

AFRICA RISK CONSULTING

Zimbabwe Monthly Briefing March 2020

Zimbabwe Summary 15 March 2020

Health minister Obediah Moyo says Zimbabwe is prepared if COVID-19 manifests itself in the country, but health experts and sceptics claim that Zimbabwe's dilapidated healthcare system is not sufficient to deal with the deadly virus. The United States renews sanctions against members of Zimbabwe's government citing failures to implement credible reforms, economic mismanagement, and accelerated persecution against anti-government activists by Zimbabwe's security forces. The Reserve Bank of Zimbabwe (RBZ) (central bank) urges the mining sector to bump up production in efforts to increase its contribution to the national fiscus.

Is Zimbabwe ready for COVID-19?

As the **COVID-19** pandemic spreads, **Zimbabwe's** health minister, **Obediah Moyo**, maintains that Zimbabwe is ready for the infection, despite a struggling health care sector and collapsing economy.¹ Addressing journalist in **Harare** on 2 March, Moyo assured Zimbabweans that the country has learned from previous cholera epidemics and that Zimbabwe is prepared to tackle the virus.²

*"Before people come into Zimbabwe, we now have the intelligence to be able to tell from the manifest that an individual would be coming from an infected country. So our surveillance is strong, we are 100 percent certain that we are covered."*³

Despite Moyo's claims that the country is ready to deal with the COVID-19 pandemic, sentiments on the ground reflect a different story.⁴ The **World Health Organization (WHO)** has labelled Zimbabwe a high-risk country based on its travel links with coronavirus hotspots, including **China**.⁵ Authorities in Zimbabwe have sought assistance from **United Nations** agencies such as **UNICEF** and the WHO, as well as the Chinese embassy and the **United Kingdom**, for testing equipment and protective clothing.⁶ Among the facilities that the health ministry has selected as quarantine centres for the virus is **Wilkins Infections Disease Hospital**, which medical practitioner **Anele Bhebhe** claims has inadequate protective clothing and is highly under-staffed with health personnel working long hours:

*"Screening zones lack protective clothing, equipment and cannot be taken seriously. The 21-day follow up will not stop the virus from spreading."*⁷

While there have been no confirmed cases of COVID-19 to date in Zimbabwe, there are widespread concerns and fears that Zimbabwe's decrepit healthcare system is inadequate to deal with the spread of the virus should it reach Zimbabwe.⁸ Dr. **Norman Matara** of **Zimbabwe Association of Doctors for Human Rights** is among those who have raised concerns that the country lacks the facilities and equipment to tackle what the WHO deemed a pandemic on 9 March.⁹

¹ VOA News, 3 Mar 2020

² VOA News, 3 Mar 2020

³ VOA News, 3 Mar 2020

⁴ Source, analyst, Pretoria

⁵ World Health Organization Africa, 20 February 2020

⁶ Zimbabwe Independent, 6 Mar 2020

⁷ Anele Bhebhe quoted in News Day, 2 Mar 2020

⁸ Africa News Agency, 8 Mar 2020

⁹ Zimbabwe Independent, 6 Mar 2020

"Right now we only have Wilkins Hospital, which is the only health quarantine facility in the country. It does not have adequate resources. Also we do not have proper ICU beds at Wilkins. We don't have protective gear for the health workers themselves."¹⁰

Zimbabwe's failure to deal with prevalent diseases such as cholera and typhoid gives Zimbabweans reason to raise concerns about the government's poor response and questionable approach to containing the pandemic.¹¹ A 26-year old **Thai** national – Zimbabwe's fourth suspected case of COVID-19 – evaded health officials on 8 March before he could undergo a series of screenings and tests for COVID-19 at the COVID-19 isolation centre at Wilkins Infections Disease Hospital in Harare.¹² The man surrendered himself to hospital authorities on 10 March after the **Zimbabwe Republic Police** launched a manhunt. Harare city health director Dr. **Prosper Chonzi** confirmed on **Zimbabwe Television Network** that the man subsequently underwent preliminary tests and was being kept under observation pending the results of testing.¹³

Zimbabwe hit by renewed sanctions

The **United States (US) Department of State** extended its sanctions against members of Zimbabwe's government on 5 March, citing human rights abuses, a lack of reforms, economic mismanagement, and intensified clampdown of critics by security forces.¹⁴ In a statement on the **White House** website on 4 March, President **Donald Trump** (2017-present) said that the administration of President **Emmerson Mnangagwa** (2017-present) has had ample time since the removal of the late former president **Robert Mugabe** (1980-2017) and the July 2018 general elections to implement reforms that would open the door for greater cooperation with the US.¹⁵

"Unfortunately, President Emmerson Mnangagwa's administration has yet to signal credible political will to implement such reforms. Indeed, the Zimbabwean government has arguably accelerated its persecution of critics and economic mismanagement in the past year, during which security forces have conducted extrajudicial killings, rapes, and alleged abductions of numerous dissidents."¹⁶

Trump's administration is not alone in highlighting Zimbabwe's lack of political will to implement credible and necessary reforms.¹⁷ In February, the **European Union** noted that the lack of reforms in Zimbabwe, including the shrinking of democratic space and rampant corruption, was a contributing factor to Zimbabwe's current deteriorating humanitarian crisis.¹⁸

The sanctions come at a time when Zimbabwe is facing an economic and humanitarian crisis amid a combination of macroeconomic vulnerabilities, climate shocks, and policy mis-steps.¹⁹ According to the **World Bank Poverty and Equity** brief 2019, Zimbabwe's economy declined by 7.5% in 2019, with extreme poverty rising to 34% in 2019 from 29% in 2018 and inflation running at more than 500% at the end of last year.²⁰

Addressing the **Africa** forum on sustainable development in **Victoria Falls** on 1 March, Mnangagwa appealed for multilateral support in order to augment the country's efforts in managing the multi-layered socio-economic crisis and pulling Zimbabwe out of financial isolation.²¹ Mnangagwa knows

¹⁰ Dr. Norman Matara quoted by Zimbabwe Independent, 6 Mar 2020

¹¹ Source, analyst, Pretoria

¹² Pindula news, 10 Mar 2020

¹³ Pindula News, 10 Mar 2020

¹⁴ Human Rights Watch, 9 Mar 2020

¹⁵ Al-Jazeera, 5 Mar 2020

¹⁶ Al-Jazeera, 5 Mar 2020

¹⁷ Source, analyst, Pretoria

¹⁸ Human Rights Watch, 9 Mar 2020

¹⁹ Source, analyst, Pretoria

²⁰ World Bank Group 2019

²¹ The Guardian, 1 Mar 2020

that only immediate political and economic reforms will secure fresh funding, but he stressed that bringing about those reforms will cost money.²²

*“It should be understood that we are undertaking the reforms without the requisite external financial support as is the norm. It is regrettable that the funding gap for the sustainable development goals in Africa remains low and weighs down on the attainment of the **Sustainable Development Goals** in Africa.”²³*

Reserve Bank urges mines to bump up production

The **Reserve Bank of Zimbabwe (RBZ)** (central bank) has urged Zimbabwe’s mining sector to intensify its mining production in efforts to increase its contribution to the country’s national fiscus.²⁴ The mining sector is considered a key driver in Zimbabwe’s development agenda, contributing 60% of export returns since 2017 supported by minerals including gold, platinum, nickel, and chrome.²⁵

Between 1997 and 1998, considered the peak of mining industries, the sector employed approximately 65,000 workers in primary activities. Addressing business delegates at a **Professionals Business Association of Zimbabwe** breakfast meeting in **Bulawayo** on 9 March, RBZ deputy director for Bulawayo **Kasanda Sibanda** said it was important that the mining sector increase its production in order to make a meaningful contribution to the fiscus.²⁶

“Mining can support sustainable economic development when domestic firms become integrated into mining company value chains. The benefits of increased mining linkages include contributions to incomes, jobs, upgrading of the industrial base, formalisation of firms, and increased tax revenue.”²⁷

RBZ governor **John Mangudya** presented the 2020 **Monetary Policy Statement (MPS)** on 15 February, which aims to improve material support to the mining sector in bid to ramp up production.²⁸ Mangudya attributed declining mining production to electricity challenges coupled with inadequate equipment for small-scale miners to access deep gold reefs, and gold leakages through smuggling. He said future efforts to increase gold deliveries would include enhanced capacitation of gold producers and formalisation of artisanal miners.²⁹

Mining plays a fundamental role in Zimbabwe’s economic growth.³⁰ However, intensified increased exploration within the mining sector is needed to attract foreign direct investment.³¹ Sustained power outages, persistent fuel shortages, foreign currency challenges and high operational costs amid rising inflationary pressures among other factors continue to adversely affected production in the mining sector and consequently mineral exports.³² For Zimbabwe’s mining industry to achieve its production targets of \$12 billion by 2023, it needs to address these issues as well as the lack of policy consistency and predictability, and perceptions of political instability due to serious national political polarisation.³³

²² Source, analyst, Pretoria

²³ The Guardian, 1 Mar 2020

²⁴ News Day, 9 Mar 2020

²⁵ News Day, 9 Mar 2020

²⁶ News Day, 9 Mar 2020

²⁷ Kasanda Sibanda quoted in News Day, 9 Mar 2020

²⁸ Bulawayo24, 19 Feb 2020

²⁹ Bulawayo24, 19 Feb 2020

³⁰ Source, analyst, Pretoria

³¹ Source, analyst, Pretoria

³² Bulawayo24, 19 Feb 2020

³³ Source, analyst, Pretoria

Planner

18 Apr 2020 **(Zimbabwe)** Independence Day (holiday);
 21 Apr 2020 **Bulawayo (Zimbabwe)** Zimbabwe International Trade Fair Business Days;
 1 May 2020 **(Zimbabwe)** Workers' Day (holiday);
 10 Aug 2020 **(Zimbabwe)** Heroes' Day (holiday);
 June 2023 **(Zimbabwe)** General elections

Chronology

15 Mar 2020 **Harare (Zimbabwe)** *eNCA*. Defence minister **Oppah Muchinguri** calls the pandemic a "punishment" of the **United States** and **Europe** for imposing sanctions against members of the ruling regime over human rights abuses.

12 Mar 2020 **Harare (Zimbabwe)** *News Day*. The **Chinese** government pledges to upgrade Zimbabwe's primary quarantine centres in **Harare** for suspected **COVID-19** cases;

12 Mar 2020 **Harare (Zimbabwe)** *News Day*. Finance minister **Mthuli Ncube** announces that Zimbabwe will adopt a "managed float" exchange rate regime, the latest move in a series of currency reforms that have so far proven unsuccessful;

12 Mar 2020 **Bulawayo (Zimbabwe)** *News Day*. Bulawayo residents appeal to Zimbabwean authorities and retailers to address the issue of maize meal shortages, threatening to storm the streets demanding remedy if shortages persist;

12 Mar 2020 **Bulawayo (Zimbabwe)** *News Day*. Health permanent secretary **Agnes Mahomva** announces that the government will ban and blacklist hospitals from purchasing equipment from companies, alleging that it has been incurring high service costs;

12 Mar 2020 **Harare (Zimbabwe)** *The Chronicle*. **Geneva**-based non-profit organisation **Global Fund** executive director **Peter Sands** says that the organisation will avail \$25m to help Zimbabwe fight **COVID-19**;

11 Mar 2020 **Harare (Zimbabwe)** *News Day*. The **Zanu-PF** aligned **Zimbabwe Federation of Trade Unions (ZFTU)** urges the government to engage with labour in efforts to avoid the proposed national shutdown by the **Zimbabwe Congress of Trade Unions** expected to take place in the upcoming weeks as a result of the deteriorating economic situation in Zimbabwe;

11 Mar 2020 **Harare (Zimbabwe)** *Pindula News*. Health authorities at **Wilkins Hospital**, one of Zimbabwe's **COVID-19** quarantine centres, announce that a **Thai** national who had initially evaded health officials prior to testing for the virus has now tested negative for **COVID-19** and has been discharged from the hospital;

11 Mar 2020 **(Zimbabwe)**. *Business Insider*. The government gazettes new legislation under which former landowners may opt for repossession or monetary compensation in a move to undo the land reform programme implemented in 2000 under former president **Robert Mugabe**;

11 Mar 2020 **Harare (Zimbabwe)** *Business Day*. Finance minister **Mthuli Ncube** says a new foreign currency trading system will come into effect immediately and will be based on what he calls the "Reuters system", which allows foreign currency to be traded freely among banks;

11 Mar 2020 **Harare (Zimbabwe)** *Zimbabwe Independent*. **United States** Treasury Department's **Office of Foreign Assets Control** sanctions former commander of **Zimbabwe's** presidential guard, **Anselem Sanyatwe**, and state security minister **Owen Ncube** for their involvement in human rights abuses in the aftermath of the July 2018 elections;

9 Mar 2020 **(Southern Africa)** *Ecofin Agency*. **United States**-based **Railnet International** announces plans to pump \$11 billion into the construction of a modern railway and the commission of high-

speed trains linking **Zambia, Zimbabwe and Mozambique**;

9 Mar 2020 **Harare (Zimbabwe)** *Bulawayo24*. Former **Zanu-PF** cabinet minister **Jonathan Moyo** claims that the wheels are in motion to remove President **Emmerson Mnangagwa** from office through a military coup;

8 Mar 2020 **Harare (Zimbabwe)** *iol*. Health ministry says there are no confirmed cases of **COVID-19** in **Zimbabwe** despite claims on social media and several suspected cases;

5 Mar 2020 **Harare (Zimbabwe)** *Business Day*. **United States** extends sanctions imposed on **Zimbabwe** by one year and accuses the country's leaders of economic mismanagement;

2 Mar 2020 **Harare (Zimbabwe)** *New Zimbabwe*. The **Associated Mine Workers Union of Zimbabwe** reaches a deal with the **Chamber of Mines** that will result in members' salaries being almost tripled in Q1 2020;

28 Feb 2020 **Harare (Zimbabwe)** *Financial Times*. A **Financial Times** article claims finance and economic development minister **Mthuli Ncube** and the **Reserve Bank of Zimbabwe** have been secretly printing **Zimbabwe** dollars;

27 Feb 2020 **Harare (Zimbabwe)** *iol*. Cabinet ministers say shops will be set up within army camps and barracks to sell subsidised goods, as the government seeks to tame anger over economic hardship;

26 Feb 2020 **Harare (Zimbabwe)** *The Zimbabwe Mail*. **International Monetary Fund** says **Zimbabwe's** economic reform agenda is off-track, and that without further donor support, the risks of a deep humanitarian crisis in the country are high;

25 Feb 2020 **Harare (Zimbabwe)** *Herald*. **Anti-Corruption Commission** chairperson **Loice Matanda-Moyo** says about \$7 billion in cash and assets has been identified which former and current government officials had exported illegally to several countries;

21 Feb 2020 **Harare (Zimbabwe)** *The Zimbabwe Mail*. President **Emmerson Mnangagwa** blames poor support from funding partners for his government's slow-paced economic reforms;

20 Feb 2020 **Harare (Zimbabwe)** *Zimbabwe Independent*. Sources in government and the oil sector say the monopoly by **Sakunda Holdings** – owned by President **Emmerson Mnangagwa's** adviser and **Zanu-PF** benefactor **Kuda Tagwirei** – of the **Beira-Harare** fuel pipeline means the pipeline is being underutilised by up to 40%, resulting in revenue losses of \$400m annually;

19 Feb 2020 **Harare (Zimbabwe)** *News24*. Mines minister **Winston Chitando** gives an ultimatum to holders of mining licences to pay an annual renewal fee by April or face losing their licences;

17 Feb 2020 **Harare (Zimbabwe)** *Bloomberg*. **European Union** renews its arms embargo against **Zimbabwe** and will maintain a targeted asset-freeze against the state-controlled armaments company, **Zimbabwe Defence Industries**;

17 Feb 2020 **Harare (Zimbabwe)** *Business Day*. **Reserve Bank of Zimbabwe** (central bank) governor **John Mangudya** maintains official lending rate at 35% while projecting that year-on-year inflation will close at 50% by the end of 2020;

About Africa Risk Consulting:

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