oil companies, causing fuel shortages in Harare and Bulawayo. "Apparently, Nocim is refusing to increase prices for the transporters because it has not been granted an increase itself by the government," one industry official said.

Nocim MD Morgan Mpundu conceded his company had problems with its transporters but said the situation was improving and had nothing to do with national reserves which were "more than adequate".

"There have been a few bottlenecks here and there. It is putting the transport together that has caused problems," Mpundu said.

Rumours of hefty fuel-price increases have swirled around the Zimbabwean capital over the past few weeks, with Nocim reported to be seeking as much as a doubling in prices to recover costs caused by the steep fall of the Zimbabwean dollar.

The government, wary of increasing prices while six people were killed during food riots, has reportedly told Nocim to offload its stake in blue chip Delta Corporation and use the proceeds to subsidise fuel prices.

"No sales have been reported yet, with brokers saying the government has been unable to find the hard-currency buyers it is said to prefer at 1 600c a share, a 28.1% premium to Tuesday’s closing price of 1 500c."

"Other sources have dismissed reports of depleted national reserves."

"There is no shortage of fuel," one source said. "It is more a question of transport."

Railways of Zimbabwe apparently also having a lot of their wagons in the workshops.

Industry officials said Nocim was losing several million dollars a day at present prices of Z$5.20/l of petrol and Z$4.03/l of diesel. — Reuter.
Harare — A Zimbabwean opposition party lodged a court application yesterday to suspend President Robert Mugabe's controversial scheme to seize mostly white-owned farms to resettle landless black peasants.

"The applicant seeks an order suspending the whole designation exercise until it is clarified fully as to whether it is economically viable and in the interests of the nation as a whole," says the request by the little-known National Democratic Party.

"It is also important to note that the manner in which the exercise is being carried out is in clear violation of the citizens' constitutional rights to their property and their rights to seek recourse to the law in case of a dispute with the government," the application reads.

Mugabe's government has announced plans to seize 5.5 million hectares, about half the country's prime commercial farmland, from mostly white farmers to resettle black peasants from crowded unproductive regions.

Mugabe says he will pay farmers only for improvements, not for the soil, arguing that the farms were seized with little compensation by British settlers more than 100 years ago. He has dismissed warnings that his plan will ruin the farm-based economy and kill 167,000 jobs.

Heater
State oil importer faces financial crisis

Zimbabwe dithers over fuel increases

Godfrey Mutzwa

Harare — Zimbabwe's official fuel importer was facing a severe financial crisis caused by a government delay in approving new prices, industry sources said yesterday.

They said the National Oil Company of Zimbabwe (Noczm), the state oil importer monopoly, was locked in a pay dispute with transporters who supply retail oil companies, causing fuel shortages in Harare and Bulawayo.

"Apparently Noczm is refus- ing to increase prices for the transporters because it has not been granted an increase itself by the government," one indus- try official said.

Morgan Mudzi, Noczm's managing director, said his group had problems with its trans- porters but said this was improving and had nothing to do with national fuel reserves. He said these were "more than adequate."

"There have been a few bottlenecks here and there," he said. "It's the transport togeth- er that has caused problems."

He referred questions on higher fuel prices to the ministry of transport and energy but officials were unavailable for comment.

There has been speculation in Harare of hefty fuel price in- creases for the past few weeks, with Noczm reportedly seeking as much as a doubling in prices to recover losses caused by the steep fall of the local currency.

President Robert Mugabe's government, wary of increasing prices just weeks after food riots killed six people, has reportedly told Noczm to offset its stake in the blue-chip Delta Corporation and use the proceeds to subsidize fuel prices.

No sales have been reported yet, and brokers have said the government has been unable to find the foreign currency buyers it is said to prefer.

Other sources, dismissing re- ports of depleted national re- serves, said Noczm, which asked for higher prices last year, was failing to pay the transporters.

"There is no shortage of fuel," one source said. "There are millions of litres of oil at Maasa."

Maasa is Noczm's storage depot on the outskirts of Harare, which is capable of storing up to six months of supplies. "It's more a question of trans- port," the National Railways of Zimbabwe apparently also has a lot of its wagons in the work- shops. The rail group has denied the charge.

Industry officials said Noczm was losing several millions of dollars a day at the present prices of $2.20 (R1.46) a litre of petrol and Z$3.03 a litre of diesel.

"There is no doubt Noczm is in a bit of a financial bind," one said. — Reuters
Mugabe not backing down on land-grab plan

Harare—Zimbabwean President Robert Mugabe yesterday said his government would not deviate from the main thrust of its plan to seize land from commercial farmers for resettlement, Ziana news agency reported.

Mugabe was commenting on proposals put forward by the Commercial Farmers' Union (CFU) which would pave the way for farmers to release large tracts of land for resettlement.

"We cannot allow any proposal to diminish the thrust for acquiring the size of land we have stipulated as necessary for land acquisition," said Mugabe. "The responsibility for compensation is for the former colonial master. They should go to Britain for that because we are not going back. This is not politicking.

"We have neither a moral nor legal obligation to pay them," he said. "Britain did not pay for that land, so they should not reneg on their obligation."

The 4 500-member CFU unveiled an alternative plan after the government announced its intention to acquire more than 1 500 farms to resettle landless blacks. The CFU offered to release 1.5 million hectares of land, now and source about ZD1.5 billion (R32 billion) for the programme.—Sapa
Editor: Who needed Zimbabwe Government not to blame whose losses position
CE denies meeting was 'subversive'

Michael Hartnack

HARARE — Anglo Zimbabwe's CE, Phillip Baum, has denied claims by a state-controlled newspaper that he convened a meeting with "a hidden agenda detrimental to the peace and stability of the country." "That's absolute balderdash. This was a public meeting at which some government people were invited," Baum told the Sunday Mail, whose editor, Charles Chikerema, becomes editor of the daily Herald today.

Simultaneously, the Sunday Mail attacked new US ambassador Tom McDonald for alleged "master race contempt" in a speech in which he urged businessmen to "stay positive", saying recent setbacks "cannot undo 17 years of success" since 1980 independence. McDonald applauded President Robert Mugabe's record but said some businessmen were worried about "a disturbing direction" in state policies in view of runaway inflation, soaring unemployment and reports of corruption.

The Sunday Mail attacks were seen as significant pointers to the tone of Zimbabwe's state-controlled media now that Herald editor Tommy Sithole has been removed for questioning ministerial claims that white businessmen plotted last month's food riots in revenge for the listing of 1 400 farms for imminent takeover.

Assembled for comment by the Sunday Mail on allegations that Anglo Zimbabwe convened a "subversive" meeting of business leaders on January 23, Industry and Commerce Minister Nathan Shamuyarira said: "Captains of industry who consistently undermine the economy upon which their businesses depend are responsible for the economic crisis." Shamuyarira alleged the government had not been told of the meeting, to which many executives, captains of industry and pressure groups were invited and many speakers were said to have blamed government for mismanaging the economy.

Baum, who last year received a permit to move from Johannesburg to take up his position only after meetings between Mugabe and Nicky Oppenheimer, told the Sunday Mail that Anglo would announce a new $70m investment with European partners this week, which would generate hundreds of new jobs. "We would not commit such huge funds if we had no confidence in the government," said he reportedly said.

The US embassy denied Sunday Mail claims that business leaders were behind the deletion of Zimbabwe from President Bill Clinton's scheduled tour of Africa.

The Sunday Mail said McDonald's speech "tried to incite the people" by questioning economic policy direction. "Mugabe interfered last year to reinstate Chikerema after he was suspended for breaching company guidelines on defamation and racial attacks."
Zimbabwe paper attacks US envoy over land

Harare – Zimbabwe's state-owned Sunday Mail newspaper launched a scathing attack on the US ambassador yesterday over his criticism of the country's controversial land reforms.

US ambassador Tom McDonald told local businessmen this month that President Robert Mugabe's plans to seize 5.5 million hectares of mostly white-owned farms to resettle black peasants threatened the economic gains made since independence. McDonald said the Zimbabwean government appeared to be "moving in a disturbing direction".

"In particular it must address questions of sustained economic reform, the opening up of the political system, the implementation of a transparent and fair land reform programme, and deficit reduction," he said.

The Sunday Mail criticised McDonald for being "presumptuous, disrespectful and spiteful".

"It was ... a bit disgusting to say the least; cheap, provocative, insensitive and rude," editor Charles Chikerema wrote in an editorial.

McDonald's comments showed he was against land redistribution and was urging Western countries not to support Zimbabwe's reforms while assuring white farmers of support; said Chikerema, a nephew of Mugabe.

The president has said he will pay farmers only for improvements to their land, arguing that the farms were seized with little compensation by British colonial settlers more than 100 years ago.

Agricultural experts say Mugabe's reforms could cut agricultural production by a third and leave about 167,000 workers jobless in a country with unemployment of more than 80%.

– Reuters
Mugabe intervenes in special permit grant

Michael Hartnack

HARARE — President Robert Mugabe’s government has intervened yet again in Zimbabwe’s four-year cellphone saga, creating a special licence for a Zairean-led consortium including ruling party moguls.

Telcel, which the government announced last year would get the sole private cellphone operating licence, lost out in December to Strive Masiyiwa’s Econet, which a high court judge decided was wrongly debarred after its year-long fight to launch a service.

Bureaucratic obstruction tactics enabled the parastatal Posts & Telecommunication Corporation subsidiary Net-One to launch a service, confined to major cities.

Information Minister Chen Chimutengwende announced that Telcel would be granted a specially created third cellphone licence on condition it dropped its planned appeal against Econet’s high court victory.

Judge George Smith ruled last week that Telcel’s appeal must not hinder Econet’s immediate entitlement to introduce its service.

There was an outcry when former information minister Joyce Mujuru announced last year the award of the sole private licence to Telcel. Retired general Solomon Mujuru is a member of the consortium. Other partners include black economic empowerment groups linked to the ruling party.

Telcel claims it invested Z$380m to meet the conditions of the licence it won briefly last year. Masiyiwa has so far made no comment on whether he will challenge the latest development.
Anglo Zimbabwe plans $70m mine

Michael Hartnack

HARARE — Anglo Zimbabwe plans a $70m platinum project, which will create 1,400 jobs, subject to an agreement on fiscal arrangements with the government.

The Unki mine, near Shurugwe in the Zimbabwe midlands, will rank as the third largest investment in the country since independence. Only the Sengwa North coal-fired power station project and Hartley Platinum mine exceed it in scale of investment.

Anglo Zimbabwe said yesterday the Unki mine would produce 1.02 million tons of ore a year with an in situ grade of 5.4g/t of platinum group metals and gold. Annual output including gold was expected to be 118,000 ounces, with 2.5 million tons of base metal.

Anglo Zimbabwe CEO Philip Baum said agreement still had to be reached on the ownership structure of the project, which might include the government. Initial negotiations had taken place with Zimbabwe’s mines ministry and Anglo was waiting for government’s decision on a working team.

Baum said Anglo Zimbabwe was already in partnership with government at its Bindura Nickel subsidiary.

Anglo hoped to start production at Unki within four years of the agreement being reached.

With a life of 20 years, Unki expected annual throughput of 1.02 million tons and believed extensive ore reserves should permit extension. Baum estimated the mine would generate $315m in export revenue during its life, with a $46bn annual contribution to the fiscus. Its output would make Zimbabwe the world’s third largest platinum producer.

He said $45m had been spent on feasibility studies. The mine is in an uninhabited communal area.
Zimbabwe to probe 'revenge' redundancies

Michael Hartnack

HARARE — Agriculture and Lands Minister Kumbirai Kangai says the Zimbabwean government is checking whether four recent announcements of redundancies by Anglo American were in revenge for listing of farms owned by the Oppenheimer family for redistribution to blacks.

"We will investigate to see whether these retrenchments are related to the action we have taken. As a government, we will take action if these retrenchments are related to that exercise and if they are unjustified," Mr Kangai said.

Anglo Zimbabwe CEO Philip Baum said that "the retrenchments are not related to land designation at all and to suggest that is utter rubbish".

Yesterday Angsim public relations manager Ezra Kanganga said: "The retrenchments flow from strategic reviews which were conducted last year, which focused on how the businesses could be run more efficiently in the light of changing circumstances, particularly in the Far East."

At the weekend Baum had to fend off attacks by "this government controlled Sunday Mail that a business leaders meeting he convened on January 23 was 'subversive' with a hidden agenda detrimental to peace and stability of the country.

President Robert Mugabe has written personally to President Robert Mugabe appealing for reversal of plans to take over five extensive ranches in the drought prone south and east, which have been in the family since the 1940s. Mugabe passed the matter to Kangai, who said: "It's not going to be a special case".

Since September Anglo has announced 1 300 job cuts at its head office, and at its subsidiaries Bindura Nickel Mine, ZimAlloys and border Timbers.

The action we are going to take depends on the facts on paper, warned Kangai. "If we find that the retrenchments are unjustified we will simply order them to justify what they have done and we will take it up from there."

On Wednesday Baum announced plans for a new $70m platinum project near Shurugwe in the midlands, subject to fiscal arrangements including a possible government stake, the future tax regime, recruitment of expatriate skills, and whether it will be able to export free of the monopolies imposed by the Reserve Bank and parastatal Minerals Marketing Corporation.
Zimbabwe mining 'resilient'

HARARE — A top Zimbabwean mining official said yesterday the industry had the resilience to ride out the slump in mineral prices, rising production costs and an unstable local currency.

"There is still life in this industry (despite) higher transport costs, electricity and wages which have all made operations that much more expensive," Chamber of Mines CE Derek Bain said.

He based his optimism on increasing production at Hartley Platinum mine, announcement of a new mine by Anglo American Zimbabwe and a rise in diamond prospecting.

Mining officials say the Zimbabwe dollar's 63.6% depreciation last year, while improving local earnings, was not sufficient to cover the cost of importing vital machinery.

The gold sector, which earns half of mining export receipts, was hard hit by the price slump, with 1,600 miners losing jobs in the last half last year.

Most mining products are subject to cyclical variations in pricing and with improvement in the world economy, we hope things will improve," Bain said. The Hartley Platinum mine in central Zimbabwe, a joint venture between Australia’s BHP Minerals and Delta Gold, would lift production this year, he said, noting that minerals worth $2.8bn were exported last year, up from $87.5bn the year before.

He said, however, a cloud hanging over the industry's horizon remained President Robert Mugabe's plans to forcibly buy half the country's prime commercial farmland to resettle landless blacks. "Certainly it's had a very adverse effect on investment and some claims have been lost to designation."

However, Mines Minister Simon Moyo recently, told an international mining conference the land reform programme would not interfere with mining operations. — Reuter.
Barclays adds its voice to Zimbabwean chorus of discontent

Martin Rushmer
Zimbabwe eyes Old Mutual

By JABULANI SIKHAKHANE

OLD-MUTUAL'S demutualisation plans may hit a snag in Zimbabwe, where historically fragile relations between the two parties could lead the authorities to wring out concessions from the Cape assurer.

The concessions could include having Old Mutual's Zimbabwean operations moved into a separate company, controlled and run by a Zimbabwean-registered company.

Old Mutual said in August last year it planned to convert from a mutual society to a public company. The mutual insurer is working on a scheme to be submitted to authorities in each country where it operates. The scheme will also have to be approved by policyholders.

Old Mutual has branches in Botswana, Kenya, Malawi, Namibia and Zimbabwe, where it is the largest insurance group, with a 68% share of the market.

As of June 30, 1997, Old Mutual Zimbabwe had assets under management of $22.2 billion, making it the largest investor on the Zimbabwe Stock Exchange, where its share investments are estimated to account for as much as 20% of listed shares.

Sources say that the Zimbabwean authorities are keen to wrest away this financial power from an SA company.

The Zimbabwe Independent newspaper reported in September that the Zimbabwean government had "expressed reservations" about Old Mutual's plans to demutualise.

Quoting government officials, the weekly newspaper said the government was likely to push for the Zimbabwean operations to be hived off.

The issue of where and how Old Mutual invests the funds under its control has been a sore point for the Zimbabwean authorities, who have repeatedly clashed twice with Old Mutual.

A report by the Economist Intelligence Unit, an international economic research group, says Old Mutual has twice refused to bankroll government-sponsored projects. Government officials were said to be piqued when Old Mutual refused to finance the government's controversial $3 billion Pungwe water project in Manicaland in 1995.

Recently, Old Mutual would not support the $850 million private placement of shares in the Commercial Bank of Zimbabwe (CBZ).

Old Mutual submitted a bid with subsidiary Nedbank SA and asociated the Central African Building Society to buy 99% of CBZ. The bid was rejected by the government and the CBZ management.

The government sold 80% of CBZ to the public and the bank's management.

When Old Mutual's bid failed, the consortium applied for a licence to establish a bank, named Premier Bank. The government refused.

In 1996, Old Mutual was locked in battle with government over the appointment of new chief executive Graham Hollick to replace Bryan Bradford. The government wanted a black executive in the position.

Johannes van der Horst, general manager in charge of demutualisation at Old Mutual, disputed the claim that the insurer and the Zimbabwean government were on bad terms.

He said the government had reacted positively when informed of the demutualisation.

Van der Horst said demutualisation was "a very complex process which could take up to a year and a half".
Vendors, police at odds

HARARE — Fruit and vegetable vendors fought running battles with Zimbabwe police at the weekend, after the vendors defied orders to sell their goods from designated points.

The vendors — who were in groups — reportedly had some of their fruit taken by the police against their will.

One vendor, Lloyd Mubara, said he had lost mangoes worth about Z$800, which he had ordered from Masvingo (formerly Fort Victoria) 200km south of Harare.

Democratic Party secretary-general Urayi Zimbe said his party was establishing resistance groups to prevent police officers from arresting the vendors, who were attempting to use honest means to survive.

"People should be vigilant and continue with vending on the streets to survive in these days of economic hardship," Zimbe said. — Sapa.
Zimbabwe’s Truworths blames economic climate

Martin Rushmere

HARARE—Zimbabwean fashion retail group Truworths, an associated company of SA Woolru, has recorded a 30% drop in net profit to Z$8.5m for the six months to mid-January against the same period the previous year.

A worsening economic climate that led to a decline in consumer confidence is blamed for the poor results. Turnover increased by only 1%, compared with an average inflation rate of 21% for the period.

Riots and strikes in December were an important contributing factor, as shoppers stayed away.

“December trading, which normally contributes a high percentage of turnover for the six months, was so disappointing that it had a negative impact on the overall result for the entire period,” says the company, which forecasts difficult times for the rest of the year.

For the full year to mid-July 1997, net profit was Z$11m.

Truworths’s fortunes have been slipping for the past year and there has been a boardroom shake-up coupled with stricter accounting controls. Once one of the best performing counters on the Zimbabwe stock exchange, the share price has fallen from a high of Z$11 to as low as Z$1.5. It is now trading at Z$3.5.
Mugabe attacks ‘empire building’ party leaders

Michael Hartnack

IN HIS first public acknowledgement of the backstairs intrigue now taking place among would-be successors, President Robert Mugabe has accused his lieutenants of “empire building”.

“Zanu (PF) was no longer dominated by unreliable, undependable and uncommitted leaders,” he told the government-controlled Herald in an interview on Saturday. Mugabe said he “did not believe in grooming a successor”; one should be “chosen by the people”.

“Who knows, I might want to groom my own son, and I don’t think that’s what people want.” Mugabe has two sons by his wife Grace, an increasingly powerful figure in view of her control of informal access to him.

Mugabe’s fourth term as president is due to end in 2002. Amendments to the Presidential Pensions Act aim to assure both legitimate and illegitimate offspring lavish benefits whatever happens to him. Despite reportedly successful treatment for throat cancer last year, doubts about Mugabe’s ability to retain his grip on power have surfaced with recent food riots.

As a result, say party sources, the 27 politburo members are jockeying for position, braced only by sharp reminders of Mugabe’s ability to dispense or deny patronage.

Mugabe’s removal of former Herald editor Tommy Sithole, for daring to challenge claims whites were behind the food riots, sent a strong signal to stay in line. Sources believe Sithole’s deviation from 14 years of conformity may have resulted from a miscalculation that Mugabe was about to go.

Central Intelligence Organisation throughout the 1980s. Matabeleland unrest, has been striving to revise his personal image, speaking out for press freedom and constitutional reform.

Mugabe’s successor at the CIO, Sydney Sekeramayi, who comes from Mugabe’s Zuzuro section of the Shona people, was once considered the most likely heir, but his ethnic base is threatened by retired Gen Solomon Mujuru (former guerrilla commander Rex Nhongo).

However, it was party chiefs in the southern Masvingo Province who were understood to be the principal targets of Mugabe’s claim in his interview.

Some leaders in Zanu (PF) are building empires around themselves at the expense of the grassroots whose interests they are supposed to articulate.

Mugabe has wrestled with factionalism among the area’s Karanga people, who dominate the security forces and regard themselves as political kingmakers. Alliance of the Karanga with former supporters of Vice-President Joshua Nkomo’s Zanu in neighbouring Matabeleland would break the 25-year mould of Zimbabwean politics.

Eastern Matabeleland, once pro-Zanu (PF), has also been rocked with factionalism since former provincial chairman Edgar Tekere was expelled and founded the opposition Zimbabwe Unity Movement. In Mutare at Zanu (PF) internal faction leader Lazarus Nzeyisayini last year bit off a rival’s lip. Significantly, Mugabe’s disciplinary machinery was unable to unseat Nzeyisayini from parliament.
Tardy reserve bank puts spike in safari firm’s agreed takeover

HARARE — Bureaucratic delay at the reserve bank has wrecked a multimillion-dollar planned takeover of Zimbabwe’s leading safari company, Touch the Wild, by the parastatal Rainbow Tourism group and Mauritius-based Ireland Blyth.

“The sale of Touch the Wild was agreed and signed but has not been approved by the reserve bank,” a spokesman for the firm told travel agents and tour operators in a circular.

No formal statement was issued to the press, apparently for fear of sparking further confrontation with President Robert Mugabe’s government.

The circular to the tourist trade said:

Touch the Wild’s founder, former game ranger and ruling ZANU (PF) MP Alan Elliott, was back running the company from Bulawayo with his wife.

Touch the Wild is opening four Zambian lodges to compensate for sites it built up, over 20 years, and then lost, on state land in Zimbabwe’s Hwange area because government reallocated them to “indigenous” entrants to the tourism industry.

In September the Rainbow Tourism group announced it had gone into partnership with Blyth and acquired six Touch the Wild lodges in Masvingo, Hwange, Matopo and Victoria Falls, as well as 75 vehicles.

The firm handled 25 000 foreign tourists in 1996.

Elliott and his board — it included 50% shareholder Zimbabwe Sun Hotels — repeatedly extended the deadline for Rainbow and Ireland Blyth to obtain reserve bank approval. Meanwhile Ireland Blyth personnel moved into Touch the Wild offices.

Sources said there was a split on the Touch the Wild board, with Zimbabwe Sun’s John Smith wanting to push ahead. Smith said this week he had “nothing to add”.

In November the Zimbabwe dollar crashed and Rainbow was no longer able to afford the deal in US dollar terms, believed by tourist industry sources to run into eight figures.

To compensate for the camps he lost in Hwange — the area he represents as a ruling party MP — Elliott is opening one camp on the Zambian side of the Zambezi River, above Victoria Falls, two in central Zambia’s Kafue and one in the eastern Luangwa wildlife area.
Nyika head remains in row over control of Zimasco

HARARE — Retired general Solomon Mujuru hoped to break the stalemate with President Robert Mugabe over "indigenising" the Zimasco mining group by obtaining other black partners, mining sources said yesterday.

"Mujuru is still very much involved. He has not relented at all on the deal. Options that he has offered, which have a broad-based indigenisation thrust, are still subject to approval by a cabinet committee working on the deal," officials reportedly told the Zimbabwe Financial Gazette.

There has been no comment from Zimasco MD Bill Smart. However, mining industry chiefs said yesterday agreement might be at hand.

Zimasco, formerly a subsidiary of the US-based Union Carbide, has been under threat of nationalisation since people Mugabe called "former Rhodesians", headed by SA-based Patrick Quirk, bought a controlling interest. Mugabe claimed Quirk

Zimbabwean body criticises tax blitz

HARARE — Zimbabwe's main industrial body yesterday slammed a tax-collection blitz on companies, saying the drive was slowing production.

Confederation of Zimbabwe Industries president Jones Blanchfield said the exercise, introduced last year to clamp down on firms allegedly evading duty on imported goods, was delaying the delivery of vital material to manufacturers.

"While we acknowledge that the authorities must collect the full revenue due to the state for the benefit of everyone, we believe that this should not be done at the expense of industry and exports," she said.

The drive by the department of customs and excise, she said, was defeating the objective of collecting maximum revenue as it significantly slowed down business operations and manufacturing processes, lowering the tax eventually due from companies.

Blanchfield said the blitz was also increasing industry's operating costs as companies were forced to bear the cost of inspection and lengthy storage times.

President Robert Mugabe's cash-strapped government has been on a tax-collection drive for a year to boost its coffers and help cut a budget deficit that has averaged 10% a year for 10 years. — Reuters.
Anglo Goliath is target for Mugabe hitmen

Michael Hartnack

HARARE—Anglo-American Corporation is estimated to own between 35% and 65% of Zimbabwe's economy, but its CE in Zimbabwe, Phillip Baum, declines to answer queries on the matter.

The Zimbabwean subsidiary has been under political attack since President Robert Mugabe lashed out at multinationals in 1995 for allegedly failing to advance black managers.

Nicky Oppenheimer then met Mugabe, concluding an offer of 20% of the shares in Bindura Nickel and smoothing previous objections to the grant of a work permit for Baum. Former Anglo director Ellias Ngwagama returned as local nonexecutive chairman.

Although the corporation unveiled plans last week for a US$70m platinum project in the Zimbabwean midlands, attacks by the state-controlled media continued, with Baum having to deny claims that Anglo had a "secret agenda to undermine peace and stability" in revenge for the listing for takeover of five Oppenheimer family farms. The names of 60 subsidiaries and associated companies appear on information boards in the company's impressive Charter House, in the heart of Harare.

Most historic and most controversial of them is the British South Africa company founded by Cecil John Rhodes.

In an expansion venture unparalleled in the history of the British empire, the BSA company ran Southern Rhodesia as a commercial subsidiary, not a crown colony. From 1890 to 1953 an almost entirely white electorate (a handful of blacks meeting property qualifications had the vote) then rejected union with SA in favour of self-government. Southern Rhodesian taxpayers dug deep to buy railways, minerals rights, and other BSA company assets, refusing to pay for the 1985 Jameson raid on Paul Kruger's Transvaal Republic.

Anglo American Corporation took over the residual BSA company in 1956.

Harare's telephone books list the mining, industrial and agricultural enterprise under the name "Anglo American Corporation Services Ltd", but it is generally called "Anglo Zimbabwe". While many Anglo Zimbabwe subsidiaries are listed on the local stock exchange, Anglo Zimbabwe is wholly owned by SA's Anglo American Corporation, and its shares are not traded.

Although Rhodes went to Zimbabwe looking for "the second Rand", Anglo currently owns no gold mines but will be returning to precious metals with its UNK1 Platinum Group project.
Mugabe rules out retirement plans

Michael Harteck

HARARE — A week after his 74th birthday, President Robert Mugabe has ruled out retirement, saying rumours of it had already unleashed a power struggle among his lieutenants.

"Indeed, some of them have been vying already for the post and undertaking activities which, to say the least, are not helpful to the party," Mugabe told the independently owned Financial Gazette in an interview published yesterday.

He said if he were to announce a definite date to retire his colleagues would "probably start eliminating each other".

The president is due for re-election in 2002, having been in office since independence in 1980.

Mugabe said: "So let us be busy organising the affairs of the state and not talking about retirement at this stage."

"So I say no — leave it to me when the day comes. I will announce it, but it has not come yet."

After celebrating his birthday at a gala meeting of the 21st February youth movement in faction-ridden Masvingo province, Mugabe accused his subordinates of "creating empires" and ignoring their duties.

He alleged that Zimbabwe's current economic woes — which included 50% unemployment and runaway inflation — stemmed from the lack of commitment among his subordinates.

Apathy about the effectiveness of the parliamentary process was illustrated yesterday when results were announced of a by-election at St Mary's, a low income township of Harare which was badly affected during last month's food riots.

Only 9% of 36,000 registered voters bothered to turn out after a campaign marred by the attempted petrol-bombing of the losing independent candidate, Marjorie Zenda, and assaults on many of her supporters.

"The opposition should know who is running the country. We are supported from above and we shall continue to beat them," St Mary's MP Zanu (PF) — full stop," a kliar-wielding activist told Zanu news agency on Sunday.

Zenda polled 2,978 votes against 3,643 for Zanu (PF) MP Patrick Nyarwanda and 207 for the little-known Zimbabwe Labour Party.

The previous MP is awaiting trial on the charge of shooting dead a teenager outside his bottle store during January riots. Zanu (PF) controls 147 of the 160 parliamentary seats.
Tobacco growers pose dilemma for Mugabe

Annual auctions the litmus test for country’s foreign earnings

If there’s one segment of Zimbabwe’s industry that continues to bedevil President Robert Mugabe it’s the tobacco growing sector. Its 1 400 growers still represent the height of wealth and privilege among the population of 70 000 whites.

Yet the irony is that Mugabe has never been more dependent on this small sector, which is a vital part of the country’s economy. On March 31, when the annual tobacco auctions get under way, its importance will again be underlined.

This year the crop could bring in as much as 35% of the country’s foreign earnings, up from the usual 25%. Not because of any tremendous surge in prices but because other exports, notably gold and base minerals, are flat.

Tobacco prices are expected to remain at last year’s levels which averaged US$2.33/kg. The effect of the world antismoking lobby has largely been ignored — land under cultivation is the largest since independence, 96 000 ha. This is expected to produce a crop of 230 000 t.

Going on the most pessimistic price assumption of $2/kg, the value realised at the auctions will be at least $460m, or 13% of GDP.

This level of dependency will make it more difficult for Mugabe to move against white tobacco growers. And the controversial issue of land redistribution appears to be unresolved.

However, a total of 550 tobacco farms are included in the 1 600 proposed for redistribution by Mugabe and account for 25% of tobacco production. The potential loss of income may yet stave off government’s efforts to carve up what is potentially its forex lifeline.

The Tobacco Association believes that land appropriation may not lead to a big drop in production. Nevertheless, its effect on confidence could be dire.

“Quality, reliability of supply and competitiveness are what we have to concentrate on,” says the association. “Foreign buyers are not interested in the details of our problems — all they want to know is the number of cigarettes being smoked rising by only 1.5% a year compared with a 12% rise in crops under cultivation.

The industry has left itself open to political criticism because it remains predominantly white. Black growers account for only 2% of Zimbabwe’s crop despite the establishment of schemes to train black growers. Such delicate inter-racial co-operation has been thrown into jeopardy by Mugabe’s political posturing and the furor over commercial farm acquisitions.

Tobacco growers point to real logistical difficulties to achieve a more equitable distribution in the industry.

Zimbabwe’s appeal on the world market is the unique flavour of its tobacco, partly a combination of soils and climate but also a result of plant breeding and specialised curing techniques. This flavouring makes up 60% of the crop, with the rest consisting of the “filler” type that can be grown virtually everywhere.

Producing the flavour needs expensive equipment and large areas under cultivation. The average commercial crop, mainly grown by whites, is about 50 ha while 20 ha would be considered “enormous” for the average black grower.

Last year politicians made much of the opening of a black-owned auction floor amid hopes that it would pose a real threat to a business that retains all the colonial trappings. In the event the black floor sold only 8% of the crop. Growers complained of poor organisation and delayed payments.

The world market is prepared to take the country’s tobacco and for the foreseeable future there is no real danger of any drop in demand. Politicians now have realised that the real challenge for the industry is the involvement of blacks in growing, not selling.

Nearly 70 countries buy tobacco from Zimbabwe, with the European Community taking 48% of last year’s 168 000 t exports.

Nobody’s betting on how long this trade will last, but the farmers are not taking any chances. If there is one lesson they have learned from sanctions it is that they must not pin all their hopes on one crop. In contrast to 20 and even 15 years ago tobacco farmers now grow at least one other crop, and account for 30% of maize and 35% of wheat output.

Marita Ruthnere
Zimbabwe baker delays Z$30m expansion plan

Michael Hartnack

HARARE — Zimbabwe's largest baker, Lobela, has shelved a Z$30m expansion plan as talks between a cabinet committee and industry chiefs on curbing the prices of staple commodities drag on.

Lobela had planned to create 300 jobs by extending production capacity this year, a spokesman said.

Recent increases in bank charges to more than 34% have contributed to the decision to delay the move, along with doubts about the viability of baking and milling if President Robert Mugabe reintroduces statutory price controls. This has been threatened by Industry and Commerce Minister Nathan Shamuyarira in the wake of last month's three-day food riots, triggered by a 20% increase in the wholesale price of maize meal.

A standard loaf of brown bread now costs about Z$3.85. Bread price controls were lifted two years ago, under Zimbabwe's economic liberalisation programme, backed by the World Bank.

Zimbabwe's Innacor group has been considering a takeover bid for Lobela, but a management spokesman said no talks were in progress.

The Consumer Council of Zimbabwe says prices of some household basics have gone up 70% in the four months since the currency crashed in value – a crisis triggered by the Z$4,5bn flotation payments of former guerrillas and the designation of 1,400 farms for takeover by the government.

Shamuyarira said talks with commerce and industry on voluntary price controls were "going on very well", but business leaders privately said the situation was untenable without restored state subsidies — a move ruled out by World Bank and International Monetary Fund agreements.

"We have managed to keep down the prices of essential products for the moment and have agreed to maintain them ... for the next three months, after which we will negotiate," said Shamuyarira.

A food industry executive said: "Millers, bakers and cooking oil producers cannot continue to incur the losses they are experiencing now. Price increases initially mooted will come into effect in April unless government comes up with a workable solution, which at this point looks unlikely." He predicted bread and cooking oil prices would rise 25%.

Maize meal price rises were cancelled when the state-owned Grain Marketing Board cut its price to millers by Z$400 a ton.

A 60% increase in petrol and diesel prices is imminent and inevitable, say economists, and this implies a serious "knock-on" inflation effect throughout the economy.

The executive of the Zimbabwe Congress of Trade Unions (ZCTU) meets tomorrow to discuss further protests against economic mismanagement and high taxation, despite threats from Mugabe, who alleges ZCTU leaders Morgan Tsvangirai and Gibson Sibanda are attempting to challenge his government by inciting violence.
Labour, student protests worsen Mugabe's crisis

HARARE: Zimbabwe's President Robert Mugabe faces a wave of labour and student protests this week which is likely to worsen a social and economic crisis threatening his 18-year-old rule.

The Zimbabwe Congress of Trade Unions (ZCTU) has called a two-day national stayaway tomorrow and Wednesday to press the government to cut and review some taxes and food prices.

University and college students have promised public protests from today to push claims for increases in their payouts.

The government and some business leaders want the unions and students to call off their protests, saying they will hurt the state's fragile economy and investment image.

Many political analysts say the protests will particularly hurt Mugabe, who has threatened to use force to stop them, saying union leaders are trying to topple him through social unrest.

The 74-year-old Mugabe also accuses the union leaders of being puppets of Zimbabwe's minority white community, who ruled this former British colony of Rhodesia before he came to power when the country gained independence in 1980.

They deny the charges, and in turn allege that Mugabe has run out of ideas and is finding scapegoats and using force as a cover-up.

The former guerrilla leader ordered troops to crush food riots that broke out in January, leaving at least six people dead.

The riots were seen by many as the most serious challenge to his rule.

In December, he used hundreds of heavily armed paramilitary police to stop an unprecedented union-sponsored national anti-tax protest.

"It is risky to use force all the time because it incenses the public and you could get to a stage where the security forces cannot manage," political commentator Ms Lupi Mushayakarara said.

"Dialogue is the way out of this crisis ... but it doesn't look as if we will get that," she said.

Last week, Mugabe said he would "fix" the ZCTU if it went ahead with its planned strike.

On Friday, ZCTU president Mr Gibson Sibanda and secretary-general Mr Morgan Tsangirai said the strike was on because Mugabe had failed to meet their demands within a month's deadline or even to open talks on the issues.

The ZCTU wants Mugabe to scrap a recent 2.5% increase in sales tax and to review a 5% development levy, a 15% tax on pension profits and recent food price hikes, saying real earnings had fallen drastically since 1991.

The ZCTU says the government should cut its expenditure, which now eats 38% of gross domestic product and has led to a budget deficit of more than 10% a year in the past decade.

Critics say ... but Mugabe denies ... that he has damaged the economy over the years by directing national resources into a political patronage system aimed at sustaining his rule.

Zimbabwe's economy has been ravaged in the past six months by an unstable currency, huge payments to independence war veterans, and investor confidence shattered by controversial state plans to seize mostly white-owned farms to resettle black peasants. — Reuter
Police not helped to cope with stress

egen's share of the press

The police, a force under stress —

The stress and strain of modern policing can take a toll on police officers. The pressures of daily work, the emotional toll of dealing with traumatic events, and the constant exposure to danger all contribute to the high levels of stress experienced by police officers.

To help cope with stress, police departments have implemented various strategies such as counseling services, peer support programs, and stress management workshops. However, the effectiveness of these measures can vary depending on the implementation and the culture of the department.

The National Police Association (NAPA) has also been advocating for better resources and support for police officers. They have been advocating for increased funding for mental health services and training for officers on stress management.

While there is no one-size-fits-all solution to the stress experienced by police officers, it is important for departments to continue to prioritize the mental health of their officers and provide the necessary support to help them cope with the demands of their job.
Teacher unions censured over threat

PRETORIA — Heads of education departments yesterday condemned a threat by certain teacher unions to declare schools no-go areas for departmental officials.

The heads of education departments committee urged unions to publicly declare their intentions on the matter.

This followed reports that some union officials were preventing district management officials from entering school premises.

The committee, which met in Pretoria earlier in the day, said the relationship between education departments and teachers should be nurtured at all costs.

"The education system is heavily supported by public funds and no-go zones cannot be allowed to develop," it said.

"District officials must have access to schools to ensure that public funds are invested with good return, and to offer the necessary professional support to educators," it said.

The committee said it also discussed illegal labour action, and warned teachers not to leave their posts to take part in union activities without permission.

Such conduct would not be tolerated, the committee said. — Sapa.
Zimbabweans defy Mugabe and go on strike
TENSION AHEAD OF STAYAWAY

War veterans threaten Zimbabwe’s whites

HARARE: The Zimbabwe government has accused whites of inciting a planned stayaway in revenge for its plans to redistribute white-owned land to blacks.

ZIMBABWE'S independence war veterans threatened to attack whites and troops were placed on standby as tension mounted yesterday ahead of a workers' protest against President Robert Mugabe's government.

The Zimbabwe Congress of Trade Unions (ZCTU) has called a two-day national stayaway from today in an attempt to force the government to cut taxes and reduce prices.

Government ministers have accused white businessmen of inciting the unrest in an attempt to topple Mugabe because they are angry over plans to seize some 1 500 white-owned farms for redistribution to blacks.

The war veterans, who recently received large government payouts for their part in the 1970s independence struggle, have indicated that they are prepared to take the anti-white rhetoric a step further — into concrete action.

The chairperson of the Zimbabwe National Liberation War Veterans' Association, Mr Chenjerai Hunzvi, said: "We want to make it very clear that we as liberators of this country could very well attack the whites for inciting the boycott."

He told government-controlled media that members of his organisation would march on the upmarket northern suburbs of the capital, where most of Zimbabwe's tiny white minority live.

The northern suburbs were spared during food riots in January when shops in working-class suburbs were looted, and government ministers have expressed dismay that blacks attacked black-owned businesses.

Leaders of the ZCTU have rejected the government's allegations that they are being used by whites.

They say they are protesting against government mismanagement of the economy, which saw the value of the Zimbabwe dollar plummet against foreign currencies late last year, causing prices of consumer goods to rise steeply.

Industry Minister Nathan Shamuyarira warned that "drastic and punitive action" would be taken against striking workers and against employers "who encourage their workers to stay away by shutting their businesses."

He said the army would be deployed in Harare as it was during the January riots, in which at least five people died.

Shamuyarira repeated accusations that whites were behind the unrest. He said stern action would be taken against them.

Whites make up less than one percent of the population, but are prominent in commerce and industry.

University of Zimbabwe political scientist Mr John Makumbe said he believed the government was cynically using the white community as a scapegoat.

"It's not the white business people, and people know that," he said.

In Makumbe's view, "people are not actually dancing to the tune of the government and blaming the whites."

Mugabe laid his personal authority on the line last week when he demanded that the stayaway threat be withdrawn.

But the ZCTU leadership has said it will not be intimidated.

Secretary-general Mr Morgan Tsvangirayi said: "We are not answerable to the president. We are answerable to our members."

—Saps-APP
Hareh Tensions Rise as Veterans Threaten Whiles
The land is your land...
this land is our land

Gertrude Gasa

I was born in Chiviwe, by the Mazowe River, in 1927. I am one vezu, a child of the soil. I feel it in my body. It tells me I need to eat fresh vegetables planted on my land. It tells me I must grow my own maize. Vona vezu. This is why we women farm any tiny piece of land we find in the township.

My father remembers being slowly driven into rocky reserves as white farmers took up the best land in Chiviwe. They got the good soil. Africans got the worst. My father had 2.4ha — too little land for his six children. In 1932 he moved to Mount Darwin where he acquired 23ha on a native purchase area. He is still alive, well into his 80s. Recently we (the children) forced him to remarriage. He needs a wife to cook him fresh vegetables every day. So he married this widow in her 60s who brought her three children to live in his kraal. They have many cattle so she is quite happy. I married in 1947. I saw this young man visiting relatives in Bindura, near Chiviwe. He saw me. We saw each other. Then we married. In 1953 he got a job as a driver and we moved to Mhavukela township, 10km east of Harare. He died in 1988. I have six children and seven grandchildren.

Fifty-five years in Mhavukela have not made me an urban woman. Harare is a transit point. Vona vezu. You must have a home in the rural areas. When you are entrenched, unemployed or sick, you go back to the rural areas. Where the ancestors are buried. I want to be buried in Bindura.

My husband and daughter are buried there. I want to join them in the soil of Bindura. I want to feel myself in the soil. I will not be buried in Harare.

I’ve heard there is a programme to give land to people. I want a small commercial farm in Bindura. Or in Chiviwe, but on the good soil. Then I will retain the feeling of uma vezu. I will run the farm with my family. Donors will give us tools, seeds and fertiliser. I am a good farmer. I follow the advice of the extension worker. My maize is the best among all the women in Mhavukela. I know how to manage. I supervise four savings clubs in Mhavukela for the Association of Women’s Clubs. We do handcrafts and sell them. Sometimes we travel to South Africa to sell our crafts. My crochet tablecloth just won the first prize in a competition.

There is enough land for every Zimbabwean family. Some people own a lot of farms. Compensation should be given for the developments, but not for the land. Land belongs to God and to the people. Vona vezu, you understand?

This March it is 100 years since Ambuya Nehanda’s death, Ambuya Nehanda was born in Chiviwe, although she belongs to all Zimbabweans.

She was a woman who loved Zimbabwe so much she gave her life for the country. She was a spirit medium, who felt the pain of seeing Zimbabwe suffering so much that she inspired many men and women to fight.

We fought the Chirurenga wars for one thing: the land. All other reasons are irrelevant. And we haven’t got it yet. If no land is given this year, the fighting and the crying will continue. Vona vezu.

If people think with an open mind, they will understand why Zimbabweans are doing this.

‘Among my friends, I am the only one keen on a plot of land — if provided with credit, tools and seeds’

Willard Mikuwasenga

In January, I got myself new clothes, second-hand camouflage fatigues and trousers. Are you dressed for the urban jungle? I joked a friend. Well, you guess, three days later, food riots exploded in Harare and Chitungwiza.

I live in Chitungwiza, but since 1980 I work in downtown Harare. I guard cars at a luxury hotel. A good location, with some drawbacks. Every summit held in Harare, from solar energy to the Organisation of African Unity, means two weeks without work for me and my friends — craft and fruit vendors — are chased away by police. During the riots, we were picked up and abused by police to identify looters.

I never expected the streets of Harare would be my workplace. Childhood was fairly happy in a township of Mutare, in the Eastern Highlands, close to Mozambique. My father, a truck driver, provided the basics. When he died in a car crash, we had to return to my mother’s communal area. Hey, that was hard work. We were poor. My grandmother had 2ha of land and too many grandchildren to look after. Social welfare put me through primary school, then stopped. My stepfather helped while he could, but in form

three I had to drop out. That was painful. I had good grades, especially in geography and agriculture. I had hopes I’d get a good job.

When my stepfather found work in Harare, we moved to its satellite township, Chitungwiza. I tried looking for a job. You go to the industrial area and hang around the factories. But you have to get to know the foreman, or pay him a few beers, or be from the same place, to be called. After a while I realised I was wasting my time and bus fare, spending a day without eating, so I tried downtown. I had friends working on this corner.

Our main problem? Police harassment. If there is any trouble, we are the main culprits. Some of us are dishonest, I know. But not all.

One of my friends was hired as a messenger by a businessman whose car he guarded. Maybe that will happen to me. Then I could save some money and have a family. It’s not otherwise possible. How can I pay boda or take a girl out if the little money I earn is spent on bus fare, a bit of bread and red hot I bring home, and clothes?

Home is four rooms in a concrete and an outdoor latrine. My mother likes gardening, so she has a nice yard with lots of flowers and shrubs. On weekends, me and my friends sit in the cool shade, passing time away. There is not much else to do: go to the beer hall, play snooker (table football), smoke cigarettes. Ask any group of young men if one has a job or if they know somebody else’s age with a job. Negative reply. They drink and smoke. There is nothing else to do.

Among my friends, I am the only one keen on a plot of land — if provided with credit, tools and seeds. I know how to farm but you need input, each and every season. Most of my friends prefer jobs to land. But they were born in the city. I come from the rural areas.

During the riots, I was trapped in Harare without transport, while Chitungwiza burned with the anger of the poor and unemployed. I did not agree with looting, but I was angry when the army was brought in to prevent people from exercising their democratic rights.

The riots were caused by incentives in food prices, these in turn were caused by the and big businessmen. The problem is not black against white, but rich against poor. A few blacks and whites get richer; the rest of us get poorer. After independence, we had free hospitals and free schools. That changed in the 1990s. Was it a trick to cool people down after the war? We were betrayed.

Continued on PAGE 26
The London Review of Books brings you some of the most thought-provoking words in the English language...

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Provocative and pungent
Fiercely independent and unashamedly controversial, the London Review of Books provides both authors and readers
This land is your land...

Robert Mugabe's determination to redistribute 1.480 designated white-owned commercial farms has created a furore in Zimbabwe. Detractors say that it is a populist move by a corrupt and increasingly unpopular government, oblivious to the fact that it will cost thousands of farmworkers their jobs and ruin the economy. Its supporters say that Mugabe is simply taking back the land stolen by white settlers from the African people of Zimbabwe. But what do the people caught in this vise of history say?

Mercedes Sayagues has gone behind the ideology and the rhetoric to record the voices of real people

James Sinclair

Our roots go deep in Africa. On my father's side, the first Sinclair arrived in South Africa in the 1820s. My mother's father, a Scottish doctor, came in the 1860s. My parents moved to Zimbabwe in the 1950s. My father himself is African. He never travelled out of Africa.

My wife's father, Ralph Palmer, was born in England. In 1958 he had tuberculosis. Doctors recommended a dry climate, so he came to the USA in 1959. For the first eight years he worked as a farm manager. In 1968 he bought 120ha at market price, and 5,000 more in 1967. This became Serui farm, near Norton, 65km west of Harare. My father-in-law was active in liberal political causes among them, he was president of the multi-racial Central African party.

I was born in Chimanimani. Life in the Eastern Highlands in the 1920s is described in a book my mother wrote. My wife Ann grew up on Serui farm. This is where we got married in 1967. We've been living here since the 1970s. I bought Ann's sister's share in the business. My two sons and three grandchildren live here. This is the fourth generation on Serui farm.

I am 100% Zimbabwean and proud to be so. In 1990, President Robert Mugabe said we (whites) were Zimbabweans, but lately we have become non-indigenous. When I hear this, I either ignore it or get uncomfortable and depressed. We are not British nor want to be. Zimbabwean law does not allow us to hold another passport. It is nonsense to call us British children.

In fact, we commercial farmers are Mugabe's best friends: we feed the people, earn foreign, pay taxes and make no trouble. We provided a link of stability before and after the war. If we had all left, the country would be a basketcase like Zambia.

After independence, we put our heads down and went on farming. We expanded our business and paid more taxes. We owe Mugabe his assurance we could stay and he owes us our work.

On Serui's 2,400ha we grow tobacco, maize and potatoes, have cattle and a pig farm. Our workers are well cared for. Take a look at the compound. Some 400 people live on the farm. We worked with a non-governmental organisation, Save the Children, on its welfare. Until recently, Ann ran the district Aids awareness programme. We have a pre-school on farm, support the school in nearby Mhondoro communal areas and Chibora agricultural college.

It is difficult to believe this land (designation) is happening. I'm still shell-shocked. When I headed the Commercial Farmers Union (CFU) in the early 1990s, I heard Mugabe say in so many meetings that we were doing a good job, to keep it up. How is it that now we are the enemy?

I'm bewildered by the rhetoric. I worked hard in Mugabe's government. Besides the CFU, I was a member of the cold storage commission, member of the forestry commission, the railway board and the Riddell commission to research inequalities between rich and poor. I have committed myself to this country because I feel Zimbabwe deserves the best it could give. And one morning I wake up and learn my farm has been designated. It is bizarre. Every farm is taken, we have little left. A small flat in Harare where my daughter lives. No pension. Few savings, no future. We always ploughed back the profits on the farm. Our future was invested on education for the children and on the business. We thought that building a successful business would take care of us in our old age. And what about our sons' future? We can't get our minds off that.

Looking in my scrapbook, I see statements made in the 1980s, that eventually the government would take all the land. But we ignored them. Yet in the back of my mind I always had a question mark on how long we would be able to keep it. We are the only landowners to survive in a socialist revolution.

We were aware of the need for land redistribution, but in a way that increases agricultural productivity.

I mean no criticism of the CFU leadership, but we have not maintained dialogue as we should. Some farmers have a confrontational attitude towards the government. And whites didn't do enough to mix. I guess it's the South African influence. Sure there is a gap between blacks and whites, economic, social and cultural, and it is a shame. But we are citizens, entitled to a piece of land. There is a potential for working together on this issue.

For me, land is a business asset that we use to its utmost productivity. I'm attached to this land because it provides a living for me, my family and my workers. I love it for its beauty, and I've put my life into it. But I don't feel a mystical attachment. Ann is more emotional about it. She grew up here, she knows every indigeneous tree on the farm and it hurts her to think they may soon be gone.

Mines is certainly a different language, from commercial farmers. It's come from a different culture. I am not apologising for that. I respect people who have a spiritual attachment to their land, but to me, the real world is about business, if we want to survive into the millennium in a competitive world.

In a funny way, this distils the argument. A clash of cultures. And there are no winners. But if you are thoughtful about the future, you have to find a compromise between signing a land a mystical value and an economic one. You can't have two, separate rural economies. There must be a meeting of minds — but it won't happen while the government is shooting at us.

What country can afford to dismiss the skills of its farmers? We have Survour farm 60 years of combined tobacco experience. What do you achieve by destroying a system that is, granted, a bit feudal and paternalistic, but that works economically?

This is an attempt to substitute land for jobs, not a way to make your land more productive. The economy is not performing well, the government has not delivered its promise. My bigger fear is that now the government has raised hopes of the people and it is impossible to back down. Yet it lacks the physical capacity to carry the resettlement programmes through. It has created expectations that can lead to social disorder.

Is there a place for whites in Africa? I should think so. We don't want to pack and leave. We made a commitment in 1880 to stay and work for this country. The commitment is still there. We are going ahead with farming decisions. You can't stop a farm. The pigs and the cows are breeding, we are ploughing for the next season.
Opposition groups need to examine their means as well as the end in their actions, writes Michael Hartnack in Harare (01/06/98).

The government and other stakeholders in the running of countries such as Zimbabwe and Zambia need to consider the means as well as the end in their actions, as exemplified by the recent example of Mugabe's action in Parliament on Monday. The government and opposition parties need to sit down and discuss ways to resolve the crisis.

The Zimbabwean Congress of Trade Unions, represented by its president, Mr. F.M. Mudzingwa, and the Zimbabwean Congress of Trade Unions, represented by its secretary, Mr. C. Chidrawo, have called for talks between the government and the opposition parties.

The government has been warned by the opposition parties to stop using violence and intimidations against the opposition leaders and activists.

The government has been criticized for its handling of the crisis, which has led to the deaths of several people.

The government has also been accused of using the army to suppress the opposition leaders and activists.

The government has been urged to stop using violence and intimidations against the opposition leaders and activists.

The government has been warned that it will face international sanctions if it continues to use violence against the opposition leaders and activists.

The government has been urged to stop using violence and intimidations against the opposition leaders and activists.
HARARE — The embattled Zimbabwe government yesterday vowed to punish businessmen who closed in support of a two-day nationwide strike observed by tens of thousands of workers.

"The government is going to punish those businessmen who closed their premises today, thereby denying workers who wanted to work the opportunity to do so," Industry and Commerce Minister Nathan Shamuyarira said.

The protest, seen as a political challenge to the government of President Robert Mugabe, was called by the Zimbabwe Congress of Trade Unions (ZCTU) in an attempt to force the government to cut taxes and reduce prices.

Mugabe had laid his personal authority on the line by demanding the cancellation of the strike, but almost all industries in the capital remained closed and only skeleton services were operating in the city centre.

Shamuyarira said: "We regard this (business closures) as a serious breach of both contract and the law. They wanted to give impetus to an illegal strike."

Most businesses, however, were believed to have decided to close for security reasons, especially in the aftermath of the January riots that saw shops and properties heavily looted.

The state news agency reported that other urban centres around the country were also closed for business.

In the main towns of Bulawayo, Mutare, Gwanda, Kadoma, Chinoyi and Mavingo most shops and industries kept their doors shut.

"It is total madness to go ahead with the strike," Mugabe said on the eve of the stayaway.

ZCTU leaders said they were not answerable to the president, but to their members, who were suffering severe economic hardships which they blamed on government mismanagement.

Truckloads of armed riot police were visible in parts of the city and helicopters periodically patrolled the skies over the capital.

Apart from some isolated, stone-throwing incidents there were no reports of serious violence or clashes between police and strikers, who have been urged to stay at home by the protest organisers.

Ministers have said white businessmen are stoking the flames of economic discontent in Zimbabwe in the hope of overthrowing the government because of its plan to seize about 1,500 white-owned farms for distribution to blacks.

One of the concessions made in the face of protests last year was to pay gratuities and pensions to war veterans — a move economists said was partly responsible for the financial crisis government found itself in. — Sapa-AFP.

A fresh debate: Page 15
Firms will suffer for backing Stayaway

Mugabe slams shutdown

Just one dam strike after another
ZIMBABWEAN Discord Grows

Unions defy Mugabe, go on strike over taxes

HARARE: President Mugabe claims a strike yesterday was illegal, and police and army were placed on stand-by in major centres to crush any disturbances by disgruntled civilians.

ZIMBABWE trade unions went ahead with a national anti-tax strike yesterday, defying President Robert Mugabe, who has declared it illegal and alleged it is part of a campaign to discredit and unseat him.

Many businesses were closed across Zimbabwe, but police said there were no reports of violence by last night.

Zimbabwe has been rocked by a series of violent protests in recent months, including food riots in January in which six people died and many shops were vandalised and looted.

The Zimbabwe Congress of Trade Unions (ZCTU) called for a two-day stayaway beginning yesterday to press Mugabe to scrap a recent 2.5% increase in sales tax and review a 5% development levy, a 15% tax on pension profits and recent food price rises.

They rejected appeals by the government to call it off, saying Mugabe was not offering anything other than threats.

Mugabe, who has been in power since the former British colony of Rhodesia gained independence in 1980, says the strike is a ploy sponsored by whites angry over his government's plans to reclaim mainly white-owned farms for a black peasant resettlement scheme.

BLAMES WHITES: Zimbabwean leader Robert Mugabe.

On Monday night, Mugabe said his government no longer regarded the ZCTU as a labour union but as an opposition party, concentrating on fighting the government instead of bargaining for higher wages.

"We won't tolerate that," he told state media.

The government has declared the strike illegal, and yesterday deployed police to try to stop it. It said the army was on stand-by to crush any disturbances.

The main industrial areas in the capital Harare were shut, but union leaders were urging people to avoid violence.

Some banks opened in the morning, but later closed to the public, leaving only treasury departments operating.

Dealers said trade on financial markets was very subdued.

The Zimbabwe dollar was generally stable at its overnight levels against hard currencies, including the US dollar.

Trade was also slow on the Zimbabwe Stock Exchange and the local money market.

Businesses were largely deserted in the other main cities of Gweru, Bulawayo, Mutare and Kwekwe.

Political analysts said the January food price riots were the sternest challenge to Mugabe's 18-year rule to date.

They came on the heels of protests organised by trade unions in December which forced Mugabe to repeal a 5% levy intended to raise money to pay veterans of the country's 1970s independence war.

The analysts have blamed the government for current social and economic unrest, saying Mugabe has ruined the economy over the years by directing national resources into a political patronage system designed to keep him firmly in power.

He has denied the charges.

Mugabe has also rejected calls to resign over a social and economic crisis that has brought high unemployment, an unstable currency, low growth and an erosion of investor confidence, mainly shaken by his land policies.

He says he feels young at 74, competent and in control. — Reuters
Mugabe govt faces tough choices

HARARE — Zimbabwean President Robert Mugabe's government faced tough choices if it gave in to union demands to cut some taxes, economic analysts said yesterday.

A Zimbabwe Congress of Trade Unions strike pressing Mugabe to remove a 2.5 percentage point rise in sales tax from last December and a 5% levy on income, about businesses in the southern African country, for the second day yesterday.

Economists estimate the strike will cost about 252,000m in lost production but the country will lose dearly in terms of long-term investment as a result of a sullied image.

Economists Eric Bloch and John Robertson said it would cost Mugabe about 251,700m to abandon the sales tax increase and development levy. That would push the 1997/88 12-month budget deficit to more than 15% of gross domestic product from a target of 8.9%.

They said that would send inflation soaring and sever ties with the World Bank and International Monetary Fund — with which Zimbabwe had agreed to maintain a low budget deficit — at a time when foreign currency reserves had sunk to their lowest level in the past five years. — Reuters.
Zim businesses stay shut on day 2 of anti-tax strike

HARARE: Many businesses stayed shut across Zimbabwe yesterday, the second and final day of an anti-tax strike that President Robert Mugabe claims is part of plot to topple him.

A union official said at least 70% of the organised labour force observed the strike, but the government said many people ignored it.

The unions want Mugabe to scrap a recent 2.5% increase in sales tax and to review a 5% development levy, a 15% tax on pension profits and recent food price rises.

Independent witnesses and state media said the strike resulted in many businesses remaining closed across the country.

The government, facing one of its worst economic crises, has suffered a series of violent protests in recent months.

Six people were killed in food riots in January when many shops were vandalised and looted.

Police deployed police to try to prevent the latest strike and put the army on standby to quell any disturbances, but no violence has been reported.

Mugabe says the strike is part of a campaign to undermine the power he has held for 18 years.

The unions deny the charge, and so does the minority white community, which Mugabe accuses of backing the unions in retaliation for his government’s plans to seize mostly white-owned farms to resettle black peasants.

Zimbabwe Congress of Trade Unions secretary-general Mr Morgan Twangirai said yesterday: “We estimate that between 70% and 90% of an estimated 1.2 million people in the formal sector have taken part in this stayaway.

“They believe our demands are reasonable and legitimate , and many also wanted to show the government that they are not going to succumb to intimidation or to the culture of fear that they are discarding.”

The government has made strenuous efforts to stop the strike, threatening workers who took part with mass dismissals and saying the strike, costing the equivalent of R54 million, is subversive.

On Tuesday, Industry and Commerce Minister Nathan Shamuyarira renewed government threats of unspecified punishment for industrialists who shut their businesses during the strike.

Financial markets were again open yesterday, but dealers reported little trade.

Army helicopters flew over Harare monitoring the situation.

Mugabe, the 74-year-old former guerilla leader, has rejected calls to step aside, saying he feels young and in control. — Reuters
Zimbabwe farms to be given to peasants

Harare - The Zimbabwean government said yesterday it would immediately take over at least 120 white-owned farms and give them to landless black peasants.

Agriculture Minister Kumbirai Kangai said the farms were among those owned by 170 farmers who did not object to the seizure of their farms.

He released the results of a review of appeals by farmers to the planned seizure of 1,371 mostly white-owned properties.

The government plans to pay the owners for their improvements to the property such as houses and irrigation systems, but not for the land itself.

The government says it has no obligation to pay for property owned mostly by descendants of British colonists who seized land from blacks without paying for it.

The 120 farms are evenly distributed around Zimbabwe.

"The intention is to ensure at least 10 farms are made available for resettlement immediately" in each of the nation's eight provinces, Kangai said.

The land seizure is seen by critics as an attempt by President Robert Mugabe to court political support in rural areas at a time that his government is besieged by protests over high taxes and soaring prices.

Since the country gained independence in 1980, about 60,000 peasant families have been settled on farms bought from whites, about one-third of the target of a land reform programme that has been plagued by lack of money, mismanagement and corruption."
State says it will pay full compensation for productive land

Zimbabwes pledges transparency to UN
Zimbabwean journalists up in arms over new bill

Michael Hartnack

HARARE — The Zimbabwe Union of Journalists has vowed to fight a proposed new "communications bill" giving President Robert Mugabe's government the right to cut off any electronic-communication service "in the interests of public security".

Spokesmen for the post and telecommunications corporation — which falls under the information ministry — claim that an epidemic of prolonged telephone, telex, fax and computer failures over the past month has been due to technical problems linked to heavy rain and lightning.

But Information Minister Chen Chimutengwende has been the leading exponent of claims that the white business community was behind protests by the Zimbabwe Congress of Trade Unions against rising prices and extra taxes and has threatened unspecified "retaliation. Government publications have attacked four prominent correspondents for foreign news media for "negative reporting".

At present, anyone with proof that their lines were cut for political reasons could seek a high court injunction on the grounds that their constitutionally rights to free expression and association were being infringed.

Basildon, Peta, the union's secretary-general, said the union was considering a constitutional test case to have the bill declared ultra vires if it was pushed through parliament with Mugabe's overwhelming 147-3 majority.

Welshman Ncube of the University of Zimbabwe said present legislation gave authorities the power to intercept postal items. The new bill would extend this to anything transmitted by a telecommunication service. It also gave Mugabe the right to cancel any existing electronic service.

The bill will pave the way for the introduction of private-broadcasting services, but gives Chimutengwende discretion over a supervisory "independent broadcasting authority".

Referring to the recent removal of Herald editor Tommy Sithole, who dared question Chimutengwende's white-conspiracy claims, Peta said: "Our history has shown editors have been fired at the discretion of government. You cannot have press freedom if the minister can fire or fire members of the board — they will obviously dance to the tune of the government."
AFRICA

‘Final’ assurance on farm plan

Michael Hartnack

HARARE—Zimbabwe Land and Agriculture Minister Kumbirai Kangai gave “final” assurances that President Robert Mugabe would not seize productive farms without fair compensation, the United Nations Development Programme announced here.

A spokesman for the Commercial Farmers Union, representing 4,000 whites who were the main target of Mugabe’s plan, cautiously said he welcomed the clarification.

It seems likely to trigger the release of long-frozen International Monetary Fund (IMF) and other Western aid.

According to the UN programme, Kangai told a confidential meeting of diplomats and donor-agency staff on February 27: “Government is aware that land reform must proceed in accordance with the laws of Zimbabwe and can only be implemented on a timetable and scale that is consistent with financial and administrative capacity.”

“Moreover, in developing the land-reform programme, it is government’s intention to avoid negative repercussions for agricultural productivity, the welfare of agricultural workers on farms and for the country’s banking system.”

Diplomats regard the assurances as “a massive climbdown” on Mugabe’s former position, repeated as recently as February 11, that the responsibility for compensation was that of “the former colonial master.”

IMF MD Michel Camdessus wrote to Mugabe last month demanding public assurances of his plans to take over 1,400 farms before IMF directors met on March 30 to consider extending $174m in credit vital for Zimbabwe’s economy. Other major western-aid donors are waiting on the IMF lead, but Mugabe’s rhetoric has intensified.

The UN programme’s office appears to have reflected the growing exasperation of diplomats by releasing a memorandum on Kangai’s February 27 meeting. Kangai followed his speech with “an important statement and discussion” during which he gave unequivocal pledges on transparency and compensation in land redistribution, the programme said. “When asked whether this position was the final truth on the matter, the minister without hesitation said ‘yes’; it said with undiplomatic bluntness liable to enrage Mugabe.

“In response to a question on absentee landlords, the minister assured there would be no nationalisation of productive land,” the programme said. This appears to offer a reprieve to farms owned by Anglo American (Zimbabwe) and the Oppenheimer family.

Kangai emphasised that “only derelict land would not be compensated ... for the fully utilised land, compensation will take into account the value of the land. When government evaluators do their assessments, they will take into account any loans on that land.” Kangai envisaged a five to 10-year implementation period.

Some diplomats felt his speech foreshad-
HARARE — A cabinet minister in President Robert Mugabe's government has apologised for atrocities committed against civilians by Zimbabwe's army more than a decade ago, The Zimbabwe Standard reported yesterday.

Minister Without Portfolio Eddison Zvobgo said he had been "saddened" by the content of a report compiled by the Catholic Commission for Justice and Peace and the Legal Resources Foundation on the killings.

Thousands of civilians were killed between 1983 and 1987 after Mugabe, then prime minister, ordered the Fifth Brigade wing of the national army to crush an armed rebellion against his government in the Matebeleland and Midlands provinces, according to the report issued last May.

"The report is not a chapter I would like to remember," Zvobgo said.

"I did not know, and many people did not know — now I am being honest to myself and I want to sleep well — let me say nobody can be proud about what happened ... and I am very sorry about what happened."

Zvobgo said he was apologising in his personal capacity. The rebels were linked to the then opposition Zanu (PF) party led by Joshua Nkomo, now a vice-president after his party signed a unity accord with Mugabe's ruling Zanu (PF) party in 1987.

Mugabe refuses to discuss the massacres or to compensate the victims, pointing out that victims of atrocities he says were committed by the country's previous white rulers during a 1970s independence war have not been compensated. — Reuters.
Price freeze may force closure

Martin Rushmere

HARARE. Zimbabwe's second biggest flour miller, Anglo American's National Foods, has hinted it might close if price controls are maintained.

President Robert Mugabe's government has forced through price controls on basic foods following food riots last month over price increases.

"The refusal to allow us to implement a flour-price increase, already largely cost into the ruling bread price, has resulted in our flour division operating at a substantial and unsustainable loss," National Foods said in its profit report for the nine months to end December last year.

National Foods said the recent controls resulted in its maize division becoming uneconomical.

The company held back on a final dividend for the period, shortened to nine months because of a change in the accounting year to December. This was despite a 25% increase in net profit to Z$365m, about $125m, compared with the previous year.

In a public campaign, the government accused the milling companies of undermining the economy by putting up maize prices for no reason.

"The informal price control being exercised by government is of critical concern and any further delays in price adjustments will adversely affect investor confidence and ongoing operations," National Foods said.

"Basic food-price adjustments have been the result of increasing raw material costs because of the devaluation of the Zimbabwe dollar, increasing local-procurement costs because of raw material shortages, and increased inflation in operating costs." The organization said the level of profitability did not provide sufficient cash flow to finance increases in working capital and capital expenditure for essential replacements. "In the light of this, all capital expenditure has had to be frozen," it said.

Legal experts have said that the government has no legal basis for imposing price controls, abandoned when structural adjustment was introduced at the beginning of 1991. However, all maize and flour millers have complied with an order to freeze prices for three months, as have makers of cooking oil.
Tyre subsidiary lifts earnings 61%
**Harare's banks on a rough road**

**Charles Rukuni**

Harare — Zimbabwe's financial sector, where indigenous entrepreneurs have made significant inroads, could be heading for trouble, according to a leading stockbroker who says one or more institutions might close.

"Competition in this industry has been so intense that some institutions have lent money to anyone looking for loans, just to gain clientele, start reporting interest income and utilise their capital," the broker says. "These problems are not only likely to be evident in the small institutions but also in some more established names, although they will have capital to tide them over."

Finhold, one of the financial institutions that almost collapsed, refinanced part of its Climax loan in October last year, with a foreign currency facility of US$30 million at a rate of 6.75 percent over Libor, payable in five years, the broker says.

"Fortunately, management saw fit to attach a forward cover contract on this loan, or this institution could have been once again in a dire financial position," the broker says.

Climax took over Finhold's bad debt and was said to be earning a hefty interest from Finhold's profits.

Leonard Tsumba, the Reserve Bank governor, warned as early as July last year that, while the liberalisation of the financial sector — marked by the entry of new banks and other financial institutions — had raised the level of competition, the spectre of bank failure had also risen.

The central bank also said it would not rescue any insolvent bank unless so directed by the government. This would not go down well with the international financial institutions, given the state of the economy.

But two major financial institutions have shown good returns, although both have predicted a tough year ahead.

UDC Holdings, which reported a net income increase of 25 percent, said margins would come under severe pressure and predicted there was likely to be an increase in levels of credit default. — The Insider
Minister sorry for Zim atrocities

HARARE: A Zimbabwean government minister, Mr Eddison Zvobgo, has apologised for the atrocities committed by government troops crushing a rebellion in Matabeleland province in the 1980s, a newspaper reported yesterday.

The expression of regret is the first by a member of President Robert Mugabe's government since the publication last year of a report on the atrocities by human rights groups.

The report contains harrowing accounts of atrocities, including incidents in which government troops forced villagers to dig their own graves, pregnant women were bayoneted and families had to dance on the tombs of their dead.

"I did not know, and many people did not know — now I am being honest to myself and I want to sleep well," Zvobgo said.

"Let me say nobody can be proud about what happened, and for the cleansing of my chest, let me say that I am very sorry about what happened."

The 260-page report on the Matabeleland conflict is entitled Breaking the Silence but has received no formal government response since it was submitted to Mugabe a year ago.

Zvobgo reportedly agreed with recommendations in the dossier that compensation should be paid to the survivors of the operation.

The conflict in Matabeleland began in the early years after independence in 1980, when Mugabe, leader of the Zimbabwe African National Union-Patriotic Front, fired rival party leader Mr Joshua Nkomo, of the Zimbabwe African People's Union, from his coalition government.

A small number of guerrillas became active in Nkomo's home province of Matabeleland and the government sent troops of the North Korean-trained Fifth Brigade against them.

The conflict, in which several thousand civilians are reported to have been killed, ended in 1987 when Nkomo, who received most of his support from the minority Ndebele people, signed a unity accord with Mugabe, who is backed by the majority Shona people.

Nkomo; whose party merged with Mugabe's, is now one of two vice-presidents. — Sapa-AFP

Sangoma warns Mugabe

HARARE: Zimbabwe's President Robert Mugabe has been warned by the country's most influential spirit medium that he is in danger of being ousted from power.

He has been consulting tribal leaders for advice on how to entrench his 18-year rule, it was reported in Harare yesterday.

The independent Zimbabwe Standard, quoting "reliable sources", said Mugabe was warned last year by a revered medium.

The medium is held to be possessed by the spirit of Mbuya Nehanda, the woman executed in 1896 by British authorities for leading a rebellion.

The medium said she would remove him from power "if he did not change his leadership style".

And in January, said the newspaper, Mugabe called a meeting in the town of Chinhoyi with nine of the most powerful chiefs in his home province of Mashonaland West for advice on how to stop the decline in his political fortunes.

The report follows mounting strikes and violent demonstrations against Mugabe's rule.

On Saturday, Mugabe said detractors who demanded his resignation were "traitors". — Sapa
Protesting students clubbed for demanding higher grants

HARARE — Zimbabwean paramilitary police clubbed hundreds of students in central Harare yesterday to break up a protest backing demands for higher grants, witnesses said.

About 100 policemen armed with shotguns, shin guards and batons charged into the crowd of 400 students outside the Ministry of Higher Education headquarters, beating and dispersing them.

Some students were hurt, they said.

Police sealed and deployed armed units at three Harare colleges, including the main University of Zimbabwe, where most of the students came from, to stop further protests.

State media reported students in Gweru, 290km southwest of Harare, had joined the protest but there were no reports of violence.

University and college students across the country are demanding the "cash-strapped government" increase their grants by 25%.

They have been boycotting classes for a week to press their demand, which the government says it cannot meet.

The students have warned they will from this week take their grievances onto the streets in series of protests code-named "Good Morning Mugabe", after President Robert Mugabe.

Monday's demonstration was the latest evidence of the social and economic crisis facing Mugabe, whose government has been battered by a wave of violent protests in recent months over taxes and food prices.

In January the 74-year-old president was forced to deploy troops and armoured cars to crush food riots that left at least six people dead.

Many political analysts saw the riots as the biggest challenge to face the former guerrilla leader since he assumed power in 1980. — Reuters

State bank wants new banking law

Michael Hartack

HARARE — The Reserve Bank of Zimbabwe is pressing for the urgent introduction of a new banking act following economic liberalisation and the establishment of new financial institutions.

In its latest quarterly review the bank said the amendment of the Reserve Bank Act and the Banking Act was needed to empower it to supervise deposit-taking institutions and thus mitigate any potential failures.

Zimbabwe's banking sector has watched the collapse of a number of indigenous Kenyan banks with alarm, fearing the loss of confidence that failure of financial institutions causes throughout the national economy.

Bankers said they welcomed increased competition, but the accompanying specter of loss of depositors' money had to be considered seriously.

"In this regard, it is important to recognise that it is not the responsibility of the Reserve Bank to rescue banks that are insolvent," the review said.

"The bank would, of course, rescue such institutions if directed to do so by government and under special circumstances where government is prepared to issue marketable guarantees."

The Reserve Bank was in partnership with the failed Bank of Credit and Commerce International over its local subsidiary, but denied making any losses. The subsidiary has now been privatized, joining six indigenous banks and financial institutions launched in the past three years.
ANTI-MUGABE PROTESTS SPREAD

Police club students in Harare uprising

THE CRISIS facing the Mugabe government intensifies as students take to the streets to demand a dramatic increase in education grants.

ZIMBABWEAN paramilitary police clubbed hundreds of students in central Harare yesterday to break up a demonstration backing demands for higher grants.

Witnesses said about 100 policemen armed with shotguns, shields and batons charged into a crowd of about 400 students outside the ministry of higher education headquarters, beating and dispersing them. At least one student was injured.

The police also sealed and deployed heavily armed units at three Harare colleges, to stop further protests.

State media reported students in Gweru, 290 km south west of Harare, had joined the protest, but there were no reports of violence.

Students across the country are demanding that the cash-strapped government increase their grants by 25%.

They have been boycotting classes for a week to press their demand, which the government says it cannot meet.

Yesterday's demonstration was the latest evidence of the social and economic crisis facing Mugabe, whose government has been battered by protests over taxes and food prices.

In January, Mugabe used troops and armoured cars to crush food riots that left at least six people dead. Political analysts say the riots are the biggest challenge to face him since he seized power in 1980.

Mugabe's last week deployed police to try to prevent a two-day anti-tax strike by unions, alleging it was part of a campaign hatched by whites to topple him over his plans to resettle black peasants on mostly white-owned farmland.

Mugabe boasted recently he had "degrees in violence" and warned that he would crush any more social unrest. — Reuters
Zimbabwe police lay into students

Harare - Disruptions in Zimbabwe continued yesterday as a demonstration by University of Zimbabwe students was violently dispersed by riot police in Harare's city centre.

About 400 students marched into Harare to demonstrate for higher student grants in front of the office of Minister for Higher Education Ignatius Chombo. Their protest was peaceful, but about 100 riot police used batons to beat the students.

"The police really swung their batons hard on the students. We could hear them screaming up on the seventh floor," said one Harare office worker. "We went down to see what was happening; but it looked like the police would swing at anybody, so we went back to our offices. It was over pretty quickly." The demonstration comes just days after Zimbabwe's labour movement held a two-day national strike that virtually closed down all Zimbabwe's cities on Tuesday and Wednesday last week. The strike was peaceful, with no incidents of looting or violence reported.

The Zimbabwe National Students Union, representing all students at universities and polytechnics, is staging a class boycott to demand a 25% increase in student grants. The students claim they cannot afford books, supplies and food with their current grants.

University of Zimbabwe students currently receive government grants of $37 000 (about R2 000) a term. President Robert Mugabe's government maintains it cannot afford to give students any more money. Already the government has started charging students for tuition by giving them loans which must be paid back after graduation.

Meanwhile, the Zimbabwe Congress of Trade Unions has urged a boycott of the state-owned Herald newspaper every Thursday and Friday in protest at its "disinformation campaign" during last week's strike.

The country's only national daily newspaper has become even more stridently pro-government with the appointment last month of a new editor; Charles Chikerema. The paper refuses to publish information about opposition figures or any news unfavourable to the government.

During the union strike last week, the paper printed only quotes from cabinet ministers and reports that business was nearly normal, when everyone could see that the strike was largely successful - Star Foreign Service.
CONTRADICTIONS IN HARARE

Hot debate expected on Zim land issue

HARARE: Government officials here are making contradictory statements on land re-distribution.

ANDREW MELDRUM, Independent Foreign Service, reports.

HEATED debate over Zimbabwe’s land controversy is expected in London today as a conference bringing together Zimbabwean officials, white farmers and foreign donors.

Many Zimbabweans and international supporters hope the London conference will clarify the land issue, which is mixed in confusion.

It is not clear if the government intends to push ahead with its plans to seize five million hectares of white-owned land or if it intends to take a more moderate course and pay market prices for the land it nationalises.

President Robert Mugabe stated recently that he intended to go ahead with the more radical approach.

“There is no going back on the land issue, we will not pay for the land as such,” Mugabe said in an interview televised on the state Zimbabwe Broadcasting Corporation to mark his 74th birthday.

“Some of my ministers are not as firm as I am about this issue, I am unyielding when it comes to principle.”

But last week, a different story was told to a meeting of diplomats by Agriculture Minister Kumbirai Kangai. Kangai said the government would only seize derelict and under-used land and would pay full and fair compensation for other land acquired to redistribute to poor black peasant farmers.

Kangai assured the diplomats, at a meeting in the Harare offices of the United Nations Development Programme (UNDP), that the government would abide by laws protecting private property and the Zimbabwe constitution and would be guided by its financial and budgetary constraints.

The government’s statement to the diplomats was issued, it is widely believed, to satisfy the International Monetary Fund (IMF), which had demanded exactly such a public assurance from the government on the land issue before it would approve the release of a balance of payments loan worth $100 million (R498m). The IMF board meets in Washington this week to consider assistance to Zimbabwe.

The only problem is that these concessions were not made to the Zimbabwean public. After his assurances to the diplomats, Kangai held a press conference at which he announced the government would “de-list” farms owned by black Zimbabweans and any “farms whose purchase was approved by the Zimbabwe Investment Centre. But Kangai did not announce all the concessions he had made at the UNDP meeting.

He specifically did not tell the Zimbabwe’s state-owned media — which includes The Herald, the ZBC radio and television stations and the national news agency Ziana — that productive farms would be bought at market prices.

As a result, many government critics believe the government is continuing its game of saying one thing privately to international donors and saying something different to the Zimbabwean public.

Kangai’s statements on land resettlement were delivered to the Commercial Farmers Union, but the farmers’ organisation was not consulted beforehand. Both the IMF and the European Union have insisted that the government consult all affected farmers’ groups.

Today’s conference is being convened by the EU as a preliminary meeting for an international drive to raise the funds needed for Zimbabwe’s land redistribution.

The London conference is as a result of discussions between EU Commissioner for Development Mr. Joao De Deus De Pinheiro and Mugabe in January. De Pinheiro told Mugabe the EU would mobilise significant international funds for land redistribution, as long as Mugabe released a detailed plan, particularly about compensation for farms.

The Mugabe government is apparently worried that it will be pressed to repeat its assurances that it will pay market prices for land acquired and it is understood it will not send a high-level representative to the London conference.

The government has discounted the London conference as a promotional effort by the Commercial Farmers Union which represents Zimbabwe’s virtually all-white 4,500 large-scale farmers to raise support for their alternative land redistribution plan.

It is not certain if the London conference will succeed in setting the Mugabe government’s intentions on land reform. While the government persists in saying moderate things to donors and making antagonistic statements to the public, everyone will be left guessing as to what will happen.

There is no going back on the land issue, we will not pay for the land as such.

— Mugabe
Hope of clarity on Zimbabwean land issue at London talks

BY ANDREW MELDRUM
Star Foreign Service

Harare - Heated debates over Zimbabwe's land controversy are expected today in London at a conference bringing together Zimbabwean officials, white farmers and foreign donors.

Many hope the conference will clarify the land issue. It is not clear if the government intends to push ahead with its plans to seize 8 million hectares of white-owned land or if it intends to take a more moderate course.

President Robert Mugabe said recently he intends to go ahead with the radical approach. "There is no going back on the land issue; we will not pay for the land as such," he said in a Zimbabwe Broadcasting Corporation interview.

Last week a different story was told at a meeting of diplomats by Agriculture Minister Kumbirai Kangai, who said the government would seize only derelict and underutilised land and would pay full and fair compensation for other land.

This statement was issued, it is believed, to satisfy the IMF, which had demanded such a public assurance before it would approve the release of a balance of payments loan worth about R500-million. The IMF board meets this week to consider assistance to Zimbabwe.

The problem is that these concessions were not made public in Zimbabwe. Kangai did not tell the state-owned media that productive farms would be bought at market prices.

The two approaches towards Zimbabwe's land redistribution are set to dominate today's conference.
Transparent Zim land plan urged

HARARE: Zimbabwe's National Merchant Bank (NMFB) urged President Robert Mugabe's government to open its controversial land plans to public scrutiny in order to win back investor confidence.

"A coherent and transparent land reform programme with broad support will go a long way towards restoring confidence in the country," NMFB chairperson Mr Paddy Zhanda said in a statement accompanying the 1997 results.

Zhanda said Zimbabwe's 1998 economic outlook had been brightened by a better than forecast rainy season and the return of the International Monetary Fund and the World Bank following last year's crash of the stock market and local currency on poorly perceived government policies.

Mugabe's government, succumbing to intense international pressure, assured international donors last month it would pay full compensation for all productive land and ensure transparency in its acquisition of five million hectares to resettle landless black peasants.

Zhanda said NMFB, listed on the Zimbabwe and London stock "exchanges, returned strong growth during the 12 months to December 31, 1997, with net profit up 75.3% to ZS74.79 million (about $22.67m) for a return on equity of 34.7%. — Reuters"
I t the Zimbabwe government sticks to the terms of an agreement reached with donors, the crisis over land may have been resolved.

Under pressure from the International Monetary Fund, World Bank and United Nations Development Programme (UNDP), Land Minister Kumbirai Kangai has been backtracking to the point where some analysts say he will have to delist most of the 1,470 private farms listed last December for compulsory acquisition by the State.

Kangai reportedly told the UNDP that government’s “final” position involved delisting all farms owned by black farmers, those owned by whites who have only one farm, and all “plantation” farms (tea, citrus, horticulture, timber and sugar).

He is also reported to have said that only unproductive, unutilised and derelict land will be taken over, that fair compensation will be paid and that government now envisages a resettlement programme lasting 5-10 years.

In return, Kangai says he expects to secure support from the donor community to finance resettlement, starting with consultancy fees to be funded and managed by the UNDP.

Little of this can be squared with the fire and brimstone breathed by his boss, President Robert Mugabe.

Mugabe’s most recent public statement was that there would be no turning back on the land issue — and the silence in the State-owned media over the issue suggests it is waiting to be told what line to take.

Under Kangai’s “final” plan, 120 of the 170 farms offered by owners are to be resettled this year — 16 in each of the country’s eight provinces. Few believe this is possible, noting that fewer than 20 farms were resettled during the whole of 1997.

Optimists are claiming that the crisis is now over and that Zimbabwe is back on track to secure donor support for the second phase of economic reforms — the so-called Zinprest programme, due to be unveiled by Mugabe next month.

Realists take a rather different view, arguing that the self-inflicted damage of the past nine months is not going to vanish overnight. It may be that when it meets towards the end of the month, the IMF will agree to release upwards of US$100m to Zimbabwe, but as the country’s economic and political woes worsen, the Fund will find it more difficult to justify bailing out the Mugabe government.

Reports of compromise over land have helped stabilise the Zimbabwe dollar at Z$16 to the US unit from a low of more than Z$19, and the stock exchange is 31% above its pre-Christmas lows.

But also on the move are interest rates and inflation. Consumer inflation pushed up to a month-high of 24.1% in January, and most banks have pre-empted the anticipated hike in the central bank’s rediscount (bank) rate, which now stands at 31.5%.

Prime bank rates are running at 33% and above and the Reserve Bank is expected to raise rediscount rate.

Money supply grew 28% in the year to November — the latest number available — but since then Reserve Bank lending has taken off. The central bank’s loans and advances (unspecified) rose from Z$1.6bn (US$100m) last September to Z$9.8bn (US$590m) last month. Over the same period the central bank’s investments (also unspecified) surged from a mere Z$150m to more than Z$2bn.

This lending is believed to be to government, possibly to the financially stressed State-owned oil company NocZim, and — though there is no hard evidence — to some of the black-owned banks. The impact of all this on money supply comes close to a 20% increase, though it is possible that last month’s accelerated tax payments may have enabled government to repay some of these borrowings.

The fuel crisis remains unresolved. Even with the fall in world oil prices, fuel prices must rise substantially to cover last year’s devaluation, but Mugabe appears to be reluctant to face industrial unrest over increased transport costs.

For their part, the unions — pleased that last week’s stayaway was both widely observed and peaceful — are threatening to call new stoppages if government refuses to drop last year’s 2.5 percentage point increase in sales tax to 17.5% and its 6% “development levy” on income tax.

With inflation set to move as high as 30% before slowing and industrialists predicting wage increases of 25% to 35% this year, Ministers say they cannot afford to back down on tax and fuel price hikes. If they do, any IMF agreement will be scuttled.

To make matters worse, business investment plans are being pared. A number of companies have announced plans to shelve proposed projects. Only this week, the Edgars group said it was postponing “virtually all” capital spending.

So while Mugabe may be off the land issue hook for now, there is no respite on the economic and social fronts. Indeed, the reported land compromise leaves him vulnerable to fresh accusations of failing to deliver on his promises. **Special Correspondent**
Maize crop in Zimbabwe hit

Harare - Zimbabwe is expected to harvest 1.7-million tons of maize this season, 16.04% down on last year.

Officials said yesterday that preliminary estimates showed commercial farmers were likely to produce 693 000 tons of the staple maize from the 1997/98 November-April cropping season, with the balance of a million tons expected from smallholders.

Zimbabwe, along with the rest of southern Africa, was widely forecast to suffer a severe drought this year owing to El Niño, a warming of Pacific waters that often brought drought to the region. Sources said many farmers reduced plantings as a result.

"We are working mainly on a 25% reduction in plantings over last year," said one official who declined to be identified. He put the commercial area under maize at 126 000ha on a yield of 5.5 tons a hectare.

An official of the Zimbabwe Farmers' Union said production from smallholders could reach a million tons, compared with 1.152 million last year, while Zimbabwe consumed 1.9 million tons a year - Reuters.
Winds of change hitting Zimbabwe stock exchange are not blowing hard enough

FIFTY years after its foundation, the Zimbabwe stock exchange is trying to shake off its reputation for being a colonial gentleman's club and becoming a professional operation.

New listing rules and a central scrip depository are the first steps to modernisation, to be followed by a securities and exchange law.

Change has not come a moment too soon. Since foreign buyers were allowed in four years ago — investing $200m in that period — grumblings have been getting louder that the exchange's operations and outlook are antiquated. As one broker puts it: "There has been too much reliance on cosy, informal settlement of disputes and awkwardness on a private basis, which is outmoded. Not enough regard has been paid to the long-term future of the exchange."

In the past five years trading volumes have trebled to more than 1.5 billion shares a year and the number of stockbroking firms has doubled to 10, but the rules have stayed essentially the same.

Yet, even with a new law the system will still lack teeth. Says a member of the exchange committee, the governing council: "We will lack real powers to take action. The strongest punishment we can impose is suspension of a company from the exchange, which at the end of the day does no one any good, particularly not the shareholders. What is needed is the power to take action against individual directors, including fines and dishonoring."

That's not the only weakness. There is also no facility for investigating breaches of the law. This is seen as a particularly serious deficiency by many. A young, recently registered broker says: "We boast of becoming international, but little has been done to modernise the rules."

There have been two scandals in the past three years which in Johannesburg or London would have led to an immediate investigation, one of them involving the delisting of a company that left individual shareholders stranded.

After years of intermittent wrangling within the exchange itself, a draft law was agreed on almost three years ago. This had to be approved by the finance ministry, which reacted by saying that it had its own ideas on the matter.

These turned out to be someone else's ideas, as the International Finance Corporation was called in as a consultant and in turn employed other consultants to come up with a plan.

Their proposals have been handed to the finance ministry, where they have disappeared, although the minister says they have been passed onto the stock exchange.

An exasperated exchange committee member comments: "Considering there are less than five senior officials here compared with almost 100 in the ministry, it's easy to work out who is more likely to have lost the document."

When the government does find its draft, the anxiety among brokers is that the new provisions may have the effect of leaving the exchange with so little power that "we will be like a 98-pound weakling, with the government able to kick sand in our face", said a broker in Harare.

One of the most vexing consequences of the delay is that the running sore of insider trading continues to fester.

Sudden and unjustified very significant movements in prices, shortly before profit statements of certain companies are announced, have become almost commonplace. Until now there has been virtually nothing that can be done about it, apart from a vague clause forbidding it.

Consultants and lawyers argued about it for years and eventually a precise definition with accompanying penalties was included in the proposals drafted by the stock exchange.

No one knows whether the government wants to keep these. However, control of one po...
DDT used to fight malaria

HARARE — Health authorities plan to fight malaria with DDT, using 10,000 tons of the poisonous pesticide which was banned in agriculture three decades ago.

DDT, banned because it could move through the food chain and because a threadlike species would be used on mosquitoes carrying malaria, Health Ministry spokesman Paulino Sikosana said in the Sunday Mail.

Sikosana said the pesticide would be used mainly in western Zimbabwe in controlled low concentrations.

The plan was criticised by biologists at the Zimbabwe University and Conservation Group Environment 2000.

They warned that a new build-up of DDT in the food chain posed long-term health risks that outweighed dangers from malaria. Tobacco growers said the pesticide posed a serious threat to their crop. — Sapa-AP.
HARARE — Health authorities plan to fight malaria with DDT, using 10,000 tons of the poisonous pesticide which was banned in agriculture three decades ago.

DDT, banned because its orbit moved through the food chain and threatened various species, will be used to kill mosquitoes carrying malaria, Health Ministry spokesman Dr Paulina Sihosana said, citing a statement in the state-controlled Sunday Mail. It wasn’t immediately clear how the ban would be overturned.

Sihosana said the pesticide will be used mainly in western Zimbabwe in low concentrations under strict controls, a practice used in several African countries to control the spread of malaria and bubonic plague.

The plan was quickly criticized. Biologists at Zimbabwe University and the conservation group Environment 2000 warned a new build-up of DDT in the food chain posed long-term health risks that outweighed dangers from malaria, a pandemic tropical fever. — Sapa-AP
Zimbabwe cargo carrier wilts

HARARE - Godfrey Manhambara, MD of Zimbabwe’s parastatal air cargo carrier, Airfreight, has pledged speedy improvement of handling facilities after more than 60 tons of flowers worth $180,000 were ruined by delays in transit to the Netherlands this month.

Millions of dollars have reportedly been lost, while the government continues to resist pleas for an "open skies" policy to maximise export potential and scarce foreign currency.

"Upgrading of the facilities is a temporary measure, we are talking to everyone concerned and asking them to give us ideas on what to include at the proposed cargo village at the new Harare International Airport.

"Everyone is aware something is being done but what we are asking for is to have the process made faster," Manhambara said.

It should take 48 hours for flowers to get from growers to markets in Europe, but present facilities are failing to meet pressure from exporters.

Manhambara acknowledged present handling facilities at Harare Airport were poorly planned. Flowers are supposed to be kept at low temperatures and correct moisture content from the moment of harvest.

The disaster occurred when an Airfreight flight put down at Lagos, Nigeria, where there was no controlled air system, and the consignment was exposed to sweltering temperatures.

More than 56,000 tons of produce was exported last year, earning more than Z$1.1bn for an economy desperate for foreign exchange.

Airfreight, formerly the late Jack Mailoch's sanctions-breaking Air TransAfrica, was taken over by the government after 1980 independence.

Mailoch, who was killed flying a reconstructed Rhodesian Air Force Spitfire, sustained a buccaneering air freight business which carried everything from chilled beef to armaments.

His cargo freighters frequently changed registration and nominal owners in mid-air, surviving interception bids by Angolan MiG jet fighters.
Mugabe’s party deeply divided

LONG-concealed regional and ethnic tension in President Robert Mugabe’s ruling Zanu (PF) party have burst into the open in the wake of unrest over runaway inflation and alleged economic mismanagement.

Party members at a meeting in Harare agreed on Sunday the tension was a result of widespread hardship, but “opportunist” were taking advantage of strikes and food riots to destroy the party, the state-run Zimbabwe Broadcasting Corporation reported.

Dzikamai Mavhaire, Zanu (PF) chairman for the southeastern Masvingo province and an associate of local strongman Eddison Zvorogho, minister without portfolio, is to be summoned before a disciplinary committee for urging a limit to Mugabe’s term of office during parliamentary debate.

The Zimbabwe information service reported on Sunday that at a party rally in northeastern Zimbabwe, Information Minister Chen Chuumentingwe shouted: “Death to Mavhaire”.

Former speaker Didymus Mutasa, now Zanu (PF) secretary for administration, confirmed that at a meeting of Mugabe’s politburo held last week, it was resolved to indict Mavhaire for “questioning Mugabe’s integrity and inciting disobedience to the president.”

Simultaneously, the government initiated moves that could allow it to deregister and thereby outlaw the Zimbabwe Congress of Trade Unions, which organised the first successful national strike on March 3 and 4, in protest against rising prices and extra taxes to pay former guerrillas’ gratuities.

On Thursday representatives of the trade union grouping attended a “disciplinary hearing” convened by the labour minister. They said the ministry had no legal standing to summon the organisation or question its actions. It vowed to take legal action over claims that it broke industrial relations by calling the strike.

Deregistration of the grouping would permit the government to freeze its assets and disband the organisation. Mugabe claims unions have betrayed workers and become “an opposition party”.

The strike was well observed in Matebeleland, the scene of massacres in the 1980s, and in Masvingo.

After years of fighting in Masvingo, Mugabe loyalists led by Foreign Minister Simba Mudangi have failed to dismiss Mavhaire and Zvorogho.

Zvorogho issued a personal apology for the Matebeleland massacres last week, saying, although he was justice minister at the time, he had not been aware of the massacres until he read a report produced last year.

Introducing a motion for constitutional reform, Mavhaire said Zimbabwe was not a monarchy, yet was “worse off than other countries”.

“What I am proposing is that the president must go,” he said amid a storm of interjections. He later said he would call only for limitation of presidential office to two six-year terms.

While Mugabe loyalists denounced the unions, prominent figures in Masvingo, Matebeleland and the Midlands have been notably silent.

Mugabe, 74, prime minister from independence in 1980, was sworn in as president on January 1, 1988 and may stand for a further term in 2002. Zanu (PF) controls 147 of the 150 parliamentary seats.
Biology class of Lake Kariba

AFRICA
Drop in Zimbabwe inflation

THERE has been a slight fall of 0.2 percent in the country’s year-on-year inflation for February, now pegged at 24 percent, the central statistics office in Harare said yesterday.

Basing their views on Zimbabwe’s current economic situation, market analysts interviewed by the Zitana news agency said this slight ‘drop was due more to technical than fundamental economic reasons. “Though this downward movement in inflation is not much, it may send wrong signals because in real terms the inflation rate must be higher than 24 percent in view of high interest rates,” one analyst said. — Zitana.
Mugabe hits at calls for change from within party

Harare - President Robert Mugabe is battling to stamp his authority on his governing party, where he says "traitors" are working to end his 18-year-old rule.

In the last two weeks, the former guerrilla leader and some of his top lieutenants in Zanu-PF have been clobbering a senior party official who introduced a motion in parliament last month calling for a constitutional review and limits on presidential terms.

But political analysts say that Mr Mugabe - who sees the motion as a plot to dump him - has so far failed to win the solid party support he needs to stave off a possible leadership challenge.

Mr Mugabe has brushed off calls by his critics and opponents to quit over a deepening social and economic crisis, dramatised in the last few weeks by violent protests over taxes and food prices.

He says that at 74 he feels young, competent and in control, but political analysts say the debate in parliament over limiting the number of presidential terms has put him under new pressure.

The parliamentary motion was introduced by Zanu-PF stalwart Dzikamai Mayihana, a party provincial chairman and a member of Zanu-PF's policy-making central committee. The motion is still on the table and has so far been backed by 29 of the 29 MPs who debated it.

Many analysts believe it enjoys majority support in the 150-seat Zanu-PF-dominated chamber.

The analysts also say that a spirited campaign by Mr Mugabe's supporters to organise solidarity rallies has not delivered the deafening cry the president needs to reassert his authority.

Only three of the country's 10 provinces have expressed "unwavering support" while the rest have kept quiet or backed the need to debate the constitution and succession issues, with a mild warning to members not to personalise the debate.

Mr Mayihana said that, as a republic, Zimbabwe must limit the number of terms in office or risk becoming a presidential monarchy, a term that has incensed Mr Mugabe as much as Mr Mayihana's bare-fisted clarification: "What I am saying is that the president must go."

Mr Mugabe blasted this call as treacherous.

"They are traitors," he bellowed at a mini-rally. - Reuters
Zimbabwe aid talks rescheduled to next month

The International Monetary Fund (IMF), citing insufficient data, postponed a meeting to consider Zimbabwe's request for $175 million in aid next month, official sources said yesterday. The sources said the IMF board had been scheduled to hear Zimbabwe's case on Friday in Washington but the Zimbabwean authorities had been unable to provide monetary targets. "We did not manage to meet the March 20 deadline because we did not have some figures which they want," one official, speaking anonymously, said.

Another official said the IMF board was now expected to consider Zimbabwe's request in mid-April when a team led by its southern Africa regional chief Michael Nowak reports back. **Reuters**
Green lobby accepts plan

HARARE — Conservationists from the Zambezi Society, an international lobby group, say they have been forced to accept the reality of the planned $285m Sengwa north thermal power station and hotel expansion at Victoria Falls.

"We would prefer that neither development took place," said a society spokesman yesterday, describing them as "unstoppable."

Zambezi Society studies suggest construction of the thermal power station near Gokwe, close to the south bank of Lake Kariba, will lead to massive human intrusion and probable illegal settlement, as well as atmospheric pollution.

The society, linking environmentalists in Zimbabwe, Zambia and Britain, also fears expansion of hotel facilities at Victoria will "worsen tourist overload."

Britain's national power company signed an agreement for the Sengwa north power station soon after a government minister visited Harare in January. It pledged to observe UK environmental protection standards.  

(362)
HARARE - Attempts by Zimbabwe's ruling Zanu (PF) party to discipline an MP who challenged President Robert Mugabe's right to stay in office indefinitely have been frustrated by the speaker of Parliament, who says the party has no right to censure the MP.

Speaker Cyril Ndebele was quoted in the state-controlled daily Herald newspaper yesterday as saying that a disciplinary hearing set up by the party's central body into remarks by MP Dzikamai Mavhaire was illegal.

Party sources said Mavhaire reminded the disciplinary committee of constitutional privilege protecting MPs from censure over anything said in Parliament.

Zanu (PF) is seen to be on the brink of a split as Mugabe loyalists accused Mavhaire of a tribal plot to unseat Mugabe, who has led the country since 1980. Mugabe said earlier that anyone calling for his removal was a traitor.

Fierce contention is expected when the party's central committee meets today. — Sapa.
Mugabe’s party on ‘brink of split’

HARARE: Attempts by Zimbabwe’s ruling Zanu (PF) party to discipline an MP who challenged President Robert Mugabe’s right to stay in office indefinitely have been frustrated by the speaker of parliament, who says the party has no right to censure him.

Speaker Cyril Ndebele was yesterday quoted as saying that a disciplinary hearing, set up by the politburo of the party into remarks by MP Dzikamai Mavhaire, was illegal. Party sources also said Mavhaire handed the disciplinary committee a note which cited constitutional privilege that protects MPs from censure over anything said in parliament.

A storm broke over Mavhaire, who introduced a motion in parliament last month calling for constitutional reforms, including a limit to the number of terms in office a president can hold. The dispute is expected to lead to fierce contention when the ruling party’s powerful central committee meets today.

The ruling party is seen as being on the brink of a dangerous split as Mugabe loyalists accused Mavhaire of a tribal plot to unseat Mugabe, who has been the country’s unquestioned leader since independence in 1980.

Mugabe said on March 6 that anyone calling for his removal was a traitor.

The move should sharpen the bitter divisions between the Shoniwa-speaking faction of the party, led by Mugabe, and the Karanga-speaking faction from southern Zimbabwe, of which Mavhaire is considered the second-in-command. — Sapa
Mugabe lashes out at top officials as they

join 'quit chorus'

Mugabe's government has been under pressure to dissolve the upper house due to ongoing political instability and allegations of corruption. The move comes after a series of protests and demonstrations demanding the resignation of officials and the implementation of democratic reforms.

The move is expected to further divide the country, with opposition parties calling for a constitutional change to ensure free and fair elections. The government has so far refused to accept any form of constitutional amendment without its consent.

The situation in Zimbabwe has been tense in recent months, with a spike in inflation, currency devaluation, and food shortages. The government has been accused of mismanagement and corruption, which has led to widespread discontent among the populace.

The opposition has been calling for an all-party approach to address the country's challenges, but the government has so far been resistant to any form of collaboration. The country's economy remains in a state of crisis, with little hope for immediate improvement.

The decision to dissolve the upper house is a significant step towards consolidating the government's power, but it is likely to spark further protests and opposition from civil society groups. The situation in Zimbabwe remains tense, with a need for international support to ensure a peaceful and democratic resolution to the country's crisis.
Waging a spirited, lonely battle against Mugabe.

ANDREW ALEXANDER
Mugabe attacks dissidents as party rallies strip across Zimbabwe
Pressure grows on beleaguered Mugabe

HARARE — After 18 years of unquestioned rule in Zimbabwe, the tide has suddenly turned against President Robert Mugabe in the past few months to the point where some critics say his resignation has become a necessity for national survival.

Mugabe flies to Bonn today and a three-day official visit to Germany, leaving behind an economy in crisis and one of Africa’s most successful agricultural sectors in despair. Social services have collapsed and a corrupt political establishment is beginning to tear itself in what looks like a rerun of previously divisive tribal disputes.

Last August, Mugabe ordered treasury officials to pay guerrilla veterans of the country’s independence war a $300m package of benefits, and despite officials’ pleas that there simply was not the money for it, he told them to borrow it.

“Whoever heard of a country going bankrupt because of borrowing?” scoffed the president.

That decision and Mugabe’s moves to seize 1,472 white-owned farms for redistribution among blacks, denounced by western donors as an illegal “land-grab,” in November prompted the Zimbabwe dollar to fall nearly 40% in a matter of weeks.

The move sent inflation soaring, sharply lifted interest rates and evaporated foreign investment. Mugabe was taken completely by surprise at the subsequent public reaction. When the government imposed a bundle of punitive taxes in December to raise cash to pay for the unbudgeted payout to veterans, the country was hit by its most comprehensive national strike to date.

In January, the currency slump forced up the prices of consumer essentials.

The result was the worst urban rioting seen since the 1970s. Mugabe accused the independent national labour movement and whites of fomenting the violence. He blamed them again for another nationwide strike in February.

Mugabe responded to the increases by clamping down with price controls, which are forcing fuel companies, millers, bakers, manufacturers and retailers out of business. Economists warn that when the government is finally forced to allow prices to go up, public anger could boil over into even worse unrest.

The financial support of western donors, suspended for nearly three years because of the government’s failure to rein in spending, has become critical to the survival of the economy, and negotiations are underway with the International Monetary Fund (IMF) for a loan of $176m.

Among the conditions set by the IMF for fiscal prudence is the unprecedented demand by the bank that Mugabe publicly promise to acquire white-owned farms legally and without wrecking the commercial agricultural industry that is the backbone of the economy.

Despite cabinet ministers’ private assurances, Mugabe has persisted with his bitter racial rhetoric, declaring the government will not compensate whites for land “stolen” from blacks more than a century ago.

Recent months have seen the growth of calls from civic bodies for constitutional and political reform. On Friday, Mugabe told a meeting of the party’s central committee there was now “rebellion” within the party by “evil schemers, conspirators and political saboteurs”.

Analysts said Mugabe’s comments were an attack on a powerful southern faction of the party that could flare up into a major tribal clash. — Sapa-DPA.
Mugabe out on a limb
(362) AFR 83/3/98
after attack on officials

Harare – President Robert Mugabe appears increasingly isolated after his ferocious attack on dissidents within his ruling Zanu (PF) party last week, say senior party officials.

On Friday, Mr Mugabe managed to sway a crucial meeting of the ruling party’s powerful central committee into stripping an outspoken MP of his party rank.

But the party sources, who requested anonymity, said the 74-year-old president’s intolerance to change within the party had left most members opposed to him.

The party politburo, its supreme organ, last week demoted outspoken MP Dzikani Mavhaire, the chairman of the party in the populous southern province of Masvingo, and barred him from holding any position in the party for the next two years.

His crime was to urge in parliament that state presidents be limited to two terms in office.

But the party sources said support for the action against alleged rebels during the meeting came only from Mr Mugabe’s home province of Mashonaland West and from Harare.

After the meeting, there was widespread private criticism of Mr Mugabe’s attack and the meeting’s failure to examine the economic crisis that has triggered unrest. Sapa-AJ

From Harare to a castle?

London – Zimbabwe’s President Robert Mugabe, his economy in trouble and facing opposition at home, is planning to buy a castle in the Scottish Highlands, The Sunday Times reported here.

The newspaper, quoting unidentified business associates in Zimbabwe yesterday, said Mr Mugabe had already been turned down for one property, and was looking for another.

Mr Mugabe, whose main residence is in Harare, started inquiries about a castle in October, said The Sunday Times.

The newspaper did not say which property Mr Mugabe is now trying to buy.

Possibilities on the market include Muchalls Castle, near Aberdeen, priced at $1.68 million (about R5.4 million), and the more lavish Taymouth Castle in central Scotland.

Taymouth Castle comes with a golf course and royal connections. Queen Victoria danced there – at a cost of $3.9 million (R14.5 million).

Investor confidence in Zimbabwe has plunged because of huge budget deficits, inflation and Mr Mugabe’s announcement in November that his government plans to confiscate 480 farms owned mostly by whites. Sapa-AJ
PARTY AXES OFFICIAL WHO CALLED FOR MUGABE CURB

Speaker to be ‘disciplined’

HARARE: An unprecedented threat of action against Zimbabwe's Speaker could spark a constitutional crisis involving the judiciary.

A top ruling party official was sacked because he called for stricter term limits on Zimbabwe's presidency, and parliament's Speaker faces disciplinary action for defending the official's right to make the call.

Mr Delinaidh Mavhaire, one of eight provincial chairmen in President Robert Mugabe's ruling Zimbabwe African National Union (Patriotic Front) party, was stripped of his position on Friday and suspended from the party for two years after suggesting a statutory term limit to presidential office.

Speaker of parliament Mr Cyril Ndebele, who defended Mavhaire's comments as an exercise of free speech guaranteed in the constitution, faces unspecified disciplinary action, the party's central committee decided.

Mavhaire, an MP, made his remarks in the legislature last month, when he urged a change in the constitution that would limit the head of state to only two six-year terms.

Mugabe, 74, was sworn in as prime minister in 1980 after Zimbabwe gained independence from Britain, and he became Zimbabwe's first executive president in 1988. The present constitution allows him to stand for a fourth six-year term in 2002.

"We believe we are not a monarchy," Mavhaire said, urging that the president serve only two terms. "What I am proposing is that the president must go.

He later denied that he meant Mugabe should quit immediately.

Ndebele could easily be stripped of his Speaker's office if Mugabe dismisses his loyalists in the house to pass a censure vote.

"The matter is still under discussion by the disciplinary committee, which will report to the Politburo and then the central committee," said Mr Nathan Shamuyarira, Industry and Commerce Minister and spokesperson for the ruling party.

Mugabe would be ordered to make a public apology to Mavhaire, Shamuyarira said.

The unprecedented threat of action against the Speaker could spark a constitutional crisis involving the judiciary.

Mugabe attacked Ndebele on Friday before the party considered Mavhaire's punishment, behind closed doors.

"The Speaker, the honourable Speaker, has decided to join the rebellion against the party as he and those in collusion with him seek to stultify it in its political and administrative role to discipline its own members," Mugabe said.

The actions alarmed human rights campaigners.

"The attack is a well-orchestrated attempt to weaken the legislature, to thwart further serious debate on the constitution," said human rights lawyer Mr Reginald Matchaba-Hove of the lobbyist group ZimRights.

Mr John Makumbe, a political science lecturer at the University of Zimbabwe, said the freedom of MPs to speak had been strongly compromised.

Mugabe loyalists accused Mavhaire of speaking for an alleged clique that wants Mugabe ousted.

Since November, the Zimbabwe currency has weakened by more than 50% against the US dollar. Prices of most foodstuffs have risen by 25% since the new year. Nationwide strikes and riots in December, January and March in protest against food price rises and looming taxes have crippled the economy.

Mugabe's party controls all but three of the 150 parliamentary seats. — Sapa-AP
Human rights groups criticise Mugabe after attack on speaker

Michael Hartnack

HUMAN rights groups have criticised President Robert Mugabe's attack on the speaker of the Zimbabwean parliament, Cyril Ndebele, who faces unspecified "disciplinary action" for defending an MP's right to call for constitutional change.

They also condemned Mugabe's statement to the Zanu (PF) central committee on Friday that "there are witches among us," — a reference to alleged disloyal party members who want him to step down.

Ndebele issued a formal warning last week to Zanu (PF) that attempts to punish prominent back-bencher Delamatsi Mavhaire, party chairman for the southeastern Masvingo province, constituted "contempt of parliament. In a debate on February 10, Mavhaire outraged Mugabe loyalists when he said Zimbabwe was "not a monarchy" and presidents should be limited to two six-year terms.

Despite Ndebele's warning, the central committee endorsed Mugabe's call for Mavhaire's expulsion from its ranks and suspension from the party for two years. It would consider further action against Ndebele, spokesman Nathan Shamuyarira said.
African Business

Policy framework passed by Cabinet, with action plan to follow

Black empowerment policy for Zimbabwe

Cris Chinaka

Harare — The Zimbabwean government yesterday announced a policy aimed at putting economic power in the hands of the country's black majority, saying this was crucial to alleviating growing poverty and maintaining social stability.

Cephas Msipa, the state minister in charge of state enterprises and indigenisation (black empowerment), said the policy framework would soon be fleshed out by the production of an indigenisation action plan.

"We have the policy framework here, which has been approved by the Cabinet, and we are now working on the indigenisation action plan," Msipa said.

The government white paper says it is vital to hand economic power to Zimbabwean blacks, who constitute 58 percent of the country’s 12 million people, because they were sidelined during the country’s 90-year colonisation by Britain.

It said that in 1980, the year of Zimbabwe’s independence, the government inherited an economy dominated by foreign investors and the country’s white minority.

"Foreign investment in the mining, finance and manufacturing industries accounts for over 70 percent of total investment," the paper said, mentioning that whites control 30 percent of the agricultural land and 80 percent of the construction industry.

"In view of the skewed ownership pattern and the weak and unsustainable structure of the economy, indigenisation seeks to ensure that the ownership structure is reflective of the population composition.

MAJORITY RULES Robert Mugabe, the president of Zimbabwe, whose government says it is vital to hand economic power to blacks, who make up 58 percent of the country's 12 million people

"(It also seeks to ensure) ... that the economy grows and is self-sustaining in the long run to reduce high dependence on exports of primary commodities and rain-fed agriculture.

"The potential for social conflict will persist in the Zimbabwean society for as long as economic justice is not attained," said the government's policy framework.

"Msipa said that apart from land — where the government plans to seize white-owned farms to resettle landless blacks — the economic empowerment programme would involve creating new businesses and industries.

Msipa said mobilising financial resources, land redistribution, skills development, technological transfer and joint projects with foreign investors were crucial to the programme's success. — Reuters"
Zimbabwe firm attacks trade deal with SA

Martin Rushmere

HARARE — One of the bitterest opponents of Zimbabwe’s trade agreement with SA on textiles has again launched a strong attack, saying SA is gaining unfairly.

Peter Dorward, the chairman of textile maker Zimbabwe Spinners & Weavers, said the deal allowed Zimbabwe to export a maximum of 800 000kg of cotton yarn and 3 million square metres of woven cotton cloth a year.

“On the other hand, SA spinners can buy Zimbabwean lint duty-free in any amount,” Dorward said in the company’s profit statement for the year to end December 1997. “We believe that they should only be able to buy 500 000kg duty free and thereafter they should pay an export tax of 18% which is equal to the duty that Zimbabwean spinners have to pay to export yarn to their country, or, alternatively, a far larger quota should be negotiated so that Zimbabwean spinners can utilise Zimbabwe’s comparative advantage of plentiful, quality lint.”

The company recorded a 71.4% rise in net profit to Z$37.7m on sales of Z$406.6m, 13% higher than the previous year.

Despite the good results, Dorward is vociferous in his criticism of government financial policy and the banks. He has criticised the poor service and rising prices of the national electricity authority Zesa and the parastatal telecommunications body.

Dorward claims the government is breaking a pledge made by President Robert Mugabe at an investment conference in Germany two years ago to allow in expatriates following a DM10m investment by a German partner. He has also criticised the absence of any new industrial and export-generation policy.

Despite these laments, Dorward forecast an increase in operating profit to Z$52m from last year’s Z$47m.
Mugabe is not buying a castle

HARARE - Zimbabwean President Mr. Robert Mugabe yesterday denied reports in the British media that he is buying a castle in Scotland.

In an official statement from his office, published by the state-owned daily the Herald, Mugabe dismissed the report, which was preceded widely by rumours at home and abroad, as a smear campaign by his detractors unhappy with the country's controversial land reform programme.

Britain's Sunday Times reported at the weekend that Mugabe was trying to buy a Scottish castle and was now being dubbed the 'king' of Scotland.

This latest report was preceded by many others, some of which went as far as to claim that the government had banned an issue of an international magazine in January purportedly to suppress an article on the supposed transaction, the statement said. The magazine, said to have been banned was the US-based Time magazine.

Rumours about the castle started making the rounds in Zimbabwe late last year after Mugabe and his wife Grace returned from the annual Commonwealth Heads of Government Meeting in Edinburgh.
HARARE — International pressure had forced the Zimbabwean government to agree to pay compensation for farms taken from whites for redistribution to blacks, the Financial Gazette said yesterday.

The newspaper quoted Agriculture Minister Kumbirai Kangai as saying that for fully developed land, where cultivation had been taking place and where there was infrastructural development, “full compensation deemed fair by the evaluators will be paid.”

President Robert Mugabe had insisted that the government would pay only for improvements on farms and not for the land itself, which he said was stolen by British colonizers a hundred years ago.

Kangai’s comments are the first official confirmation published in Harare of what has been known in diplomatic circles since January, when the cash-strapped government negotiated aid from the European Union.

Diplomats said then that the government had promised that its land reforms would not breach the constitution — meaning that it would have to pay fair compensation.

The government is now negotiating $176m in vital balance-of-payments support from the International Monetary Fund — which is believed to be insisting on the same condition.

In an apparent effort to blur the edges of what is a major U-turn in government policy, Kangai told the Gazette that land classified as derelict would not be paid for.

“The distinction between payment for the actual land and the developments becomes academic.”

The government late last year released a list of about 1,500 farms which it planned to take over, but agricultural sources said this week that more than 600 of the farms had been dropped from the list for various reasons. This has yet to be confirmed by the government.

The need for land reform in Zimbabwe, where about 4,000 white farmers own 90% of the land, is accepted by international donors and even by the white farmers’ union, but they have objected to Mugabe’s methods. — Sapa-APP.
$176m for Zimbabwe hinges on IMF report

Michael Hartnack

HARARW — An International Monetary Fund (IMF) team was yesterday due to wind up a week of study that will decide whether President Robert Mugabe's government gets $176m standby credit.

A senior Zimbabwean government official has expressed hope that the visiting IMF dignitaries will write a favourable report on the country ahead of the crucial IMF board meeting at month-end.

Senior secretary for finance Charles Kuwaza said he was "optimistic" the team, headed by Michael Nowak, would report favourably after a "relook at our figures".

However, economist Mervyn Ellis said international institutions were now worried about exploding losses incurred by the national oil company as well as previous issues such as the take-over of 1,400 farms and the budget deficit.

In view of contradictory statements, the IMF was likely to demand Mugabe's own signature to an agreement rather than a minister's, he said.

In November Nowak's team caused astonishment by voicing satisfaction with the measures taken to balance the budget after Mugabe yielded to a violent lobby campaign by former guerrillas and granted them Z$4.5bn in tax-free grants.

While the team was generally happy with everything, the only problem was whether the government was in a position to put out the fires that threaten to break out, and maintain political stability that will be conducive for improved economic performance," said a consultant. "They were very uneasy with the political situation in a country that has seen three disturbing mass actions in as many months, due to price increases, and Mugabe's talk of revolt in the ruling party."

Zimbabwe's bakers have been ordered not to increase bread prices, although the country will use the last of its local wheat supplies in June and will then be wholly reliant on recently imported grain. Bread queues are predicted when smaller bakeries are forced to close.

The National Oil Company (Noczim), which economists say should increase fuel prices 60%, was yesterday reported to be planning the sale of its Z$800m shares in the parastatal retail and industrial group Delta Corporation to offset losses estimated at Z$5m a week.

Food riots

The petrol price must be increased from Z$5.11/l to Z$6.10/l to prevent Noczim's collapse, but Mugabe has delayed action, fearing a repeat of January's three-day food riots in which eight people died.

A Z$800m deficit was yesterday forecast for the government's strategic grain reserve. In January the parastatal grain marketing board reduced its price to millers by Z$400 a ton to reverse a 23% wholesale price increase for maize meal.

Meanwhile, the Zimbabwe Financial Gazette yesterday gave Zimbabweans their first warning of an imminent "government U-turn on land".
Zimbabwe may pay up for ‘land grab’ farms after all

From: Sapa

Harare — The Zimbabwean government yesterday committed itself publicly to carrying out its planned confiscation of white-owned farms fairly and legally, contradicting assertions by President Robert Mugabe two days ago.

The announcement was made in the Financial Gazette newspaper yesterday and was seen as evidence of a rift between Mugabe and his ministers, observers said.

Kumbirai Kangai, the agriculture minister, was quoted in the newspaper as saying the government would pay full fair compensation for farms confiscated for redistribution among blacks.

The remarks were the first public and unambiguous admission by a government that had abandoned its earlier threats, repeatedly voiced by Mugabe, that it would seize white-owned farms and compensate owners only for improvements, not for the land.

The government earlier said the land was stolen by whites after the arrival of European settlers a century ago.

Cabinet ministers in December began to give private assurances to Western donors that land reform would be carried out fairly and legally. But Mugabe kept to his promise that there would be no going back on his land-grab plans.

Yesterday’s statements flow in the face of Mugabe’s remarks in Hainan on Tuesday during a three-day visit to Germany. He told German industrialists that white farmers would not be paid for the value of the land.

Sources this week confirmed that the cabinet overruled Mugabe on the land controversy and told him that taking the land without compensation was illegal. Mugabe opposed them, but was told he had no choice.

Agriculture sources yesterday said the government this week drew up a list of 619 farms to be scrapped from a formal notice issued in November detailing 1,471 properties for compulsory acquisition.

The sources said that several farmers, this week received official letters informing them that their farms would no longer be confiscated.

No confirmation could be immediately obtained from either the government or the Commercial Farmers’ Union, almost half of whose members stand to lose their land.

The newspaper quoted a government spokesman as saying land reform would be implemented on a time scale consistent with the country’s administrative and financial capacity.

Kangai told Western donors three weeks ago that the land reform — initially set by Mugabe to be completed by the end of this year — would take up to 10 years.

The state’s current budget for land acquisition is $235 million (R10.5 billion), which agricultural analysts say is enough to pay for about a dozen properties.
Clinton snubs Mugabe after crackdown

Iden Wetherell

As United States President Bill Clinton's parade swings through Southern Africa with visits this weekend to South Africa and Botswana, Zimbabwe is left on the sidelines to contemplate what might have been.

Zimbabwe was originally on Clinton's itinerary but what the Americans see as delinquency by Robert Mugabe's government led to the country being dumped at the last minute.

Clinton was prepared to heap praise on Mugabe for painful economic reforms and a strategic partnership with the US in regional peacekeeping operations, diplomatic sources suggest.

But the brutal crackdown on trade union demonstrations last December and flagrant breaches of fiscal undertakings saw Zimbabwe scratched from Clinton's programme following a visit to Harare by US Secretary of State Madeleine Albright in January.

Albright was particularly unimpressed, it seems, by the assault on Zimbabwe Congress of Trade Unions secretary general Morgan Tsvangirai, which she pressed Mugabe to investigate. Although Tsvangirai provided police with descriptions of his assailants, the case remains unresolved.

Clinton is thought to be planning a brief excursion to Victoria Falls after leaving South Africa, but this would be a private visit to avoid meetings with senior Zimbabwe officials.

US ambassador to Harare, Tom McDonald, denies there is any deliberate snub. But few observers doubt the US move is designed to underline growing disenchantment with Mugabe's wayward regime.

Others have followed suit. The World Economic Forum, a World Bank offshoot, recently withheld an invitation for Mugabe to attend its regular get-together with heads of state in Davos, Switzerland. And the Organisation of African Unity, which Mugabe currently chairs, cancelled a peacekeeping summit in Harare last month because few rulers were prepared to brave the trip to Zimbabwe's riot-torn capital.

Perhaps the cruellest blow to Mugabe came last week from former Ethiopian tyrant and long-time ideological soulmate, Mengistu Haile Mariam, who has reportedly been given asylum in North Korea because he no longer feels safe in Zimbabwe. When newspapers attempted to contact the North Korean embassy for confirmation of Mengistu's forthcoming departure they found the tenants had packed up and left several weeks earlier.

Rather like Clinton, Mugabe is hoping for foreign travel will restore his flagging fortunes. This week he was in Germany assuring sceptical businesspeople that Zimbabwe remains a safe investment destination.

Last week he was in Gaborone to say farewell to Botswana President Sir Ketumile Masire (72), who is retiring. After 18 years of careful economic stewardship, which has seen Botswana's per capita gross domestic output overtake Zimbabwe's, Masire is making way for a younger man. The point was obviously lost on Zimbabwe's increasingly cantankerous 74-year-old ruler, who regards retirement as the ultimate surrender.
Zimbabwe to investigate closure of only diamond mine

Harrare - The Zimbabwean government and the Chamber of Mines are to investigate circumstances leading to the sudden closure of the country's only diamond mine, River Ranch, amid allegations by retrenched workers that the mine airlifted minerals to South Africa.

The mine, near the border town of Beitbridge, was closed at the end of last month and immediately went into voluntary liquidation, leaving 400 workers jobless.

The mine's owners, Atridium Zimbabwe, said the mine was closed because it became unviable as a result of the depressed world diamond price.

Atridium's Redrums Red Lake Mines, one of the two original shareholders in the mine, liquidated its interest in River Ranch in January saying it was no longer interested in diamond production in other parts of the world.

They claimed the world market price of diamonds had for the past eight months been at such low levels that the mine was losing about Z$340 (R14) for every ton of ore processed.

Meanwhile KPMG, the liquidator appointed to oversee the closure of the mine, has approved 19 claims totalling Z$145 million (R48 million) lodged against the mine by its creditors.

An official of the liquidator, who declined to be named, told Zimbabwe's Ziana news agency yesterday that the claims were approved at a creditors' meeting in Harare on Thursday.

She said the meeting was the first of a series to be held to determine the amount of money owed by River Ranch.

"More meetings will be held in the near future for the same purpose of approving claims by creditors," she said.

Three creditors who had earlier indicated that they would be attending Thursday's meeting failed to arrive for unexplained reasons.

Only one claim was rejected because the creditor's papers were not properly prepared, the KPMG official said.

She said other creditors could still lodge their claims at later meetings.

Among some of the largest creditors are the two major shareholders, Atridium and Redrums. — Sapa
Speaker faces Mugabe’s wrath

Michael Hartnack

HARARE — SA Parliament speaker Frene Ginwala will hear of the crisis facing her Zimbabwean counterpart, Cyril Ndebele, during a three-day workshop on parliamentary reform which began in Harare yesterday.

Ndebele, who last week had to prevent retired Gen Solomon Majuru — the former guerrilla commander Rex Nhongo — from assaulting the lone independent MP, Margaret Dongo, on the floor of the house, himself faces unspecified “disciplining” by President Robert Mugabe for attempting to defend an MP’s parliamentary privilege of free speech. Sources say Mugabe could muster his 147-3 majority to sack Ndebele.

Ndebele last Thursday told MPs that Mugabe had been “greatly angered” by his attempts to protect Dzikamai Mavhaire, who was expelled from the Zanu (PF) central committee and stripped of his post as party provincial chairman for urging a limit to holding the presidential office during a debate on constitutional reform.

Mugabe, who shouted “there are witches among us” at a central committee meeting, alleged Ndebele “colluded” with secret opponents and said no one in Zimbabwe was outside party control.

But in an unrepentant statement to a hushed house, Ndebele said although Mavhaire’s words were “disrespectful to the president” and should have been withdrawn, they could not lawfully be impeached or questioned in court or any place outside parliament.

Ndebele confessed he was “in an invidious position” by being both speaker and a serving member of the Zanu (PF) disciplinary committee, from whose proceedings he had recused himself. Critics say he should have quit the party on election to the chair.

Ndebele said he had served a “certificate of privilege” on Zanu (PF) national chairman Joseph Maina with the agreement of leader of the house Emmerson Mnangagwa, who is also justice minister.

Nevertheless, the central committee expelled Mavhaire and suspended his party membership. His position as an MP remains unclear.

“I reiterate my total loyalty to the party and the president,” Ndebele told the house. “I have striven to be impartial and to act above party politics, above tribe and race.”

Punishment of Mavhaire laid any other MP open to action by organisations that objected to their words in the chamber, he said.
IMF appraisal 'impractical'

HARARE — The International Monetary Fund (IMF) has been attacked for being "hopelessly impractical" in its recent appraisal of Zimbabwe's 1991-1996 first phase of economic reform.

"Political change is a prerequisite for sustained economic development," said leading economist Prof Tony Hawkins in a speech to a conference on taxation policy. "But bluntly, economic recovery is — and will remain — a hostage to politics."

Hawkins said the IMF evaluation was "highly critical of the fiscal basis of the economic structural adjustment programme, (ESAP), noting that it targeted a 40% fall in the level of public noninterest expenditure over six years. The IMF now reported that the programme was "manifestly politically unsustainable".

"There is a strong element of being wise after the event in this assessment, and it is also seriously flawed where it argues that the financial and tax reduction liberalisation (as it calls it) should have been delayed until after the politically difficult reductions from parastatal and public sector reform had been completed," Hawkins said.

"That all is fine in theory, but hopelessly impractical, since eight years on these tough decisions have still not been made," Hawkins said Zimbabwe was a poor country with a per capita income in the region of $450 a year, which could not afford the present government's "tax-and-borrow-and-spend policies".

President Robert Mugabe's government was not only spending too much but also neglecting activities crucial to future growth. Politics played a dominant role in finance ministers' search for new revenue least likely to damage electoral chances.

"In recent years, for instance, it has become fashionable to plunder retirement and pension funds, conscious that one is taxing those least likely or least able to have any political impact," He said it was common cause that Zimbabwe was overtaxed. Since the launch of ESAP in 1990, government revenue, excluding grants, had averaged 28% of gross domestic product. Since 1985, the ratio of total tax to wages and salaries had increased from 50% to 75%.\"
Diamond mine closes

HARARE—Zimbabwe’s hopes of joining the elite rank of world diamond producers have dimmed after the country’s sole mine closed last month citing viability problems, industry officials said yesterday.

River Ranch Mine in Zimbabwe’s southern border town of Beitbridge, owned by River Ranch, was placed under liquidation in February after a major partner in the project, Redaumun Red Lakes Mines of Canada, pulled out, saying it was dissolving all its diamond interests internationally.

River Ranch officials said deteriorating prices for the gem over the past eight months had seriously eroded the viability of the mine.

Mining consultant John Hollaway said Zimbabwe’s diamonds did not measure up to international standards.

"I think River Ranch’s major problem was the low quality of diamonds produced," The possibility of better finds in the future could not be ruled out, said Hollaway. — Reuters.
Newspapers black out congress's call to strike

Michael Hartnack

HARARE—Zimbabwe's state-controlled news media followed government instructions yesterday and blacked out the Zimbabwe Congress of Trade Unions' call for a national strike from April 21-23.

Information Minister Chen Chimutengwende issued the order to the country's only two daily newspapers, the Herald and the Bulawayo Chronicle, last month, after the congress urged a two-day, week-long boycott of the Herald for alleged 'disinformation' during previous strikes against high taxes, rising food prices and economic mismanagement.

At a meeting at Bulawayo's White City stadium on Sunday, congress secretary-generals Morgan Tsvangirai told thousands of supporters: 'We are here to ask for your mandate to stage the third great strike.'

He said President Robert Mugabe and his ministers had ignored previous protests and the January food riots, refusing to withdraw an increase in sales tax from 15% to 17.5% to pay former guerrillas Z$4.4bn in tax-free gratuities.

Government had also failed to act on November's crash in the value of the Zimbabwe dollar, maintaining the 'development levy' and 18% tax on pension funds, he said.

A two-day stayaway in February passed off peacefully, except for an arson attack on the congress' Bulawayo offices claimed by police to be an 'inside job' by 'criminals in midiaum.

Most observar reported 90% observance, although the official media claimed the strike hopped.

Delegates at Sunday's meeting said further protest was the only way to get Mugabe to heed workers' grievances and urged action to coincide with the April 21-23 international trade fair, held in the city every year.

The labour ministry declared the last strike illegal and is reportedly taking action to have the congress's registration withdrawn, which would pave the way for dissolution. The congress has temporarily forestalled this, seeking a court order against the ministry.

Home Affairs Minister Dumiso Dabengwa has also introduced a new public order bill in parliament which some legal experts say could bankrupt the trade union federation by making it liable to make good any damage caused in unrest associated with industrial action.

Meanwhile, bakers have privately denied claims by Commerce Minister Nathan Shamuyarira that an agreement has been reached to peg bread prices. Shamuyarira announced earlier this month that bakers had agreed to absorb a 10% increase in the price of flour.

A spokesman for a commercial baker who spoke on condition of anonymity, said Shamuyarira had threatened to cancel bakers' licences if they told the press of a cabinet order banning a bread price increase. Meanwhile, supplies of locally grown wheat are running out and the country will be entirely dependent on imported stocks, which have to be paid for in hard currency, from June to December.

Smaller bakeries expect to go out of business and bread quotes are predicted from mid-year.

More trouble is forecast over the prices of maize meal, petrol and diesel, currently being held down at Mugabe's order.
Red tape 'danger to tourist industry'

Michael Hartnack

HARARE — Zimbabwe's safari and tourist operators are alarmed by regulations promulgated by the environment ministry which they fear will "strangle the industry in red tape." They will only make it more difficult for emerging operators to get started," warned Wildlife Producers' Association chairman Nick O'Connor.

Zimbabwe's leading tourist safari firm, Touch the Wild, run by ruling Zanu (PF) party MP Alan Elliot, recently opened camps in Zambia to compensate for leases lost in Zimbabwe because Elliot was not "indigenous".

Sol Kerzner's Southern Sun hotels have been involved in confidential negotiations with president Frederick Chiluba's government and have signed a deal, reported to be worth more than $100m, to build a vast new tourism complex on the Zambian bank of the Zambezi river, upstream from Victoria Falls, say sources.

Both developments are seen by the local industry as signs that neighbouring states may overtake Zimbabwe.

The government was believed to be trying to establish tight control in order to allocate permits to emergent black operators.

O'Connor said foreign investment was leaving Zimbabwe for other countries where regulations were "appropriate and user friendly". The new regulations were in no way related to a competitive and dynamic regional market, he said.
Zimbabwe diamond miner calls it quits

Stella Mapenzauswa

Harare - Zimbabwe's hopes of joining the elite of world diamond producers have dimmed. The country's sole mine closed last month on viability problems, industry officials said yesterday.

River Ranch Mine in the southern border town of Beit Bridge, owned by River Ranch Limited, was placed under liquidation last month after Canada's Redmanum Red Lakes Mines, a major partner in the project, pulled out. It said it was dissolveing all its diamond interests around the world.

River Ranch officials said deteriorating prices for the gemstones over the past eight months had seriously eroded the viability of the mine.

Mining officials said the hunt for diamonds in Zimbabwe was fuelled by an unexpected big find in Canada a few years ago, which triggered off a worldwide frenzy.

Zimbabwe was considered to be particularly attractive because two-thirds of its land is covered with the cratonic-type soil in which kimberlite rock, which houses diamonds, can be found.

But John Hollaway, a mining consultant, said Zimbabwe's diamonds were of a low quality that did not measure up to international standards.

"I think River Ranch's major problem was the low quality of the diamonds it produced," Hollaway said.

But he said the possibility of better finds in the future could not be ruled out.

Reunion Mining Zimbabwe, another participant in the hunt for diamonds, said it would withdraw from mining for the gems after five years of prospecting had yielded no successes.

"We are withdrawing all our diamond prospecting projects in Zimbabwe because we no longer feel that it is a particularly attractive prospect," said Mike Moles, the Reunion Mining Zimbabwe exploration manager.

"Generally, there's been a great lack of success. We feel the money could be better used looking for gold or for base metals," he said.

Moles said the company had decided to call off the project eight months ago, having sunk more than $232.5 million (R760,000) into diamond prospecting.

Besides River Ranch and Reunion, other prospectors in Zimbabwe include Trillion Zimbabwe, BHP and Kimberlite Searches, owned by South African group De Beers. - Reuters
Zim govt ‘protecting official’

ANDREW MELDRUM
INDEPENDENT FOREIGN SERVICE

HARARE: The Zimbabwe government was accused yesterday of interfering to prevent murder charges being pressed against the mayor-elect of Chitungwiza, Mr Joseph Macheka.

There was public outrage earlier this month when Attorney-General Patrick Chinamasa said he would not press charges against Macheka who allegedly shot and killed a man and injured two others during January’s food riots.

Macheka claims he only fired shots into the ground to disperse an angry mob and then fled the store.

The attorney-general said it would “not be in the public interest” to prosecute Macheka, a former Harare city councillor and a leader of President Robert Mugabe’s ruling Zanu-PF party.

The decision was criticised by Zimbabwe’s Legal Resources Foundation, which said: “The decision not to prosecute creates the impression of political interference with the judicial process.”

Macheka was recently elected mayor of Harare’s largest township, Chitungwiza, after a controversial campaign in which the independent candidate, Mr Fidelis Mhau, was severely beaten by Zanu-PF supporters as Macheka and other officials stood by. The decision not to prosecute Macheka for the January shooting is widely viewed by Harare residents as an example of the government unfairly protecting officials of the ruling party.

The post of attorney-general is a political appointment and has the status of a cabinet minister. Chinamasa has been criticised in the past for declining to prosecute top officials of Zimbabwe’s central intelligence organisation (CIO), despite compelling evidence that they were involved in the disappearance of a young woman, Ms Rashwe Guzha, five years ago.

Guzha had broken off an affair with a top central intelligence official and was last seen in the custody of two CIO officers.

CT 31/3/98 (36a)
Zimbabwe tobacco prices plunge

HARARE — Zimbabwe tobacco prices crashed about 20% at the start of the new selling season on Monday, but officials said they expected prices to firm later because of the reduced output in key growing nations.

Zimbabwe Tobacco Association president Rob Webb said bid prices opened at about $1,600/kg, down 19.2% on last year’s average of $2,234/kg.

Officials attributed the lower prices to the early start of the selling season — the auction floors usually open in the third week of April — and many buyers were still in Brazil, which this year has a 300-million kilogram crop.
Profit up 29% for Zimbabwe newspapers

By Martin Rushmere

HARARE - The Zimbabwe government's daily and Sunday newspaper group, Zimbabwe Newspapers, reported a 29% increase in profit last year and said it upheld the principles of a free press. Turnover was also up 29% to Z$516m.

In its announcement of profit of Z$622m (about R20m), Zimbabwe Newspapers said it remained "committed to upholding the principles of a free press and that the editors are expected to facilitate the free flow of unbiased information".

Earlier this year Tommy Sithole, the editor of The Herald, the biggest selling daily in the country, was sacked for writing an editorial that partly blamed the government for the country's national, political and economic problems.

He was replaced by Charles Chikerema, a relative of President Robert Mugabe.

The paper's MD Simba Makoni was fired last year after he tried to dismiss Chikerema for taking a virulently racist line as editor of The Herald's sister paper, the Sunday Mail.

Despite the good results, the company has retrenched 131 members of staff and said this year should be 'more difficult than last year. Costs have risen sharply and newsprint is now 47% more expensive.'
Zimbabwe's central bank staffers end sit-in

Michael Hartnack

HARARE — Staff of Zimbabwe's Reserve Bank yesterday called off a two-day sit-in at their headquarters as negotiations began on redundancies.

The glittering $81.5m building which dominates Harare's skyline has been filled with disgruntled employees since governor Leonard Tsumba issued a circular on Monday announcing plans to streamline operations.

He said those affected should not report for work yesterday but by late yesterday they had still not been personally notified, said staff members.

The bank was criticised by various parties recently for spending foreign exchange, earned from its precious metal export monopoly, and profit from the issue of bank notes, on palatial headquarters instead of returning the money to the focus for use on projects such as low-cost housing.

On Monday, and yesterday workers who feared they would be among several hundred to be dismissed gathered on the fifth floor while senior staff had to handle customers.

The total number of employees of the secretive central bank, which maintains a precious metal refinery and a banknote printing works among its subsidiaries, has never been officially disclosed.

A circular sent out by Tsamba on Monday said the results of "a detailed review of our structure, processes, the assignment of staff to new structures, and identification of surplus staff" would be implemented on April 1. Negotiation of "exit packages" would begin immediately with the workers' committee, he said.

In expectation of redundancies, staff loans were frozen in September. Tsamba said the matter would be referred to the labour ministry if talks with worker representatives did not reach agreement by April 30.
Brussels lifts Zimbabwe wine ban

Michael Hartnack

HARARE — Brussels bureaucrats had lifted their ban on commercial imports of Zimbabwean wine, vintners announced yesterday, but the inability to satisfy local demand is likely to delay shipments.

Vintners expect exports to take off within the next four years if shortages can be ironed out.

Brussels has finally announced that it is satisfied with the new standards and regulations promulgated in Zimbabwe. Sales from the fledgling wine industry, which had only five major vineyards, two wineries and less than 1,000ha under vines, were held up by European Union officials who demanded a "wine act" and "ministry of wine".

Mukuyu Wineries GM Sam Pfizayi, who is also Zimbabwe's first qualified African winemaker, said the industry was eager to establish a reputation in the high profile British market.

Both Mukuyu, a subsidiary of the Cairns and Astra Holdings Groups, in which the government still has a majority share, and its competitor Afris have multimillion-dollar vineyard expansion plans.

Pfizayi said that although January rains caused serious problems with Mukuyu's late ripening reds in 1997, these had been avoided during the recent harvest and record quality vintages were expected. A period of strong sunshine and cool nights in September and October had given excellent vine growth, berry set, colouring and flavour.

Afris winemakers are equally optimistic about their vineyards, which are dispersed in Zimbabwe's midlands and Matabeleland regions, unlike Mukuyu's concentrated 100km southeast of Harare.

Quality Zimbabwean white wines sell at about Z$80 and reds for Z$40-60, compared to imported SA and Australian products which are seldom below Z$100. Consumption of imports only stimulates demand for local wines, Vintners report.

Current problems in Zimbabwe's tobacco industry may encourage farmers to move into vines, which suit similar sandy soil types, but high capital investment costs, 35% bank overdraft rates and a four-year delay in getting new vineyards "on stream" is a strong deterrent.

Attempts to encourage small-scale communal growers have been hampered by informal sector sales of the crop at road sides before it can be harvested by wineries which have provided the vines, fertiliser and other inputs.
IMF defers decision on extension of aid

Michael Hartnack

HARARE — The International Monetary Fund (IMF) has deferred to the end of this month a decision by its board on the re-extension to Zimbabwe of $176m in budget credits, officials said yesterday.

But in the fourth optimistic statement of its kind in six months of economic and social turmoil, the IMF’s local representative, Robert Franco, told the Herald newspaper that the organisation believed the Zimbabwean budget was on track.

"Revenue is higher than projected and expenditure is lower," said Franco, who has been criticised for praising Mugabe’s ‘strong recovery programme’ during the crisis caused by the announced takeover of 1,400 farms and a Z$4.5bn gratuitous payout to former guerrillas.

The government raised the price of aviation fuels 34% and household gas 16% yesterday as the parastatal national oil company, Nocim, continued to lose about Z$5m a week. A decision on petrol and diesel was again deferred although unrealistically low prices threatened to push this year’s deficit far beyond the 8% deficit target pledged to the IMF.

Since November the Zimbabwean dollar has lost 40% of its value against major currencies and the stock market has crashed.

The media has repeatedly run premature statements saying IMF aid would definitely be released, thawing budget support from the other international donors.

During President Robert Mugabe’s investment-raising tour of Germany last week, Helmut Kohl’s government said it would disburse money as soon as the IMF’s board of governors decided favourably.

A six-member IMF team headed by Africa desk chief Michael Nowor left Zimbabwe last week after further evaluation of Zimbabwe’s economic performance in the wake of recent strikes and food riots.

"They want to monitor the situation for another 30 days before they make a decision," said an official who noted the Zimbabwe Congress of Trade Unions’ plan for further protests against extra taxes.

"During 1998, the trade balance is forecast to yield a surplus of Z$22.2bn while the balance of payment is projected to register a deficit of Z$1.6bn." Franco expected IMF resources to fund 60% of the deficit.

Mugabe’s wife set to profit

HARARE — Zimbabwean President Robert Mugabe’s wife Grace was set to make Z$19m profit from a mansion built with government money, the Financial Gazette said yesterday.

The house, dubbed ‘Graceland’ by its critics, was built in the upmarket Harare suburb of Borrowdale on a block overlooking a golf course designed by champion international golfer Nick Price.

Grace, a 44-year-old former public servant who married 74-year-old Mugabe in a lavish ceremony 18 months ago, reportedly used Z$36m from a government housing scheme to build the house.

Now, according to local newspapers, it is on the market for Z$425m.

The Financial Gazette quoted Mugabe’s wife as saying she had paid off her debt to the government and was free to do as she wished with the house.

In a statement issued through the president’s spokesman, she refused to confirm or deny that she was selling it.

Mugabe last month angrily denied a report in a British newspaper which said he and Grace were planning to buy a castle in Scotland. — Sapa-AFP
Harare raises price of cooking gas

Harare — The Zimbabwean government yesterday raised the price of aircraft fuel and cooking gas, but said it had yet to decide whether to increase the price of petrol and diesel.

Enos Chikowore, the minister of transport, told the state-controlled Herald newspaper that the country's fuel prices could not be sustained following the crash of the Zimbabwean dollar in November last year.

He said a decision would have to be made urgently.

Chikowore said the price of Jet A1, aviation gas and cooking gas went up by 24 percent, 17 percent and 16 percent respectively.

Since, the currency's 45 percent fall, the cost of importing fuel had soared by a corresponding rate.

Economists said the state-owned fuel procurement company, the National Oil Company of Zimbabwe (Noczm), was losing about Z$1 million (R310 000) a day.

They estimated that Noczm would have to raise fuel costs by 30 percent to meet the current cost of imports, which would have ripple effects throughout the embattled economy.

Observers said the government was anxious about the likelihood of a resumption of countrywide rioting that erupted in January over the sharp increase in the prices of consumer commodities, and was delaying an increase in the fuel price.

Prices of maize meal, wheat, bread and cooking oil were also being held down on government orders. Economists warned that yesterday's price increase was likely to force up air fares.

Reports in Zimbabwe said Noczm was bankrupt and was running into problems with paying its suppliers, including South Africa's Sasol.

Repeated fuel shortages around the country were cited as evidence that fuel reserves were low.

In December last year a bid by the government to add a 15 percent tax on fuel, among other new levies and taxes, triggered strikes, and the taxes had to be dropped.

Fuel prices last increased in May last year. Petrol went up 31 percent and diesel 20 percent in the space of eight months. — Sapa
ZIMBABWE AGRICULTURE

Harvest of hesitation

Seldom have Zimbabwe's tobacco auctions played so pivotal a role in the country's economy. For a change, farmers, government and the business community are united in hoping that the 1998 sales, which opened on March 31, will boost morale.

The omens are unpromising. Prices in Brazil, whose sales open ahead of Zimbabwe's, are down more than 5%, despite a worldwide shortage. Zimbabwe has grown a bigger crop than last year - an estimated 210m kg of flue-cured tobacco compared with 185m kg last year - but this is still 26m kg short of the industry's target of 236m kg.

Buyers warn that demand is weak, citing the huge settlements being paid by US tobacco manufacturers. More important has been the Asian downturn since almost a third of US tobacco products are exported to Asia. Some buyers warn that prices could fall from last year's average of US$235c/kg to less than 200c/kg. But the price is more likely to fall about 10% to 210c/kg.

Growers had been hoping for a devaluation windfall after the 37% deprecation of the Zimbabwe dollar during 1997. But in the first quarter of the year the Zimbabwean currency has recovered, about 16% of last year's losses and costs have been taken off, squeezing exporter margins. The industry says costs have risen 37% in the past year and this figure is set to rise even further once the long-delayed fuel price increase is announced, followed by higher coal prices (up 22%), railway rates (up over 30% according to farming sources), electricity costs (up over 30% from July) and wages.

Tobacco is Zimbabwe's top export, accounting for at least 25% of earnings in a normal year. This year that ratio could be higher because of the weak performance of the mining sector, especially gold. Thanks to the larger crop and higher yields, output is likely to be worth at least US$450m, in 1998, up slightly from last year's $435m.

Some cheer. But, as always, further confusion came in the wake of the announcement that 600 of the 1,470 farms identified last November for compulsory acquisition by the government have now been deleted. Details are scanty, with President Robert Mugabe accusing Agriculture Minister Kumbirai Kangai of misleading the farmers. Mugabe loyalists accuse Kangai of "selling out" him and hinting that the Minister - a senior Cabinet member - could be demoted.

Surprisingly, some in agriculture and business seem to share government's naive belief that business confidence can be switched on and off like a tap. The signs are that confidence will be slow to recover - because of the many uncertainties that surround not just the land takeover but many other aspects of government economic policy as well.
question of land

Zimbabwean academics search for fresher ideas on the
On the ground they are still holding hands

Despite high-profile attacks on whites, and even though there are still pockets of white racists in the country, most ordinary Zimbabweans get along fine with each other, writes Diana Mitchell

IN DECEMBER, when Trudy Stevenson, an official of the opposition Forum Party of Zimbabwe, went into the streets of central Harare to see how the national strike was progressing, she did not expect any serious trouble as the courts had declared the strike to be legal.

When she saw the police harassing bystanders and throwing teargas at everyone who moved, she dashed off to get her own protest placard and joined the demonstrators.

A few minutes later she was bundled onto a police vehicle.

Stevenson has been instrumental in holding together the remaining activists of the Forum Party, led by Washington Sansole, a Bulawayo lawyer.

The previous leader, Enoch Dumbutshena, had been discouraged from continuing in political opposition to his former comrades by the usual attempts at character assassination.

In the last general election, both Dumbutshena and Stevenson had stood against the ruling Zanu (PF) party.

Stevenson, campaigning in the Mount Pleasant constituency, was harassed by youths of the ruling party. Her car was stoned and 10 of her supporters, black and white, were shot upon and reviled by half-drunk party bullies and members of the women's league.

The same sort of treatment was meted out to her by a policewoman at the central police station after she had been arrested.

When she indignantly said Zimbabwe was supposed to be a free country, the policewoman turned upon her in fury: “Get out! Get out! If you don’t like it here you should leave!”

She shouted. “We don’t want whites here anyway!”

The tragedy of renewed racial antagonism in Zimbabwe is that this has been artificially credited by an increasingly unpopular ruling party.

What looked like a deliberate policy of insulting whites, irrespective of their attitudes towards their black compatriots, began in the late 1980s.

The government-controlled Sunday Mail, edited by party zealot Charles Chikerema, has regularly denigrated and insulted Zimbabwe’s whites — a small community of less than 60,000 people in a population of 12 million.

Remaining dotted around the country are a few vestiges of white supremacy — youths, some farmers, artisans and others unwise enough to express their foolish, racially antagonistic attitudes in public places. Most blacks are dignified enough to ignore them.

The failure of Zanu (PF) to bring anything but corruption and increased poverty to the nation has caused it to look for scapegoats.

Remarkably, however, despite a worrying deterioration in race relations in some circles, the effort by Mugabe’s apparatchiks to divide the races has not yet succeeded among the bulk of the citizenry.

In December, when workers flocked into the city to demonstrate against the government’s imposition of a huge tax on trade unions, the ruling party accused white employers, farmers, industrialists, and human rights activists — and the opposition — of fomenting the trouble they were facing. Mugabe called it “an unholy alliance.”

However, the president of the Zimbabwe Congress of Trade Unions, Morgan Tsvangirai, emphatically denied that this was the case. A poster prominently displayed during the strike read: “Don’t blame the whites for your failures.”

Many black Zimbabweans will have nothing to do with the agenda which seeks to divide them from their white friends. Unfortunately, government and media attacks on whites have brought back a degree of animosity towards black rule from some whites.

In addition, the move to take over white commercial farms has alienated people who regarded themselves as loyal Zimbabweans.

Zimbabweans of all races have little confidence in the ability of the government to rebuild what has been destroyed, and even the assurances that food prices will be contained have not been taken seriously.

The good news that may restore the confidence of investors is of the failure of the ruling party to engender hatred and suspicion of “nonindigenous” Zimbabweans among their ordinary black compatriots. People have gone out of their way to show friendliness and continued solidarity across all racial lines.

□ Mitchell is a freelance writer and board member of several nongovernmental organisations in Zimbabwe. This article is reproduced from the latest issue of the SA Institute of Race Relations journal.
Zimbabwean sugar mill on track

Michael Hartnack

HARARE — A leading member of President Robert Mugabe's ruling Zanu (PF) party says the Hulett-Tongaat group plans to press ahead with a Z$700m sugar mill in northeastern Zimbabwe despite designation for takeover of three estates scheduled to supply cane.

"There are no hiccups as far as we are concerned at the moment," said the governor of Mashonaland Central Province, Border Gezi.

The project was reportedly put on indefinite hold in December after Mugabe announced plans for the takeover of 1,503 farms totalling 5-million hectares.

MD for the group in Zimbabwe, Simon Cleasby, declined to confirm or deny Gezi's announcement. Cleasby has previously refused to comment on the proposed development in view of delicate relations with Mugabe's government over land and "indigenisation" of his shareholders' register.

Gezi said a condition of the deal would be the allocation of 35% shares in Hulett-Tongaat's local subsidiary, Triangle, to "indigenous" investors, and 25% to farmers contributing cane.

The development would be the largest in Gezi's depressed province since 1980.

He expects 500 jobs to be created with greatly increased demand for labour on farms in the area.
Harare may get IMF funds

HARARE. — The World Bank said yesterday it believed Robert Mugabe's government had implemented enough fiscal and monetary reforms to warrant resumption of lending from the International Monetary Fund (IMF).

The delay was imposed after IMF representatives grew worried the government was not going to meet its fiscal targets for the 12-month period ending on December 31 this year.

David Cook, the World Bank's representative in Harare, said that the government had emerged from a tough eight-month period which has seen the Zimbabwe dollar lose more than half its value against the dollar, state finances stretched by extraordinary payments to war veterans, and economic growth fall to less than 3.8% year on year.

Chief among the IMF's concerns is the government's ability to stick to a revised deficit-to-gross domestic product-target of 7.5% to the end of the calendar year.
Embattled Mugabe’s now really getting it on the nose

Harare. An attempt by President Robert Mugabe to revive his popularity after Zimbabwe’s economic troubles triggered strikes and riots has turned to disaster.

A series of weekend rallies flopped, usually pliant rural supporters were aggressively defiant and a powerful party chief told him publicly, with a thinly veiled personal insult, that he had lost his vision. Rallies and speeches around the country were meant to emphasise the embattled 74-year-old leader’s ability to survive difficulties.

However, low turnouts and abandoned venues showed instead that the rural support he has commanded since independence has withered. These events also underlined that urban areas are lost to him.

It is not clear how Mugabe is interpreting signs which would give other leaders cause for sober reflection.

The president returned from an official visit to Germany last week to a military guard of honour at Harare airport. Such ceremony has been reserved previously for visiting heads of state.

On Friday, the rural settlement of Gutsu in southern Zimbabwe, home to a faction of Mugabe loyalists, produced a crowd of about 5,000, mostly schoolchildren who chanted through the speeches. A party official started to lead a slogan chant of “Only Mugabe, only Mugabe”, but received no response.

Mugabe cancelled a rally the next day in the eastern town of Marondera. Sources said it would have been “an embarrassment”. But an alternative engagement, a meeting of the ruling Zanu (PF) party youth wing near the town, produced another serious blow. Josiah Tungamirai, a veteran member of the politburo and a former commander of the air force who leads the youth league, said in remarks directed at Mugabe that public apathy in recent years “seems to have grown into open hostility to Zanu (PF)”.

The country’s young were “hungry and angry, for they have no jobs”. All that was offered was “a glorified past and empty promises for the future”, he added.

The wave of popular discontent since late last year has shown “a lack of any clear vision by Zanu (PF)”, Tungamirai said, looking directly at the president.

In the eastern city of Mutare, on the Mozambique border, a planned show of mass support turned into farce. Zanu (PF) organisers were able to raise only 50 marchers. Kumbirai Kangai, the regional chairman, decided instead to address a much larger crowd who had come to support a demonstration against child labour.

But he was heckled by protesters from a new group, the Zimbabwe Liberation War Collaborators’ Organisation, which has been set up by villagers who acted as scouts, informers and porters for the ruling party’s military wing during the independence war.

The government has refused to meet the organisation’s demands to reward its members’ role in the conflict. The group has begun a campaign for the surrender of Zanu (PF) membership cards. Kangai was presented with thousands of cards, but fled. – The Times, London
Low prices prompt calls to halt crop sale

Michael Hartman

HARARE — Nightmare conditions reigned for sellers again at Harare's Burley tobacco auction floors this week and small-scale black growers demanded a halt to sales because of low prices.

Of 604 bales of the air-cured tobacco laid on Tuesday, only 100 were sold — averaging just over $1.82/kg against last year's $1.88/kg. Sales of flue-cured Virginia Tobacco have also been in the doldrums.

Tobacco Trade Association chairman, Jim van Heerden blamed depressed prices on a carry-over of leaf from the 1997 season, combined with the Asian economic crisis reducing demand.

Zimbabwe's 9-million kilogram burley crop is used for blending and usually goes on auction after the world's major producer Malawi has set trends, with the start of sales of its 120-million kilogram crop.

This year sales of both air and flue-cured tobacco were advanced as the country strove to maximise an inflow of desperately needed foreign currency.

Burley growers demanded cancellation of the auctions on Tuesday, resewing of bales and reversion to the system abandoned four years ago when Zimbabwe's Tabex company bought the entire crop, then negotiated with external buyers.

Ian Barron, chairman of the Air-Cured Tobacco Association, said the Burley crop was the best in a decade.
BULAWAYO - A former soldier with Zimbabwe's notorious and discredited Fifth Brigade has given a chilling account of how some government soldiers posed as rebels in the rural areas of Matebeleland and killed scores of innocent villagers.

In a letter he wrote to human rights organisations and the press the former soldier, who asked not to be named for his own safety, disclosed that about 20,000 villagers were killed and that their only sin was to belong to the Ndebele-based and now defunct Zapu party.

A Sapa correspondent in Bulawayo, who has a copy of the letter reported that Zimbabwean government-controlled newspapers ignored the letter.

The former soldier said he decided to spill the beans about the Matebeleland genocide because he was tired of lying in condemnation.

He alleged that he was haunted by the spirits of two siblings he and his colleagues killed in Kezi district, 65km south of the Matebeleland capital, Bulawayo, in 1984 during the brigade's occupation of the Nguni-speaking province.

"I was among the Fifth Brigade soldiers who were deployed in Matebeleland in 1985. Our orders were to wipe out Zapu supporters just before the elections to carry out the genocide in Matebeleland," the letter says.

He said some of the killings of commercial farmers in Matebeleland were carried out by government soldiers and security agents who posed as dissidents in the villages. - Sapa.
Zimbabwe's inflation surges to two-year high

HARARE — Zimbabwe's consumer inflation surged to a two-year high of 37.9% in the year to March, lifted by food prices, the central statistical office reported yesterday.

The statistical office's consumer price inflation (CPI) index rose 3.9 percentage points from February's 24% mainly as a result of a 32.7% rise in food prices, the major CPI component. Education costs also climbed 38.3% during the year, with tobacco and drink prices a close third at 31.9%.

Despite government attempts to curb consumer prices this year, the food index rose 7.5% last month, the largest rise apart from education which showed a 12.3% gain.

Economists said the increase in inflation was in line with expectations, and a 5.8% jump in prices last month showed the strength of underlying inflation.

"The figures look ominous from the viewpoint of wage bargaining and wage negotiations, but I am not surprised," said University of Zimbabwe business studies lecturer Tony Hawkins.

"It gets frightening when you consider that electricity and fuel prices have not gone up yet," said independent economist John Robertson, who forecast a peak of 40% by the end of June.

Six people were killed in January in violent riots triggered by increases of up to 42% in most consumer products. President Robert Mugabe's government, anxious to avoid similar disturbances, has ordered the state-owned National Oil Company to subsidise fuel prices through the sale of 27-million shares it holds in blue-chip Delta Corporation. About 7.6-million shares have been sold so far.

However, Transport and Energy Minister Enos Chikorewore, who last month raised aviation fuel prices by at least 34%, said diesel and petrol prices would soon be increased. Robertson said higher fuel prices would inevitably mean "a fresh round of price increases and feed the inflation spiral."

Labour leaders, who have staged two successful demonstrations against higher food prices and taxes in the past three months, have already served warning that expect above inflation wage reviews to cushion workers from rising food prices. — Reuters
Tobacco: Sharply declining auction prices suggest international vote of no confidence

Zimbabwean farmers fear the worst

Jan Raath

Harare - The golden leaf of the tobacco plant, the weed that has driven the economy of Zimbabwe through decades of political and economic turmoil, is suddenly in deep trouble from which there may be no return.

Billion-dollar legal suits by smokers claiming damages from US cigarette companies, the effects of the economic slide in southeast Asia and threats by Zimbabwean President Robert Mugabe to illegally seize 4.5 million hectares of white-owned farms are cutting into tobacco prices.

The six-monthly auctions of flue-cured Virginia tobacco on the biggest and slickest tobacco marketing system in the world opened in Harare on March 31 with an average price of $US1.50 a kilogramme, 42 percent lower than the opening price the year before.

The anxiety of the growers, mostly white farmers in shorts and baseball caps, is palpable as they watch the lines of buyers signalling their bids as they tramp in step past the hundreds of metres of rows of tobacco bales while the auctioneer mumbles an incomprehensible litany of prices.

The first day's prices on the floors are traditionally taken as a key to how the rest of the season will go. It has continued badly since then. Prices have risen only marginally to $1.85 a kilogramme, 40 percent lower than the average for the whole auction season last year of $2.33.

The slump in prices has brought a stunning new blow to the Zimbabwean economy, already tottering from a weakened national currency, the evaporation of investor confidence and political instability.

Zimbabwe shares with Brazil the position as the world's largest exporter of tobacco, but the Zimbabwean leaf, most of it skillfully produced by 1,500 highly sophisticated commercial growers, has been noted for its aroma and high nicotine content. These qualities have made it indispensable to the high-priced cigarettes manufactured in Europe, where 48 percent of Zimbabwe's tobacco is sold.

Tobacco accounts for a third of the country's export earnings, directly employs about 75,000 people and generates value-added production throughout the economy. Last year's crop of 185 million kilogrammes earned farmers $435 million, and exports of the value-added leaf brought in $659 million. The industry was hoping the 1998 crop would pick up another $100 million more.

"Prices being offered by the trade are extremely discouraging," said Rob Webb, the president of the Zimbabwe Tobacco Producers' Association (ZTPA), which represents the growers.

Members had been warned of softening prices, but not "the deep discounts" in prices prevailing now. Growers' earnings would fall 22 percent from the $385 million forecast this year to $346 million if the low prices prevailed, said Webb.

Webb also announced that the crop would only reach 205 million kilogrammes, against the 230 million kilogrammes estimated earlier. He warned that the economic slump in southeast Asia would slacken demand.

Litigation in American courts for settlement of damage claims by smokers and the likelihood of more claims "will continue to have a negative impact on demand and therefore prices", he said.

But none of this could fully explain the sharp drop in prices. Before the season opened, ZTA officials had been assured by European cigarette manufacturers that confidence in the Zimbabwean farmer was still strong.

But economist John Robertson doesn't believe it. He said Mugabe's controversial plans to confiscate 1,471 farms without legal compensation and to redistribute them to blacks had "déstabilised the tobacco market".

"It's a vote of no-confidence in our position as a tobacco producer. Foreign buyers need continuity of supply, but say they have seen government plans to confiscate nearly half of the tobacco farms. We are seen to be a country drifting out of the picture," Robertson warned.

"Manufacturers prefer to put their money into the new tobacco-producing nations in South America and the Far East. The low prices this season, if they hold, will do serious damage to the Zimbabwean economy," he said.

"We have gone and made a mess of ourselves by becoming an unstable source of supply," he said. "The industry might never recover."

— Sapa-DPA
Earnings expected to remain flat in Zimbabwe

No end in sight to high inflation as tough business environment puts pressure on already thin margins

AFRICA BUSINESS
society begins to stir

By Emily Bumbumura

(36)

Zimbabwean Civil

[Article snippet: "...abolishing the repressive policies that have stifled the..." excerpted from a document discussing the Zimbabwean Civil War and its impact on society.]
HARARE — The Zimbabwean government ordered state-appointed auditors to investigate a private bank owned by a leading affirmative action campaigner, the finance ministry said yesterday.

Investigators were asked to urgently report their findings on the bank, run by United Merchant Bank of business tycoon Roger Boka, the ministry said.

"The government's interest in this investigation is to ensure that depositors' funds are protected and the integrity of our financial system is protected at all times."

It gave no reasons for the probe and Farai Munyuki, the bank's spokesman said its trading operations were confidential.

The investigation comes after Boka's bank closed its doors on Friday, touching off rumours it was one of three black-owned banks on the verge of collapse because of irregular lending practices and poor credit collection methods. Some of its own cheques were reported to have bounced.

Officials at the bank said it closed temporarily to allow government auditors to examine its books.

Boka's bank was one of several "indigenous" finance houses hailed as breaking the traditional domination by mostly white-managed foreign banks. It offered loans at favourable terms and accused multinational banks of discriminating against black entrepreneurs who lacked collateral.

The independent Financial Gazette newspaper reported that President Robert Mugabe ordered the state treasury to cancel a $25m loan guarantee to Boka as it was issued without formal authority. — Sapa-AP.
Wider economic storm

Zimbabwe faces threat of (36)

By Brigid Brakeson
Zimbabwe to replace old environmental law

HARARE - Zimbabwe's ministry of mines, environment and tourism has started an environmental law reform to replace outdated legislation put in place during colonial times.

The proposed law, to be called the Environmental Management Act, will replace the Natural Resources Act and will be the main law to guide all other environmental legislation. At the moment, there are overlaps, duplication, and sometimes conflict, between laws managed by different ministries.

Fines for causing damage to the environment are also very low. Individuals and companies that harm the environment prefer to pay fines instead of finding ways to avoid the damage.

A document based on studies on the new law carried out over the past two years has been circulated to all stakeholders, including the public, for comments before the draft bill is presented to parliament.

"Because environmental laws affect everyone, it is important for all Zimbabweans to play a part in changing laws. The old laws make it difficult to manage the environment well since they do not take into consideration the relationship between the different parts of the environment," said Clara Musendo, a legal practitioner in the ministry.

The fundamental principles form the basis to the Act. These include proper use of the environment and natural resources which allow for development now and in the future; managing the environment in a way that considers the interrelation between economic, social, cultural, and natural elements; and prevention of harm rather than correction." AIA.
Zim banking tycoon pleads for state bail-out

A Zimbabwen black tycoon, with a merchant bank on the brink of collapse, yesterday admitted there had been a run on deposits at his institution that it could not continue to sustain.

Roger Boka, chairman of the United Merchant Bank, which has thrown Zimbabwe's financial sector into turmoil since it closed for a day without explanation ten days ago, said in a statement that the bank was in a precarious situation.

Boka had asked President Robert Mugabe's government and the Reserve Bank of Zimbabwe to intervene.

Last Thursday, finance minister Herbert Murerwa announced that an investigation had been launched into UMB to ensure that depositor funds are protected and that the integrity of our financial system is maintained at all times.

Senior banking sources said that before the one-day closure UMB cheques worth billions of rand had been bounced by commercial banks out of anxiety over the bank's stability.

Boka's statement came as the heads of the country's financial sector were set to meet Murerwa yesterday.

Bank chief executives met governor of the Reserve Bank of Zimbabwe, Leonard Toucha, on Monday.

Details of the meeting were not made available.
HARARE — Thousands of students marched through the streets of the Zimbabwean capital yesterday in the first organised antigovernment demonstration calling for President Robert Mugabe to resign.

The peaceful demonstration by about 5,000 from the University of Zimbabwe's Harare campus followed a high court order ruling on Monday that barred police from interfering with the protest.

Last week the campus was rocked by violence as riot police confronted students with live gunfire, teargas and baton charges as they tried to march into the city centre. A student was shot through the neck by police. He is recovering in hospital.

In the wake of the court order, police yesterday took a low profile, and only a handful of riot police were visible as a single police motorcyclist escorted the demonstrators. The march was to protest against the shooting of the student and the privatization of university accommodation and catering facilities that has seen hundreds of workers retrenched.

Outside parliament the orderly crowd roared "Mugabe enda (Mugabe, go)" and chanted for party rebel Dzukamayi Mavhaire, who was stripped by Mugabe of his party rank last month for calling on the president to resign.

Deafening applause greeted Margaret Dongo, the outspoken independent MP, when she stepped on to the parliament building's balcony and waved to the thousands of students below.

One of the placards read, "Mugabe you're irrelevant — go and rest, old man."

The demonstration dispersed without incident after over two hours of marching. — Sapa.
British put brakes on Zimbabwe vehicle deal

Harare - The British government is stalling on the conclusion of a $67.5-million aid deal meant to help pay for 1,500 Land Rovers for Zimbabwe's police, local media reported yesterday.

British government lawyers are apparently concerned they will be used by President Robert Mugabe's government to help crush opposition.

Western diplomats confirmed reports in the Herald, the country's main daily newspaper, that the British government was re-examining a provisional agreement signed by the two governments last year which promised to pay 25% of the cost of a contract with Britain's Land Rover company.

The newspaper said Prime Minister Tony Blair's government was unhappy with the agreement negotiated earlier by the Conservative government of John Major.

Officials at the British High Commission in Zimbabwe would neither confirm nor deny the reports. A statement said the agreement "is subject to a number of conditions."

These included a separate contract between Land Rover and the Zimbabwe government, which had not yet been finalised. Another clause of the agreement excludes the vehicles being used by the Police Support Unit, a paramilitary unit.

Western diplomats, who asked not to be identified, said lawyers had advised British International Development Minister Clare Short that letters of intent signed last year by Zimbabwe Finance Minister Herbert Murzwa and the previous high commissioner, Martin Williams, were not binding.

They said concern over the use to which the vehicles would be put had emerged in December when hundreds of armed riot police met peacefully demonstrating strikers in Harare with teargas and baton charges.

Civic groups have accused police of responsibility for outbreaks of violence by using force against demonstrators who, they say, would have acted peacefully if allowed to do so.

Zimbabwe's police force is highly regarded in southern Africa for its professionalism, but the shortage of vehicles is acknowledged as a serious curb to normal policing. - Sapa
Jitters in Zim
as bank falls

But minister says overall system sound

GODFREY MUTIZWA

Harare - Zimbabwe's first bank collapse has battered confidence in the banking system, and analysts said its future would depend on tightening of the supervision system.

Finance Minister Herbert Murerwa announced the withdrawal of United Merchant Bank's licence on Wednesday after an audit showed it was insolvent and under-capitalised.

He said the investigation found the bank was in "a serious financial condition, with a low capital ratio and inadequate liquidity to meet depositors' claims and other liabilities".

"I must reiterate that the general condition of the banking system remains sound. Where deficiencies have been identified corrective measures have been taken," Mr Murerwa said.

Analysts said the crisis had raised questions about the effectiveness of the Reserve Bank's supervision and the ministry's licensing considerations.

"My view is that the Reserve Bank did not move swiftly enough and it appears nobody was fully aware of the extent of the problem until it was too late," said Muthuli Ncube, managing director of Barbian Asset Management. "Right now, the stability of the payment system is at risk and the Reserve Bank must move quickly to stabilise it."

Bankers said new and small banks were already feeling the pinch in the clearing system, with established banks suddenly changing trade terms.

Economists have accused the central bank and the finance ministry of relaxing supervision and compliance rules to aid the entry of black businesses into the sector.

Reserve Bank governor Leonard Tsvangirai said bank inspections had found asset quality, liquidity and funding was generally satisfactory.

The collapse of the bank is expected to cost over 23.1 billion (R540 m) but bankers said the greater cost would be to Zimbabwe's tarnished banking sector, especially in the eyes of foreign investors.

However, there was praise for the authorities' decision to shut UMB rather than prop it up.

"I think the correct decision was taken and will improve sentiment in financial shares," said Jason Moore of market analysts Dataworld.

Howard Sifiso of Kingdom Asset Management said: "I think closing the bank was a step in the right direction and the central bank must move quickly now to prevent the domino effect. There is a very real possibility of this happening given the level of exposures."

Financial shares that took a knock last week rebounded as news of cancellation of the bank's licence filtered through. - Reuters
Zimbabwe bank crash brings fears about others

Sector is run by 'half-baked bankers'

By ANDREW MELDRUM INDEPENDENT FOREIGN SERVICE

Zimbabwe's already battered economy, still struggling to recover from its currency collapse, has been shaken to its financial roots by the billion-rand collapse of tobacco tycoon Roger Boka's United Merchant Bank and the threat that other banks could also sink.

The political favouritism shown towards the Boka bank and several other new banks owned by black entrepreneurs is blamed for the banking crisis.

Not only have United Merchant Bank's cheques worth hundreds of millions of rands bounced, the bank allegedly issued fraudulent notes for the state-owned Cold Storage Commission worth R100-million. It is believed that several other Harare financial institutions are in danger of imminent collapse.

After weeks of hesitation at taking strong action against the politically well-connected Boka, the government on Wednesday night revoked the banking licence of the United Merchant Bank and ordered the Reserve Bank of Zimbabwe to carry out a thorough audit.

It is not yet clear whether the bank will be closed, and Boka's empire liquidated to pay depositors or if the bank will be placed under judicial management.

Although the International Monetary Fund and the World Bank have warned the cash-strapped Mugabe government not to prop up any failing private banks, it appears that it will not allow the Boka bank to sink for fear of the several banks and financial institutions that United Merchant Bank might take down with it.

Already it is understood that the Reserve Bank of Zimbabwe is planning to honour all of the fake Cold Storage Commission notes issued by the United Merchant Bank.

The ripple effects of the banking crisis are many and serious. The financial trouble caused the Zimbabwe Stock Exchange to drop nearly 10% this week, wiping out all the previous gains it had made in 1998. The banking woes are also blamed for causing the Zimbabwe dollar to drop from 15 to one US dollar to 17 to one, foreign confidence in the Zimbabwean economy has been badly shaken.

Perhaps most devastating for the economy is the news that the IMF has postponed, yet again, its crucial decision on whether to approve resumption of an aid package to Zimbabwe, suspended in 1995 because of the country's high budget deficit, which still stands.

The IMF, already wary of the Mugabe government's economic policies, does not want to see increased state participation in the banking sector.

Economic commentators have laid the blame for the financial crisis squarely at the feet of the government. "Indecision by the Reserve Bank and its political masters has put in jeopardy many dollars in hard-earned savings for the public and further threatens to bring down many nascent banking institutions," stated the financial newspaper, the Zimbabwe Independent.

"It is the man in the street that stands to lose most as a result of this abdication of responsibility by the Reserve Bank and government," the newspaper warned.

The newspaper blamed the government for not adequately supervising the newly licensed banking sector and thereby allowing "half-baked bankers and outright charlatans" to start up financial institutions.

Furthermore, it appears that cabinet ministers ordered state institutions to channel vast contracts through the Boka bank, and others, even though it was obvious that the banks were under-capitalised and overstretched by bad loans.

Zimbabwe's once stalwart banking community became a much more free-wheeling place following liberalisation in the early 1990s. The country used to have only five banks, most of them major British-based multinationals. Now there are 30.

Many of the new banks, controlled by black entrepreneurs, are solidly based and managed. But some were not, and the current financial shake down could take down good ones with the bad.

According to the Independent, the big institutions exposed to the United Merchant Bank include: the state-owned Post Office Savings Bank (R50-million), the Building Society (R60-million), Bard Discount House (R21-million), the National Social Security Authority (R18-million), Crompton Securities (R18-million) and Barclays Bank (R8-million).
Wankie sees little hope of getting cash

HARARE - Zimbabwe's sole coal producer, Wankie Colliery, said yesterday it doubted whether the state-owned Zimbabwe Iron & Steel Company (Zisco) would repay its debt to the mine, which more than doubled to Z$153.45m in the year to February.

Wankie chairman Ngoni Kudenda said the government had urged restraint in calling in the Zisco debt and management had therefore decided to provide fully for it.

"All efforts by Zisco to raise finance for working capital to pay off the debt during the financial year were unsuccessful," Kudenda said. "In the circumstances the directors were unable to ascertain with confidence that the outstanding debt would be collected or whether Zisco would be able to sustain the weekly cash purchases," he said, referring to a payment arrangement that also failed.

The government has declared the loss-making Zisco, which runs sub-Saharan Africa's second largest steel works, a strategic company and has contracted Chinese and German companies to help turn it around.

Kudenda reported that Wankie's coal sales were down 4% to 3.92-million tons in the year ended February 1998. This, he said, was largely because of erratic transport.

However, coke sales, at 609,427 tons, surged 98% higher than last year with the bulk coming from Zisco supplies under an agreement to help reduce the utility's debt.

Under the deal, Wankie uses Zisco's coke ovens and a liner train for a fixed Z$53m a month, while Zisco was supposed to pay Z$5m a month, which it failed to do.

Kudenda said domestic and regional demand for coal and coke remained high and with the government granting price increases of 25% for coal and 20% for coke from March this year, the company expected an improved performance. - Reuters.
Boka’s collapse set to reverberate through Zimbabwe

Bernard Simon

HARARE — Zimbabwe’s business community is bracing for the after-shocks of last weekend’s collapse of entrepreneur Roger Boka’s financial and commercial empire.

Many details of Boka’s business dealings have yet to emerge. Rumours are rife that truckloads of documents were sent from the controversial group’s Harare offices before it was gifted under the Prevention of Corruption Act. However, it is now evident that despite the collapse the group will have a ripple effect far beyond Boka’s interests, which included a merchant bank, a tobacco-floor, gold mining and stationery.

Two Harare-based financial institutions, RAD Securities and Bard Discount House, have launched legal action to recoup losses stemming from fraudulent Cold Storage Company bills allegedly issued by Boka’s United Merchant Bank (UMB). The bills, popular investment instruments as they carried government guarantees, were classified as liquid assets and were exempt from withholding tax. RAD Securities is a subsidiary of SA group Real Africa Durolink.

Bard CE Paul Siggsworth estimated the total value of the fraudulent bills at $2.77bn. He foresees substantial losses among financial institutions and other investors if the bills were not honoured.

Boka’s problems are expected to deal a severe blow to government efforts to promote black entrepreneurship. Several local executives say a flight to quality has already begun in financial markets. In practice, the main beneficiaries of this trend are established banks such as Barclays, Standard Chartered and Stanbic.

The main victims are a growing number of fledgling black institutions, including a number of new discount houses and merchant banks.

“It is a disaster,” said Wonder Masiyiwa of the Zimbabwe National Chamber of Commerce, which, in turn, said Boka was one of the role models for black entrepreneurship.

The Boka saga is also expected to have political reverberations. Questions are being raised about the future of Finance Minister Herbert Mururwa and Reserve Bank governor Leonard Tsumba. Bankers and economists say the central bank and finance ministry ignored repeated warnings in recent months of UMB’s difficulties. The finance ministry, in particular, is said to have blocked action against Boka.

Tsumba has been named to head an investigation into the Boka group’s affairs. However, his ability to conduct an independent probe has been questioned, given the central bank’s role in the affair and allegations of political intervention on Boka’s behalf. The scandal has reinforced widespread concerns about the cronynism that has become a hallmark of President Robert Mugabe’s 10-year administration. Boka was regarded as a Mugabe favourite and his wishes appear to have been governments’ command.

One economist cites an example of Boka’s ability to secure immigration visas for 80 Russian gold mining experts for one of his proposed ventures, despite official discouragement of expatriate recruitment. Outsiders are especially interested to learn of the identity of UMB’s borrowers, who may include several prominent Zimbabweans.

No rescue plan

Zimbabwe has no deposit insurance scheme and the Reserve Bank said yesterday it had no intention of rescuing UMB’s victims.

Whether authorities stick to this hard line remains to be seen. The Post Office Savings Bank, which has thousands of small depositors, is understood to be one of the biggest holders of fraudulent Cold Storage Company bills, allegedly issued by UMB.

Observers agree that the Boka scandal is sure to speed up the passage of long-delayed amendments to the Banking Act. These changes are set to clarify the regulatory powers of the reserve, bank and finance ministry over financial institutions. Blurred functions appear to have contributed to the lack of effective oversight over UMB.

Meanwhile, the man at the centre of the storm is keeping a low profile. Roger Boka has been away from his office for several days, attending his younger brother John’s funeral. A poignant notice placed in a newspaper yesterday by the Boka family said that John “chose the wrong time to leave us when everybody is desiring us”.

Comment: Page 11
there is any surge in EU exports. SA believes that such a clause is indispensable for the successful implementation of its industrial restructuring policies. The EC fears that such a provision could allow SA to backtrack on trade liberalisation.

The commission is also pressing SA to tighten its rules on competition policy and especially the granting of government subsidies to industry. SA, meanwhile, is unwilling to accept EU demands that it should sign up to a list of international conventions on protecting intellectual property rights.

Discussions are also continuing on a separate agreement on trade in wines and spirits and another pact on fisheries. On the plus side, however, both sides have agreed on about 75 articles, or two-thirds of the draft agreement. These include issues like the general objectives and principles of the treaty, the provisions for intensified political dialogue and closer economic and development co-operation.

However, it's the trade sector that continues to be the focus of attention. Commission officials say they understand SA's difficulties in coming up with a new offer because in the end “we have the same problems when it comes to making the improved market-opening moves”.

But the warning is clear: the free trade agreement under negotiation must be made sufficiently attractive for all players. If not, it may not be a deal worth negotiating.

Zimbabwe

Collapse sends depositors running for cover

Banking crisis throws economic forecasts out of kilter

Zimbabwe's banking crisis has all the elements of a thriller. There is fraud, along with political intrigue, bureaucratic bungling, the potential for high-profile sackings — and far-reaching economic consequences. And it looks set to run and run.

When news leaked out in mid-April that a bank was in serious trouble, it was hardly a surprise, as bankers had been warning of an accident waiting to happen at the small United Merchant Bank, owned by controversial business tycoon Roger Boka.

Boka, who had bankrolled the, ruling Zanu-PF party and promised to smash the “stranglehold” that he claimed white and foreign-owned business held over the economy, had become a high-profile player, in mining, tobacco and banking.

After the Reserve Bank of Zimbabwe sent in the inspectors last month, the bank closed — but just for a day. Boka's bankers dishonoured an estimated Z$1bn (US$56m) and more of his cheques, but still the doors stayed open. Then, last week UMB's licence was cancelled. At the end of the week, Boka was declared a “specified person” under the Prevention of Corruption Act — taking the matter out of the hands of normal commercial judicial management procedures and puts the government in the saddle. RBZ Governor Leonard Tsumba has been tasked with conducting an inquiry into the bank.

Meanwhile, contagion spread from UMB to other banks with the small, newer, black-owned organisations feeling the depth of the crisis. UMB had fraudulently issued more than the Z$250bn it had been mandated to for the State-owned Cold Storage Commission — stretching the figure according to some estimates to more than Z$1bn.

More latitude

Upper Class

With up to 75% more legroom than most other business classes, you won't find a more expansive approach
The State-owned Post Office Savings Bank was reported to be down Z$300m in the scandal while the National Social Security Association (NSSA) was said to have lost Z$60m.

Banks, discount houses, one building society and many fringe operators — unregistered investment houses and market dealers — have all been caught up in the bank failure. Just how government proposes to handle the problem is far from clear. No public funds will be used to bail out unfortunate depositors, whose claims are put at more than Z$2bn or 1.5% of GDP.

The RBZ has come up with a "liquidity support facility" at 2.5% above Treasury Bill rate (that is at 34%) but which will normally extend only until August 31 this year. This is a typical bureaucratic solution for what is ultimately a political problem — the need to ensure that innocent people don't lose because of the combination of incompetence on the part of both the central bank and the Ministry of Finance on one hand and the alleged fraud at UMB on the other.

More realistically, one government Minister says privately that the "agreement" with the IMF — still to go to the Fund's board in Washington — for a $175m 12-month standby facility is now dead and will have to be renegotiated since bailing out the banking system will bust the agreed national budget. Others point out that because the central bank's inspection team last year advised the finance ministry to withdraw Boka's licence — advice that was ignored for political reasons — the government itself is morally obliged to rescue those who risk losing their money.

Bankers believe that Finance Minister Herbert Murerwa who has looked way out of his depth since becoming Minister, ought to resign, or failing that, be sacked. Others feel that Governor Tsamba should also fall on his sword along with at least one other top Treasury official. The signs are that all three will hang on to their jobs, especially now that Tsamba has been asked to head the inquiry into the bank and who will be expected to hostile anything politically damaging to the Mugabe government.

Meanwhile, the RBZ's rescue plan will make a mockery of the money supply and inflation targets trotted out only last week by Tsamba. These project inflation, now at 28%, falling to 15% by the year-end. Tsamba who last September said the Zimbabwe dollar was "just about right" when standing at Z$12.6 to the US dollar, now believes the Zimbabwe currency is appropriately valued at Z$17 to the US. The markets seem not to agree and dealers expect the currency to head south towards Z$20 later in the year.

A strong push factor is the tobacco price. With 10% of the crop sold, tobacco is averaging US$1250/kg, down 37% on last year. This plus depressed prices for other exports, especially gold, ferro-chrome, nickel and cotton, suggest that the hoped-for improvement in the balance of payments is unlikely to materialise this year.

An IMF deal might stabilise the rate temporarily but what the markets are really looking for is firmer leaf prices, expected in late May and June, along with the restoration of confidence in the financial sector.

The markets are jumpy too ahead of the 1998 wage negotiations which promise to be traumatic. Union leaders are demanding more than 30% pay awards, which employers say they cannot pay.

The Zimbabwe Congress of Trade Unions is threatening to bring the country to a standstill again, as in March, thereby signalling to employers that the balance of power has shifted against them. The signs are that pay awards will, in fact, average close to 30% this year, further fuelling inflation while blowing a hole in everyone's budgets, including the government's.

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virgin atlantic

Zimbabwe’s rag-tag armed forces ‘cannot defend country’

HARARE — Poorly fed troops in torn uniforms who live in barracks unfit for human habitation. Armoured vehicles that constantly break down. Unreliable air support from unsafe planes.

Zimbabwe’s rag-tag army is not ready for action, according to an official report released on Wednesday.

A litany of complaints, mostly caused by a shortage of cash for equipment and facilities and “poor planning and lack of foresight,” had left the armed forces demoralised and unfit to defend the nation, said the report by a committee of military officers and legislators appointed by parliament.

“Something has to be done before this situation gets out of hand,” the report said.

Investigators were shocked and disgusted by overcrowding in one complex that saw 800 troops living in space designed for 135, according to the report. Military air, transport and air force strike squadrons suffered from a shortage of aircraft spares, resulting in pilots training at the main Thornhill air base in central Zimbabwe being suspended, investigators said.

An unspecified number of military aircraft were grounded after they were cannibalised for spares to keep other planes airborne.

Flight safety was therefore compromised and the air force had lost its strategic deterrent posture.

The army unit had only five of its 264 vehicles in service because most were damaged beyond repair. The officer training programme at Zimbabwe’s military academy had only eight of 124 vehicles in working order.

Even Zimbabwean peacekeepers on United Nations duty in Angola had to borrow transport from other countries because half their vehicles broke down, the report said.

Ordinary troops were forced to wear torn uniforms and resort to buying their own socks and blankets, while tents, beds and mattresses were badly needed.

The report said financial constraints caused troops in the 35,000-strong army to regularly go on forced leave so that the military avoided having to pay the $230 a day to feed them.

Investigators also said they were horrified by the lack of health services after seeing soldiers sleeping on the floors of barracks.

The report blamed civilian suppliers for overcharging on goods and services and said irregular procedures by procurement officers led to “rip-offs, and money going down the drain.”

The only positive note in the 38-page report referred to a coffin-making enterprise by army engineers that saved about 67% of the military’s internal budget for the funerals of serving members. — Sapa-AP
IN BRIEF

Zimbabwe's monetary targets seen as unrealistic

HARARE — Zimbabwe's monetary targets for this year were unrealistic because of a lax fiscal policy, resurgent inflation and a weak currency, analysts said yesterday.

Reserve Bank Governor Leonard Tsampa last week targeted inflation of around 19% by year-end and money supply growth of 18% and, said he thought an exchange rate of 2347 to one US dollar was a fair value.

Economists dismissed the governor's targets — apparently agreed with the International Monetary Fund — saying the bank would have to implement what one called "an economic overkill" entailing further tightening of an already taut monetary policy.
Zimbabwe's economy is facing its second year of recession, and the government is struggling to stabilize the country's economy.

The International Monetary Fund (IMF) has warned that Zimbabwe's economic situation is deteriorating, with inflation rates soaring and the currency depreciating. The government has implemented austerity measures, including cuts in public sector salaries, to try to reduce the budget deficit.

However, these measures have not been enough to halt the economic decline. The country's debt burden is high, and the government is struggling to attract foreign investment. The World Bank has expressed concern about the country's ability to pay back its debts.

The situation is compounded by the ongoing political instability, which has discouraged foreign investors. The opposition has accused the government of corruption and mismanagement, and the country has faced international sanctions in the past.

Despite these challenges, the government remains committed to reforming the economy. However, it will take time to see improvements, and the country remains vulnerable to external shocks.

In conclusion, Zimbabwe's economic situation is serious, and significant challenges lie ahead. The government must take bold steps to stem the economic decline and attract investment if it is to overcome this crisis.

Harare moves to contain losses after bank fails

Andrew Meldrum

Harare - Roger Boka, the Zimbabwean businessman, has been uncharacteristically silent as his empire of gold mines, bookstores, tobacco, cotton and paper auctions and other businesses struggles to survive the collapse of his United Merchant Bank (UMB) last week.

The Reserve Bank of Zimbabwe has unfrozen the bank accounts of Boka Tobacco Auction Floors, but business has been slow. Troubled by their association with beleaguered Boka's failed bank, the Boka tobacco auctions are having difficulties getting enough deliveries of high-quality tobacco.

Fewer than 500 bales of tobacco are being delivered to the Boka floors daily, whereas sales of more than 7,000 bales a day are needed to assure profitability of the huge floors, which Boka claims as the world's largest.

The prices fetched at the auctions are also disappointing. On Friday the prices averaged US$114, compared with the US$230 average price for all sales of Zimbabwean tobacco last year.

But while the Boka tobacco auctions are carrying on, Boka's bank has shut its doors. Financial experts do not think it will reopen, and that its collapse will take down several other Harare financial institutions.

To prevent a domino effect from destabilising the financial community and further weakening the country's already feeble economy, the central bank announced on Friday measures to protect financial institutions that had been exposed to UMB.

Herbert Muruwra, the minister of finance, said the Reserve Bank had put in place a clearing arrangement for banks threatened by the troubles at the failed UMB.

To ensure further stability in the financial services sector, Muruwra said the government was preparing to submit the long-awaited Banking Act to parliament.

"Our objective at the moment is to address the UMB's problems and ensure that other banks function normally," said Muruwra. — Independent Foreign Service
1.5 million have HIV in Zimbabwe

Harare: About 200,000 people in Zimbabwe may have died of AIDS since the beginning of the epidemic about 13 years ago, Health and Child Welfare Deputy Minister Dr David Parirenyatwa said yesterday.

He said about 1.5 million of the country’s estimated population of 12.5 million were infected with the HIV virus which causes AIDS.

About 30,000 of these had developed full-blown AIDS.

Speaking at the opening of a five-day AIDS workshop, Parirenyatwa said the government was establishing an AIDS co-ordination mechanism which would place the disease on the national priority list for social and resource mobilisation.

He said the government was also working with the Zimbabwe National Traditional Healers’ Association to utilise herbal ‘drugs’ which were being evaluated to alleviate symptoms and signs of HIV/AIDS.

The workshop marks the beginning of a concerted campaign to contain the AIDS epidemic, which is killing more than 700 Zimbabweans a week. - Sapa
Mugabe complains SA is 'unreasonable' in cross-border trade relations

Zimbabwe President Robert Mugabe has accused South Africa of being unreasonable over trade relations between the two countries and holding back on tariff reductions.

The state-controlled Herald newspaper quoted Mugabe yesterday as saying that Zimbabwe could not continue to sustain a negative balance of payments with South Africa. He said South Africa was unwilling to be reasonable. Zimbabwe and South Africa have been locked in discussions since 1997 over a renewal of the 1984 trade agreement between the two countries. Last year negotiating teams concluded agreements on tariff reductions on textiles and agricultural products which were regarded as significant breakthroughs in the series of talks.

Mugabe, in Cairo for the Group of 15 summit, was addressing staff at the Zimbabwean embassy in Egypt when he referred to the controversy. "We hope the South Africans will be more reasonable than they have proved to be in the past," he said. Mugabe said it was unfortunate that history had conditioned Zimbabwean businessmen to look to South Africa all the time. The government would urge them to vigorously seek out new markets. — Sapa, Harare
Mugabe slates SA

ZIMBABWEAN president, Robert Mugabe has accused South Africa of holding back on tariff reductions and being unreasonable on trade relations between the two countries.

The state-controlled Herald newspaper quoted Mugabe yesterday as saying Zimbabwe could not continue to sustain a negative balance of payments with South Africa. He said South Africa was unwilling to be reasonable.

Zimbabwe and South Africa have been locked in discussions since 1987 over a renewal of the 1964 trade agreement between the two countries.

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Mugabe said it was unfortunate that history had conditioned Zimbabwean businessmen to look to South Africa all the time. The government would urge them to vigorously search for new markets.
Trade imbalance is untenable — Mugabe

Michael Hartnack

HARARE — Zimbabwe could not afford to maintain its R12bn-a-year trade imbalance with SA, President Robert Mugabe warned in Cairo yesterday.

"We hope the South Africans will be more reasonable than they have proved to be in the past," the state-controlled Herald yesterday quoted him saying at a briefing for Cairo embassy staff.

Mugabe attending the G-15 economic summit meeting in Cairo, for the first time commented on an issue which has brought warnings from local industrialists.

Jospe Blanchfield and Simba Makoni of a "trade war" between Harare and Pretoria. Mugabe said with further talks due on relaxation of tariffs and quotas, "optimism must be backed by results on the ground".

Meanwhile, diplomatic sources blamed tardiness in implementation of access for Zimbabwean agro-tural produce for much of the local discontent about the trade relationship.

A sectoral subagreement signed last September should have seen SA opened to Zimbabwean farm exports of R10bn a year, but has been delayed by issues such as crop hygiene.

The sources said criticism by Blanchfield that SA getting and textile quotas at preferential rates were, so far, "too small to be meaningful", were belied by the fact the Zimbabweans had sought extra concessions only for yarn. Other quotas had not been taken up.

SA was also understood to be ready to reduce to zero tariffs on all Zimbabwean exports that attract 15% duty or less.

This covers 60% of SA tariff items.

The other 40% cover "sensitive items" such as sugar, textiles, clothing, and electrical goods, where the South Africans feared additional access could result in severe job losses or re-exports via the Southern African Development Community states of cheap goods from the Far East.

Mugabe's entrance into the controversy after more than 12 years of on-off talks about the future of the moribund 1964 "most-favoured nation" trade pact might give fresh impetus to the search for an agreement.

SA unions strongly opposed concessions to Zimbabwe, claiming lack of shop-floor democracy enabled payment of rates a sixth of SA wages.

Mugabe told Cairo diplomats SA should realise it was as much of a market for Zimbabwe as Zimbabwe was for SA.
Tobacco price decline
‘could halt auctions’

Michael Hartnack

HARARE — Depressed prices for Zimbabwe’s 210-million kilogram tobacco crop could halt open auctions for the first time since independence in 1980, Zimbabwe Tobacco Association president Ron Webb warned yesterday.

“If we cannot come up with positive arrangements with international merchants then we will be forced to stop selling our crop and find other markets,” said Webb, who represents 1,400 major growers, 75% of whom are white, and up to 10,000 peasant farmers trying to break into the once lucrative crop. Tobacco earned Zimbabwe $289mn last year, its largest single source of foreign exchange.

A return to closed-door dealings — the rule during 1965-1980 sanctions against Rhodesia — might have serious implications for world sales of tobacco, now under constant attack from the powerful anti-smoking lobby.

Secret sales from Rhodesia’s huge stockpile of high-quality leaf used to skew exports by the US and Brazil, the other major producers.

The early March 31 start to auctions, when many international buyers were still in Brazil, was initially blamed for prices nearly half the 1997 average of $2,15/kg. On the first day 60% of growers “tore their tickets”, cancelling sales.

Meanwhile, the smaller burley (air-cured) crop has run into similar problems with prices just more than $1/kg compared with $1.80/kg last year.

Air Cured Tobacco Association CE David Slack said he foresaw little improvement, and growers would have to judge whether to continue production. Burley auctions were briefly halted last month due to prices growers considered unrealistic and unviable.

Webb said growers’ flue-cured producers might see $22m wiped off their viability if prices failed to firm.

Tobacco Trade Association chairman Jim van Heerden said it was too early in the season for farmers to be “totally depressed”.

The Asian economic crisis, hitting a growing source of demand, has reportedly contributed to the tobacco slump, along with US anti-smoking measures.

Depressed prices for staples, tobacco and gold are depressing Zimbabwe’s economy, as have 27% inflation, fears of renewed labour unrest, the farms takeover crisis and doubts about resumption of international aid.
Zimbabwe's farmers fight for tobacco

Harare — Zimbabwe's embattled tobacco farmers declared yesterday they would not abandon the crop and appealed for state support to rescue prices from five-year lows.

"Zimbabwe is tobacco country and will be so in the future," said Rob Webb, the Zimbabwe Tobacco Association president. "There is no crop that can replace tobacco."

He praised the government to scrap a 5 percent levy on sales and all duty on capital imports for the industry.

Tobacco farmers and merchants held talks with Kumbudzai Kangai, the agriculture minister, on Tuesday during which the buyers were asked to find ways of improving prices.

After 26 selling days, prices at Zimbabwe's three fine-cured tobacco auction floors have averaged US$1,265 a kilogramme, down 49.6 percent on last year. Volumes are 27.4 percent lower at 30.05 million kilogrammes.

Economists say poor tobacco prices will destabilise Zimbabwe's already wobbly dollar and open it to a crisis of similar magnitude to last year's 69.5 percent fall against the US dollar.

This would slow economic growth to between 6.5 percent and 7.5 percent compared to last year's 8.7 percent.

Buyers blame the poor prices, the worst since 1998, on a glut on the world market and slowing demand. But merchants say higher prices in Brazil and India and told farmers they must raise production to 410 million kilogrammes next year.

"What I can't understand is how prices are so flat here when they paid better prices in Brazil and they tell us there is oversupply," Webb said.

J. van Heerden, the president of the merchant's Tobacco Trade Association, thought prices were depressed by oversupply and weak demand.

John Robertson, an economist, said many farmers had realised tobacco was no viable in the long run and were moving away from it. — Reuters
Mugabe attacks 'neo-imperialist' bodies

Zimbabwe's President Robert Mugabe has denounced the "neo-imperialism" of international institutions such as the World Bank, the official UNAIDS news agency said yesterday. African countries are going through a hard political test. After getting rid of colonialism, they suffer from the new imperialism of those who seek to humiliate us," said Mugabe, who arrived in Tripoli on Tuesday. He singled out "institutions such as the World Bank, which demand extreme conditions by asking some countries to impose taxes and set prices," as the new oppressors.

"These institutions don't worry about the price increase their requests cause and problems they pose for the poor. But the governments concerned don't have any choice because they need the credits granted by these institutions," said Mugabe, who currently heads the Organisation of African Unity. Mugabe was speaking as he accepted Libya's highest award from Libyan leader Muammar Gaddafi on Tuesday night. — APP, Tripoli
Bond fraud charges follow
Zimbabwe bank closure

FROM SAPA

Harare — Senior management members of the collapsed United Merchant Bank, owned by black empowerment champion Roger Boka, have been formally named as suspects in an alleged mammoth bond fraud of up to $278 million (R219.7 million).

An extraordinary issue of the Government Gazette listed the bank’s managing director, the general manager, the chief economist, the head of the agriculture section and four dealers in the treasury department under anti-corruption laws.

The listing freezes their business assets and operations down to the use of bank accounts. It also includes them as fraud or theft suspects in an investigation by the Reserve Bank of Zimbabwe.

The crash of Boka’s bank, founded in 1992, sent shock waves through the country’s business community. It aroused widespread fears that financial institutions, pension funds and ordinary depositors heavily invested in the United Merchant Bank would be badly hurt in the fallout.

The bank was shut down by the government on April 28 after a preliminary investigation revealed it was broke.

Boka, his bank and eight of his companies had their assets and operations frozen a day later as it emerged that the bank had been issuing bond certificates in the name of the Cold Storage Company, the state-owned beef trader, without the company’s authorisation.

Senior bank executives said between $260 million and $280 million worth of phony bonds had been issued in what appeared to be the biggest fraud in the country’s history.

President Robert Mugabe was quoted in the Herald newspaper as saying he was sorry Boka was faced with serious problems.
Plea to save thousands of shacks from Harare cleanup

Michael Hartnack

HARARE – Churchmen and human rights groups were yesterday considering an urgent application to Zimbabwe's High Court for an order to stop the Harare City Council razing thousands of backyard shacks at month end.

"In theory, a million people living below the breadline could be thrown onto the city's streets," said a welfare worker for a voluntary organisation, who doubted the authorities would go through with a plan certain to trigger wholesale urban violence.

A council spokesman said the mayor was determined to clean up the city. Human rights groups said they were likely to seek a temporary injunction against the demolition, to be reinforced by a permanent order requiring reasonable provision of alternative housing before evictions.

Executive mayor Solomon Tawengwa, a ruling Zanu PF party office-bearer, appears to have disregarded the possible volatility that his order might create. During January's food riots, eight people died and President Robert Mugabe deployed troops.

Midnight raids for "illegal lodgers" and demolition of backyard shacks housing fugitives from rural poverty were among the most hated aspects of white rule in former Rhodesia, and helped spark the bush war that brought Mugabe to power.

There are 300,000 names on the council's housing waiting list, some representing families of up to 10.

Tawengwa complained that almost all township houses are surrounded by "packing case" shelters for which adult tenants pay up to $2000 a month each. This may result in 20 to 30 people sharing a single toilet and tap, putting unbearable strain on infrastructure and health facilities.

In 1991, central and local government drew worldwide censure by burning squatter settlements along roads likely to be travelled by Britain's royal couple and visiting Commonwealth leaders. The council has a 500-strong police force of former guerrillas.

A council spokesman said the council had no money and could not afford to offer alternative accommodation.
Zimbabwe’s tobacco farmers appeal for aid

HARARE - Zimbabwe’s beleaguered tobacco farmers declared yesterday they would not abandon the crop and appealed for state support to rescue prices from five-year lows.

“Zimbabwe is tobacco country and will be so in the future,” Zimbabwe Tobacco Association President Rob Webb said. “There is no crop that can replace tobacco.” Webb urged President Robert Mugabe’s government to scrap a 5% levy on sales, and all duties on capital imports for the industry.

Tobacco farmers and merchants held day-long talks with Agriculture Minister Kumbirai Kangai on Tuesday, when the buyers were asked to find ways of improving prices.

After 28 selling days, prices at Zimbabwe’s three auction floors have averaged $1.268/kg, down 43.88% on last year. Volumes are 27.41% lower at 30.69 million kilograms. “The situation as regards prices is very serious and it needs urgent redress,” Kangai said.

Economists say poor tobacco prices will destabilise Zimbabwe’s already wobbly dollar and open it to a crisis of similar magnitude to last year’s 95.3% fall against the US dollar.

That, in turn, would slow economic growth to between 2.5% and 3% compared with last year’s 5.7%.

Buyers blame the poor tobacco prices, the worst since 1993, on a glut on the world market and decreasing demand. However, local farmers are furious that merchants paid higher prices in Brazil and told farmers there to raise production to 410 million kilograms next year.

Jim van Heerden, president of the Tobacco Trade Association representing merchants, said he thought prices were depressed by oversupply on the world market and weak demand. “From our point of view, it’s a situation of supply and demand.” - Reuters.
Mugabe Faces Loyalist of Vows on Return From Africa
Ex-guerrillas and landless invade white-owned Zimbabwe farms

Bulawayo, Zimbabwe - More than 500 landless peasants and former ZAPU guerrillas yesterday afternoon invaded and occupied three white-owned farms in the Nyamandlovu district, about 57km north-west of the Matabeleland capital, Bulawayo.

The angry crowd sang liberation songs and vowed not to move out until the government agreed to allocate them land for resettlement.

The former guerrillas and the villagers accused the government of employing delaying tactics in the allocation of land.

Yesterday the crowd, most of them women, were clearing land to erect dwellings.

"We don't want to take all the farms but we just want the white farmers to give us a portion to build our homes," said ex-ZAPU cadre Onesimo Ndlovu.

The former guerrillas said the independence Zimbabwe had gained would be meaningless to them and their children if they were not allocated land for resettlement.

The farmers whose farms had been occupied described the move as politically motivated.

Matabeleland North Governor Welshman Mabhena told the invaders he was not sure whether the farms they occupied had been designated for resettlement by the government.

Some villagers said they did not agree with the occupation of the farms.

They said most of the farmers in the area had been helping the community, including funding local schools neglected by the government - Zita.
Zim tobacco industry in crisis

Harare: Zimbabwe's once vigo-
rous tobacco industry is fac-
ing disaster as farmers are but-
terred by the country's eco-
nomic and political crisis.

The tobacco industry is ex-
pected to grind to a halt today as farmers heed a call to boy-
cott auction sales in a bid to
force up prices being offered
by international merchants.

The first major boycott in
decades by the country's 5,800
growers came after a 45%
crash in prices paid by mer-
chants since the auction sea-
sion began on March 30. But
neither growers nor mer-
chants are confident that the
move will have any effect.

"We are facing complete
disaster," said Arthur Balsley,
vice president of the Commer-
cial Farmers' Union of Zambia.

(363) 818-1518
Zimbabwe tobacco growers react to suicidal

prices
Defence chief says army needs Z$1bn
from 'white farms'
Tobacco volumes dip as farmers heed boycott call

HARARE — Zimbabwe's tobacco auctions opened yesterday, but officials reported a sharp decline in volumes as farmers heeded calls to boycott the floors in protest over poor prices.

"We are in business but we are offering approximately half what we normally offer," Tobacco Sales Floor (TSF) MD Pat Devenish said. TSF is the largest of the country's three floors, handling up to 70% of the floors' total capacity of 1.5 million kg.

The Zimbabwe Tobacco Association, which represents the bulk of the country's commercial tobacco growers, last week urged farmers to withdraw their crop until May 26 in protest against prices which have averaged under $1.30 per kilogram compared with more than $2.20 the previous year.

The poor prices have created a rare unanimity between farmers and President Robert Mugabe's government which last week warned it would take measures to protect farmers if prices did not improve.

Bruce Searles — executive director of Burley Marketing Zimbabwe, the third-largest floor — said only 117 bales were sold yesterday at an average $1.67 a kilogram compared with Friday's approximately $1.30 a kilogram.

"Trading was very light," Searles said, contrasting the day's sales with the daily minimum of 3,000 kg. "But we are not expecting any big movement in prices," said Searles, who attributed yesterday's higher average to the small volume sold. The closure of the floors rocked Zimbabwe's dollar, which dropped 60 cents against the US unit yesterday. — Reuters.
The report on the Zimbabwean economy is cause for concern, as the economy continues to struggle with high inflation and a lack of foreign currency. The government has been criticized for its handling of the economic crisis, with some calling for greater international intervention.

President Robert Mugabe, who has held power for more than 30 years, has been accused of corruption and mismanagement of the economy. The country is facing a severe cash crisis, with people struggling to access basic goods.

Recent efforts by the International Monetary Fund (IMF) and the World Bank have failed to bring about significant economic improvement. The government has announced plans to introduce new measures to address the crisis, including a new currency and measures to boost production.

Despite these efforts, many Zimbabweans remain skeptical of the government's ability to turnaround the economy. The country is facing a uphill battle to overcome its economic challenges.
Zimbabwe’s Rainbow group deal finally through

HARARE — The on-off deal between the Zimbabwean government’s Rainbow Tourism Group and Touch the Wild safaris has at last gone through, following the loss of Touch the Wild’s northwest Zimbabwe Hwange National Park camps to “indigenous” concession seekers.

Rainbow Tourism, in a 40%-60% partnership deal with Mauritius-based Ireland Blyth Ltd (IBL) took over six remaining Touch the Wild tourist camps, countrywide, on May 1, after months of bureaucratic obstruction from the Reserve Bank.

Touch the Wild founder Alan Elliott, a minister in President Robert Mugabe’s ruling Zanu (PF) party, has meanwhile opened five camps in neighbouring Zambia. Established tour operators feel this is an open of how Mugabe’s “indigenisation” policy will benefit other African states at Zimbabwe’s expense.

Replacing Elliott at the helm of Touch the Wild is an expatriate, Roger Keenig, of IBL, with a contract payable in foreign exchange.

Longstanding concessions to camps on state land are being removed from whites who built them up, and given to black Zimbabweans, many of whom allegedly pass them on at a premium to foreign firms without adding any value, making Zimbabwe less competitive with other regional destinations.
Zimbabwe's lack of private sector investment or development was largely due to the Government's failure to include local business leaders in policy formation, Mpumalanga premier Mathews Phosa said yesterday.

Speaking at a breakfast meeting with members of Zimbabwe's agriculture department, Phosa said Mpumalanga's consultative policy process was the single biggest factor in attracting private sector investment.

Mpumalanga boasts the highest national economic growth rate, at four percent per annum, and is looking at R35 billion in possible investment through its Maputo Corridor spatial development initiative, African Eye reported.

The Zimbabwe delegation, members of which arrived in Mpumalanga on Wednesday to study the province's sugar cane small grower programme and will tour Nkomazi and Komatipoort regions.

The small grower initiative in the region has prompted sugar company TSB to launch a R230 million expansion of its Komati Mill to service the region.

The Zimbabwe delegation members said they hoped to copy Mpumalanga's success in a similar scheme based near the new Osborn Dam in Manicaland in Zimbabwe - Sapa.
IMF again delays $176m support for Zimbabwe
Harare - A Zimbabwean parliamentary report has recommend ed reforms to strengthen the legislature and trim executive powers held for the last 18 years by the now embattled President Robert Mugabe.

The report, published by a 27-member parliamentary reform committee chaired by backbencher Mike Mataure, says major changes are required to establish the integrity of the southern African country's 150-member assembly, regarded by many Zimbabweans as a mere rubber-stamp of decisions made by Mr Mugabe's executive.

The report urges Mr Mugabe - who is resisting public calls to review a constitution that gives him sweeping powers - to work with parliament on the issue, saying it would serve democracy.

It calls for strong parliamentary committees to shadow government ministries and to improve accountability, and for the introduction of pre-legislation white papers aimed at canvassing public opinion before bills are drafted.

The report recommends that the power to appoint an auditor-general, ombudsman and public comptroller must be transferred from the presidency to parliament to enhance their independence.

It also recommends that parliamentary committees be empowered to examine government policies, a function that Mr Mugabe sees as a preserve of the executive and his ruling Zanu-PF party.

The reform committee says its recommendations are based "securely" on public opinion expressed during country-wide consultations over the past year.

The 74-year-old Mr Mugabe has been in office since 1980, but has come under immense pressure to quit by a public that blames him for an economic and social crisis gripping the country.

In the last six months, the former independence war guerrilla leader has used force to crush a series of violent protests over taxes and food prices, which he saw as part of a campaign to topple him. - Reuters
Zimbabwe sheriffs attach troubled bank's furniture

Michael Hartnagel

HARARE — Zimbabwean High Court sheriffs at the weekend attached furniture and office equipment belonging to Roger Boka’s United Merchant Bank (UMB) as worries grew in the business community about recovery of debts over Z$1bn.

Finance house RAD Securities and other institutions have lodged action over Z$788m bonds alleged to have been issued by UMB on behalf of the parastatal Cold Storage Commission (CSC), but without the Cold Storage Commission’s authority.

The matter of CSC liability — which could rebound on President Robert Mugabe’s government — is due to be argued in the Zimbabwean High Court in about three weeks’ time.

Banking sources believe up to Z$500m in cheques issued by the Boka group of companies may have to be dishonoured and there may be other unauthorised bonds on issue totalling Z$960m.

Investigations are being hampered by the reported erasure of all computerised accounting records and removal of several truckloads of printed records.

Businessmen criticise the authorities for delaying — and thus giving time for concealment — the repeal of the bank’s 1994 licence.

Boka’s tobacco floors, billed as the largest in the world, were said by employees to be still open for auctions last week, but they were not sure how sellers would be paid.

Zimbabwe Tobacco Association (ZTA) president Rob Webb on Friday urged his 1,400 large-scale and 2,000 small-scale growers to resume deliveries to the main floors owned by Tobacco Sales Limited, which last year marketed most of the 207-million kilogram crop that earned Zimbabwe over Z$500m in vital foreign exchange earnings.

Some growers were forced to continue sales during a week-long boycott, despite prices 40% to 50% below the ZTA’s Z$1,800/kg break-even figure because they said they were in desperate need of cash to pay labour and stave off creditors.
Harare's state hospital group close to bankruptcy

Michael Haruna
AFRICA

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Mugabe ranks show disaffection

Martin Rushmere

HARARE — Criticism of President Robert Mugabe’s economic policies has now come from within the ranks of his most senior ruling party officials, who have previously staunchly remained silent on Zimbabwe’s worsening plight.

The chairman of mining company Rio Tinto Zimbabwe, Solomon Tawengwa, who is also a member of the ruling Zanu (PF) party’s central committee — a political advisory body to Mugabe — said that the path down which the country was heading with its growing unemployment, social unrest, high inflation, unstable currency and a banking crisis, was sucking away investment.

Tawengwa told shareholders at the Rio annual meeting this week: “Different constituencies vie to use their particular economic or social leverage to their own selfish advantage. Our focus as a nation is being diverted away from our primary need, the promotion of conditions in which investors both local and foreign are prepared to risk their capital to create businesses which will increase national wealth and provide jobs for the swelling ranks of educated but unemployed.”

Tawengwa, who is also executive mayor of Harare, said a national contract was needed “which demonstrably puts the national interest first for the general benefit of all rather than the selfish interests of a few”.

Disappointed

He accused the government of failing to carry through structural adjustment, launched in 1990. “Disappointingly, eight years later and with unemployment of even greater proportions, we remain stuck at the starting gate with high and rising inflation, crippling interest rates, a volatile currency and a banking crisis which in the final count will have destroyed a significant chunk of the very wealth we are trying to create. Better an occasional mistake during a lot of activity than no mistake but no action.”

Financial analysts welcomed Tawengwa’s forthright remarks saying that they handed President Mugabe one of the strongest wake-up calls yet.

Rio itself has been going through a dismal patch, with a plunge in profit for its main product, gold.

The company is now pinning future hopes on coal, with a 6-million ton a year open cast mine being developed in the northwest of the country at Gokwe. This will be largely used to supply a proposed MW1400 power station for national electricity producer Zesa due to come into operation in the next eight years. The cost of the two projects is $1.6bn.

Rio, part of Britain’s RTZ group, is also looking seriously at diamonds and said it had found a kimberlite pipe which could rival the Venetia Mine. Gold production this year should be 2.3 tons, about the same as last year.

However the company is making no predictions about profit, saying that variables such as gold prices and exchange rates make forecasts too risky. Net profit for the year to the end of December was Z$7m.
AFRICA

Zimbabwe’s infant film industry shows recovery

HARARE — Zimbabwe’s infant film industry, weakened on sa antiapartheid race politics, seems to be recovering from teething problems caused largely by local political interference.

New documentaries are on the stocks, and a new film set against the background of the Rwandan genocide is in the pipeline.

Last year saw the industry come to the point of collapse after a series of setbacks. The government-owned film laboratories went bankrupt as film maker's shied off.

Militant ex-guerillas threatened to wreck production and screening of Flame — about a teenage girl's ordeal in Zimbabwe's independence bush war — claiming it “defamed the liberation struggle”. Police also raided the set of German producer Christoph Schlingensieff after a local continuity girl, sacked for incompetence, told relatives in the Central Intelligence Organisation his movie was “pornographic”.

Rebels were spirited off to Frankfurt in a diplomatic bag.

In December, after only three weeks’ shooting, the US firm Chisaro shelved production of the $4m film The Journey from the Jacarandas, starring Mehki Phifer and Anna Chancellor, Sophie Ward, and South Africans Nthati Mosheh and Kim Adams, fame and Martine Meiml of the TV series Suburban Bliss.

“We sent the crew and actors away so we could arrange some more funding,” said director Joel Phiri, who had his rushes of Flame temporarily seized by Zimbabwean censors. His latest film deals with a black sculptor’s fight to preserve artistic integrity in a white-dominated art world.

Zimbabwe's film industry cut its teeth in the 1980s with the Richard Chamberlain adventure movies King Solomon's Mines and Alan Quartermain, also starring Sharon Stone. Then followed a string of antiapartheid epics that included David Attenborough's Cry Freedom, about the friendship of newspaper editor Donald Woods and Steve Biko, and A Dry White Season starring Donald Sutherland.

Propaganda potential

Today it faces powerful competition from an allegedly “more welcoming” SA industry, with better facilities and less bureaucratic threat.

From the start President Robert Mugabe’s government saw the propaganda potential and took the film industry under its wing, nationalising the former privately owned Central Film Laboratories (CFL) and taking shares in Cry Freedom.

In December CFL was declared bankrupt with debts of Z$11m.

It failed to attract a foreign bailout due to the nearness of SA facilities, industry sources said.

Simon Bright, MD of Zimbabwe Media, who collaborated with Phiri on Flame, says CFL facilities and skills, particularly for 16mm work, are sadly missed.

“But I do not think the people who are working on ideas in Zimbabwe are by any means dead,” Bright said.

A $2m budget film, The Captain, set against the background of Rwanda’s recent civil strife, hopes to attract Sutherland back to Zimbabwe.

Bright is currently working on a six-part documentary Tides of Gold on African east coast trade from the time of Ptolemy and Pythagoras.

“There was a mini-Southern African Development Community which ran rather well,” he says, noting archaeological evidence of links between Congo’s Shaba province, Zimbabwe, SA and Mozambique’s Swahili-speaking middlemen.

Letters of commitment have come from the UK’s Channel Four, the Dutch TV channel VPRO and M-Net, which has pledged 20% of the $1.2m budget.

The cash-strapped Zimbabwe government’s failure to bail out or find a private buyer for CFL was a major setback but overall filmmaking costs remain lower than in SA or Kenya.

Industry sources say that a revival could hinge on restoring confidence, an end to raids on sets, seizure of rushes, demands to “doctor” scripts.
Economy & Business

ZIMBABWE

A COLD, THEN PNEUMONIA

Tobacco price slide bodes ill

With their extravagant lifestyles, tobacco farmers get little sympathy from the Zimbabwean-in-the-street. But business and bankers know that when the tobacco industry catches a cold, the entire economy can expect a bout of pneumonia.

After boycotting the Harare tobacco auction floors for a week in protest against low prices, Zimbabwe tobacco growers have resumed deliveries confident that "prices will stabilise now that growers will be sending better styles to the floors". Sales continued last week at low levels, but at significantly higher prices, pushing above the US$180c/kg level for the first time this year.

Growers have been stunned by the steep fall in leaf prices, which at 129c/kg so far this season are 35% lower than in 1997.

The Zimbabwe Tobacco Association (ZTAI), which represents the farmers, believes that on current trends the price will average only 150c/kg for the season, compared with 235c/kg last year.

Buyers doubt that it will be quite that bad. They expect prices to firm as the better-quality leaf comes to the floors. Over the year as a whole, an average price of around 160c/kg is highly probable. To reach that level, prices must average 166c/kg for the rest of the sales — 36% more than the current average.

Growers warn that a price of 166c/kg will be well below their break-even price, which they put at 180c/kg — though much depends on the exchange rate.

The tobacco crisis will have knock-on effects. Grower incomes will fall by an estimated US$100m — at current exchange rates Z$1.8bn or 1.6% of GDP. This will hit consumer spending and employment as farmers cut back plantings and some farmers are forced out of business. The crisis is adding to pressures on the banking system as several banks have substantial exposures to growers.

The tobacco crisis will have knock-on effects across the economy.

In addition, the Zimbabwe dollar has come under renewed pressure.

Growers claim that the merchants are exploiting the situation at the expense of farmers — buying cheap and taking the margin for themselves. The buying side of the industry is highly concentrated, dominated by the US-based Universal group, which reported buys well over 40% of the Zimbabwe crop. A handful of other buyers, including the UK's BAT, account for another 45%.

Buyers deny exploitation or market manipulation. They point to the severity of the downturn in southeast Asia, the 13% rise in tobacco production last year, and the massive health settlements being paid by US cigarette companies.

What's not clear is whether the downturn is just another cyclical blip or an important stage of the long-term decline in the industry. Zimbabwe tobacco farmers will have to decide whether it is time to make long-term diversification plans, or hope that once the Asian crisis blows over, prices will return to economic levels.

Special Correspondent
Zimbabwe mines yoked by costly bureaucracy

Michael Hartnack

HARARE — Zimbabwe’s hard pressed miners, only slightly less distressed than tobacco farmers, are demanding the removal of state selling monopolies to relieve the industry of what they see as unnecessary extra costs.

“They want an end to Reserve Bank monopoly on dealing in gold, breached by the issue of 20 special permits to militant black empowerment campaigner Roger Boka and other emergent indigenous dealers and the equally controversial Zimbabwe Minerals Marketing Corporation.

Despite facilities granted by President Robert Mugabe’s government, Boka’s United Merchant Bank failed last month with liabilities of more than $20m.

Retiring Zimbabwe Chamber of Mines CEO Derek Bain said miners saw the corporation’s monopoly on base mineral exports, dating from moves to nationalise mines soon after 1980 independence, as “a major tax”.

Mining consultant John Holloway asked at the chamber’s recent annual meeting at Nyanga whether mines had to live with the corporation another year. “Its presence has deterred numerous investors, inhibited buyers and drained money from needed shale and mills into another layer of bureaucracy. Why not give over its policing function to a couple of clerks from the Reserve Bank, and let the mines get on with selling their own products?”

When the marketing corporation was established, Mugabe alleged that mining groups were repatriating to Zimbabwe only a fraction of the profits earned from foreign sales. This was furiously denied — but 18 years later, the corporation remains with its luxurious multistory headquarters and its large staff.

Miners allege they have lost foreign clients because sales may be made only through the cumbersome bureaucracy. Anglo Zimbabwe is now seeking permission to market its own output as a condition of going ahead with its giant Unki platinum group minerals project near Shurugwe.

Holloway said that the reserve bank’s gold monopoly was “itself an anomaly in the gold business now”. All neighbouring states, except SA, let individuals hold and sell gold. If the Zimbabwe dollar was “real free”, it should not be necessary to restrict gold trade.

Fossicking

“The real problem now is tax evasion. The cash involved in the thriving illegal transactions is not taxed,” said Holloway, referring to the estimated 10% of Zimbabwe’s 20 ton annual output smuggled out of the country.

Bain said he believed that while 55,000 formal sector miners earned a minimum wage of Z$1,000 a month, up to 200,000 might be involved in informal sector gold panning and fossicking in disused shafts, often in extremely dangerous conditions, without any controls on hours or on employment of women and children.

The formal sector last year earned $285m, but Holloway said it was “struggling through its worst period ever”. Between August and November, 3,000 jobs were lost, bringing the workforce to less than one in 200 compared with 68,000 among 7.5-million in 1981, nearly one in 100.

There had been shutdowns at many long established gold shafts and at the only diamond mine, River Ranch, near Beitbridge.

Chamber president John Nixon, CEO of Rio Tinto Zimbabwe, said the decline in the Zimbabwe dollar’s value since November “provided breathing space for the industry. However, with some cost items rising by more than 50%, the respite has been short lived”.

Bain said interest rates of 35%-40% and customs duty of 5%-25% on essential capital imports were among miners’ major headaches.

So were electricity tariffs equivalent to $0.03/kWh that constituted 13%-17% of the average miner’s overheads.

Miners were additionally burdened with a plethora of levies besides company tax of 37.5% — a 5% “development levy”, 3% for the National Social Security Authority (although they have their own established pension fund), 1% for the Zimbabwe Development Fund, 1% for manpower development, 2% for worker compensation and smaller tolls for imports and the standards’ association.

Yet, said Bain, the mines department was now seriously underfunded as a result of budget cutbacks, lacking engineers, metallurgists and other specialists.

He is afraid that pending wage negotiations could lead to unrest as workers lodge claims for compensation for inflation, estimated by some economists to be running at 30% and likely to peak at 40% by the end of the year.
Members of the Without Land Movement in Brazil brandish machetes and sticks on the back of a truck which they hijacked to steal the food it was carrying. Thousands of farmers suffering from a drought affecting most of Brazil have been invading private properties and looting passing trucks carrying food.

**Mugabe bonanza good for breweries**

*By 39/5/98*

**Martin Rushmere**

HARARE — President Robert Mugabe’s Z$8bn handout to former guerrillas in Zimbabwe, may have had a bad general impact on the economy, but it has boosted the leading blue chip company on the country’s stock exchange.

Brewer and consumer group Delta Corporation recorded a 48% increase in net profit for the year to end March. Effectively 30%-owned by SA Breweries, Delta brought in its shareholders Z$807m in after tax.

Turnover of Z$5,6bn was 36% up on the previous year.

"Beer volumes shot up in the last quarter of the year because the former guerrillas were buying it by the truckload," said one Harare analyst who asked not to be named.

“We found out that sales were up 30% in January and February, solely because of the payout. Tales of hastily bought new trucks rolling up at breweries and loading as many crates as possible are legion. It was feared that Harare’s main brewery would run out. Recipients of Mugabe’s generosity were also buying dozens of suits and lounge suites, largely from stores owned by Delta," said the analyst. "It has been Christmas twice over."

With market capitalisation of almost Z$8bn, Delta accounts for 20% of the total market capitalisation on the Zimbabwe exchange. Its fortunes to a considerable extent dictate those of all the other companies.

Beverages, ranging from the Lion and Castle range to the Coke franchise, are the biggest earners. Income from these rose 48%. Beverages accounted for 42% of total operating income, followed by retail at 50%.

The stock market welcomed the results, expecting that they would boost the share’s flagging performance.

Brokers said that these excellent results had been expected, for some weeks. However, the share price has fallen to a low of just over Z$10.

This decline was largely attributed to uncertainty over 28 million shares held by government’s fuel buying company, Nocim, which has been seeking ways of plugging its losses because of currency depreciation.

This uncertainty ended last week when the corporation offloaded them at Z$10,50 each.

"Now that’s over, maybe some realistic assessment will return to Delta’s price," one broker said. "A price-to-earnings ratio of 18 for the biggest company on the exchange is ludicrous, even in this time of gloom and doom."

Delta itself is cautious about the year ahead; it said it expected "further real growth in earnings and dividends". However, unlike other companies reporting their results recently, it shrank from attacking President Robert Mugabe or the government.

"It will be incumbent upon all players in the economy to ensure that the country moves forward from here on and that all policies are designed to restore confidence and create investment and employment" is about as far as it will go in its comment.
Zimbabwe has lessons to learn from Africa.
Students clash during a protest in Harare against government corruption. Picture: REUTERS
Police charge student protest

‘Mugabe must go,’ say demonstrators

Zimbabwe riot police fired teargas and clubbed students in central Harare yesterday to break up an anti-corruption protest against President Robert Mugabe.

A senior police officer said the police had broken up the demonstration because the students were “looking violent and threatening peace”.

“Their behaviour was threatening and we used minimum force to preserve peace,” he said.

Witnesses said armed police charged into 2,000 college students, firing a volley of teargas, as the protesters marched into Harare’s main shopping mall from the country’s parliament.

The students dispersed, running around the crowded city during the lunch break with police in hot pursuit. Witnesses said the police also clubbed a number of bystanders and merchants.

Zimbabwe’s financial markets largely ignored the protest.

The students began demonstrating on Thursday, demanding higher grants and an end to alleged corruption in Mr Mugabe’s 18-year-old government, saying they could drive him out of power in the same way as Indonesia’s President Suharto was forced to resign by a student-led campaign this month.

The government had deployed more than 200 police armed with rifles, shotguns, teargas, batons and shields around parliament yesterday with instructions to prevent the protest from turning violent.

The number of protesting students doubled yesterday. They cheered and danced wildly to slogans and songs denouncing Zimbabwe’s 74-year-old ruler as an incompetent and insensitive administrator.

They repeatedly chanted “Suharto, Mugabe, Indonesia, Zimbabwe”, but made no attempt to enter the parliament building, which is closed with MPs away at an economic conference in Zimbabwe’s prime tourist resort town of Victoria Falls.

The government has not commented on the protest, but the state media blacked out Thursday’s demonstration. There was also no mention of the demonstration by the government-controlled radio and television services yesterday.

Learnmore Jongwe, the president of the Zimbabwe students’ union, said there were striking similarities between Mr Suharto and Mr Mugabe.

“Ours is as stubborn and arrogant, and is trying to cheat on demands for reform,” he told reporters. “He must go because he is the problem.”

The Zimbabwean leader faces an economic crisis which, political analysts say, can be traced to a political patronage system that Mr Mugabe has run over the years.

Mr Mugabe’s critics charge he has wrecked a once-buoyant economy by directing resources in a system aimed at sustaining his rule.

But Mr Mugabe has blamed intermittent droughts for crippling the agricultural-based economy and also denies he is running a corrupt administration favouring his cronies, especially in awarding government contracts.

He says, at 74, he feels young and competent and there is no question of his quitting office before the end of his current six-year term, in the year 2002.

Protesters said yesterday that Mr Mugabe was being urged to stay on in power by his 32-year-old wife Grace, a charge the president has dismissed in the past.

One student placard read: “Go and rest old man and young wife.”

Mr Mugabe – in power since independence from Britain in 1980 – has faced a wave of violent protests over the past six months, which political analysts see as a vote of no confidence in him.

There have been protests over taxes, food prices, war veteran payouts, corruption and student grants. The worst protests were in January when at least six people were killed during food riots which Mr Mugabe crushed only after deploying troops with armoured vehicles.

Reuters