

Zimbabwe is open for business

With 13 laws amended in the past month to improve the ease of doing business in Zimbabwe, businessman Adam Molai has expressed optimism that the country is overcoming hurdles that hampered FDI and local business growth.



Image by 123RF

Molai, chairman of Savanna Tobacco, has expressed optimism about business growth potential in Zimbabwe on the back of progress made by the Ministry of Industry and Commerce to improve the ease of doing business in Zimbabwe.

“I was fortunate to sit on the committee appointed by the Minister of Industry and Commerce to come up with recommendations on easing doing business in Zimbabwe. Within 12 months of the report, more than 80% of the recommendations have been implemented...”

“The Chinese Planning Commission has also played a significant role in helping the Zimbabwe Government on this, as has the World Bank. In just the past month, 13 laws have been amended, aimed at improving the ease of doing business.”

Recent moves to improve ease of doing business, include: measures designed to speed up and decentralise the process of business registration; to harmonise regulatory processes; help make local producers more competitive; and help bring down the price of cost drivers such as power, telecoms and transport.

Zimbabwe was ranked 172 of 189 countries in the World Bank’s Ease of Doing Business index in June 2013 and has

moved up in the rankings to number 155 in the 2016 [report](#).

With regulatory hurdles reduced, Molai says Zimbabwe has a great deal to offer international investors and local entrepreneurs: “Zimbabwe has an extremely robust infrastructure, making its rise very simple as the architecture and hardware upon which to springboard, exists. The country’s roads are very good along the major trunk ways and there is strong national road connectivity.

“Zimbabwe’s communications infrastructure is also very strong, with a 97% penetration. Whilst there has been a shortage of power, short term measures have been taken to buttress availability and long term solutions are in the process of being implemented to ensure that the power supplies meet future needs.

“Unlike many African states, urban planning in Zimbabwe remains very good with very clearly demarcated areas of industrial, residential, low density and high density settlements and road, water, sewer and power infrastructure to support.”

In addition, he notes that Zimbabwe is still listed as having the highest literacy rates in Africa. “We have a highly educated labour force upon which it is very simple to impart skills. The level of Zimbabweans with secondary and tertiary education sits at almost 1 million, in a population of just over 14 million,” he says.

Molai concedes that pressure does exist on water supply infrastructure due to growing urbanisation, and that rail transport is a challenge, particularly for manufacturers and distributors looking to export across borders.

The biggest challenge to overcome, Molai says, is country risk perception. “Thus, raising of capital for Zimbabwe, given the perceived country risk, is either at a significant premium on capital or there is reticence around availing capital at all for Zimbabwean projects. Unfortunately the perceptions that have been built around Zimbabwe are significantly different from the situation on the ground and decisions are made on perceptions.”

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