



# Bolstering Resilience and Innovativeness for Sustainable Growth

**Annual Report**  
2021-2022

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## Mission Statement

The Chamber aims to be a leader in business development in the national economy and a channel of communication between the business community across all the 21 sectors and the various authorities in Zimbabwe.

This is premised on integrity, professionalism, honesty, accountability, fairness, and full compliance with the law.

Thus, ZNCC aims to be the leader in business development in the national economy and preferred channel of communication between business and the various authorities through; evidence-based policy advocacy and lobbying, capacity building of businesses through the ZNCC Training School, value chains devel-

opment, and financial resources mobilisation. The Chamber is spearheading strategic cooperation with other Business Member Organizations with mutual interests, locally and internationally.

ZNCC is on a mission to promote and empower women and youth-owned enterprises through initiatives that are being implemented in conjunction with development partners. The Chamber acknowledges and appreciates all the partners who have been part of this journey; all the progress that has been made so far resonates a collective effort by everyone who has been supporting the cause.

# Bolstering Resilience and Innovativeness for Sustainable Growth





## President's Remarks

**Dr Tinashe Manzungu**  
ZNCC President



From my days as a Chamber member to being the President, I have worked with quite a number of amazing individuals who are passionate about business development and the national economy as a whole. My two terms at the Chamber Presidium were full of excitement and as a unit, we accomplished significant milestones in pursuing the Chamber's mission despite the presence of a headwinds emanating from the onset of the COVID-19 pandemic in Zimbabwe in March 2020, and the geopolitical situation in the context of the Russia-Ukraine conflict in early 2022. These unfolding events have reversed the progress being made in the national economy but I commend the resilient nature of the Zimbabwean business community who have stood the test of time. The previous year has been difficult for business due to recurrent national lockdowns which resulted in episodes of suspension of non-essential business operations and reduced business operating hours.

The year 2022 began on a positive note with the Chamber running under the theme: **"Bolstering Resilience and Innovativeness for Sustainable Growth"**. The theme resonates well with the resilient nature of our Zimbabwean businesses which needs to be bolstered and combined with innovativeness to weather the headwinds and ensure sustainable growth. The African Continental Free Trade Area (AfCFTA) has taken off, international competition is beckoning and yet the country's doing business environment is still not conducive enough. Inflationary pressures, power and foreign exchange challenges are among the perennial challenges for the smooth running of business operations. Election headwinds are filtering into business activities as the country prepares for the 2023 general elections and businesses' concerns are being side-lined as the policymakers pursue pro-poor policies to gain election mileage. The "political business cycle" is not in industry's favour and commerce during the next one-and-half years. In this regard,

the theme is well-placed for the Chamber, its membership, and the business community at large to devise ways to bolster resilience and innovativeness to weather the storms.

The Chamber continues to engage with policymakers as the year has seen increased Government Officials' participation at our Calendar of Events at both national and regional levels. Through the continued interaction at the Annual Congress, Regional Awards, Breakfast Meetings and Webinars, a platform has been created for both Government and the private sector to air out their concerns and reach a common understanding. However, the Government has shown time and again that there is lack of zeal to efficiently and effectively implement of the resolutions as agreed upon by stakeholders and we continue to urge the policymakers to take dialogue seriously and speedily attend to the concerns. I also continue to call for my fellow industrialists to practice restraint and good corporate citizenship. We commend the Reserve Bank of Zimbabwe for the open door policy and recognizing our institution as a key stakeholder in national policymaking and the Ministry of Industry and Commerce for working hand-in-hand with the Chamber. We will keep knocking on your doors to spearhead business development in Zimbabwe.

The Chamber has established strategic partnerships with international business representatives, among them, the Private Sector Federation of Rwanda, Chamber of Commerce and Industry of Angola, and the Umuahia Chamber of Commerce, Industry, Mines and Agriculture. I strongly urge the local business community to utilize such avenues

to reach regional markets and the Chamber is available to provide market information on these countries. We applaud our development partners including the United Nations Development Programme (UNDP) Zimbabwe, Friedrich Naumann Foundation for Freedom (FNF), International Trade Centre (ITC), International Labour Organization (ILO), We Effect, the Netherlands Embassy, the Japanese Embassy and the local businesses including Old Mutual, ZB Bank, CBZ Bank, NMB Bank Ltd, Delta Corporation, Econet Zimbabwe and Doves Zimbabwe for standing firm with the Chamber in its quest to capacitate businesses of all sizes and across all sectors. Various initiatives such as the State of Industry and Commerce Survey and the ZNCC Training School are for the benefit of our membership and we have rode on the partnership with these friends to facilitate their functioning through enhanced collaboration.

At operational level, I recognize the great work from our beloved and dedicated Secretariat at the National Office and our five regional branches of Bulawayo, Harare, Masvingo, Matebeland, and Mutare; ***aluta continua***. Your hard work and tirelessness has seen the Chamber growing its membership in 2022 after a COVID-19 induced slump in 2020 and 2021.

**Dr Tinashe Manzungu**

ZNCC President

## CEO's Remarks

**Mr. Christopher T. Mugaga**  
Chief Executive Officer



As one navigates through posts and commentaries on social media platforms, Twitter in particular, you can actually get a picture purporting that literally nothing is happening on the economic front in Zimbabwe. But let me tell you that the local economy is forging ahead with production as indicated by market surveys showing that at least 75% of the goods on local retail stores are locally produced and companies are being established everyday although most are within the underground economy. The services sector is amongst the top when it comes to innovativeness within the continent. The talked-about harsh operating environment has resulted in the establishment of formidable and resilient businessmen who have gone on to dominate prestigious positions and organizations in Africa and beyond. Again, we salute the local industry, our membership in

particular, who have remained afloat despite the ravaging effects of the COVID-19 pandemic and the geopolitical situation unfolding in Eastern Europe which has filtered into the local economy.

The ripple effects of the Russia-Ukraine war are hitting developing nations like Zimbabwe hard as supplies of these products are disrupted by the war. The first half of 2022 has seen year-on-year inflation going up to 131.7% in May 2021 from 96.4% in April 2022 after ending the year 2021 at around 60%. April 2022 also witnessed the month-on-month inflation rate has reached double figures in almost two years. The second half of 2022 looks gloomy as a result of a high level of uncertainty as a result of drastic policy announcements by the government and the build-up to the 2023 general elections as we navigate the torrid

policy landscape. One can actually conclude that we as a country, have been consistent at being inconsistent and it is slowly becoming a norm.

The second half of 2021 has seen quite a number of festivities from Chamber initiatives earmarked for dialogue, business to business networking, and information dissemination platforms. The period saw the Chamber releasing its latest offering; the State of Industry and Commerce Survey which is now the premier product for the benefit of our membership and the policymakers.

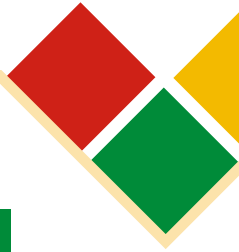
However, the business community has been up in arms with various Government departments such as Zimbabwe Revenue Authority (ZIMRA), the Reserve Bank of Zimbabwe (RBZ), and the Ministry of Industry and Commerce. We, as business leaders, strongly urge all businesses to adhere to strong corporate governance principles and practice good corporate citizenship. As we always emphasize as we engage our policymakers, we need to practice restraint as key stakeholders for the benefit of the society as a whole.

The Chamber continues to be the ***Voice of Business*** in Zimbabwe and regionally as we are now tapping into transboundary membership through our International Desk, delivering on its mandate of advocacy and lobbying for a conducive business operating environment and business friendly policies. The ratification of the African Continental Free Trade Area (AfCFTA) calls for strong cooperation among business member organizations in the region and as the Chamber, we have developed areas of strategic cooperation with the Chamber of Industry and Commerce of Angola, the Zambia Chamber of Commerce and Industry, the Algeria Chamber of Commerce and Industry, the Umuahia Chamber of Commerce, Industry, Mining, and Agriculture of Nigeria and the Rwanda Private Sector Federation.

**Mr. Christopher T. Mugaga**

Chief Executive Officer





# National Executive Council

## PRESIDIUM



**Dr. Tinashe Manzungu**  
President



**Mr. Mike Kamungeremu**  
Deputy President



**Mr. Tamuka Macheke**  
Immediate Past President



**Mr. Christopher T. Mugaga**  
Chief Executive Officer



**Mrs. Josephine Takundwa**  
Vice President - Mashonaland



**Mr. Louis Herbst**  
Vice President - Matabeleland



**Mr. Itai Zaba**  
Vice President - Midlands



**Mr. Charlton Chimpira**  
Vice President - Manicaland



## BRANCH CHAIRPERSONS



**Mr. Tapiwa D. Karoro**  
Harare



**Mr. MacKenzie Dongo**  
Bulawayo



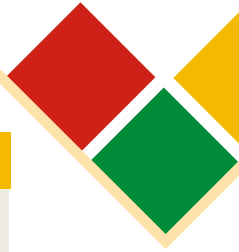
**Mr. Andrew Chekani**  
Masvingo



**Dr. Zachary Tambudzai**  
Gweru



**Mr. A Masamba**  
Victoria Falls



## SUBCOMMITTEE CHAIRPERSONS



**Dr. Zachary Tambudzai**  
Training School



**Mrs. Lucy Marowa**  
Women's Desk



**Mr. Peter Kadzere**  
Trade



**Mr. Itai Zaba**  
Advocacy and SMEs



**Mrs. Sara Moyo**  
Alternative Dispute Resolution



**Mr. Herbert Mazonde**  
Macroeconomics



**Mr. Mike Kamungeremu**  
Finance and Governance



**Dr. Eldrette Shereni**  
Public Relations and Marketing



**Mrs. Emmah Mungoni**  
Audit





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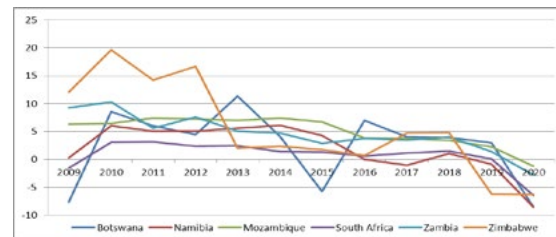
# Economic Overview

## Economic Growth

The world economy is struggling under the influence of strong forces such as the COVID-19 pandemic and the Russia-Ukraine conflict. The Russia-Ukraine conflict unfolded while the world economy was on a mending path but had not yet fully recovered from the pandemic. The IMF World Economic Outlook Report (April 2022) estimates global growth to recede to 3.6 percent in 2022 and 2023 from an estimated growth of 6.1 percent in 2021 assuming that the conflict remains confined to Ukraine. High levels of uncertainty engulfs the world, decision-makers in particular, and downside risks dominate as a result of increased probability of wider political and social tensions coupled with higher food and energy prices. Sub-Saharan Africa is expected to grow by 3.8 percent in 2022 and by 4 percent in 2023 (IMF, 2022). The rising oil prices have increased the growth prospects for the region's oil exporters such as Nigeria whereas, the social and political turmoil in West Africa is dragging down the region's prospects.

In Southern Africa, the Zimbabwean economy has been one of the fastest-growing economies although the country is performing poorly when it comes to poverty alleviation. The World Bank Data has indicated that the Zimbabwean economy grew by an annual average of 5.55% between the years 2009 and 2020 compared to that of Botswana (2.56%), Namibia (1.92%), Mozambique (5.06%), South Africa (0.77%) and Zambia (4.61%). All the countries recorded negative growth rates in GDP in 2020 due to the outbreak of the COVID-19 pandemic with Botswana and Namibia being the worst hit. The negative growth in 2019 for Zimbabwe is primarily attributed to the ravaging effects of the Cyclone Idai which hit the Eastern part of the country in early 2019 and erratic rainfall supplies. The trends in annual GDP growth among the said countries are depicted in Figure 1.

**Figure 1: Annual GDP Growth Rates for Selected Countries in Southern Africa (2009-2020)**



Source: World Bank Economic Indicators (2022)

However, the growth in GDP for Zimbabwe has not culminated into reduced poverty as the poverty headcount ratio at \$1.90 a day increased from the 2011 level of 21.4% of the population to 39.5% of the population in 2019. This denotes that the income inequality gap is widening as the economy is expanding. The Government of Zimbabwe in partnership with humanitarian organizations have come to the rescue through assisting marginalized communities and giving precedence to women and youth in empowerment programmes. According to the African Development Bank's Africa Economic Outlook report (2022), about 30 million people were pushed into extreme poverty in Africa in 2021 and a further 1.8 million could be pushed into this category in 2022 as a result of the economic disruptions due to the Russia-Ukraine.

Zimbabwe's development roadmap, the National Development Strategy 1 (NDS1), implementation kickstarted in January 2021 after the Transitional Stabilization Programme (TSP) which brought some stability from October 2018 to December 2020. The TSP was premised on austerity measures which looked at fiscal consolidation and macroeconomic stabilization. The NDS1 (2021-2025) is a pathway towards attaining the upper-middle income society by 2030 and is anchored on fourteen thematic or priority areas. Of interest are; the economic growth and stability, moving the

economy up the value chains and structural transformation, devolution and decentralization, and human capital development and innovation. The Strategy prioritizes Agriculture, Mining, Tourism and Manufacturing sectors as they have high potential for increased trade and economic diversification. Table 1 indicates the sectorial contribution to GDP for the major economic sectors in Zimbabwe including those prioritized under NDS1.

**Table 1: Industry and commerce sectoral contribution to national output**

<b>Industry</b>	<b>2019</b>	<b>2020</b>
<b>Agriculture, Hunting and Fisheries and Forestry</b>	10.14	7.61
<b>Mining and Quarrying</b>	12.25	10.50
<b>Manufacturing</b>	15.74	18.43
<b>Electricity, Gas, Steam and Air Conditioning Supply</b>	3.06	3.18
<b>Water Supply; Sewerage, Waste Management and Remediation Activities</b>	0.04	0.07
<b>Construction</b>	3.60	3.65
<b>Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</b>	18.98	19.24
<b>Transportation and Storage</b>	2.91	3.18
<b>Accommodation and Food Service Activities</b>	2.81	0.86
<b>Information and Communication</b>	5.17	5.00
<b>Financial and Insurance Activities</b>	6.23	7.81
<b>Real Estate Activities</b>	0.31	0.28
<b>Professional, Scientific and Technical Activities</b>	1.12	1.13
<b>Administrative and Support Service Activities</b>	1.63	1.26
<b>Public Administration and Defence; Compulsory Social Security</b>	2.21	3.30
<b>Education</b>	3.79	3.04
<b>Human Health and Social Work Activities</b>	0.50	1.84
<b>Arts, Entertainment and Recreation</b>	0.21	0.69
<b>Other Services</b>	3.03	2.22
<b>Activities of Households as Employers Producing for own use</b>	0.06	0.05

Source: ZimStat (2021)

The first year of the implementation of the NDS1 saw the Zimbabwean economy recording a 7.4% growth in GDP in 2021 after a -6.14% and -6.25% decline in 2019 and 2020, respectively (ZimStat, 2021), due to the outbreak of the COVID-19 and the subsequent measures that were put in place to curtail its spread. However, the 2021 significant growth coupled with global factors, has brought about much feared instability in the economy spiralling continued prices increase and volatile foreign exchange situations threatening the projected growth of 5.5% in 2022 (Ministry of Finance and Economic Development, 2021). Growth was significant within the Agriculture, Mining and Manufacturing, among the priority sectors, with Tourism being negatively and significantly affected by the pandemic. The Agriculture sector was estimated to have grown by 34% in 2021 and is expected to grow by 6% in 2022 (NDS1 target) after uneven rainfall distribution and seasonal shift during the 2021/22 season. Capacity utilization within the manufacturing sector was estimated at 53% in 2021 while the sector contributed about 18.43% to GDP in 2020 whereas the mining sector contributed about 10.5% (ZNCC State of Industry and Commerce Survey, 2021; ZimStat, 2021). Table 2 presents the projected growth rates in the major economic sectors as espoused in the NDS1.

**Table 2: Sectoral growth rates and projections**

<b>GDP Growth Rates</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Agriculture, Hunting and Fishing and forestry	-17.8	4.2	34.0	6.0	5.6	6.3	5.9
Mining and quarrying	-12.4	-9.0	2.0	8.4	5.4	7.9	5.3
Manufacturing	-8.7	-3.2	7.0	6.5	6.5	6.1	7.0
Electricity, gas, steam and air conditioning supply	-19.2	-16.5	13.9	12.6	11.9	2.2	4.8
Water supply; sewerage, waste management	1.8	-4.0	8.2	10.4	3.0	3.2	1.6
Construction	-12.4	2.5	7.7	5.0	5.8	5.0	4.0
Wholesale and retail trade; repair of motor vehicles	-4.1	-4.8	5.1	5.5	6.8	7.7	6.4
Transportation and storage	-12.7	-2.2	4.9	5.5	5.9	6.6	6.2
Accommodation and food service activities	-8.6	-56.3	6.4	6.0	5.7	5.4	5.1
Information and communication	23.1	18.7	5.1	3.0	2.5	1.0	1.4
Financial and insurance activities	-8.3	2.0	4.5	5.3	6.8	6.7	6.3
Real estate activities	-3.5	-5.9	1.1	3.7	4.5	4.5	4.3
Professional, scientific and technical activities	4.5	-3.1	0.9	0.6	0.3	0.8	0.4
Administrative and support service activities	-1.1	-6.5	0.5	0.2	0.2	0.2	0.2
Public administration and defence	1.5	-1.3	2.6	2.6	2.0	2.0	2.0
Education	0.9	-9.3	5.2	7.1	4.3	3.7	4.1
Human health and social work activities	2.7	3.7	5.7	2.4	2.4	2.4	2.4
Arts, entertainment and recreation	-1.3	-10.0	1.5	1.3	0.9	7.3	5.1
Other service activities	0.1	-10.9	-3.0	1.2	1.2	1.2	1.2
Domestic Services	-0.1	-12.5	-1.9	1.0	0.6	4.5	3.8
<b>GDP at Market Prices</b>	<b>-6.1</b>	<b>-4.1</b>	<b>7.8</b>	<b>5.4</b>	<b>5.2</b>	<b>5.2</b>	<b>5.0</b>

Source: Ministry of Finance and Economic Development (2021)

Notably on the fiscal side, the Government has recorded a positive improvement by practicing restraint and maintaining fiscal discipline. In the year 2021, 95% of the budget was being funded by own revenue collections as opposed to debt, issuance of Treasury Bills and the Reserve Bank of Zimbabwe overdraft. Arguably, the country's total public debt position of US\$17.2 billion (as of September 30, 2021) indicates that financing Government expenditure through debt accumulation is unsustainable. In this regard, the total debt to GDP ratio was estimated to be at 61% which is within the 70% threshold as provided in the Public Debt Management Act (Chapter 22:21) but exceeds the SADC's 60% threshold. However, although the numbers are quite encouraging, the country is in debt distress. The 2020 Joint World Bank-IMF Debt Sustainability Analysis also came to a similar conclusion. Remarkably, budget deficits have narrowed down from as high as 40% between 2014 and 2018 to 15.2% in 2021.

The Government has upscaled investment in infrastructure where about 40% of the National Budget is being channelled towards the Emergency Road Rehabilitation Programme, dams construction and upgrading of airports and railway networks. This is against the backdrop of vote appropriations of 6.30% towards the Ministry of Transport and Infrastructure Development and 12.80% towards the Ministry of Lands, Agriculture, Water, Fisheries, Climate and Rural Development in the 2022 National Budget.

## Inflation and Exchange Rate

Global inflation is on the rise due to pandemic-related supply chain disruptions and firming energy prices. Inflationary pressures in developing countries are expected to persist on account of elevated food prices, lagged effects of higher oil prices due to supply chain disruptions as a result of the Russia-Ukraine conflict, and exchange pass-through effects. Russia is a major supplier of oil, gas, and metals, and together with Ukraine, of wheat and corn. The current and anticipated decline in the supplies of these commodities has already driven their prices up sharply. Sub-Saharan Africa is among those regions which are most affected as the food and fuel price increases are hurting lower-income households and firms globally. Inflation had already surged in quite a number of economies prior to the war as a result of firming commodity prices and supply chain disruptions due to the pandemic. In this regard, inflation is more likely to remain elevated in both advanced and emerging market economies and in countries such as the United States and the European Union, it has reached its highest level in more than 40 years.

**Figure 2: Projected Annual Inflation by Country in 2022**



Source: InflationData.com (May 2022)

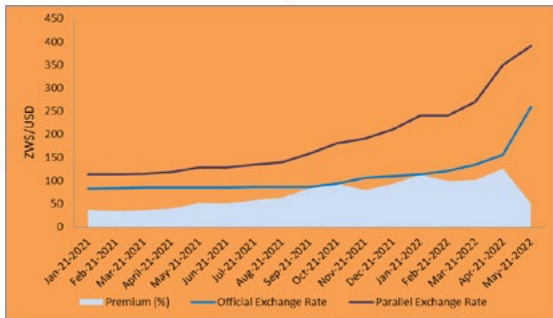
It is not just Zimbabwe which is suffering from high inflation, countries worldwide like Argentina, Sudan and Venezuela are experiencing higher than average inflation.

This is partially due to the reasons already discussed but even more the result of the actions taken by central banks in response to the pandemic. However, Zimbabwe has always been among the countries with higher that average inflationary environment for the past two and a half years even when the world had very low inflation rates. Venezuela is the country with the second-worst inflation rate after Sudan.

The Zimbabwe's exchange rate dynamics are contributing to the high rate of inflation in the country following an unprecedented growth in money supply against the backdrop of tight monetary policy stance. Narrow money (M1) grew by 105% between January 2021 and January 2022 while broad money (M3) increased by 129% over the same period. The auction market exchange rate depreciated by 67% between 21 April and 21 May 2022, denoted by the steep increase in the official rate from US\$1/ZWL155 to US\$1/ZWL258. The parallel market rate continues to runaway and the Government of Zimbabwe announced new monetary measures on 07 May 2022 to restore confidence, preserve value and restore macroeconomic stability which included the suspension of bank lending pending investigations to curb market indiscipline. However, the ban was lifted one and a half weeks later with the exclusion of those financial institutions which were under investigations following a public outcry against this measure. It was expected that the parallel market rate and the willing-buyer willing-seller rate would converge over time as a result of the measures. Notably, the parallel market premium dropped close to the May 2021 levels of 50% from the 90% region a week after the imposition of the macroeconomic stability restoring measures. Figure 2 illustrates the movement in the official and parallel market exchange rates between January 2021 and May 2022.



**Figure 3: Official vs Parallel Market Exchange Rates**



Source: RBZ (2022); steetsurveys

The extent of the gap between the official and the parallel market exchange rates remains a threat to the downward trajectory in the annual inflation rate. Additional inflationary pressures are emanating from the increase in international food and energy prices as well as imported inflation as most local transactions are based on the US dollar, even when also paying for Government services. Annual inflation was anticipated by the monetary authorities to fall within the 25% to 35% range by December 2022. Given the global and domestic factors at interplay, the set targets are more likely to be missed. The year-on-year inflation rate reached 131.7% in May 2022 from 96.4% in April 2022, indicating no sign of retreating in the short term. The trajectory in both month-on-month and year-on-year inflation rates for Zimbabwe from January 2021 to May 2022 is depicted in Figure 3.

**Figure 4: Month-on-Month and Year-on-Year Inflation for Zimbabwe (January 2021-May 2022)**

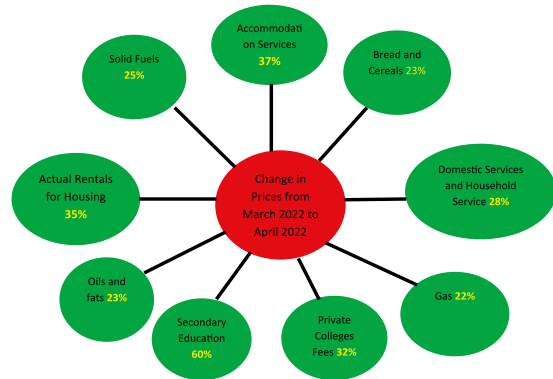


Source: ZimStat (2022)

In recent years, the Zimbabwean economy has been in currency cycles and these cycles have become vicious. The back and forth has eroded the economic agents' savings, pension schemes, medical aid schemes and insurance covers. Planning for the future has become a nightmare for businesses and economic agents are surrounded by an uncertain and unpredictable future. These issues are fundamental for business growth.

The inflation rate for Zimbabwe was 72.7% in March 2022. However, this aggregation hides so many dynamics as a disaggregated view of the inflation rate shows that changes in the consumer price indexes were on the high side. Businesses are engaged in catch-up pricing that is most marked in services – internet charges, bank charges, security charges, licences and statutory obligations. There has been marked increases in school fees, actual rentals for housing and secondary education between March and April 2022 in Zimbabwe are shown in Figure 5.

**Figure 5: Changes in Prices between March and April 2022 in Zimbabwe**



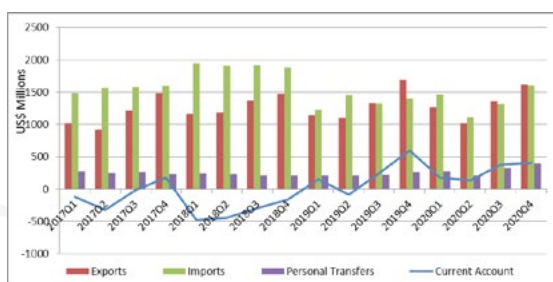
Source: ZimStat (2022)

The changes in these prices are directly linked to the exchange rate as the purchasing power of the local currency relative to foreign currencies such as the Rand and the Kwacha continues to deteriorate.

## External Sector Performance

After a period of persistent negative current account deficit from 2009 to 2018, the Zimbabwe's external sector has continued to exhibit strong performance from 2019 to the first quarter of 2022. Diaspora remittances and other transfers constituting secondary income are driving the current account balance. According to the Reserve Bank of Zimbabwe (2022), Zimbabwe's diaspora community remitted an amount to the tune of US\$1.43 billion in 2021, a 43% increase from US\$1.002 billion received in 2020. The country's export receipts have continued to grow driven by mineral and agricultural exports, while manufactured exports remained subdued. Firming international commodity prices including gold, platinum group of metals and nickel have strengthened the mining sector's performance in exports which have underpinned merchandise export growth for Zimbabwe. However, despite a strong external sector position, the country is still a net importer of both goods and services as shown by the dominance of imports over exports in Figure 6.

**Figure 6: External Sector Developments (US\$ millions)**



Source: Reserve Bank of Zimbabwe (2022)

According to ZimStat (2021), Zimbabwe's main export drivers in 2021 were semi-manufactured gold (42%), nickel mattes including platinum group of metals (18.3%), nickel ores and concentrates (13.4%), tobacco (9.8%), ferro-chromium (3.3%), platinum unwrought or in powder form (3%), and

skins and hides (1.7%). Major minerals such as nickel concentrates and nickel mattes are being exported in a semi-processed form, while nickel ores (including platinum group of metals) are being exported in raw form.

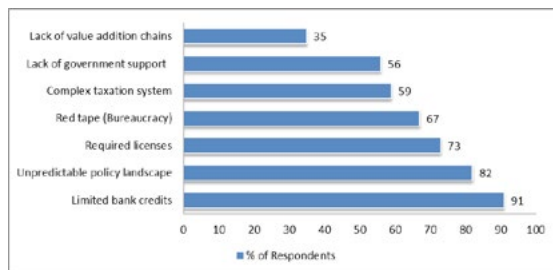
Zimbabwe's major imports in 2021 were mineral fuels and mineral oil products which stood at 21.5% in December 2021. Machinery and equipment, vehicles, pharmaceuticals, fertilizer, plastics, animal and vegetable fats and oils, and cereals are part of the country's import basket. The foreign exchange auction system has prioritized the importation of raw materials, machinery and equipment, and pharmaceuticals which compose the majority of Zimbabwe's import basket. South Africa remains Zimbabwe's largest trading partner although in the month of December 2021, the exports to the United Arab Emirates constituted 42.2% while exports to South Africa constituted 38.1%. Uganda and Mozambique are notable in the queue for Zimbabwean products.

## Challenges Facing Businesses

ZNCC undertook a state of industry and commerce survey between July and August 2021 and this survey brought into light a number of comprehensive challenges facing businesses in Zimbabwe. Respondents were asked to indicate the challenges weighing on the ease of doing business in the country. According to the survey results, the major challenges relate to limited availability of credit (91%), unpredictable policy landscape (82%), multiple licence requirements (73%) and red tape in public offices (67%), among others (Fig. 7). Relating to credit availability, Zimbabwe lacks patient capital which is critical for the much-needed recapitalization and retooling. International lines of credit remain elusive given the country's high sovereign risk. Moreover, the past three and a half years have seen the promulgation of a plethora of statutory instruments (SIs) which have had unintended destabilizing effects on businesses. These are introduced

with neither consultation with the business community nor impact analysis. Despite the establishment of the Zimbabwe Investment Development Agency (ZIDA), red tape and multiple licences remain major inhibitors to doing business in Zimbabwe. According to the Survey, more reforms are still needed in the licencing regime and efficiency in public service delivery. However, it is commendable that beginning second quarter of 2022, it takes at most 14 days to register an investment.

**Figure 7: Challenges Weighing on the Ease of Doing Business**



Source: ZNCC Survey (July – August 2021)

### Climate Change

Why should we talk about climate change as business people? Well, climate change presents the biggest threat facing mankind today and Zimbabwe is susceptible to an array of changes in temperature and precipitation with extreme events such as droughts, heatwaves, heavy rains accompanied by flash floods, strong winds and hailstorms becoming common. The last decade has shown a trend towards reduced rainfall or heavy rainfall and drought occurring back to back in the same season. Given Zimbabwe’s reliance on rain-fed agriculture and livestock, climate change has serious implications on food security, industrialization and livelihoods as well as other aspects of human development and sustainable growth. The manufacturing sector in Zimbabwe is dominated by agro-processing industries and these industries rely on the primary agriculture sector. However, the effects of such threats are being minimized

as the government, through the Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement, has moved to invest heavily in irrigation in recent years. Zimbabwe was ranked 9 among 16 countries with the “extreme risk” rating as per the Climate Change Vulnerability Index in 2019. Thus, there is a need to build resilience in all sectors in response to the reality that climate is really changing.

Drought also has impact on water availability for domestic and industrial use and power generation affecting cities and non-agricultural sectors (United Nations Development Programme, 2016b). The Lake Kariba is home to the Kariba Hydro-electricity plant which is the major supplier of electricity to the national grid at the moment, supplying 900 megawatts of electricity per day. The Kariba Hydro-electricity plant is a major source of clean energy for Zambia and Zimbabwe and with recent global calls to reduce emissions, the two countries are in a good position to capitalize on hydro-electricity and solar energy to address perennial power challenges. The construction of the Batoka Hydroelectricity Plant is one such step towards that as well as the establishment of public-private partnerships in harnessing solar energy and achieving the Sustainable Development Goal No. 7 on affordable and clean energy. As population and the economy grows as envisioned in NDS1, electricity demand is expected to rise significantly to above 2,000 megawatts per day in Zimbabwe from around 1,400 megawatts (MW). Thus, the Government through the NDS1 aims to increase the internal capacity of electricity generation to 3,647 MW by 2025 from the 2020 base of 2,317 MW.

It is commendable to note that the Chamber has been the number one promoter for good corporate citizenship. Good corporate citizenship entails strong adherence to rules and regulations that govern the conduct and operations of any corporate in our dear nation; be it in mining, agriculture,

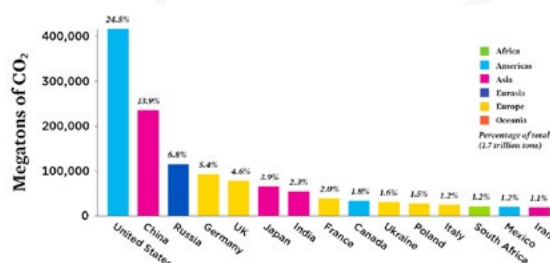


manufacturing and wholesale and retail trade, among others. In this case, we are talking about strong adherence to environmental regulations and standards to minimize the damage to the environment and the impact of climate change. The principle is to think global and act local. One of the 17 United Nations (UN) Sustainable Development Goals (SDGs) (No. 12) is on responsible consumption and production. As industry, we have to take responsibility in entire production processes to prevent unintended consequences to our environment. It is indeed commendable to note that a significant number of local organizations have embraced the SDGs in their core business operations. ZNCC has also recently introduced the SDGs award which honours the corporates that are at the forefront in incorporating SDGs in their production processes. The ZNCC Training School has also been instrumental in raising awareness on SDGs in partnership with institutions like UNDP Zimbabwe and tertiary institutions.

It is quite commendable that the global community resolved at the United Nations Climate Change Conference (COP26) in Glasgow to lower carbon emissions and secure global net zero by mid-century and keep 1.5 degrees within reach. To deliver on these stretching targets, countries will need to; accelerate the phase-out of coal, curtail deforestation, speed up the switch to electric vehicles, and encourage investment in renewables. The Zimbabwe’s development strategy emphasizes on investment in renewable energy taking cognisance of climate change issues. According to Worldometer,

Zimbabwe is contributing 0.03% to world’s carbon emissions while countries like South Africa and Egypt are contributing about 1.09% and 0.61%, respectively. The developed countries like China and the United States of America are among the top two countries with the highest carbon emissions taking the share of 29.18% and 14.02% to global emissions in that order. The country’s share of carbon emissions are depicted in Figure 8, depicting the top emitting countries.

**Figure 8: Carbon Dioxide Emissions by Country (from Fossil Fuels and Cement; 1970-2020)**



Source: Atlas of Energy (2022)

Developed countries and major emerging economies lead in carbon dioxide emissions. However, some developing countries, through industrialization as they grow, are leading in the growth rate of carbon emissions. These uneven contributions to the climate crisis are at the core of challenges the global community faces today in finding effective and equitable solutions to global warming. In this regard, despite the uneven play field, everyone at every level of society needs to start acting now for sustainable growth and protection of the environment.



# President's Report

This section presents well-detailed reports of the Chamber's activities that were undertaken at national level. These initiatives have culminated into a strong Chamber position both locally and regionally.

## 2022 ZNCC Annual Congress Highlights

The Chamber held its 2021 Annual Congress from the 13<sup>th</sup> to the 15<sup>th</sup> of October 2021 at the Elephant Hills Hotel, Victoria. The congress, running the theme 'Managing Disruptive Change' saw senior government officials, captains of industry, members of the diplomatic corps, civil society, international development institutions, academia and the media converge in the resort town to deliberate on issues pertaining to the development of Zimbabwe against the background of the Covid-19 pandemic.

### Opening Ceremony

**Director of Ceremonies:** Mr. Herbert Mazonde

The Director of Ceremonies acknowledged the presence of dignitaries who comprised:



- Hon. Adv. Jacob Francis N. Mudenda, Speaker of the National Assembly

- Hon. Richard Moyo, Minister of State for Provincial

Affairs and Devolution – Matabeleland North Province

- Hon. John Chamunorwa Mangwi, Deputy Minister of Health and Child Care
- Hon. Justice Loice Matanda-Moyo, Zimbabwe Anticorruption Commission (ZACC) Chairperson
- Dr. Kupukile Mlambo, Reserve Bank of Zimbabwe Deputy Governor

All delegates were welcomed to the 2021 Annual Congress and the proceedings began.

**Welcome Remarks:** Hon. R. Moyo, Minister of State for Provincial Affairs and Devolution.



Hon. Richard Moyo, in his welcome remarks, welcomed delegates to the Matabeleland North Province and hoped for fruitful deliberations to enhance a friendly business environment that propels sustained economic transformation of Zimbabwe. He highlighted that the COVID-19 pandemic has brought about

disruptive change and it is no longer business as usual. Institutions which fail to adapt are doomed, while those which take advantage of the rising opportunities will see tremendous growth. The Minister underscored that the Government recognizes the importance of the private sector as the engine of economic growth and development. The new industrialization policy running from 2019 to 2023 is a clear plan to foster a private sector-led industrialization and economic growth agenda in line with the National Development Strategy 1 (2021-2025).

**Congress Welcome Remarks:** Dr. Tinashe Manzungu – ZNCC President



Welcoming guests to the event, Dr. Manzungu highlighted that the ZNCC was impressed by the resilience of the Zimbabwean business community. He reported that the Chamber was

undertaking various initiatives that were earmarked to capacitate the business commu-

nity in Zimbabwe through collaboration with development partners such as UNDP Zimbabwe and FNF. The State of Industry and Commerce Survey is one such initiative and others through the ZNCC Training School.

He underscored that the ZNCC Annual Congress is one platform that was created to bring together the government, the private sector, the diplomatic community, developmental organizations and civil society to discuss issues pertaining to the development of the Zimbabwean economy. He assured Congress delegates that the deliberations of the Congress shall feed into recommendations for policy as the business community pushes for an environment which fosters growth and wealth creation. Resolutions emanating from the discussions were to be presented as input into policy formulation for improving the business environment.

The ZNCC President also said that the exchange rate developments due to the run-away parallel market exchange rate fueled by excessive money supply growth and auction market inefficiencies threatened the gains that were registered in the economic recovery. These developments were said to have pushed up prices of goods and services thus, undermining competitiveness.

He also advised delegates that ZNCC will be launching the Inaugural State of Industry and Commerce Survey in the last quarter of the year. The flagship Survey aims to inform policymaking on industry and commerce challenges, capacity utilization across all sectors of the economy, business confidence, competitiveness, from year to year. He wished for fruitful deliberations during the course of the conference.

### Brief on 2020 Resolutions Implementation:

Mr. Christopher T. Mugaga – ZNCC CEO



The ZNCC CEO made a presentation on the implementation of the 2020 Resolutions highlighting the little progress

that was made in most of them. These included the global compensation agreement on the compensation of former commercial farmers, support to women-owned business in state procurement, capacitation of the Industrial Development Corporation (IDC), the foreign exchange auction, fighting corruption, private financing of agriculture, engagement of the Presidential Advisory Council with the private sector, distortions arising from statutory instruments (SIs), SMEs support and competitiveness.

The Chamber continues to be *The Voice of Business*, delivering on its mandate of advocacy and lobbying for a conducive business environment and business friendly policies. The CEO appreciated the continued acknowledgement and consideration of the ZNCC policy submissions by the government. He referred to the considerations and acknowledgement as a clear testimony to the mutual relations that exist between the Chamber and policymakers.

### Key Note Address: The Role of Legislature in Economic Recovery Post COVID-19:



The Speaker of Parliament, Hon. Adv. Jacob Francis N. Mudenda graced the Congress as the Special Guest of Honour. The Honourable Speaker highlighted the importance of enact-

ing laws that promote digitalization and steer the country towards a digital economy anchored on the robust elements of the Fourth Industrial Revolution.

Hon. Adv. Jacob Francis Nzwidamililo Mudenda – Speaker of the National Assembly

He implored everyone to fight the compartmentalization of the manner in which Zimbabweans tackle economic challenges. Hon. Mudenda also underscored the need for public's access to and involvement in the enactment of laws. Engagement with Parliament is very critical given that the institution has the power to repeal and modify law provisions which citizens may feel are impeding the ease of doing business. The role of Parliament as

stipulated in the Constitution is to monitor and oversee expenditure by the ministries, commissions, institutions and agencies of the state at every level. The business community was challenged to move from just identifying problems, but to be also involved in the crafting of solutions. The Speaker of Parliament pointed out that it was important to ensure continuous engagement between the Parliament of Zimbabwe and ZNCC as well as other business representatives.

The Honourable Speaker of Parliament encouraged the esteemed delegates to continue to strictly observe the WHO health protocols to contain the spread of the coronavirus. The pandemic is still with us and the Parliament of Zimbabwe came up with 35 Statutory Instruments in 2020 to curtail the spread of the virus.

### Fighting Corruption in Zimbabwe:

Hon. Justice Loice Matanda-Moyo, ZACC Chairperson



Hon. Justice Loice Matanda-Moyo, presented on the topic: “Fighting Corruption in Zimbabwe”. The Chairperson hinted that it was her first time to engage with the private sector at such a high level

and was honoured to be invited to the Congress, and highlighted that the National Prosecuting Authority should have been invited as well, since they work hand in hand in the fight against corruption. It was reported that corruption is widespread in both the public and private sectors. 5% of the global GDP is lost through corruption

ZACC had made 12 convictions on corruption cases, recovered 80 vehicles and one house as of October 2021. It is also assisting the Zimbabwe Revenue Authority (ZIMRA) to recover properties (smuggled goods) and outstanding taxes.

The Chairperson informed the delegates that ZACC’s mandate is in terms of Section 255 of the Constitution of Zimbabwe (Amendment

no. 20 Act 2013) is to investigate and expose cases of corruption in the public and private sectors; to combat corruption, theft, misappropriation, abuse of power and other improprieties; to promote honesty, financial discipline and transparency; to receive and consider complaints from the public and to take such action in regard to the complaints as it considers appropriate; and to refer matters to the National Prosecuting Authority for prosecution. She informed delegates that ZACC’s challenges in the fight against corruption included lack of financial and human resources and also lack of prosecution powers given that the NPA is overwhelmed with other case burdens. They are therefore exploring the possibility of getting prosecuting powers only for corruption cases so that there is traction in dealing with existing cases and representation in all the ten provinces.

Hon. Justice Matanda-Moyo highlighted that they are fully aware that corruption reigns in both the public and private sectors. However, they deliberately started the fight by focusing on the public sector but are definitely coming to the private sector. In her opinion, corruption was even more dominant in the private sector, giving reference to cases in the fuel sector. As such, ZACC sees collaboration with business membership organisations as the way to go in combating corruption within the private sector.

During the question and answer session, a suggestion was put forward to consider a consolidated framework for government foreign currency revenue. Mr. Samuel Rwambiwa implored ZNCC to engage the Speaker of Parliament on the implementation of the resolutions.

### B2B and B2G Networking:

The ZB Welcome Cocktail

The first day of the Congress was topped off by a ZB Holdings-sponsored Welcome Cocktail and Dinner at the prestigious Victoria Falls Hotel to the delight of all delegates. ZB Holdings was celebrating its 70th birthday and marked it with a special event at the Congress. The Welcome Cocktail presented all delegates with networking opportunities, as well as lots of prizes from the quizzes and games that focussed on ZB’s 70-year journey and its various products.





## Managing Disruptive Change in Industry Post Covid-19:

Presenter; Mr Chabuka Kawesha, President – Zambia Chamber of Commerce and Industry (ZACCI)

Panelists: H. E. Satoshi Tanaka (Japanese Ambassador to Zimbabwe), Alfred Marisa (Deputy Director- General POTRAZ) Wellington Makamure (CEO, Liquid Intelligent Solutions), Gloria Zvaravanhu (CEO, ICAZ), Agnes (NSSA), Ojijo Odhiambo (UNDP Economic Advisor)



The Zambia Chamber of Industry and Commerce (ZACCI) President, **Mr. Chabuka Kawesha**, presented on the topic:

“Managing Disruptive Change in Industry Post COVID-19”. The topic was in line with the theme of the Congress. Priority economic areas were highlighted and these included; Agriculture, Mining, Energy, Financial Services, Tourism, Technology, Health, and Education.

He emphasized that the policy framework needs reform for economic and social transformation encompassed with strategic and strong partnerships within the private sector and public-private partnerships (PPPs) as well. Land tenure security is also a major policy issue in Zambia, and on this, he advised the government has to come up with land tenure policies that enhance sustainable utilization of land resources.

The ZACCI President strongly encouraged the establishment of joint ventures between Zambian and Zimbabwean businesses especially with the advent of the Zambia-Zimbabwe joint Agro-Industrial Parks initiative being spearheaded by COMESA in conjunction with UNECA.

During the question-and-answer session, businesses were advised to operate within the policy framework and encouraged to influence government in amending the laws of the land. A concern was raised regarding businesses not paying dues to ZESA, which is adding to the woes of the power utility.

### Reviewing the RBZ Auction Market: Challenges and Recommendations:

Presenter: Dr. Kupukile Mlambo, Deputy RBZ Governor

**Panelists:** Prof. Daniel Makina (UNISA), Tinashé Murapata (CEO Leon Africa), Cecil Ndoro (Managing Director, Old Mutual), Pascal Mandeya (Independent Economist), Mike Kamungeremu (MD, Tendo Electronics & ZNCC Deputy President)



The RBZ Deputy Governor, **Dr. Kupukile Mlambo**, submitted that Zimbabwe has comfortable levels of foreign currency to support a stable exchange rate: US\$ 1.2 billion forex reserves at RBZ, US\$ 1.7 billion in domestic foreign currency accounts and an estimated US\$ 1.5 billion circulating in the informal sector. The presence of behavioural factors was said to have resulted in the economy witnessing continued volatility on the parallel market notwithstanding strong macroeconomic fundamentals.

The RBZ auction system is based on a priority list that is biased towards the productive sector. The Auction System has been in operation for more than one year and over US\$ 2 billion has been dispensed since June 2020. However, its operation has been threatened by the run-away parallel exchange rate which he said was difficult to deal with since it is divorced from fundamentals, and follows a random walk process.

The Bank will continue refining the auction system to improve its efficiency and avoiding the build-up of allotment backlogs. Also, the Bank will support commercial banks to promote financial intermediation to leverage on

the current long foreign exchange position of around US\$ 1.7 billion. A sizable proportion of the Special Drawing Rights (SDR) resources will be used as international reserves to support currency stability. Commercial Banks are encouraged to desist from facilitation of foreign currency trading through foreign currency matching but bring forex to the auction system.

The Bank assured the business community that it will continue to tighten money supply under its conservative monetary targeting framework to ensure that it is not a source of exchange rate destabilization. The RBZ Deputy Governor also put forward that the Bank intends to accelerate implementation of special attractive money market instruments including exchange rate linked instruments to improve the store of value status of the Zimbabwean dollar compared to the holding of the USD.

**ZNCC Presidential Dinner Awards:** Guest of Honour, Hon. Dr. John C. Magwiro – Deputy Minister of Health and Child Care



The Guest of Honour, **Hon. Dr. John C. Magwiro** – Deputy Minister of Health and Child Care (representing the Vice President of the Republic of Zimbabwe Hon. Dr. C. G. D. N. Chiwenga) graced the Presidential Business Awards and Dinner

proudly sponsored by Old Mutual. In his speech, the Guest of Honour applauded the resilience of the Zimbabwean business community against a background of positive growth prospects for 2021. He called on the private sector to partner the Government in building the economy 'brick-by-brick' as we rally towards Vision 2030. The Deputy Minister took the opportunity to advise delegates on the importance of observing the COVID-19 protocols and eating healthy to avoid ill-health.

The second day was capped off with a Presidential Dinner awards which was proudly sponsored by Old Mutual. ZNCC would like to congratulate the winners of this year's ZNCC National Awards; Makorokoto! Amhlope! Congratulations!





Awards presentation at the 2021 ZNCC Annual Congress Presidential Awards and Dinner Ceremony in Victoria Falls

### ZNCC Presidential Awards Winners List and Category

CATEGORY	WINNER
CUSTOMER SERVICE ORIENTED ORGANISATION	CITY OF GWERU
SUSTAINABLE DEVELOPMENT GOALS IN LINE WITH COVID 19	PLAN INTERNATIONAL
OUTSTANDING MEDIA PERSONALITY FOCUSING ON COVID 19	OLIVER KAZUNGA
LIFETIME ACHIEVEMENT	PROFESSOR HOPE SADZA
INNOVATION AWARD	UNIVERSITY OF ZIMBABWE
BEST EMERGING BUSINESS AWARD	MINEASY
BUSSINESSMAN OF THE YEAR AWARD	SAMUELLE DIMAIRHO
BUSINESSWOMAN OF THE YEAR AWARD	GEORGINA CHIRUME

# 2021 ZNCC Annual Congress Resolutions

Deliberations during the Annual Congress were summarised into the 2021 ZNCC Annual Congress resolutions which shall guide the activities of the Chamber into 2022. These are summarised below:

## 1. Engagement with Parliament

The Chamber will continuously engage with the Parliament of Zimbabwe for the repealing and modification of laws that are impeding the ease of doing business. Quarterly meetings are to be scheduled building on the existing structures - Parliamentary Portfolio Committees.

## 2. Foreign Exchange Auction

The 2021 ZNCC Annual Congress resolved that the Central Bank has to adopt the full tenets of the Dutch auction system and introduce an online bidding system to enhance transparency and efficiency.

## 3. Corruption

It was resolved that there is a need to speedily change laws and give adequate powers to ZACC. The Chamber to sign an MOU with ZACC on fighting corruption as corruption is a pandemic in Zimbabwe alongside COVID-19.

## 4. Industrial Development Corporation (IDC) Transformation

IDC should be capacitated to make it a development institution which supports industry rather than remain an investment vehicle. There is a need to come up with the appropriate laws in consultation with the National Assembly to transform the IDC.

## 5. Economic Recovery Packages

The Congress resolved that the government working with the private sector must establish a clear qualification matrix regarding the beneficiaries of the economic recovery packages and a tracking system to ensure that the disbursed public funds reach the intended targets.

## 6. Ease of Doing Business

The Chamber will petition Parliament for the repealing and modification of legislation (or Statutory Instruments) that are affecting the ease of doing business. Learning from the neighbouring Zambia, it was resolved that the government has to establish a one license covering all to improve on the ease of doing business.

## 7. Partnerships with ZACCI

The Chamber will undertake joint initiatives with the Zambia Chamber of Commerce and Industry (ZACCI).

### WECA (Women in Enterprise Conference and Awards) - 10 December 2021

The 2021 ZNCC Women in Enterprise Conference and Awards (WECA) was held on the 10th of December 2021. The Conference was graced by individuals and corporates who were either physically or virtually present. The Conference, running under the theme: **"6G Cutting Edge Women Business Leadership – Beyond the Pandemic"** saw senior government officials, captains of industry, members of the diplomatic corps, civil society, international development institutions, academia and the media converge in Harare at Golden Conifer to deliberate on issues pertaining to the empowerment of women entrepreneurs. Due to the pandemic, a total of 166 delegates thronged the event which has become a household name since inception in 2013 with the Conference recording 110 delegates and 136 banqueters at the Awards Dinner. The majority of the attendees were females, 146 and the male counterparts were only 20.

### Conference

#### Opening Ceremony

**Director of Ceremonies:** Mr Rejoice Ngwenya



The Conference constituted a rich array of distinguished guests, speakers and panel-

lists exuding high level of expertise of which some attended through the virtual platform. All delegates were welcomed to the Conference and Awards, and proceedings began.

The Director of Ceremonies acknowledged the presence of dignitaries comprised of:

**Hon. Dr. Sekai Nzenza**, Minister of Industry and Commerce who was represented by **Mrs, Constance Zhanje**, Director at Ministry of Industry and Commerce;

**Dr. Jesimen Chipika**, Deputy Governor – Reserve Bank of Zimbabwe;

**Mr. Fanwell Mutogo**, Chief Executive Officer – Bankers Association of Zimbabwe;

**Mrs. Lucy Mazingi**, Country Representative – We Effect; and

**Josephine Takundwa**, ZNCC Vice President – Mashonaland Region

### Welcome Remarks:

**Mrs. Lucy Marowa** – ZNCC Women’s Desk Chairperson



The Women’s Desk Chairperson, who passionately spearheads the ZNCC Women’s Desk, welcomed 166 esteemed delegates to the WECA and hoped for fruitful deliberations for the development of women entrepreneurs and enhancing inclusive economic transformation.

She emphasized that ZNCC – WD acts as a catalyst in seeing growth of women businesses through engaging corporates and public enterprises to consider women business enterprises to tap in to their supply chain through the Supplier Diversity Inclusion (SDI) Programme. Women were encouraged to take responsibility by supporting other women in all endeavours as women constitute a critical mass. The Chair alluded to the fact the WECA as a platform, has proved to possess serious practical applications and tools for real eco-

nomie empowerment to take place. The resolutions emanating from the Conference would be followed through for implementation.

### ZNCC President Remarks:

**Mrs. Josephine Takundwa** – ZNCC Vice President, Mashonaland Region



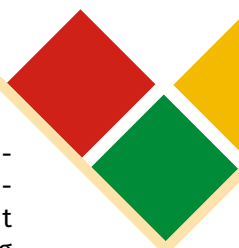
Mrs Takundwa put forward that the Zimbabwean women entrepreneurs are significantly contributing to the economic success of communities. At the same time, they were

reported to have unique and systematic hurdles to overcome when starting and growing a business, and have been severely affected by the COVID-19 pandemic.

The WECA was reported to recognize women in enterprise achievements and set new standards of support for women in enterprise ventures as ZNCC and its developmental partners attempt to engage all citizens in the economic and social development of the nation contrary to traditional ethos. Josephine described a women entrepreneur as a confident, innovative and creative woman capable of achieving economic independence individually or in a collaborative framework generating employment opportunities for others through initiatives establishing and running an enterprise by keeping pace with her personal, family and social life.

It is against this background that the Chamber hosted the WECA to recognize and motivate women entrepreneurs in 2021. Coincidentally, WECA was held on the last day of Activism Against Gender Based Violence. The Conference and Awards ceremony could not be held last year because of the COVID-19 pandemic and in 2021, amidst the pandemic, ZNCC in partnership with We Effect was proud to have succeeded as the objective is to empower women and also provide a top-level platform for them to air out their concerns to policy-makers.





## Supporting Partner's Remarks:

**Mrs. Lucy Mazingi**, We Effect Country Representative



We Effect will continue to support women entrepreneurs in Zimbabwe and the African region at large. The Country Representative reported that her organization will also continue to push for a level-playing field in

terms of access to productive resources and gender balance in access to economic opportunities. We Effect stands to build a woman with power through participation in economic, political and social community initiatives and the organization stands ready to support women in business and development powered by people who themselves live in poverty.

## Guest of Honour Remarks:

**Mrs Constance Zhanje** – Director at Ministry of Industry and Commerce

The Director contended that the Government through the Ministry of Industry and Commerce as well as the Ministry of Women Affairs, Community, Small and Medium Enterprises is ready and has already made greater strides in assisting women in business. Key priority areas under the National Development Strategy 1's Economic Growth and Stability Thematic Area are Sustained Economic Growth, Macroeconomic Stability and Inclusive Growth.

**Judith Kaulem** - Director – Poverty Reduction Forum Director of Programs

It is the Government's responsibility through the National Budget to ensure that everyone's needs including women in business are met. National Budget should create a conducive environment for Women Owned Businesses to flourish.

The Ministry within the Industrialization Agenda, aims for inclusive growth that leaves no-one behind. Preference is given to Women Owned Businesses when it comes to Government Support and women entrepreneurs should feel free to come forward with their submissions as the Government has a listening ear.

All women were urged to be astute and exemplary by upholding good corporate governance, leadership and business management styles that promote emergence of thriving and vibrant women owned businesses. The 2021 WECA theme was said to resonate well with the developments currently taking place in the new normal where digitalization adoption is fast-paced amidst the Fourth Industrial Revolution.

ZNCC was commended for hosting WECA, as outcomes of the conference would not only empower women to overcome challenges but the deliberations will inform policy formulation and implementation by the Government.

## Grassroots Perception: Her Story: An Entrepreneur's Journey of Challenges, Perseverance and Triumph:

**Chipo Chinoda and Friends**– Green EDBP



Chipo clearly articulated the challenges she faces in her day to day running of her business especially during this time of the pandemic. Her area of operation is

in the peripheries of Zimbabwe characterized by lack of access to telecommunication services, lack of proper business facilities, poor road network, and poor sanitation.

Government services such as ZIMRA tax paying agents, financial services and company registry are far from their businesses, hence one has to travel long distances to obtain such services. Thus, the cost of doing business in such areas is high and most of them are operating informally. In this regard, Government support fails to reach their businesses since they are not registered. The currency issue remains unresolved and this has affected doing business for Women Owned Businesses as access to foreign currency, which their suppliers and transporters demand, is limited.

Regardless of the challenges, Chipo's business has realized significant growth through perseverance and standing true to her purpose. Through the support from ZNCC Women's Desk and We Effect, prospects are on the positive side and she will work to uplift other women who aspire to start their own busi-

nesses.

For one to succeed in business, laying a solid foundation coupled with integrity, passion, attitude, diligence and striking a balance are crucial.

## WECA 2021 TOPICS DELIBERATIONS

### National Budgets: Implications on Women Entrepreneurial Development

The key question was; To what extent that the National Budget address issues to do with women entrepreneurial development?



Budget allocations to Ministries that are meant for women empowerment such as the Ministry of Women Affairs, Community, Small and Medium Enterprises have been

low, hence minimal growth in women owned enterprises. Poor vote performance on budget allocations to these Ministries has been low as indicated by under spending which has been the norm for the past 5 five years. It could be the case that these allocations are just on paper and the funds are not being disbursed to these respective Ministries.

Vote appropriations indicative of Government's seriousness in assisting women owned businesses and the Venture Fund Capital is a welcome initiative towards support. How can the Venture Fund Capital be intentionalized and what strategies can be put in place to encourage women to utilize this Fund?

Tax measures such as the increase in withholding tax from 10% to 30% have a major bearing on women businesses and women are encouraged to participate in Budget consultative to protect themselves from policies that have a bearing on the day-to-day running of their businesses.

Women development has been often looked at as a welfare oriented initiative and this has not empowered them to the level of becoming formidable entrepreneurs. Overreliance on women centered programs has the seg-

regation effect, excluding women from the mainstream economic issues through boxing them. Some issues will be left out and stripping women off the national cake.

Lack of coordination is leading to ad-hoc policies. Women need to be active in the broad view of the national economy for policy coherence and consistency.

Adoption of digital technologies is the way to go and the Budget should not be silent on this issue as it has a major bearing on women businesses especially during the current pandemic which has brought about remote working.

### Women Owned Business: Investment Opportunities and Related Legislation

**Emmah Mungoni – ZB Holdings**

There is a growing recognition among policy makers, donor agencies and practitioners that women's marginalization can stifle poverty reduction, productivity, competitiveness, and growth, thus calling for a better understanding of the barriers that limit women's access to productive opportunities.

Women in Africa play an important role in intra-regional trade activities, either through formal or informal trade as well as micro to small-scale activities. The AfCFTA can thus provide a significant opportunity for women owned businesses, giving them a head start towards increasing economic empowerment.

At the global level annually, USD 15 trillion passes through government to suppliers through public procurement systems. However, only one percent goes to women owned businesses. While the Government of Zimbabwe has used public procurement policies as a vehicle for socioeconomic objectives, full recognition of how procurement can release the potential for women-owned businesses and entrepreneurs has not been achieved.

The existing incentive system no longer meets the needs of the MSMEs sector and the challenges posed by the new economy. New incentives and support to women owned businesses are imperative to help them build their capabilities and stay ahead of competition, both locally and in overseas markets.

The Empowerment Act was enacted to provide support measures for the economic empower-





ment of indigenous Zimbabweans, both male and female. With this Act, women have a range of opportunities within the national economy. Investment opportunities exist within the Mining, Agriculture, Tourism, Wholesale and Retail, and Construction Industries.

The Gender Commission Act provides for the Zimbabwe Gender Commission to perform specified functions, including investigation of and making of recommendations on removal of barriers to attainment of full gender equality; and to provide for matters connected with or incidental to the foregoing. A channel of opportunities has been opened as there is equal gender access to resources although barriers still remain.

### ZIMRA

**Ms Regina Chinamasa – ZIMRA**



The ZIMRA representative provided information on the tax system to the delegates on Tax compliance; Capital Gains Tax, withholding tax, Intermediate Money Transfer Tax,

Income Tax, e.t.c. Delegates were provided information on the tax regulation in Zimbabwe and the benefits that accrue to tax complying businesses.

### Access to Capital – Financial Inclusion



**Dr. Jesimen Chipika – Deputy Governor, Reserve Bank of Zimbabwe**

The Bank developed a National Financial Inclusion Strategy I in 2016 which was being implemented for a five year period (2016 – 2020) and the implementation of the National Financial Inclusion Strategy II (2021 – 2025) is underway.

National Financial Inclusion Strategy for Zimbabwe is aimed at ensuring the existence of

an inclusive financial sector that broadens access to and use of financial services by all with the view of engendering social and economic development. The Strategy defines the parameters for ongoing measurement and evaluation of the impact of specific actions and monitoring progress over the implementation period.

Strategy incorporates a financial inclusion measurement framework which defines key performance indicators that facilitate accurate diagnosis of the state of financial inclusion, identification of existing barriers, strategy design, target setting, crafting of effective policies, monitoring, and policy impact analysis.

67% of the Zimbabwean adult population is estimated to be residing in rural areas and the level of financial inclusion is skewed in favour of the urban population (89%) as opposed to the rural population (62%).

Barriers to financial inclusion within the MSMEs sector include; low income levels within the MSMEs sector, irregular incomes to support consistent loan repayment requirements, information asymmetries regarding funding options at the disposal of the MSMEs and co-operatives, lack of product awareness, and high and uncompetitive interest rates and bank charges offered by financial institutions.

**Fanwell Mutogo – CEO, Bankers Association of Zimbabwe**

Banks are in full support with the implementation of the Financial Inclusion Strategy and have created financial products that cater for everyone's needs. Some commercial banks have specialized branches for businesses and they serve only enterprises.

Entrepreneurs were encouraged to open bank accounts and register their operations to enhance access to financial services. Zimbabwe now has a credit registry as an endeavor to promote access to credit by individuals, the corporate as well as small to medium enterprises. However, women and youth continue to be sidelined as stakeholders in terms of financial inclusion issues and have limited access to capital.

**Mandas Marikanda – Managing Director, Women's Bank**

Most women do not have bank accounts and only a small proportion of those who have

bank accounts have banked with the Women’s Bank. Women entrepreneurs were strongly encouraged to open bank accounts with the Women’s Bank.

The Women’s Bank has loans for all business sizes, all individuals and for all types of projects. One has to have a bankable project and an account with the Women’s Bank to access financial resources from the Women’s Bank. Women have a problem of sending others to inquire about certain financial services instead of approaching the Women’s Bank premises by themselves.

### Fifth Generation Online Marketing

**Cassandra Chiumbu-Maseko** – Dandemutande, Head of Marketing

Women entrepreneurs should be innovative and should utilize the available digital platforms such as Facebook, Instagram, YouTube, TikTok and Twitter to market their products and also connect with the wider community of business people and customers. The Fifth Generation Social Media Marketing is today’s buzzword. Women entrepreneurs should move in line with the digital economy and embrace digitalization to the maximum. Almost everything is going digital

**Tofara Chokera** – Tofara Online, Founder

The Fifth Generation Online Marketing creates new avenues for successful business plans, product innovations, leadership qualities and successful marketing campaigns. Mobile apps have increased customer reach for businesses and women entrepreneurs need not be left out.

Open-mindedness and practical approach to brand selection are the narratives on today’s social media that the customers benefit from them. Fifth generation social media is a platform, used for opinion making into product buying.

### 2021 WECA Awards

The 2021 Women in Enterprise Conference and Awards was signed off with a Special Dinner in the evening which was topped with awards for outperforming women entrepreneurs. The Awards are meant to recognize the most outstanding businesswomen of the year in various categories and to also motivate other to perform to the best of their ability. Here is the 2021 WECA Winners;

### 2021 ZNCC WECA AWARDS WINNERS

Sector	Nominee	Ranking
Manufacturing	Ivonny Weale	1
	Violet Mhute	2
	Kuda Mupawose	3
Construction	Sarah Munemo	1
	Loice Murungu	2
Education	Gladys Shumbahini	1
	Rumbidzai Dihwa	2
	Getrude Mandizvidza	3
Services	Slyvia Sanyonga	1
	Sympathy Sibanda	2
Banking and finance	Wadzanayi Phiri	1
SMEs	Maureen Mandipiza	1
	R Chidavaenzi	2
Agriculture	MILDRED MUFOKOZANA KAMUSASA	1
Recognition	Manyara Chigunduru	Special Recognition Outstanding Business – Services Category
	Monalisa Sibanda	Outstanding Sportsperson – Zimbabwe Female Boxer





## 2021 WE EFFECT DISTRICT AWARDS WINNERS

District	Nominee	Ranking
Bhura	Chiedza Makarange	1
	Beauty Magaisa	2
Chimanimani	Esnath Simango	1
	Belinda Dube	2
Goromonzi	Angella Bob	1
	Sebia Ngurunda	2
Gwanda	Dainah S. Ndhlela	1
	Maginess Ndhlovu	2
Gweru	Faith Ndengezi	1
	Shallet Gonde	2
Mutare	Rutendo Nyadongo	1
	Margaret Musindo	2
Seke	Olivia Mupambawatye	1
	Tambudzai Zakazaka	2
Umzingwane	Nomusa Maposa	1
	Thandolwenkosi Dlodlo	2
Zaka	Chipo Chinoda	1
	Chipo Makore	2

## 2021 Women in Enterprise Conference and Awards Resolutions

Whereas the following were considered critical action points at the 2021 Women in Enterprise Conference and Awards in December 2021;

- 6G Cutting Edge Woman Business Leadership - Beyond the Pandemic
- Grassroots Perception: Her Story: An Entrepreneur's Journey of Challenges, Perseverance and Triumph
- National Budgets: Implications on Women Entrepreneurial Development
- Access to Capital – Financial Inclusion
- Women Owned Business: Investment Opportunities and Related Legislation
- Fifth Generation Online Marketing

It is against this background that WECA delegates, under the ZNCC Women's Desk, resolved the following:

1. Bank accounts opening.
2. Adopt digitalization and enhance digital literacy.
3. Enhance internet access and coverage
4. Foreign exchange auction system participation for women-owned business (WOB)
5. Favourable interest rates for WOB through the Women's Bank and EmpowerBank
6. Decentralise access to financial services
7. Come up with a sustainable solution regarding the currency situation
8. Design financial products that are specific to women's needs.

## Inaugural State of Industry and Commerce Survey Launch

The Zimbabwe National Chamber of Commerce (ZNCC) in partnership with the Friedrich Naumann Foundation for Freedom (FNF) launched the Inaugural State of Industry and Commerce Survey 2021 at Cresta Lodge, Harare on the 8<sup>th</sup> of December 2021. The event was graced by the Special Guest, the Minister of Finance and Economic Development, Hon. Mthuli Ncube, among other government dignitaries and members of the business, academic and diplomatic fraternities. The survey shall be undertaken annually, its main thrust being to:

1. review the macroeconomic developments in the country;
2. estimate the number of companies commencing and shutting down operations annually;
3. measure capacity utilization across all major sectors of the economy;
4. identify challenges weighing on the ease of doing business in comparison with other countries; and
5. measure business confidence in the econ-



omy at the national, as well as, sectoral and provincial levels.

The survey aims to be the benchmark for assessing the performance of industry and commerce in Zimbabwe.

**Director Of Ceremonies:** Mr. Luxon Zembe



The Director of Ceremonies acknowledged the presence of dignitaries who comprised:

- **Hon. Prof. Mthuli Ncube**, Minister of Finance and Economic Development
- **H. E. Alexander Grant Ntrakwa**, The Ghanaian Ambassador to Zimbabwe
- **H.E. James Musoni**, The Rwandan Ambassador to Zimbabwe
- **Mr. Mike Kamungeremu**, ZNCC Deputy President
- Mr. Christopher T. Mugaga, ZNCC CEO

The Director of Ceremonies, Mr. Luxon Zembe, welcomed all the 84 esteemed delegates to the event and proceedings began.

### ZNCC President's Welcome Remarks:

Mr. Mike Kamungeremu



The ZNCC Deputy President highlighted that following the successful hosting of the 2021 ZNCC Annual Congress, which presented a platform for the business community to air out their concerns to Government, the Chamber, through the 2021 State of Industry and Commerce Survey, once again rose to the occasion as The Voice of Business. ZNCC cherishes the mutual relations with policy makers and is hopeful that the findings of this survey and the recommendations for policy will be considered.

The ZNCC Deputy President also mentioned that the survey shall be the premier source of up-to-date information on industry performance, new business establishments in

the country, and business confidence levels within the economy. He acknowledged the commitment of the business community, ZNCC members and non-members in the undertaking of the survey and strongly looks forward to more productive engagement as the Business Member Organization thrives to influence both the microeconomic and macroeconomic policy framework for a conducive operating environment.

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### Partner's Remarks:

Fungisai Sithole – *Friedrich Naumann Foundation Programme Manager*



The Friedrich Naumann Foundation for Freedom in Zimbabwe, congratulated ZNCC on conducting and concluding a successful survey on the state of business and commerce in

Zimbabwe. Fungisai submitted that the survey depicts the struggle and resilience of Zimbabwe's private sector and proffers invaluable solutions, which are believed to be crucial for building resilient and sustainable private businesses, key to boosting the economy.

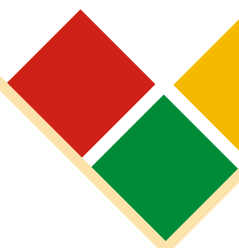
In her remarks, Fungisai also put forward that the private sector is the engine and driver of the Zimbabwean economy, and the voice of business, captured through the survey, will play a crucial role in shaping Zimbabwe's economic trajectory. She echoed FNF's continued support to the development of the private sector.

### About the Survey:

Mr. Christopher T. Mugaga – *ZNCC Chief Executive Officer (CEO)*

Mugaga reiterated that the Zimbabwe National Chamber of Commerce continues advocating for a free market economy, where the government's hand is limited and where markets are not perceived as failing, every time pressures simmering from prices or exchange rate are experienced. In keeping with the ZNCC's belief that the Business Member Organization should





not only identify challenges, but also proffer practical recommendations, ZNCC implored the relevant authorities to consider the policy proposals outlined in the Survey.

It was Mr Mugaga's fervent hope that stakeholders find the State of Industry and Commerce Survey report informative for strategic decision-making. Going forward, the Chamber aims to ensure that the survey report is launched before the presentation of the National Budget so that the concerns and challenges facing businesses are timeously incorporated into fiscal policy formulation.

**The Special Guest Remarks and Survey Launch:** Hon. Prof. Mthuli Ncube – *Minister of Finance and Economic Development*



Hon. Prof. Mthuli Ncube submitted that the Government will seriously consider the evidence-based policy recommendations from the Survey. However, he lamented the

general the low levels of participation and/or response to surveys by the private sector, which he said should improve. The Minister commended ZNCC for the initiative to undertake a comprehensive study that timeously provides critical information on the micro and macroeconomic developments in the economy.

The Honourable Minister also pointed out that it was important to ensure continuous engagement between the Government and ZNCC as well as other business representatives. He proceeded to declare the Inaugural State of Industry and Commerce Survey 2021 officially launched.



From left to right: Min. of Finance, Hon. Prof. Mthuli Ncube, ZNCC Ceo Mr T. Mugaga & ZNCC V. President Mr M. Kamungeremu

**Key Interventions on the State of Industry and Commerce Survey Report**

Presenters;

- Ms. Stella Ilieva – World Bank Zimbabwe Senior Country Economist
- Mr. Walter Odera – African Development Bank Principal Economist
- Mr. Robert Bafakulera – Rwanda Private Sector Federation Chairperson
- Mr Denford Mutashu – Confederation of Zimbabwe Retailers President
- Mr. Farai Mutambanengwe – Small-to-Medium Enterprises Association of Zimbabwe CEO



Attending virtually, **Ms. Stella Ilieva** underscored that the survey results corroborated those of the World Bank for surveys they had undertaken

on the Zimbabwean economy. She highlighted the need to include more data on both the micro and macroeconomic environment, going forward. Stella put forward that with more data gathered going forward, it will be vital to include more information on the macroeconomic as well as microeconomic environment. Furthermore, aspects such as the questions asked, representativeness of the results, the weighting procedures can be considered for inclusion in future surveys.

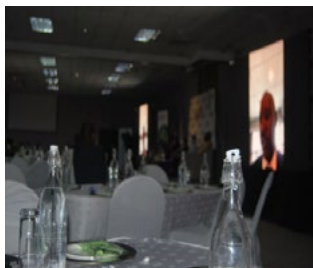


**Mr. Walter Odera** submitted that the survey is a great initiative that can spearhead industrialization in Zimbabwe. Of concern to him was the huge proportion of the population employed

in the informal sector yet contributing little to the national economy. He observed that the capacity utilization figures revealed remarkable resilience in most sectors and pointed out the need for interventions to im-



prove capacity utilization across all sectors. Mr Odero also highlighted that some of the weighing down on the Ease of Doing Business were actually long hanging fruits which can be easily addressed. He also commended the candidness of the policy recommendations.



access to finance, technology, and skilled main-power are of concern to businesses. He said that informality is also an issue in Rwanda, notwithstanding the rest of Africa. Mr Bafakulera underscored that the annual release of the survey on an annual basis will be critical for policymaking.

**Mr. Bafakulera** submitted that the survey was very useful and informative to both the Government and the private sector. Most of the issues captured by the survey such as



high-level business discussions for the betterment of the economy. He also pointed out the importance of provincial level confidence indicators underscoring the importance of disaggregated data for the devolution agenda. According to Mr. Mutashu, what is fundamental to business, currently, is a solution to the exchange rate and currency issues.

**Mr. Denford Mutashu** applauded the Chamber for launching the 2021 State of Industry and Commerce, referring to it as a very good starting point in providing facts to back any



results of the survey as they corroborated the anecdotal evidence on the operations of the small and medium scale enterprises in Zim-

The SMEAZ CEO, **Mr. Farai Mutambanengwe**, commended ZNCC for coming up with the survey, whose comprehensiveness and coverage of sectors is a major development. He said that he was happy with the

babwe. He highlighted the importance of policy inclusivity and pointed out that the survey has potential to be bigger and better.

### Question & Answer Session

A key question to the Finance Minister was whether Zimbabwe was on course to re-dollarize and what could be the potential impact on the economy. Prof. Ncube underscored that Zimbabwe has come a long way in terms of currency reforms within a short space of time. It is important to note that Zimbabwe has re-introduced monetary policy, with the introduction of the local currency and the Monetary Policy Committee. Furthermore, Government is working towards implementing a simplified tax regime.

**Closing Remarks:** Mr. Tapiwa Karoro - ZNCC Harare Branch Chairperson



In his closing remarks, **Mr. Karoro** thanked the Special Guest, Honourable Minister of Finance and Economic Development, Prof. Mthuli Ncube for gracing the occasion and officially launching the Inaugural State of Industry and Commerce Survey. He expressed the Chamber's gratitude to all individuals and corporates who made the survey and its launch a success, special mention going to the Friedrich Naumann Foundation and the Financial Gazette.

### Appearance before Parliamentary Portfolio Committee on Industry and Commerce

The Zimbabwe National Chamber of Commerce (ZNCC), missioned to see a prosperous business community in Zimbabwe and determined to overcome all the challenges and obstacles that impede business development, champions private sector engagements with various authorities. ZNCC greatly appreciated and acknowledged the continued consideration of the organization's policy recommendations by the Parliament of Zimbabwe and the mutually beneficial relationship that exists between the two institutions. Following the 2021 ZNCC Annual Congress Resolutions which was held from 05 to



07 October 2021 in Victoria Falls in which, among them, delegates resolved to actively participate in law-making, the Chamber took an opportunity to submit issues that seek to modify and repeal laws and regulations that are impeding on the ease of doing business as well as macroeconomic issues affecting the national economy.

institutions agreed to continue engaging each other through various platforms to see through the implementation of the recommended measures and others that may come time after time. The Chamber commended the Parliament of Zimbabwe for the open door policy and the institution's willingness to work together with the Zimbabwean business community.



### COMESA Business Council and Participation at the 2020 Dubai EXPO



ZNCC CEO poses for a photo with the Dubai Chamber of Commerce and Industry officials at the sidelines of the Zimbabwe National Day at the 2020 Dubai Expo.



Top Picture: Standing, ZNCC CEO, Mr. Christopher T. Mugaga taking oath before the Parliamentary Portfolio on Industry and Commerce flanked by the Harare Branch Chairperson, Mr. Tapiwa D. Karoro and the ZNCC Past Deputy President, Mr. Ozias Marange.



Zimbabwe National Day at the 2020 Dubai Expo.

There are quite a number of pieces of legislation that are still affecting the doing business environment and the Chamber continues to call for their unconditional modification and repeal. The issues discussed included the Public Procurement and Disposal of Public Assets Act [Chapter 22:23], Exchange Rate Management, Industrial Development Corporation Act, Anti-Corruption Commission Act, Realignment of Laws to the Constitution in Zimbabwe, Devolution, and Competition and Industrial Development.



ZNCC president at the 2020 Dubai Expo

The issues were taken on board and the two





ZNCC President and CEO participated at the COMESA Business Council workshop in Zambia.



Participants at the COMESA Business Council Workshop pose for a group photo in Lusaka Zambia.

### Joint Zambia-Zimbabwe Agro-Industrial Park Workshop – 23 May 2022



The ZNCC CEO attended a High Level Workshop on Establishment of Common Agro-Industrial Park between Zambia & Zimbabwe.



With Permanent Secretary of Zambia Industry & Commerce Ministry on the left -Ms Chase Chulu and her opposite number from Zimbabwe -Dr Mavis Sibanda – on the right.

### Egypt CAN Conference: Cairo



ZNCC President, Dr. Tinashe Manzungu representing the Chamber at the 2022 Egypt Can Conference where he made a presentation on the lessons that other African countries can draw from Egypt and the low-hanging fruits to focus on.

### Report on the Memoranda of Understanding Signed

#### ZNCC Signs a Memorandum of Understanding with the Zimbabwe Anti-Corruption Commission

Corruption is a pandemic in Zimbabwe alongside COVID-19 and is rampant in both public and private sectors of the Southern African nation. One of the topical issues which were under discussion at the 2021 ZNCC Annual Congress in Victoria Falls in October 2021 was on fighting corruption in Zimbabwe. It is against this background that the Chamber saw it fit to collaborate with the Zimbabwe Anti-Corruption Commission in fighting corruption in our motherland.

ZNCC is a non-profit making membership-based organization that provides services designed to support its members in business development. As an independent organisation, ZNCC has represented the interests of its members for over 100 years es-



pecially through advocacy and membership empowerment. ZNCC also aims to be a leader in business development in the national economy and the preferred channel of communication between business and the various authorities in Zimbabwe.

Section 255 of the Constitution of Zimbabwe (Amendment no. 20 Act 2013) established ZACC which has a mandate to investigate and expose cases of corruption in the public and private sectors; to combat corruption, theft, misappropriation, abuse of power and other improprieties; to promote honesty, financial discipline and transparency; to receive and consider complaints from the public and to take such action in regard to the complaints as it considers appropriate; and to refer matters to the National Prosecuting Authority for prosecution.

It is clearly a mutually beneficial relationship that has been created from the 2021 ZNCC Annual Congress between the two institutions as the common purpose is to fight corruption to pave way for meaningful business development in Zimbabwe. In this regard, it is important to note that nothing feeds corruption more than apathy, or the belief that nothing can be done and it is “just the way life is”. This portrayal of corruption allows impunity for corruption to flourish – allowing the perpetrators to get away with it. **But not for long.** There is now compelling and overwhelming evidence that the ZNCC Membership throughout the ten provinces of Zimbabwe has had enough and is willing to take action to stop the rot.

Imagine a future Zimbabwe where every person takes concerted action to reject corruption. The Zimbabwe National Chamber of Commerce as the leading business member organization in Zimbabwe is calling for the business community from every corner of Zimbabwe; from Beitbridge to Chirundu and from Mutare to Victoria Falls to take simple but profound actions to start an unstoppable movement to eradicate corruption as framed in the Transparency International’s pledge, which is now mine and yours too:

*I will not pay bribes;*

*I will not seek bribes;*

*I will work with others to campaign against corruption;*

*I will speak out against corruption and report abuse; and*

*I will only support candidates for public office who say no to corruption and demonstrate transparency, integrity and accountability.*

**Against Corruption Together!**



MOU signing ceremony between ZNCC and the Private Sector Federation of Rwanda.



MOU signing ceremony between ZNCC and the Chamber of Commerce and Industry of Angola.



MOU signing ceremony between ZNCC and the Umuahia Chamber of Commerce and Industry of Nigeria.



## ZITF Business Luncheon

The Zimbabwe National Chamber of Commerce (ZNCC) hosted the Zimbabwe International Trade Fair (ZITF) Business Luncheon which saw over 100 delegates gracing the occasion at the Bulawayo Agriculture Pavilion at the ZITF Grounds.



From left to right: ZNCC CEO, Mr. C. T. Mugaga; UCCIMA President, Chief Chidi Nkem-Aruoma, The Secretary of State for Trade of Angola (Guest of Honour), Mr. Amadeu Nunes; CCIA President Engineer Vicente F. Soares; and ZNCC President, Dr. Tinashe Manzungu.

The ZITF Business Luncheon was running under the theme; **Bolstering Resilience and Innovativeness for Sustainable Growth**, encompassed a Panel Discussion on the ZITF Main Theme: **Rethink, Reimagine, Reinvent Value Chains for Economic Development**.



From left to right: Mrs. Chinyaradzo Phiri (Senior Investigation Officer, Competition and Tariff Commission); the Moderator, Mr. Sifelani Nhliziyo; UCCIMA President, Chief Chidi Nkem-Aruoma, The Access Forex Head of Group Marketing and Sales Executive Dean, Faculty of Commerce, Dr. Peter Nkala; and CCIA President Engineer Vicente F. Soares.

Mrs. Chinyaradzo Phiri submitted that we need to change as we embark on the journey towards value chain transformation is regulation, monitoring and evaluation. Dr. Peter Nkala from the National University of Science and Technology indicated that the MOU Signing Ceremonies are part and parcel of the collaborative framework that must be in place to enable radical change in the regional value chains.

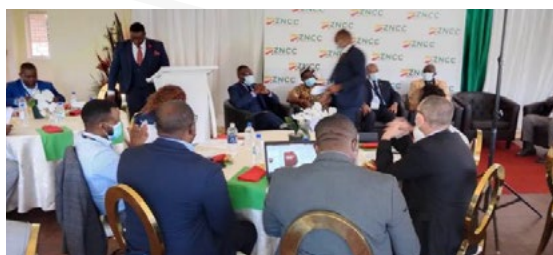
Dr. Peter Nkala highlighted that there is a need to get prices right and in Zimbabwe, most commodities are overpriced.

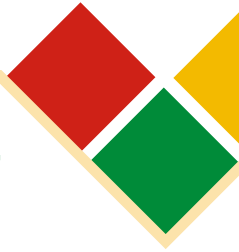


MOU Signing between the Zimbabwe National Chamber of Commerce (ZNCC) and the Umuahia Chamber of Commerce, Industry, Mines and Agriculture (UCCIMA). From left to right, Mr. C. T. Mugaga (ZNCC CEO); Dr. Tinashe Manzungu (ZNCC President); and Chief Chidi Nkem-Aruoma (UCCIMA President).

In his remarks, Dr. Tinashe Manzungu reported that the topic which was under discussion; **Rethink, Reimagine, Reinvent, Value Chains for Economic Development**, rallied participants to adaptability and resilience by highlighting the need to be able to identify future disruptors, craft and implement change strategies as well as inculcate the agility to adapt the game plan as the environment and needs of our businesses and economies change.

The theme for the ZITF Business Luncheon; “Bolstering Resilience and Innovativeness for Sustainable Growth”, was said to be well-placed for the Chamber, its membership, and the business community at large to devise ways to bolster resilience and innovate to weather the imminent storms. The theme recognizes the resiliency of the Zimbabwean business community despite the presence of a plethora of challenges emanating from the harsh operating environment and the ravaging effects of the COVID-19 pandemic. Going forward, this resiliency needs to be bolstered and combined with innovativeness to weather the headwinds and ensure sustainable growth in this volatile, uncertain, complex and ambiguous environment.





Delegates at the ZITF Business Luncheon

The Chamber acknowledges the individuals and organizations who made this event a success, special mention to Croco Motors and Bureau Veritas for the unwavering support.

### ZITF International Business Conference

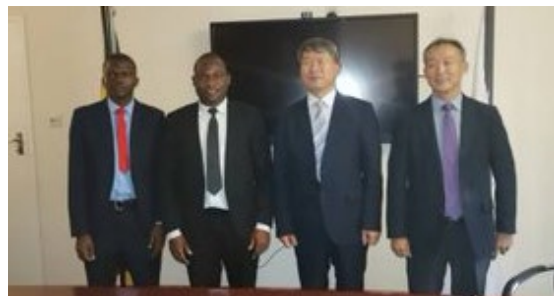


ZNCC President, Dr. Tinashe Manzungu, making a presentation on the Structural Transformation of Value Chains: Perspectives from Industry at the 2022 ZITF International Business Conference. Dr. T. Manzungu (pictured) indicated that three issues are of critical importance: infrastructure, investment finance and quality of labour.

## Engagements with the Government and Development Partners



Algerian Ambassador to Zimbabwe pays a courtesy visit to ZNCC to discuss on the Joint Business Council with CACCI.



The Korean Embassy in Zimbabwe engages The Chamber to explore areas of cooperation among the private sectors in both countries.



ZNCC CEO pays a courtesy visit to the Egyptian Ambassador to Zimbabwe.





The Chamber meets the AfDB country manager inviting her to the Annual Congress and discuss financing options available for the private sector.



The Chamber participates in the skills Initiative for Africa and STED methodology training workshop in Zanzibar.



ZNCC Mashonaland Region Vice President, Mrs. Josephine Takundwa, presenting on the issues relating to trade at the Rwanda-Zimbabwe Trade and Investment Conference at Meikles Hotel on 28 May 2022.



ZNCC CEO with Mr T. Muguti, the Permanent Secretary in the Harare Metropolitan Province.



ZNCC CEO Mr T. Mugaga, right with FNF country Manager, Mrs Fungisai Sithole.



The FNF country manager paid a courtesy visit to the Chamber to discuss on the cooperation for the 2022 State of Industry and Commerce Survey.



The International Trade Centre engages ZNCC on areas of cooperation towards enhanced economic development.



ZNCC CEO Mr T. Mugaga, meets with ZIMRA Acting Commissioner General Ms Regina Chinamasa discussing on tax issues affecting private sector

## Special Report

### ZNCC National Budget Submissions

The Zimbabwe National Chamber of Commerce (ZNCC), in spirit of the mutual relationship that it shares with the Government of Zimbabwe, took an opportunity to make submissions on the upcoming 2022 National Budget Statement in November 2021. The Chamber was hopeful that the policy proposals outlined in the paper were to be considered by the policymakers. Here is a brief on the Submissions to the Ministry of Finance and Economic Development.

#### THE TAX SYSTEM

The Zimbabwe tax rate system is characterized by too many tax heads with very high tax rates. Also, the Zimbabwe's tax system does not promote compliance and investment but rather promotes tax evasion, defaults, informalization of businesses and company closures. The system is penalizing the complying formal businesses the most. In other words, the punitive taxes threaten the viability of enterprises. It further squeezes businesses and individuals of their hardly earned disposable income and is infested by too high penalties.

#### Income Tax

As the budget was being drafted, the issue of income tax needed to be addressed. ZIMRA's position on the income tax was said to be violating the fundamentals of taxation and the fundamentals of taxation were not being upheld. A case in point was when a company receives payment through the bank, 20% is converted into RTGS at the prevailing RBZ rate. ZIMRA on the tax side deem that the Business has received USD and should pay the portion of income tax in USD when in actual fact the business is no longer in possession of the full amount of the USD because part of the payment has been converted to RTGS. Therefore, the tenant which states that tax should be fair in this case fell short.

#### Land Tax

Regarding the Global Compensation Agreement to pay former commercial farmers US\$3.5 billion; resources should come from farming profits through the imposition of a land tax and to ensure that the obligation is not a burden to the general tax payers.

### Tax-Free Threshold

Despite the depressed salaries which were obtaining in the economy, there was no upward tax-free threshold adjustment in the Mid-term Budget and Economic Review submitted on July 29, 2021. ZNCC submitted that an adjustment of the tax-free threshold be made from ZWL\$10,000 to a conservative ZWL\$40,000. While moving the tax-free threshold to match the September 2021 Total Consumption Poverty Line of ZWL\$6 654.00 (ZimStat, 2021) would be more desirable for labour, ZNCC was cognizant of the need for Government to balance its books and also avoid the resultant potential inflationary effects of salary increases.

### Special Economic Zones

The lack of information and unconvincing incentives have seen low uptake of the SEZs initiative by players. SEZs should not be the preserve of the government. It was the Chamber's recommendation that private SEZs be considered and given way. ZNCC proposed that the Ministry of Finance and Economic Development introduce a zero percent tax for a period of 10 years from the first year of commencement of works in a Multi Facility Economic Zone or Industrial Park, on dividends declared on profits made on exports by companies operating in the economic zones. For years 11 to 15, only 65 percent of profits should be taxed.

### ZIMRA Border Clearing Systems

ZIMRA was advised to continue implementing SADC guidelines on clearance of goods post current Covid-19 restrictions and the risk management approach which has reduced the number of physical examinations at border posts. Monitoring systems at Ports of Entry should be upgraded to enhance border control and management to plug rampant smuggling and corruption.

#### EXCISE SYSTEM

#### Fuel Import Duty

There was a need to scrap the Road Haulage Fuel Import Duty of US\$0.05/litre so as to reduce the cost of fuel in the economy and allow the importation of fuel by licenced petroleum retailers while also reducing Fuel Import Duty to about US\$0.20.



## Cigarette Excise

The Chamber proposed and implored the Ministry of Finance and Economic Development to maintain the current mixed excise system and rates applicable to cigarettes at ad valorem (20%) plus the specific component of US\$5 per mille for the financial year ending 2022.

## Duty Free Vehicle Imports for Safari Operators

To continue cushioning the tourism sector amidst the COVID-19 pandemic, ZNCC proposed that a waiver be placed in line with the Statutory Instrument 41 of 2014 in terms of the Customs and Excise (Suspension) (Amendment) Regulations. Specifically, the customs duty waiver should be placed on safari game vehicles, tourist buses and coaches for a period of at least two years. This should only apply to accommodation establishments, convention centres and tourism enterprises.

## Duty Free Imports on Electrical Equipment

Given the erratic power supplies in Zimbabwe, the government was urged to maintain the importation of electrical equipment (generators, spare parts and solar products) duty-free until the on-going projects to enhance power supply such as the Hwange 7 & 8 and the Kariba South Hydro are completed.

## Single Petty Consignment

ZNCC proposed that the Government increases the exemption value of goods on which duty is not paid (duty-free) to US\$500 from US\$200 inclusive of freight and insurance. However, this should exclude goods consigned through parcel post or air freight. This is meant to provide relief to Cross Border Traders and ordinary citizens.

## Special Excise Duty on Airtime (SED)

The Chamber's request was as follows:-

- 1) Clarity be provided that SED is a consumption tax based on the sale value of airtime;
- 2) That SED's valuation be based on the net of tax value, i.e. selling price less VAT less excise duty be equal to the value of the excise;
- 3) That section 172 (E) be amended to include

the definition of the value of airtime;

- 4) That where excise duty is included in income tax, it should be allowed as a deduction for income tax purposes; and
- 5) That the above clarity be backdated to October 1, 2014.

## Payment of Taxes and Duties in Foreign Currency

The government promulgated Statutory Instrument (SI) Number 252A of 2018 which provides for the payment of duty for selected goods in any currency other than the Zimbabwean dollar in all its forms. ZNCC proposed that to increase demand of the local currency and improve confidence in the use of the Zimbabwean dollar, citizens should be allowed to choose the currency in which they would want to pay taxes and duties in using the prevailing exchange rate.

## EFFECTIVE ENFORCEMENT ON ILLICIT TRADE OF CIGARETTES

In his Mid-Term Budget Speech in 2019, the Honourable Minister of Finance and Economic Development announced that the Ministry will be developing a Destruction Policy. The Chamber fully supported this development and implored the Ministry to follow through with its promise to draft and issue a Destruction policy for illicit goods. The conclusion of this policy was deemed essential in enabling ZIMRA to destroy all confiscated illicit cigarettes, thus ensuring illicit goods do not find their way back into the local market. The eradication of the illicit market will increase Government's tax collection.

## Corruption

Capacitate the Zimbabwe Anti-Corruption Commission (ZACC) to effectively execute its mandate, increase the budgetary allocation for recruitment so that they fill in the vacant but critical posts. There is a need to speedily change laws and give adequate powers to ZACC and to strengthen its independence. Public officials facing corruption allegations should step aside. Consider giving prosecuting powers to ZACC given that the National Prosecuting Authority is often overwhelmed with case burdens.

## GOVERNMENT EXPENDITURE

Government should continue to "walk-the-talk" on expenditure and spend within its



means so as to contain inflation in the economy. ZNCC reiterated the need for subsidies to be targeted and limited to vulnerable groups only with clear and operational monitoring and evaluation frameworks following the tenets of the National Monitoring and Evaluation Policy. Cutting on related costs such as vehicles, trips and allowances so as not to put pressure to monetize deficits which fuel money supply growth and ultimately inflation was underlined as crucial.

### **The Health Sector**

The Covid-19 had exposed the sorry state of affairs in this very critical sector. A game plan was and is required to introduce a Universal Health Coverage, also targeting informal players. The Chamber submitted that over-reliance on donor support puts the country in a precarious position and is a cause of concern.

### **Agriculture Funding**

Land tenure should be revisited to attract private capital. The Ministry of Finance and Economic Development and the Bankers Association of Zimbabwe should put in place a sustainable Agricultural sector funding model contrary to grants of yesteryear. Land should have value and be transferable. ZNCC recognized the progress being made towards more private financing of agricultural activities though the Government is still a major player. 99-year leases still not bankable, there is a need to expedite the land tenure reforms to enhance viability of the Agricultural Sector.

### **Public Debt**

The Chamber continued 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 applied to the assumption of debts by the RBZ, which, if not guaranteed, would see the public paying for other people's private debts.

### **SMEs Support**

A fund should be set aside to support SMEs in terms of the much needed working capital. A low interest rate for SMEs under the Credit Guarantee Scheme must be provided not the Bank policy rate of 60% and the Medium Term Bank Accommodation Facility interest rate of 40% at that time. Information dissemination on the nature and terms of the available

funding options from Government were to be enhanced for the growth of the SMEs sector.

### **Competitiveness**

Operating environment was said to be weighing on industry performance, characterized by high cost of doing business which weighs on competitiveness. National Competitiveness Commission (NCC) should be capacitated, whose function is to continuously monitor the cost drivers in the business and economic environment.

## **ZNCC Submissions to the Governor of the Reserve Bank of Zimbabwe Governor**

**(February 2022)**

### **Overview**

The Zimbabwe National Chamber of Commerce (ZNCC), hereafter the Chamber, acknowledged and greatly appreciated the mutually beneficial relationship that exists between the Chamber and the Reserve Bank of Zimbabwe (RBZ). The Bank was commended for taking great consideration of the Chamber's policy submissions over the years and the organization submitted that they will continue to engage policymakers for business development through our lobbying and advocacy work in the interests of the Zimbabwean business community.



From left: Mt T Mugaga (ZNCC CEO), RBZ Governor - Hon. Dr JP Mangudya, Mr M. Kamungeremu (ZNCC V. President, and Mr TJ Mukura (ZNCC Subcommittee member)

### **Purpose**

The Chamber paid a courtesy visit to the Reserve Bank of Zimbabwe Governor on 04 February 2022 and 1430 hours. The courtesy visit was premised on the submission of the

ZNCC Monetary Policy Proposals which some of them were incorporated in the 2022 Monetary Policy Statement. The Monetary Policy Proposals were submitted to the National Executive Council prior to the meeting. The Zimbabwe National Chamber of Commerce (ZNCC) acknowledged and greatly appreciated the mutually beneficial relationship that it shares with the Reserve Bank of Zimbabwe (RBZ).

### Attendance

The meeting was attended by the Reserve Bank of Zimbabwe Governor, Dr. J. P. Mangudya and Chamber officials; ZNCC DP, Mr. M. Kamungeremu, ZNCC CEO, Mr. C. Mugaga and ZNCC Economist, Mr. J. Makiwa as well as The ZNCC Macroeconomics Subcommittee member, Mr. T. J. Mukura.

### ZNCC Overview of the 2021 Monetary Policy

ZNCC put forward monetary policy issues affecting the business community including:

#### Money Supply Management

Concern was raised over the unprecedented growth in local currency transferable deposits which grew by 232% between October 2020 and October 2021. Money supply developments were indicated to have worked against the Bank's policy thrust of lowering inflation through increasing interest rates from 40% to 60%. The Bank was advised to timely release monetary statistics.

#### Inflation

The Bank was commended for bringing annual inflation from 348.6% in December 2020 to 60.7% in December 2021. Concern was raised over the Bank's failure to meet its own inflation targets. Zimbabwe's inflation rate remains relatively high compared to regional counterparts. Yesteryear experiences are playing their part through self-fulfilling expectations of economic agents resulting in inflation inertia. While statistics report a massive decline in the annual inflation, this aggregated view hides many dynamics at the micro-level. Economic agents do not necessarily formulate their inflation expectations from the reported aggregate statistics.

#### Exchange Rate Management

The Foreign Exchange Auction system did not perform as expected during the greater part of 2021 and the issues had to do with:

- the allotment backlogs;
- limited access to the auction market by players; and
- alleged lack of transparency in the bidding processes.

The issues also emanated from the RBZ accepting bids for which the foreign currency was unavailable resulting in delayed payments.

#### Interest Rate Policy

High interest rates are negatively affecting the productive sectors of the economy and regardless, the Monetary Policy Committee continues to use interest rates as one of its tools to tame inflation.

#### Policy Coherence

The Chamber submitted that the tight monetary policy stance shall be complemented by tight fiscal policy, especially as we enter the election campaign season which usually characterised by populist policies. An unplanned increase in government spending will spur disposable incomes thereby increasing demand for the greenback which further depreciates the currency, thus putting more pressure on prices. Monetary and fiscal policy complementarity remains imperative to ensure macroeconomic stability.

### ZNCC Proposals for the 2022 Monetary Policy

#### Communication

The MPC should focus on policy and technical issues as opposed to publishing debatable public statements in the public domain. Credibility of the MPC needs to be safeguarded.

#### Money supply Management

The monetary authorities were advised to extend the tight monetary policy stance to M1 growth (particularly local currency denominated transferrable deposits) to reduce resurgent inflationary pressures through moral suasion and other measures at the Bank's disposal such as open market operations. It was

reported that limiting the tight monetary policy stance to reserve money growth only will not be sufficient to control inflation.

The Bank was encouraged to engage with Treasury to put in place a strategy on disbursing local currency holdings to avoid surprising the market by once-off payments towards financing of on-going projects in which case the Zimbabwean dollars would end-up chasing US dollars on the parallel market.

### Interest Rate

The Chamber continued with the call for the central bank to provide affordable lines of credit to productive sectors of the economy. It was submitted that industry is need for cheaper but patient It was submitted that industry is need for cheaper but patient capital for recapitalization and retooling as we aim to be competitive in the region. In this regard, the Bank was urged to use other instruments at its disposal such as money supply and reserve requirements to tame inflationary pressures. The Bank was urged to craft measures that promote lending in foreign currency so as to utilize the US\$1.8 billion lying idle in Foreign Currency Accounts (FCAs) and lessen pressure on the foreign currency auction market while spurring economic activity in the productive sectors.

### Promoting Use of Local Currency

The Bank was advised to come up with measures that boost confidence in the monetary policy framework by promoting the use of local currency such as through giving the public a freedom of choice when paying statutory obligations, taxes and duties. The Government was commended for heeding the call to promote the wide use of the local currency by partially allowing duties and taxes to be paid in Zimbabwe dollars.

The CEO, Mr. C. T. Mugaga emphasized that confidence building measures must be accompanied by strong adherence to principles to ensure macroeconomic stability including policy credibility and consistency, transparency and resolving uncertainty surrounding the multi-currency system.

### Cushioning Exporters

It was put forward that the state of affairs was benefiting importers at the expense of

exporters, and there was need to cushion exporters from the exchange distortions from the surrender requirements.

### Withdrawal Limits

The Chamber urged the Bank to review upwards the withdrawal and sending limits across all platforms for cost effectiveness and time considerations. An upward review of the withdrawal limits can surely increase the velocity of circulation and activity on the parallel foreign exchange market. However, this was said to be resolved in the short- to medium-term by instilling confidence in public policy, promoting the use of the local currency and value preservation measures.

### Governor's Responses

- The Bank does not have control over broad money (M3)
- The Bank will take the ZNCC State of Industry and Commerce Survey recommendation to go beyond M0 (reserve money) to control money supply in the economy
- The Central Government did not borrow from the RBZ in the 2021 fiscal year as part of the Government consuming within its means
- The RBZ is in strong support of promoting the use of the local currency and has welcomed the Government's move to allow the payment of about 50% of most statutory obligations, taxes and duties; in local currency
- The 2022 monetary policy will focus on "staying the course" to tame inflation and exchange rate instability.
- The Medium term Accommodation Facility will allow banks to lend for up to 3 years
- Zimbabwe is import substitution and the Bank has and will continue putting in measures that enhance export development
- The economy is in a transition and require every stakeholder on board towards the sustainable development of the nation
- Abuse of the auction from the private sector is dragging the system down



- Zimbabwe requires about 175 million litres of fuel per month
- The Bank will continue engaging with the private sector for effective policy formulation.

The Bank has taken great consideration of the Chamber's policy submissions over the years and the Chamber shall continue to engage the policymakers through our lobbying and advocacy work in the interest of the Zimbabwean business community.

## **ZNCC Submissions to the Ministry of Finance and Economic Development and the Reserve Bank of Zimbabwe**

**(09 May 2022)**

### **Overview**

Following the 7<sup>th</sup> of May 2022 announcements of measures to restore stability, preserve value and curb market indiscipline; the Chamber, its Executive Council and broad membership commended the Government, through the Office of the President and Cabinet, for responding to a bloodbath which was taking place in the Zimbabwean economy during that time. It was really refreshing to note that the President of the Republic of Zimbabwe was hands on. However, the Chamber expressed concern for having the Head of State announcing monetary policy measures where a greater degree of independence is required.

The Business Representative Body attributed the delayed reaction to economic chaos as the major cause of such a confrontational approach and in the process, resulting in unintended consequences. The perennial existence of arbitrage opportunities was said to continue threatening economic stability, and to solve it, the Chamber submitted that there was a need to address its primary drivers rather than legislating against it. A proposal was put forward to facilitate market liberalization and improve the quality of policies and policy response to any emerging threats.

However, the Government was strongly convinced that the exchange rate movements were driven by negative sentiments of economic agents as opposed to economic fundamentals which were said to be strong. According to ZNCC, the fundamentals such as money

supply and the way the foreign exchange was managed were misaligned and these were said to be the main drivers of negative sentiments not putting the blame on adverse expectations. The Government's financing model for developmental projects was also referenced as the rapid depreciation in the local currency.

In recent years, there has been a realization that the Zimbabwean economy has been in vicious currency cycles and the back and forth has eroded economic agents' savings, pension funds, medical aid schemes and insurance schemes. In this regard, the compensation of losses of value on banking deposits for individuals entails taxpayers paying for ad hoc Government policies. The Chamber put forward that companies would also need compensation is that is the case, and disadvantageously, the debt burden would be significant and costly.

The introduction of the Interbank Foreign Exchange Market was described as a fallacy in anticipating the rate will converge with the parallel market rate overtime and the Auction rate was the loophole for arbitrage opportunities. The Chamber proposed that the Government should either liberalize the main auction or adopt the interbank market completely as the economy graduates towards a willing-buyer willing-seller model. With regards to the settlement of foreign currency tax obligations in local currency at ZIMRA (willing-buyer willing-seller) rate, the Chamber indicated that the move denoted a public confession by the Central Government that the auction system rate should not be considered when pricing goods and services. This followed sentiments that the foreign exchange auction system was a mere foreign currency allocation mechanism and not a true price discovery platform.

The Chamber was also strongly against the imposition of an Intermediate Money Transfer Tax (IMTT) of 4% on all domestic transfers of foreign currency and the introduction of the foreign currency withdrawal levy for amounts above US\$1,000 saying that the move signifies that the Government is seized with revenue collection as opposed to creating an enabling environment. The tax system in Zimbabwe was described as punitive and the tax regime has contributed to the high level of informality in Zimbabwe. This was in line with the find-

ings from the 2021 ZNCC State of Industry and Commerce Survey. The levy was said to discourage banking, increase the cost of doing business and the move itself was a denial to the fact that the Zimbabwean economy had become so informalized to the extent that such policy stance would be ineffective.

A question was asked if the suspension of bank lending was the right policy measure to restore market confidence, preserve value and ensure macroeconomic stability. The Chamber was also strongly against this measure as a tool at the Government's disposal to control broad money supply growth. By ordering the suspension of bank lending, the Government was said to have dented the country's rank of doing business since availability of credit is one of the key pillars. The Zimbabwe's regulatory and supervisory system on the financial sector had previously resulted in the betrayal of the fiduciary responsibilities and loss of public confidence, and the suspension of bank lending was deemed to have worsened the situation.

Following this policy move as well, the move to close accounts is a vote of no confidence on resolutions the general public has been receiving from the Monetary Policy Committee. There was a possibility that policy coordination between APEX Banks and financial service sector players appears non-existent. The Chamber expressed concern if the KYC principle was being really observed by banks giv-

en the policymaker's step to suspend the core function of banks. The policy announcement by the Government legitimized a parallel banking system with usurious interest rates and no investor would be attracted to such an economy where lending can be suspended overnight. The Chamber succinctly described it as a step back in the "Zimbabwe is open for business" mantra.

In its conclusion, the Chamber urged the Government of Zimbabwe to reconsider the measures and engage the business community for better policies. The Chamber emphasized the need to establish a binding social contract and for all stakeholders to strongly adhere to it.



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## Subcommittee Reports

### Macroeconomics Subcommittee

The Macroeconomics Subcommittee has been on the forefront of the execution of the Chamber's mandate through lobbying and advocacy. The Committee was actively involved in the analysis and review of fiscal and monetary policies and promotion of the Chamber's position on major macro-economic policy issues. Throughout 2021 and the first half of 2022, the Committee has acted as a think-tank for economic research on local, regional and global macroeconomic issues as 2021 saw the inaugural launch of the ZNCC State of Industry and Commerce 2021 which will be undertaken annually going forward. Through the ZNCC Newsletter and social media platforms, the members of the ZNCC Macroeconomics Subcommittee were involved in the publication and dissemination of economic commentaries and articles relating to the business sector. The Committee also oversaw the Chamber's liaison and collaboration with other business member organizations (BMOs) and relevant professional bodies.

This Committee has been working closely with all the other Chamber sub-committees in order to pick issues for lobbying with the relevant stakeholders and it stands as the "voice" of the Chamber, and has been responsible for coming up with a calendar of engagements with all the relevant stakeholders including the Parliament of Zimbabwe, Ministry of Finance and Economic Development, the Reserve Bank of Zimbabwe and development partners, among others. However, due to the COVID-19 pandemic and working from home, most of the Subcommittee's meetings were held virtually as we transitioned from physical meetings.

### Trade Subcommittee

The Trade Subcommittee was instrumental in the hosting of the Zimbabwe International

Trade Fair as reported earlier and also in the organization of the Rwanda-Zimbabwe Trade and Investment Conference. These events were highly subscribed and successful, and they culminated into the Chamber signing agreements for cooperation with the Chamber of Industry and Commerce of Angola, the Umuahia Chamber of Commerce, Industry, Mines and Agriculture of Nigeria, and the Rwanda Private Sector Federation. In this regard, the Subcommittee has been organising stakeholder dialogue workshops on trade issues and also facilitating inward and outward-bound trade and investment missions, meet the buyer campaigns and promoting Zimbabwean products through trade fairs and exhibitions. The Committee was represented at the Intra-African Trade Fair which was held in November 2021 in Durban, South Africa. On influencing policy, the Trade Subcommittee made submissions to the on-going tariff policy consultation exercise and in the drafting of the local content policy. The Committee, through the Secretary, has been active in monitoring global trends such as the disruptions in the global supply chains as a result of the pandemic and the Russia-Ukraine conflict.

### Finance and Administration

Sound financial management and adherence to good corporate governance principles is key to the reputation of any institution, especially member-driven. In this regard, the Chamber has been and is still pursuing this through the Finance and Administration Subcommittee. The Subcommittee has been responsible for maintaining good stewardship and financial prudence in the deployment and utilisation of member funds. The Subcommittee has over the years ensured strict adherence to both local and international best-practices in financial management across the entire Chamber structure. Timely preparation and release of audited Chamber financial statements and upholding of the Chamber's constitution, or-

organisational policies, and internal systems and controls has been spearheaded by the Finance and Administration Subcommittee. Also, the Subcommittee has been commendable in promoting good corporate citizenship among members and all of the Chamber's submissions to the policymakers incorporated issues to the business community practicing restraint and market discipline for the development of our country. This has been as per the requirement of the Finance and Administration Subcommittee which has been urging the local business community throughout the year to comply to the national rules and regulations especially environmental conservation and service to the community they serve in.

### **Public Relations and Marketing**

The Public Relations and Marketing Subcommittee has created the brand image of the Chamber by enhancing public and press relations. The 2021 Annual Congress was a success as a result of a thorough Congress preparation and management process which was carried out by this Subcommittee. The Chamber has benefited significantly from the provision of direction on the communications strategic planning process under the guidance of the technical and marketing personnel in this Subcommittee. The Subcommittee has continuously assessed and evaluated the delivery of communication periodically against the needs and/or expectations of the ZNCC Members. Also, the Public Relations and Marketing Subcommittee has been providing oversight on the implementation of the internal and external communication intended to promote recognition and awareness of the ZNCC brand.

### **Audit**

The Committee has ensured that there is effective audit functions in place both external and internal and adequate risk management processes. In liaison with the Finance and Administration Subcommittee, the Audit Subcommittee under the leadership of Mrs. Emmah

Mungoni has made sure that financial management processes are operating effectively. The Subcommittee has also ensured that all aspects of the external audit, including periodic tendering, appointment and remuneration of the external auditor; the nature and scope of the statutory audit; the recommendation of audited financial statements to the Board and the discussion of issues raised by the external auditor's are considered in every process. The periodic review of all reports prepared by the external auditor has been one of the core activities of the Audit Subcommittee.

### **Women's Desk**

The Women's Desk Subcommittee has been able to organize and facilitate linkage and communication with relevant stakeholders including the Government Ministries, the Parliament of Zimbabwe, and civil society on issues facing women in business throughout the calendar year. The Women's Desk was able to host a highly subscribed Women in Enterprise Conference and Awards in September 2021 despite the COVID-19 harsh environment in partnership with We Effect.

### **Alternate Dispute Resolution**

The Alternate Dispute Resolution (ADR) Subcommittee undertook a training on arbitration to both members and non-members in April 2022 and this aroused interest in and promoted the use of appropriate dispute resolution mechanisms, both locally and internationally. Thus, the ADR Subcommittee has been a step ahead in providing basic knowledge on dispute resolution mechanisms to ZNCC members as well as non-members through training courses and workshops. The Subcommittee has been able to establish and maintain its own Lists of Accredited Mediators, Expert Witnesses and Adjudicators (Lists), inclusive of ZNCC members. The Subcommittee is continuously playing a huge role within the ZNCC National Executive Committee regarding the carriage of grievances.



## ADVOCACY & SMEs

The Subcommittee has been advocating and lobbying, on behalf of MSMEs, on policies that affect their businesses at all government levels. However, the Advocacy and SMEs Subcommittee has been dormant for the previous year and it is under revitalization in the current year. The Subcommittee seeks to promote the growth of MSMEs through business development and capacity building programmes, market access (local and external), the establishment of business centres for SMEs in all regions, and facilitating funding and formalization. If fully operationalized, the Advocacy and SMEs Subcommittee is going to establish business networking opportunities at both local and international fora to improve the exposure of MSMEs.

## Training Centre

The ZNCC Training School has been vibrant since its launch in December 2020 and the Training School Subcommittee has established partnerships with development partners to offer training programmes to ZNCC and non-ZNCC members. Capacity building programmes for the enrichment of ZNCC staff members have been undertaken mostly virtual as a result of the COVID-19 pandemic. The Training School is in the process of developing the Training School Policy and the programmes will be accredited with the Ministry and Higher and Tertiary Education, Innovation, Science and Technology Development in line with the Zimbabwe National Qualifications Framework. Thus, the Subcommittee is steering the Training School towards registration with the Ministry and Higher and Tertiary Education, Innovation, Science and Technology Development with the ultimate objective of offering certified courses.

## Regional Reports

The Zimbabwe National Chamber of Commerce is represented in five regions in Zimbabwe: Harare, Bulawayo, Gweru, Mutare and Masvingo, and the Chamber's presence is visible in these regions.

### ACTIVITIES AND ENGAGEMENTS WITH STAKEHOLDERS

#### Mashonaland Region Annual Business Awards – 28 September 2021

The Mashonaland Region Annual Business Awards were held at Nash Studios on 28 September 2021. The event which drew participation from various organisations was a success considering it was the 1<sup>st</sup> physical interface post the harsh covid 19 Restrictions on Gatherings. The event was officiated by the Minister of Industry and Commerce who joined the ceremony virtually

#### Matabeleland Regional Awards 2 October 2021

The 2021 edition of the Matabeleland Region Awards were held on the 2nd of October at a colourful ceremony at Mystic Gardens in Bulawayo. Hon Mangaliso Ndhlovu, the Minister of Environment, Climate, Tourism & Hospitality Industry presided over the ceremony which saw award recipients from 15 Awards Categories. The Minister commended all winners and nominees for doing well despite the harsh covid 19 induced business challenges



*Mineasy receive their Award while Louis Herbst looks on*



Hon Ndhlovu & L Herbst hand over M Dongo his Award

**Midlands Regional Awards – 22 October 2021**

Midlands Region held their Awards on the 22<sup>nd</sup> of October 2021 at the Village Lodge in Gweru and it was officiated by Minister of State for Provincial Affairs and Devolution Senator Larry Mavhima, another event which witnessed a full house and jubilant celebrations from businesses who emerged victorious post the Covid 19 Era



Presenting the Midlands Businesswoman Award



Photo opportunity with the businesswoman

**Meeting with Harare Metropolitan Minister Hon. Chidawu – 26 October 2021**

The Harare Branch Executive paid a courtesy visit to the Harare Metropolitan Province Minister Honorable Oliver Chidawu. Amongst the discussions was a call to his office to reach

out to the Private Sector and collaborate on areas that affect business in Harare.

**Manicaland Annual Business Awards 05 November 2021**

The Manicaland Annual Business Awards which were held on the 5<sup>th</sup> of November at Holiday Inn Mutare were officiated by the Agricultural Finance Corporation Chief Executive Officer Mr Ken Chitando. The Awards were very competitive and of note were Women owned businesses which participated and scooped a sizeable number of Awards!



Nomsa Chiadzwa Displays here businesswoman Award



Ken Chitando presents the businesswoman Award

**Mashonaland Region Golf Tourney – 02 December 2022**

In a bid to promote networking outside the confines of boardrooms and offices the Harare Branch organised a Four Ball golf Tournament for its members and stakeholders at Chapman Golf Club in Harare which was held on the 2<sup>nd</sup> of December. The tournament was a success as it fielded 16 teams and great networking opportunities were availed.



ZERA Team at Tee Off



**Harare Branch Stakeholder Workshop – 25 March 2022**

**ZNCC Harare Branch Members & Stakeholders Cocktail – 25 March 2022**

Following the Membership Drive period peak, Harare Branch held a Members and Stakeholders Cocktail on the 25<sup>th</sup> of March at the Venue Avondale. The cocktail was held to welcome new members and provide orientation on chambers role & activities and to appreciate stakeholders for their support while providing a networking for all present



Delegates following proceedings during the stakeholders cocktail

**Mashonaland Region Business Awards and Dinner – 27 May 2022**

In recognition of businesses and business owners & leaders excelling in their areas of trade and as a build up to the 2022 Annual Conference & Awards the Harare Branch held its Awards Ceremony honouring businesses on the 27<sup>th</sup> of May 2022. Hon Oliver Chidawu Minister of State for Harare Metropolitan Province was the Guest of Honour and H.E Satoshi Tanaka the Japanese Ambassador was the special Guests. Many organisations were recognised and received accolades at the colourful Awards Masquerade.



Tatiana Sharpe & Westprop Team display their Awards



Marah Hativagone displays her Award



Best Emerging Business Runner Up - Picco Construction

**Masvingo Branch Stakeholder Engagement 30-31 May 2022**

The Chief Executive Officer visited Masvingo province on the 30-31<sup>st</sup> of May 2022 to meet up with prospective and current members as well as stakeholders in the Province. Amongst the engaged stakeholders were women in Business who expressed their desire to join chamber and requested more interactive seminars and workshops to appreciate chamber and its activities



ZNCC CEO (centre) Masvingo Branch Admin (far right) and Masvingo Women in Business



# Staff Report



The Chamber bid farewell to one of our long-serving members, Ms. Sabina Baut, who is now in Japan undertaking further studies. She has been a dedicated cadre who was so committed to see through the Chamber mak-

ing impact in the development of the Zimbabwean business community, especially women owned businesses. The Chamber expresses utmost gratitude to the Japanese Embassy for facilitating and enhancing the development of human capital in Zimbabwe and accepting Ms. Sabina Baut in the JAICA programme. We are committed to career development of all our employees. Good luck Sabina and best wishes! Represent us well.

We also bid Farewell to Matilda Pinky Mashasha who served chamber in the Midlands Region at Gweru Branch as an Administration and PR Officer. Matilda went to further her studies and we wish Matilda well!

We welcomed Lorraine Chitsika who joined us to serve in Masvingo as the Branch Administrator. We wish Lorine all the best as she works with us to revive Masvingo Branch and chamber secretariat will render Lorraine and team all the support needed to help us realise our Mandate in the region.

**2022 Annual Congress**  
Elephant Hills Hotel, Victoria Falls  
29 June – 01 July 2022

**THEME: "BOLSTERING RESILIENCE AND INNOVATIVENESS FOR SUSTAINABLE GROWTH"**

**GUEST OF HONOUR:**  
Hon. Dr. Sekai Nzenza  
Minister of Industry and Commerce

**SPEAKER:**  
Dr. J.P Mangudya  
Reserve Bank of Zimbabwe Governor

**SPEAKER:**  
Batanal Chikwene  
Programme Manager - UN  
Economic Commissions for Africa

**SPEAKER:**  
Hon. Dr. David Musabayana  
Deputy Minister – Ministry of Foreign Affairs and International Trade

**PANELISTS:**

 Dr. Mavis Sibanda Permanent Secretary in the Ministry of Industry and Commerce	 Dr. Eng. Gloria Magombo Permanent Secretary in the Ministry of Energy and Power Development	 Roy Chimankire Deputy CEO - Econet Wireless	 Regina Chinamasa Acting Commissioner General Zimbabwe Revenue Authority	 Patrick Devenish Chairman - First Capital Bank Zimbabwe	 Marjorie Mpundu Country Manager - The World Bank in Zimbabwe
 Demos Mbuya President - Employers Confederation of Zimbabwe	 Gloria Zvaravanhu Managing Director - Old Mutual Insurance Company	 Eddie Cross Independent Consultant	 Ms. Moono Mupotola Country Manager - African Development Bank Zimbabwe	 Allan Majuru Chief Executive Officer - ZimTrade	 Naomi Lintini International Labour Organisation

**For registration contact Loice or Johannes:**  
loice@zncc.co.zw; 0772 527 665 or admin@zncc.co.zw; 0785 134 019 / 0715 070 475

**TOPICS:**  
1: Second Half of 2022 Economic Outlook: Headwinds and Recommendations  
2: Private Sector Preparedness for the African Continental Free Trade Area: Opportunities and Threats  
3: Currency Conundrum: Policy Options and Recommendations

**PARTNERS:**  
OLDMUTUAL, BAT, LIQUID, ZIDA, Gajette, INDEPENDENT, nssd, TENDO, TelOne, EONET, dailynews, NewsDay

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1



1. HE Japanese Ambassador receives his token from ZNCC Deputy President  
 2. Picco Construction Team on red Carpet fun  
 3. City Park team displaying their SDG Award

2



3



4



5



6



7



## Mashonaland Annual Business Awards (MABAS) in pictures

4. Mashonaland Businesswoman: Kudzai Dave  
 5. Westprop Team display their Innovation Award  
 6. Standing Ovation  
 7. Delagates at the dinner





1

1. Amanda Matema Holiday Inn Bulawayo Manager of the year  
 2. Jubilant Award winners  
 3. Award Winners pose for a photo with the Guest of Honour Hon. Raj Modi  
 4. Lifetime Achievement award recipient Mahomed Esat (left) displays his Award



2



3



4



5

**Matabeleland Annual Business Awards (MABAS) in pictures**



6



7

5. Ellias Nyararai (centre) receiving the Businessman of the Year Award on behalf of Mr Bulisani Tshuma  
 6. Rensford Manufacturing, owners receive their Best Emerging Business of the Year Award  
 7. Rural Businessperson Award presentation



1. Electrosales Manager Tadiwa Mudiwa (centre) receiving their award with VP Manicaland (left) and Acting Town Clerk Mr Chafesuka (right)
2. VP Manicaland Charlton Chimbera explaining the selection criteria
3. Border Timbers Ltd receiving their award with Director Ministry of Industry and Commerce Mr Masunungure



## Manicaland Annual Business Awards (MABAS) in pictures



4. Cling On Investments receive their 2nd Runner Certificate MSME Award
5. Verify Engineering CEO Eng. Pedzie Tapfumaneyi holding their Winner Certificate in the Innovation category
- 6./7. Delegates following proceedings during the awards dinner





1

- 1. Midlands Chair hands over MSU Award
- 2. Sable Chemicals COO giving sponsors remarks
- 3. Memo Decor Team following proceedings
- 4. President Manzungu welcomes guests at the Midlands Awards



2



3



4

## Midlands Annual Business Awards (MABAS) in pictures



5



6



7

- 5. Lesafre GM receiving their Award
- 6. ZWMB team receive their Award
- 7. DP Kamungeremu leading a presentation on Economic Outlook

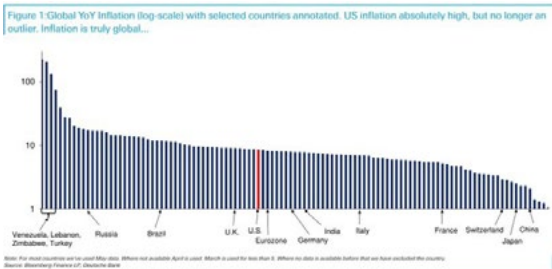
# Currency board

By *Tinashe Murapata*

Monetary policy can be best captured as either discretionary or rules based. Discretionary is when the central bank through its various methods and tools has the capability to determine money supply in an economy and subsequently interest rates and exchange rate. Rules based monetary policy is when the relationship between money supply with interest rate and exchange rate is determined at the onset and has little room to change.

One brings greater flexibility and the other stability and predictability.

There is obvious merit in both. Discretionary provides a fine tuning mechanism to allow inflation or disinflation in an economy to achieve desired goal. The proverbial monetary expansion or contraction. The Swiss are the best example of discretionary monetary policy as evidenced in a world with high inflation they have kept inflation at 2.5%. Despite the oft cited reasons for high inflation due to global supply chains constraints and the Ukraine war. When other central banks illogically printed money to absorb the Covid pandemic external shock, the Swiss did not. They had full discretion but chose not to print money.



The worst of discretionary monetary policy is Zimbabwe. Where monetary policy is at the whim of both politics and central bank. Leading to expansionary monetary policy beyond convention. The consequences are hyperinflation. And this has been seen in Venezuela, Lebanon and Turkey. Inflation brings dislocation of economic fundamentals leading to low production and increase in extreme poverty.

The best of a rules based system was the gold standard. Where every issuance of currency (currency being a debt instrument) was fully backed by gold reserves in the vault. Hence the saying, "show me the colour of your money". One need not trust the bearer of the currency if the colour of his/her money was gold.

Gold, even today has a universal standard of uniqueness, scarcity quality and durability over time for society to accept it as currency.

Obviously the world has moved on from Gold. But the principle of rules based system retains its lustre. In a discretionary system, confidence and trust by the public becomes a critical element in the success of the currency. The Swiss Franc more so than Zimbabwe ZWL. Switzerland has a history of tame and conservative monetary discretion even in the throes of external shocks. No wonder why their financial system invites the worlds wealth successfully.

Even with this trust and confidence in the Swiss management, the Swiss hold the highest per capita gold and foreign currency reserves. Why? Because it's not enough to be trusted and have public confidence in the issuance of currency and monetary policy skill. Currency must be backed up. This was the lesson the 1998

Asian currency crisis taught central banks. Russia Rouble with only two months cover suffered its worst attack. Yet today, despite the war in Ukraine with close to two years import cover reserves the Rouble has held its own. Its gold reserves continue to revalue as commodity prices increase.

The lesson here is that even the very best discretionary central banking, rules still provide the necessary comfort.

Zimbabwe currency has no public confidence. Public confidence is not a switch that can be turned on and off. That is why farmers, civil servants, and many other government contractors demand to be paid in American dollars. The public has confidence in the FED ( US central bank) in the USA than in RBZ nor GOZ.

It doesn't take a rocket scientist to see that if the Swiss is a 60-70% rules based system then Zimbabwe must be 100% or more rules and no discretionary until such a time public confidence has been restored.

The natural course for Zimbabwe is either cash Dollarisation or currency board. As long as RBZ is in charge of the RTGS clearing system a formal Dollarisation as occurred under GNU ( Government of national unit between 2009-2013) will not work. RBZ clearing means banks USD deposits of physical cash and notes must

be lodged with the central bank. This act of notes and coins at the RBZ vault is not confidence inspiring. So the public will continue to hold USD cash under mattresses while busi-





ness hold FCA's (Foreign currency account).

However the Zimbabwean authority can legalize a currency board that runs strictly on rules. A currency board is a rules based governing exchange rate system.

Every issued domestic currency is backed fully by an anchor currency. The anchor currency can be a basket of currency determined and weighted by our trading partners or hard metal commodities like gold, silver and platinum. It could very well be a combination of the above but essentially every issued domestic money must be fully convertible on demand for foreign currency at a fixed rate that does not change over time.

The currency board maintains an international account where it stores or deposits all foreign currency receipts as reserves. These reserves are held by South Africa Reserve Bank (SARB), AFDB who act as an underwriter for every issued local currency. They will agree to underwrite full convertibility of the local currency with what is in the reserves. Furthermore, a weekly audit performed by an audit firm confirms that what is in the offshore reserves and in the issued currency.

This is a strict rules based system but overnight kills inflation and brings stability in the market place. The market will start getting confidence to bank their foreign currency with the understanding that when they demand it back, it's not RBZ what has to perform but

currency board reserves held with the SARB.

All our banks have a clearing account in South Africa which will smoothen any international payments. Which instead of exotic correspondence banks, Zimbabwean banks simply piggy back on SA.

As our exports increase, the money supply in the economy increases but without inflation. This added liquidity will fund domestic industries. Coupled with a functioning financial system, bank lending will increase from a current US\$1bn to US\$6bn. The attractive high interest rates will cajole foreign investors and foreign capital to invest in Zimbabwe.

Exchange rate risk has been determined to be the highest risk consideration to investing in Africa than political risk. It goes without saying that this risk must be the foremost to mitigate. A currency board achieves this.

A Currency Board is not the panacea to Zimbabwe's economic ills. But its the best start to resolving the currency problems. It achieves stability and predictability. It engenders confidence in the financial system and for once, does not require every Zimbabwean to worry about the rate and keeping American dollars. The focus becomes production.

*Mr Tinashe Murapata is an Economist by profession and he is the Founder and CEO Leon Africa*

## Arbitration Procedures

By Virginia Mudimu

Conflict and human existence have been constant companions since time immemorial.

Various ways of resolving conflict have been developed and refined over the centuries.

As most of us are aware, when commercial disputes arise between contracting parties, they can be resolved through our local courts.

Parties to commercial disputes are however often concerned about the length of time it takes to settle disputes through local courts and require options to settle their disputes.

### Alternative Methods of Dispute Resolution

There are several other forms of dispute resolution outside of national courts.

The widely used methods in Zimbabwe are as follows:

### Mediation and Reconciliation

This method provides for a non-binding process that may or may not assist the disputing parties in resolving their commercial dispute.

The mediator or conciliator merely assists the parties to negotiate a possible mutually agreed resolution to their dispute.

If the dispute is not mutually resolved, the mediator or conciliator is not empowered to make a final and binding decision.

The parties would have to resort to the other binding forms of dispute resolution such as court litigation or arbitration.

### Neutral Evaluation

Parties to a commercial dispute may agree to appoint a neutral party who will give a non-binding opinion about issues of fact or law or technical issues after listening to both parties. The neutral evaluator therefore assists

the parties in assessing their realistic chances pending other forms of settling the matter such as mediation, litigation or arbitration.

### **Expert Determination**

If a commercial dispute involves highly technical issues, the parties may agree to appoint an expert who may determine those issues.

The parties also agree on whether the expert's decision on those issues will be binding or non-binding.

The expert's determination is however usually restricted to the technical issues.

There are various other non-binding methods of dispute resolution.

The above methods often do not result in a final and binding resolution of commercial disputes.

If the attempts at reaching a negotiated settlement fail, the parties to a commercial dispute would require a final and binding decision of their dispute. This is the reason why arbitration has over the years evolved to become one of the preferred methods of dispute resolution in commercial disputes.

## **The Legal Framework of Commercial Arbitration in Zimbabwe**

### **Arbitration Legislation in Zimbabwe**

Commercial arbitration in Zimbabwe is regulated in terms of the Arbitration Act, Chapter 7:15.

The Act is based on the model law on International Commercial Arbitration of the United Nations Commission on International Trade Law commonly known as UNCITRAL Model Law.

Zimbabwe is one of the only several African states that have modelled their arbitration Legislation on the Model law.

The objective of the model law is to harmonize national arbitration laws of countries across the world despite their different legal systems. This objective has been achieved to a large extent as legislation based on the Model Law has been adopted in more than 100 countries.

The model law comprehensively covers most aspects of commercial arbitration.

The Model Law as modified by the Act applies to both domestic and international arbitrations in Zimbabwe. Zimbabwe's adoption of the Model law has thus strongly fortified the legal framework of arbitration in the country.

Section 4 of the Act lists disputes that cannot be settled by arbitration and these include agreements contrary to public policy, disputes

which may not be determined by arbitration in terms of any law, criminal matters and matters which require High Court permission for settlement by arbitration, such as matrimonial and status matters and matters concerning minors and people with legal disability.

Article 5 of the Model Law limits the intervention of courts in arbitrations except in the few permitted circumstances to enable courts to assist.

There have only been a few modifications of the model law in the Zimbabwe Arbitration Act hence there is little interference with the Model Law in the Act.

The provisions of the Act incorporating the Model Law do not therefore allow for much interference by the courts with international and domestic arbitration and the courts have been pro-arbitration in interpreting those provisions of the Act which are otherwise open to wide interpretation.

### **Arbitral Institutions in Zimbabwe**

The Commercial Arbitration Centre in Harare (CAC) is a fully functional arbitral institution in Zimbabwe.

CAC was established in 1995 mainly through the efforts of several lawyers and the business community. Some members of this institution were involved in lobbying for the repeal of the old Arbitration Act and the enactment of the current Act, which incorporates the Model Law, hence they greatly influenced the reform of the arbitral legislation in Zimbabwe.

The institution is administered by a secretariat. It does not have its own rules but relies on the UNCITRAL Model Rules for Arbitration.

The Africa Institute of Mediation and Arbitration, Harare (AIMA) is another arbitral institution in Zimbabwe which administers arbitrations and mediations.

These institutions strengthen the arbitration framework in Zimbabwe and enhance arbitration practice in the country.

### **What is Commercial Arbitration?**

Arbitration is in fact a very simple method of resolving disputes but it results in a final and binding decision.

The parties to a commercial dispute agree to submit their dispute to an individual arbitrator or a panel of arbitrators who they trust to resolve the dispute.

The arbitrator will consider the facts, evidence and arguments presented by the parties and make a conclusive decision. The decision is final and binding on the parties as they will have



agreed in their arbitration agreement that the decision shall be binding upon them.

Arbitration is therefore a private and consensual method of resolving disputes which results in a final and binding decision without recourse to a court of law.

National laws of countries usually provide for the enforcement of the arbitral awards by courts of law if the losing party fails to abide by the award.

The main components of arbitration are the parties, the agreement, the dispute, the arbitrators the arbitration procedure, the binding decision

### The Parties

Parties make the vital decision to resolve their commercial disputes by arbitration hence they influence the increase of commercial arbitration in Zimbabwe.

Parties must have capacity to enter into arbitration agreements in accordance with applicable local laws.

If a party enters into an arbitration agreement without capacity to do so, then the arbitration agreement is void and it may not be recognized and enforced.

Parties must therefore ensure that they have capacity when they enter into arbitration agreements.

### The Arbitration Agreement

The essence of arbitration is the agreement by the parties to submit their dispute to arbitration for resolution. If there is no valid agreement to arbitrate then the arbitral process is invalid and the resultant award cannot be recognized and enforced.

In their arbitration agreement, the parties may select the institution to administer the arbitration, applicable laws and rules, the arbitrators, the person or authority who will appoint the arbitrators, language, place of arbitration and all other issues relevant to the arbitration.

parties thus have the autonomy to direct how the arbitration will be conducted.

Parties may draft their own arbitration agreement or use a model clause of their arbitral institution or of the UNCITRAL Arbitration Rules.

### The Dispute

Not all disputes can be settled by arbitration.

Most nations reserve some disputes for settlement through their national courts.

The laws of various countries, therefore define

the types of disputes that can be settled by arbitration.

Parties thus have autonomy to choose that their dispute be resolved privately, to the extent that the law allows them to resolve it privately.

In various countries non arbitrable issues include, among others, criminal matters, family law and the validity of patents.

The international trend is thus to allow most disputes to be resolved by arbitration.

### The Arbitrators

Arbitrators should have sufficient experience, expertise, knowledge, skills, integrity, neutrality and wisdom to handle arbitrations efficiently.

Since the arbitrator's award is most often final and binding because there are very limited grounds upon which it may be set aside, it is vital to choose the correct arbitrator.

There have been increasing concerns that commercial arbitrations have become lengthy and costly, the twin evils that parties strive to avoid when they choose arbitration over litigation.

Arbitrators should therefore efficiently manage arbitrations so that they are speedily and cost effectively resolved, thus maintaining arbitration at the apex of commercial dispute resolution mechanisms.

### The Arbitral Proceedings

The conduct of arbitral proceedings is set out in Articles 18 to 27 of the Model Law.

In terms of the Model Law, the parties shall be treated equally and each party shall be given full opportunity to present its case.

The parties are free to agree on the procedure to be followed during the arbitral proceedings, the place of the hearing and the language or languages to be used during the proceedings.

The parties also agree on the time lines for submission of the relevant documents pertaining to the arbitral proceedings including the Statements of Claim and the Respondent's defence.

The parties also decide whether or not an oral hearing shall be held though the arbitrator also has the power to do so.

The parties therefore have the opportunity to determine how the arbitral process will be conducted, which is the reason why arbitration is increasingly becoming a preferred method of commercial dispute resolution.



It is only if parties fail to agree on any aspect of the proceedings that the arbitrator may intervene.

The Model Law also deals with, among other things, the procedure for court assistance in taking evidence during arbitration, rules applicable to substance of dispute, decision making by the arbitrator or panel of arbitrators, form and content of the arbitral award, termination of arbitration proceedings and the enforcement of arbitral awards.

### The Binding Decision

Arbitration must result in an award that is binding on the parties, unlike other alternative dispute resolution procedures such as mediation or conciliation which result in a negotiated settlement. A flexible procedure, agreed to by the parties is followed which culminates in the binding decision of the arbitrator.

The award cannot be appealed against in terms of laws of most jurisdictions and such appeals are usually not on the merits of the award but on procedural grounds such as jurisdiction, public policy, bias or lack of fairness.

Article 34 of the Model Law, for example, sets out strict exclusive grounds upon which an award may be set aside.

The grounds and jurisdiction for setting aside awards are thus strictly regulated, promoting the finality which business enterprises require in the settlement of their disputes.

Once an award has been granted, a party may seek to enforce it locally or abroad where the losing party may have assets.

As already discussed, the legal framework for our local commercial arbitration facilitates the expeditious and effective recognition and enforcement of arbitral awards.

### Benefits of Arbitration

Some of the reasons why parties to a commercial dispute choose arbitration in the settlement of their disputes can be deduced from the above analysis of arbitration.

The main benefits of arbitration include procedural flexibility and speedy settlement of commercial disputes since parties can choose the best and most expeditious procedure applicable to their arbitration.

Parties can choose arbitrators with the requisite expertise, skills and experience for their arbitration.

Arbitration offers privacy and confidentiality to the parties and this prevents undue publicity of the disputes.

Once the award has been granted it is usually final as there are very limited opportunities to set it aside.

One of the most important benefits of arbitration is the efficient enforceability of arbitral agreements and awards.

Arbitral agreements and awards can be effectively enforced at domestic level and globally by virtue of the provisions of the Model Law and modernized national arbitration laws and international conventions such as the New York Convention.

### Deficiencies of Arbitration

Arbitration is not flawless, hence it has some perceived deficiencies.

These include the very limited opportunity to set aside arbitral awards particularly if there are delays in finalising the arbitral process.

The benefits of arbitration are however considered to outweigh its shortcomings, this is why arbitration has remained the preferred method for resolving commercial disputes.

*Virgina Mudimu is a registered Legal practitioner and a Managing Partner at Chinamasa, Mudimu & Maguranyanga law firm*

*She specialises in corporate and commercial legal advice including Real Estate and Conveyancing. She is also a Commercial Arbitrator and sits on the panel of Arbitrators of the Commercial Arbitration Centre, Harare who have appointed her on several occasions as arbitrator to preside over commercial disputes.*

## 'Zimbabwe's inflation bout worrying'

By Fidelity Mhlanga

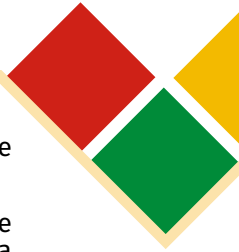


Zimbabwe's inflation is once again rearing its ugly head on the Zimbabwean economy sparking fears of the return of 2008 hyperinflation era.

The country's year on year inflation jumped to a two figure digit of 132% the month of May from 96,4% in April according to Zimbabwe National Statistics Agency (Zimstat).

Month-on-month inflation rate in May 2022 was 21.0% gaining 5.5 percentage points on the April 2022 rate of 15.5%.

The fresh inflation surge has seen key agen-



cies such as Zimbabwe Electricity Supply Authority, Harare City parking, Zimbabwe National Roads Authority hiked prices for electricity, parking and toll gates respectively as they could not contain the rising costs.

Not to be outdone are prices of basic goods whose prices are also spiraling out of control pushing consumers to the corner.

Consequently the bulk consumers earnings remain stagnant while continuing to be eroded.

It is also crucial to note that due to hike in prices of goods and services a family of five in May required ZWL\$120 000 a month from ZWL\$94 000 the previous month according to the Consumer Council of Zimbabwe and yet the majority are earning well below that.

The exchange rate is also another source of inflation.

In what authorities described as pricking the bubble, government announced a raft of measures that included suspending bank lending to stop the exchange rate free fall.

The move was later lifted following a backlash from business community.

Worryingly Zimbabwe has at least five exchange rates – the central bank’s sanctioned auction rate as of end of May was at \$308; the interbank rate at \$304; the parallel rate at \$500, Zimbabwe dollar cash rate at \$400, and the mobile money rate, which is also following the cash rate.

Whilst the auction exchange rate depreciated from ZW\$108 per US\$1 by end of last year at ZW\$290 per US\$1 as of May this year.

Independent American top economist Steve Hanke has put the country’s inflation rate at 285% - the highest globally.

He posits that it trails behind Lebanon’s 203%.

In July 2019, authorities deferred the announcement of year-on-year inflation rate until February 2020, but analysts who viewed it as a cover up move have been using the CPI to calculate year-on-year inflation rate.

Inflation reached a post dollarization high of 837% in July 2020 prompting authorities to spring into action.

Authorities had to flex their muscles with the apex bank effecting a clampdown on mobile money agents and ZimSwitch Instant Payment Interchange Technology (Zipit) transactions to

curb parallel market activities and save the Zimbabwe dollar from further plunging.

Government also suspended trading on the Zimbabwe Stock Exchange before resuming a month later.

Since then inflation rate started going down and closed last year at 60.7% before shooting up again early this year.

While authorities have set an ambitious target of between 25% and 35% by end of 2022 indications on the ground suggests otherwise unless a proper action is taken.

Already, the adoption and use of hyperinflation reporting standard –IAS 29 will remain in place up until the bout of inflation subsides.

As such authorities need to carry out a diagnostic analysis and nip in the bud issues such as money supply growth and widening premium at the black market which is fueling inflation and affecting production in the process.

There is great need to institute monetary and fiscal discipline in order to eliminate distortions on foreign exchange market.

Development economist Prosper Chitambara raised concern over chronic inflation riding roughshod on the country’s economy saying its crippling both consumers and businesses to the core.

“Chronic high inflation creates a lot of uncertainties in the economy which erodes confidence thereby affecting investment and production,” Chitambara said.

“So no economy can sustainably grow in an environment of chronic high inflation. It affects both local investment and foreign direct investment. It affects consumers it weakens their purchasing power and incomes lag behind and consumers struggle to cope and many are thrown into extreme poverty. So Chronic high inflation is not good for anyone.”

*Fidelity Hamilton Mhlanga is an award winning journalist with 10 years experience in journalism. He has vast experience as a business and finance journalist for one of the country’s biggest private media company in Zimbabwe. He has helped to communicate key information on graft, corruption to communities to hold policy makers accountable.*

*He earned a Bachelor’s of Science in Media and Society Studies from Midlands State University, in Zimbabwe. He also graduated with Master of Arts in Development Studies with the same institution. He is contactable on 0772931885 and email: fidelitym@gmail.com*

## Notice of Annual General Meeting

Notice is hereby given that the **2022 Annual General Meeting** of **Zimbabwe National Chamber of Commerce** will be held **Virtually** on **Tuesday, 21<sup>st</sup> June 2022 at 1000 hours** to transact the following business: -

**Meeting link:** kindly register on: <https://zoom.us/j/97885170140?pwd=WmdMbStGU2M0TnV5RUg0a3JtT21JUT09>

Meeting ID: 978 8517 0140

Passcode: 458165

### **AGENDA: -**

1. **President's remarks**  
Opening remarks from the President, Dr T Manzungu
2. **Declaration of interests**  
Any declaration of interest from the floor
3. **Confirmation of Minutes**  
To confirm minutes of the previous **Annual General Meeting** held on 30 September 2021
4. **Matters arising from previous minutes**  
Matters arising from previous minutes held on 30 September 2021
5. **President's report**  
To receive the President's update on the Chamber operations for the year ended 31 December 2021 and its plans for 2022
6. **Presentation of 2021 Audited Financial Statement**  
To receive, consider and adopt the audited financial statements and report of the auditors for the year ended 31 December 2021
7. **Appointment of Auditors**  
To note and confirm appointment of ZNCC External Auditors for the year ending 31 December 2022
8. **Appointment of Legal Practitioners**  
To note and confirm the appointment of ZNCC Legal Practitioners for the year ending 31 December 2022
9. **Election of Office Bearers**
  - 9.1 Deputy President
  - 9.2 President

In Chamber Service



Christopher T. Mugaga

**CHIEF EXECUTIVE OFFICER**



# Minutes of the Annual General Meeting

HELD ON WEDNESDAY 30 JUNE 2021 ON ZOOM PLATFORM

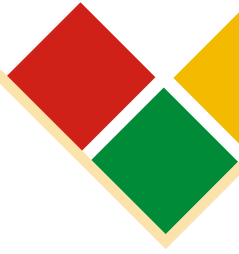
## PRESENT

Alois	Masamba	Tanajane Investments	Matabeleland
Amiel	Matindike	Axis Solutions	Mashonaland
Andrew	Chekani	N Richards Group	Midlands
Archie	Dongo	N. Richards Group	Mashonaland
Archie	Mugwagwa	Manica Skyview	Manicaland
Arnold	Britten	Zambezi Tanners	Matabeleland
Beauty	Bhulu	Glen Lodge	Matabeleland
Caleb	Mudyawabikwa	Aviation Ground Services	Mashonaland
Charlton	Chimbira	Holiday Inn Mutare	Manicaland
Dr Eldrette	Shereni	Netone	Mashonaland
Emmah	Mungoni	ZB Bank	Mashonaland
Golden	Muoni	Primeseasons	Matabeleland
Herbert	Mazonde	Valuevest Consultancy	Mashonaland
Itai	Zaba	Golden Waves Enterprises	Midlands
Jeffrey	Mutimbidziri	Throttle Clothing	Mashonaland
Josephine	Takundwa	Earthlink Technologies	Mashonaland
Julian	Mashavakure	Jmk Trading	Midlands
Kanengoni	V	Econet	Mashonaland
Kechoa		NSSA	Manicaland
Kudzanaï	Zvomuya	Commquest	Manicaland
Louis J Herbst		Bitbags Zimbabwe	Matabeleland
Lucy Mary	Marowa	National Blood Service Zimbabwe	Mashonaland
Luxon	Makusha	Mega Market	Manicaland
Luxon	Zembe	Management Solutions (Pvt) Ltd	Mashonaland
Mackenzie	Dongo	Mac Motors	Matabeleland
Marah	Hativagone	Codchem P/L	Mashonaland
Michael	Phiri	Mesclothing	Midlands
Mike	Kamungeremu	Tendo Electronics Pvt Ltd	Mashonaland
Munashe	Tiripano	Zimbabwe Leaf Tobacco	Mashonaland
Nyasha	Gonese	Clientsure/ ZG	Midlands
Obert	Sibanda	Reliance Holdings	Matabeleland
Pasipanodya Elias	Murenha	Curverid Tobacco P/L	Mashonaland
Peter	Kadzere	Smartvest Wealth Managers	Mashonaland
Phyllis	Chenjera	BAT Zimbabwe	Mashonaland
Roselyn	Charehwa	Surdux	Mashonaland
Susan	Katsukunya	DHL	Mashonaland
Tafadzwa Antony	Munyaradzi	Taffiecomms Holdings	Mashonaland
Takunda	Madanha	National Railways Of Zimbabwe (NRZ)	Matabeleland
Tamuka	Macheka	Kestmer Investments	Manicaland
Tapiwa	Karoro	Top Guard	Mashonaland
Thomas	Masese	Africa University	Manicaland
Tinashe	Mutarisi	Nash Paints	Mashonaland
Tinashe J	Manzungu	ZIMBUILD	Midlands
Wendy	Madzura	Seed Co	Mashonaland
Zachary	Tambudzai	Midlands State University	Midlands

## IN ATTENDANCE

Christopher .Mugaga	Chief Executive Officer
Mduduzi Ncube	Bulawayo Branch Manager
Pepe Guwila	Mutare Branch Manager
Sikhanyisiwe Sibanda	Gweru Branch Manager
Prayer Katsaruware	Mutare Branch Marketing Officer
Sabina Baut	Administration Manager
Linda Chapoto	Harare Branch Manager

ITEM	MINUTES	ACTION
1	<p>The CEO advised the meeting that the quorum was duly constituted for the AGM to start, with representation from all regions.</p> <p><b>Welcome</b> The President welcomed members to the 2021 AGM, which is the highest decision making board of the Chamber. He acknowledged the presence of past presidents who were in attendance. He expressed gratitude to the members in attendance and Chamber partners. He advised the meeting that the past presidents present were also appointed as Chamber honorary members. A moment of silence was observed for ZNCC members that departed during the year. Encouraged members attending to stay safe and mask up in this Covid 19 environment.</p>	<p>CEO</p> <p>President</p>
2	<p><b>MINUTES OF THE PREVIOUS MEETING</b></p> <p>Adoption of the minutes was proposed by Mr. L Zembe and Mr M. Kamungeremu of Tendo Electronics seconded after noting that Dr. Manzungu was not on the attendee list.</p>	
3	<p><b>MATTERS ARISING</b></p> <ul style="list-style-type: none"> <li>• Adoption of Constitutional Clause 1.3.2 - Done</li> <li>• Payment for subscription in USD – Done</li> <li>• Training School – Support for training facilitation by the Management Solutions – still work in progress</li> </ul>	CEO
4	<p><b>PRESIDENT'S REMARKS</b></p> <p>The President opened the meeting by highlighting that the year was not easy due to the pandemic and disruption of Chamber operations. However, the Chamber continued to be an upbeat business member organization lobbying for business development. The the period was characterized by lockdowns and scaling down of business operations which greatly affected the Chamber activities and membership. The President acknowledged and expressed gratitude to Chamber executives and sub-committees on tirelessly working to make sure that the Chamber remains relevant.</p>	



### President's RePORT

From the first wave in early 2020 to the second wave at the beginning of 2021, leaving a trail of human and economic destruction, the Covid-19 pandemic moves on with a much-feared third wave beckoning. Never in recent history has the resolve of humankind been put to the test as by this callous monster. However, amidst the pandemonium, the 'Voice of Business' continues to speak, rallying Chamber members and the wider business community to swim against the tide.

The period under review has not been an easy one for business, with the Covid-19 pandemic on one side and a challenging policy environment, complicated by a plethora of statutory instruments (SIs), on another. Currently, the market is saddled with debate on the latest offering, SI 127 of 2021. Indeed, business is stuck between a rock and a hard surface. The beginning of this Chamber year coincided with yet another market development, the re-introduction of the foreign currency auction by the central bank in June 2020. While it was received with scepticism, given its yester-year dismal failure, there was slight warming up to the intervention midway. However, to date, as business we realise that the auction-rate is rather superficial and divorced from economic fundamentals. The ever-growing parallel market premium bears testimony to this assertion. A more sustainable policy direction is the adoption of a market-determined exchange rate. In this and many other issues, the Chamber continues to engage policymakers and proffer advice in a bid to create a conducive business environment for member businesses to thrive. Notably, the Chamber made submissions to the Ministry of Finance for the 2021 National Budget and also presented to the Portfolio Committees on Budget, Finance and Economic Development and Industry and Commerce in June 2021, where we reiterated the need for market determined foreign exchange rate. We commend our policymakers for the audience that they continue to afford us. Not only do we approach them, but on many an occasion, they initiate dialogue, seeking our opinion on matters of interest to business.

As the 'Voice of Business', we rise to the occasion, never taking any opportunity to dialogue for granted. The power of a voice lies in being heard.

As the Chamber, we continue to seek ways to deliver value to our members. To this end, over the year, we have forged strategic relationships with both local and international players under various initiative. Thanks to these partnerships, our Training Centre, launched at the flagship 6<sup>th</sup> Business Review Conference (BRC) in December 2020, has made a phenomenal impact on the market. Memoranda of Understanding have been entered into with other chambers of commerce from countries such as Algeria, Canada and India for mutual member benefits. Exciting times lie ahead. Strategic positioning and collaboration are critical success factors in a world that has since transitioned from a 'global village' to a 'global household'. Indeed, this is especially true with the launch of trading on the AfCFTA on the 1st of January 2021. It is the Chamber's goal that members take advantage of the benefits arising from the AfCFTA. In this regard, capacity building initiatives such as the ZNCC/UNDP training sessions on 'Unpacking the AfCFTA for Zimbabwean Business' shall remain a priority. In line with the global demands for transformation and self-renewal, the month of December saw the Chamber's new logo launch. Image is everything!

Against all odds, the Chamber has maintained momentum both at the national and branch level as it strives to deliver value to members. The report details the highlights of the period under review, thanks to members and partners. Your continued and unwavering support is greatly cherished. Together we achieve more.

#### **Comments:**

- The report was comprehensive
- Training Centre should be guided by the London Chamber of Commerce certification which can be replicated by ZNCC.
- Need to register our programs with the Ministry of Higher and Tertiary Education so that it becomes a recognised certificate of commerce and industry at certificate and diploma level.
- The registration of courses with the Ministry to be one of the initiatives to be worked on during the 2<sup>nd</sup> year of the training centre.
- To engage RBZ as SMEs are failing to benefit from the Auction system
- Establish a board for the training centre (eminent and prominent members) to run with the certification of programs to give the training centre credibility and integrity it deserves.
- Chamber members in the academia to be resource persons for the training centre

The adoption of President's report with input from the meeting was proposed by Mr L. Zembe and seconded by Mr. O.J.Z Sibanda



5

**PRESENTATION OF FINANCIAL STATEMENTS**

The presentation of financials was done by the National Finance and Administration Subcommittee Chairman, Mr M. Kamungeremu. He advised the meeting that the consolidated statement of income and expenditure was in line with international accounting standards which is a compliance issue that the financials should have inflationary adjustment figures included.

In terms of inflation adjustments 2019 figures were positive compared to 2020.

The accounts deficit was at ZWL1.3 million emanating from one of the major revenue generators of the Chamber events being affected by the pandemic which resulted in the negative position.

Revaluation of Chamber assets at ZWL34.8 million which improved the Chamber position to a surplus.

**Comments:**

- Increased personnel costs when our main revenue earner, being events not very active is not sustainable, at best one would have gone for maintaining the personnel costs at 2019 levels until such a time when events are back online – The Chamber has a dilemma to remunerate employees adequately so as to retain key personnel, but in real value you see that the wage bill has decreased and the increased personnel cost is due to trying to slightly restore the eroded salary value
- The increase is not on headcount, but from a salary value retention perspective. The 2019 values have been eroded

The adoption of the 2019 financials was proposed by Mr M. Masese and seconded by Dr. Tambudzayi

6

**RE-APPOINTMENT OF LAWYERS**

The President reported that the NEC was satisfied with the work carried out by the organisation's lawyers, Danziger & Partners which is a Chamber member and has been offering pro bono services to the Chamber and therefore recommended retaining them as the Chamber lawyers.

The adoption of re-appointment of Danziger and Partners as the Chamber Lawyers was proposed by Mr T Madanha and seconded by Mr T. Karoro

7

**RE-APPOINTMENT OF EXTERNAL AUDITORS**

The Audit and Governance sub-committee recommended Vivificare as the Chamber's External auditors for 2021.

The adoption of Vivificare as the external auditors of the Chamber for 2021 financial year was proposed by Mr Masese and seconded by Mr Gonese.

8

**ELECTION OF OFFICE BEARERS**

The President handed over the Chairmanship to the CEO as the Returning Officer, who went on to announce the nominations as presented by NEC for ratification:

8.1

**Deputy President**

The CEO advised the meeting that the National Executive Committee met on the 29<sup>th</sup> of June 2021 and nominated Mr. M Kamungeremu from Mashonaland as the Deputy President of the Chamber.

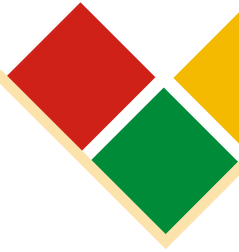
The nomination of the Deputy President was ratified at the AGM with Mr T Masese as the proposer, seconded by Mr T. Munyaradzi.

8.2

**President**

NEC nominated Dr T. Manzungu as the President of the Chamber for 2021/22 on the 29<sup>th</sup> of June 2021.

The nomination of the President was ratified at the AGM with Mr I. Zaba as the proposer, seconded by Mr M. Dongo.



8.3 The CEO tabled the Matabeleland AGM issue to be discussed by the members and advice way forward.

The AGM agreed that the Matabeleland AGM be done in the next two weeks and co-opt the Vice president for the region to join the NEC. NEC allowed to guide branches on pending AGMs as agreed.

The Managers introduced their respective Regional Vice Presidents who were nominated by regions as follows:

Mashonaland Region – was M. Kamungeremu and since the post is now vacant due to Mr Kamungeremu being elected to DP post an extra ordinary meeting to be held in two weeks to elect the regional VP.

Manicaland Region – Mr C. Chimbira – Proposed by M. Kamungeremu seconded by T Macheka

Midlands Region – Mr I. Zaba– Proposed by Z. Tambudzayi seconded by M. Phiri

Matabeleland Region – Nil

The VPs were then duly elected by the meeting.

The CEO concluded the business of the day by congratulating the office bearers for the appointments, giving the floor to the elected President.

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**CONCLUSION**

The President expressed gratitude to everyone for re-electing him for his second term and urged members to keep supporting the chamber in its activities. He also acknowledged partners, donors and secretariat for the support they rendered to the Chamber.

The meeting ended at 1414 hours

Adopted as a correct record of the proceedings on this ..... ..

day of ..... ..

Signed .....

**CHAIRPERSON: PRESIDENT**



## Shaping a World of Trust

In accordance with Statutory Instrument 124 of 2020, Bureau Veritas wishes to advise the trading community, the motoring public and all stakeholders in general that it has been appointed by the Ministry of Industry & Commerce as one of the service providers for the pre-export assessment of **Used Motor Vehicles & Used Spare Parts** effective 1 June 2022.

The requirement is applicable to **Used vehicles & Used Spare Parts** imported into the country. Bureau Veritas can assist with assessment of any shipment in any jurisdiction across the globe prior to export of the used vehicle(s) and or used spare parts.

With effect from 1 June 2022 (Date of Shipment), Used Vehicles & Used Spare Parts regulated under Statutory Instrument 124 of 2020 will be subject to a pre-export verification of conformance assessment to ensure conformance to safety requirements prescribed by the Government of Zimbabwe. These include but not necessarily limited to the following examples of Tariff headings:

8702	8716	8706
8703	8708	

The inspection fee levied on the supplier of the used vehicle(s) shall be **USD\$140/vehicle unit** (exclusive of tax).

**For avoidance of doubt please note that assessment will be done in the country of supply or export and importation should be done on the basis of the issuance of a Certificate of Conformity.**

Please feel free to contact us on [conformity.zimbabwe@bureauveritas.com](mailto:conformity.zimbabwe@bureauveritas.com) for further guidance on the application process or visit <https://verigates.bureauveritas.com/programmes/zimbabwe> for more information on the CBCA programme in general.

For further details you may also visit or contact our local liaison office:

**Bureau Veritas**

**8<sup>th</sup> Floor Causeway Building, North-West Wing**

**4<sup>th</sup> Street & Central Avenue**

**Harare, Zimbabwe**

**+263 242 792 683-4; +263 792 703**

**+263 772 596 570**





# **Financial Statements**

For the year ended 31 December 2021



# Independent Auditor's Report

## To the Members of Zimbabwe National Chamber of Commerce

### Report on the Audit of the Consolidated Financial Statements

We have audited the consolidated financial statements of Zimbabwe National Chamber of Commerce which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, consolidated statement of changes in reserves, consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes to the financial statements as set out on pages 6 to 19.

### Opinion

In our opinion, the accompanying consolidated financial statements, give a true and fair view of the statement of financial position of Zimbabwe National Chamber of Commerce as a whole as at 31 December 2021, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of financial statements section of our report. We are independent of the Union in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independent requirements applicable to performing audits of financial statements in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report



### **Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the inflation adjusted consolidated report financial statements, including the disclosures, and whether the inflation adjusted consolidated report financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the inflation adjusted consolidated report financial statements.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Committee with a statement that we complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable related safeguards.

From the matters communicated with the Executive Committee, we determine those matters that were significant in the audit of the financial statements of the current period and therefore the key audit matters. We describe those matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Nathan Chayambuka**

PAAB Practising No. 0430

For Royal Chartered Accountants (Zimbabwe)

**3 June 2022**

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Harare, Zimbabwe

# Consolidated Financial Statements

For the year ended 31 December 2021

## Nature of business

Zimbabwe National Chamber of Commerce - Consolidated is a not for profit membership organisation that provides services designed to support its members in business development.

## Executive Committee:

Dr T Manzungu	<b>President</b>
Mr. M. Kamungeremu	<b>Deputy President</b>
Mr. T. Macheke	<b>Immediate Past President</b>
Mrs. J. Takundwa	<b>Mashonaland Vice President</b>
Mr. C. Chimpira	<b>Manicaland Vice President</b>
Mr. I. Zaba	<b>Midlands Vice President</b>
Mr. L. Herbst	<b>Matebeleland Vice President</b>
Mr. M. Dongo	<b>Bulawayo Branch Chairman</b>
Mr. T. Karoro	<b>Harare Branch Chairman</b>
Mr. T. Mutarisi	<b>Harare Branch Vice Chairman</b>
Dr. Z. Tambudzai	<b>Gweru Branch Chairman</b>
Mr. B. Chimanga	<b>Mutare Branch Chairman</b>
Mr. A. Masamba	<b>Victoria Falls Branch Interim Chairman</b>
Mr. A. Chekani	<b>Masvingo Branch Interim Chairman</b>
Mr. C. Mugaga	<b>Chief Executive Officer</b>

**Registered office** Number 5 Orkney Road

Eastlea

Harare

## Bankers

CBZ Bank

Limited

## Auditors

Royal Chartered Accountants (Zim)

Suite 310, Third Floor, Office Block 2

Longcheng Plaza, Belvedere, Harare

Telephone: +263 242 711 408

## Index to the financial statements:

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## Executive Committee's Responsibilities

For the year ended 31 December 2021

The Executive Committee acknowledges that it is ultimately responsible for the internal financial control systems established by the Chamber and place considerable importance on maintaining a strong control environment. To enable the Committee to meet these responsibilities, the Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the business and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner, which in all reasonable circumstances, is above reproach. The focus of risk management on the Chamber is on identifying, assessing, managing and monitoring all known forms of risk. While operating risk cannot be fully eliminated, the Chamber endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.


The financial statements are prepared in accordance with appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Executive Committee members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The Executive Committee have assessed the ability of the Chamber to continue as a going concern and believe that the preparation of the financial statements on a going concern basis is still appropriate. However, the Executive committee believe that under the current economic environment a continuous assessment of the economic environment will need to be performed to determine the continued appropriateness of this assumption.

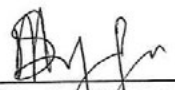
The external auditors are responsible for independently reviewing and reporting on the Chamber's financial statements. The financial statements have been examined by the Chamber's external auditors and their report is presented on page 3-5.

The financial statements set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the members of the Executive Committee on 3 June 2022 and were signed on its behalf by:



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Mr. Mike Kamungeremu  
Finance Committee Chairperson



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Mr. Christopher Mugaga  
Chief Executive Officer



# Statement of Income and Expenditure


For the year ended 31 December 2021

	Notes	Inflation adjusted		Historical	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
<b>Income</b>					
Membership subscriptions	7	14,312,124	5,794,317	11,269,389	2,299,332
Events income	8	37,926,055	4,788,674	29,863,035	1,888,016
Other income	9	8,623,027	7,560,668	6,789,785	3,000,265
		980,504	3,572,433	-	-
		<b>61,841,710</b>	<b>21,716,091</b>	<b>47,922,209</b>	<b>7,187,613</b>
<b>Expenditure</b>					
Personnel costs	10	18,528,762	10,456,119	14,589,576	4,130,447
Events expenses	11	25,529,518	946,388	20,101,983	375,551
Administration costs	12	18,840,952	12,876,585	14,952,517	4,015,169
		62,899,232	24,279,092	49,644,075	8,521,166
<b>Deficit for the period</b>		<b>(1,057,522)</b>	<b>(2,563,001)</b>	<b>(1,721,866)</b>	<b>(1,333,553)</b>
Other comprehensive income:					
Revaluation of assets		-	-	-	30,004,389
<b>Comprehensive income (loss) for the year</b>		<b>(1,057,522)</b>	<b>(2,563,001)</b>	<b>(1,721,866)</b>	<b>28,670,836</b>

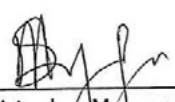
# Statement of Financial Position

For the year ended 31 December 2021

Notes	Inflation adjusted		Historical		
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL	
<b>Assets</b>					
<b>Non current assets</b>					
Property and equipment	<b>13</b>	30,658,303	32,771,456	29,101,823	30,906,093
<b>Current assets</b>					
Account receivable	<b>14</b>	131,242	26,409	131,242	16,403
Bank and cash balances	<b>15</b>	3,121,074	785,712	3,121,074	488,157
		<b>3,252,316</b>	<b>812,122</b>	<b>3,252,316</b>	<b>504,561</b>
<b>Total assets</b>		<b>33,910,619</b>	<b>33,583,577</b>	<b>32,354,139</b>	<b>31,410,654</b>
<b>Reserves and liabilities</b>					
<b>Funds</b>					
Revaluation reserve		-	-	30,260,167	30,260,167
Foreign currency translation reserve		-	-	388,286	388,287
Accumulated fund		28,951,598	30,009,120	(3,253,336)	(1,531,470)
		<b>28,951,598</b>	<b>30,009,120</b>	<b>27,395,118</b>	<b>29,116,984</b>
<b>Current liabilities</b>					
Accounts payable	<b>16</b>	4,959,021	3,561,916	4,959,021	2,285,880
Bank overdraft	<b>15</b>	-	12,541	-	7,789
<b>Total liabilities</b>		<b>4,959,021</b>	<b>3,574,457</b>	<b>4,959,021</b>	<b>2,293,669</b>
<b>Total reserves and liabilities</b>		<b>33,910,619</b>	<b>33,583,577</b>	<b>32,354,139</b>	<b>31,410,654</b>



Mr. Mike Kamungeremu  
Finance Committee Chairperson



Mr. Christopher Mugaga  
Chief Executive Officer

# Statement of Changes in Reserves

As at 31 December 2021

	Accumulated fund	Foreign Currency Translation Reserve	Revaluation reserve	Total
	ZWL	ZWL	ZWL	ZWL
<b>Inflation adjusted</b>				
<b>Balance as at 31 December 2019</b>	<b>32,572,121</b>	-	-	-
Deficit for the period	(2,563,001)	-	-	(2,563,001)
<b>Balance as at 31 December 2020</b>	<b>30,009,120</b>	-	-	<b>(2,563,001)</b>
Deficit for the period	(1,057,522)	-	-	(1,057,522)
<b>Balance as at 31 December 2021</b>	<b>28,951,598</b>	-	-	<b>(3,620,523)</b>
<b>Historical</b>				
<b>Balance as at 31 December 2019</b>	<b>(197,916)</b>	<b>388,286</b>	<b>255,777</b>	<b>451,233</b>
Revaluation of assets	-	-	30,004,389	30,004,389
Deficit for the period	(1,333,553)	-	-	(1,333,553)
<b>Balance as at 31 December 2020</b>	<b>(1,531,470)</b>	<b>388,286</b>	<b>30,260,167</b>	<b>29,122,069</b>
Revaluation of assets	-	-	-	-
Deficit for the period	(1,721,866)	-	-	(1,721,866)
<b>Balance as at 31 December 2021</b>	<b>(3,253,336)</b>	<b>388,286</b>	<b>30,260,167</b>	<b>27,400,203</b>



# Statement of Cash Flows

For the year ended 31 December 2021

	Notes	Inflation adjusted		Historical	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
<b>Cash flows from operating activities</b>					
Deficit for the year		(1,057,522)	(2,563,001)	(1,721,866)	(1,333,553)
Adjustments for:					
Foreign exchange gain		(247,358)	945,565	(194,770)	375,224
Depreciation charge		3,075,742	2,976,087	2,538,965	79,843
Profit on disposal		-	(15,443)	-	(6,128)
Donation income		-	(15,226)	-	(6,042)
Cash from operations		1,770,862	1,327,984	622,329	(890,656)
Changes in working capital	19	1,292,272	117,763	2,558,302	1,804,701
<b>Net cash flows applied in operating activities</b>		<b>3,063,134</b>	<b>1,445,747</b>	<b>3,180,631</b>	<b>914,045</b>
<b>Cash flows from investing activities</b>					
Disposal of office equipment		-	48,384	-	19,200
Purchase of property and equipment		(962,589)	(369,379)	(734,695)	(160,794)
<b>Cash flows generated investing activities</b>		<b>(962,589)</b>	<b>(320,995)</b>	<b>(734,695)</b>	<b>(141,594)</b>
<b>Increase in cash and cash equivalents</b>		<b>2,100,545</b>	<b>1,124,751</b>	<b>2,445,936</b>	<b>772,451</b>
Effects of foreign exchange on cash equivalents		247,358	(945,565)	194,770	(375,224)
Cash equivalents at the beginning of the year		773,171	593,985	480,368	83,141
<b>Cash equivalents at the end of year</b>	14	<b>3,121,074</b>	<b>773,171</b>	<b>3,121,074</b>	<b>480,368</b>

# Accounting Policies

For the year ended 31 December 2021

## 1 Corporate Information

Zimbabwe National Chamber of Commerce is a not-for-profit membership organisation that provides services designed to support its members in business development. It carries its operations through five stand alone branches namely Harare branch, Bulawayo branch, Mutare branch, Gweru branch and National Office.

## 2 Basis of preparation

The Chamber's financial statements have been prepared in accordance with International Financial Reporting Standards, ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The financial statements have been prepared under the historical cost convention as modified by the revaluation of property and equipment.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Chamber's accounting policies.

## 3. Statement of compliance

The Chamber's financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS) and the International Financial Reporting Interpretations Committee, (IFRIC) interpretations. The financial statements are based on statutory records that are maintained under the historical cost convention.

## 4. Currency of reporting

The financial statements are prepared in Zimbabwean dollars (ZWL) which is the functional currency of the Chamber.

## 5. IAS 29, Reporting in Hyperinflationary Economies

The financial statements are presented in Zimbabwean Dollars (ZWL). They have been prepared under the inflation adjusted accounting basis in line with then provisions of International Accounting Standard (IAS) 29, Financial Reporting in Hyperinflationary Economies. The Public Accountants and Auditors Board (PAAB) pronounced on 11 October 2019 that the Zimbabwean economy was trading under hyperinflationary conditions. The Management have applied the guidelines provided by the PAAB and accounting bodies and applied the hyperinflation accounting principles.

Inflation adjusted financial statements have been drawn up using the conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office.

The conversion factors used to restate the financial statements are as follows;

	Index	Conversion factor
31 December 2020	1,579.09	2.52
31 December 2021	3,135.22	1.27

# Accounting Policies

For the year ended 31 December 2021

## 6. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

### 6.1. Significant judgments and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include impairment of property and equipment; accounts receivable and accounts payable.

### 6.2. Income

#### **Subscriptions income**

Income from subscriptions is recognised on a receipt basis.

#### **Sponsorship**

Income from sponsors is recognised when income is received.

#### **Advertising income**

Income from advertising is recognised when the advertisement has been published in the Chamber's magazine.

#### **Donations income**

Income from donations is recognised on a receipt basis.

#### **Congress, conference and seminar income**

Income from congress and seminars is recognised on a receipt basis.

#### **Sundry Income**

Sundry income is recognised on a receipt basis.

### 6.3. Property and equipment

Property and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Chamber and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to capital reserves in the shareholders' equity. Decreases that offset previous increases of the same asset are charged against capital reserves directly in equity; all other decreases are charged to statement of comprehensive income. Each year the difference, between depreciation based on the revalued carrying amount of the asset charged to statement of comprehensive income and depreciation based on the asset's original cost, is transferred from "capital reserves" to "retained earnings".

# Accounting Policies

For the year ended 31 December 2021

## Depreciation

Property and equipment are depreciated on a straight line basis or amortised at rates estimated to write-off the cost or valuation of such assets over their expected useful lives at the following rates per annum:

Motor vehicles	20%
Computer equipment	20%
Furniture and fittings	10%
Office equipment	10%
Buildings	2.5%

## Property and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains and losses – net' in statement of comprehensive income.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to statement of comprehensive income; any amounts on capital reserves relating to that investment property are transferred to retained earnings.

### 6.4. Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Chamber will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in statement of comprehensive income within "selling and marketing costs". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

### 6.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the reporting date.

### 6.6. Accounts payable

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.



# Accounting Policies

For the year ended 31 December 2021

## 6.7. Employee benefits

### Defined contribution retirement schemes

The Chamber and all employees must contribute to the National Social Security Authority statutory pension and benefits scheme, which is a defined contribution scheme.

### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee voluntarily accepts redundancy in exchange of these benefits. The Chamber recognises termination benefits expenses when it is demonstrably committed to either terminate employment of current employees according to a detailed formal plan without possibility of withdrawal from such or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### Bonuses

Bonuses are not a contractual obligation and are paid at the discretion of the Chamber. A liability and an expense for bonuses are recognised in the period that the Chamber has expressed an irreversible intention to pay the bonuses. The amount of the bonus liability and expense recognised shall be based on the formulae determined by the Chamber from time to time.

### Annual leave and long service leave

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the liability for annual leave and long service leave as a result of services rendered by employees up to end of reporting period. The amounts accrued are recognised as an expense as incurred.

## 6.8. Provisions

Provisions are recognised when the Chamber has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be remote.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 6.9. Taxation

The Chamber is exempt from income tax in terms of paragraph 2 (d) of the 3rd Schedule of the Income Tax Act (Chapter 27:03).

# Notes to the Financial Statements

For the year ended 31 December 2021

	Inflation adjusted		Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
<b>7 Membership subscriptions</b>	-	-	-	-
Platinum	4,934,718	3,206,788	3,885,604	1,272,535
Diamond	3,098,725	266,490	2,439,941	105,750
Gold	2,968,035	1,003,282	2,337,035	398,128
Silver	3,375,224	1,317,757	2,657,656	522,919
Commission	(64,577)	-	(50,848)	-
	<b>14,312,124</b>	<b>5,794,317</b>	<b>11,269,389</b>	<b>2,299,332</b>
<b>8 Events income</b>				
Events Income	4,297,063	1,540,428	3,383,514	599,030
National congress	14,235,709	-	11,209,220	-
Sponsorship	14,619,812	1,583,791	11,511,663	628,488
Business review conference	364,912	1,448,854	287,333	574,942
WECA	403,416	-	317,650	-
MABAS	2,621,097	-	2,063,856	-
Golf tourney	1,379,093	-	1,085,900	-
Other events income	4,953	215,601	3,900	85,556
	37,926,055	4,788,674	29,863,035	1,888,016
<b>9 Other income</b>				
ZNCC magazine and calendar	102,115	406,225	80,405	161,200
Boardroom hire	119,542	48,372	94,127	19,195
Certificates of origin	2,309,475	3,597,807	1,818,485	1,427,701
Legalising	5,524,225	3,463,828	4,349,784	1,374,535
Interest receivable	18,434	4,437	14,515	1,761
Donations	425,820	3,578	335,291	1,420
Foreign exchange gain	-	36,420	-	14,453
Miscellaneous income	123,416	-	97,178	-
	8,623,027	7,560,668	6,789,785	3,000,265
<b>10 Personnel Costs</b>				
NSSA	-	131,552	-	52,205
Salaries and wages	14,642,995	7,965,628	11,529,917	3,142,155
Leave pay movement	-	2,056,997	-	816,269
Student Allowance	-	21,178	-	8,404
Transport allowance	31,750	201,805	25,000	80,082
Leave pay movement	3,854,017	-	3,034,659	-
Zimbabwe Development Fund	-	78,958	-	31,333
	18,528,762	10,456,119	14,589,576	4,130,447

# Notes to the Financial Statements

For the year ended 31 December 2021

	Inflation adjusted		Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
<b>11 Events expenses</b>				
Events	25,529,518	946,388	20,101,983	375,551
	<b>25,529,518</b>	<b>946,388</b>	<b>20,101,983</b>	<b>375,551</b>
<b>12 Administration costs</b>				
Advertising	344,485	394,146	271,248	156,407
Audit and accounting fees	461,577	88,200	363,447	35,000
Bank charges	1,995,682	634,271	1,571,403	251,695
Consultancy Fees	940,525	411,187	740,571	163,170
Depreciation	3,075,742	2,976,087	2,538,965	79,843
Electricity and water	336,848	95,909	265,235	38,059
Fuel	3,457,119	801,034	2,722,141	317,871
Foreign exchange loss	(247,358)	981,986	(194,770)	389,677
General expenses	102,833	215,624	80,971	80,969
Insurance	114,551	37,780	90,198	14,992
License	100,630	252,108	79,236	100,043
Motor vehicle expenses	913,444	709,647	719,248	281,606
Printing and stationery	764,010	557,863	601,583	221,374
Rent and rates	2,231,031	1,933,082	1,756,717	767,096
Repairs and maintenance	207,176	319,381	163,131	126,739
Staff welfare	1,948,757	1,387,026	1,534,455	550,407
Teas and cleaning	567,020	250,790	446,473	99,520
Telephone and internet	1,083,633	712,817	853,255	282,864
Travel and accommodation	422,519	117,647	332,692	57,838
Website development	20,726	-	16,320	-
	<b>18,840,952</b>	<b>12,876,585</b>	<b>14,952,517</b>	<b>4,015,169</b>

# Notes to the Financial Statements

For the year ended 31 December 2021

## 13 Property and equipment

	Inflation adjusted					Total ZWL
	Land and buildings	Furniture and fittings	Motor vehicles	Computer equipment	Office equipment	
	ZWL	ZWL	ZWL	ZWL	ZWL	
<b>For the year ended 31 December 2020</b>						
Opening carrying amount	23,091,339	4,056,690	5,877,395	1,306,227	1,064,227	35,395,879
Additions	-	287,943	-	78,458	2,979	369,379
Donations	-	3,427	-	1,033	10,765	15,226
Disposal : Cost	-	-	(44,100)	-	-	(44,100)
Accumulated depreciation	-	-	11,159	-	-	11,159
Depreciation for the year	(592,086)	(465,596)	(1,464,939)	(334,503)	(118,964)	(2,976,087)
<b>Closing carrying amount</b>	<b>22,499,254</b>	<b>3,882,464</b>	<b>4,379,515</b>	<b>1,051,216</b>	<b>959,007</b>	<b>32,771,456</b>
<b>As at 31 December 2020</b>						
Cost / valuation	23,683,425	4,797,267	7,302,644	1,712,260	1,196,219	38,691,815
Accumulated depreciation	(1,184,171)	(914,803)	(2,923,129)	(661,044)	(237,212)	(5,920,359)
<b>Closing carrying amount</b>	<b>22,499,254</b>	<b>3,882,464</b>	<b>4,379,515</b>	<b>1,051,216</b>	<b>959,007</b>	<b>32,771,456</b>
<b>For the year ended 31 December 2021</b>						
Opening carrying amount	22,499,254	3,882,464	4,379,515	1,051,216	959,007	32,771,456
Additions	-	691,186	-	226,694	44,709	962,589
Depreciation for the year	(592,086)	(519,816)	(1,460,529)	(379,494)	(123,817)	(3,075,742)
<b>Closing carrying amount</b>	<b>21,907,168</b>	<b>4,053,834</b>	<b>2,918,986</b>	<b>898,416</b>	<b>879,899</b>	<b>30,658,303</b>
<b>As at 31 December 2021</b>						
Cost / valuation	23,683,425	5,488,453	7,302,644	1,938,954	1,240,928	39,654,404
Accumulated depreciation	(1,776,257)	(1,434,619)	(4,383,658)	(1,040,539)	(361,029)	(8,996,101)
<b>Closing carrying amount</b>	<b>21,907,168</b>	<b>4,053,834</b>	<b>2,918,986</b>	<b>898,416</b>	<b>879,899</b>	<b>30,658,303</b>



# Notes to the Financial Statements

For the year ended 31 December 2021

## 13 Property and equipment (Continued)

	Historical					Total ZWL
	Land and buildings ZWL	Furniture and fittings ZWL	Motor vehicles ZWL	Computer equipment ZWL	Office equipment ZWL	
<b>For the year ended 31 December 2020</b>						
Opening carrying amount	535,105	108,438	143,546	28,213	12,480	827,782
Additions	-	128,478	-	31,134	1,182	160,794
Donations	-	1,360	-	410	4,272	6,042
Disposal : Cost	-	-	(17,500)	-	-	(17,500)
: Accumulated depreciation	-	-	4,428	-	-	4,428
Elimination of : Cost	(550,001)	(250,906)	(165,750)	(67,540)	(20,014)	(1,054,211)
: Accumulated depreciation	29,896	28,198	72,075	17,777	4,525	152,471
Revaluation	18,648,366	4,158,388	5,750,114	1,372,154	977,108	30,906,130
Depreciation for the year	(15,000)	(15,567)	(36,799)	(10,032)	(2,445)	(79,843)
<b>Closing carrying amount</b>	<b>18,648,366</b>	<b>4,158,388</b>	<b>5,750,114</b>	<b>1,372,117</b>	<b>977,108</b>	<b>30,906,093</b>
<b>As at 31 December 2020</b>						
Cost / valuation	18,648,366	4,158,388	5,750,114	1,372,154	977,108	30,906,130
Accumulated depreciation	-	-	-	(38)	-	(38)
<b>Closing carrying amount</b>	<b>18,648,366</b>	<b>4,158,388</b>	<b>5,750,114</b>	<b>1,372,117</b>	<b>977,108</b>	<b>30,906,093</b>
<b>For the year ended 31 December 2021</b>						
Opening carrying amount	18,648,366	4,158,388	5,750,114	1,372,117	977,108	30,906,093
Additions	-	493,703	-	205,594	35,398	734,695
Depreciation for the year	(466,209)	(439,022)	(1,150,022)	(296,309)	(187,402)	(2,538,965)
<b>Closing carrying amount</b>	<b>18,182,157</b>	<b>4,213,069</b>	<b>4,600,091</b>	<b>1,281,401</b>	<b>825,104</b>	<b>29,101,823</b>
<b>As at 31 December 2021</b>						
Cost / valuation	18,648,366	4,652,091	5,750,114	1,577,748	1,012,506	31,640,825
Accumulated depreciation	(466,209)	(439,022)	(1,150,022)	(296,347)	(187,402)	(2,539,002)
<b>Closing carrying amount</b>	<b>18,182,157</b>	<b>4,213,069</b>	<b>4,600,091</b>	<b>1,281,401</b>	<b>825,104</b>	<b>29,101,823</b>

# Notes to the Financial Statements

For the year ended 31 December 2021

	Inflation adjusted		Historical	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
<b>14 Accounts receivables</b>				
Trade receivables	-	-	-	-
Other receivables	131,242	26,409	131,242	16,403
	131,242	26,409	131,242	16,403
<b>15 Cash and cash equivalents</b>				
For the purposes of statement of cash flows, cash and cash equivalents includes cash on hand and cash in banks. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows can be reconciled to the statement of financial position as follows:				
<b>Cash on hand</b>	199,592	83,383	199,592	51,886
<b>Cash at bank</b>				
Cash at bank	2,921,482	702,329	2,921,482	436,272
	3,121,074	785,712	3,121,074	488,157
Bank overdraft	-	(12,541)	-	(7,789)
	3,121,074	773,171	3,121,074	480,368
<b>16 Accounts payables</b>				
Trade payables	125,443	1,137,050	125,443	728,014
Statutory obligations	898,330	543,789	898,330	385,145
Leave pay provision	3,935,248		3,935,248	
Other payables	-	1,881,077	-	1,172,720
	4,959,021	3,561,916	4,959,021	2,285,880

## 17 Contingent liabilities

No warranty and legal claims were brought against the Chamber during the year.

## 18 Capital management policies and procedures

The Chamber's capital management objectives are:

to ensure the Chamber's ability to continue as a going concern; and

to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Chamber monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position.

# Notes to the Financial Statements

For the year ended 31 December 2021

Inflation adjusted		Historical	
2021	2020	2021	2020
ZWL	ZWL	ZWL	ZWL

## Capital management policies and procedures (Continued)

Management assesses the Chamber's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Chamber's various classes of debt. The Chamber manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

### 19 Changes in working capital:

(Decrease)/Increase in trade and other receivables	(104,833)	1,511,771	(114,839)	1,718
(Decrease)/Increase in trade and other payables	1,397,105	(1,394,008)	2,673,141	1,802,982
	1,292,272	117,763	2,558,302	1,804,701

### 20 Capital commitments

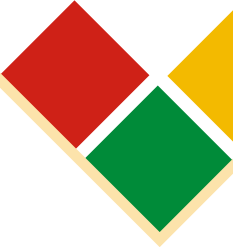
There were no capital commitments at year end.

### 21 Events after the reporting date

There were no significant events after the reporting date.

### 22 Contingencies

There were no contingency liabilities at year end



Notes



## Notes



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**mad**  
**MAKE A DIFFERENCE.  
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## PET Recycling Collection Points

### Harare

**Plant and Factory** - 41 Dover Road, Ardbennie, Harare  
**Tisungureiwo Co-operative** -19351 Stevenson Road, Graniteside  
**SHEQ Ambassadors** - Kamunhu Shopping Centre Mabvuku

### Bulawayo

**GN Plastics** - 76 Wolverhampton Road, Bulawayo

### Mutare

**Yellow Portion Services** - No 21 Chimoio Street, Mutare

### Masvingo

**Recycling Solutions** - No 964, Industrial Road, Masvingo

### Kwekwe

No 55 Goods Avenue, Stuart Lloyd Complex

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