

Zim to push foreigners out of retail sector

By [Dumisani Ndlela](#)

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The Zimbabwe government has capitulated to demands from the affirmative action group (AAG) and has moved to outlaw foreigners from the domestic retail sector.

But current operators are likely to get a reprieve to remain in business under a yet-to-be agreed special deal, said a Zimbabwe Investment Authority (ZIA) official, who maintained that the retail business had "always been a reserved sector" and foreigners were supposed to partner with locals.

"In terms of statutory instrument 108 of 1994, foreigners were to own 35% of any retail business, with a local holding the balance of 65%. But new legislation under the indigenisation law is that the retail sector is now wholly reserved for locals," said the ZIA official who declined to be named because he was not authorised to speak to the press.

Local authorities have however been issuing licences to foreigners to operate downtown retail business - from car parts dealers to grocery shops - even when they were not in partnership with locals.

ZIA, which, together with officials from the immigration department, has been conducting spot checks on downtown businesses in Harare, the majority of which are owned by Chinese nationals and Nigerians, is hoping to "rectify the situation". There have been fears the visits could be a precursor to a blitz against the businesses.

The Harare City Council recently placed an advertisement in newspapers seeking stakeholder views on whether it should continue to grant licences to downtown shops run by non-Zimbabweans or stop.

This sparked a furor, with David Chapfika, the National Indigenisation and Economic Empowerment Board (NIEEB), charging that the local authority had to simply comply with the law and licence, "indigenous Zimbabweans...not blacks from all over Africa."

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on dndlela@yahoo.co.uk.

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