

Zim campaign to counter influx of foreign products

Irrked by an influx of foreign products and commodities on the local market, Zimbabwe's business sector and concerned stakeholders have launched a Buy Zimbabwe Campaign to promote local products.

Zimbabwe experienced a serious influx of foreign products after the inflation rate reached an all-time high of 782% in February 2006, triggering nationwide shortages of basic commodities. The shortages also resulted in a thriving black market.

Robert Muganda, Buy Zimbabwe Campaign media and communications executive, tells I-Net Bridge/BusinessLIVE that the campaign is meant to promote Zimbabwe's quality brands.

On 3 August 2011, a Buy Zimbabwe day will be held in Harare to offer an opportunity for local businesses to present their product offerings to consumers and highlight their commitment to providing quality products and services.

Buy Zimbabwe notes that the expiration of the current duty-free regime at the end of July 2011 is an opportunity for Zimbabwe to revisit its policy framework on the import and export of goods, services and raw materials.

The organisation is pushing for a policy framework that is more suited for a growing economy and encourages competitiveness for both local and foreign products on the local market.

Imported finished goods are finding their way into the country at 0% duty while local companies import raw materials at between 5 to 25% duty depending on the class of the raw materials.

"This contributes to cost build-up on finished local products. This is worsened by low capacity utilisation, high operating costs and uncertainties in the operating environment," says Muganda.

Also on this day, the official Buy Zimbabwe seal designed to market the country's brands will be unveiled to the public and consumers.

The insignia is to be used to signify quality, minimum local content, adherence to local labour standards and commitment to environmental protection. "Deserving local brands that have high quality standards will also be awarded with certificates of recognition on the same day," Muganda says.

He says that the majority of the local companies have had to transfer costs to the consumer through high prices for the local products. Muganda says that a close examination of the current policy on duty reveals that it is largely skewed towards foreign products and threatens the survival of local companies.

Buy Zimbabwe is therefore encouraging government to ensure that the importation of goods is not at the expense of local businesses that have over the years been rendered uncompetitive in the face of foreign alternatives.

Meanwhile, one of the stakeholders in the campaign, the Consumer Council of Zimbabwe (CCZ) recently conducted a survey where Zimbabwean consumers expressed interest in supporting the Buy Zimbabwe campaign, as 90% of the participants noted that they would prefer Zimbabwean products because they are not genetically modified.

CCZ executive director, Rosemary Siyachitema says the respondents, however, expressed that local products were costly and poorly packaged.

Local manufacturers were urged to improve the quality of products, advertise products and to rationalise prices.

They were also urged to employ skilled personnel and to ensure effective and efficient production which meets the local demand and also reduces unit cost.

Most of the products which found their way into Zimbabwe during the severe crisis period were reportedly coming from as far as China, Dubai, as well as neighbouring South Africa.

Other stakeholders participating in the Buy Zimbabwe campaign include the National Economic Consultative Forum (NECF), Standards Association of Zimbabwe (SAZ), Mimosa Mining Company, Zimbabwe Revenue Authority (ZIMRA), Turnall Holdings, Econet, Zimplats, Mazda and the Industrial Development Corporation (IDC).

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