Invest in Zimbabwe
Building Partnerships In a Diversified Economy
Zimbabwe, strategically located in the heart of southern Africa is home to the Victoria Falls, one of the natural wonders of the world.

Owing to its geographical landscape, the country has significant agriculture, forestry, and tourism potential. The population is relatively distributed across the country, more densely populated urban areas surround the capital Harare and other major cities.

**Key Facts:**

- **Capital:** Harare
- **Official Languages:** English, Shona and Ndebele
- **Currency:** Multi Currency System
- **Dialing Code:** 263
- **Population (2012 est.):** 12,619,600
- **World Population Rank:** 72
- **Population Growth Rate (2012):** 4.375%
- **Rank of Population growth in Africa:** 23
Overview

Zimbabwe’s remarkable resource and human capital endowment has made it an attractive destination for investment. Driven by foreign investment in the mining sector, the government has attempted to use the investment to enhance technological development while maintaining consistent growth. FDI inflows in 2012 stood at US$387 million.

Modes Of Entry

The trend in mode of entry for foreign investment has witnessed a complete shift from Mergers and Acquisitions (M&A) to Greenfield FDI Projects since 2003, as witnessed in most African countries. Greenfield FDI has dominated the charts both in terms of value of investment and number of deals. Three Greenfield projects with an estimated investment of US$1,449 million were announced in 2011 (Jan-May) alone.

Key Drivers

Mining has become the fastest growing sector since 2009, as a result of strong global mineral prices. Mining output has risen spectacularly contributing 5.7% to the GDP in 2009 and recording a growth of 47% in 2010 largely due to increased mining investment. Platinum and Gold are the two main minerals produced in Zimbabwe which accounted for 45% and 22% of the total mineral export in 2010.

As a result of the multi currency regime, and trade and exchange control liberalization at the beginning of 2009, consumer prices fell by 7.7% during 2009, and imports of goods and services grew dramatically from US$2.4 billion in 2007 to US$7.484 billion in 2012.

GDP Composition (2013 Projections)

Source: Ministry of Finance
Infrastructure In Zimbabwe

Air Transport
The Harare International airport is the main airport in the country with several major airlines flying into Zimbabwe on a regular basis.

Total Airports (with paved runways) 26

Railways
The state-controlled National Railways of Zimbabwe (NRZ) rail network has a single-track. Zimbabwe has the highest rail-traffic density in the region besides South Africa. The NRZ has both high freight as well as high passenger density as compared to other southern African railways.

Railways 4,007kms

Road
Zimbabwe has a relatively dense national road network. Total road density is 100 km/1,000 sq kms, double the figure for neighboring Zambia and almost triple that of Mozambique.

Total Road 153,497 kms
Paved 2,794 kms

Power
Zimbabwe’s installed capacity and access to electricity compare favorably to countries of similar income in Africa. Total installed capacity at 1,960 megawatts (MW) and per capita capacity at 146 MW are three and seven times higher, respectively, than other low income African countries. Zimbabwe’s overall access rates and rural access rates are also better than the average for African low income countries.

Information and Communication Technology (ICT)
Fixed telephone line penetration exceeded the Sub-Saharan average in 2008 with the Internet access penetration being about the same. The mobile market doubled in 2010, lifting mobile subscriptions per 100 inhabitants to 61.25, reducing the gap between Zimbabwe and the rest of Sub-Saharan Africa. As at December 2012 the following prevailed:

- Mobile Penetration in Zimbabwe: 97%
- Internet Penetration in Zimbabwe: 30.6%
- Teledensity in Zimbabwe: 99.3% (97% mobile + 2.3 fixed)
### Doing Business In Zimbabwe: Investments

<table>
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<tr>
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<th>Investment Options</th>
<th>Investment Laws &amp; Regulations</th>
<th>Investment Funding Options</th>
<th>Taxation</th>
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<tr>
<td>1.</td>
<td>Depending on the purpose of business, foreign investors have many options to establish their companies in the country. The key forms of businesses in the country include limited liability company, sole proprietorship, partnership and joint ventures.</td>
<td>Zimbabwe Investment Authority Act is the primary law that administers the investment in the country. It provides various kind of incentives depending on the amount of investment, location, national importance and contribution to the economy.</td>
<td>The financial sector of Zimbabwe consists of variety of options that include commercial banks, pension funds, micro-finance institutions etc. The Government is taking steps to strengthen the financial sector and attract financial investment in the country.</td>
<td>The taxation system in Zimbabwe has started its move towards simplification of tax structures. The Government has reduced the basic level of tax and is in the process to widen the tax revenues. There are also moves towards harmonization of customs and tax practices on a regional basis.</td>
</tr>
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5.
### Doing Business In Zimbabwe: Exchange Control Regulations

<table>
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<th>Foreign Capital Inflows</th>
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<td>2.</td>
<td>Repatriation of Investment and dividends</td>
<td>Government guarantees repatriation of 100% of the original capital investment and after tax dividends.</td>
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<td>Foreign Currency Accounts (FCAs)</td>
<td>Corporate and individual FCAs may be opened with local commercial banks.</td>
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• No prior RBZ approval for loans below US$1m |

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- Corporate and individual FCAs may be opened with local commercial banks.

**Borrowing**

- No restriction on working capital borrowing locally
- No prior RBZ approval for loans below US$1m
Visas are not required for qualifying countries on a list available from the Department of Immigration. Nationals of countries in the second category may obtain visas at port of entry in Zimbabwe. In the last category visas must be applied for and issued in advance of travel, from the respective Zimbabwe Embassies and/or Trade Missions/consulates.

Invest US$100 000 in a joint venture, approved by the ZIA, with a local or permanent resident of Zimbabwe will qualify for a 3 year residence permit at the end of which permanent residence may be granted.

Work Permits granted on a case by case basis depending on justification.
The investor has a variety of options to set-up its operations in the country. The most common form of limited liability company is private company limited by shares. The Companies Act (chapter 24:03) administers various companies and Cooperative Societies Act (Chapter 24:05) governs co-operatives in Zimbabwe.

Business Registration Process
Zimbabwe introduced several reforms over the years that has resulted in making the business start-up process simpler and faster. The government reduced the registration fees and increased the speed for the name search process and also for company and tax registration process.
The government has given emphasis on promoting foreign investment in the country and introduced suitable laws for it. The principal law regulating foreign investment in Zimbabwe is:

- **Zimbabwe Investment Authority Act, 2006 (No. 4 of 2006)**

The Act led to the creation of the Zimbabwe Investment Centre that is to be managed by Zimbabwe Investment Authority Board. The key functions of the investment Authority are:

- Facilitate and promote investments in the country.
- Registration of all projects with foreign component.
- Plan and implement investment promotion strategies.
- Identification of sectors of the economy with potential for investment.
- Supervise and evaluate the implementation of approved investment projects.
- Advice the government on investment policy.

The incentives offered to a foreign investor will depend on the guidelines for investment as published by the Government. These include general incentives for both domestic and foreign investors and special incentives for specific categories of investment.

### Key Considerations For Approving Project Proposals

| Extent of Utilization Of Foreign Resources | Creation of employment opportunities |
| Possibility for the transfer of technology and skills | Location of the project and its potential for further development |
| Generation of foreign currency through exports or extent of import substitution. | Impact of project on existing industries Extent of value addition |
Key Sectors

Agriculture
Agriculture is the backbone of Zimbabwe’s economy and contributed 18% to the GDP in 2010. Agriculture sector benefits from the immense production of maize, wheat and soya-bean, as the surplus in the local market are readily absorbed by the global market. There has been a major import of the agricultural equipment, more than 6,000 tractors have been imported since 2004 by Government, private companies and individuals. There exists opportunities in citrus fruits, mushroom and soybean production and processing. Zimbabwe is the 2nd largest producer of flowers in Africa after Kenya and is the 5th largest producer in the world. Zimbabwe has an immense potential in the floriculture industry, the country produces flowers in at the lowest cost in Africa and the markets for this produce are also easily available.

Manufacturing
The broadly based manufacturing sector produces more than 6,000 products or commodities including food and clothing fertilizers and chemicals, metal products of all kinds, electrical machinery and equipment and motor vehicle assembly.

Mining and Quarrying
The mining sector is a major earner of foreign currency for the country. The sector performed well supported by the government, legislation, fiscal environment and good infrastructure. The country possesses rich deposits of more than 40 types of minerals. There exist opportunities in diamond, gold, platinum, chrome, coal, asbestos and iron ore mining and the scope for investment in rebuilding the exploration and mining support services such as sample preparation and analysis (rock, chemical), non-destructive and drilling.
Key Sectors

Tourism
In Zimbabwe, tourism plays a very significant role in the development of the national economy. The sector has significant potential to become the largest industry in terms of foreign currency generation in the country. The 2010 football world cup in South Africa provided the much needed boost to the tourism sector. There exist opportunities in the following subsectors:

- Conference and Convention centers
- Resorts and Casinos
- Hotels and Lodges
- Shopping mall

Source: ZTA
Investment Opportunities

Zimbabwe is amongst the 11 African nations that have at least one major mineral that ranks amongst the top 10 global resources giving it the status of a global resource country.

Zimbabwe has an impressive infrastructure as compared to its peers, including power, roads, ICT, and water. The country is historically well integrated with its neighbors when it comes to power and transport networks, allowing Zimbabwe to participate in regional trade and act as a critical transit country for landlocked neighbors Zambia and Botswana and a key link in the north-south surface corridors.

Zimbabwe has high regional integration and is linked to other SADC countries through both the north-south corridor as well as the Beira corridor, both part of the 14 main African corridors for trade. The north-south corridor is the most extensive corridor system in the Southern Africa region.

Thus, with abundant natural resources, good infrastructure, large pool of highly skilled work force., Zimbabwe is fast developing into a investor’s destination of choice.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Sub Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Contract Farming, Irrigation technology, Agro-processing, Agro-genetics</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Value addition, Technology transfers, Equipment supply, Capacity enhancement, Reindustrialization</td>
</tr>
<tr>
<td>Tourism</td>
<td>Resorts, Casinos, Adventure, Accommodation and conferencing</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>Platinum, Diamonds, Iron ore, Coal, Gold, Chrome, Beneficiation (polishing, smelting, refining), Exploration</td>
</tr>
<tr>
<td>Infrastructure development</td>
<td>Road, rail, energy, airports</td>
</tr>
</tbody>
</table>
Agreements and Associations

Regional Trade Associations and Blocs

- Zimbabwe is a member of the following:
  - Southern African Development Community (SADC)
  - Common Market for Eastern and Southern Africa (COMESA)

International Investment Guarantees and Agreements

- Zimbabwe is a signatory to and a member of the following Investment Protection Agreements:
  - International Centre for the Settlement of Investment Disputes (ICSID)
  - Zimbabwe acceded to the World Bank’s Multilateral Investment Agency (MIGA) in September 1989

Bilateral Investment Treaties (BITs) Double Taxation Treaties (DTTs)

Zimbabwe has signed a total of 31 BITs. These include BITs with Netherlands, Denmark, Germany, South Africa, Zambia, Mauritius and Switzerland.
Zimbabwe’s taxation system has undergone significant reforms since 2009. The government has introduced measures to rationalize the level and administration of taxes and removed unofficial tax on exports with the introduction of multi-currency regime. The doing business rank improved by 5 places from 132nd in 2011 to 127th in 2012, with improvement in tax income as a percentage of the GDP.

<table>
<thead>
<tr>
<th>Type of tax</th>
<th>Rate</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax Rate</td>
<td>25%</td>
<td>Reduced from 30% from 1st January 2010</td>
</tr>
<tr>
<td>Capital Gains Tax Rate</td>
<td>20%</td>
<td>Capital gains tax from sale or disposal of a marketable security and immovable property acquired before 1st February 2009 are charged at a rate of 5% on gross proceeds.</td>
</tr>
<tr>
<td>Dividends</td>
<td>10%/15%</td>
<td>Listed companies on stock exchange are charged at 10%</td>
</tr>
<tr>
<td>Interest/ Royalties</td>
<td>10%/20%</td>
<td>Royalties paid to non-resident are charged at 20%</td>
</tr>
<tr>
<td>Value-added tax</td>
<td>15%</td>
<td>0% for education, food stuff, public transport and medical services</td>
</tr>
<tr>
<td>Branch Remittance Tax</td>
<td>NIL</td>
<td>Head Office remittance expenditure is charged at 20%</td>
</tr>
<tr>
<td>Carry forward</td>
<td>6 years</td>
<td>Losses are carry forward for a period of 6 years</td>
</tr>
</tbody>
</table>
Specific Tax Incentives

- 20% tax for manufacturing companies exporting at least 50% of their output.
- 15% corporate tax is applied for the first five years of operation in road, bridge and sanitation or water facility construction.
- 15% corporate tax for special mining lease operations. Losses are carried forward indefinitely for mining operations.
- Duty exemptions on imported capital equipment.
- Exemption from duties on the import of raw materials used in the manufacture of goods for export and also for a registered operator.
- Five year tax holiday for designated Tourism Development Zones.
- Exemption from VAT for a variety of products that include agricultural produce, raw materials for further processing, goods used in the production of agricultural, mining, industrial or manufactured products etc.
- Build Operate Transfer (BOT) and Build Own Operate Transfer (BOOT) projects are taxed at a variable rate depending on the years of operation. It is 0% for the initial five years and increases to 30% after 16 years.
### Key Contacts

<table>
<thead>
<tr>
<th>Organization/ Department</th>
<th>Contact Details</th>
</tr>
</thead>
</table>
| Zimbabwe Investment Authority (ZIA) | The Chief Executive Officer  
  Investment House  
  109 Rotten Row  
  P.O. Box 5950, Harare  
  Email: info@zia.co.zw, www.zia.co.zw  
  Tel: +263-4-7579315/759115/756170  
  Fax: +263-773843 |
| Ministry of Economic Planning & Investment Promotion | The Permanent Secretary  
  New Government Complex  
  Corner 4th St & S. Machel Avenue  
  Harare |
| Reserve Bank of Zimbabwe | The Governor  
  80 S. Machel Avenue  
  P.O. Box 1283, Harare  
  Tel: +263 4 703 000  
  Fax: +263 4 796399/702786  
  Email: info@rbz.co.zw  
  www.rbz.co.zw |
| Confederation of Zimbabwe Industries (CZI) | The President  
  31 J. Chinamano Avenue  
  P. O. Box 3704, Harare  
  Tel: +263 4 251490  
  Email: info@czi.co.zw  
  www.czi.co.zw |
Metbank Limited is a registered commercial bank founded in 1999, and has steadily grown into a strong bank with a unique brand personality, respected for its commitment to providing customer-driven services. With branch representation now in all 10 provinces of Zimbabwe, the bank has over the years transformed itself into a more visible and accessible commercial bank focusing on building deeper relationships.

Products and services:
The bank provides consumers, small business enterprises, corporate institutions and public sector enterprises with a broad range of financial products and services, including consumer banking, credit, corporate banking, international banking and trade finance commerce; treasury and investment banking services.

Delivery Channels:
Metbank’s commitment to serve is demonstrated by a nation-wide network of 25 retail branches, and e-service delivery channels, including, among others, ATMs, internet banking and mobile banking solutions, in line with the bank’s focus on a technology-driven and value-added transactional banking model.

Our Competencies:
Metbank has particular competencies in the arrangement of international lines of credit for its corporate and institutional customers. Our bouquet of retail and wholesale banking products includes: personal accounts, corporate accounts, investment, card services, lease finance, personal loans, and mortgage finance.

Our Philosophy:
Premised on our over-arching “balanced growth” philosophy, Metbank’s strategy for the future is to generate long-term profitability and growth, guided by best practice in risk management and responsible banking. Our focus is on value-added services for personal and business customers.
### International Banking & Exchange Control

If you are a corporate entity that is importing or exporting, involved in the hospitality and tourism industry, an organisation that receives foreign currency donor funds or an individual, our International Banking team has the knowledge and skill to give advice on the current exchange control regulations regarding exports and imports and are able to assist with the following products and services:

- Drafts
- Moneygram
- Auto Reconnection subscription payments
- SWIFT Telegraphic Transfers
- Foreign Currency Accounts
- Letters of Credit (LCs)
- Exchange Control Advisory
- Travelex Cash Passport Card
- Execution of Export / Import documents – CD1s, CD3s, GSD, TR1s and TR2s.
- Collections

### Correspondent banking relationships

We have correspondent banking relationships with the under listed international banks in order to facilitate processing of international trade payments:

<table>
<thead>
<tr>
<th>CURRENCY</th>
<th>BANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>Commerzbank, Germany</td>
</tr>
<tr>
<td>USD</td>
<td>Standard Chartered Bank, New York USA</td>
</tr>
<tr>
<td>GBP</td>
<td>Commerzbank</td>
</tr>
<tr>
<td>ZAR</td>
<td>The Standard Bank of South Africa, Johannesburg</td>
</tr>
<tr>
<td>ZAR</td>
<td>Nedbank Limited</td>
</tr>
<tr>
<td>EUR</td>
<td>Commerzbank, Germany</td>
</tr>
<tr>
<td>BWP</td>
<td>Stanbic Bank, Botswana</td>
</tr>
<tr>
<td>CNY</td>
<td>Commerzbank, Germany</td>
</tr>
</tbody>
</table>

Should you need any further assistance please contact our International Banking Team:

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Tel: +263-4-7579315/759115/756170
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Enjoy banking at any time of the day or night, all you need is an internet connection. We offer the Ultimate in secure online transactions in line with the latest, modern banking trends. Not only do you eliminate time costs and become more productive during working hours, but, you also save on transport and fuel costs.

Service includes:
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- Multiple Payments
- Reloading Prepaid
- International Debit cards
- Real-time transactions

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