

AFRICA RISK CONSULTING

Zimbabwe Monthly Briefing January 2021

Zimbabwe Summary 9 January 2021

A surge in Covid-19 infections leads to stricter lockdown measures, further undermining prospects for Zimbabwe's economic recovery. The Zimbabwe Anti-Corruption Commission (ZACC) claims to have exceeded its 2020 target for investigating corruption cases. The failure of South Africa's and Zimbabwe's governments to manage human and vehicular traffic at the Beitbridge border post leads to delays in cross-border transportation of goods and persons.

Covid-19 poses further threats to the economy

Vice president and health minister **Constantino Chiwenga** has announced stricter lockdown measures to curb Zimbabwe's surge in **Covid-19** cases. Blaming Zimbabweans for undermining efforts to curb spread of the virus by not adhering to recommended preventative measures, Chiwenga announced on 2 January that the country would enter a 30-day full lockdown, starting on 3 January.¹ Covid-19 cases rose from a cumulative total of 8,374 cases at the beginning of November² to 17,804 cases as of 6 January in Zimbabwe's population of roughly 15 million.³ New cases during December averaged over 100 per day, compared to fewer than 50 in November.⁴ The lockdown includes closure of borders, curfew from 18:00 to 06:00, prohibition of gatherings, except for funerals, which are limited to no more than 30 attendees, and operation of essential services only, such as hospitals, pharmacies and supermarkets.⁵

The hard lockdown is another blow for Zimbabwe's already ailing economy. Many Zimbabweans are self-employed, surviving on informal market activities that the strict regulations have now blocked. In announcing the lockdown, Chiwenga did not mention social welfare initiatives to mitigate the economic impact of the lockdown, adding to concern amongst the populace over increased deaths, food insecurity and poverty.

Zimbabwe's health sector is already strained by limited bed capacity and a shortage of staff and medicines. **Zimbabwe Association of Doctors for Human Rights** secretary-general **Norman Matara** said **Parirenyatwa Hospital** in **Harare**, the country's largest public hospital, has only two wards dedicated to Covid-19 patients, with bed capacity under 25.⁶ Matara noted that private hospitals were also complaining of limited capacity, with most demanding upfront payments of \$2,500-\$5,000 for admissions.⁷ Some families are attempting to acquire their own healthcare equipment such as ventilators for home-based care. Health ministry permanent secretary **Jasper Chimedza** has drawn criticism for his failure to deliver a clear outline of potential multi-stakeholder approaches to the health crisis.

While other countries are holding out hope for a Covid-19 vaccine to restore some semblance of normality to life, President **Emmerson Mnangagwa** (2017-present) has noted that Zimbabwe

¹ News24, 3 Jan 2021

² News24, 3 Jan 2021

³ The News Hawks, 6 Jan 2021

⁴ South African Broadcasting Corporation (SABC) News, 2 Jan 2021

⁵ News24, 3 Jan 2021

⁶ Bloomberg, 6 Jan 2021

⁷ Bloomberg, 6 Jan 2021

has no plans for the local development of a Covid-19 vaccine. The country's pharmaceutical industry has collapsed since the early 2000s. Mnangagwa said two national preparedness assessments conducted in October and November are guiding Zimbabwe's preparations for the deployment of a vaccine, once approved:

*"While a vaccine is the ultimate preventative measure, it is not available to us just yet... Zimbabwe will only roll out vaccines that have been analysed and found to be effective and safe for its population."*⁸

Anti-corruption commission reports progress

The **Zimbabwe Anti-Corruption Commission (ZACC)** reported on 5 January that it had surpassed its investigations target for 2020 despite the limited resources at its disposal.⁹ The progress report is positive news for a country in which corruption is a key factor undermining economic development. ZACC commissioner **John Makamure** said the anti-corruption body had aimed to investigate 80 cases in 2020, but submitted 90 dockets to the **National Prosecution Authority (NPA)** for prosecution, of which 29 are on trial at different stages and 15 have trial dates in January and February.¹⁰ The work of the ZACC in 2020 has resulted in six convictions and three acquittals. Makamure said ZACC efforts have resulted in the recovery of at least \$5m worth of corruptly acquired property, including 501 vehicles, in the past 18 months.¹¹

Makamure noted that 41 of the 90 dockets are "*high-profile*" cases, including attempts to recover \$94m from **National Social Security Authority (NSSA)** corruption linked to its former head, **Prisca Mupfumira**.¹² Recent allegations of Covid-19 corruption reportedly amounted to at least \$5m.¹³ The ZACC has promised to clamp down on externalised funds and foreign assets linked to most high-profile cases, noting that some of the suspects "*corruptly acquired properties in South Africa, the United Kingdom (UK), the United Arab Emirates (UAE), Malaysia, Mauritius and Kenya*".¹⁴ Makamure also noted that efforts to extradite fugitives were underway, citing former higher education minister **Jonathan Moyo** and former tourism and hospitality industry minister **Walter Mzembi** as examples. Moyo is a fierce critic of the Mnangagwa administration, frequently attacking the government on social platform **Twitter**, raising suspicions that most of the high-profile cases are against well-known enemies of Mnangagwa.

The ZACC's image also continues to be tainted by perceptions that the retrieval of stolen funds will not serve any public interests, as the money will simply be distributed amongst the corrupt elite.¹⁵ Civil and human rights leaders' demands for greater transparency include suggestions that the government publish a list of properties acquired outside the country with corruptly obtained funds and the destination of the funds from the sale of these properties.¹⁶

Beitbridge border post chaos

The 2 January announcement of a 30-day hard lockdown for Zimbabwe has exacerbated an already chaotic situation at the **Beitbridge** border post between South Africa and Zimbabwe. Human and vehicular traffic has clogged the crucial border post, which usually operates on a 24/7 basis, since the beginning of the festive period in December. South Africa's return to lockdown level 3 on 28 December, which includes a 21:00 to 06:00 curfew, compounded chaos

⁸ SABC News, 20 Dec 2020

⁹ Zimbabwe Situation, 6 Jan 2021

¹⁰ The Herald, 6 Jan 2021

¹¹ The Herald, 6 Jan 2021

¹² All Africa, 6 Aug 2019

¹³ The Herald, 6 Oct 2020

¹⁴ The Herald, 6 Jan 2021

¹⁵ ARC source, human rights lawyer

¹⁶ ARC source, human rights lawyer

at the border. Following Chiwenga's announcement, many travelers seeking to reach South Africa by road from Zimbabwe and other neighbouring countries, notably **Zambia** and **Malawi**, rushed to the region's busiest border, leading to delays in immigration processing as South African officials comply with their curfew regulations.¹⁷

There are growing fears that chaos at the border will lead to fatigue-related deaths. As of 4 January there were at least four confirmed truck driver deaths due to dehydration.¹⁸ South Africa's home affairs minister, **Aaron Motsoaledi**, noted that a humanitarian crisis was unfolding at the border as thousands of travelers waited to be granted entry into South Africa.¹⁹ Before 31 December, immigration processing could take at least two days, while travellers now face four or more days of waiting for immigration officials to process their paperwork.

The crisis is also blamed on overall poor planning and coordination within the **Southern African** region. Motsoaledi noted that, in addition to the mass of human traffic, chaos in vehicular traffic was linked to **Botswana's** tight border-crossing regulations and strict curfew. Trucking companies diverted their trucks away from **Groblersburg**, the border crossing between South Africa and Botswana on the **Limpopo River**, to Beitbridge to avoid the waiting times caused by Botswana's Covid-19 protocols:

"In December 2019, 6,706 trucks went through Groblersburg [but] in December 2020, only 2,968 trucks had gone through Groblersburg. ... In contrast, 19,800 trucks went through Beitbridge in December 2019, compared to 21,800 by December 27 [in] 2020. A simple analysis will show that Groblersburg had 3,738 fewer trucks this year compared to 2019, and at least 2000 of these trucks found their way to Beitbridge."²⁰

The governments of both South Africa and Zimbabwe have downplayed suggestions of proposals over the past decade for a **One-Stop-Border-Post (OSBP)** at Beitbridge. In addition, low levels of political will to fully establish a **Southern African Development Community (SADC)** protocol for the free movement of persons and goods within the region undermine prospects for better management of the region's busiest border. The inefficiency of the current systems also weakens prospects to fully harness the potential of the **African Continental Free Trade Area (AfCTA)**, which saw the official launch of pan-African free trade on 1 January.

South Africa-based investors **Harith General Partners** and **Pembani Remgro Infrastructure Fund** announced plans in November to invest at least \$296m in **Zimborders Mauritius'** development of a business complex at the Beitbridge border post, despite the economic downturn caused by the Covid-19 pandemic.²¹ South Africa-based online news provider **Business Day** noted that Harith and Pembani Remgro are betting on constant demand from businesses that are hunkering down and opting to reach their customers through exports rather than setting up shops and factories across the border.²² Zimborders Mauritius has a 17.5-year concession to design, build and operate the public-private partnership project, new terminals for each vehicle category and cargo screening, with the possibility of a five-year extension.²³ Initial construction works, which include installing automated queuing and payment systems, have begun.²⁴

¹⁷ ARC source, border post official from Zimbabwe

¹⁸ Independent Online (IOL), 4 Jan 2021

¹⁹ News24, 5 Jan 2021

²⁰ IOL, 4 Jan 2021

²¹ Business Day, 30 Nov 2020

²² Business Day, 30 Nov 2020

²³ Business Day, 30 Nov 2020

²⁴ Business Day, 30 Nov 2020

Planner

July 2023 (Zimbabwe) – Harmonised elections

Chronology

- 9 Jan 2021 **Harare (Zimbabwe)** *The Guardian*. Prominent journalist **Hopewell Chin'ono** appears in **Harare Magistrate's Court** after police arrested him for "peddling falsehoods";
- 8 Jan 2021 **Harare (Zimbabwe)** *Reuters*. **Reserve Bank of Zimbabwe** (central bank) reverses decision to force exporters, including mining companies, to sell a large portion of their dollar earnings if they are not used after 60 days;
- 7 Jan 2021 **Harare (Zimbabwe)** *Bloomberg*. Platinum mine **Great Dyke Investments** CEO **David Brown** says government plans to use profits from its 65% share in mining venture **Kuvimba Mining House** to help settle a \$3.5 billion compensation claim from white farmers;
- 7 Jan 2021 **Harare (Zimbabwe)** *The Hill*. President **Emmerson Mnangagwa** says the **United States (US)** has no right to sanction other nations in the name of promoting democracy after the recent riot at the US **Capitol**;
- 7 Jan 2021 **Harare (Zimbabwe)** *Times Live*. Public calls for President **Emmerson Mnangagwa** to cut his holiday short as Zimbabwe records a significant increase in **Covid-19** infections;
- 6 Jan 2021 **Harare (Zimbabwe)** *Bloomberg*. Doctors says Zimbabwe's health system is overwhelmed and could collapse as a spike in **coronavirus** cases prompts a strict new 30-day lockdown from 5 January;
- 6 Jan 2021 **Harare (Zimbabwe)** *Press release*. The **Zimbabwe Energy Regulatory Authority** announces increases the price of diesel by 3.36% to \$1.23 per litre and the price of petrol by 1.68% to \$1.21 per litre;
- 4 Jan 2021 **Harare (Zimbabwe)** *News24*. **South African** authorities arrest three suspected smugglers at **O.R. Tambo International Airport** in **Johannesburg**, en route from **Madagascar** to **Dubai** via **Ethiopia**, after finding 73.5 kilograms of gold bars worth about R66m (\$4.5m) in their hand luggage;
- 4 Jan 2021 **Harare (Zimbabwe)** *NewsDay*. **Minerals Marketing Corporation of Zimbabwe** says cumulative mineral exports, excluding gold, amounted to \$2.2 billion between January and September 2020, which was 29.4% above the budgeted \$1.7 billion;
- 2 Jan 2021 **Harare (Zimbabwe)** *Herald*. Vice-president **Constantino Chiwenga** announces immediate 30-day national lockdown following a sharp increase of **Covid-19** infections;
- 30 Dec 2020 **Harare (Zimbabwe)** *News Day*. **United States (US)** senator **Rand Paul** claims in his presentation of the **2020 Festivus Report** that the US government is wasting millions on a futile attempt to democratise **Zimbabwe**;
- 25 Dec 2020 **Harare (Zimbabwe)** *SABC News*. **International Cross-Border Traders' Association** blames **Zimbabwe** government for long delays and over a dozen deaths at **Beitbridge Border Post** over the festive season;
- 28 Dec 2020 **Harare (Zimbabwe)** *Reliefweb*. **Tropical Storm Chalane** makes landfall near the central **Mozambique** city of **Beira** but causes limited damage in Zimbabwe, despite earlier fears of flooding in the region;
- 28 Dec 2020 **Harare (Zimbabwe)** *Voice of America (VOA) Zimbabwe*. Main opposition party **Movement for Democratic Change (MDC)-Alliance (MDC-T)** extraordinary congress elects **Douglas Mwonzora** as the party's president as closest rival **Thokozani Khupe** alleges

widespread vote-rigging;

23 Dec 2020 **Harare (Zimbabwe)** *Times*. **South Africa-based Diaspora Infrastructure Development Group** sues the **National Railways of Zimbabwe** for “unlawfully” terminating a \$400m tender awarded to it in 2017, claiming that Zimbabwe’s transport minister **Joel Matiza** and other politicians had vested interests;

21 Dec 2020 **Harare (Zimbabwe)** *Herald*. State-owned news outlet **Herald** says government has removed more than 10,000 “ghost workers” from its payroll after biometrically registering its employees;

18 Dec 2020 **Harare (Zimbabwe)** *NewsHawks*. State security service **Central Intelligence Organisation** is investigating a commercial dispute between government and interim trustees of **Caps Pharmaceutical Trust** involving a \$45m deal;

17 Dec 2020 **Harare (Zimbabwe)** *Reuters*. **United Nations World Food Programme** appeals for an additional \$204m to support 4 million of the most food-insecure **Zimbabweans** for the next six months;

17 Dec 2020 **Harare (Zimbabwe)** *New Zimbabwe*. Opposition politician **Tendai Biti** accuses President **Emmerson Mnangagwa**’s administration of being “drunk on self-delusion” and describes 2020 as “one of the worst for all working people in living memory”.

16 Dec 2020 **Harare (Zimbabwe)** *Reuters*. **Reserve Bank of Zimbabwe** (central bank) governor **John Mangudya** says the central bank will unbundle its gold refining and printing unit, **Fidelity Printers and Refiners**, into two separate companies and sell a majority stake in the new gold refinery business to miners;

16 Dec 2020 **Harare (Zimbabwe)** *New Zimbabwe*. **United States**-based global video streaming service **Netflix** appoints **Zimbabwean** telecoms billionaire **Strive Masiyiwa** to its board of directors;

15 Dec 2020 **Harare (Zimbabwe)** *New Zimbabwe*. Opposition is angered over the re-arrest of embattled **Harare** mayor **Jacob Mafume** on charges of obstruction of course of justice or alternatively contempt of court for allegedly interfering with a key witness;

13 Dec 2020 **Harare (Zimbabwe)** *The News Hawks*. Military and government sources say President **Emmerson Mnangagwa** is preparing to deploy soldiers to fight terrorism in neighbouring **Mozambique**.

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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