

**KEY NOTE ADDRESS BY HIS EXCELLENCY THE
PRESIDENT OF THE REPUBLIC OF ZIMBABWE, CDE E.D
MNANGAGWA ON THE OCCASION OF THE INTERFACE
WITH THE BUSINESS COMMUNITY, HARARE - MEIKLES
HOTEL: 16 JANUARY 2018**

Vice President, General. C.N. G. Chiwenga (Rtrd),

Honourable Vice President, K.D. Mohadi

Honourable Ministers here present

Governor of the Reserve Bank of Zimbabwe, Dr. J. P. Mangudya

Permanent Secretaries, here present

Captains of Industry and Commerce

Distinguished Guests

Ladies and Gentlemen,

I am pleased to have this opportunity to interact with captains of industry. This is also most opportune in that we have just emerged from the festive season and we are beginning a new year.

This platform which I hope to be one of the many interactions gives us an ideal platform to exchange views and chart the way forward with a common vision.

You will all recall that, on the occasion of my inauguration day, I highlighted that the task at hand is that of rebuilding our great country and that the principle lies with no one but ourselves. You will agree with me that, private sector players are the drivers of economic development of any country.

Furthermore, I would like to reiterate the need to adopt a business unusual approach, entailing tirelessly working round the clock to bring the economy back to normalcy. My Government has embarked on a 100 day program where as the business community you are expected to play a pivotal role of enhancing value chains and beneficiation in your respective sectors. Without your active participation, we will not achieve our goals.

In line with rebuilding the economy, my Government is vigorously pursuing policy initiatives aimed at creating a conducive environment for business to thrive. I am confident that these interventions will go a long way in eliminating huddles that have eroded our competitiveness.

You are aware that my Government is seized with reforms that target the Ease of Doing Business. These reforms entail looking at an array of factors affecting the business environment and proffering possible ways of addressing them. I am happy to note that significant progress has been made in that area and therefore urge you to accelerate the pace of implementation of these reforms to ensure that we do not lag behind in the area of attracting the much needed investment. The reforms are critical as they will enhance industry competitiveness through reducing costs as well as create a conducive environment for investment.

As you partner Government in implementation of these reforms, I call on you to raise flags where you see lack of and delays in implementation.

To further compliment the drive of attracting investment, the Indigenization Act has been amended through the Finance Act.

The private sector is being called upon to take a leading role in enhancing growth of value added exports in the region and beyond. This will entail employing efficient production methods that will involve retooling, use of the state-of-the-art equipment in order to produce processed products that compete on the export market.

Ladies and Gentlemen, the role of my Government is to facilitate market access through participating in negotiations that have a win-win outcome. I am glad to note that the Reserve Bank of Zimbabwe has put in place a number of incentives including export incentives that ensures that the manufacturing sector contributes its share in foreign currency generation. I am therefore calling upon the private sector to gear up and produce quality products both for the domestic and export markets. Infact the national clarion call for industry should be “increased productivity and increased exports”

The Government of Zimbabwe has put in place incentives to encourage companies to bring in technology either on their own or through joint ventures. These include, among others; fiscal measures such as exemption from paying customs duty, VAT deferment, granting of National Project Status where appropriate. And many other incentives that come with investment in Special Economic Zones.

Ladies and Gentlemen, My administration in an endeavour to reduce inefficiencies at our ports of entry will accelerate the implementation of trade facilitation through the One Stop Border Post concept. We will replicate the One Stop Border Post at Beitbridge by engaging our South African counterparts using the lessons that we learnt at Chirundu One Stop Border Post

My Government, through the Reserve Bank of Zimbabwe (RBZ) has deliberately prioritized manufacturers in the allocation of foreign currency for the importation of key raw materials. However, in cases where imported products have locally produced substitutes, businesses are being encouraged to source locally in order to save the scarce foreign currency.

Further, in order to increase availability of foreign currency sources. My administration is engaging the international community and in the process we have been able to unlock funding facilitating a situation which we expect to improve incrementally. The contribution of the informal sector to the country's Gross Domestic Product cannot be taken for granted. The sector plays a significant role, because it creates employment and easily adapt to the environment. However, there is need for this sector to formalize and create linkages especially with large corporates in all value chains.

Government will continue to work on improving the investment climate within the context of SADC, COMESA and AU Industrialization Strategies. It values cooperation and interaction with the private sector. In this regard, this meeting should mark the beginning of a continuous engagement process.

Ladies and Gentlemen, Government is also encouraging retailers to desist from unfair business practices such as the alleged use of a multiple tier pricing system wherein different prices are charged for using US Dollar cash, Bond Notes and swiping. Furthermore, retailers are being urged to take a closer look at their cost structures and margins with a view to availing consumer goods at more competitive and affordable prices.

In conclusion, I want to remind all of us that the development of our economy is for us as Zimbabweans. As captains of industry and commerce, you are key in the process and my government is

committed to give you maximum support to ensure that we work as Team Zimbabwe.

I thank you.

Tatenda

Siyabonga