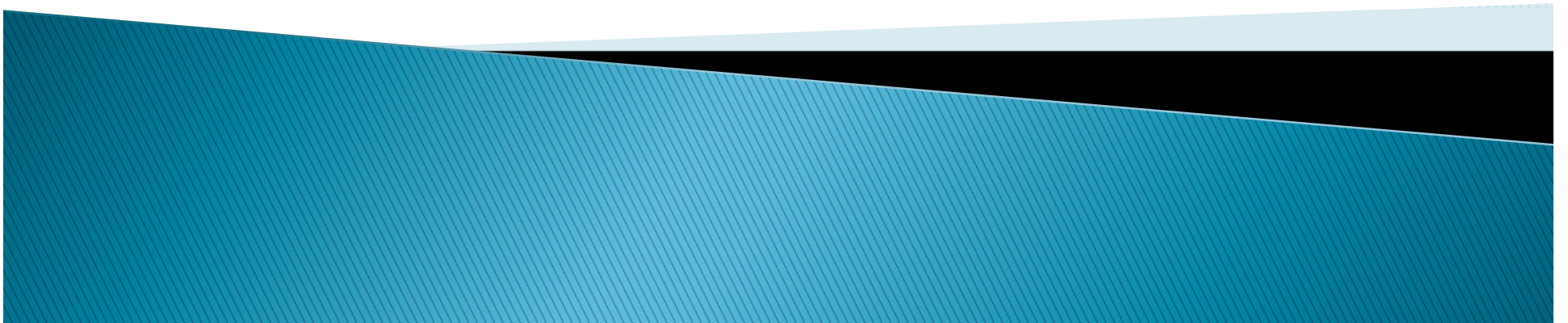


Doing Business in Zimbabwe

BY
ANGELICA KATURUZA
Zimbabwe Consulate



Presentation outline

- ▶ Country profile and Economy
- ▶ How to invest in Zimbabwe
- ▶ Investment protection
- ▶ Zimbabwe South Africa Trade
- ▶ Economic empowerment
- ▶ Exchange control
- ▶ Zimbabwe International Trade Fair
- ▶ Inward missions and solo exhibitions

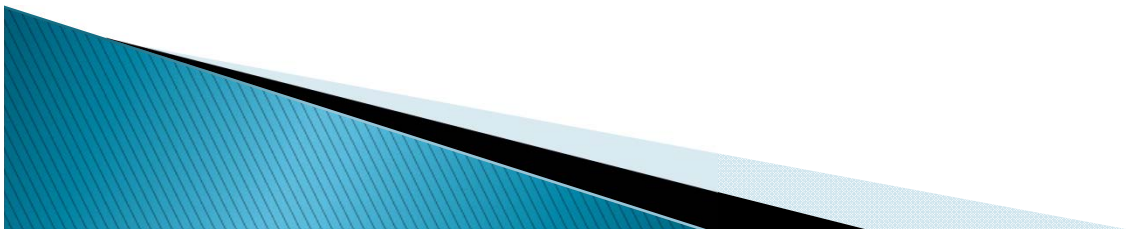


Zimbabwe



Zimbabwe Country Profile

- ▶ Population : 13.5 million
- ▶ Languages English is the commercial language, also Shona and Ndebele
- ▶ Over 90% Literacy rate
- ▶ Economic Activity
 - Manufacturing 25 % of GDP
 - Agriculture 14 %
 - Mining 16 %
 - Tourism 15%



Zimbabwe Country Profile cont'

- ▶ Mining
 - ▶ Zimbabwe has the world's largest deposit of high grade chrome
 - ▶ Second largest deposits of platinum group metals
 - ▶ Gold
 - ▶ Diamonds
 - ▶ Copper
 - ▶ nickel



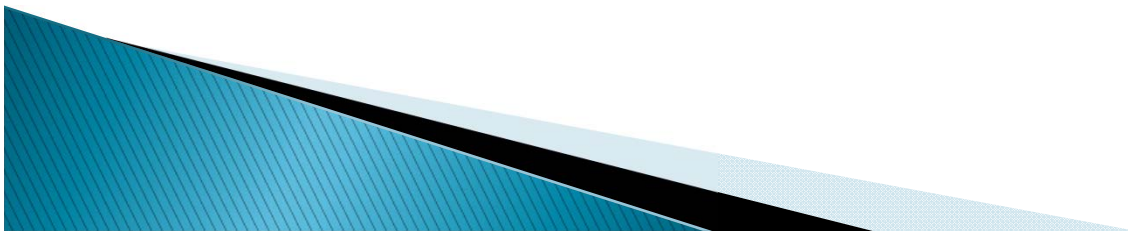
Economic Indicators

- ▶ Growth rate 7.3% in 2011 (actual)
- ▶ On 22 December 2011 John Legat, the chief executive of Imara Asset Management and head of the Asset Management Division of Imara Holdings, one of the leading investment analysts on the continent said, “Either way, there can be no doubt that the Zimbabwean economy is one of the fastest growing in the World let alone Africa.”



Economic Indicators

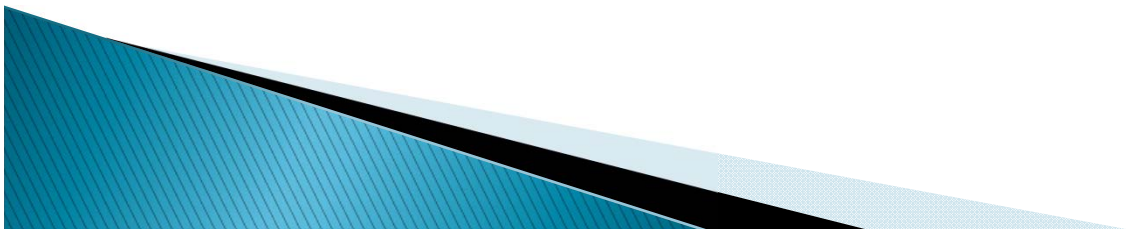
- ▶ Inflation RATE 3.2 % Year End
- ▶ Capacity utilisation for the industry is at 60 %
- ▶ Mobile cell phone utilisation plus 80 %
- ▶ Growing Per capita income estimated by the world bank to be at USD 500 up from USD200 in 2007 (excludes informal sector)




Investment Modalities and rules

Foreign branches

- ▶ A company incorporated outside Zimbabwe and having established a business in Zimbabwe may carry out its activities as a branch without forming a locally registered company
- ▶ Approval by the Registrar of companies is required



Foreign branches cont'

- ▶ Completed CR 18 (a list of documents)
 - ▶ Company registration documents for the parent company
 - ▶ Documents to be certified at the parent company's Zimbabwe Embassy
 - ▶ If documents are in foreign language certified translated documents to be submitted
 - ▶ Form CR 14 (particulars of Directors or principal officer representing the company in Zimbabwe)
 - ▶ CR 6 (The Zimbabwean physical address for the company)
 - ▶ A fee of USD 520
- 

Company formation

- ▶ Relatively simple
- ▶ Name search
- ▶ Memorandum of Association/Articles of Incorporation (company's name, sphere of business, details of its share capital, number of shares for each subscriber, limited liability clause)
- ▶ Articles of Association (regulates the company's internal operations)
- ▶ Shelf company as an alternative in cases of extreme urgency



Zimbabwe Investment Authority

- ▶ Established One stop Investment Centre
- ▶ One stop investment centre brings under one roof a number of key institutions such as the Immigration department, Customs/ Tax Authorities, Ministry of Indegenisation, Deeds office, the Reserve Bank of Zimbabwe, Mines ministry, Zimbabwe Electricity Supply Authority (ZESA), Environmental Management Authority (EMA), Local Government,.



Incentives for new investors

- ▶ zero percent income tax for the first five years,
- ▶ exemption from capital gains tax and from non-resident taxes, including duty-free importation and
- ▶ refunds on sales tax on goods and services.
- ▶ These incentives will specially apply for Special Economic Zones (SEZ) .



Bilateral Investment Protection and Promotion Agreement (BIPPA)

- ▶ Signed 27 November 2009
- ▶ Ratified May 2011
- ▶ Standard investment protection agreement
- ▶ Objective is to protect investments between the two countries

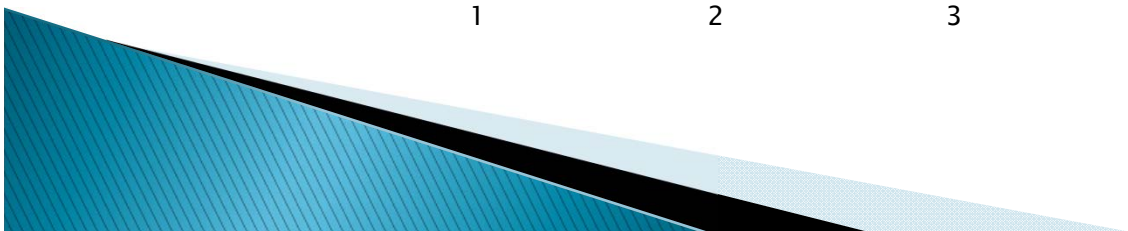
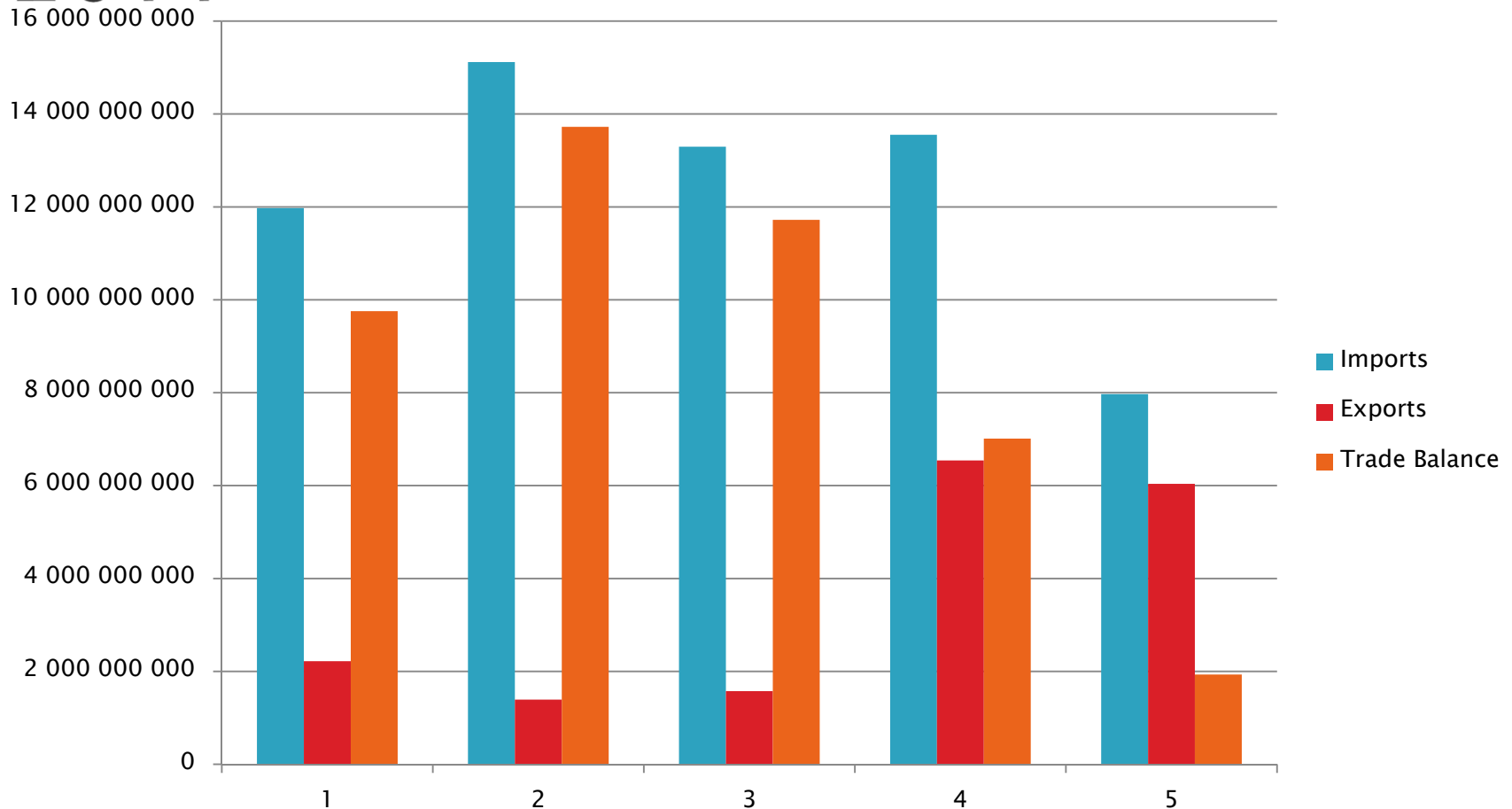


Zimbabwe South Africa Trade 2007 to 2011

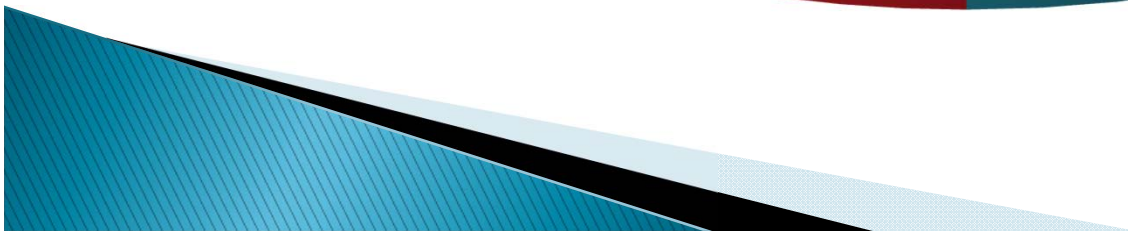
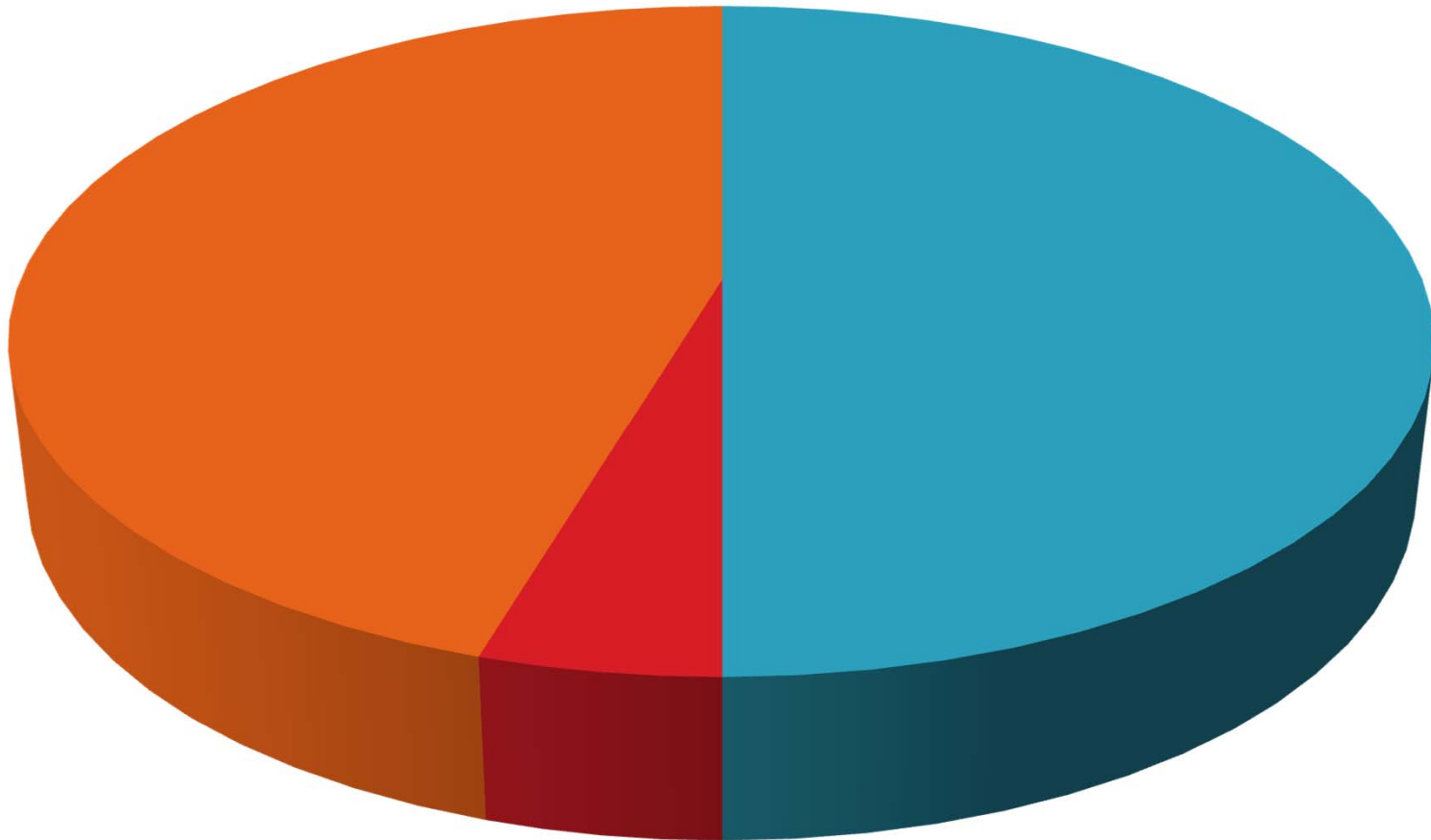
Year	Imports	Exports	Trade Balance
2011	11 974 221 000	2 222 430 000	9 754 179 000
2010	15 116 802 000	1 392 056 000	13 724 747 000
2009	13 295 370 000	1 575 086 000	11 720 284 000
2008	13 552 260 000	6 539 805 000	7 012 455 000
2007	7 968 601 000	6 036 490 000	1 932 111 000



Zimbabwe's Trade with South Africa over the period 2007 to 2011

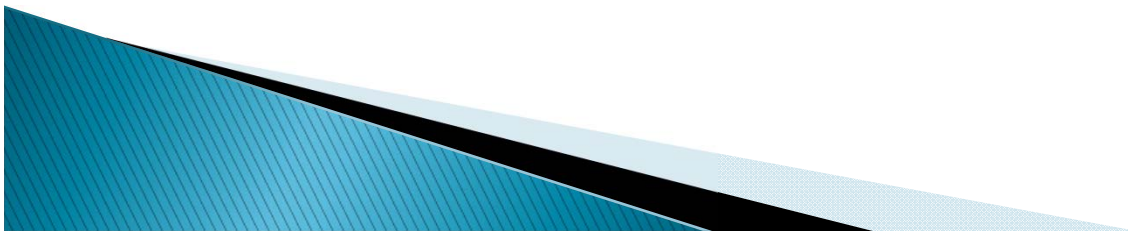


Trade Balance 2011



Economic Empowerment

The Government shall, through this Act or or other measures under this Act or any other law, *endeavour* to secure that—
(a) at least 51% of the shares of every public company and any other business shall be owned by indigenous Zimbabweans;”



Objectives of Indigenisation policy

The regulations are framed with the general objective that every business of or above the prescribed value threshold must within five years from the operative date of the regulations (1 March 2010) or within five years of commencement of the business concerned dispose of a controlling interest of not less than 51% of the shares or Interests therein to indigenous Zimbabweans.



Indigenisation Policy

The regulations allows for a variance in this regard where it is necessary to achieve other socially or economically desirable objectives. This would require approval by the minister.



Exceptions to the 51%

- (i) The undertaking of specified development work
in the community
- (ii) The beneficiation of raw materials prior to export
- (iii) The transfer of new technology
- (iv) The employment of local skills and the imparting of new skills on Zimbabweans
- (v) Any other socially and economically desirable objective not mentioned.



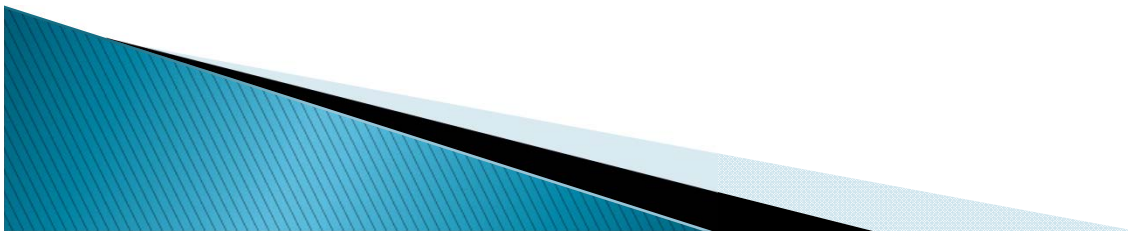
Exchange control

- ▶ The Zimbabwe Dollar is no longer in use and it is permitted to use multiple foreign currencies in Zimbabwe.
- ▶ The United States Dollar is the primary currency in use in Zimbabwe followed by the South African Rand and to a lesser extent the Botswana Pula.



Authorised dealers and Bureaux de Change

The Reserve Bank of Zimbabwe has shifted a significant amount of responsibility onto “Authorised Dealers” which are local commercial and merchant banks licensed by exchange control to deal in foreign currency



Opening bank accounts

- ▶ Local and foreign owned corporates who are registered in Zimbabwe can open up to five FCA's denominated in United States Dollars (US\$), South African Rand (ZAR), Botswana Pula (BWP), British Pound (GBP) and Euro (EUR) per each Authorised Dealer.
- ▶ FCA's may be opened at multiple Authorised Dealers.
- ▶ No exchange control approval is required



Bank accounts cont'

- ▶ Non residents can open Non-Resident Transferable FCA's (NRTA) with Authorised Dealers.
- ▶ These can be opened by individuals who visit Zimbabwe on temporary visits or settle and work in Zimbabwe for a period of less than 12 months. Such accounts can also be opened by non-resident corporates but on advice of Exchange Control.
- ▶ Exchange Control approval is required before loans, overdrafts or guarantees are granted to non-residents.
- ▶ These funds are freely remittable.



Exhibitions

- ▶ Zimbabwe International Trade Fair 22 to 26 April 2013
- ▶ (ZITF) is a multi-sector, multi-national trade exhibition
- ▶ Visitors include Foreign trade corporations (enterprises), foreign trade companies, factories, scientific research institutions, foreign invested enterprises, wholly foreign-owned enterprises, private enterprises, etc. and General Public



ZITF EXHIBITOR'S PROFILE

- ▶ Profile for exhibit include Agricultural/ Irrigation Equipment, Arts And Crafts, Automotive, Building & Construction, Clothing, Audio-Visual Equipment/ Hi-Tech/ Communication Systems, Jewellery, Cosmetics, Leather Goods, Furniture/Interior Decorating, Leisure, Tourism, Sport & Outdoor Living, Paper Products, Publishing, Printing / Stationery /Graphic Art, Packaging, Labelling, Bottling, Refrigeration /Air-Conditioning /Heating.



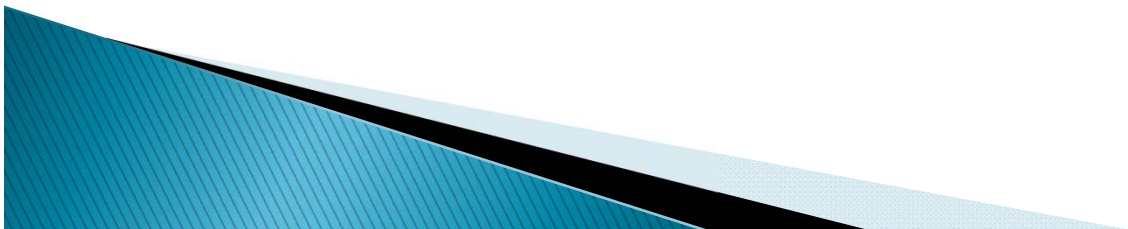
ZITF Organiser information

- ▶ Physical: Hillside Road, Bulawayo, Zimbabwe
Postal: P.O. Famona, Bulawayo, Zimbabwe
Tel: +263 9 884911-5,
Fax: +263 9 884921
Email: zitf@zitf.co.zw or zitfmktg@zitf.co.zw



Harare Agricultural Show

- ▶ Takes place in the month of August in Harare
- ▶ **Exhibits Scope:** Agriculture, livestock, horticulture, commerce, industry
- ▶ **Organiser information:**
Exhibition Park Harare
Samora Machel Ave., West
Harare, Zimbabwe
Phone: +263 (0)4/780963
Fax: +263 (0)4/780967



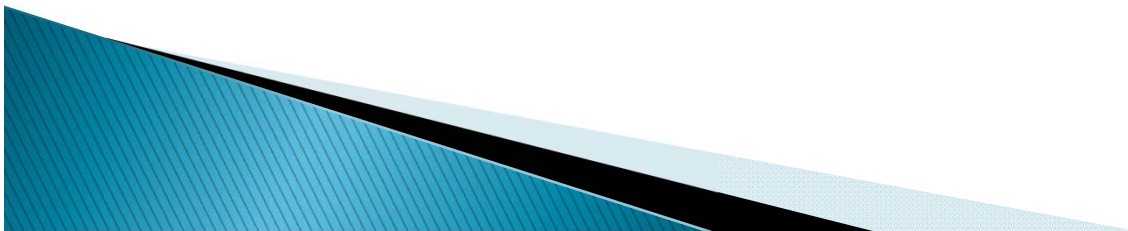
Solo exhibitions

- ▶ Solo exhibitions are designed to bring Zimbabwean suppliers to South African buyers
- ▶ They are sector specific
- ▶ They provide an opportunity for a one to one exchange between buyers and sellers
- ▶ An enquiry on products from Zimbabwe could result in a solo exhibition - so do enquire and we could bring suppliers to your door step
- ▶ They are held at the Zimbabwe Consulate in Johannesburg



Inward Missions

- ▶ The need to visit Zimbabwe cannot be overemphasized
- ▶ We are ready to facilitate any business delegation wishing to go to Zimbabwe
- ▶ One of the fastest growing economies in the world has vast opportunities which can only be ignored at your peril.



So please contact the trade office

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Fax: [27 - 11 - 615 1016](tel:+27-11-615-1016)
Website: www.zimbabweconsulate.co.za
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The End

▶ Thank you for
your kind
attention

