



SOUTHERN AFRICA - THE OPPORTUNITY AND POTENTIAL FOR INVESTORS

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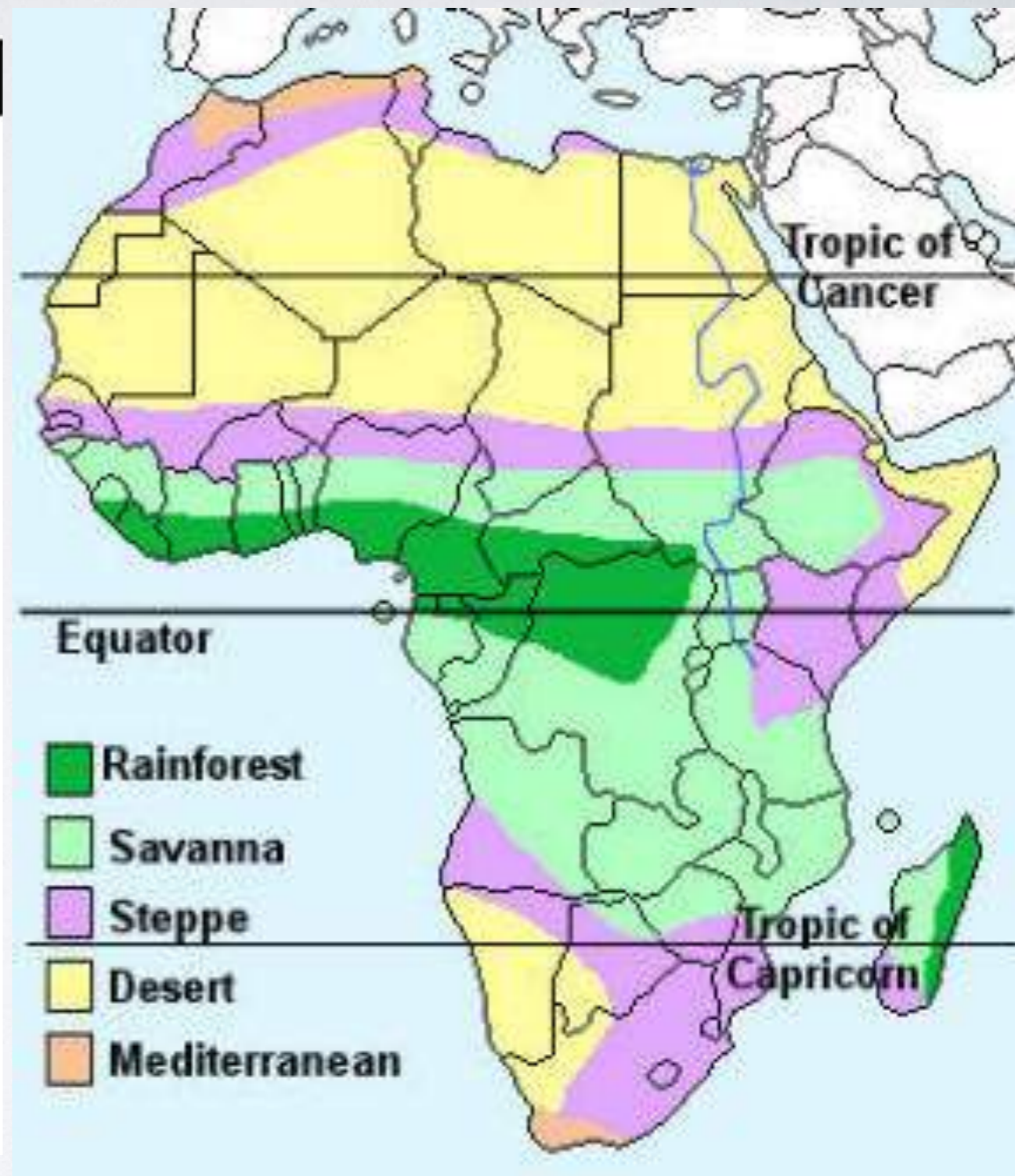
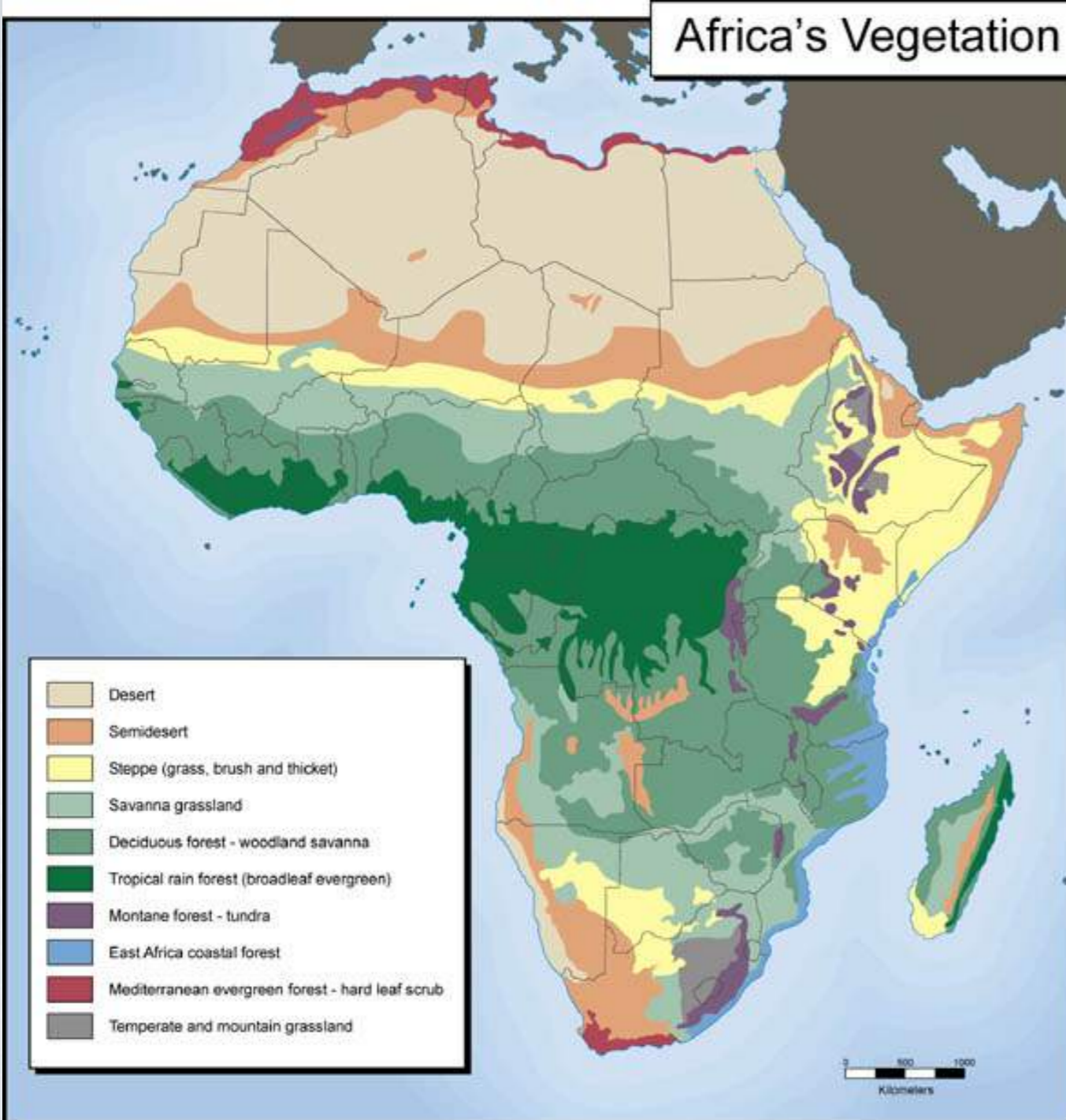
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SOUTHERN AFRICA

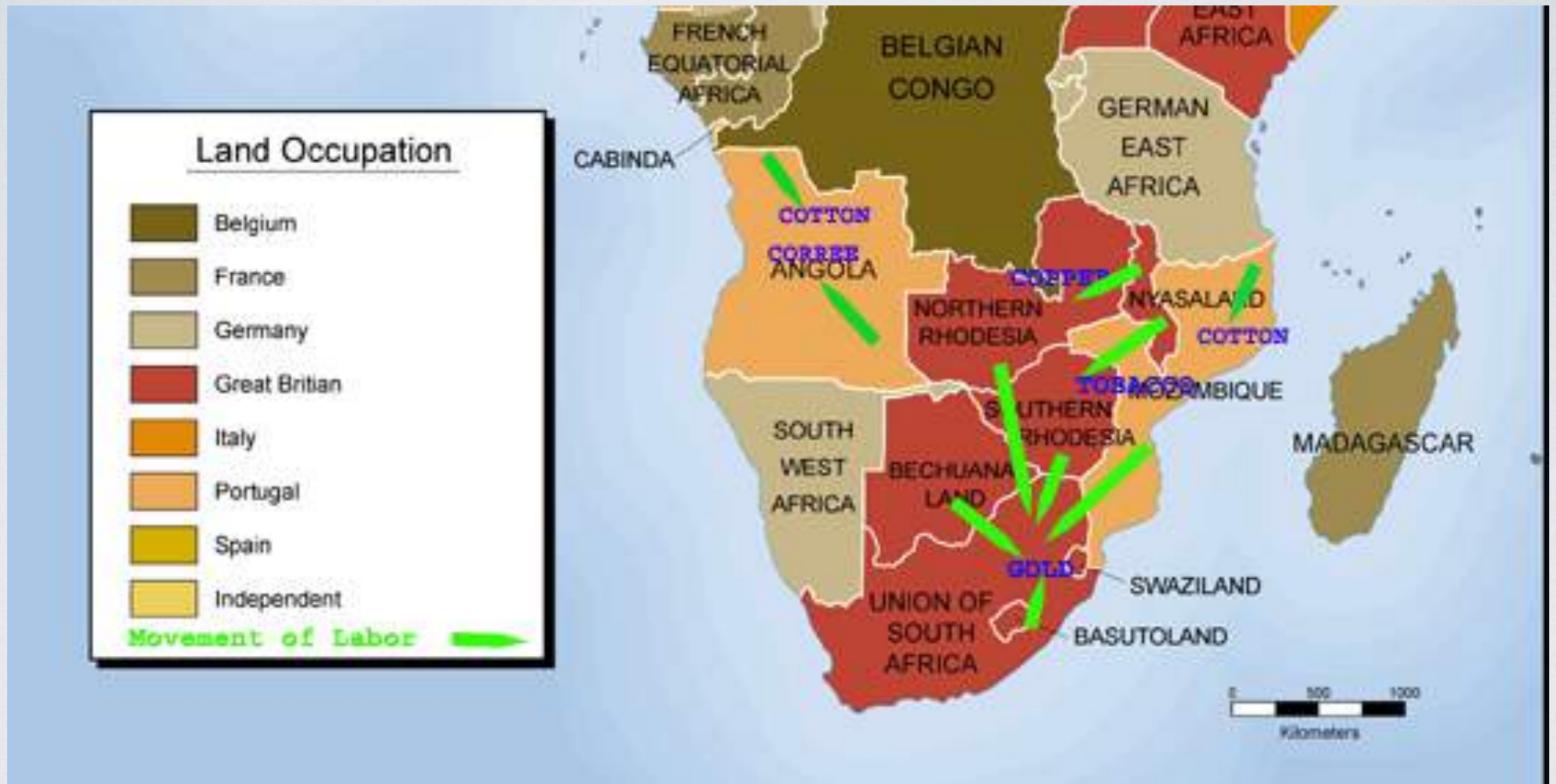


CLIMATE

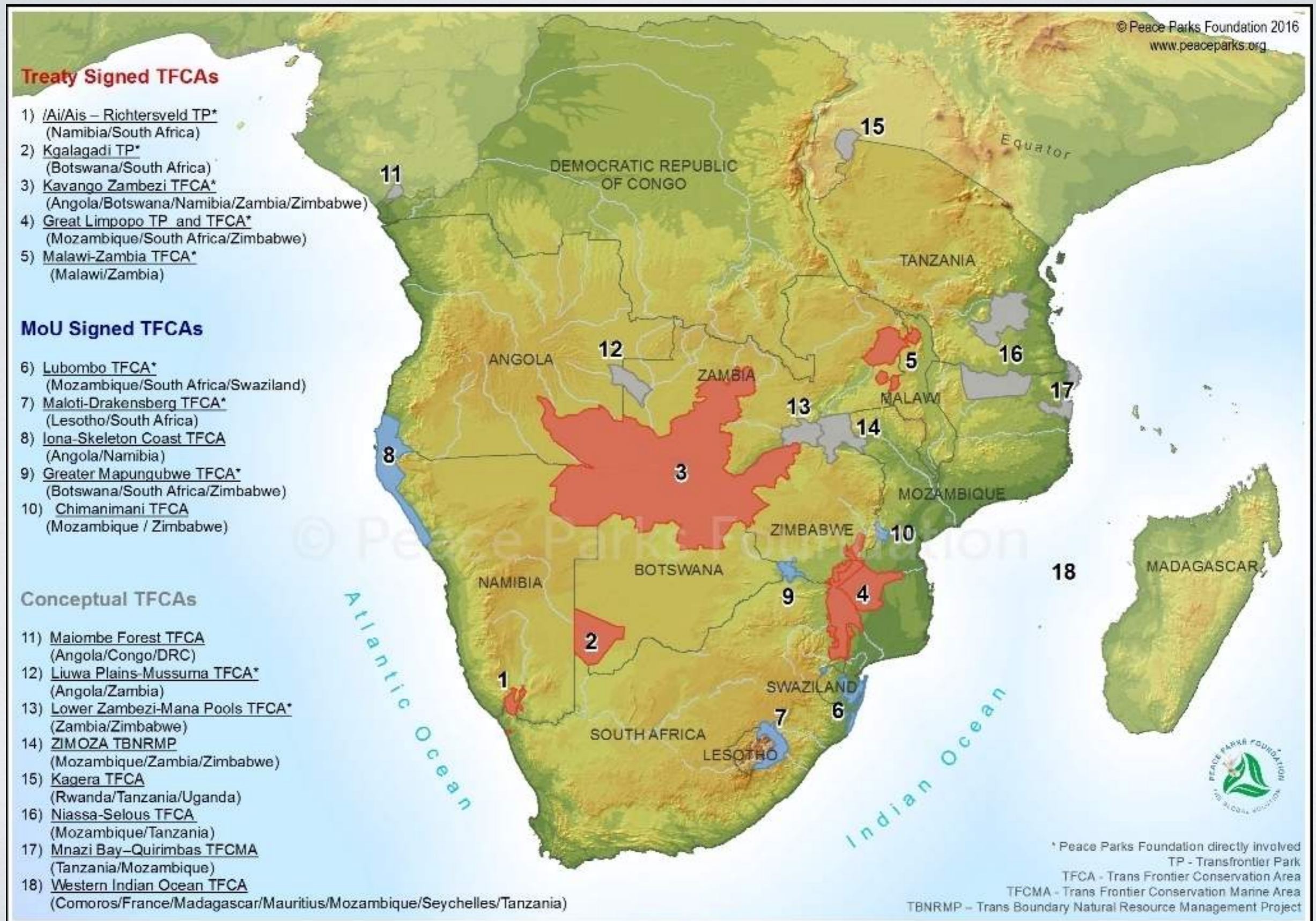
Africa's Vegetation



COLONIAL HISTORY



TRANSFRONTIER CONSERVATION AREAS



MINERAL RESOURCES

Agricultural

- Phosphates
- Limestone

Fuels

- Coal
- Petroleum

Metallic elements

- Cd** Cadmium
- Co** Cobalt
- Cu** Copper
- Cr** Chromium
- Au** Gold
- Mn** Manganese
- Ni** Nickel
- Pb** Lead
- Li** Lithium
- Pt** Platinum
- Ag** Silver
- W** Tungsten
- Sn** Tin
- U** Uranium
- Zn** Zinc

- K₂O** Potash
- Soda ash

Metals

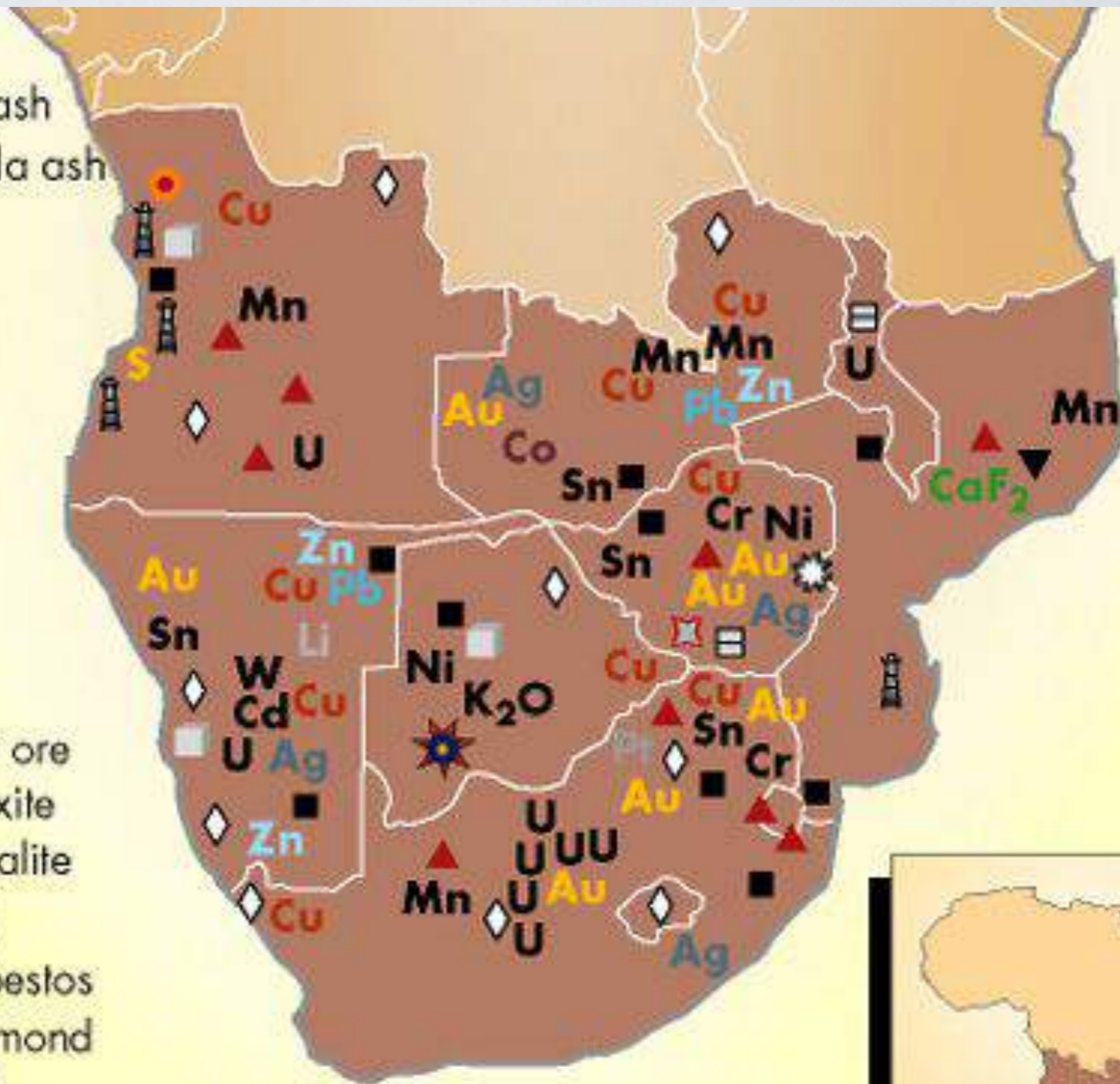
- ▲ Iron ore
- Bauxite
- ▼ Tantalite

Minerals

- Asbestos
- ◇ Diamond
- Salt

Non-metallic elements

- S** Sulfur
- CaF₂** Fluorite



Southern Africa

POPULATION AND MARKET SIZE

Member States	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Angola	15 116	15 412	15 864	16 329	16 368	16 889	17 430	17 992	18 577	19 000
Botswana	1 777	1 811	1 845	1 880	1 915	1 951	1 988	2 025	2 063	2 102
DRC	57 957	59 696	61 487	63 332	65 232	67 189	69 205	71 281	73 419	75 620
Lesotho	1 873	1 875	1 877	1 880	1 884	1 887	1 892	1 897	1 903	1 909
Madagascar	17 062	17 550	18 048	18 556	19 072	19 601	20 142	20 696	21 263	23 827
Malawi	11 938	12 341	12 758	12 900	13 077	13 520	13 948	14 389	14 845	15 317
Mauritius	1 221	1 228	1 234	1 240	1 244	1 247	1 250	1 252	1 256	1 259
Mozambique	18 962	19 420	19 889	20 632	21 208	21 803	22 417	23 049	23 701	24 366
Namibia	1 923	1 957	1 991	2 028	2 065	2 103	2 143	2 105	2 136	2 172
Seychelles	82.5	82.8	84.6	85.0	86.9	87.3	89.8	87.4	88.3	89.9
South Africa	47 021	47 642	48 272	48 912	49 563	50 225	50 898	51 582	52 277	52 980
Swaziland	1 105	1 011	1 015	1 018	1 032	1 044	1 055	1 067	1 080	1 093
Tanzania	35 268	37 083	38 251	39 446	40 668	41 916	43 188	44 485	44 929	45 968
Zambia	11 090	11 441	11 799	12 161	12 526	12 897	13 300	13 719	14 145	14 580
Zimbabwe	11 982	11 830	12 010	12 040	12 122	12 231	12 336	12 754	13 061	13 192
SADC Total	234 378	240 380	246 424	252 439	258 063	264 590	271 281	278 380	284 743	293 475

SOUTHERN AFRICA DEVELOPMENT COOPERATION (SADC)

Summary Facts and Figures

Indicator	Information	Indicator	Data	
Member states	15	Trade	Total Import	USD \$91,608.15 (million)
			Total Export	USD \$89,151.33 (million)
Year Established	1992	Average Government Debt (2011; % of GDP)		40.4%
Land Area	554 919 km ²	Average Life Expectancy (2009)		55.1
Total Population	277 million	Average HIV Prevalence Rate (2009)		12.6 %
GDP Annual Growth Rate (2011)	5.14 %	Gender (proportion of seats held by women in parliament)-2011		34%
GDP (2010)	USD \$575.5 Billion	GDP Contribution: Services		51 %
Inflation (2011)	7.7 %	GDP Contribution: Industry		32 %
Fiscal Balance (2012)	-3.6 %	GDP Contribution: Agriculture		17 %

INTEGRATION MILESTONES

Regional Indicative Strategic Development Plan



Competitiveness Index Regional Comparison

COUNTRY	GCI 2014-2015	GCI 2015-2016	CHANGE
	RANK	RANK	
Angola	140	-	-
Botswana	74	71	+3
Mauritius	39	46	-7
Mozambique	133	133	0
Rwanda	62	58	+4
South Africa	56	49	+7
Zambia	96	96	0
Zimbabwe	124	125	-1

Comparative FDI Inflows to Selected SADC Countries (US\$M)

(Source: UNCTAD WIR)

	1998	2006	2012	2013	2014	2015
Mozambique	213	112.6	5629	6175	4902	3710.8
Namibia	96	387	357	801	414	1077.8
South Africa	n/a	-527	4572	8300	5712	1772.4
Zambia	222	616	2433	1810	2484	1653
Zimbabwe	444	40	400	400	545	421

Corruption Index Regional Comparison
(Out Of 175)

Country	Corruption Index 2013	Corruption Index 2014	Movement
Angola	153	161	-8
Botswana	30	31	-1
Mauritius	52	47	+5
Mozambique	119	119	0
Rwanda	49	55	-6
South Africa	72	67	+5
Zambia	83	85	-2
Zimbabwe	157	156	+1

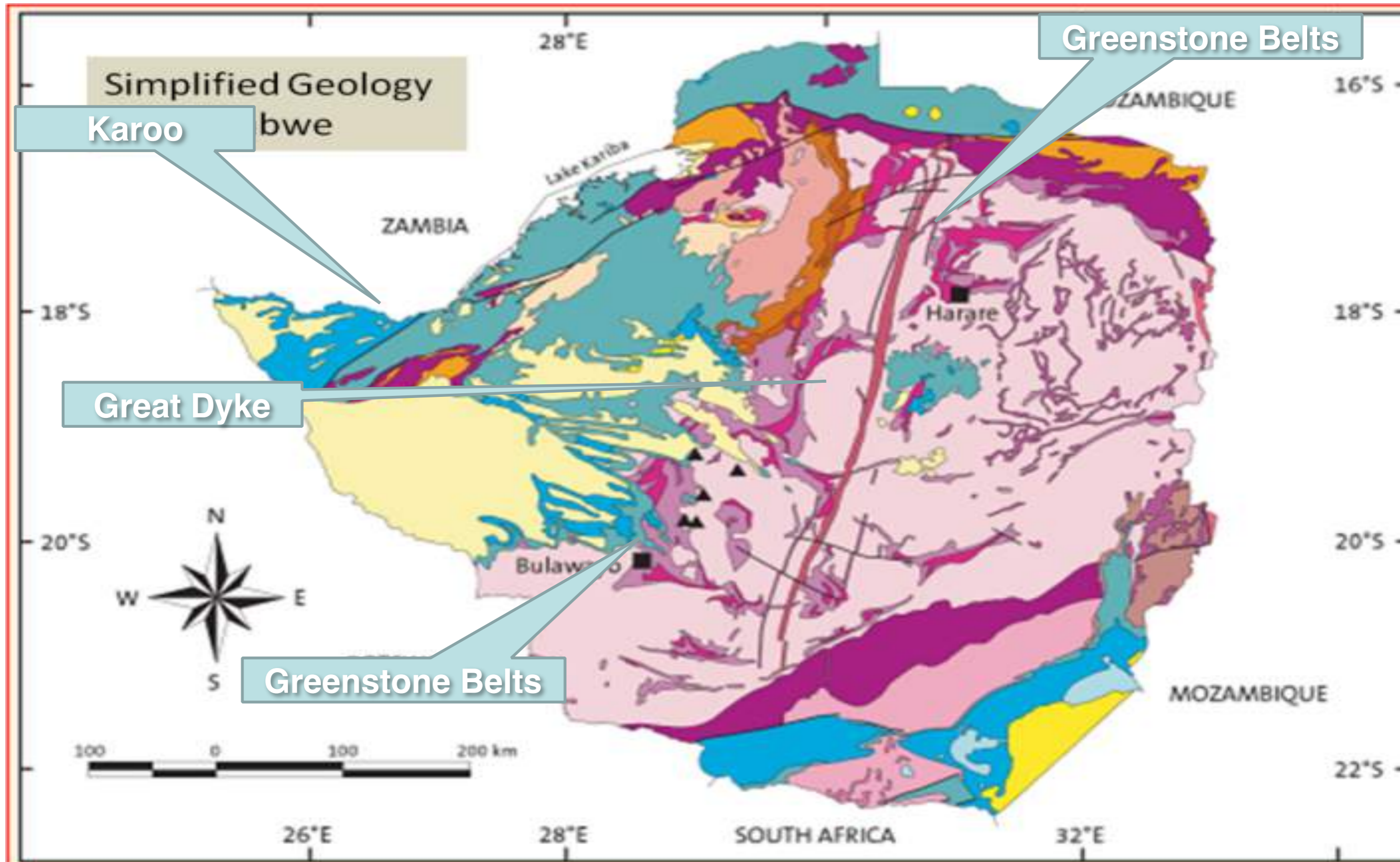
Doing Business regional comparison

Country	Overall ranking 2015	Overall ranking 2016	Movement
Angola	181	181	0
Botswana	74	72	2
Mauritius	28	32	-4
Mozambique	127	133	-6
Rwanda	46	62	-16
South Africa	43	73	-30
Zambia	111	97	+14
Zimbabwe	171	155	+16

THE ZIMBABWE OPPORTUNITY

ZIMBABWE MINERALIZATION

MINING SECTOR OPPORTUNITIES



Investment Opportunities: Mining sector

- Zimbabwe is endowed with vast and diverse mineral resources and has about 60 types of minerals which constitute the best variety on the New Mineral Resource Frontier Africa
- Zimbabwe is endowed with an exciting range varieties including gold, platinum (and PGMs), diamond, chrome, iron ore, coal, limestone, lithium, nickel among other.
- Fast growing sector accounting for +15% GDP and +50% of exports
- About 60% of Zimbabwe land comprises of ancient rocks
 - ✓ Platinum –second largest reserves in the world
 - ✓ Hosts over 80% of the worlds’ metallurgical quality chromite
 - ✓ Diamonds- KP certification attained and EU lifted sanctions
 - ✓ Significant reserves for gold, coal, nickel, chrome and copper
- About US\$7bn required to increase production

Investment Opportunities in Zimbabwe

Agriculture

- Conducive climatic conditions
- Opportunities are available for the production of Food & cash crops
- Government owns vast tracks of arable land
- Joint ventures partnerships

Mining

- Vast and diverse mineral resources
- Opportunities in exploration, mining and processing, provision of mining plant and equipment, spares consumables.
- Joint ventures partnerships

Investment Opportunities in Zimbabwe

Manufacturing

- Joint venture partnership with local companies through increased access to credit, raw materials, modern technology and new markets
- Key opportunities in Clothing and textiles; Food Processing; Oil processing and milling; Pharmaceuticals and chemicals

Tourism

- Partnerships with local hotels
- Tourism development zones
- Integrated Tourism resorts (Vic Falls);
- Golf Estates; Hotels and Lodges;
- Convention Centres and Exhibition Parks; Theme and Amusement Parks;
- Shopping Malls; Restaurants
- Health, Sports and Medical Facilities

Investment Opportunities: Manufacturing

- Key opportunities available
 - ✓ Clothing and textiles
 - ✓ Food Processing
 - ✓ Oil processing and milling
 - ✓ Pharmaceuticals
 - ✓ chemicals
- Construction of an Integrated Industrial Park-Sunway City (Private) Limited
 - ✓ Technology Park
 - ✓ Medical Park
 - ✓ Regional Shopping Centre
 - ✓ Inland Dry Port
 - ✓ Development of Warehousing Precinct

Investment Opportunities: Tourism

- Accounts for 10% to GDP and has the potential to grow to 15% by 2015.
- Zimbabwe has best tourist attractions - Victoria Falls, Kariba
- Zimbabwe and Zambia co-hosted the UNWTO General Assembly in 2013
- Tourist arrivals estimated at an average of 2 million a year.
- Government suspended duty on capital equipment imported by tourism operators
- Key opportunities available;
 - ✓ Refurbishment of airports in resort towns
 - ✓ Partnerships with local hotels for refurbishment of existing infrastructure
 - ✓ Tourism development zones around major centres of attraction

Investment Opportunities: Tourism

■ Zimbabwe has abundant investment opportunities in the Tourism sector:

- ✓ Integrated Tourism resorts;
- ✓ Golf Estates
- ✓ Hotels and Lodges;
- ✓ Convention Centres and Exhibition Parks;
- ✓ Theme and Amusement Parks;
- ✓ Shopping Malls;
- ✓ Health, Sports and Medical Facilities;
- ✓ Restaurants

Investment Opportunities: Tourism

- Government has availed 275 ha of prime land from the Victoria Falls Town council for the development of an integrated resort.
- Tourism infrastructure investment opportunities are available as follows:
 - Tourism Resort areas
 - ✓ Victoria Falls;
 - ✓ Kariba and Binga
 - ✓ Nyanga and Vumba;
 - ✓ Lake Chivero;
 - ✓ Lake Mutirikwi;
 - ✓ Tokwe Mukosi
 - Tourism Development Zones (TDZs)
 - Trans frontier Conservation Areas

Investment Opportunities in Zimbabwe

Infrastructure

& Utilities

- **Power and Energy**
 - Energy particularly electricity and bio fuels, Solar power energy, Methane Gas, Mini hydro-Electric Power
- **Water and Sanitation**
 - Urban and Rural waste management
 - Urban and Rural water and water reticulation
 - Completion of water projects under construction
- **Transport**
 - Road construction and maintenance of trunk and feeder roads
 - Dualization of major highways
 - Revamp of the rail infrastructure network
 - Continuous upgrade of airports

ICT

- Mobile and internet penetration rates stand at 103% and 50% respectively
- Mobiles account for over 58.1% of web traffic against a global average of 10%
- Mobile banking and E-commerce growing rapidly
- Key Opportunities
 - E-government solutions
 - Establishment of call centres
 - Software and App development with Zimbabwean content
 - Data storage area networks
 - Establishment of hardware assembly plants and

Investment Opportunities: Infrastructure and utilities

- Country infrastructure deteriorated during the lost decade
- Government is prioritising infrastructure development
 - ✓ Energy particularly electricity and bio fuels
 - ✓ Rail, road and airport rehabilitation and upgrading
 - ✓ Urban water reticulation and waste management
 - ✓ Dam construction and irrigation development
 - ✓ Public amenities and housing
- Over US\$ 15bn is required immediately
- Government committed to PPPs and Joint Ventures
- Market now accustomed to pre-payment systems

Investment Opportunities: Infrastructure and Utilities .

Power and Energy

- Energy particularly electricity and bio fuels, Solar power energy, Methane Gas, Mini hydro-Electric Power

Water and Sanitation

- Urban and Rural waste management
- Urban and Rural water and water reticulation
- Completion of water projects under construction such as Tokwe-Mukosi, Gwayi-Shangani, Dande, Tuli Manyame and Marovanyati dams and Mtshabezi water pipe line
- Construction of Kunzvi and Nyatana dams

Transport

- Road construction and maintenance of trunk and feeder roads
- Dualisation of major highways
- Revamp of the rail infrastructure network
- Continuous upgrade of all airports

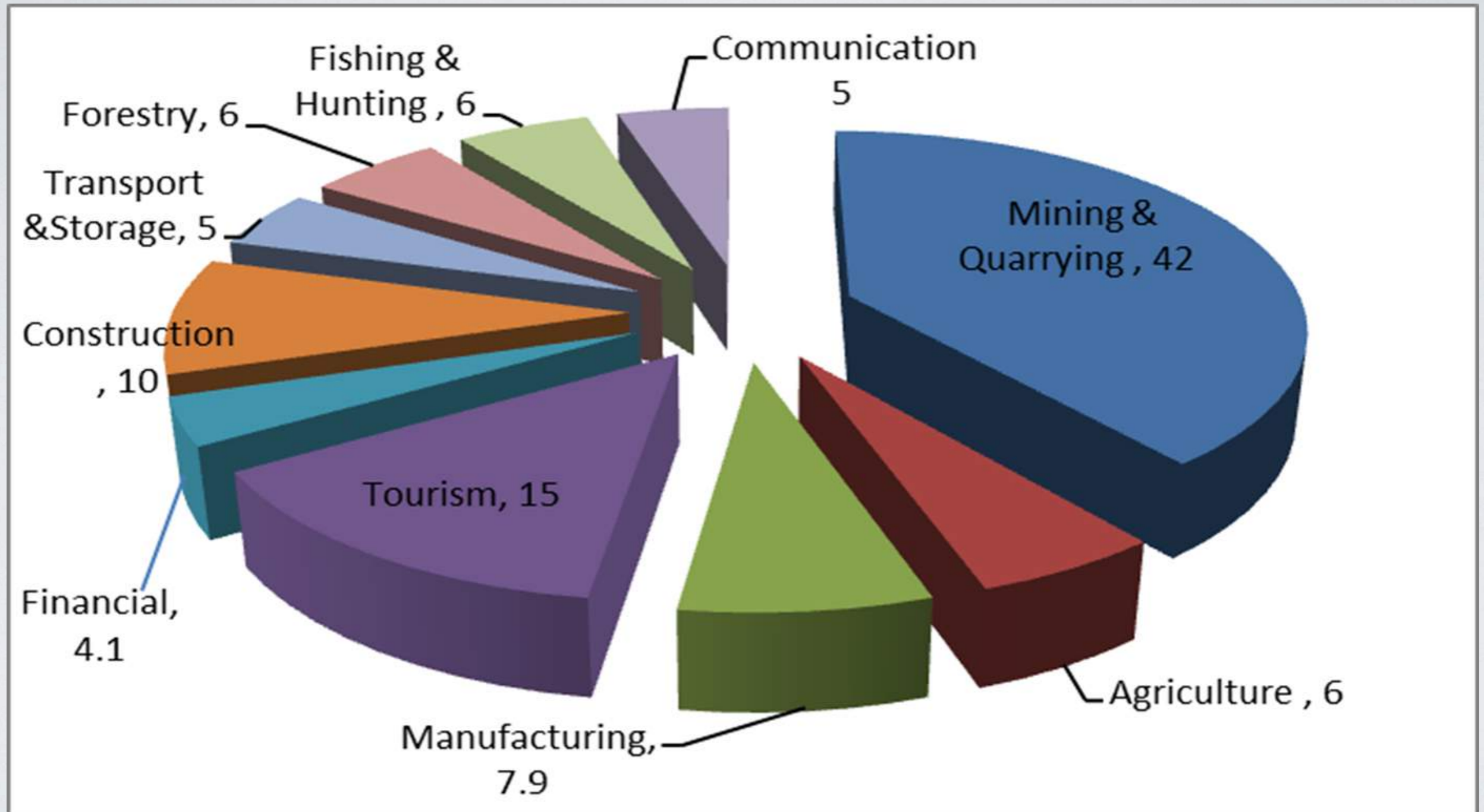
■ Public Amenities and Housing

Investment Opportunities: ICT

- ✓ The ICT market has 3 mobile telephone networks, 1 fixed line operator and 30 internet access and service providers
- ✓ Mobile and internet penetration rates stand at 103% and 50% respectively
- ✓ Mobiles account for over 58.1% of web traffic against a global average of 10%
- ✓ Mobile banking and E-commerce growing rapidly
- ✓ Key Opportunities
 - ✓ E-government solutions
 - ✓ Establishment of call centres
 - ✓ Software and App development with Zimbabwean content
 - ✓ Data storage area networks
 - ✓ Establishment of hardware assembly plants and digitalisation equipment

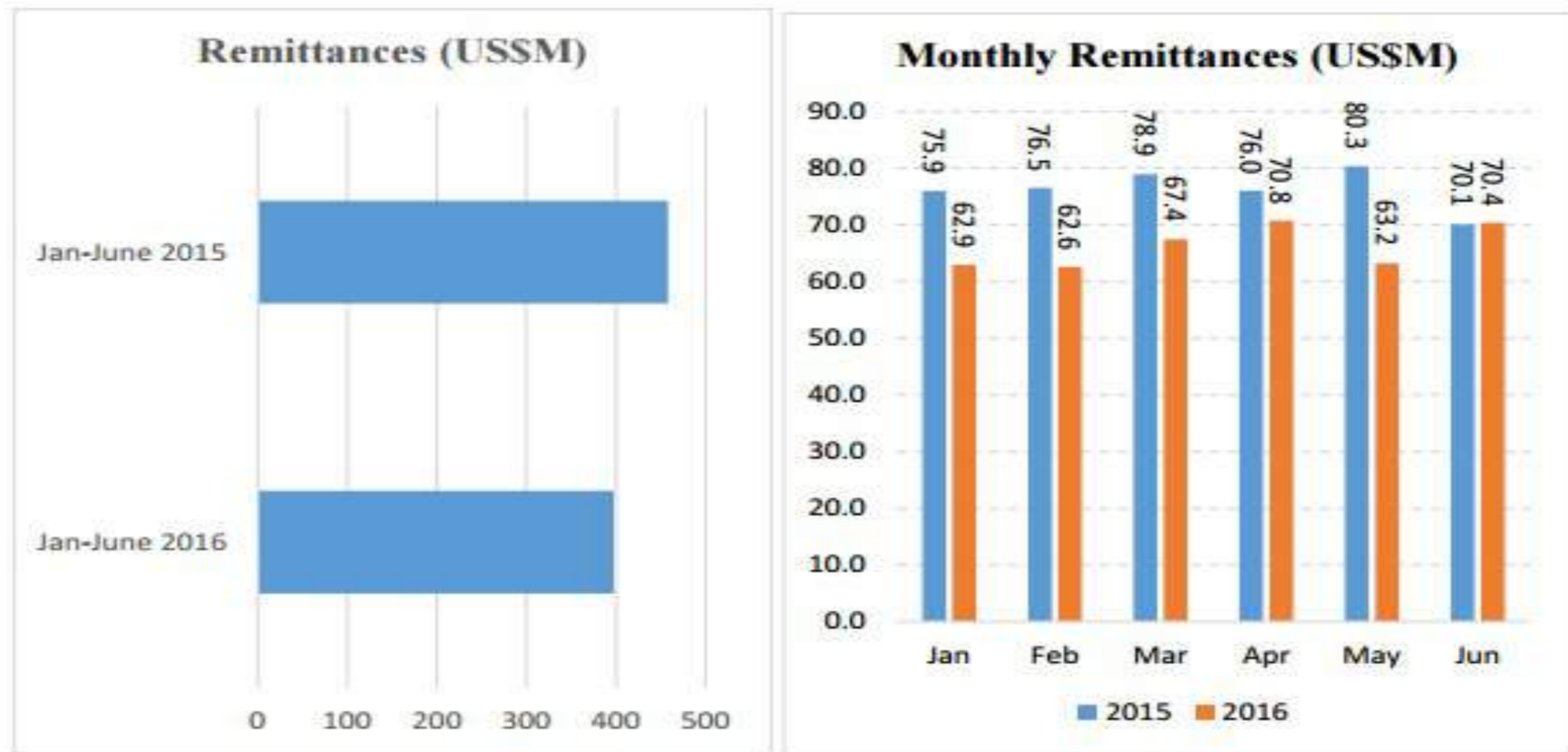
THE MAP OF ZIMBAW

Overview of the economy: 2015 Sector Performance (% of GDP)



Diaspora Remittances

Figure 4: Diaspora Remittances: January to June 2015 & 2016



Source: RBZ

State of the Economy : Macro-economic indicators

Macro-economic indicator	2009	2010	2011	2012	2013 Est.	2014 F	2015 F
Population	12.6	12.6	12.7	12.7	13.1	13.1	13.1 Est.
Nominal GDP (US \$bn)	8.2	9.4	11.0	12.5	13.1	14.1	14.6
Real GDP Growth (%)	5.4	11.4	11.9	10.6	4.5	3.1	3.2
Inflation (annual average) %	-7.9	3.0	3.5	3.8	1.63	-0.05	0.00
Total Exports (US \$bn)	1.8	3.5	4.8	4.4	3.5	3.5	3.7
Total Imports (US \$bn)	3.7	5.8	8.5	7.5	7.7	7.5	7.6
Trade Balance (US \$bn)	-1.9	-2.3	-3.7	-3.1	-4.2	-4.0	3.9
Deposits (US \$bn)	1.4	2.3	3.8	4.4	4.4	5.1	5.2 Est
Domestic credit (US \$bn)	0.7	1.7	2.8	3.5	3.6	4.0	4.2 est.

State of the Economy :Real sector growth rates

Key Sector Growth (%)	2009A	2010A	2011A	2012E	2013E	2014E	2015F	Average Growth
Agriculture	37.6	7.2	1.4	7.8	-1.3	23.4	3.4	11.4
Mining	18.9	37.4	24.4	8.0	6.5	-2.1	3.1	13.7
Manufacturing	17.0	2.0	13.8	5.3	1.5	-4.9	1.7	5.2
Distribution, hotels and Restaurants	1.9	19.5	6.4	0.3	4.2	3.9	4.7	5.8
Transport and Communication	2.2	4.7	0.0	6.7	3.4	0.9	4.1	3.1
Construction	2.1	14.1	65.1	23.5	10.0	2.6	2.9	17.2
Finance and Insurance	4.5	8.3	8.3	28.0	2.6	2.0	3.7	8.2
Electricity and Water	1.9	19.5	6.4	0.3	4.2	3.5	2.5	5.5
Real Estate	2.0	4.9	48.9	59.0	10.0	-1.7	2.5	17.9
GDP at Market Prices	5.4	11.4	11.9	10.6	3.4	3.1	3.2	7.2

30

Public and Publicly Guaranteed Debt December 2014

	US \$Million	Debt Indicators (% of GDP)
External Debt		
Public External Debt	5,294	38
Publicly Guaranteed External Debt	1 257	9
Reserve Bank External Debt	674	5
Total Public and Publicly Guaranteed External Debt	2,605	52
Domestic Debt		
	1 171	8.35
GRANT TOTAL DEBT	8,396	60

Source: 2015 National Budget

Economic Performance

- Nominal GDP grew by 78% from US\$8.2Bln in 2009 to US\$14.6 in 2014.
- Economic growth has averaged 7.2% from 2010 - 2014
- Inflation has been contained at levels below 4% since 2009
- Since October 2014, the economy has been in deflation with negative headline inflation being recorded consecutively
- Annual headline inflation at -1.20% in March 2015 is forecast to remain low in 2015. Economy has no incipient inflation pressures.
- Implementation of Prudent Fiscal Policies through Cash Budgeting. The challenge relates to the high level of recurrent expenditure which is crowding out public sector investment programmes;

Economic Performance

- The Central Bank implemented banking sector reforms to restore confidence and bring stability to the financial sector
- Improved industrial capacity utilization, which rose from below 10% in 2008 to 57% in 2011.
- Capacity utilization has since steadily declined to about 36.3% in 2014, reflecting the cumulative effects of domestic liquidity challenges, low aggregate demand and widening Current Account deficit.
- The current account deficit has remained large at about US\$3.4 billion in 2014.

Government Priorities

- Balancing fiscal primary accounts
- Restoring confidence in the banking sector
- Improving the investment climate to attract foreign direct investment
- Garnering support for the strategy to clear arrears with multilateral institutions
- Enhancing corporate governance
- Aligning Laws to the New Constitution
- Economic participation of Zimbabweans

Security of Investment

In addition to Various BIPPPAs, Zimbabwe is Signatory to:

Overseas Private Investments Corporation (OPIC) and Multilateral Investment Guarantee Agency (MIGA)

International convention on settlement of Disputes (ICSID)

New York Convention on the enforcement of arbitral awards

United Nations Convention on international Trade law (UNCITRAL)

Investment Incentives in Zimbabwe

Industrial Park
Developers

- 1st Five Years 0%
- Thereafter 25%

BOOT and BOT
Arrangements

- First Five Years 0%
- Thereafter 15%

Tourism
Development
Zones

- 1ST Five Years 0%
- Thereafter 25%
- Rebate of duty on approved capital goods for use in the TDZs

Mining

- 15% tax for holders of special mining lease

Manufacturing:

- Reduced taxation for Companies exporting at least 50% of output.
- Reduced taxation for projects establishing in designated growth points.

National project status

Duty exemption on imported capital goods

Special Economic Zones Establishment.

Investment Incentives in Zimbabwe

Exchange Control Liberalization Measures:

- To encourage foreign direct investment, the following measures were introduced:
 - ✓ Removal of remittances on capital remittances; and profits
 - ✓ Removal of restrictions on dividends remittances and capital appreciation proceeds;
 - ✓ Removal of restrictions on the participation of foreign investors in the primary and secondary Bond markets and the Zimbabwe Stock Exchange;
 - ✓ Review of External loans thresholds from US\$1 million to us\$7.5m without Exchange Control approval

Measures to Improve the Investment Environment

- Investment in Energy and Power: Government Commissioned power generation 2 projects
- Exchange Control Liberalization Measures
- Strengthening the Banking Sector
- Re-Engagement with the International Community
- Labour Law Reforms
- Improving the Doing Business Conditions

Why Invest in Zimbabwe?

- More opportunities for first movers
- Pro-market policies currently being implemented by Govt.
- Government pursuing an inclusive economic policy
- Commitment to continue with the multicurrency regime
- Low foreign exchange risk and inflation
- Access to COMESA and SADC Markets
 - SADC Market – Population of 257 million & GDP of US\$470 bn
 - COMESA Market – Population of 350 million & GDP of \$170 bn
- Marked decoupling of politics and economy going forward
- Strong human capital base- literacy levels above 92%³⁹