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Industry calls for uninterrupted power supply

From Bright Madera recently in Victoria Falls

THE Confederation of Zimbabwe Industries has called on power utility, Zesa to guarantee at least 18 hours of uninterrupted power supply per day for local industries to operate at optimum levels.

The call comes as electricity shortages and lack of access to capital are threatening the recovery of Zimbabwe's key sectors of the economy, mainly mining and agriculture.

Power supply was one of the major issues discussed at his year's CZI annual congress which was held in Victoria Falls last week.

The congress was held under the theme "A paradigm shift for economic growth and development".

CZI top executives also toured Hwange Power Station to get an insight into some of the problems the power utility is facing.

Erratic power supplies have forced industry to drastically reduce production levels at a time when the power utility is struggling with foreign debt and obsolete equipment at Hwange and Kariba power stations.

"We need at least 18 hours of power supply as well as a new power station," reads part of the 14 resolution document agreed to in Victoria Falls.

CZI president Mr Joseph Kanyekanye said CZI will forward its resolutions to Government and they will follow up on them to make sure that some of the resolutions are implemented for the good of industry and the growth of the economy.

The congress also agreed that sanctions imposed on Zimbabwe by the European Union are inappropriate and are not inline with the Global Political Agreement.

CZI said they would engage all protagonists to remove the sanctions as they have heavily impacted on the country's recovery programs.

The congress also threw its weight behind the gazetted economic empowerment and indigenisation laws saying their implementation must be broad based and that state entities should be a starting point.

CZI showed its commitment to the new law by appointing two members to the Indigenisation Board that comprises all stakeholders in a bid to execute a fair and balanced implementation framework.

Members also highlighted the need to deal with the phenomenal international debt that is now above US\$5,8 billion on the back of thin lines of credit, low exports and dwindling production levels. The congress resolved to engage all the stakeholders to deal with the debt issue as a matter of agency using a hybrid approach.

Stakeholders in Government are divided over debt clearance with some sectors preferring to declare the country a Highly Indebted Poor Country while others prefer to come up with a debt management plan.

However, it remains a fact that Zimbabwe has to clear its debt so that it can access lines of credit from international institutions.

The country requires approximately US\$8 billion to finance economic development to 1990 levels. Much needed donor funding has remained elusive.

In the 2010 budget, Government was expecting about US\$810 million from donors. But just under US\$250 million found its way into the country.

However, the inclusive Government has continued to improve economic policies in a bid to attract foreign direct investment and joint ventures.

Focus has also shifted to diamonds from Chiadzwa. Zimbabwean has stock piles of more than six million carats worth about US\$2 billion.

The inclusive Government has agreed on the need to urgently sell the Chiadzwa diamonds.

It was also agreed that industry and Government should harness wealth from natural resources for economic development, especially "Chiadzwa Diamonds" as well as mobilizing domestic funding in areas that are perceived to be risky by international investors.

CZI said industry would continue supporting the inclusive Government in its efforts to turn around the economy as well as further liberalisation of the economy.

"Government should remove impediments to investment found in statutes that are cumbersome or expensive to comply," read part of the resolutions.

Government is currently working on the transformation of the Zimbabwe Investment Authority in a bid to create a one stop shop and a number of laws are being repealed to create a friendly investment climate.

The country's agriculture sector, that is expected to grow by a marginal 30 percent in 2010, also came under the spotlight with the congress resolving that a conference be organised soon to focus on the revival of agriculture.

The conference is expected to draw participants from decision-makers in Government, civil society and industry.

However, industry also said Government should concentrate on regulating rather than controlling.

"We recommend Government for the prevailing peace and stability and government should continue with capacity building of our embassies so that we utilise Zimbabweans in the diaspora.

To continue developing industry, CZI said they will work closely with Government to ensure appropriate industrial development policies, value addition and move away from exporting primary raw materials.

"Industry also needs to change business models to be aligned with open market based on maximisation of value addition," CZI said in its resolutions.