Doing Business in Zimbabwe: 2014 Country Commercial Guide for U.S. Companies

Return to table of contents

Chapter 1: Doing Business in Zimbabwe

Market Overview Return to top

- Zimbabwe generally ranks poorly in global comparisons of economic competitiveness. For example, in the World Bank's (WB) "Doing Business" rankings for 2014, Zimbabwe is number 170 out of 189 economies studied.
- The government of Zimbabwe estimates that the economy grew by 3.4 percent in 2013 and projects real economic growth to rise slightly to 6.1 percent in 2014. The WB believes that the economy grew by just 1.8 percent in 2013 and expects it to rise to 3 percent in 2014.
- The government expects growth to be constrained by the continued tight liquidity situation, limited growth in government revenues, and a widening current account deficit. The widening current account deficit results from sluggish growth in exports against rising demand for imports and low capital inflows.
- In 2009 adoption of the multicurrency monetary regime, under which the U.S. dollar dominates business transactions, brought stability and restored business confidence. It also imposed a hard budget constraint on public spending. In spite of this, the performance of public finances remains under pressure from unsustainably high employment costs and food imports.
- Zimbabwe's year-on-year rate of inflation ended 2013 at 0.3 percent, and the government expects it to remain below five percent in 2014.
- As at the end of 2013, exports totaled US$3.5 billion while imports amounted to US$7.7 billion giving a trade deficit of US$4.2 billion.
- Dollarization in 2009 eliminated exchange controls on current account transactions, but some controls remain on capital account transactions.
- Zimbabwe is pursuing an International Monetary Fund (IMF) Staff-Monitored Program (SMP) agreed to in June 2013 as an important step towards full re-engagement with international financial institutions (IFIs) and as a way of addressing the country's US$10.7 billion debt overhang.
- The current Government has expressed its commitment to persevere with the SMP.

Market Challenges

Return to top

- The inconsistent application of “indigenization” regulations that set minimum ownership levels of enterprises valued over $500,000 for black Zimbabweans at 51 percent in most economic sectors continues to discourage investment.
- Disruption of commercial farming continues under the government's "fast-track land reform" policy. Uncertainty of land tenure on resettled farms increases the risk to agricultural investments.
- Frequently changing policies and their inconsistent application, often based on political or personal grounds, creates additional challenges for planning and operating businesses in Zimbabwe.
- High wage demands not in line with growth in productivity continue to raise the cost of doing business in Zimbabwe.
- Zimbabwe’s arrears in payments to international financial institutions and high external debt overhang of over US$10.7 billion limits the country’s ability to access official development assistance at concessional rates. Most banks in Zimbabwe do not offer financing over periods longer than two years with most financing available for 90 days or less.

Market Opportunities

Return to top

Despite the market challenges discussed above, American businesses may find significant opportunities in Zimbabwe.

- The peaceful 2013 elections resulted in a relatively stable political environment that is a prerequisite for economic growth.
- Possibility of entering into infrastructural projects in energy, rail, and road networks through public private partnerships.
- Government’s commitment to the current multi-currency regime implies that there is minimal exchange-rate risk.
- Growth has been especially strong in mining and agriculture, opening opportunities for equipment manufacturers and investors.
- The continued growth in import demand for consumer goods against the background of low domestic industrial production creates opportunities for U.S. exporters in this sector. Additionally, a growing number of Zimbabwean companies are interested in selling U.S. products.
- Zimbabwe’s government is reviewing the indigenization policy with an eye toward making it more transparent and acceptable to foreign investors.
  The government is considering implementation of special economic zones designed to attract investment.

Market Entry Strategy

Return to top

- Potential investors should consider partnering with local investors who know the market and understand Zimbabwe's business environment. Partnering with black investors will be in line with the GOZ’s indigenization program.
- The government has expressed interest in public-private partnerships, especially in infrastructure sectors such as power generation and road construction.

Return to table of contents

Return to table of contents

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/5479.htm

Return to table of contents

Return to table of contents

Chapter 3: Selling U.S. Products and Services

Using an Agent or Distributor

Return to top

Usage of local agents and distributors by foreign firms is common, with companies' selection of local representation dependent on their existing distribution infrastructure and ability to provide after-sales service. A supplier's ability to provide a service contract and spare parts was often a key determinant of success in the Zimbabwean market. Following dollarization in 2009, the cost and availability of financing are important in determining if a deal closes or not. While direct sales are possible without local representation, this tends to occur on discrete projects, usually with external financing. For ongoing business and sustained market penetration, working with Zimbabwean partners or representatives is highly recommended.

Establishing an Office

Return to top

It is relatively easy to locate office space in Zimbabwe. Nearly all firms have a headquarters office in Harare. As of early 2014, Harare still had a significant amount of unused office space in the city center, although for security reasons, companies are increasingly leasing office space in low-density neighborhoods. Registering a company takes much more time due to the relatively slow bureaucratic process.

Franchising

Return to top

Franchising is still relatively uncommon, although several South African firms have franchise operations in Zimbabwe.

Direct Marketing

Return to top

Direct marketing presents significant challenges in Zimbabwe. Postal and telephone services are highly unreliable. Internet services have improved as more users get broadband Internet connections.

Joint Ventures/Licensing

Return to top

The government encourages joint ventures, especially when they include local black partners, as this is one way to comply with the Zimbabwean indigenization policy. For most of Zimbabwe's post-independence history, joint ventures were the primary means of investing in the country. However, experience has shown that a joint venture can easily result in the foreign partner meeting all the costs despite not owning all of the business. Careful examination of the assets and track records of local partners is highly recommended. Licensing is also practiced, although it is not widespread. The scarcity and cost of capital are often significant obstacles to a successful business relationship.

Selling to the Government

Return to top

There are opportunities for U.S. firms to sell equipment to the government or to state-owned enterprises (SOEs). Some SOEs, such as the Zimbabwe Iron and Steel Company (and its successor companies), ZB Financial Holdings Limited, and the Zimbabwe Mining Development Corporation, are subject to targeted sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC). U.S. nationals may not do business with these or other entities designated by OFAC. For details on targeted sanctions, see the OFAC website:
http://www.treasury.gov/resource-center/sanctions/Programs/Pages/zimb.aspx

Distribution and Sales Channels

Return to top

Due to the size of the market, most producers of goods sell their products to wholesalers who in turn sell to supermarket chains and specialized outlets in towns and general dealer shops in rural areas. There is a comprehensive and particularly well developed distribution network serving the large supermarket chains in Zimbabwe.

Selling Factors/Techniques

Return to top

Zimbabweans, in general, have adapted to the U.S. style of business and Americans will not have to adjust their sales techniques. Sales materials are written in English, which is the official language in business.

Electronic Commerce

Return to top

E-commerce has not yet taken off in a big way in Zimbabwe due to low internet penetration. With the installation of broadband currently in progress, e-commerce may improve in the medium term, especially when targeting the wealthiest classes of consumers.

Trade Promotion and Advertising

Return to top

Zimbabwe is a relatively small market in which a few trade shows are held annually. The Zimbabwe International Trade Fair is the premier expo where a number of local and international companies exhibit their products. Between 2000 and 2010, the number of foreign exhibitors fell substantially in line with the downturn in the economy but in 2013, there was a slight increase in participation by foreign exhibitors. However, in 2014 the number of foreign exhibitors fell again. There are also a number of smaller specialized fairs such as MINE ENTRA for the mining sector and the Zimbabwe International Travel Expo for the tourism sector. It is also possible to advertise products through the local press or use local Internet providers to post web sites.

Pricing

Return to top

The formation of the coalition government in 2009 ushered in reforms that saw the removal of price controls. Nearly all prices are now market determined. This followed a period of widespread shortages caused by the intensification of price controls in 2007. Most products attract a value added tax (VAT) of 15 percent, with the exception of basic commodities that are zero-rated.

Sales Service/Customer Support

Return to top

A number of local companies provide adequate after-sales service for locally assembled equipment and imported machinery. However, this is usually affected by a lack of spare parts due to the difficulties of financing. The high level of technical skills in the country enables relatively good customer support from the private sector.

Protecting Your Intellectual Property

Return to top

Zimbabwean law guarantees protection for the holders of intellectual property rights. Trademark and patent disputes are rare. Copyright infringement is common, however, especially related to piracy of CDs, DVDs, digital music and computer software. While Zimbabwean law protects the rights of copyright holders, enforcement in this area is lax due to a lack of funds, collective lobbying and the political will to combat patent and copyright infringements more actively (see also Chapter 6). Despite having strong property rights legislation and being a party to international IPR agreements, there is little to no enforcement of IPR in Zimbabwe. The International Property Rights Index ranks Zimbabwe 124th out of 130 countries analyzed in 2013, but not all sectors are affected equally.

Protecting Your Intellectual Property in Zimbabwe:

Several general principles are important for effective management of intellectual property ("IP") rights in Zimbabwe. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Zimbabwe than in the United States. Third, rights must be registered and enforced in Zimbabwe under local laws. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so companies should consider applying for trademark and patent protection even before selling products or services in the Zimbabwe market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Zimbabwe. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Zimbabwean law. The Economic/Commercial section of the U.S. Embassy can provide a list of local lawyers upon request.

While the U.S. government stands ready to assist, individuals and business entities are responsible for monitoring and prosecuting against any violations of IP issues. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be seen as a substitute for formal legal advice or the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Projects and sales in Zimbabwe require constant attention. Work with legal counsel familiar with Zimbabwean laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Zimbabwe or U.S.-based. These include:

- The American Business Association of Zimbabwe
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at http://www.stopfakes.gov/

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.

- For more information about registering for copyright protection in the U.S., contact the U.S . Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at http://www.stopfakes.gov/

- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: http://www.stopfakes.gov/ This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for webinars on protecting IP.

Due Diligence
Return to top

Other than direct exporting, virtually any form of doing business in Zimbabwe (e.g., establishing a sales office or a service facility) is considered an investment and requires approval by the Zimbabwe Investment Authority (ZIA). U.S. firms may wish to contact the Economic/Commercial Section of the U.S. Embassy as a first step.

Local Professional Services
Return to top

There are a number of well-established and international accounting firms in Zimbabwe and legal standards remain reasonably high.

Web Resources
Return to top

There are a number of useful web resources concerning doing business in Zimbabwe. Government sites are not always available or up to date. The Zimbabwe Investment Authority (ZIA) has a website http://www.zia.co.zw/favicon.ico that gives information on how to obtain investment approvals. The Reserve Bank of Zimbabwe (RBZ) keeps its site (http://www.rbz.co.zw/) relatively up-to-date.

Return to table of contents

Return to table of contents

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- Tourism
- Mining
- Manufacturing

Agricultural Sectors

- Tobacco
- Soya Beans
- Cotton

Tourism - Accommodation and Food Services, Construction, Transportation and Warehousing, Fishing and Hunting

Overview

Return to top

Unit: USD thousands

	2011	2012	2013	2014 (estimated)
Total Market Size				
Total Local Production	634,000	662,000	749,000	851,000
Total Exports				
Total Imports				
Imports from the U.S.				
Exchange Rate: 1 USD				

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Zimbabwe Tourism Authority
Total Exports: Statistics not available
Total Imports: Statistics not available
Imports from U.S.: Statistics not available

The relatively stable environment that exists post-2013 elections and the successful hosting of the 20th Session of the United Nations World Tourism Organization General Assembly with Zambia in August 2013 that raised the country's profile have aided the recovery in the tourism sector. The recovery has however slowed down due to a lack of medium to long term capital needed to upgrade most of the tourist resorts and facilities. Nevertheless, official statistics show that the number of tourist arrivals rose from an estimated 1.8 million in 2012 to 2.1 million in 2013. The Zimbabwe Tourism Authority expects the number to rise further to 2.7 million in 2014.

Sub-Sector Best Prospects

Return to top

In recent years, the government supported capital investment in the sector by providing tax incentives and duty free exemption on certain categories of capital goods for hotels, restaurants and safari operators. Manufacturers of capital equipment used in the sector stand a chance of selling to players within the sector. Wildlife photo and hunting tourism also offers enormous growth potential but some wildlife conservancies have had difficulty with obtaining trophy hunting licenses from the government due to political maneuvering by individuals attempting to take ownership of the conservancies' land in the guise of indigenization. U.S. policy may also prohibit the importation of trophies into the United States.

Opportunities

Return to top

The successful co-hosting of the United Nations World Tourism Organization's General Assembly with Zambia in August 2013 helped to enhance Zimbabwe's reputation as a safe tourism destination. It created increased positive publicity regarding tourism opportunities in Zimbabwe. These developments have been buttressed by the return of several airlines (including KLM, EGYPTAIR and Emirates) serving the more profitable source markets of Western Europe and the Americas. Anecdotal evidence shows that tourist arrivals from these markets continue to rise as more airlines fly into Zimbabwe.

The lifting of travel warnings against Zimbabwe by some of the country's major source markets such as Japan, the United States, and Germany resulted in the observed increase in both arrivals and receipts. The Zimbabwe Tourism Authority expects the total number of tourists to rise by 3.6 percent in 2014 to 862,853. Relatively low real estate prices in Victoria Falls offer opportunities in the construction of hotels and lodges. Additionally, the government is currently lengthening the runway at the Victoria Fall's airport in order to accommodate all varieties of jumbo jets and is creating a new passenger terminal there. That stated, the infrastructure (road, rail, water, telecoms and energy) is outdated and in desperate need of rehabilitation. As the world moves towards sustainable tourism, there are opportunities for offering specialized training on this subject as well as directly invested in eco-travel and adventure travel businesses. ZIA also identifies opportunities in the construction of conference and convention centers, resorts and casinos, and shopping malls.

Web Resources Return to top

Zimbabwe Tourism Authority
Tourism House, 55 Samora Machel Ave, Harare.
263-4-758 712
http://www.zimbabwetourism.co.zw

African Sun Limited
17th Floor, Crowne Plaza
54 Park Lane
Harare
Tel: 263 4 737 944
Fax: 263 4 883 864
http://www.africansunhotels.com

Mining (including Quarrying), Transportation and Warehousing

Overview

Return to top

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size				
Total Local Production	2,013,074	2,415,680	2,828,772	
Total Exports		2,371,200	n/a	
Total Imports				
Imports from the U.S.				
Exchange Rate: 1 USD				

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Ministry of Finance
Total Exports: Ministry of Finance
Total Imports: Statistics not available
Imports from U.S.: Statistics not available

The government initially projected the growth in the mining sector to be 17.1 percent in 2013, but revised it downwards to 6.5 percent primarily on account of very few new projects coming on stream, lack of capital, and low commodity prices on international markets. Data from the Chamber of Mines of Zimbabwe show that gold and diamonds recorded significant reduction in output with positive performance in platinum, nickel, and coal. Although the government projects the sector to grow by 11.4 percent in 2014, mainly driven by increases in gold, diamond, nickel, and coal production, the Chamber of Mines of Zimbabwe believes the sector will record a 10 percent contraction due to a number of factors such as declining prices, power outages, high labor costs, high taxes, and lack of capital. Indeed, total mineral production excluding diamonds stood at $435.4 million for the first quarter of 2014, which is 15 percent down from what was produced in the corresponding period of 2013.

Sub-Sector Best Prospects

Return to top

The mining sector is highly diversified, with close to 40 different minerals. The top minerals include gold, platinum, chrome, coal, and diamonds. The government expects platinum production in the country to rise given the decrease in supply from South Africa because of the continuing labor strikes there since the first quarter of 2013. One of the major platinum producers commissioned a new concentrator in 2013 that increased its production capacity by 48 percent. The company also plans to complete a second expansion phase in 2014 that will further expand platinum production. Because of these projects, the government believes that the country will realize an 8 percent growth in platinum production from 13 tons in 2013 to 14 tons in 2014.

Opportunities

Return to top

Given high demand for some of Zimbabwe's minerals, investment opportunities exist in the sector. Besides direct investment in mining, there is a significant opportunity to provide the heavy machinery and other supplies needed by the mines, as well as related transportation infrastructure and materials, including those related to the railways.

As noted above, Zimbabwe expects platinum production to grow, given the strikes by platinum producers in South Africa and the fact that Zimbabwe has the advantage of lower extraction costs. ZIA identifies more opportunities in adding value to minerals such as the cutting and polishing of diamonds and jewelry manufacturing. The ZIA identifies opportunities for foreign investment in prospecting and mining various minerals, including coal, in partnership with locals who hold a number of concessions but lack financial resources. Zimbabwe's government has a renewed interest in increasing domestic beneficiation in the mining sector; this may require larger capital investments than for business models that relied upon the export of unprocessed or semi-processed natural resources.

Web Resources Return to top

Chamber of Mines of Zimbabwe
Stewart House, 4 Central Ave.
Harare
263-4-702841-5
http://www.chamberofminesofzimbabwe.com

RioZim Limited
1 Kenilworth Road
Highlands
Harare
263-4-776 085/89
http://www.**riozim**.co.zw

Manufacturing

Overview

Return to top

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size				
Total Local Production				
Total Exports				
Total Imports				
Imports from the U.S.				
Exchange Rate: 1 USD				

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Statistics not available
Total Exports: Statistics not available
Total Imports: Statistics not available
Imports from U.S.: Statistics not available

According to the Confederation of Zimbabwe Industries (CZI), Zimbabwe's manufacturing sector operated at approximately 40 percent of its capacity in 2013, down from 45 percent in 2012. Because of previous hyperinflation and unfavorable government policies, the economy has grown reliant on imported inputs that used to be sourced locally. Furthermore, the ability of the manufacturing sector to compete is stifled by the use of obsolete machinery, frequent power outages, high input and labor costs, the shortage and the high cost of finance, stiff competition from imports, and overall business uncertainty. Investment in the sector also remains subdued with only a few firms investing, albeit at very low levels. Reflecting the above challenges, many companies closed down with the most number affected in the textiles and ginning, clothing and footwear, paper, printing and publishing, chemicals and petroleum products as well as pharmaceuticals subsectors. The government estimates that the manufacturing sector grew by only 1.5 percent in 2013 compared to 2.5 percent in 2012. (The Ministry of Finance releases growth statistics but not the actual amounts on which the growth is based.) The government expects the sector to grow by 3.2 percent in 2014, primarily on the back of implementation of a number of measures proposed in the 2014 Budget including protective tariff increases on a number of domestically manufactured products such as steel and plastics, dairy products, biscuits, and paint.

Sub-Sector Best Prospects

Return to top

The manufacturing sub-sectors with the greatest potential include: foodstuffs, wood and furniture, high-end garments beverages, and tobacco.

Opportunities

Return to top

As the economy continues to recover, a number of firms will look to modernize long-neglected plants and equipment in order to become competitive again. ZIA identifies the best opportunities for manufacturers in the timber products sub-sector. Although Zimbabwe's timber plantations have been adversely affected by the land reform policy and veld fires, there is expertise and infrastructure for producing wood-based products.

According to the ZIA, there are also opportunities in the chemicals sub-sector provided the government settles its debts with fertilizer manufacturing companies that have crippled production in the sub-sector.

The technology sector in the form of computer assembly, solar technology, and consumer electronics could also offer opportunities to foreign investors. Due to the overall lack of international competitiveness of Zimbabwe's industrial sector, businesses that focus on niche markets may have the best prospects.

Web Resources Return to top

Confederation of Zimbabwe Industries
31 Josiah Chinamano Ave.
Harare
263-4-251 490
http://www.czi.co.zw

Zimbabwe National Chamber of Commerce
25 Harvey Brown Ave, Milton Park
Harare
263- 4 293 6818
http://www.zncc.co.zw

Agricultural Sectors

Overview
Return to top

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size				
Total Local Production				
Total Exports				
Total Imports				
Imports from the U.S.				
Exchange Rate: 1 USD				

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:
Total Local Production: Statistics not available
Total Exports: Statistics not available
Total Imports: Statistics not available
Imports from U.S.: Statistics not available

The government estimates that the agricultural sector declined by 1.3 percent in 2013, down from initial estimates of a 6.4 percent growth. The downward revision was caused by the under-performance of tobacco, maize, groundnuts and cotton. In the past, the government (operating through co-operating partners) distributed subsidized farming inputs to vulnerable households in order to boost production and keep the vulnerable out of poverty. In recent years, however, donors are encouraging private sector players to increasingly take over this distribution function due to the failure of government to allocate sufficient inputs. Moreover, there is an increase in the use of contract farming (whereby private companies provide the inputs to farmers and the farmers in return agree to sell their harvests to the companies) which has boosted production of both tobacco and cotton. Although the government expressed its intention to extend contract farming to include such crops as barley and soya beans in 2013, not much happened. Furthermore, the government intends to improve farmers' access to financing by subsidizing lending to farmers through a number of financial institutions. Due to some of the best rainfall patterns on record for Zimbabwe during the 2014 growing season, the government expects agricultural output to increase for 2014.

Sub-Sector Best Prospects
Return to top

Tobacco:
The government projects tobacco output to increase by 2.6 percent from 166 million kilograms in 2013 to 171 million kilograms in 2014 by 91,278 registered tobacco growers. The government estimates that tobacco growers farmed 90,000 hectares in 2013/14 up from 88,600 hectares in 2012/2013.

Soya Beans:
Local demand for soya beans is on the increase owing to its multiple uses, which include cooking oil, stock feeds and other foods. The government expects soya bean production

to rise from 76,933 tons in 2013 to 97,500 tons in 2014. This is the result of contract farming arrangements by 12 companies and $35 million raised by the floatation of soya bean agro bills by the Agricultural Marketing Authority through the CBZ commercial bank.

Cotton:
Cotton production is projected to rise from 140,000 tons in 2013 to 180,00 tons in 2014, on the back of an increase in local demand. The government also believes the strategies for the revival of the textile industry and value addition that it intends to implement will further boost domestic demand for local cotton.

Opportunities Return to top

In view of the risks associated with land ownership, there are very few opportunities available for growing crops in Zimbabwe and for providing irrigation technology. Opportunities for foreign investors, however, lie in forming partnerships with locals to process agricultural produce such as tobacco as the country continues to increase tobacco output. In addition, there are opportunities for adding value to the raw cotton before exporting. Currently, Zimbabwe only processes less than five percent of its raw cotton output, with the rest being exported in its raw form. Furthermore, there are opportunities in the agro-chemicals subsector. In particular, the ZIA emphasizes the need to increase capacity in fertilizer manufacturing, insecticides, and pesticides. Lastly, there are significant opportunities for U.S. manufacturers to export their machinery to Zimbabwe's agricultural sector.

Web Resources Return to top

Commercial Farmers Union of Zimbabwe
Agriculture House
Corner of Adylinn Road/Marlborough Drive
Harare
http://www.cfuzim.org

Tobacco Industry & Marketing Board
Boka Tobacco Auction Floor Complex
S. Mazorodze/Stoneridge Roads
Harare
Tel: +263-4-613263/70/88/95.
http://www.timb.co.zw

Return to table of contents

Chapter 5: Trade Regulations, Customs and Standards

Import Tariffs

Return to top

In general, the government charges higher import duties on finished goods than on raw materials and intermediate goods, as a means of assisting the country's productive sector. Since the advent of the coalition government in 2009, some import tariffs have been reduced to align them with regional and international practice.

There are three different types of payments upon importation of goods into Zimbabwe: import duty, surtax, and value added tax (VAT). These are described in the Harmonized System Tariffs Handbook and other relevant subsequent legislation. Most imported goods are subject to surtax and VAT. The government uses the General Agreement on Trade and Tariffs (GATT) method of customs valuation.

The adoption of the multicurrency monetary regime in 2009 eliminated exchange controls on current account transactions although some controls remain on capital account transactions. Surrender requirements imposed by the Reserve Bank of Zimbabwe on exporters were all removed. The government liberalized grain marketing by allowing private traders to trade against the state-owned Grain Marketing Board (GMB) in 2009. In fact, most basic commodities do not attract import taxes in order to boost food security in the country following the collapse of the agricultural sector.

Until 2008, all base mineral exports were exported through the state-owned Minerals Marketing Corporation of Zimbabwe (MMCZ). Effective 2014, gold producers are required to sell to the Reserve Bank of Zimbabwe. However, individual companies still have permission from the government of Zimbabwe to directly market most other minerals and thus avoid the MMCZ and the targeted sanctions on MMCZ by the United States.

All exports require a customs declaration form (CD1) to ensure that export proceeds are remitted back to the country within 90 days. Some wildlife products are restricted through international conventions governing their trade, such as CITES. Export processing zones have been created with generous incentives to attract and facilitate export-oriented investment.

Trade Barriers

Return to top

Until recently, there was no widespread use of non-tariff barriers to control trade in Zimbabwe. In 2010 and again in 2011, Zimbabwe imposed temporary or partial bans on various meat products. Officially, these restrictions are motivated by consumer-protection or disease-prevention considerations, but they also have the effect of protecting local producers from foreign competition.

Import Requirements and Documentation

Return to top

The government requires the following documentation: a bill of entry plus relevant invoices, shipping documents such as a bill of lading, freight statements, and certificates of origin, especially for products entering from member states of the Southern African Development Community (SADC) and the Preferential Trade Area (PTA) of Eastern and Southern Africa.

U.S. Export Controls

Return to top

Exporters should be aware that the U.S. imposed targeted financial sanctions on some individuals and companies operating in Zimbabwe. It is illegal for U.S. firms or persons to do business with sanctioned entities such as, ZB Financial Holdings Limited and the Minerals Marketing Corporation of Zimbabwe, among others. Investors are advised to refer to OFAC's website: http://www.treasury.gov/resource-center/sanctions/Programs/Pages/zimb.aspx .

Temporary Entry

Return to top

The government permits the temporary entry of goods for display purposes at trade shows. However, the importer must provide a guarantee by a local financial institution equal to the value of the relevant duties and taxes for such goods. The temporary import permit is issued by the Department of Customs and Excise and is subsequently discharged on the re-exportation of the goods.

Labeling and Marking Requirements

Return to top

The Standards Association of Zimbabwe (SAZ) stipulates labeling and marking requirements of products in Zimbabwe.

Prohibited and Restricted Imports

Return to top

The government of Zimbabwe maintains a list of prohibited items that require special permission from the government to import. The list includes nuclear reactors, radioactive materials, arms and ammunition, precious and semi-precious gems, jewelry, carbonated beverages for resale, and textiles and clothing for resale. In 2011, the government imposed an indefinite ban on chicken and meat product imports from South Africa. Although the ban has been relaxed somewhat, meat imports are controlled by a quota system administered by the Ministry of Agriculture.

Customs Regulations and Contact Information

Return to top

Zimbabwe Revenue Authority
6th Floor, Intermarket Center
Kwame Nkruma/ First Street
Harare.
Tel: 263 4 790 811
Fax: 263 4 773 161
http://www.zimra.co.zw

Standards

Return to top

Overview

Return to top

The government has taken steps to improve consumer protection in Zimbabwe. Currently, there are various laws on the books requiring that retailers and manufacturers maintain certain standards. A Consumer Council of Zimbabwe exists and advises consumers about their rights.

Standards Organizations

Return to top

The Standards Association of Zimbabwe is charged with the responsibility of certifying the quality of goods produced or imported into the country. It can be contacted at:

Standards Association of Zimbabwe
Northend Close
Northridge Park
Borrowdale
Harare
Tel: 263 4 882017/8/9, 882021, 885511/2
Fax: 263 4 882020
Web: http://www.saz.org.zw/

The Medicines Control Association of Zimbabwe which replaced the drug council established by the Drugs Control Act of 1969, requires the registration of drugs, regulates and controls the sale, advertising, manufacture, possession and safe custody of drugs. It can be contacted at:

Medicines Control Association of Zimbabwe
106 Baines Avenue
Harare
Tel: 263 4 736 981-5
Web: http://www.mcaz.co.zw/

NIST Notify U.S. Service
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

Conformity Assessment Return to top

Experience suggests that the Medicines Control Association of Zimbabwe is more proactive than the Standards Association of Zimbabwe in checking for conformity in the pharmaceutical sector.

Product Certification Return to top

The Quality Control Department of the Standards Association of Zimbabwe carries out product certification:

17 Coventry Road
Workington
Harare
Tel: 263 4 753 800-2
Fax: 263 4 749 181

Accreditation Return to top

Both the Medicines Control Association of Zimbabwe and the Standards Association of Zimbabwe are involved in accreditation of products produced or imported into the country.

Publication of Technical Regulations Return to top

The two organizations publicize technical details. Their reports are available for a fee.

Labeling and Marking Return to top

The Standards Association of Zimbabwe provides a list of labeling and marking requirements. Please contact the association.

Contacts

Return to top

http://www.saz.org.zw/
http://www.mcaz.co.zw/

Trade Agreements

Return to top

Zimbabwe is a member of the Southern African Development Community (SADC), a 14-member group that has begun to explore greater economic/trade co-operation and eventual regional economic integration. It also belongs to the 22-nation Preferential Trade Area (PTA) of Eastern and Southern Africa, which provides for reduced duties on imports from member countries subject to certain rules of origin. Zimbabwe has trade agreements with Namibia, Botswana, and South Africa.

Web Resources

Return to top

http://www.sadc.int/

Return to table of contents

Return to table of contents

Chapter 6: Investment Climate

Openness to Foreign Investment Return to top

The government's policies recognize the need for foreign direct investment (FDI) to improve the country's competitiveness. This includes encouraging public-private partnerships in order to enhance technological development. The government also emphasizes the need to improve the investment climate by restoring the rule of law and sanctity of contracts. The statements and actions of many senior government officials, however, are inconsistent with the desire to attract FDI and undermine investor confidence. Despite extremely difficult economic conditions over the past decade, some U.S. companies maintained subsidiaries in Zimbabwe. Many of these are holdovers from better years a decade or more ago. Other U.S. companies prefer to sell their products locally through certified dealers. Following the implementation of economic reforms including liberalization of current account transactions, dollarization, and the adoption of cash budgeting in 2009, the country saw a progressive increase in net FDI from $52 million in 2008 to $400 million in 2012.

In 2007, the government passed the Indigenization and Economic Empowerment Act, which requires that "indigenous Zimbabweans" (black Zimbabweans) own at least 51 percent of all enterprises valued over $500,000. In certain sectors, such as primary agriculture, transport services, and retail and wholesale trade including distribution, foreign investors may not own more than 35 percent equity. Application of the

Indigenization Act is inconsistent, resulting in many questions regarding compliance with the Act.

A foreign investor wishing to establish a business in Zimbabwe requires an investment license issued by the Zimbabwe Investment Authority (ZIA) as defined by the ZIA Act and must obtain operating permits from relevant government agencies. In addition, the foreign investor must satisfy the previously described sector-based indigenization requirements. This is the only formal screening of FDI. Investment into an existing company requires the approval of the Exchange Control Authority of the Reserve Bank of Zimbabwe (RBZ). The government's priority sectors for foreign investment are agriculture, construction, building and heavy equipment, automotive and ground transportation, chemicals, petrochemicals, plastics and composites, energy and mining, industrial equipment and supplies, metal manufacturing, and products and textiles, apparel and sporting goods.

Since the start of the privatization program of its 76 state-owned enterprises (SOEs) in the 1990s, the government has only successfully privatized two parastatals. The government established a ministry responsible for state-owned enterprises in 2009 but disbanded it in 2013. Inter-SOE debts of nearly $1 billion pose challenges for privatization plans because they further weaken the entities' balance sheets. In addition, lack of political will and the enterprises' operational inefficiencies and near-universal lack of profitability make it unlikely that privatization will accelerate in the near term.

The government's official policy is to encourage competition within the private sector with the enactment of the Zimbabwe Competition Act. The Act provides for the formation of the Tariff and Competition Commission charged with investigating restrictive practices, mergers, and monopolies in the country.

TABLE 1

Measure	**Year**	**Rank or value**	**Website Address**
TI Corruption Perceptions index	2013	(157 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	(176 of 178)	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2014	(170 of 189)	http://doingbusiness.org/rankings

Global Innovation Index	2013	(132 of 142)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	$650	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

TABLE 1B - Scorecards: The Millennium Challenge Corporation, a U.S. government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or $4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf.

Conversion and Transfer Policies Return to top

Until the end of 2008, Zimbabwe's exchange-rate policies made it difficult for firms to obtain foreign currency, and this in turn resulted in shortages of fuel, electric power, and other imported goods. Other consequences included defaults on public- and private-sector debt and a sharp decline in industrial, agricultural, and mining operations. In 2009, the government lifted exchange controls and demonetized the Zimbabwe dollar. The RBZ now permits bank accounts and transactions in the following currencies: Euro, Botswana pula, South African rand, British pound, U.S. dollar, Chinese yuan, Australian dollars, Indian rupees, and Japanese yen, with most business conducted in U.S. dollars. Zimbabwe's export performance is recovering slowly, and the government's arrears on over $10 billion in external debt block access to multilateral financing. These conditions severely constrain external financing for the economy. The RBZ has not restored foreign currency accounts it confiscated from banks' depositors prior to official dollarization in 2009.

In line with recommendations from the Southern African Development Community (SADC) and the IMF, the government revised the Foreign Exchange Control Act, which regulated currency conversions and transfers before the withdrawal of the Zimbabwe dollar. With these changes and the liberalization of most current account transactions, exporters now retain 100 percent of their foreign currency receipts for their own use.

Expropriation and Compensation Return to top

Despite provisions in Zimbabwe's previous constitution that prohibit the acquisition of private property without compensation, in 2000 the government began to sanction uncompensated seizures of privately owned agricultural land, serially amending the constitution to grant the government increasingly broad authorities to do so after the fact. The authorities subsequently transferred many of the farms seized to government officials and other regime supporters. In April 2000, the government amended the constitution to authorize the compulsory acquisition of privately owned commercial farms with compensation limited to the improvements made on the land. In September 2005, the government amended the constitution again to transfer ownership of all expropriated land to the government. Since the passage of this amendment, top government officials, supporters of President Mugabe's Zimbabwe African National Union – Patriotic Front (ZANU-PF) party, and members of the security forces have continued to disrupt production on commercial farms, including those owned by foreign investors and covered by bilateral investment agreements. Similarly, government officials have sought to impose politically-connected individuals as indigenous partners on privately and foreign-owned wildlife conservancies.

In 2006, the government began to issue 99-year leases for land seized from commercial farms. These leases, however, are not readily transferable. The government retains the right to withdraw the lease at any time for any reason. The government's program to seize commercial farms without compensating the titleholders, who have no recourse to the courts, has raised serious questions about respect for property rights and the rule of law in Zimbabwe. As of June 2014, individuals continued to seize privately held land under the auspices of land reform and new properties continue to be expropriated. As a result, Zimbabwe ranked 128 out of 189 countries considered with respect to the country's ability to protect investment in the World Bank's 2014 Doing Business report.

President Mugabe and other politicians have in the past threatened to target the mining and manufacturing sectors for similar forced indigenization. In 2008, the government amended the Mines and Minerals Act, outlining indigenization requirements for mining. For strategic energy minerals (coal, methane, uranium), the legislation would require mining companies engaged in extraction or exploitation to transfer ownership to the state of 51 percent of the shares; 25 percent would be without compensation. The new legislation directs a transfer of 25 percent of the shares in precious metals and precious stones to the state without compensation and a further 26 percent to the state or to indigenous Zimbabweans. The government is still deliberating amendments to the Mines and Minerals Act, which may include a “use it or lose it” provision for unexploited mining concessions and new “indigenous” ownership requirements in the sector in line with the Indigenization Act. In addition, the government intends to amend the provisions of the Precious Stones Trade Act relevant to diamonds to enforce, among other things, 100 percent government ownership of all alluvial diamonds in the ground, immediate separation of diamond mining and marketing activities, and the promotion of value addition through the prohibition of exports of unpolished diamonds.

Dispute Settlement Return to top

According to law, Zimbabwe has an independent judicial system whose decisions are binding on the other branches of government. There are no specialized commercial courts in the country. Administration of justice in commercial cases that lack political overtones is still generally impartial. As government revenue declined, however, court resources have dwindled and dockets have become backlogged. In practice, the executive threatens judicial independence in cases that have political overtones through continuous interference in the decisions of the local courts. Politicians sometimes interfere in decisions of foreign courts that are considered unfavorable to Zimbabwe's interests. For example, senior politicians declined to support enforcement of a 2008 SADC Tribunal decision ordering Zimbabwe to return expropriated commercial farms to the original owners. Once an investor has exhausted the administrative and judicial remedies available locally, the government of Zimbabwe agrees, in theory, to submit matters for settlement by arbitration according to the rules and procedures promulgated by the United Nations Commission on International Trade Law. However, this has never occurred in practice, as no one has tried to bring such a case.

In the event of insolvency or bankruptcy, Zimbabwe applies the Insolvency Act. All creditors have equal rights against an insolvent estate. In terms of resolving insolvency, Zimbabwe ranks 156 out of 189 economies in the World Bank's 2014 Doing Business Report.

The United States does not have a bilateral investment treaty with Zimbabwe. The United States does have a Trade and Investment Framework Agreement (TIFA) with the Common Market for Eastern and Southern Africa (COMESA), of which Zimbabwe is a member. This TIFA provides a mechanism to talk about disputes, although the protection offered by the TIFA is much more limited than the protection typically provided by a bilateral investment treaty.

Foreign investors have taken disputes to international bodies. A group of Dutch farmers who lost their land under the "fast track land reform" program of the 2000s took their case to the International Centre for the Settlement of Investment Disputes in April 2005, demanding that Zimbabwe honor its investment agreement with the Netherlands. At a hearing in Paris in November 2007, the tribunal issued a verdict favorable to the farmers. Although the Zimbabwean government acknowledged the debt owed to the farmers in respect of payment of compensation for the expropriated land, it disputed the amount the farmers claimed in damages.

In 2008, a three-judge panel of the SADC Tribunal in Namibia ruled that Zimbabwe's violent land reform exercise discriminated against a group of white farmers who filed an application challenging the seizure of their farms. The government refused to recognize the ruling and in September 2009 said Zimbabwe had withdrawn from the jurisdiction of the SADC Tribunal. This appeared to be a bid to stop the effect of adverse judgments against it by the Windhoek-based court. The Zimbabwean government argued that it had not ratified the protocol establishing the Tribunal. The SADC Summit meeting of August 2010 endorsed this position and dissolved the Tribunal in early 2012.

In 2010, a South African High Court attached a Zimbabwe government-owned property in Cape Town to satisfy the Tribunal's order, but the Zimbabwean government appealed to the South African Supreme Court. On September 20, 2012, however, the South African Supreme Court ruled in favor of granting the sale proceeds of the government of Zimbabwe's seized property to the Zimbabwean farmer as compensation for seizure of his farm.

Zimbabwe acceded to the 1965 convention on the settlement of investment disputes between states and nationals of other states and to the 1958 New York convention on the recognition and enforcement of foreign arbitral awards in 1994. However, the government does not always accept binding international arbitration of investment disputes between foreign investors and the state. Most disputes take a long time to resolve.

Performance Requirements and Incentives Return to top

There are no general performance requirements for businesses located outside Export Processing Zones. Government policy, however, encourages investment in enterprises that contribute to rural development, job creation, exports, the addition of domestic value to primary products, use of local materials, and the transfer of appropriate technologies. The government encourages foreign investors to make maximum use of Zimbabwean management and technical personnel, and any investment proposal that involves the employment of foreigners must present a strong case in order to obtain work and residence permits. Normally, the maximum contract period for a foreigner is three years but with possible extension to five years for individuals with highly specialized skills.

Although there are no discriminatory import or export policies affecting foreign firms, the government's approval criteria heavily favor export-oriented projects. Import duties and related taxes range as high as 110 percent. Export Processing Zone-designated companies must export at least 80 percent of output. Due to liquidity constraints, the government does not subsidize research and development programs nationally.

Government participation is required for new investments in strategic industries such as energy, public water provision, and railways. The terms of government participation are determined on a case-by-case basis during license approval. The few foreign investors (for example, from China, Russia, and Iran) in reserved strategic industries have either purchased existing companies or have supplied equipment and spares on credit.
Zimbabwe has been a member of the World Trade Organization (WTO) since March 5, 1995. A 2011 report by the WTO on the country's trade policies and practices concluded that Zimbabwe needed to improve its business environment. The WTO cited governance issues and recommended further liberalization of the Zimbabwean trade regime with a view to attracting foreign investment. The review also noted that enhancement of and full compliance with multilateral commitments would increase the credibility of the regime and make it more predictable.

Right to Private Ownership and Establishment

Return to top

Although Zimbabwean law guarantees the right to private ownership, the government has increasingly not respected this right in practice. As noted above, the government has in recent years seized thousands of private farms and conservancies, including ones belonging to Americans and other foreign investors, without due process or compensation. Most of these property owners held ZIA investment certificates and purchased their land for fair market value after Zimbabwe's independence in 1980. Despite repeated U.S. advocacy, the government has not addressed the expropriation of property belonging to U.S. citizens.

Protection of Property Rights

Return to top

Prior to 2009, the government's demonstrated desire to expand its control of the economy put many investments, particularly in real property, at risk. The government's 2005 Operation Restore Order resulted in more than 700,000 persons losing their homes, their livelihoods, or both, according to United Nations estimates. Many of these properties had proper titles and licenses. Although Operation Restore Order officially ended in 2005, the government continued to evict smaller numbers of people from their homes and businesses, primarily in and around Harare, in 2006, 2007, 2010, and 2012. In addition to the thousands of agricultural properties seized under land reform during the past ten years, in late 2005 the government for the first time authorized the seizure of non-agricultural land for the purpose of residential construction in a Harare suburb.

Since independence, Zimbabwe has applied international patent and trademark conventions. It is a member of the World Intellectual Property Organization. Generally, the government seeks to honor intellectual property ownership and rights, although there are serious doubts about its ability to enforce these obligations due to a lack of expertise and manpower. Pirating of videos and computer software is common.

The judiciary generally upholds the sanctity of contracts between private companies. In the case of contracts involving the government or politically influential individuals, however, judgments sometimes appear biased.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Transparency of Regulatory System

Return to top

The government's officially stated policy is to encourage competition within the private sector but the bureaucracy within regulatory agencies lacks transparency and corruption within the regulatory system is increasingly worrisome.

The adoption of the multi-currency system in 2009 stabilized prices and removed the need for price controls. Consequently, the government no longer controls prices of goods and services. Nevertheless, the National Incomes and Prices Commission (NIPC) still monitors trends in domestic prices relative to those in the region. The NIPC raised concerns over the decision by private schools to raise fees for 2012 without clearance from the government.

The government introduces import taxes arbitrarily to support certain inefficient producers who continue to lobby for protection against more competitive imports. In late 2012, the Ministry of Finance announced a 25 percent surtax on selected imported products including soaps, meat products, beverages, dairy products, and cooking oil starting January 1, 2013 as well as other import taxes on beer, cigarettes, and chickens brought in from outside the Southern African Development Community (SADC) and the Common Market for Eastern and Southern African regions (COMESA).

Efficient Capital Markets and Portfolio Investment Return to top

Zimbabwe's stock market currently has 63 publicly-listed companies, but just 14 of them account for over 80 percent of total market capitalization, which stood at $5.1 billion as at June 6, 2014. In September 1996, the government opened the stock and money markets to limited foreign portfolio investment. Since then, a maximum of 40 percent of any locally-listed company can be foreign-owned with any single investor allowed to acquire up to 10 percent of the outstanding shares. As the 40 percent threshold on collective foreign participation is lower than the 49 percent required under the Indigenization Act, the government intends to amend the 1996 provisions to align them with the 49 percent threshold under the Act.

There is a 1.48 percent withholding tax on the sale of marketable securities, while the tax on purchasing stands at 1.73 percent. Totaling 3.21 percent, the rates are comparable with the average of 3.5 percent for the region. As a way of raising funds for the state, the government mandated that insurance companies and pension funds invest between 25 and 35 percent of their portfolios in prescribed government bonds. Zimbabwe's hyperinflation, which ended with the 2009 dollarization, wiped out the value of domestic debt instruments, and the government has only recently restarted issuing Treasury Bills.

According to the World Investment Report compiled by the United Nations Conference on Trade and Development (UNCTAD), Zimbabwe's net foreign direct investment (FDI) which fell to a low of $40 million in 2006, rose consistently to $400 million by 2012. This resulted from implementation of positive reforms by the then coalition government between 2009 and 2013.

Three major international commercial banks and a number of regional and domestic banks operate in Zimbabwe, with over 200 branches. Following the well-publicized failure of a number of financial institutions in 2003, primarily due to fraud and inept management, the RZB tightened regulations. Nonetheless, financial institutions have an uncertain future due to the reluctance of citizens to trust their deposits with banks and an increase in bad loans on bank balance sheets. During 2012, two local institutions surrendered their banking licenses although one reemerged under a different name. The RBZ also placed a third bank under curatorship at the end of 2012. The central bank cancelled the banking license of fourth locally-owned bank in 2013. Because of

Zimbabwe's dollarized economy and the effects of hyperinflation, the RBZ does not have the resources to act as lender of last resort for the banking system. In early 2014, however, the central bank received a $100 million injection from the African Export Import Bank (Afrexim Bank) to revitalize Zimbabwe's inter-bank lending market.

Competition from State Owned Enterprises Return to top

Zimbabwe has 76 SOEs, defined as companies wholly-owned by the state. Many SOEs support vital infrastructure, including energy, mining, and agribusiness, for example. As a result, competition within the sectors where SOEs operate tends to be limited. However, the government of Zimbabwe (GOZ) invites private investors to participate in infrastructure projects through public-private partnerships (PPPs). Most SOEs have public function mandates, although in more recent years, they perform hybrid activities of satisfying their public functions while attempting to make profits.

Zimbabwe does not appear to subscribe to the Organization for Economic Cooperation and Development (OECD) guidelines on corporate governance of SOEs. SOEs operate under the same taxes and same value added tax rebate policies as private sector companies. The SOEs face a number of challenges that include persistent power outages, mismanagement, lack of maintenance, inadequate investment, a lack of liquidity and access to credit, and debt overhangs. As a result, the SOEs have performed poorly in recent years. Few SOEs produce publicly available financial data and ever fewer audited financial data. This has imposed significant costs on the rest of the economy.

Corruption is endemic among SOEs with senior management (primarily retired army personnel) appointed by politicians and payrolls bloated with redundant employees. The government is currently setting salary limits for chief executive officers of SOEs at $6,000 per month to try and control the rampant abuse of resources. Further, almost all SOEs suffer from undercapitalization because the government lacks adequate financial resources. Most SOEs have debts accumulated through unsustainable, GOZ-imposed pricing models designed to benefit consumers. The state-owned Grain Marketing Board, for example, has for years purchased grain locally at above-market prices and sold it at a significant loss. Until February 2009, most SOEs operated without a board of directors. Poor management and the GOZ's failure to privatize made Zimbabwe's SOEs dependent on subsidies.

Zimbabwe does not have a sovereign wealth fund (SWF). The government is currently drafting legislation designed to create a SWF although it is unclear from where the government will obtain funds to capitalize the SWF.

Corporate Social Responsibility Return to top

According to an industrial advocacy group, the Confederation of Zimbabwe Industries, there is a general awareness of corporate social responsibility (CSR) among producers. The organization has developed its own charter according to OECD guidelines, highlighting good corporate governance and ethical behavior. Firms that demonstrate corporate social responsibility do not automatically garner favorable treatment from consumers, employees, and government. With regard to indigenization, foreign companies do not necessarily receive formal credit for conducting CSR.

Political Violence Return to top

Political parties and civil society organizations that oppose ZANU-PF and President Mugabe routinely encounter state-sponsored intimidation and repression from government security forces and ZANU-PF-linked activists. This environment persisted even during the period of the coalition government when the main opposition parties, the Movement for Democratic Change-Tsvangirai (MDC-T) and the Movement for Democratic Change-Ncube (MDC-N), joined ZANU-PF in a Government of National Unity (GNU) from February 2009 to June 2013. Individuals and companies out of favor with ZANU-PF routinely suffer harassment and bureaucratic obstacles in their business dealings.

Despite perceived widespread dissatisfaction with government policy, there have not been large-scale demonstrations since the July 2013 general elections. Disagreements between and within political parties occasionally resulted in violence targeting political party members. In December 2013, customers broke the windows at a bank branch which had run out of funds to distribute to depositors. Such violence is sporadic.

Corruption Return to top

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: http://www.justice.gov/criminal/fraud/.

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is not party to these agreements but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see http://www.oecd.org/dataoecd/59/13/40272933.pdf). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Zimbabwe is a party to the OECD Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see http://www.unodc.org/unodc/en/treaties/CAC/signatories.html). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Zimbabwe is a party to the UN Convention.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS

Convention has 34 parties (see http://www.oas.org/juridico/english/Sigs/b-58.html) Zimbabwe is not a party to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see http:www.coe.int/greco.) Zimbabwe is not a party to the Council of Europe Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements. Zimbabwe does not have an FTA with the United States.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” website at: tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at: www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce website at: http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

There is widespread corruption in government. Implementation of the government's ongoing redistribution of expropriated commercial farms has substantially favored the ZANU-PF elite and lacks transparency.

In 2005, the government enacted an Anti-Corruption Act that established a government-appointed Anti-Corruption Commission (ACC) to investigate corruption. However, the ACC did not include any members from civil society or the private sector. The 2009-2013 government of national unity (GNU) enhanced the institutional capacity of the ACC with members appointed from civil society and the private sector. However, when the ACC's term of office expired, the new ACC did not include civil society and private sector representatives. The government prosecutes individuals selectively, focusing on those who have fallen out of favor with ZANU-PF and ignoring transgressions by members of the favored elite. Accusations of corruption are used a political tool but seldom result in formal charges and convictions.

The government also created a policy to improve accountability in the use of state resources through the introduction of the Public Finance Management Act in March 2010. In spite of this, corruption is still endemic, especially within the diamond sector where production and export figures are largely unreliable. In this respect, the government has introduced a Diamond Policy that focuses on ensuring the 100 percent government ownership of all alluvial diamonds in the ground and the involvement of the Zimbabwe Revenue Authority (ZIMRA) in the entire value chain of diamond production. The government has also considered implementing the World Bank's Extractive Industries Transparency Initiative (EITI) principles in order to strengthen accountability, good governance, and transparency in the mining sector. However it has yet to launch an EITI program in Zimbabwe. In 2011, the government launched the Zimbabwe Mining Revenue Transparency Initiative (ZMRTI). However, participation by the Ministry of Mines and Mining Development in this initiative has been inconsistent.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: http://www.justice.gov/criminal/fraud/fcpa.

- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/dataoecd/11/40/44176910.pdf.

- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/index.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: http://data.worldbank.org/data-catalog/BEEPS.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See: http://www.weforum.org/s?s=global+enabling+trade+report.

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at: http://www.state.gov/g/drl/rls/hrrpt/.

- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: http://report.globalintegrity.org/.

Bilateral Investment Agreements

Return to top

The United States has no bilateral investment or trade treaty with Zimbabwe. Zimbabwe has investment treaties with 17 countries but ratified only seven of these treaties (with the Netherlands, Denmark, Germany, South Korea, South Africa, Botswana, and Switzerland). Three other investment agreements with Russia, India, and Iran are awaiting ratification before they become effective. In spite of these agreements, the government has failed to protect investments undertaken by nationals from these countries, particularly with regard to land. In 2009, for example, an army officer seized a farm belonging to a German national but the government did not intervene, despite its assurance that Zimbabwe would honor all obligations and commitments to international investors.

The United States does have a Trade and Investment Framework Agreement (TIFA) with the Common Market for Eastern and Southern Africa (COMESA), of which Zimbabwe is a member. This TIFA provides a mechanism to talk about disputes, although the protection offered by the TIFA is much more limited than protection typically provided by a bilateral investment treaty.

OPIC and Other Investment Insurance Programs

Return to top

The U.S. government and Zimbabwe concluded an OPIC agreement in April 1999 which permits OPIC to conduct transactions in Zimbabwe. Zimbabwe acceded to the World Bank's Multilateral Investment Guarantee Agency in September 1989. Support from the Export-Import Bank of the United States is not available in Zimbabwe. Finance and export promotion programs, as well as investment insurance offered through the international financial institutions, remain limited due largely to Zimbabwe's mounting multilateral and bilateral debt arrears and deteriorating investment climate.

Labor

Return to top

Zimbabwe's interconnected economic and political crises from 1998 through 2008 prompted many of the country's most skilled and well-educated citizens to emigrate, leading to widespread labor shortages for managerial and technical jobs. At the same time, the decade-long severe contraction of the economy caused formal sector employment to drop significantly. The Zimbabwe Statistical Agency (Zimstat) began to compile meaningful employment statistics in 2010. According to these figures, Zimbabwe’s non-farm employment rose from 721,000 in December 2011 to 802,000 in June 2012 (the latest date for which official data are available).

Although the country's HIV/AIDS epidemic had previously taken a heavier toll on the workforce, in 2014, 15 percent of adults lived with HIV/AIDS.

The government is a member of the International Labor Organization (ILO) and has ratified conventions protecting worker rights. The country has been subject to ILO supervisory mechanisms for practices that limit workers' rights to freely associate, organize, and hold labor union meetings.

Although the 2005 amendments to the 1985 Labor Relations Act set strict standards for occupational health and safety, enforcement is inconsistent.

Collective bargaining takes place through a National Employment Council (NEC) in each industry, comprising representatives from labor, business, and government. In addition, the Zimbabwe Congress of Trade Unions (ZCTU), the country's most representative umbrella labor organization, advocates for workers' rights.

In 2001, stakeholders comprising labor, business, and government established a Tripartite Negotiating Forum (TNF) to tackle macro-social issues. The ensuing talks have been fitful and unproductive since their inception. A continuing impasse for the TNF is disagreement between business and labor over indexing wages to a measure of poverty and productivity. To date, the two sides have not agreed on a suitable poverty benchmark.

The government continues to harass labor unions and their leaders. In December 2012, for example, the police arrested two ZCTU officials for allegedly holding an unsanctioned protest march to celebrate Human Rights Day in the city of Bulawayo, even though the police had sanctioned it beforehand. Under Zimbabwe labor law, the government can intervene in ZCTU's internal affairs if it determines that the leadership is misusing funds. Although the rival Zimbabwe Federation of Trade Unions (ZFTU), established for political reasons after ZANU-PF fared poorly in the 2000 parliamentary elections, meets ILO standards in that workers are free to form unions and to be members of any union, outside of the government, few regard it as a legitimate labor organization. The ZCTU remains the voice of labor in Zimbabwe and the country's official and internationally recognized labor organization.

Foreign-Trade Zones/Free Ports Return to top

The government promulgated legislation creating export processing zones (EPZs) in 1996. Zimbabwe now has approximately 183 EPZ-designated companies. Benefits include a five-year tax holiday, duty-free importation of raw materials and capital equipment for use in the EPZ, and no tax liability from capital gains arising from the sale of property forming part of the investment in EPZs. Since January 2004, the government has generally required that foreign capital comprise a majority of the investment. The requirement on EPZ-designated companies to export at least 80 percent of output has constrained foreign investment in the zones. The merger between the Zimbabwe Investment Centre and the Zimbabwe Export Processing Zones Authority, which began in 2006, has been completed and the new institution—ZIA—now serves as a one-stop shop for both local and foreign investors. Zimbabwe is currently in the process of amending the Zimbabwe Investment Authority Act to include special economic zones. However, to date, activities in special economic zones overall have not been meaningful.

Foreign Direct Investment and Foreign Portfolio Investment Statistics
Return to top

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Zimbabwe National Statistical Agency		U.S. or international statistical source		U.S. or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Zimbabwe Gross Domestic Product (GDP) (*Millions U.S. Dollars)*	2012	12,472	2012	9,802	http://www.worldbank.org/en/country
Foreign Direct Investment	Zimbabwe National Statistical Agency		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (*Millions U.S. Dollars, stock positions)*	2012	N/A	2012	D	(BEA) click selections to reach. • Bureau of Economic Analysis • Balance of Payments and Direct Investment Position Data • U.S. Direct Investment Position Abroad on a Historical-Cost Basis • By Country only (all countries) (Millions of Dollars)
Host country's FDI in the United States (*Millions U.S. Dollars, stock positions)*	2012	N/A	2012	N/A	(BEA) click selections to reach • Balance of Payments and Direct Investment Position Data • Foreign Direct Investment Position in the United States on a Historical-Cost Basis • By Country only (all

					countries) (Millions of Dollars)
Total inbound stock of FDI as % host GDP (***calculate)***	Insert (Year)	Amount	Insert (Year)	Amount	

* Provide sources of host country statistical data used.

(D) indicates that the data in the cell have been suppressed to avoid disclosure of data of individual companies and thus is not available.

TABLE 3: Sources and Destination of FDI

Data not available for Zimbabwe.

TABLE 4: Sources of Portfolio Investment

Data not available for Zimbabwe.

Web Resources Return to top

http://www.zia.co.zw/

Return to table of contents

Return to table of contents

Chapter 7: Trade and Project Financing

How Do I Get Paid (Methods of Payment)

Return to top

The banking system is linked to international banks allowing for the transfer of U.S dollar payments. Following the collapse of the Zimbabwean dollar, many companies in Zimbabwe found that their cash reserves were suddenly worthless. Thus, even today, these companies are short on cash. In addition, banks in Zimbabwe charge relatively onerous interest rates and lend for three months or less, in most cases. Thus, the physical payment system functions well but buyers may not have adequate financial resources to pay for goods acquired.

How Does the Banking System Operate

Return to top

Zimbabwe has a well-developed banking sector which is modeled on the British system. The Reserve Bank of Zimbabwe (RBZ) is the central bank which, until dollarization, was responsible for exercising monetary policy. Following dollarization, however, the RBZ is now solely responsible for banking supervision. The government is trying to re-establish the RBZ's lender-of-last-resort function, but the task is made difficult by lack of funds. The rest of the banking system is composed of commercial banks, which are the largest subsector; merchant banks, whose function is to finance trade, underwrite rights offerings of listed companies, and assist in mergers and acquisitions; building societies, which provide mortgages for real estate transactions; the People's Own Savings Bank and development financial institutions; and micro-finance institutions. Other key players in Zimbabwe's financial sector include insurance companies, pension and provident funds, investment trusts, and offshore portfolio investors.

Foreign-Exchange Controls

Return to top

Although the Foreign Exchange Control Act still exists, it has been extensively reviewed such that controls on current account transactions were fully removed while those on the capital account were partially removed.

U.S. Banks and Local Correspondent Banks

Return to top

U.S. banks do not have a presence in Zimbabwe although most Zimbabwean banks such as Barclays Bank of Zimbabwe Limited, Standard Chartered Bank Zimbabwe Limited and First Merchant Bank of Zimbabwe Limited have correspondent banks in the U.S.

Project Financing

Return to top

Political risks are significant and this tends to limit project financing from abroad. A few regional banks such as the PTA bank and the African Export Import Bank continued to offer funding to Zimbabwean firms.

Web Resources

Return to top

Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.tda.gov/

SBA's Office of International Trade: http://www.sba.gov/oit/

USDA Commodity Credit Corporation: http://www.fsa.usda.gov/ccc/default.htm

U.S. Agency for International Development: http://www.usaid.gov

African Export Import Bank: http://afreximbank.com/afrexim/en/home.aspx

Return to table of contents

Return to table of contents

Chapter 8: Business Travel

Business Customs Return to top

In spite of perfunctory reference to Marxism by some members of the ZANU-PF government, business customs are more or less similar to those in Western countries.

Travel Advisory Return to top

See the U.S. Department of State website for up-to-date information on travel to Zimbabwe: http://travel.state.gov/visa/

Visa Requirements Return to top

Foreigners intending to engage in meetings or discussions for business purposes are advised to secure a business visa for entry into Zimbabwe. Individuals found to be engaging in business-related activities on a tourist visa have been known to be arrested, expelled from the country, and/or occasionally fined. A passport, visa, return ticket, and adequate funds are required to enter Zimbabwe. Visitors are advised to refer to the up-to-date complete information posted on the following websites:

State Department Visa Website:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1063.html#entry_requirements

U.S. Embassy in Zimbabwe: http://harare.usembassy.gov/import_visitorsinfo.html

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following link.

State Department Visa Website: http://travel.state.gov/visa/

Telecommunications

Return to top

Although improving somewhat, mobile and landline networks are sometimes overloaded. Phones in general are reliable in urban centers. In 2010, some service providers introduced connectivity for data-enabled devices, such as iPhones and usage is becoming widespread.

Transportation

Return to top

Zimbabwe still has fairly good transportation infrastructure especially relative to much of the rest of the continent, with a reasonably well-developed road network. The country has air connections with other countries in the southern and eastern regions of Africa, as well as Europe and the United Arab Emirates. A number of international carriers that pulled out during Zimbabwe's crisis are slowly returning to Harare, notably the Dutch airline KLM and EGYPTAIR.

Language

Return to top

English is the official business language in Zimbabwe. Much of Zimbabwe's education is conducted in English.

Health

Return to top

For the most up-to-date information, please visit these websites:

State Department Visa Website:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1063.html#entry_requirements

CDC Travelers' Health website: http://wwwnc.cdc.gov/travel/

Local Time, Business Hours, and Holidays

Return to top

Local time is six hours ahead of Washington, D.C. time, or seven hours during Daylight Savings Time. Business hours are between 0800 hours and 1700 hours (Monday to Friday). Zimbabwe's holidays for 2014 include: New Year's Day, Independence Day (April 18), Good Friday (April 18), Easter Monday (April 21), Workers' Day (May 1), Africa Day (May 25), Heroes' Day (August 11), Defense Forces Day (August 12), National Unity Day (December 22), Christmas Day (December 25) and Public Holiday (December 26).

Temporary Entry of Materials and Personal Belongings

Return to top

U.S. citizens who are temporarily carrying firearms and ammunition into Zimbabwe for purposes of hunting must register these items with the U.S. Bureau of Customs and Border Protection, using Customs Form 4457, when leaving the U.S. and upon re-entry.

U.S. citizens must also comply with the temporary export exemptions at 22 CFR 123.17, posted on the Directorate of Defense Trade Control's website at: http://www.pmddtc.state.gov/ (see Reference Library). U.S. citizens should also contact the Embassy of Zimbabwe in Washington, D.C. to find out what permits are required. Travelers are advised to make sure that all of the necessary documentation is in order before departing the United States.

Web Resources Return to top

For country specific travel information, please visit:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1063.html

Return to table of contents

Return to table of contents

Chapter 9: Contacts, Market Research and Trade Events

Contacts Return to top

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Market Research Return to top

To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required and is free.

Trade Events Return to top

Please click on the link below for information on upcoming trade events.

http://www.export.gov/tradeevents/index.asp

Return to table of contents

Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully**, **connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here).

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E).**

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

Return to table of contents