

## AFRICA RISK CONSULTING

### Zimbabwe Monthly Briefing May 2021

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#### Zimbabwe Summary 11 May 2021

*The driver of former Zimbabwe Miners Federation (ZMF) president Henrietta Rushwaya is arrested for the illegal possession of R11m (\$783,000) worth of gold at South Africa's OR Tambo International Airport, reigniting public anger over perceptions of official facilitation of mineral smuggling from Zimbabwe. The city of Victoria Falls achieves herd immunity against Covid-19, marking government success in increased vaccine uptake as the country seeks to revive business operations and achieve national herd immunity by the end of 2022. The emergency rehabilitation of the North-South Corridor from Chirundu at the Zambian border to Beitbridge, on the border with South Africa, signals progress in the restoration of Zimbabwe's infrastructure.*

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#### Gold smuggling arrest sparks further allegations of high-level complicity ...

Allegations of official facilitation of gold smuggling are further denting public and investor confidence in **Zimbabwe's** anti-corruption credentials. The recent arrest at **South Africa's OR Tambo International Airport (Gauteng)** of a Zimbabwean resident accused of illegally importing gold from Zimbabwe has cast the spotlight again on Zimbabwe's gold trafficking underworld, ruled by two major syndicates strongly connected to the ruling **Zanu-PF** government (see *ARC Briefing Zimbabwe November 2020*). The arrest has also reignited public anger over Zimbabwean officials' perceived facilitation of mineral smuggling as confidence in the **Zimbabwe Anti Corruption Commission (ZACC)** continues to wane.

South African customs officials intercepted 23 pieces of gold, worth approximately R11m (\$783,000), in a routine scan of luggage belonging to Zimbabwe resident **Tashinga Nyasha Masinire** on 8 May.<sup>1</sup> Masinire had travelled to South Africa, destined for **Dubai (United Arab Emirates)**, from **Bulawayo's Joshua Mqabuko Nkomo International Airport** and allegedly failed to declare any items upon his arrival at OR Tambo International Airport. Masinire had no permits or licences permitting possession or transportation of gold. **South African Revenue Service (SARS)** officials handed him over to South Africa's **Serious Organised Crime Investigation Unit (Hawks)** for the illegal possession of gold.<sup>2</sup> Masinire appeared in a **Kempton Park** regional court in Gauteng Province on 10 May, where he was granted R100,000 bail (approximately \$7,159) and ordered not to leave South Africa as investigations continue.

Local sources have identified Masinire as driver and aide to suspended **Zimbabwe Miners Federation (ZMF)** president **Henrietta Rushwaya**, who was arrested at the **Robert Gabriel Mugabe international Airport** in Harare on 26 October for attempting to smuggle 6.09 kg of gold, worth \$330,000, to Dubai.<sup>3</sup> Rushwaya was released on 13 January on \$100,000 bail on condition that she does not leave Zimbabwe.<sup>4</sup> She has distanced herself from Masinire's arrest, claiming that he stopped working for her in August.<sup>5</sup> The ZMF confirmed her claim by releasing a copy of what appears to be Masinire's resignation, dated 28 August 2020, noting that he was

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<sup>1</sup> News24, 9 May 2021

<sup>2</sup> News24, 9 May 2021

<sup>3</sup> Times Live, 26 Oct 2020

<sup>4</sup> NewZimbabwe, 13 Jan 2021

<sup>5</sup> Pindula News, 10 May 2021

resigning from the position of driver “to pursue other avenues in life”.<sup>6</sup> Rushwaya added that Masinire had no birth certificate or passport, complicated by his **Zambian** origins<sup>7</sup> – a claim that Zimbabwe’s home affairs ministry has yet to confirm.

Rushwaya has yet to face trial on her own smuggling charges. When she was granted bail in January, her lawyer, **Tapson Dzvettero**, indicated that, “*despite investigations being complete, there is no foreseeable trial date due to Covid-19*”.<sup>8</sup> The seemingly unmotivated approach to Rushwaya’s case and Masinire’s success in leaving Zimbabwe with a significant amount of gold confirm doubts in the government’s willingness to crack down on the illegal exportation of minerals. Zimbabweans have expressed dismay at local officials’ leniency towards Rushwaya who has been implicated in multiple scandals including graft and match fixing while serving as chief executive of the **Zimbabwe Football Association (ZIFA)** between 2009 and 2010.<sup>9</sup>

Investors and anti-corruption activists are likely to demand answers from Harare about airport officials’ facilitation of illegal exportation of minerals. Local mining corporations are yet to release statements about their stance on this and other related cases.

### **Vic Falls’ herd immunity hailed as progress in fight against Covid-19**

As Zimbabwe’s second phase of its Covid-19 vaccination drive continues, President **Emmerson Mnangagwa** (2017-present) has heralded the city of **Victoria Falls’** attainment of herd immunity as an indication of increased vaccine uptake.<sup>10</sup> The government expects the milestone to point the way to achieving national herd immunity and the revival of the business sector by the end of 2022.<sup>11</sup> Victoria Falls is home to the world’s largest waterfall, located on the **Zambezi River** between Zimbabwe and **Zambia**.<sup>12</sup> Before the Covid-19 pandemic struck in March 2020, Victoria Falls recorded approximately 2 million tourist visits per year.<sup>13</sup> In 2019, the city recorded 2,294,259 tourist arrivals but saw a 90% drop in 2020<sup>14</sup> as a result of national and global restrictions on travel to curb the spread of Covid-19. The city is home to the **Victoria Falls Stock Exchange (VFEX)**, a subsidiary of the **Zimbabwe Stock Exchange (ZSE)** that trades exclusively in foreign currency allowing for easier repatriation of foreign capital.<sup>15</sup>

**Matabeleland North** provincial medical director **Munekai Padingani** confirmed on 27 April that Victoria Falls had achieved herd immunity with over 77% of its residents inoculated against Covid-19.<sup>16</sup> **Ministry of Health and Child Care (MoHCC)** statistics indicated that at least 19,234 residents had received their first injection, against a target of 25,000 set at the launch of Zimbabwe’s second vaccination phase on 24 March.<sup>17</sup> President Mnangagwa said the achievement has made Victoria Falls the world’s safest tourism destination and the first city in **Southern Africa** to achieve herd immunity.<sup>18</sup>

The chairperson of the Victoria Falls chapter of the **Hospitality Association of Zimbabwe**, **Anald Musonza**, has appealed to the government to complement the achievement by reopening

<sup>6</sup> Pindula News, 10 May 2021

<sup>7</sup> Pindula News, 10 May 2021

<sup>8</sup> NewZimbabwe, 13 Jan 2021

<sup>9</sup> The Herald, 26 Apr 2016

<sup>10</sup> China Global Television Network (CGTN), 26 Apr 2021

<sup>11</sup> China Global Television Network (CGTN), 26 Apr 2021

<sup>12</sup> Victoria Falls Guide, 11 May 2021

<sup>13</sup> Chronicle, 13 Jun 2018

<sup>14</sup> Trading Economics, 8 Apr 2021

<sup>15</sup> News24, 23 Oct 2020 [Only one company, **Seed Co International** is currently listed on the VFEX since its launch in October 2020.]

<sup>16</sup> The Herald, 27 Apr 2021

<sup>17</sup> The Herald, 27 Apr 2021

<sup>18</sup> Tourism Update, 6 May 2021

inland borders, since a majority of tourists to Zimbabwe come by road.<sup>19</sup> Musonza noted that revival of business in Victoria Falls would provide employment and business opportunities for the city's residents.<sup>20</sup>

Border towns of **Plumtree** (next to **Botswana**) and **Beitbridge** (next to **South Africa**) are similarly encouraging their residents to take up the Covid-19 vaccines. The government is aiming to vaccinate 26,000 people in Beitbridge and 25,000 in Plumtree against Covid-19.<sup>21</sup> As of 9 May, 1,299 Beitbridge residents had been inoculated and 4,019 in Plumtree.<sup>22</sup>

The administration of coronavirus vaccine doses per 100 people in Zimbabwe is currently around 3.77,<sup>23</sup> making the government's goal to vaccinate 60% of the population of approximately 15 million against Covid-19 by the end of 2022 quite unlikely.<sup>24</sup> As of 10 May, a total of 529,360 people had received their first dose of vaccine and 161,293 had received a second dose,<sup>25</sup> up from 27,134 on 7 April (see *ARC Briefing Zimbabwe April 2021*).<sup>26</sup> Zimbabwe has recorded 38,433 confirmed cases of Covid-19 as of 10 May, of which 36,208 have recovered with 1,576 Covid-19-related deaths.<sup>27</sup> President Mnangagwa received his second dose of the **China-manufactured Sinovac Covid-19** vaccine in **Kweke (Midlands Province)** on 22 April.<sup>28</sup>

Enthusiasm over reopening the tourism sector ignores the reality that Covid-19 vaccines do not guarantee 100% immunity or low risk of reinfection. The **World Health Organization (WHO)** states that even after being infected or vaccinated, "*the vast majority of the world's population remains susceptible to the virus*", hence the need for governments to take more time to build their capacities to manage infections.<sup>29</sup> The **Ministry of Health and Child Care (MoHCC)** will need to be prepared to deal with a surge in cases linked to imported cases, based on the case surge in the 2020/2021 festive season linked to visitors. Critics have noted that the government should not prioritise attracting visitors over protecting citizens,<sup>30</sup> and have pointed to the spike in coronavirus cases in popular tourist destination **Seychelles**, which had made headlines as the world's most vaccinated country with more than 60% of its population fully vaccinated.<sup>31</sup>

With several neighbouring countries, including South Africa, still facing the challenge of slow Covid-19 vaccine rollouts, President Mnangagwa has approved vaccination of visitors for a fee. Zimbabwe has seen a boost in vaccine tourism as foreign nationals have started arriving in the country to be vaccinated against Covid-19, although the home affairs ministry has not released official statistics.<sup>32</sup> Private clinics in Zimbabwe are charging non-citizens \$70 for both vaccine doses.<sup>33</sup>

### Highway rehabilitation boosts trade infrastructure

The emergency rehabilitation of the highways linking Harare to South Africa and Zambia signals progress in restoring Zimbabwe's trade-linked infrastructure. President Mnangagwa commissioned the completed phase of the 6.5km **Marongora-Hellsgate** section of the **Makuti-**

<sup>19</sup> Tourism Update, 6 May 2021

<sup>20</sup> Tourism Update, 6 May 2021

<sup>21</sup> Eye Witness News (EWN), 20 Apr 2021

<sup>22</sup> The Herald, 27 Apr 2021

<sup>23</sup> Statista, 5 May 2021

<sup>24</sup> Department of Presidential Communications, 21 Mar 2021

<sup>25</sup> Ministry of Health and Child Care, 10 May 2021

<sup>26</sup> Ministry of Health and Child Care, 7 Apr 2021

<sup>27</sup> Ministry of Health and Child Care, 10 May 2021

<sup>28</sup> Voice of America, 22 Apr 2021

<sup>29</sup> World Health Organisation (WHO), 31 Dec 2020

<sup>30</sup> ARC source, Harare resident

<sup>31</sup> Washington Post, 6 May 2021

<sup>32</sup> Times Live, 8 May 2021

<sup>33</sup> ARC source, Harare-based medical officer

**Chirundu** route in **Mashonaland West Province** on 5 May.<sup>34</sup> The project was financed by the government of **Japan** with a \$21m grant in June 2018 and work commenced in November 2019.<sup>35</sup> At the commissioning of the 6.5km stretch, Mnangagwa announced that Japan's ambassador to Zimbabwe, **Satoshi Tanaka**, had confirmed that his government would extend a second grant to complete a further 6.5 km stretch along on the 307-km Harare-Chirundu highway.<sup>36</sup>

Facilitation of the flow of goods and persons is key to tackling development challenges in Zimbabwe and within the **Southern African Development Community (SADC)** region.<sup>37</sup> Infrastructure development is one of the Mnangagwa administration's key focus areas, as noted in the **National Development Strategy 1 (January 2021 – December 2025)**, published on 16 November.<sup>38</sup> NDS-1 is consistent with the goal "to achieve an empowered and prosperous upper middle-income society by 2030";<sup>39</sup> popularly known as **Vision 2030**.

The rehabilitation of roads also contributes towards SADC's **Regional Development Master Plan - Vision 2027**, which envisions "well maintained and operated infrastructure that promotes seamless transport services in the region".<sup>40</sup> The rehabilitation of Zimbabwe's **North-South Corridor** road from Chirundu, on the border with Zambia, to **Beitbridge** (bordering South Africa), is expected to be complete by the time the NDS-1 lapses in 2025.<sup>41</sup> The Zimbabwe government also plans to upgrade the **Kazungula-Victoria Falls** highway.<sup>42</sup> SADC heads of state on 10 May attended the official opening of the \$260m **Kazungula Bridge** connecting Botswana and Zambia across the **Zambezi River**; President Mnangagwa was among the dignitaries and said Zimbabwe will add a leg to join the bridge's links.<sup>43</sup> The bridge is expected to alleviate congestion at Beitbridge, one of Africa's busiest border crossings.<sup>44</sup>

Transport minister **Felix Mhona** noted on 23 April that 400 km of the 580-km **Harare-Masvingo-Beitbridge** highway, which leads to the border with South Africa, will be revamped by the end of 2021, and the final 180 km by the end of 2022.<sup>45</sup> Five companies contracted to revamp the highway have completed a 150-km stretch that is now open to traffic.<sup>46</sup> The contractors include **Exodus Company, Fossil Contractors, Bitumen World, Tensor Systems** and **Masimba Constructions**.<sup>47</sup> Mhona said the companies had demonstrated local capacity to promote national development in line with the government's commitment to promoting trade facilitation and regional integration.<sup>48</sup>

The North-South corridor forms part of a transcontinental connector from **Cape Town** (South Africa) to **Cairo (Egypt)**. Improvements of the route are also expected to enhance the **African Continental Free Trade Area's (AfCFTA)** commitment to expand intra-Africa trade from a low base of 15% in 2019 to 52% by the end of 2022.<sup>49</sup> The movement of goods from South Africa to the rest of Africa is mostly through Beitbridge, which has been the region's busiest land border

<sup>34</sup> Chronicle, 6 May 2021

<sup>35</sup> ARC Source, Official from the Ministry of Foreign Affairs and International Trade (MoFAIT)

<sup>36</sup> Chronicle, 6 May 2021

<sup>37</sup> Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU)

<sup>38</sup> Government of Zimbabwe (GoZ), 16 Nov 2020

<sup>39</sup> Government of Zimbabwe (GoZ), 16 Nov 2020

<sup>40</sup> Chronicle, 6 May 2021

<sup>41</sup> Chronicle, 6 May 2021

<sup>42</sup> Chronicle, 6 May 2021

<sup>43</sup> Lusaka Times, 10 Apr 2021

<sup>44</sup> Business Day, 10 May 2021

<sup>45</sup> The Herald, 27 Apr 2021

<sup>46</sup> The Herald, 27 Apr 2021

<sup>47</sup> The Herald, 27 Apr 2021

<sup>48</sup> The Herald, 23 Apr 2021

<sup>49</sup> African Development Bank (AFDB), 20 Nov 2020

since the late 1990s. Recent infrastructure developments guarantee fewer accidents and faster travel between countries, but businesses trading between South Africa and Zimbabwe decry the absence of a much needed efficient and effective **One-Stop Border Post (OSBP)** at Beitbridge. The success of Chirundu's OSBP, launched in 2009, signals potential for improved trade facilitation if the model is replicated across the landlocked country's border.

### Planner

May 2021 **(Zimbabwe)** Second Constitutional amendment bill approval by Senate  
 June 2021 **(Zimbabwe)** Second Constitutional amendment bill signing by President **Emmerson Mnangagwa**  
 Jul 2023 **(Zimbabwe)** Harmonised elections

### Chronology

10 May 2021 **(Southern Africa)** *Business Day*. **Botswana** and **Zambia** open \$260m **Kazungula Bridge**, which may help alleviate congestion at **Beitbridge**, one of **Africa's** busiest border crossings in neighbouring **Zimbabwe**;

10 May 2021 **Maputo (Mozambique)** *AFP*. **Mozambique** and **Portugal** governments sign new five-year military corporation accord, which includes a training project for Mozambican personnel;

10 May 2021 **(Zimbabwe)** *The Herald*. **Zimbabwe Investment Development Agency (ZIDA)** CEO **Doug Munatsi** announces that ZIDA is now fully and properly structured to facilitate flow of foreign direct investment (FDI);

7 May 2021 **(Zimbabwe)** *The Herald*. Permanent Secretary in the ministry of energy and power development, **Gloria Magombo** confirms identification of the site where a new city will be built as part of the **Batoka Gorge** hydro-electric project outside **Victoria Falls**;

5 May 2021 **Harare (Zimbabwe)** *Mining Review Africa*. **Cyprus**-headquartered mining company **Tharisa** acquires **Salene Chrome**, a development stage, low cost, open pit asset, located in the **Great Dyke** in **Zimbabwe**;

1 May 2021 **Harare (Zimbabwe)** *The Herald*. President **Emmerson Mnangagwa** launches Zimbabwe's new land bank, one of four pillars of the **Agricultural Finance Corporation (AFC)**, which aims to drive agriculture growth through the provision of affordable financing to farmers;

28 Apr 2021 **Harare (Zimbabwe)** *Business Day*. High court quashes charges of communicating false information levelled against journalist and government critic **Hopewell Chin'ono**, saying the law used by police to arrest him in January no longer existed;

27 Apr 2021 **(Southern Africa)** *News23*. A special report by the head of the **Southern African Development Community's Standby Force** recommends deployment of 3,000 person military force in northern **Mozambique**;

27 Apr 2021 **(Africa)** *News23*. **United Nations Economic Commission for Africa** says the slow **Covid-19** vaccine rollout may set **Africa** back five years and unleash new strains;

26 Apr 2021 **Harare (Zimbabwe)** *Times*. Zimbabwe's biggest bank by deposits and asset base, **Commercial Bank of Zimbabwe**, begins voluntary job cuts citing the **coronavirus** pandemic;

24 Apr 2021 **Victoria Falls (Zimbabwe)** *Fin24*. **Matabeleland North** provincial medical director **Munekai Padingani** says the tourist destination town of **Victoria Falls** has attained herd immunity with 19,243 (77%) of 25,000 targeted residents having received second doses of **Covid-19** vaccine by 21 April;

22 Apr 2021 **Kwekwe (Zimbabwe)** *Voice of America (VOA) Zimbabwe*. President **Emmerson Mnangagwa** receives a second dose of the **China**-manufactured **Sinovac Covid-19** vaccine;

21 Apr 2021 **Harare (Zimbabwe)** *Africanews*. **ZANU-PF**-dominated **National Assembly** approves bill seeking to remove a clause in the constitution on electing vice presidents, which has received backlash from political opposition;

20 Apr 2021 **Harare (Zimbabwe)** *Bloomberg*. Finance minister **Mthuli Ncube** says the treasury is sticking to its economic growth estimate of 7.4%, despite President **Emmerson Mnangagwa** having said the projection would have to be lowered due to a new wave of **coronavirus** infections;

15 Apr 2021 **Harare (Zimbabwe)** *Moneyweb*. **Reserve Bank of Zimbabwe** (central bank) governor **John Mangudya** says **Zimbabwe** is considering penalising domestic banks, telecommunications operators and other businesses over what the government describes as profiteering off the hard currency it makes available at auctions;

15 Apr 2021 **Harare (Zimbabwe)** *ESI Africa*. Government approves an MoU with **Russian** state-owned **State Atomic Energy Corporation** to cooperate in the use of nuclear energy, including exploring the feasibility of constructing a centre for nuclear science and technology;

12 Apr 2021 **(Southern Africa)** *Business Day*. **Southern African Development Community (SADC)** to send technical team to **Mozambique** to assess threat posed by **Islamist** militants, following a meeting by regional leaders;

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