

PRESS RELEASE

SOUTH AFRICAN BUSINESS SUPPORT FOR ECONOMIC RECOVERY OF ZIMBABWE

A high level delegation from Business Unity South Africa (BUSA) visited Harare, Zimbabwe on Monday 6 April 2009 in order to establish progress made by the inclusive government since installation in creating an environment that is conducive to doing business. “There is a clear sense of the environment changing for the better in Zimbabwe,” said Mr Jerry Vilakazi, Chief Executive Officer of BUSA. “The delegation came away from our visit with a clear sense of commitment to political stability from all parties involved in the inclusive government. It was a well-timed chance to expose some key South African companies to the opportunities for investment in Zimbabwe.”

The delegation received a briefing on the Short-Term Emergency Recovery Programme (STERP) and the opportunities for investors in particular. Mr Patrice Motsepe, leader of the South African delegation, stressed the commitment of the South African private sector to work in partnership with the government and business in Zimbabwe to contribute to the rebuilding of the economy. “South Africa and Zimbabwe have a long shared history. It is now time for us to focus on growing trade and investment between the two countries,” said Mr Motsepe. In order to support this, Zimbabwean Finance Minister, Hon. Tendai Biti, informed the South African delegation that a bilateral investment promotion and protection agreement (BIPPA) between Zimbabwe and South Africa is expected to be signed in the coming weeks. “This is something that BUSA has been lobbying for,” explained Mr Vilakazi. “A BIPPA will provide some peace of mind for South African investors.”

In an interactive and frank engagement between the delegation and Zimbabwean Ministers, priority sectors for investment were discussed. Infrastructure and construction have been identified in the STERP as key drivers of future economic growth in Zimbabwe. Ensuring a sufficient and stable energy supply is also critical and increased investment into coal mining was highlighted as an urgent priority. South African companies were urged to assist in increasing liquidity in the

Zimbabwean economy and work is underway to strengthen the financial services sector in order to support recovery. Agriculture was another sector that was specifically identified as being fundamental and of interest for the South African private sector. Some positive changes have taken place in the retail industry in Zimbabwe recently but some outstanding issues still need to be addressed, including the duties imposed on imports.

The Zimbabwean Minister of Finance; Minister of Economic Planning and Investment Promotion, Hon. E. Mangoma; Deputy Minister of Industry and Commerce, Hon. J. Bimha; and Ambassador to South Africa, H.E. S.K. Moyo, hosted the delegation. A meeting was also held with President Robert Mugabe. Deputy Prime Minister Arthur Mutumbara addressed the delegation at a networking lunch with Zimbabwean business organised by the Employers Confederation of Zimbabwe (EMCOZ). The Prime Minister could not meet the delegation as scheduled due to the passing away of his grandchild over the weekend. The BUSA delegation included representatives of the retail, mining, agriculture, financial services, health care, transport and infrastructure sectors as well as the South African Ambassador to Zimbabwe, H.E. M. Makalima, and officials of the Department of Trade and Industry.

At the conclusion of the visit, it was agreed that BUSA would host an investment conference for Zimbabwe in South Africa. Sector specific initiatives would also be organised. Follow up will take place to explore possible public-private partnerships, including as part of the SADC support programme.