ZNCC | NEWSLETTER

ZIMBABWE NATIONAL CHAMBER OF COMMERCE
THE VOICE OF BUSINESS

AUGUST 2023

2023 MID-TERM POLICY STATEMENTS ON THE SPOTLIGHT

SKILLS FOR TRADE

ADDRESSING BUSINESS CAPABILITY GAPS FOR ENHANCED INTERNATIONAL COMPETITIVENESS

2023 Upcoming Calendar of Events

Supporting Human Skills Development and Innovation for Modernisation and Industrialisation

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Notice to Employers

The Zimbabwe Manpower Development Fund would like to remind all employers that Manpower training levy is due on the first of each month and shall be calculated based on the wage bill of the preceding month.

Employers who are remunerating their employees in foreign currency, whether in full or in part, are advised to remit the 1% training levy in the same currency.

Section 53 of the Manpower Planning & Development Act as read with Section 3 of S. I. 74 of 1999 states that employers operating in Zimbabwe are obliged to remit 1% of their monthly gross wage bill to ZIMDEF as Manpower Training Levy.

We encourage employers to quote their ZIMDEF BP numbers whenever making payments and send proof attached with declaration forms through e-mail by the 15th of each month.

BANKING DETAILS

ZIMDEF NOSTRO
BANK: CBZ (FCA)
BRANCH: KWAME NKRUMA 6101
ACC #: 20011090028

RTGS ACCOUNTS
HARARE OFFICE
BANK: CBZ
BRANCH: KWAME NKRUMA 6101
ACC #: 20011090028

BANK: ZB BANK
BRANCH: FIRST ST BRANCH
ACC #: 4158106131200

BULAWAYO OFFICE
BANK: CBZ
BRANCH: 8TH AVENUE (6302)
ACC #: 01222252490018

GWERU
BANK: CBZ
BRANCH: GWERU (6508)
ACC #: 01822338940016

MUTARE
BANK: CBZ
BRANCH: MUTARE (6508)
ACC #: 01322404110017

www.zimdef.org.zw

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2023 MID-TERM POLICY STATEMENTS ON THE SPOTLIGHT

PREAMBLE

The Zimbabwe National Chamber of Commerce (ZNCC) takes prudence knowing that the Government of Zimbabwe takes great cognizance and consideration of our policy propositions from time to time. As the Chamber, we continue to offer our advice to the Government of Zimbabwe fully representing the interests of our members. Notably, the implementation of policies after considering the recommendations from all key stakeholders has always resulted in the near-best or optimal outcomes, as we have witnessed in the past few months. Following the Reserve Bank of Zimbabwe Governor, Dr John P. Mangudya's presentation on the 2023 Mid-Term Monetary Policy Statement on 09 August 2023 and the Minister of Finance and Economic Development, Hon. Prof. Mthuli Ncube's press statement on the 2023 Mid-Term Budget and Economic Review on 11 August 2023, the Chamber takes this opportunity to analyze and review the policy documents for the benefit of our constituency. The 2023 Mid-Term Monetary Policy Statement and the Mid-Term Budget and Economic Review Statement came at a time when the country was bracing for the much-anticipated 2023 General Elections which were held on the 23rd and 24th of August and also following the recent measures to stabilize the exchange rate.

US$133 million at the wholesale auction rate recorded on 16 August 2023. The Total Budget figure for 2023 of ZWL$4.5 trillion translated to about US$6.96 billion when converted at the Willing-Buyer Willing-Seller Rate of US$1/ZWL$646.78 (as of 24 November 2022). However, due to value erosion resulting from rapid exchange rate depreciation and high inflation, the 2023 National Budget is now estimated to be around US$983 million as of 16 August 2023 using the wholesale auction exchange rate of ZWL$4577 per US$1. This then calls for a Supplementary Budget of a similar magnitude to the initial budget which was presented in November 2022. In May 2023, a raft of measures was implemented by the authorities to curtail inflation by controlling money supply growth, curtailing excessive expenditure, and eliminating arbitrage opportunities. In the long term, the aim is to revamp the local production of raw materials to cushion the economy against exogenous shocks.

The focus of the 2023 Budget is to maintain a tight monetary and fiscal policy stance to entrench macroeconomic stability that promotes private sector-led economic growth and building capacity within the public sector to effectively implement the National Development Strategy 1 (NDS1) during the second half of the Strategy period. The key result area is to achieve fiscal consolidation in which great strides have been made in the preceding Budget, and Government is urged to reduce wasteful expenditure and financial leakages.

BUDGET PERFORMANCE OVERVIEW

Total Revenue
ZWL$4.3 trillion
as of June 2023

Total Expenditures
ZWL$3.7 trillion
as of June 2023

Surplus
ZWL$608.5 billion
as of June 2023

The target for the 2023 Fiscal Year = ZWL$4.5 trillion by December

By the look of things, the budget for the year 2023 would have been exhausted by August 2023 as the Government is spending about ZWL$600 billion per month, approximately

OVERVIEW OF THE NEW MONETARY POLICY MEASURES

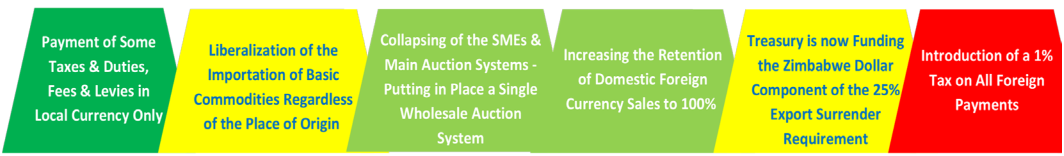
The Bank maintained a tight monetary

policy stance to sustain the price stability and resilience of the domestic economy. Monetary policy remains restrictive for stability with interest rates aligned to inflation developments in an endeavour to sustain and strengthen economic resilience. The Bank policy rate remained unchanged from the 150% currently in place, and so are statutory reserve requirements on both local and foreign currency demand and call deposits which remain at 15% and 10%, respectively.

There will be no restrictions on the use of locally sourced funds to support the production of tobacco in Zimbabwe, and the Exchange Control (Tobacco Finance) Order, Statutory Instrument 61 of 2004 shall be amended to take account of this change. This implies that Tobacco Merchants now have the leeway to raise funds locally without seeking approval first from the Reserve Bank of Zimbabwe. This is a welcome development for players in the tobacco sector and this bodes well with the recent moves by the Bank and the Government of Zimbabwe to liberalize both the goods and currency markets.

While staying the course, it is anticipated that the current stability being witnessed against the backdrop of a raft of measures that were implemented in May 2023, will be sustained in the medium to long term. According to the Bank, annual inflation is expected to end the year between 60% and 70%. The current account is expected to narrow slightly to US$274.5 million in 2023, from the US$305.0 million recorded in 2022. Overall, the are no significant changes or new monetary policy measures which is in line with the Bank's stance on staying the course towards sustaining the current macroeconomic environment.

MEASURES INTRODUCED BETWEEN MAY AND JULY 2023



These measures were largely welcome and from the Chamber's perspective, the points of focus for Zimbabwe after the election are: deepening currency stability; reversing negative perceptions (the state of peace and freedom before, during, and after the election is critical); and focusing on productivity not production in sectors such as agriculture, mining, education, and manufacturing.

OVERVIEW OF THE MACROECONOMY

Key Macroeconomic and Financial Performance Indicators for Zimbabwe

Economic Growth

Zimbabwe's economy is now expected to grow by 5.3% in 2023, up from an initial projection of 3.8%

Tobacco output reached a record high of 295 million kilograms in 2023

Half-year figures indicate that gold deliveries stood at 14.181 kg by June 2023

Inflation & Exchange Rate

Monthly inflation, which had risen to 74.5% in June 2023, declined to negative 15.3% in July 2023. Blended annual inflation, which had peaked at 175.8% in June 2023, declined to 101.3% in July 2023

The inter-bank exchange rate moved from ZW$684.33/US$1 as at the end of December 2022 to ZW$5,739.80 as at end of June 2023

Money Stock

As of June 2023, reserve money stock stood at ZW$1,064.89 billion, a 923.51% increase from the ZW$104.04 billion which was recorded in December 2022. 764.06% of this growth in reserve money was attributed to valuation changes associated with the exchange rate depreciation while the rest was attributed to the growth in foreign currency statutory reserves

Stock Market

The Victoria Falls Stock Exchange (VFEX) All Share Index declined by 30.56% to close at 76.17 points, from 109.69 points recorded in December 2022. Market capitalization rose by 202.51% to US$1.29 billion, compared to US$424.83 billion recorded in December 2022

Structure of the Banking Sector

There are 14 commercial banks, 4 Building Societies, and 1 savings bank (POSB) in Zimbabwe, as of June 2023. Notably, there are 208 credit-only microfinance institutions (MFIs), 8 deposit-taking MFIs, and 4 development financial institutions

Banking Sector Income

The growth in the banking sector income largely emanated from non-interest income, which constituted 92.51% of the total income as at 30 June 2023. Fees and Commission and Foreign Exchange contributed 13.66% and 13.35%, respectively

Loans and Advances

Aggregate banking sector loans and advances increased by 7.9 times from ZW$1.29 trillion as of 31 December 2022 to ZW$10.19 trillion as of 30 June 2023. Foreign currency-denominated loans constituted 94% of the sector's loan book

Loans to the productive sectors constituted 77.67% of total loans as at 30 June 2023

Deposits

Foreign currency deposits constituted 81.51% of the total money supply as of June 2023, while local currency deposits accounted for 18.43%. On an annual basis, broad money grew by 1,774.94% in June 2023, and of this, local currency deposits contributed about 194 percentage points to the annual increase in broad money

External Sector

The current account balance is estimated to have narrowed to a surplus of US$38.3 million in the first half of 2023, compared to a surplus of US$397.9 million for the same period in 2022

International remittances through official channels amounted to US$1,433 million as at 30 June 2023, an increase of 4% from US$1,371 million during the same period in 2022

Source: Reserve Bank of Zimbabwe (2023)

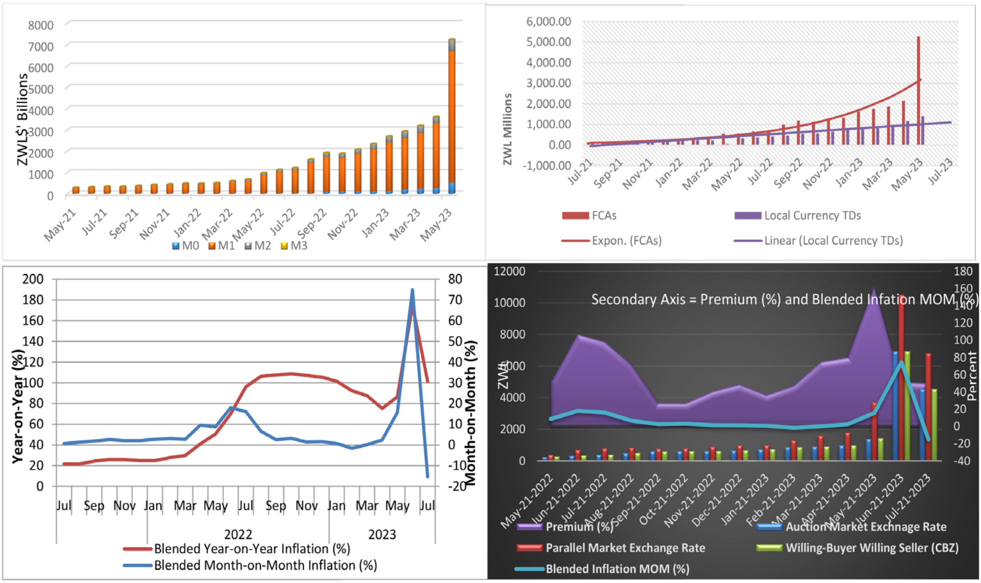
Economic Growth

According to the International Monetary Fund (World Economic Outlook, July 2023), the global recovery is slowing amid widening divergences among economic sectors and regions. Global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast is moderately higher than predicted in the April 2023 World Economic Outlook, it remains weak by historical standards. The balance of risks to global growth prospects remains tilted to the downside. Amid softening consumption of goods, heightened uncertainties regarding the future geoeconomic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Sub-Saharan Africa's growth is expected to decline to 3.5 percent in 2023 before picking up to 4.1 percent in 2024. Neighbouring South Africa's economic growth is projected to decline to 0.3 percent in 2023 resulting from power shortages.

According to the Ministry of Finance and Economic Development (August 2023), the Zimbabwean economy is now expected to grow by 5.3% in 2023, up from the initial projection of 3.8%. This comes on account of a strong performance in agriculture (9.7%), ICT (4.9%), accommodation and food services (20.5%), and improvements in the supply of power after the successful synchronization of Hwange 7 & 8. Maize output is expected to exceed 2 million tonnes in 2023, up from 1.5 million tonnes recorded in 2022. Tobacco output reached a record high of 295 kilograms in 2023.
Inflation and Exchange Rate

The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward (World Economic Outlook, July 2023). On the global landscape, inflation could remain high on account of the intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. The past exchange rate depreciation can sustain high inflation pressures in the short-to-medium term resulting from the pass-through effects.

Indeed, the high-interest rate has been instrumental in curbing speculative borrowing along with other measures as presented earlier. However, the relatively high cost of borrowing has not been enough to bring down inflation durably since there has been a piecemeal implementation of sound reforms regarding the foreign exchange market that allows for a market-determined exchange rate. In this instance, the monetary authorities have promised those reforms over and over, even in the recent monetary policy statement. The downside risk of maintaining a high ZWL interest rate, as noticed over the past 12 months, is the growing rate of lending in foreign currency and the somewhat declining use of the local currency on the market. what is necessary to ensure that the parallel market premium stays below 20% as a prerequisite for a durable inflation reduction. Congratulations to the monetary authorities for bringing down the blended month-on-month inflation rate from 74.5% in June 2023 to a negative 15.3% in July 2023. During this period, the parallel market premium sharply declined from over 100% to less than 30% as depicted in the charts below. Our anticipation is that the month-on-month inflation rate will return to levels around 4%, on average, before the third quarter of 2023, ceteris paribus. However, the weighted year-on-year inflation rate is more likely to remain elevated to figures around 94% in the base case scenario.



Source: Reserve Bank of Zimbabwe (2023)

In this regard, the priority remains to achieve sustained disinflation while ensuring financial stability. Therefore, the Central Bank should remain focused on restoring price stability and strengthening financial supervision and risk monitoring. Should market strains materialize, prompt liquidity should be provided while mitigating the possibility of moral hazard. Improvements on the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

From the monetary policy statement, the increase in aggregate banking sector loans and advances was largely attributed to an increase in foreign currency-denominated loans, which constituted about 94% of the banking sector's loan book.

In terms of inflation forecasts, as put out by the Bank, attention must be placed on

Debt

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking, reduced the immediate risks of financial sector turmoil. For Zimbabwe and according to the Ministry of Finance and Economic Development, the Total Public and Publicly Guaranteed Debt as a percent of GDP stood at 99.6 percent as of 31 December 2022. The total debt to GDP ratio of 99.6% exceeds the 70% threshold provided for in the Public Debt Management Act (Chapter 22:21) implying that the country is in debt distress. The Chamber continues to propose that no debt should ever be procured without the involvement of the Parliament of Zimbabwe in the interest of transparency, accountability, and confidence building. This also applies to the assumption of debts by the RBZ.

As the private sector, we recognize the efforts by the Government of Zimbabwe in the implementation of the Arrears Clearance and Debt Resolution Strategy. Accordingly, the efforts to clear external debt arrears as well as re-engagement with international creditors and financiers should be strengthened with a view to opening up international lines of credit. As per the 2022 ZNCC Annual State of Industry and Commerce Survey, the country is in dire need of patient but cheap capital for recapitalization across all sectors. Whilst the private sector acknowledges the various external debt-clearing strategies such as the coming on board of the African Development Bank (AfDB) in championing the dent clearance, the fruits remain to be seen as they can be realized in the medium-to-long term.

LESSONS DRAWN FROM THE RECENT ECONOMIC DEVELOPMENTS

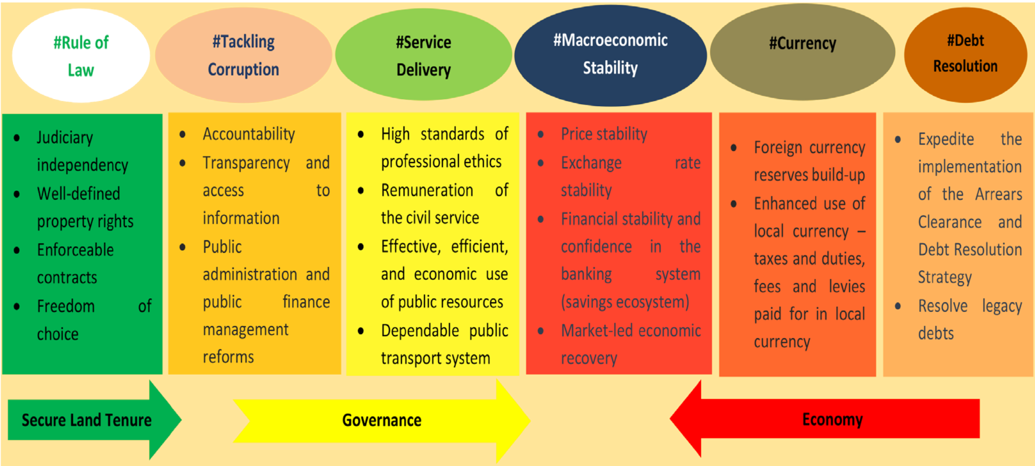
Market Forces Are the Efficient Mechanism for Allocation

The policy moves by the authorities to liberalize the foreign exchange market by allowing commercial banks to take the lead through the interbank foreign exchange market have been critical in enhancing the stability of the Zimbabwean dollar. However, the implementation of this policy move was a bit delayed, and a question of fundamental importance at the moment is whether the Zimbabwean dollar is stabilizing or losing relevance. Critically, the Zimbabwean dollar is still relevant. The mandatory payment of some taxes and duties, and all fees and levies in local currency has been instrumental in enhancing the relevance of the local unit.

Stakeholder Consultations Before Any Policy Changes

There is a need for stakeholder consultations and impact studies before any new policy measures are put into effect. Over the years, there has been a proliferation of Statutory Instruments (SIs) and these are being enacted without prior consultation with the key stakeholders in the economy resulting in a lack of buy-in. For effective implementation of the Government's policy framework, all stakeholders need to be engaged from the onset and during the process.

Towards Creating an Enabling Environment for the Private Sector to Flourish



Source: ZNCC (2023)

Compliance with the Law

Governance and service delivery guidelines are provided for in the Constitution. Procedures for public procurement and disposal of public assets are guided by the Public Procurement and Disposal of Public Assets (PPDPA) Act [Chapter 22:23] and the accumulation of public debt should remain within the threshold provided for by the Public Debt Management Act (Chapter 22:21). Lack of maximum compliance with such law provisions has seen the Government losing millions of dollars due to unsound management of public resources and taxpayers' money. The economy has also been marred by a great degree of policy inconsistencies due to failure to comply with basic legal guidelines. Unless any legislative changes are granted by the Parliament of Zimbabwe, the guidelines currently available in black and white should be followed without any prejudice. Policy consistency is key to improving the level of confidence in the economy and for certainty which is critical in investment decisions.

Prioritizing Macroeconomic Stability

The National Development Strategy I (NDS1) (2021-2025) put more emphasis on macroeconomic stability as one of its key pillars. Price and exchange rate stability are the cornerstone for facilitating a market-led economy recovery and growth. Instability is also detrimental to the ability of the Government to provide services to its citizens. For example, due to the rapid exchange rate depreciation and high inflation, the total 2023 National Budget was reduced to about US$983 million as of 16 August 2023 using the wholesale auction exchange rate of ZWL$4577 per US$1 (as of 18 August 2023).

SKILLS FOR TRADE – ADDRESSING BUSINESS CAPABILITY GAPS FOR ENHANCED INTERNATIONAL COMPETITIVENESS

A country or business organization that lacks the necessary human, institutional, and infrastructural provisions will always find it difficult to effectively and competitively participate in international trade. To add on, issues pertaining to business strategies at the firm level and trade facilitation at the national level point to the effect that Zimbabwe faces some special difficulties that hinder the country from benefitting from the multilateral trading blocs such as the African Continental Free Trade Area. Accordingly, the key components for the efficient and effective functionality of an enterprise include the people, the technologies, the operating processes and business organization, and business strategies.
A lack of a clear framework in the components mentioned will manifest itself in business capability gaps. Business capabilities are a broad range of significant initiatives

that businesses can do that contribute to their ability to achieve their objectives and effectively participate in domestic and international markets. The focus is on the capability at the level of the business, not at the level of the individual or team. Identifying capability gaps helps businesses develop benchmarks from which to grow and measure their operational performance. A capability gap helps identify the need for additional capabilities, the need to rectify existing ones, and remove the redundant ones from optimum performance in the organization.

On a sectorial level, business capabilities emanate from the capabilities of companies within that sector and additionally, what they can do better because of local suppliers, service providers, regulators, research institutions, and other complementary organizations. At the firm level, business capabilities are derived from the technologies and equipment, production and business processes, skills of the workers, work organization, infrastructure (external and internal), knowledge (explicit and implicit), intellectual property, and connections to other organizations in the sector and value chain. Taking Zimbabwe's manufacturing sector as an example, the key business capability gaps are identified in areas such as production or manufacturing efficiency; manufacturing quality, regulatory compliance, and regulatory management; sourcing inputs; domestic and international marketing, including channel management; and product development.

The share of intra-African trade is expected to increase by about 40% by 2040. Given this estimate, there are skills implications of such projections. Globally, there has been a rapid shift towards digitalization of trade and growth in trade financial markets following the advent of the coronavirus (COVID-19) pandemic which reshaped global trade and the way business is conducted. About 76% of SMEs in Zimbabwe are lagging in terms of establishing digital footprints and utilizing digital platforms. This is somewhat attributable to the skills deficit in the field of Information and Communication Technologies (ICTs). According to the 2018 Zimbabwe National Critical Skills Audit, despite a national literacy rate of above 90%, Zimbabwe has an appalling deficit of skilled professionals, particularly in the engineering, sciences, technology, and agricultural sectors. Zimbabwe is described as an agro-based economy, and in agriculture, the country has a skills deficit of 88%. The engineering and technology sector has a skills deficit of 94% while, in natural and applied sciences, there is a skills deficit of about 97%. In business and commerce, relative to the Organization for Economic Co-operation and Development (OECD) countries, Zimbabwe is overproducing, and therefore, has a skills surplus of 20%. The shortage of critical skills implies a lack of human capacity to develop and sustain internationally competitive products.

In operations, for example, the major gaps among firms are identified in quality, responsiveness in terms of delivery times and product variety, and implementation of regulatory requirements. The majority of the products that Zimbabwe exports are primary commodities signaling a gap in the product development area which is critical for the launch of new and sophisticated products. The products new to the firm, product improvement, and product innovation including technology transfer are critical for elevated trade within the African continent. Further, full compliance with regulatory requirements is critical for success in both domestic and foreign markets.

To minimize these gaps, a firm cannot do it alone. Thus, a mutually beneficial relationship between employers and providers of education and training should be fostered. More automation means more automation technicians are needed while machine operators need new skills in automated machinery. Automation also implies that fewer low-skilled workers are needed. Transition to environmental sustainability requires a greener workforce that can develop and apply green technologies, contribute to the greener production process, and provide environmentally sustainable products and services. These firm needs can be attained if the providers of education and training are made aware of the industry's needs.

Through Education 5.0, the Government of Zimbabwe is enhancing the collaboration between industry and tertiary institutions such as technical and vocational education and training (TVET) colleges to enhance the production of competent and skilled graduates that will enhance the reduction of such gaps. Councils such as the National Manpower Advisory Council (NAMACO) and the Zimbabwe Council for Higher Education (ZIMCHE) are crucial in advancing collaboration between employers and the training and education-providing institutions in the country. The Zimbabwe Manpower Development Fund (ZIMDEF) has been instrumental in funding the development of critical and highly skilled manpower in Zimbabwe.

The lack of critical skills is attributed mainly to the supply-side constraints. Such constraints include but are not limited to, funding, relevance of the curriculum and qualifications, access to training, delivery and assessment practices, governance and stakeholder coordination, national skills policy and strategy, and industry-institute linkages and support for workplace/lifelong learning. The transformation in Zimbabwe's education system currently taking place from elementary to tertiary levels is anticipated to address these constraints. The National Policy on Technical and Vocational Education and Training (TVET) which was drafted in 2022 speaks to these issues and provides a clear roadmap to follow. The matter of importance will be on the implementation of the policy.

In conclusion, some of the key business capability gaps include operations, sourcing, logistics, sales and marketing, compliance with regulatory requirements, and value chain linkages. Addressing business capability gaps as identified at the firm level will go a long way in enhancing the country's competitiveness in the international market.

PROVIDING LINKAGES TO CAPITAL MARKETS FOR ZIMBABWE BUSINESSES

As part of its core constitutional mandate, the Zimbabwe National Chamber of Commerce (ZNCC) seeks to promote, improve and encourage in Zimbabwe, the development of trade and commerce. In line with this mandate, the Chamber hosted a Webinar on 10 August focusing on trade finance and innovative linkages to capital markets for Zimbabwe businesses. To support the attainment of National Development Strategy 1 (NDS 1), which has now just passed the midpoint in its implementation. The Chamber is aware of its roles and is frantically working to ensure that the objectives of the blueprint are attained with flying colors.

Some of the sector outcomes in the NDS 1 where ZNCC has been cited as one of the contributing partners include: increased growth in the manufacturing sector; energy sector; provision of improved infrastructure and services, among others. And looking at the infrastructural sector as a case in point, Zimbabwe has an infrastructural development funding gap of about US$40 billion, which is about eight times the size of the national budget. This demonstrates that the national budget alone cannot adequately support accelerated infrastructural development projects that are needed in the country, and there is a need for other forms of funding to supplement budget financing. Even the NDS1 itself highlighted that some of the possible financing options underpinning the blueprint include loans, foreign direct investment, and other sources.

Given the above, the Webinar that ZNCC hosted on 10 August, therefore, sought to explore various forms of international financing for Zimbabwe businesses to provide linkages to international capital markets. To deliver this crucial Webinar, the Chamber partnered with STF Capital, Yield Group, and International Credit Rating Agency, and provided participants of the webinar an opportunity to engage with experts with key insights on trade and finance.

We are used to ISO certifications that deal with the quality of goods and services so that companies will choose you over their businesses. There is a lot of competition for capital and you can enhance your capacity to access capital through credit rating. As alluded to earlier, ZNCC exists to represent the interests of its members through lobbying, collaboration, and facilitation; it is, therefore, in line with the Chamber's mandate to pursue opportunities for collaboration with various entities if such collaboration has the potential to create business opportunities for members.

In Zimbabwe, access to finance is sometimes a challenge, especially at the international level. However, regardless of such challenges, there are opportunities available for Zimbabwean companies and this webinar was held to avail such opportunities to more local companies. One of the major constraints to accessing different forms of financing at the international level is the lack of international credit rating for local companies and in presenting these international financing opportunities, viable solutions were recommended in the webinar. The webinar was held under the theme: Linkages to capital markets for local businesses.

Therefore, the objectives of the webinar were to provide local businesses with linkages to international capital markets, to assist local businesses to overcome the challenge of accessing international finance, and to avail platforms for direct engagement with experts in international capital markets. Participants were also made aware of the tools available to meet common ground and mitigate risks that are inherent to cross-border trade. Otherwise without such tools, when it comes to international trade, a sale remains as a gift until payment is received, and any payment is akin to a donation until goods are received. Some of those instruments include letters of credit as well as bank guarantees. The issuance procedure for Yield Finance, for instance, begins with a transaction review where, after acquiring all the pertinent documents and information, they will select the issuing bank or financial institution and provide the draft for the client's review. And upon receiving the draft of the instrument, they allow the client to thoroughly review it with all concerned parties. Once the draft is approved, they then receive a copy of the draft with signature and approval stamp; and then raise the invoice for the agreed charges and the client will make the payment against the invoice. After that stage, the issuer and correspondents will then send and relay the instrument after the documentation is completed, and onboarding of documents from the issuer will also be provided. Lastly, simultaneously, they will send the issued copy for reference and record.

The other important aspect is that of international credit rating to attract international capital. It was highlighted that ratings can significantly influence corporate institutions to achieve better market standing. Getting rated can also give businesses chances to get projects, access markets, validate a company's creditworthiness, enhance transparency, and is also useful for banks to make lending decisions.

There are also instances when companies might be disadvantaged by blanket country ratings or sectoral ratings, and in such instances, getting your business to be rated can then mitigate risks of other blanket ratings so that your business is not put in one basket. By simple definition, a credit rating is an independent assessment of a corporate entity's creditworthiness in general terms. Through a credit analysis, a determination can be made about a potential borrower's creditworthiness; by looking at the company's capacity and likelihood of repaying principal and interest commitments, and this can be done for different transactions such as a bank loan, investment financing decision, credit facility, project analysis among other avenues. With such a credit report, rating firms such as International Credit Rating Agency can help clients to get access to funding opportunities by giving recommendations and endorsing them directly with their funding partners. They can also help clients to get access to factoring opportunities by giving recommendations and endorsing them directly with their factoring partners.

Going forward, the Chamber will continue to promote innovative ways to secure funding for key projects for the private sector, which is the engine of economic growth. There is an urgent need to foster export-led growth, by ensuring that the country's exports grow dynamically and are diversified. For that to become a reality, there is a need for adequate funding for recapitalization to ensure that local companies become competitive.

The country's current international trade profile calls for more action to ensure that it becomes sustainable. Zimbabwe's exports during the first half of 2023 increased to US$3,23 billion compared to the US$3,18 billion recorded during the same period in the prior year. The decline in the prices of mineral commodities on the international markets contributed to the slow performance of exports during the first half of the year, considering how mineral commodities constitute the majority of Zimbabwe's total exports. This goes to show how Zimbabwe needs to diversify into other products to cushion it from external shocks, and the need for investment comes into play.

On the other hand, imports for the first six months of the year 2023 rose to US$4,29 billion compared to the US$4,07 billion realized during the same period last year. The growth of imports was also encouraged by the removal of import controls on basic commodities, through Statutory Instrument 80 of 2023, a measure which was imposed in May 2023 by authorities for a period of six months. The country's trade deficit for the first half of the year 2023 widened by 19% to US$1 058 467 753, compared to US$888 669 095 which was recorded in the first half of 2022. It is therefore apparent that Zimbabwe needs to accelerate the growth of its exports to realize trade surpluses. This can be achieved if local businesses are given access to capital markets to raise concessionary funding.

ZNCC SEEKS TO CAPACITATE BUSINESSES AS PART OF ITS BUSINESS DEVELOPMENT MANDATE

The Zimbabwe National Chamber of Commerce (ZNCC), destined to witness accelerated business development in Zimbabwe, is scheduled to undertake a two-day training workshop for women entrepreneurs and a two-day workshop on the African Continental Free Trade Area in various locations in Zimbabwe. The two-day workshops, scheduled for the month of September and October 2023, will be conducted in partnership with the United Nations Development Programme (UNDP) Zimbabwe and will cover various topics of interest for women entrepreneurs and export-ready businesses.

The ZNCC Training School was established in December 2020 with the aim to empower the Zimbabwean business community through capacity-building and skills enhancement initiatives and business linkages. This followed the realization that most emerging entrepreneurs and the workforce lack basic skills in scaling up their businesses beyond SME status. Such realities necessitated this welcome development and the Chamber, in partnership with developmental organizations such as UNDP Zimbabwe, will continue to undertake capacity-building initiatives for business development in Zimbabwe. The Training School provides wide-ranging and highly practical training and development solutions geared to meet the demands and needs of the business community through strategic partnerships with various organizations. The services are accessible to individuals, local companies, and international organizations. To add on, the Chamber has a Women's Desk which focuses on women's empowerment through initiatives such as the "Buy Women" Campaign, Women-Owned Brand, and Mentorship. The objectives of the ZNCC Training School are: to build and strengthen the skills of business personnel in various sectors of the economy; to proffer solutions and provide knowledge about special considerations related to business systems; to nurture business ideas and start-up companies; to offer training in line with Industry 4.0; and to capacitate the business community to be able to compete at the

WOMENS DESK: Women in Enterprise Conference and Awards (WECA) 2023

CALL FOR NOMINATIONS

The **Zimbabwe National Chamber of Commerce (ZNCC)** recognizes the important role Women play in the development of society. In this regard the ZNCC Women's Desk is inviting nominations for the **10th Edition of the Annual WECA Awards** for outstanding Women in Business. These awards are to recognize and celebrate Zimbabwean women contribution and achievements in various sectors of the economy.

CATEGORIES

The categories being considered for the Awards are as follows:

1. Agriculture
2. Manufacturing
3. Construction
4. Education & Training
5. Banking & Finance
6. Tourism
7. Micro Entrepreneur Award
8. Arts, Sports, and Culture
9. Services
10. Woman Exporter
11. Health
12. Information Communication Technology (ICT)
13. Special Recognition

ELIGIBLE NOMINEES:

Nominees must be women entrepreneurs who own a formally registered business

NOMINATION SUBMISSION:

Nominations consist of a completed form to be obtained from the ZNCC Offices (details supplied below)

DEADLINE:

Completed nominations must be submitted by Tuesday 31 August 2023

PRESENTATION:

Award winners will be honored at WECA 2023 Gala Dinner to be held on Friday 29 September 2023 at Meikles Hotel in Harare

CONTACTS

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international level when it comes to trade in both goods and services.

Women have traditionally been viewed as being a vulnerable and marginalized group in society. They have also been described as the weaker sex and sometimes as victims of circumstances. High unemployment levels and poor economic performance has made the situation of women in Zimbabwe more difficult. On the other hand, improved literacy rates, and globalization, among other things, have buoyed some entrepreneurial-inclined women to venture into formal business but society has not always given them the support or recognition they require to achieve their dreams.

This Training program invites emerging women entrepreneurs to attend interactive physical two-day sessions designed to foster business and professional growth. Emerging businesswomen and already established will build their unique entrepreneurial skills through interactive exercises and powerful group discussions. They will gain the skills they need to communicate, negotiate, and lead with confidence. The content which seeks to reduce business capability gaps will be delivered in conjunction with tertiary institutions in the selected areas. The Training for Women Entrepreneurs will be conducted in four places across three provinces in Zimbabwe (Mashonaland West, Masvingo, and Matabeleland North) in the month of September 2023. The dates and venues for the Training are as follows: Chinhoyi (CUT Hotel, 7 & 8 September); Masvingo (Urban Lifestyle, 13 & 13 September); Chiredzi (Clever's Hotel, 14 & 15 September); and Victoria Falls (20 & 21 September). The Training will be capped off by the 10th Women in Enterprise Conference and Awards scheduled for 29 September 2023. Women entrepreneurs in these areas are strongly urged to register with the Zimbabwe National Chamber of Commerce as limited seats are available. The Training is free of charge.

The workshop on AfCFTA is targeting export-ready businesses. Zimbabwe is currently working towards the launch of the National AfCFTA Implementation Strategy before year-end. For industry to be able to take full advantage of the trade pact there is a need to continuously build adequate capacity across all value chains. During the ZNCC 2023 Pre-National Budget Consultations, there was a realization that the Rules of Origin are still a challenge for most exporters and importers to understand and adhere to. The majority of businesspeople are unaware of the AfCFTA and how they can benefit from the opportunities presented within the free trade area. ZNCC has identified a knowledge gap among Zimbabwean businesses regarding the implications of the AfCFTA to their operations.

The AfCFTA Workshop is targeting export-ready businesses in Bulawayo, Gweru, and Mutare. The workshops are scheduled as follows: Mutare (4 & 5 September); Bulawayo (3 & 4 October); and Gweru (5 & 6 October). The actual venues will be provided in due course, and a regular check or following of the ZNCC social media pages is greatly encouraged. The AfCFTA Workshop seeks to promote a better understanding of the provisions, opportunities, and challenges of the AfCFTA in the Zimbabwean context; enhance information dissemination on the progress made in the operationalization and implementation of the AfCFTA in Zimbabwe and the continent at large; educate the business community on the benefits that accrue from actively participating in the AfCFTA; and get feedback from the business community on the issues and challenges they face from participating in the continental free trade area. Interested participants in the mentioned cities are strongly urged to register in advance with the Chamber as limited seats are available.

In conclusion, the ZNCC Women's Desk seeks to advance the growth of women-owned enterprises, and overall, the Zimbabwean private sector wants to see Zimbabwe's success in intra-continental trade. Such Workshops are critical for additional technical support for businesses to strategize and refocus for enhanced competitiveness and market intelligence.

STAKEHOLDER ENGAGEMENTS


The Chamber paid a courtesy visit to the UN Zimbabwe offices to meet up with the UN Resident and Humanitarian Coordinator, H. E. Mr Edward Kallon, on 17 August 2023. The CEO, Mr C. T. Mugaga, was accompanied by Mr Jephias Makiwa (Economist) and Mr Clemence Machadu (Membership and Member Benefits Officer).

The CEO, Mr C. T. Mugaga, paid a courtesy visit to the Zimbabwe Investment and Development Agency CEO, Mr Tafadzwa Chinamo. The two spoke on areas of collaboration between ZNCC and ZIDA. ZNCC and ZIDA will work together towards improving the investment climate in Zimbabwe.

On Thursday, 24 August 2023, the ZNCC Executives visited the newly commissioned Robert Gabriel Mugabe International Airport to appreciate the work done so far.




Supporting Human Skills Development and Innovation for Modernisation and Industrialisation

JERICHO 085008

Notice to Employers

The Zimbabwe Manpower Development Fund would like to remind all employers that Manpower training levy is due on the first of each month and shall be calculated based on the wage bill of the preceding month.

Employers who are remunerating their employees in foreign currency, whether in full or in part, are advised to remit the 1% training levy in the same currency.

Section 53 of the Manpower Planning & Development Act as read with Section 3 of S. I. 74 of 1999 states that employers operating in Zimbabwe are obliged to remit 1% of their monthly gross wage bill to ZIMDEF as Manpower Training Levy.

We encourage employers to quote their ZIMDEF BP numbers whenever making payments and send proof attached with declaration forms through e-mail by the 15th of each month.

BANKING DETAILS

ZIMDEF NOSTRO
BANK: CBZ (FCA)
BRANCH: KWAME NKRUMA 6101
ACC #: 20011090028

RTGS ACCOUNTS

HARARE OFFICE
BANK: CBZ
BRANCH: KWAME NKRUMA 6101
ACC #: 20011090028

BANK: ZB BANK
BRANCH: FIRST ST BRANCH
ACC #: 4158106131200

BULAWAYO OFFICE
BANK: CBZ
BRANCH: 8TH AVENUE (6302)
ACC #: 01222252490018

GWERU
BANK: CBZ
BRANCH: GWERU (6508)
ACC #: 01822338940016

MUTARE
BANK: CBZ
BRANCH: MUTARE (6508)
ACC #: 01322404110017

www.zimdef.org.zw

For registration, contact us on admin@zncc.co.zw or info@zncc.co.zw

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