

ZIMBABWE ECONOMIC DEVELOPMENT CONFERENCE:

AUGUST 10-12 2022

PROJECT REPORT



*"Accelerating Economic Transformation
Through Evidence Based Policy Making"*



Ministry of Finance and Economic Development

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*"Accelerating Economic Transformation
Through Evidence Based Policy Making"*

REPORT OF THE ZIMBABWE ECONOMIC DEVELOPMENT CONFERENCE 2022

"Accelerating Economic Transformation Through Evidence Based Policy Making"

VICTORIA FALLS, ELEPHANT HILLS HOTEL



Ministry of Finance and Economic Development

10 - 12 August 2022

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Sincere gratitude goes to His Excellency, the President of the Republic of Zimbabwe, Cde Dr E.D Mnangagwa for the official opening of the Zimbabwe Economic Development Conference 2022 despite his busy schedule.

Special thanks also go to the researchers and presenters, panellists, moderators and all participants for making the event a success.

The Ministry extends warm appreciation to the partners of the event which include the Reserve Bank of Zimbabwe, Zimbabwe Stock Exchange, CZI, POTRAZ, ZIDA, AFC, World Bank, Kuvimba Mining, ZEPARU, University of Zimbabwe, Victoria Falls Stock Exchange, UNDP, ZimTrade, UNICEF, Zimbabwe Economic Society and MeetInZim, among others.

INTRODUCTION

1. The Zimbabwe Economic Development Conference 2022 was held from 10 to 12 August 2022 at the Elephant Hills Resort in Victoria Falls under the theme “Accelerating Economic Transformation Through Evidence Based Policy Making”.
2. His Excellency, the President of the Republic of Zimbabwe, Cde Dr E.D Mnangagwa officially opened the Conference which was supported and attended by various stakeholders including the Reserve Bank of Zimbabwe, Zimbabwe Stock Exchange, CZI, POTRAZ, ZIDA, AFC, World Bank, Kuvimba Mining, ZEPARU, University of Zimbabwe, Victoria Falls Stock Exchange, UNDP, ZimTrade, UNICEF, Zimbabwe Economic Society and MeetInZim.
3. The Conference brought together Government, researchers, academics, captains of industry, development partners, civic organisation representatives and policy makers to deliberate on domestic economic developments and policies critical for accelerating the country’s economic transformation agenda.
4. Specifically, the conference sought to draw policy recommendations that reinforce and re-shape Zimbabwe’s growth trajectory, whilst also providing evidence-based policy advice that will guide the formulation of the 2023 National Budget as well as feeds into the ongoing process to evaluate the NDS1 (2021-2025).

EXECUTIVE SUMMARY

5. The Ministry of Finance and Economic Development convened the Zimbabwe Economic Development Conference in Victoria Falls under the theme “Accelerating Economic Transformation through Evidence Based Policy Formulation”.
6. The Conference brought together Government, researchers, academics, captains of industry, development partners, civic organisation representatives and policy makers and provided a platform for ongoing dialogue between the public sector, Captains of Industry, the Academia, development partners, and Zimbabweans at large on various topics under the following thematic areas; Monetary and Exchange Rate Policy; Industrialisation and Trade Policy; Informal Sector Development and Poverty Reduction; Fiscal Policy Reforms; and, Public and Private Investments and Creation of an Enabling Environment for Business.
7. Participants also exchanged views on good practices in each thematic area as well as discussing possible solutions meant to accelerate economic transformation in the country. Some of the outputs from the Conference would be adopted input into the 2023 National Budget formulation process.

8. The following were the key messages and takeaways from the lively discussions:

Monetary and Exchange Rate Policy

9. Macroeconomic instability undermines sustainable economic growth, hence, the need to address exchange rate volatility --- and inflation. The main source of inflation in the country revolves around exchange rate instability driven by excessive money supply growth since 2020. There was general consensus on the need to identify the sources of money supply growth to enable appropriate policy prescription.
10. Notwithstanding the continued depreciation of the local currency, there was general agreement that the country should not adopt US\$ as the sole currency, instead recommending continuation of the dual currency system with the ultimate objective of eventually having local mono-currency.

Industrialisation and Trade Policy

11. Manufacturing value added fell from a peak of 26.9% in 1992 to an all-time low of 7.7% in 2018 before recovering to 18.4% in 2020. The macroeconomic instability over the years disrupted the previously strong primary- secondary and tertiary sector value chains with the country's exports becoming less sophisticated and complex, and comprising mainly of primary products, which are vulnerable to international commodity price volatility. The manufacturing sector is also consuming more foreign currency than it is generating, and hence the need to enhance domestic value addition and beneficiation, including measures for increased demand for local inputs (deliberate import substitution) into the manufacturing sector.

12. Industrial and trade policies remain critical in addressing the challenges facing the manufacturing sector and the economy at large, requiring a review of the two policies to ensure they are still relevant to meet the NDS1 and Vision 2030 complete objectives.
13. In order for the country to fully benefit from the African Continental Free Trade Area (AfCFTA), there is need to migrate from uncompetitive production methods and products, adopt new technologies, invest in sophisticated machinery, as well as diversifying export products. All legal instruments required under AfCTA should be enacted into law so that the country stand to benefit.

Fiscal and Tax Policy

14. Fiscal and Tax Policy should promote sustainable economic growth, enable provision of key transformative public infrastructure and improved service delivery.
15. The current tax regime should be made more user friendly, with Government maintaining fiscal discipline without compromising the well-being of the citizenry. Human capital investments should be re-oriented towards children in order to optimize returns over the life cycle.
16. With regards to agriculture, investments should aim at promoting farming as a business, finalise the issue of bankable 99-year leases and review the pricing and marketing arrangements in a way that promotes private sector participation.

Public and Private Investments and Creation of an Enabling Environment for Business

17. Stakeholders concurred that investment in infrastructure is the key enabler for sustained economic growth and transformation, critical for the attainment of an Upper Middle-Income Status by 2030.
18. To achieve this, there is need to continue promoting a favourable political economy anchored on enhancing the ease of doing business and social environment, image and confidence building, in order to attract high levels of both domestic and foreign investment, including investments by the Zimbabwean diaspora.
19. The Conference also noted the need to deal with corruption through strengthening of governance institutions as a way of improving the ease of doing business environment.

Informal Sector Development and Poverty Reduction

20. Evidence suggests a direct link between the level of poverty and the level of informality as there is low productivity in the informal sector relative to the formal sector. The major drivers of informality were identified as macroeconomic instability, high cost of doing business, and cumbersome tax and regulatory environment. SMEs were also noted to be less compliant with regulations hence formal entities end up subsidising the informal sector.

21. There was, however, recognition that the informal sector is critical in supporting economic growth and employment, hence the need for supportive measures such as provision of appropriate environment, infrastructure, financial incentives and concessionary funding mechanisms.
22. Promotion of strong linkages between big firms and the SMEs would promote their activities and formalisation.

SUMMARY OF KEY POLICY RECOMMENDATIONS

23. The following policies were recommended for adoption by Government.

Restoration of Macroeconomic Stability

24. Government was discouraged to adopt full dollarisation but to restore restoration of macroeconomic stability through rebuilding confidence on the local currency. To achieve this, Government was recommended to consider the adoption of a Currency Board to stabilise the exchange rate.
25. Further, Government was recommended to further tighten monetary and fiscal policy in order to attain exchange rate stability and reduce inflation, including reviewing pricing of government procurement processes.
26. As part of enhancing demand for local currency, the Central Bank was recommended to restore positive real deposit rate to encourage domestic savings and restore confidence towards the banking system.

Economic Transformation

27. Government was recommended to adopt import substitution strategies for economic transformation, with more emphasis placed on value chain promotion. This can be achieved through the enforcement of local procurement policy and promoting the expansion of venture capital financing.

28. It was recommended that the country should fully implement trade facilitation agreements in order for the country to fully realise trade gains from such arrangements. To fully benefit from AfCFTA, Government was urged to enact all legal instruments into law.
29. As part of economic transformation, the country was recommended to value-add local products from low complexity low ubiquity products to high complexity low ubiquity to enhance the country's resilience and comparative advantage.

Fiscal Reforms

30. Government was urged to consider lowering taxes and revisiting the progressivity of the taxation system to reduce both tax evasion and avoidance.
31. As part of recommended fiscal reforms, Government was encouraged to review the current agriculture financing model to enhance its effectiveness and efficiency. Government was recommended to limit support to vulnerable groups and offering farmers technical support, while private sector finance other commercial agriculture activities.

Enhancing the Doing Business Environment

32. To promote attractiveness of the business environment, it was recommended that Government should consider mobilisation of pension funds towards investments in infrastructure development to meet international standards.
33. The Victoria Falls Stock market was identified as a potential vehicle to attract capital from the international markets making the Victoria Falls a full-fledged offshore financial centre.

Formalisation of SMEs

34. To facilitate formalisation of SMEs, Government was encouraged to simplify the registration process and consider introduction of incentives for compliance with authorities such as ZIMRA, local authorities and NSSA. Reserving certain quarter of Government procurement contracts and projects for the SME sector was also considered an incentive for formalisation of SMEs.
35. Recommendations were also made for Government to put in place finance mechanisms to support SMEs activities across the economy including commercial fish farming and value-addition of indigenous fruits like tamarind.
36. Further, creation of an SME business portal and development of regional credit rating and credit information reference and referral systems for SMEs is also recommended.

SESSION 1: MONETARY AND EXCHANGE RATE POLICY

Paper Title: Exchange Rate Management Dilemma; In Search of an Optimal Currency Option for Zimbabwe.

Authors: C. Pindiriri and B.M. Zvizvai

37. The study identified key drivers of exchange rate depreciation, modelled the impact of exchange rate movements on inflation and other key macroeconomic variables, as well as proposes policy options for a viable currency and foreign exchange management regime in Zimbabwe.

38. The study applied and combined three approaches of desk research, understanding of experiences of other countries, regression analysis and surveys in order to have an in-depth understanding of the behaviour of economic agents.

Findings

39. The study, concluded that money supply growth has been the main driver of exchange rate depreciation which in turn drives inflation, whilst the parallel exchange rate was found to be driven by negative expectations for future depreciation.
40. Through interviews, the study identified exchange rate depreciation as being driven by delays in settlement of foreign currency allocated through the auction system, arbitrage opportunities arising from exchange rate distortions, public procurement inefficiencies, low trust in the local currency, low confidence with policy makers and global supply shocks.

Policy Recommendations

41. The study recommended against full dollarization, urging authorities to continue with the dual currency framework with the ultimate objective of moving to mono-currency. It also recommended that Government should consult stakeholders during policy making processes and consider the adoption of a Currency Board to stabilise the exchange rate.

Paper Title: Monetary Policy Shocks, Exchange Rate Volatility and Inflation Persistence: Implications for Currency Stability and Growth

Author: J. Mverecha

42. The paper sought to investigate the impact of monetary policy shocks on exchange rate volatility and inflation. The study applied co-integration econometric techniques and error correction modelling and scenario analysis, focusing on what happens to the exchange rate and inflation if reserve money is varied.

Findings

43. The study found that monetary expansion over the past four years has been the cause of exchange rate depreciation and generated inflation expectations with exchange rate depreciation and inflation expectations being the main drivers of inflation. Disinflation or control of inflation will not be achieved until exchange rate stability is achieved, which in turn, will not be achieved until the parallel market premium is eliminated or narrowed substantially.

Policy Recommendations

44. The study recommended that money supply growth be maintained at levels below 10% to achieve exchange rate stability. Other measures recommended include:
- Ensuring a market determined exchange rate;
 - Tightening monetary and fiscal policy - Need for control of the pricing of government contracts at all levels to curb inflation;

- Targeting monthly/quarterly domestic assets growth (e.g. quarterly growth of 3%); and
- Building of foreign currency reserves.

45. In discussion, stakeholders raised the following:

- Money supply growth was the main driver of exchange rate depreciation and inflation.
- Need to interrogate the sources of money supply growth.
- The Foreign Exchange Auction backlog needs to be addressed as it is promoting arbitrage.
- There is need to ensure the ZWL\$ serves its three functions of store of value, a means of exchange and unit of account.
- Noting the success of the Currency Board in Bulgaria, Hong Kong and other countries, stability could be achieved through its introduction in Zimbabwe, backed by adequate reserves.
- The need for unification of the several exchange rates which exists in the economy to eliminate price distortions.
- The need for a positive approach from all the economic agents for restoration of economic stability.
- It was also noted and acknowledged that the introduction of gold coins is key in providing "store of value" function whilst the local currency plays other functions such as "medium of exchange" and "unit of account".
- Need to restore positive real deposit rate (banks must give interest to depositors) to encourage savings thereby building confidence of the banking system and local currency, instead of operating a transactional business environment.

SESSION 2: INDUSTRIALISATION AND TRADE POLICY

Paper Title: Industrial Transformation for Economic Transformation under National Development Strategy 1: What are the pathways?

Author: C. Dube

46. The study reviewed past performances, trends and case studies of industry and the need for its review in line with the economic transformation pathway under NDS1. Further, the study outlined steps towards the envisaged ideal industrial structure and described policy options in support of industrial transformation.

Findings

47. The manufacturing sector has stronger linkage effects with the rest of the economy, including primary industries and services. The study identified the need to transform the current structure of industry in order to restore the lost potential focusing on the top 4 sub-sectors.
48. Reliance on imports makes the production processes prone to shocks, especially exchange rate related shocks, hence the need for manufacturing sector transformation away from external to local dependence.

Policy Recommendations

49. The study recommended for import replacement strategies with a deliberate prioritisation on value chain promotion, enforcing the local procurement policy, reducing the informality and promoting of vibrant venture capital financing.

Paper Title: The Impact of Trade Policy on Industrialisation in Zimbabwe.

Author: P. Ziyadhuma

50. The study focused on the role of trade policies in influencing industry growth in Zimbabwe, motivated by realisation of the contribution of industrialisation to the country's development goals. The objectives of the study were to establish the role of trade policy on industrialisation in Zimbabwe, to examine the statistical impact of trade policy and to determine other factors that influence industrialisation in Zimbabwe. A review of literature was used to answer the research questions which was complemented by econometric estimations.

Findings

51. The literature review showed that engaging into less restrictive trade has positive influence on industrialisation. The quantitative analysis showed that gross capital formation has a positive impact on industrialisation while inflation and exchange rate have a negative impact on industry's output.

Policy Recommendations

52. The study recommended for reduction of tariff and non-tariff barriers on importation of capital good in order to support industrialisation in the country.

Paper Title: Trade Facilitation and Economic Development in Zimbabwe.

Authors: S. Mutsvangwa, Gift Nyathi, Lazarus Muchabaiwa and Zachary Tambudzai

53. The main objective was to assess the contribution of Trade Facilitation Agreement (TFA) on the trade flows between Zimbabwe and its trading partners using gravity model. The study applied the gravity model to estimate the effects of trade facilitation and other factors on bilateral trade flows between Zimbabwe and its 100 trading partners before and after the TFA came into force.

Findings

54. The study concluded that the TFA has a positive and significant effect on the country's trade, although it's a bit early to fully capture its full impact.

Policy Recommendations

55. The study recommended the country to implement the policies which support the TFA objectives to fully realise gains from trade.

Paper Title: Economic Complexity, Diversification and Sophistication of Zimbabwean Products.

Authors: Collaborative work of MoFED, RBZ, ZEPARU and CZI

56. The study broadly examined the status of product and economic complexity for Zimbabwe. Specifically, the study aimed to establish the country's product diversity and complexity; identify products with potential for transformation into high value exports; and inform policy on economic diversification and transformation. The study used bilateral trade data between Zimbabwe and its trading partners to unpack the country's export product diversity, complexity and competitiveness.

Findings

57. The study revealed that while the value of exported goods has increased over the years, the number of products which the country exported has been falling over time, declining from 488 in 2002 to 160 in 2020. The country's exports have largely become less sophisticated and largely comprised of primary products from mining and agriculture, which are vulnerable to international commodity price volatility. The analysis further revealed that the country's exports have become more concentrated in terms of both market destinations and exported products over the years.

Policy Recommendations

58. The following policy indications emerge from the study

- Value adds low complexity low ubiquity products, for instance nickel mates, industrial diamonds, platinum and lithium to high complexity low ubiquity;
- Transform low complexity high ubiquity products for instance unmanufactured tobacco, jewellery, tungsten ores and cotton yarn to high complexity
- Value add high ubiquity products to low ubiquity

59. The country needs a new approach to industrialisation to enable the required transformation to occur.

60. This can be achieved through investment in supply leading and demand driven research and development and technology incubators, investment in industrial hubs, clusters and industrial processing zones, investment in “learn by following and imitation”, win-win foreign direct investment packaging, for instance, complementary foreign direct investment covering product value chain, promoting domestic ancillary/support investments; and revival of the pre-requisite infrastructure and supportive industries, for instance ZISCO and NRZ.

Comments from the Panel Discussions

- There is need for broadening of skills development, especially in the field of engineering, noting that in other areas like social worker and commerce there is excess skills.

- There is need for reforms that will help to facilitate trade. A comparison between Zimbabwe and South Africa showed that there are quite a number of impediments that hinder trade in Zimbabwe e.g, information gaps, documentation issues and expensive broadband packages just to mention a few.
- To exploit AfCFTA there is need to deal with policy and regulatory environment such that its beneficial to local players. There is need for all legal instruments under AfCFTA to be enacted into law such that the country starts to benefit.
- There is need to identify and priotitise potential areas of regional value chains.
- There is need for a product specific approach as to which products can be moved or upgraded to be highly complex such that they are competitive on the export market and earn more revenue.

SESSION 3: FISCAL POLICY REFORMS IN ZIMBABWE

Paper Title: An Investigation into the Nexus Between Tax Reforms and Economic Growth in Zimbabwe: An ARDL-ECM Approach

Authors: Mrs V. Masere - Midlands State University

61. The study focused on investigating whether fiscal reforms are a major cause for macroeconomic instability in Zimbabwe as well as to establish the basis for formulation of revenue and tax policy over the period 1990-2020. An ARDL-ECM approach was applied to capture the impact of both the short run and long run.

Findings

62. The study found that budget deficits only affect economic growth in the short run and not in the long run. Corporate tax had a positive impact on GDP in the short run and a negative relationship with GDP in the long run while value added tax and personal income tax were found to be insignificant in explaining economic growth in the long run. Customs duty has a positive significant impact on economic growth both in the short and long run.

Policy Recommendations

63. In view of the research findings, the study recommended Government to lower taxes or maintain competitive tax rates on the earnings of capital given its distortionary nature. There is need to revisit existing tax policies to curb tax evasion and avoidance; and to ensure that fiscal discipline is sustained without compromising the well-being of the citizenry.

Paper Title: Subjective Well-being as a Causal of Fiscal Policy Outcomes:

Author: Mr I Banda

64. The objective of the study was to investigate the causal relationship between fiscal policy and subjective well-being for the Zimbabwean economy from 1980 to 2020. Vector Auto Regression model was applied to characterise the relationship between subjective well-being and fiscal policy.

Findings

65. The results show that the variation on subjective well-being from taxation is greater than the variation from Government expenditure. In addition, the results show that there is a long run relationship between fiscal policy and subjective well-being. Fiscal policy is the main driver of subjective well-being than otherwise.

Policy Recommendation

66. The study recommends that the Government should effectively utilise fiscal policy to improve the subjective well-being which is the main goal of public policy. Furthermore, Government should prioritise Government expenditure in order to effectively deliver public goods and revisiting the progressivity of the taxation system is also critical in order to positively influence the effect of taxation on subjective well-being.

Paper Title: Optimising Public Investment for Human Capital:

Presenter: Dr T. Oyewale, UNICEF

67. The study sought to analyse national budget allocative efficiency and the prioritization of resources for human capital development focusing on health, education and social protection based on the life cycle approach. This was within the context of an assertion that human capital development is vital for boosting long-term economic inclusion and growth, poverty reduction and resilience against life's unexpected challenges.
68. In addition, the paper endeavored to proffer general policy recommendations for enhancing the impact of public expenditure on human capital development and accelerating progress toward national development goals outlined in NDS1 and Vision 2030.

Findings

69. The study found that Zimbabwe surpassed some of the global targets in education investment as a key human capital development, however, the level of investment in infant education is significantly low compared to investment needs. Overall, Zimbabwe is making progress in human capital development, although some challenges remain, especially in health and education where there is a need for investment to protect and sustain current gains.

Policy Recommendations

70. The study recommended increasing budget allocation to the social sector to meet established thresholds with a view to improve human capital development. Re-orienting human capital investment budget towards children with a view to optimizing returns over the life cycle and continuously improve budget classification systems to enhance the traceability of child-focused allocation is key.
71. Furthermore, Government should complement development partners' existing social protection programmes with a child support grant targeting lower-income households with children under 5 years to assist parents with the costs of basic needs of their children.

Paper Title: Getting Fiscal Policies Right for Optimal Financing of Agriculture under Incomplete Markets:

Author: R. Mano

72. The research focused on assessing Government strides in financing agriculture as a mainstay of the economy as well as recommend measures for Government to extract maximum benefit from the expenditures made towards agriculture. Notably, the research seeks to answer why fiscal policy support to agriculture matters.

Findings

73. The study found that despite Government making great efforts in improving investment in agriculture, the welfare of the majority seems to worsen with poverty on the rise. The increase in Government expenditure in agriculture is not directly targeted to productive activities. There is an adverse impact on input and output market, as well as marketing efficiency as a result of GMB being a de facto grain marketing monopoly.

Policy Recommendations

74. In order to address the anomalies, the study recommended that Government should set up an M & E taskforce comprising the Ministries of Finance and Economic Development, Lands, Agriculture, Fisheries and Water Development and Public Service, Labour and Social Welfare that will closely monitor the fiscal expenditure on agriculture with the view to get plug up leakages, thereby getting value for money.
75. There is also need to convene a dialogue on the proposed agriculture financing models (Scaling up Tobacco RCF, Crowding-in matching funds from commercial credit providers and Three component model - Credit Guarantee Facility, Zimbabwe Agricultural Investment Fund, Mobilizing Capital Investors beyond the Fiscal Budget and Agricultural Frontline Risk Management Service Providers).
76. In addition, there is need to find strategies to attract funding into agriculture away from unproductive idle investments such as cluster housing.

Discussions

77. The following were the comments raised during panel discussions:

- Put in place a skills retention programme so that brain drain does not continue to erode human capital;
- Increase collaboration among the researchers in Government, ZIMRA, academics and research institutions so as to provide practical solutions from the research papers;
- The country's corporate tax rate is competitive within the region;
- Corporate income tax is chargeable on profits, hence should not be a major driver of investment decisions;
- Review of tax bands is informed by the level of wages and salaries paid by employers or negotiated by National Employment Councils;
- The recommendation to use trade taxes as an instrument to mobilise revenue is not consistent with Government policy to promote growth of industry through lower customs duty rates on capital equipment, intermediate goods and raw materials.
- The researchers should also try and determine the magnitude of informal sector so as to establish the tax gap;
- There is need to widen the tax base so that the inherent increase in budget deficit can be minimised;
- There is need to treat farming as business, therefore, there is need to finalise the issuance of bankable and transferable 99-year leases, thereby provide security of tenure and enable farmers to get loans from banks; and
- The private sector should finance the agriculture sector through development of financing models, while Government concentrates on funding for the vulnerable groups and offering technical support to farmers.

SESSION 4: PUBLIC & PRIVATE INVESTMENTS AND CREATION OF AN ENABLING ENVIRONMENT FOR BUSINESS

Paper Title: Role of Institutions in Promoting Private Investment in Zimbabwe:

Author: Dr. T Zivengwa

78. The research paper focussed on the role of institutions in promoting private investment in Zimbabwe as the country experienced low levels of investment since 1985 due to policy shocks such as ESAP, government controls, sanctions, land reform, among others. The study considered both bundled economic and political institutions as well as their unbundled constituents to gain a deeper insight into key attributes that influence private investment.

Findings

79. The study found that institutions both formal and informal are critical in reducing transaction costs and further identified particular attributes of the institutions such as government size and corruption as critical in promoting private investment. Thus, the paper concluded that running small government sizes and controlling corruption are keys drivers of private investment in Zimbabwe.

Recommendations

80. The study recommended the need to deal with corruption through strengthening of governance institutions such ZACC, Police and Judiciary. In addition, reducing the size of Government, through top to bottom approach, promoting a stable political environment and privatisation of key institutions are key in promoting private investment.

Paper Title: Public Private Partnerships for Sustainable Development; What makes a successful Partnership?

Presented: A. Chigaazira

81. The purpose of presentation was to give an insight on ZIDA's mandate. It highlighted PPPs, special economic zones and general investments as three major pillars that ZIDA concentrate on. The paper went to allude to lack of capacity to conduct feasibility as the major constraint for attracting project financing.

Recommendations

82. The presentation recommends for the need to engage other partners for funding of feasibility studies, improving technology and systems to reduce turnaround time for investment approval and integration of activities.

Topic: Diaspora Investments and the Africa We Want:

Presenter: A Chihombori

83. The presentation focussed on importance of harnessing diaspora resources towards the development of the country and Africa in general through changing the perception of African diasporas regarding the continent by correcting misconceptions.

Recommendations

84. The presentation recommends the need to tap into diaspora skills and talent by creating conducive environment that attracts them and also to unite as Africans for economic development by portraying positive image of the country to the diaspora community.

Panel Discussions

- Infrastructure is key for national development and attaining upper middle-income status by 2030
- There is need to create internationally recognised standard certification institutions to promote exports and investments.
- Creating favourable environment for investors such as cost-effective tariffs and effective framework for IPPs is important to attract investment.
- Need for research on appropriate models for commercialisation of state enterprises.
- Need to move to a better bidding process to attract international competitive players.

Topic: Creating an Enabling Environment for Business

Presenter: N. Chanakira

85. The purpose of the presentation was to show how the country lost its competitiveness over the years and proffer ways on how it can be regained.

Recommendations

86. The presentation called for the need to adopt a favourable national value system, adopt smart Agriculture, coming up with problem solving education curriculum, shift towards vocational training for life skills, financial literacy and post graduate support and resource ZIDA for maximum effectiveness, extricate the country from sanctions.
87. The presentation recommended for consideration of research papers seriously, mobilising pension funds for investments, policy consistency, Infrastructure development to meet international standards, and the need for capital allocation to advertise Zimbabwe.

Topic: The Role of Capital Markets in the Development of the Country:

Presenter: J. Bgoni

88. The presentation alluded to the important of role of capital markets towards economic development. It showed how efficient markets can raise capital, provide efficient allocation of resources and finance infrastructure development.

Recommendations

89. The presentation recommends the use of Victoria Falls Stock market to attract capital, creation of a bonds market and to move the country from frontier to emerging market. Victoria Falls should become a full-fledged offshore financial centre.

Topic: Retaining Human Capital Retention for National Development:

Presenter: Mr M. Nguwi

90. The objective of the presentation was to show the importance of improving cognitive ability in early childhood education and ways to retain human capital. The presentation also highlighted lack of career guidance as an impediment to right career choices.

Recommendations

91. The presentation highlighted the need to invest in pre-school education, funding the school psychology services and deploying elite skills in high impact organisations.

Panel discussions

- Emphasis in early childhood development
- Explore policy options for retaining staff
- Monetise non-monetary incentives to curb migration in the social sector
- Creation of bond association
- Monetary policy that prescribes certain portfolio assets
- There is need to carry out a study on the optimum number of professionals required in each category
- There is need to consult relevant stakeholders to establish a credible yield curve.

SESSION 5: INFORMAL SECTOR DEVELOPMENT AND POVERTY REDUCTION

Topic: Pro-poor, Inclusive and Sustainable Industrialisation in SADC:

Presenter: P. Chitambara

92. The purpose of the study was to investigate how to maximise the contribution of the manufacturing SMEs in the SADC region with particular focus in Botswana, Zambia and Zimbabwe.

Findings

93. The study show that SMEs account for the majority of businesses globally and are important contributors to job creation and global economic development. Despite the significant role SMEs play across the SADC, they face a number of challenges that include: access to financing, challenging doing business environments and high cost of doing business, high taxes, inadequate electricity supply, lack of skills, poor physical infrastructure, limited access to technology, weak enabling institutions, limited access to public procurement, cumbersome regulatory environment and in some cases absence of a government-led SMEs strategy and policies to develop the ecosystem.
94. Unlocking the region's growth potential will require a sustained investment into the SMEs sector, especially in manufacturing, spurs employment, value addition, and overall industrialisation of the SADC region.

Policy Recommendations

95. The study recommends the need for Government to integrate SME development agendas into new policies for facilitating SMEs' involvement in global value chains. Formulating a regional SME policy and charter to support coordinated development of the sector and minimise regulatory burden on the small businesses.
96. It recommends creation of an SME business portal where SMEs can show case their products and services, and also access a variety of market information such as technology services, government contracts and market opportunities.
97. It also recommended the developing of regional credit rating and credit information reference and referral systems for SMEs (capacity building programme for the financial institutions and SME credit providers), prioritising access to ICT goods and services, fostering innovation and research, and updating laws on data localisation, protection and intellectual property rights.

Panel Discussions

- There is need for a whole stakeholder approach to formalise the informal economy.
- Only 11% of SMEs are registered for tax and the compliance culture for SMEs is very low. The current strategy for ZIMRA is digitalisation of tax collection through automation in order to minimise human interactions.

- ZIMRA is in the process of acquiring a new domestic tax system with funding from Government and AfDB which will result in a simplified tax collection system. It is also working on the introduction of a single tax identification number for every tax payer.
- Value Chain Participation Strategy - There is need to explicitly integrate the marginalised and vulnerable groups which include women, youth, people living with disabilities and capacitate them to do their business in a commercial way. This can help them transition in a more formalised business, for example, through the European Union funded Zimbabwe Agriculture Growth Programme (ZAGP), poultry farmers have transitioned to commercialised groups production as well as the Honde Valley banana growers have been commercialised and are transitioning in a more formalised way of doing business.
- Treasury was urged to channel more resources towards the SMEs sector for the country to achieve higher productivity. In this regard, Treasury is considering ringfencing resources for addressing challenges affecting the SMEs sector as taxes from this sector are really important. Also, the Ministry of Labour and Social Welfare is in the process of training the SMEs.

Topic: Informal Sector Development and Poverty Reduction: Current Experiences and way Forward

Presenter: A. Kavvu

98. The study aimed at exploring the role of the informal sector in reducing poverty in Zimbabwe. The paper made use of extended literature to explore various approaches of formalizing the informal sector and contextualising it to the environment of Zimbabwe.

Findings

99. The results of the study show that enterprises that are formalised have higher revenue, and profits on average compared to the non-formalised ones, female owned enterprises had less sales and face less costs compared to male owned enterprises and small enterprises earn more in profits per month compared to micro enterprises while medium enterprises earn more on average.
100. Formalised enterprises have higher capacity utilisation compared to non-formalised, net worth of formalised enterprises is approximately 3 times that of non-formalised enterprises and more than 70% of the manufacturing SMEs use none, hand tool or manual machines.

Policy Recommendations

101. The study recommends the need to simplify the registration process, make it less cumbersome and introduce incentives for compliance with authorities such as ZIMRA, local authorities and NSSA. In addition, formalisation processes need to be shortened and less stringent. Some the additional recommendation include the following:
- There is need for development of facilities targeted for MSMEs.
 - The local government and local authorities should develop infrastructure that supports informal entrepreneurship.
 - There is need to have a robust quality assurance system, which includes process and product certification, by standards bodies in order to improve product quality.

- Marketing channels should be developed to allow MSMEs to penetrate both local and international markets.
- There is need to link manufacturing MSMEs with national research institutions and universities, in areas of innovation and product development.
- There is need to regularly measure the informal economy through regular surveys.

Topic: Boosting Productivity of the Informal Sector:

Presenter: M. Mpundu

102. The objective of the research was to unpack the productivity challenge and informality in Zimbabwe, including understanding the degree of informality and the drivers of informality, as well as tackling informality.

Findings

103. The research found that Zimbabwe has one of the largest informal sectors in the world with informality spread across all sectors, mostly in wholesale and retail trade. Informality was said to be driven by macroeconomic challenge and business regulations.

104. Zimbabwe has a well-educated and skilled labour force but the productivity gap was lower compared to peer countries, with informality being one of the significant drags on productivity, with competition from the informal sector affecting productivity of formal firms.

Policy Recommendations

105. The report recommended for comprehensive reforms to ensure and sustain price and exchange rate stability and reduce resource misallocation, including implementation of supportive policies for vulnerable groups during transition period is key.

106. There is also need to invigorate private sector activity and productivity through good governance, provision of finance and investing in human capital development as well as better access to information, markets, infrastructure, and general support for entrepreneurs is also of paramount importance.

107. It called for the need to simplify the regulatory framework for business start-ups and digitalization of government services have proven to reduce the cost of doing business and increase transparency in doing business.

Paper Title: Institutional Dynamics as a Panacea to Informal Sector Formalisation: The Moderating Role of Informal Institutions.

Author: S. Muparangi

108. The purpose of the research was to investigate the effect of institutional dynamics on formalisation of the informal sector in Zimbabwe. Specifically, the study explores the moderating role of informal institutions such as corruption, culture, attitude towards self-employment on the relationship between formal institutions and informal sector formalisation.

Findings

109. The study noted the need for policy makers to fully automate and simplify company registration, tax payment and the whole process of formalization. Moreso, in order to increase formalisation, it was highlighted that policy makers must come up with government driven SME market linkage policy.

Policy Recommendations

110. The study recommended for consideration of entrepreneurship in setting national policies including reserving certain quarter of its procurement contracts and projects for the SME sector. The study also recommended for the creation of the SME funding model whose sources of funds will be SMEs themselves. This involves SMEs contributing towards a pooled fund which can assist them for enterprise growth.

Topic: Transitioning the Informal Economy to Formality in Zimbabwe

Presenter: G. Kanyenze

111. The study was carried out to provide a policy framework to promote pathways to transition from the informal to the formal economy. A draft national formalisation strategy and implementation plan has since been developed informed by this study.

Findings

112. The key finding of the study was that people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy. Access to market, finances, infrastructure/workspaces, technology was identified as key. The study also highlighted the need to preserve and improve existing livelihoods, the entrepreneurial potential, skills and creativity of those operating in the informal economy.

Policy Recommendations

113. The study recommended that there is need for a pro-employment macroeconomic framework - promoting job-rich inclusive growth. A recommendation was also made on the need to review the regulatory framework, strengthen public institutions & enforcement mechanisms. Other recommendations include the following:

- The need to transition to the formal economy through an integrated strategy, policy mix and institutional coordination was also highlighted;

- Strengthening Coordination, Monitoring & Evaluation was also seen as of paramount importance.
- Youth, women and people living with disabilities should be mainstreamed in all planning processes.

Topic: Avenues and Opportunities: Zimbabwe's Untapped Commercial Fishery, A Case Study of RADCO Fisheries in Bindura:

Presenter: Mr. M. Mutopa

114. The purpose of the study was to explore the potential of the Zimbabwean aquaculture industry and the available opportunities to expand tilapia fish farming towards a robust commercial scale enough to satisfy the local and export market.

Findings

115. The research acknowledged that the global economy is enjoying a significant contribution from commercial fishery. The research also noted that Zimbabwe has a total of 10 747 registered dams which is approximately 117 662 hectares of land and an additional 2000 unregistered dams. Against this background, the study acknowledged that there is a huge opportunity for fish farming to accelerate the Zimbabwean agricultural industry.

Policy Recommendations

116. The study recommended the need for the Government to start to effectively foster policies that encourage the production of commercial fish farming in the country. Investors should utilize the golden opportunity to invest in the Zimbabwean aquaculture industry which because of its potential to generate high revenue and massive employment creation.
117. A recommendation was made to prioritizing aquaculture, specifically tilapia farming, due to its viability.

Paper Title: Domestication and Commercialisation of Tamarind in Gokwe North

Author: O. Mudzingwa,

118. The purpose of the study was to establish the importance of tamarind in the rural development of Gokwe North. Tamarind (*Tamarindus indica* L) is a wild tree that is found in Gokwe North, Zimbabwe. Nearly every part of the tree is utilized in food preparations or medicines. Therefore, the research was conducted, specifically to establish the economic potential of tamarind in Zimbabwe.

Findings

119. The results indicated that the medicinal use of tamarind was cited in 100% of the responses and also consumed as a food. Income use was only cited in half of the responses. It was also found that the bulk of the products can be processed into spice, whilst a few may be exported in its natural state for medicinal purposes. The need to capacitate communities to create plantations of the herb was also acknowledged by the study.

Policy Recommendations

120. The study recommended for research on markets and value-addition of tamarind for it to be transformed into commercially value-added products which should inform promotion of value chain of the tamarind fruit eg medicinal, food and spices.

Panel Discussion

- AfDB is working with Government of Zimbabwe in developing the formalisation strategy which includes a business development service programme covering registration, training and access to financing.
- There is need to promote the culture and heritage sector through allocation of resources in the National Budget.

- There is need to replicate the Mapfura industry in Mwenezi for other traditional fruits across the country. Already, Government is working on value addition processes in many traditional fruits such as mawuyu and masawu, among others.
- Formality is actually shrinking because of regulatory issues. Therefore, there is need to make sure that we provide the necessary incentives to promote formality in the economy because the informal businesses are a 'threat' as it is difficult for Government to tax and regulate the informal sector, therefore affecting the fiscal position.
- Large companies should procure from small businesses. There is need for strong linkages between big businesses and the small sector.

SESSION 6: OFFICIAL CEREMONY

121. The Zimbabwe Economic Development Conference was officially opened by His Excellency, the President, Dr. E. D. Mnangagwa, on 12 August 2022. In his remarks, the President called for adoption of fair business practices to support the country's transformation agenda.

122. He lamented against the unjustified extortionist pricing models being used by some private business players, which are bent on milking poor consumers. The President went on to highlight that the economy has the strong economic fundamentals necessary for stability and that a number of corrective measures to restore sanity in the economy are being implemented. He, therefore, attributed the recent exchange rate depreciation to factors outside the obtaining economic realities.

123. To sum up, the President encouraged mainstreaming of evidence-based research into budgeting processes and decisions, not only in Government but across other sectors of the economy. He reiterated that ZEDCON highlights Government's quest to mainstream evidence and research to inform key policy formulation processes, including strengthening their research and innovation capabilities.
124. The Minister of Finance and Economic Development, Professor Mthuli Ncube, echoed that that the reforms being implemented under NDS1 have seen the Zimbabwean economy remaining in a sustained positive growth, with month-on-month inflation having started receding following a raft of corrective policy measures.
125. In his closing remarks, the Deputy Minister of Finance and Economic Development, Mr. C. Chiduwa assured the gathering that Government would draw some of the policy recommendations from the ideas and research papers presented during this conference for consideration in the 2023 Budget and reviewing of the NDS1.

CONCLUSION

126. The inaugural ZEDCON 2022 was attended by a wider stakeholder from Government, the private sector, academia, external experts and development partners, therefore, the recommendations fairly represent the views of the majority, especially on policy direction.
127. Going forward, Government will build on this inaugural event to make the event annual and improve its coverage and participation to ensure inclusiveness in public policy making.

ZEDCON ATTENDEES BY ORGANISATION:

| A-M | M-S | T-Z |
|--|------------------------------|-------------------------------------|
| AFC Holdings | Ministry of Transport | Tanzanian Embassy |
| AfDB | Ministry of Women Affairs | UN |
| Africa Round Table | MIPBS | UNDP |
| African Diaspora Development Institute | MLAFWRD | UNICEF |
| Bindura State University | MLGPLI | United Nations Resident Coordinator |
| Bloomberg | MNHS | University of Johannesburg |
| Chamber of Mines | MOFAIT | University of Zimbabwe |
| Chinhoyi University | MOJPA | WFP |
| Chronicle | MPSLSW | World Bank |
| City of Bulawayo | MSUAI | ZADMO |
| Confederation of Zimbabwe Industries (C.Z.I) | Mutopa Global Resources | ZBC |
| Delegation to the European Union | NCC | ZEPARU |
| Health & Service Board | NECF | ZES |
| Herald | NUST | ZESA |
| Indonesian Embassy | Old Mutual | ZIDA |
| IPC | OPC | ZIMPLATS |
| IPEC | POTRAZ | ZIMRA |
| LEDRIZ | POZ | ZIMSTATS |
| Livestock and Meat Advisory Council | RBZ | ZIMTRADE |
| Makombe Transport | Reserve Bank of South Africa | ZIST |
| Min of Health | Retenue Stars Investments | ZRP |
| Min of Higher Education | SECZIM | ZSE |
| Min of Home Affairs | SIRDC | ZTA |
| Ministry of Information | Super Fert | ZTN/ ZIMPAPERS |
| Ministry of Finance and Economic Development | | |



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ZEDCON2022 AFFILIATES

- Zimbabwe Economic Society
- CZI
- ZIDA
- VICTORIA FALLS STOCK EXCHANGE
- ZEPARU Zimbabwe Economic Policy Analysis and Research Unit
- UNDP
- ZES
- ZIMBABWE STOCK EXCHANGE
- THE WORLD BANK
- ZimTrade
- MEET inZim
- unicef
- Zimbabwe

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CONFERENCE FEEDBACK

Based on the proceedings and general feedback, the inaugural Zimbabwe Economic Development Conference was a success and has the potential of growing into a 'must-attend' annual calendar event.

Some of the submitted comments are highlighted below and the images and presentations uploaded on a drive.

_May I also take this opportunity to extend my great appreciation to you the "team behind the scenes" for organizing a very successful event more in particular for ensuring clear and open communication channels throughout the entire process. The event, though it was the first of its kind, should therefore set precedence on future Government policy formulation processes. It was a fruitful platform, well engaging and above all everyone had a common sense of direction, which is to make Zimbabwe great again. Till we meet again, its bye and goodnight from me.

_Thank you so much for a well-organized conference. God bless!

_Thanks colleagues, this us the way to go I'd we are to transform our economy for the benefit of all, well done.

_Thank you very much for this initiative. It was very well organized and valuable.

_Thank you very much for a well organised Conference which was a resounding success and we hope will add value to policy making for our Great country.

_An attractive and competitive Zimbabwe within our lifetime is all we yearn for. The Zimbabwe Economics Society is committed to this cause and looks forward to a fresh continued diagnostic approach to policy formulation, dialogue well into the presentation of the 2023 Budget and beyond. Making the same erroneous policy blunders in the future would be an indictment to our collective wisdom evidenced based research and policy making.

_This one is for the archives. May it mark a turning point in the economic affairs of Zimbabwe in the unconquerable name of Jesus Christ.

_Thank you very much, it was a well-organized conference

_Thank you for a well-organized conference. Please keep up the momentum.

_One would be forgiven to believe that this conference has been running for years, it was a very well organized conference. So, to the team behind the scenes, everyone who participated and everyone who made this possible a very big thank you and hope to see you on the next one. And some good dance moves, please slot a dance segment next time

_I can't agree more on all counts. Thanks again to MOFED team for a superb conference.

_A well organised Conference indeed!

APPENDIX A

ZEDCON PROGRAMME



*"Accelerating Economic Transformation
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**Zimbabwe Economic Development Conference
(ZEDCON 2022):**

Accelerating Economic Transformation through Evidence Based Policy Making

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Programme

TRAVEL DAY

TUESDAY, 09 AUGUST 2022

Arrival and Check-In of Guests

CONFERENCE DAY 1

WEDNESDAY, 10 AUGUST 2022
Director of Proceedings: Mr. Andy Hodges

SESSION 1: MONETARY AND EXCHANGE RATE POLICY

*Chairperson: Prof. Ashok Chakravarti, Advisor to the Hon.
Minister of Finance and Economic Development*
Director of Proceedings: Mr. Andy Hodges

| Time | Session | Presenters |
|-------------|---|--|
| 1000 – 1030 | Welcome Tea REGISTRATION | |
| 1030 – 1035 | Opening Prayer | Mr M Dube, Director, Ministry of Finance and Economic Development |
| 1035 - 1045 | Conference objectives and Remarks | Hon. C. Chiduwa, Deputy Minister of Finance & Economic Development |
| 1045 - 1115 | Exchange Rate Determinants | Mr. B. Zwizwai, University of Zimbabwe Dr. C. Pindiriri, University of Zimbabwe |
| 1115 – 1145 | Monetary Policy shocks, Exchange rate volatility and Inflation Persistence: Implications for Currency Stability and Growth | Mr. J. Mverecha, Agriculture Finance Corporation AFC |
| 1145 - | Panel Discussion Panelists: Mr. W. Simbanegavi, Reserve Bank of South Africa Mr. G. Dzangare, Acting CEO, SECZIM Mr. J. Bgoni, CEO, ZSE | Moderator: Dr. E. Mahembe, Development, Economist/ Econometrician |

LUNCH BREAK

SESSION 2: INDUSTRIALISATION AND TRADE POLICY

Chairperson: Mr. F. Ngorora, Chief Director Economic Affairs, MoFED

Director of Proceedings: Mr. O. Mandovha

| Time | Session | Presenters |
|-------------|--|--|
| 1400 – 1420 | <i>Industrial Transformation for Economic Transformation Under the NDS1: What are the pathways</i> | Dr. C. Dube, Confederation of Zimbabwe Industries (C.Z.I) |
| 1420 - 1440 | <i>Trade Facilitation and Economic Development in Zimbabwe</i> | Dr. S. Mutsvangwa, Chairperson, Economics Department, Bindura State University |
| 1440- 1500 | <i>The role of Trade Policy in Industrialization in Zimbabwe</i> | Mr. P. Ziyadhuma, ZEPARU |
| 1500-1545 | <i>Panel Discussion</i> Panelists <i>Mr. K. Matsheza ,</i> CZI, President <i>Dr. E. Mahembe,</i> Development Economist, ZES <i>Dr. S. Mutsvangwa,</i> Chairperson, Economics Department, Bindura State University | Moderator, <i>Mr. O. Mandovha</i> & <i>Mr. A Hodges</i> |
| 1545 - 1600 | <i>"The AfCFTA: A gateway to Zimbabwe's Economic Prosperity in the medium- to- long-term".</i> | Mr. R. Chizema, Trade Consultant |
| 1600 – 1630 | <i>Economic Complexity, Diversification and Sophistication of Zimbabwean Products.</i> | Dr. N. Masiyandima, Chief Economist, RBZ |
| 1630-1715 | <i>Panel Discussion</i> <i>Dr. M. Kwaramba,</i> World Bank <i>Mr. R. Chizema,</i> Trade Consultant <i>Dr. P. Chitambara,</i> LEDRIZ <i>Dr. C. Dube,</i> CZI | Moderator: <i>Ms. S. Kuvarika,</i> CEO, Confederation of Zimbabwe Industries (CZI) |

TEA/ END OF DAY- WELCOME DINNER

CONFERENCE DAY 2

THURSDAY, 11 AUGUST 2022

Director of Proceedings: Mr. Andy Hodges

SESSION 1: FISCAL POLICY REFORMS IN ZIMBABWE

Chairperson, Ms. C. Mhini, Chief Director International Cooperation, Tax & Financial Sector Policy

Director of Proceedings: Mr. Andy Hodges

| Time | Session | Presenters |
|-------------|--|--|
| 0830 - 0835 | OPENING PRAYER | |
| 0835 -0855 | <i>An Investigation into The Nexus Between Tax Reforms and Economic Growth in Zimbabwe: An ARDL-ECM Approach</i> | <i>Mrs. V. Masere, Midlands State University (MSU)</i> |
| 0855-0915 | <i>Subjective well-being as a causal of fiscal policy outcomes</i> | <i>Mr. I. Banda, University of Johannesburg</i> |
| 0915- 0935 | <i>Optimising Public Investment for Human Capital</i> | <i>Dr T Oyewale, UNICEF</i> |
| 0935 1000 | <i>Getting Fiscal Policies right for Optimal Financing of Agriculture under incomplete markets.</i> | <i>Dr. R. Mano, Livestock and Meat Advisory Council</i> |
| 1000-1045 | <i>Panel Discussion</i> | <i>Moderator: Mr. N. Chanakira, President, Zimbabwe Economic Society</i> |

Panelists
Dr. T. Oyewale UNICEF
Mr. S. Muparangi, Manicaland State University
Mr. J. Shumbamhini ZIMRA
Mr. I. Banda, University of Johannesburg

HEALTH BREAK

**SESSION 2:
PUBLIC AND PRIVATE INVESTMENTS AND CREATION OF AN
ENABLING ENVIRONMENT FOR BUSINESS**

Chairperson: Mr. A. Bvumbe, Head, Zimbabwe Public Debt Management Office, ZADMO

Director of Proceedings: Mr. O. Mandovha

| Time | Session | Presenters |
|-------------|---|---|
| 1100– 1120 | <i>Role of institutions in promoting private investment in Zimbabwe</i> | <i>Dr. T. Zivengwa, Lecturer and Researcher, University of Zimbabwe</i> |
| 1120 – 1140 | <i>Public Private Partnerships for Sustainable Development; What makes a successful Partnership?</i> | <i>Mr. A. Chigaazira, ZIDA</i> |
| 1140 – 1210 | <i>Diaspora Investments and the Africa We Want</i> | <i>Dr. A. Chihombori Quao, Founder, African Diaspora Development Institute (ADDI)</i> |
| 1210 - 1300 | <i>Panel Discussion</i> | Moderator: <i>Mr. K. Matsheza, President, CZI</i> |
| | Panelists <i>Dr. A. Chihombori President, ADDI</i> <i>Mr. A. Chigaazira, ZIDA</i> <i>Dr. N. Chanakira, President, ZES</i> <i>Dr. T. Zivengwa, UZ</i> | |

LUNCH BREAK

| Time | Session | Presenters |
|-------------|---|---|
| 1430 - 1500 | <i>Creating An Enabling Environment for Business</i> | <i>Dr. N. Chanakira, President, ZES</i> |
| 1500-1530 | <i>The Role of Capital Markets in the Development of the Country</i> | <i>Mr. J. Bgoni ,ZSE & VFEX, CEO</i> |
| 1530 – 1550 | <i>Retaining Human Capital Retention For National Development</i> | <i>Mr. M. Nguwi, Industrial Psychology Consultants (IPC)</i> |
| 1550-1630 | <p><i>Panel Discussion</i></p> <p>Panelists <i>Mr. A. Chigaazira, ZIDA</i> <i>Mr. J. Bgoni, ZSE, CEO</i> <i>Dr. J. Shumba, UNICEF</i> <i>Dr. N. Chanakira, President, ZES</i> <i>Mr. P. Chitsika, IDBZ</i></p> | <p>Moderator; <i>Dr. N. Masiyandima, Reserve Bank of Zimbabwe</i></p> |

END OF DAY 2 AND HEALTH BREAK

CONFERENCE DAY 3

FRIDAY, 12 AUGUST 2022

Director of Proceedings: Mr. Andy Hodges

SESSION 1: INFORMAL SECTOR DEVELOPMENT AND POVERTY REDUCTION

Mrs. V Zifudzi

Director of Proceedings: Mr. Andy Hodges

| Time | Session | Presenters |
|-------------|---|---|
| 0800 - 0825 | <i>Registration and Opening Prayer</i> | |
| 0825 – 0850 | <i>Pro-poor, inclusive and sustainable industrialisation in SADC</i> | <i>Dr Chitambara Founding Director LEDRIZ</i> |
| 0850– 0910 | <i>Boosting Productivity of the Informal Sector</i> | <i>Mrs Marjorie Mpundu Country Manager World Bank</i> |
| 0910– 0930 | <i>Informal Sector Development and Poverty Reduction: Current Experiences and way Forward</i> | <i>Mr. A. Kavu , SIRDC, TIPS</i> |
| 0930 – 1015 | Panel Discussion Panelists <i>Dr. G. Kanyenze, CEO, LEDRIZ</i> <i>Mr. J. Shumbambamhini, ZIMRA</i> <i>Dr. O. Odhiambo. Senior Adviser, UNDP</i> | Moderator: <i>Mr. M. Ugaro, Vice President, ZES</i> |

HEALTH BREAK

SESSION 2: OFFICIAL CEREMONY

Director of Proceedings: Mr. G. T. Guvamatanga, Secretary for Finance and Economic Development

| Time | Session | Presenters |
|-------------|--|---|
| 1035-1040 | NATIONAL ANTHEM | |
| 1045 – 1050 | Welcome Remarks Province | Hon. R. Moyo Minister of State for Matabeleland North |
| 1055 –1100 | Remarks and Summary of Conference Take Aways. | Mr. G. T. Guvamatanga, Secretary for Finance and Economic Development |
| 1100- 1105 | Introducing the Guest of Honour | Hon. Prof. Mthuli Ncube Minister of Finance and Economic Development |
| 1105-1125 | Official Address | His Excellency the President of the Republic of Zimbabwe Dr. Emmerson Dambudzo Mnangagwa |
| 1125-1130 | Vote of Thanks | Hon. C. Chiduwa, Deputy Minister of Finance and Economic Development |
| | Closing Prayer | Rev.P.B.Damasane, Deputy Chief Secretary, OPC |

LUNCH BREAK

| Time | Session | Presenters |
|-------------|--|--|
| 1300– 1315 | <i>Institutional dynamics as a panacea to informal sector formalisation: The moderating role of informal institutions.</i> | <i>Mr. S. Muparangi, Manicaland State University</i> |
| 1315 - 1400 | <i>Transitioning the Informal Economy to Formality in Zimbabwe</i> | <i>Dr. G. Kanyenze, LEDRIZ, CEO</i> |
| 1400 - 1415 | <i>Avenues and Opportunities: Zimbabwe's Untapped Commercial Fishery, A Case Study of RADCO Fisheries in Bindura</i> | <i>Mr. M. Mutopa, Mutopa Global Resources</i> |
| 1415 - 1430 | <i>Domestication and Commercialisation of Tamarind in Gokwe North</i> | <i>Mr. O. Mudzingwa, Ministry of Local Government, Gokwe</i> |
| 1430 - 1515 | <p>Panel Discussion</p> <p>Panelists: <i>Mr. K. Banda, Principal Country Economist, AfDB</i> <i>Mr. M. Mutopa, Mutopa Global Resources</i> <i>Mr. O. Mudzingwa, Ministry of Local Government, Gokwe</i></p> | <p>Moderator: <i>Mr. M. Nguwi, Industrial Psychology Consultants (IPC)</i></p> |

END OF DAY 3 PROGRAMME

TRAVEL DAY
SATURDAY, 13 AUGUST 2022
1000 CHECK-OUT AND DEPARTURE

APPENDIX B

INTRODUCTORY REMARKS BY THE SECRETARY FOR FINANCE AND ECONOMIC DEVELOPMENT MR. G.T. GUVAMATANGA



*"Accelerating Economic Transformation
Through Evidence Based Policy Making"*



ZIMBABWE

INTRODUCTORY REMARKS

BY

THE SECRETARY FOR FINANCE AND ECONOMIC DEVELOPMENT

MR. G.T. GUVAMATANGA

AT THE ZIMBABWE ECONOMIC DEVELOPMENT CONFERENCE 2022

(ZEDCON 2022)

AT THE ELEPHANT HILLS HOTEL, VICTORIA FALLS

10 – 12 AUGUST 2022,

SALUTATIONS

His Excellency the President of the Republic of Zimbabwe, Cde.

Dr. E. D. Mnangagwa

Minister of State for Provincial Affairs and Devolution for
Matabeleland North, Hon. R. Moyo

Hon. Dr. O. C. Z. Muchinguri Kashiri, Minister of Defence and
War Veterans Affairs

Hon. Dr. S. Nzenza, Minister of Industry and Commerce

Deputy Minister for Finance and Economic Development, Hon. C.
Chiduwa

Chairperson of the Portfolio Committee on Budget, Finance and
Economic Development, Hon. Dr. M. Nyashanu

Hon. E. Musakwa, Member of the Portfolio Committee on
Budget, Finance and Economic Development

Ambassador N. D. Kitikiti, Deputy Chief Secretary, OPC

Rev. P. B. Damasane, Deputy Chief Secretary, OPC

Secretary for Finance and Economic Development, Mr. G. T.
Guvamatanga

Secretary for Provincial Affairs and Devolution for Matabeleland
North, Ms Sithandiwe Ndumo Ncube

Mr. R. Chikoore, Secretary for Presidential Communications

Head Zimbabwe Debt Management Office, Mr. A. N. Bvumbe
His Worship the Mayor of Victoria Falls, Councilor S. Dhlamini
Mr. R. Dube, Town Clerk of the City of Victoria Falls

Chief Directors

Senior Government officials

Development Partners

- His Excellency UN Ambassador, Edward Kallon
- World Bank Country Manager, Ms. M. Mpundu,
- UNDP
- UNICEF
- EU
- Other Development Partners

Ambassador Dr. Arikana Chihombori Quao, Founder African
Diaspora Development Institute, ADDI

Captains of Industry here present

Members of Academia,

Representatives of Civic Society Organisations

Members of the Press

Distinguished Guests

Ladies and Gentlemen

ALL PROTOCOLS OBSERVED

Introduction

1. Your Excellency, the President of the Republic of Zimbabwe, Dr. E. D. Mnangagwa, it is my humble and singular honour to provide these introductory remarks as a high level brief at this very first Zimbabwe Economic Development Conference hosted by the Ministry of Finance and Economic Development, where economic experts and many other stakeholders are gathered to discuss issues related to development strategies for our economy.
2. The Ministry, together with various stakeholders, in particular, Captains of Industry, the Academia and Zimbabweans at large, are converged at this Conference under the theme "*Accelerating Economic Transformation through Evidence Based Policy Formulation*" to deliberate on economic experiences and policies critical for accelerating the economic transformation agenda that Government, under your leadership, is pursuing.

3. Your Excellency, distinguished delegates, ladies and gentlemen, during the past three days, stakeholders have extensively discussed wide range of economic issues targeted at providing lasting solutions towards meeting the country's developmental goals, pursuant to the objectives of National Development Strategy 1 (NDS1) and the "Prosperous & Empowered Upper Middle-Income Society aspirations enshrined in Vision 2030.
4. Specifically, the Convention has discussed the following broad issues:
 - Monetary and Exchange Rate Policy;
 - Industrialisation and Trade Policy;
 - Informal Sector Development and Poverty Reduction;
 - Fiscal Policy Reforms; and,
 - Public and Private Investments and Creation of an Enabling Environment for Business;
5. Allow me, Your Excellency, distinguished delegates, ladies and gentlemen to highlight some of the key takeaways that have come from these lively discussions:

Monetary and Exchange Rate Policy

6. Your Excellency, there is general consensus that macroeconomic instability does not support sustained economic growth, hence, there is need for collaborative efforts between Government and the private sector in finding lasting solutions that address exchange rate instability and inflation. It is thus, important to highlight that the panacea to spiralling inflation revolves around ensuring exchange rate stability through controlling money supply growth. Monetary experts implored Government to urgently interrogate the major sources of the money supply growth, in order to curb inflation.

Industrialisation and Trade Policy

7. Your Excellency, distinguished delegates, ladies and gentlemen, attainment of Vision 2030 is anchored on industrialization. This requires establishment of a robust and modern industry which can be achieved through identification financing of value chains to produce internationally competitive products. This will ultimately attract the resultant benefits in enhanced productivity,

increased exports, foreign currency generation, employment creation as well as improved incomes, among others.

8. Industrialization and trade policies remain undoubtedly inseparable, hence, the need for the private sector to revisit investment and production models, in view of the increased market opportunities presented by the African Continental Free Trade Area (AfCFTA), coupled with lower costs of inputs into production as a result of tariff liberalization by African Member States.
9. For the country to benefit from the expanded export market, there is need to migrate from uncompetitive production methods, adopt new technologies, invest in sophisticated machinery, as well as diversifying products, in order to meet the demand of the expanded market and the unique product range of the population outside the SADC and COMESA market.

Fiscal and Tax Policy

10. Your Excellency, stakeholders agreed that Fiscal and Tax Policy remain critical in promoting sustainable economic growth, as well as attaining the desired growth rates and provision of key and transformative public infrastructure and improved service delivery.
11. One of the key takeaways is the need to review the tax regime in the extractives sector, as well as comprehensive relook at the general tax expenditure structure as we drive for value for money.

Informal Sector Development and Poverty Reduction

12. Your Excellency, there is consensus that the informal sector is important as it provides employment and contributes to poverty reduction, hence, the need for Government support through the provision of appropriate environment, infrastructure, financial incentives, and concessionary funding mechanisms.

Public and Private Investments and Creation of an Enabling Environment for Business

13. Your Excellency, the experts gathered at this Conference reiterated that investment in infrastructure is the key enabler for sustained economic growth and transformation for the attainment of an Upper Middle-Income Status by 2030. To achieve this, there is need to continue promoting a favourable political economy anchored on enhancing the business and social environment, image and confidence building, in order to attract high levels of both domestic and foreign investment, including investments by the Zimbabwean diaspora.
14. The need to enhance the image of the country is also paramount if the economy is to remain attractive to Investment. This includes the need to deal with corruption through strengthening of governance institutions.
15. Your Excellency, a full and detailed conference report will be prepared by the Ministry, and this will be shared with your good office.

Conclusion

16. In conclusion, Your Excellency, this Conference has sown the right seed into a fertile ground and lays a solid foundation for continued engagements between Government and its stakeholders towards the development of evidence-based policies.

17. We are, therefore, confident, Your Excellency, that the output of the 2022 Zimbabwe Economic Development Conference will support Government's transformative and developmental agenda which is based on the adoption of innovative and evidence-based policies customised to the unique circumstances of our Great Nation.

18. With these few words, Your Excellency, allow me to invite our Host, the Minister of State for Provincial Affairs and Devolution for Matabeleland North, Hon. R. Moyo to the podium to present his Welcoming remarks.

I Thank You.

Ndinokutendai.

Ngiyabonga.

APPENDIX C

**REMARKS ON INTRODUCING THE GUEST OF HONOUR, THE
PRESIDENT OF THE REPUBLIC OF ZIMBABWE,
CDE. DR. E. D. MNANGAGWA**

**BY THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT
PROF. MTHULI NCUBE**



*"Accelerating Economic Transformation
Through Evidence Based Policy Making"*



*"Accelerating Economic Transformation
Through Evidence Based Policy Making"*

**REMARKS ON INTRODUCING THE GUEST OF HONOUR, THE PRESIDENT OF THE
REPUBLIC OF ZIMBABWE, CDE. DR. E. D. MNANGAGWA**

BY

THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

Prof. Mthuli Ncube

at the

ZIMBABWE ECONOMIC DEVELOPMENT CONFERENCE 2022

12 AUGUST 2022

VICTORIA FALLS, ELEPHANT HILLS HOTEL



Ministry of Finance and Economic Development

ZIMBABWE ECONOMIC DEVELOPMENT CONFERENCE 2022
10– 12 AUGUST 2022

SALUTATIONS

His Excellency the President of the Republic of Zimbabwe,
Cde. Dr. E. D. Mnangagwa

Minister of State for Provincial Affairs and Devolution for
Matabeleland North, Hon. R. Moyo

Hon. Ministers here present

Deputy Minister for Finance and Economic Development,
Hon. C. Chiduwa

Honourable Members of Parliament

Chairperson of the Portfolio Committee on Budget, Finance and
Economic Development, Hon. Dr. M. Nyashanu

Secretary for Finance and Economic Development, Mr. G. T.
Guvamatanga

His Worship the Mayor of Victoria Falls, Councillor Mguni

Secretary for Provincial Affairs and Devolution for Matabeleland
North, Ms Sithandiwe Ndumo Ncube

Head Zimbabwe Debt Management Office, Mr. A. N. Bvumbe

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Ladies and Gentlemen

It is an honour and privilege to introduce the Guest of Honour, His Excellency, the President of the Republic of Zimbabwe, Cde. Dr. E. D. Mnangagwa, to this inaugural Zimbabwe Economic Development Conference (ZEDCON) 2022.

It is through his wisdom and guidance, under the Second Republic, that Zimbabwe has Vision 2030 and National Development Strategy (NDS1) which is now in the second year of its implementation.

We are aware that, His Excellency, the President, Cde. Dr. E. D. Mnangagwa, launched Vision 2030, in September 2018, "Towards a Prosperous & Empowered Upper Middle-Income Society by 2030" and National Development Strategy 1 (NDS1), on 16 November 2020, with the thrust to deliver broad based transformation, new wealth creation and expanding horizons of economic opportunities for all Zimbabweans, with no one left behind.

Your Excellency, the major objective of this conference running under the theme "Accelerating Economic Transformation Through Evidence-Based Policy Making", in line with the Vision 2030 and NDS 1, is for captains of industry, the academia, policy makers and development partners to engage and deliberate holistically on issues that will impact the country's growth strategies and policies. The conference will provide evidence-based policy analysis and recommendations which will contribute to the formulation of the 2023 National Budget. This conference, which is going to be an annual event, also forms part of the national budget consultation process.

Through your astute leadership and guidance, Your Excellency, we have realised notable achievements around fiscal consolidation with budget deficits remaining within 1.5 % of GDP. The economy remains in a sustained growth trajectory having registered a 7.8 % in 2021 and is projected to grow by 4.6 % in 2022.

Your Excellency, on another positive note, month-on-month inflation has started to recede. This is in response to a raft of measures that you, Your Excellency, announced in May 2022.

In addition, progress has also been made in infrastructure development nationally with major roads being rehabilitated and dams being constructed in support of irrigation development guaranteeing food security. In Matabeleland North, the host province for this inaugural ZEDCON 2022, major projects include Lake Gwayi-Shangani and upgrading of the Victoria Falls Airport to international standards. Your Excellency, to address water challenges, you secured rigs, which are drilling boreholes in Binga District under each chieftainship.

Nevertheless, in pursuit of economic growth, we remain alive to the challenges that the country continues to face on the external and domestic fronts including the global tensions and currency instability. To this end, significant emphasis is being placed on measures to restore macroeconomic stability, boost confidence in the economy, increase the appeal of the local currency (ZWL\$), preserve value for depositors and investors and deal with market indiscipline to support the current robust economic recovery trajectory.

Ladies and gentlemen, let me introduce to you our Guest of Honor for the Zimbabwe Economic Development Conference 2022, the President of the Republic of Zimbabwe, His Excellency, Cde. Dr. E. D. Mnangagwa.

SUMMARY PROFILE FOR HIS EXCELLENCY PRESIDENT EMMERSON DAMBUDZO MNANGAGWA

Dr. Emmerson Dambudzo Mnangagwa the President of the Republic of Zimbabwe belongs to the first generation of his country's trained anti-colonial combatants. Dr E.D Mnangagwa was conscripted into the pioneering liberation army groups to China and Egypt in the formative stage of the armed resistance that delivered an independent Zimbabwe in 1980.

His statecraft acumen mines deep on the vein of African liberation consciousness which is vested on his bona-fide subscription to nationalist ideas of the late 50s which gave impetus to the full blown anti-imperialist dislodgement of the 1960s.

Having been an intimate insider of this revolutionary epoch, in 1961 and 1962 President E.D Mnangagwa was actively involved in guiding the inception of the resistance strategies of the UNIP in Northern Rhodesia (Zambia) and ZAPU of Southern Rhodesia, now Zimbabwe.

He has acquitted himself as an ardent disciple to the people's revolution after 10 years of imprisonment under the Ian Smith regime. This was after the review of his death penalty for his engagement in high-level operations to overthrow the illegitimate and much abhorred minority settler rule. His exploits and his immediate counterparts in the "Crocodile Gang" catalysed the sophisticated reorganisation and peak of the nationalist guerrilla operations, thereby planting a seed of motivation to countless youths in Rhodesia to join the armed struggle.

After his release from prison he was pro-actively involved in reengineering the military strategy and intelligence system of ZANLA in the turning point to the fall of the British colonial bastion in pre-independence Zimbabwe.

After the Lancaster brokered independence, he was the high ranking security chief to the late former President of Zimbabwe Robert Gabriel Mugabe.

Apart from his pivotal role in spearheading processes around the integration of the former Rhodesian Forces, ZPRA and ZANLA guerilla armies, President E.D Mnangagwa was one of Zimbabwe's long serving cabinet ministers. He held the following high level government posts:

- † 1980-1988: Minister of State Security;
- † 1985: Elected into Parliament;
- † 1988 to 2000: Minister of Justice and Parliamentary Affairs;
- † 1995 to 1996 Acting Minister of Finance;
- † 2000 to 2005: Speaker of Parliament;
- † 2005 to 2009: Minister of Rural Housing and Social Amenities;
- † 2009 to 2013: Minister of Defence and;

- ✚ 2013 - 2014 Minister of Justice and Parliamentary Affairs;
- ✚ 2014: Vice-President of the Republic of Zimbabwe and Minister of Justice and Parliamentary Affairs and;
- ✚ November 2017 - August 2018 Zimbabwe's Interregnum President.

His 2018 election into office has served as a strategic dividend for Zimbabwe to continue on the upward trajectory to infrastructure development, revival of industry, judiciary transformation, governance reformation, social cohesion and national healing.

Apart from his pursuit for Zimbabwe to be reintegrated into the international community after enduring two decades of isolation, Dr Mnangagwa's administration has been target-driven to transform Zimbabwe into an Upper Middle Class Income Economy by 2030.

President E.D Mnangagwa is also a lawyer and a farmer.

Without much ado, Ladies and Gentlemen, allow me at this point to invite His Excellency, the President of the Republic of Zimbabwe, Cde Emmerson Dambudzo Mnangagwa to come and Officially on this inaugural Zimbabwe Economic Growth Convention.

Your Excellency

THANK YOU

APPENDIX D

OPENING ADDRESS BY HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC OF ZIMBABWE, CDE DR. E.D. MNANGAGWA



*"Accelerating Economic Transformation
Through Evidence Based Policy Making"*

**ZIMBABWE ECONOMIC DEVELOPMENT CONFERENCE:
ELEPHANT HILLS HOTEL, VICTORIA FALLS 10–12
AUGUST 2022**

SALUTATIONS

Honourable Minister of State for Matabeleland North Province,
Honourable Richard Moyo

Honourable Ministers of Finance and Economic Development,
Hon Professor Mthuli Ncube

Honourable Ministers

Honourable Members of Parliament,

Secretary for Finance and Economic Development,
G.T. Guvamatanga

Secretary for Provincial Affairs and Devolution,
Ms Ncube Sithandiwe Ndumo

His Worship the Mayor of Victoria Falls

Government Officials

Development Partners

Academia

Researchers

Private Sector

Invited Guests,

Ladies and Gentlemen, Comrades and Friends.

Fellow Zimbabweans

It is my singular honour and privilege to be part of this inaugural Zimbabwe Economic Development Conference which is being held at a time when we are celebrating our heroes and heroines who sacrificed their personal freedom for the liberation of this country. It is my hope that the adoption of the values and principles espoused by these gallant sons and daughters will carry us through the path of economic development as we march towards Vision 2030.

Ladies and Gentlemen,

Consistent with the collective aspirations and determination of the people of Zimbabwe to achieve an Empowered and Prosperous Upper Middle-Income Society by 2030, the Second Republic launched Vision 2030 to chart a new transformative and inclusive development agenda.

It is the pursuit of this vision which will deliver broad based transformation, new wealth creation and expanding horizons of economic opportunities for all Zimbabweans, with no one and no place left behind.

Ladies and Gentlemen

Pursuant to Vision 2030, Government developed the Transitional Stabilisation Programme (TSP) to guide the reform process during the period 2018 to 2020. Although we faced some challenges along the way, significant progress was made in the implementation of the TSP across its various pillars.

The next steps towards attaining the objectives of Vision 2030 will be guided by the interventions that the Second Republic is undertaking through the National Development Strategy 1: 2021-2025 (NDS1), which is now in its second year of implementation, as we march towards achieving an upper middle-income society by 2030. The NDS1 is our first 5-year Medium Term Plan aimed at realising the country's Vision 2030, while simultaneously addressing the global aspirations of the Sustainable Development Goals (SDGs) and Africa Agenda 2063.

Ladies and Gentlemen,

National Development is being implemented under the 14 National Priority Areas under NDS1: -

- Economic Growth and Stability
- Food and Nutrition Security
- Moving the Economy Up the Value Chain and Structural Transformation
- Infrastructure and Utilities
- Digital Economy
- Human Capital Development and Innovation
- Health and Wellbeing
- Image Building, International Engagement and Re-Engagement
- Devolution and Decentralisation
- Social Protection
- Environmental Protection, Climate Resilience and Natural Resources Management and
- Governance

Ladies and Gentlemen, it is important to note that the NDS1 is premised on four critical guiding principles.

The first is a recognition that bold and transformative measures are required to underpin the drive towards the attainment of our Vision 2030. Slow and incremental change will not deliver the transformation that the people of Zimbabwe deserve.

Secondly while we continue to make headway with our international re-engagement efforts, which in time will yield positive results, we must intensify our efforts to generate growth through intentional mobilisation of domestic growth vectors. To this end, the NDS1 will attend to the development and capacitation of key national institutions, which will continue to create the enabling environment critical for transformative economic growth.

Ladies and Gentlemen, let me re-emphasise that Zimbabwe remain open for business to all investors, foreign and domestic, including Zimbabweans in the Diaspora.

Thirdly, the NDS1 must deliberately leverage Zimbabwe`s competitive advantages particularly with regards to the configuration of our natural resource endowment, our excellent ecological endowment and our skills base.

Finally, for transformative and inclusive growth to bring benefits to all Zimbabweans in a fair, transparent and just manner, we must deepen our commitment to the tenets of good corporate governance as enunciated in our Vision 2030 document.

Ladies and Gentlemen

I call upon all the people of Zimbabwe, including the private sector, civic society and co-operating partners, to work together through this National Development Strategy 1, for increased production, and productivity of our Zimbabwe Economy. I have no doubt that together whilst harnessing the collective energies of all Zimbabweans, from across the length and breadth of our uniquely blessed country, we will achieve Vision 2030 for an Empowered and Prosperous Upper Middle-Income Society by 2030 no matter the challenges we might face headway towards Vision 2030. I commend the National Development Strategy 1 (2021-2025) to you the people of Zimbabwe once more.

Ladies and Gentlemen,

Let us recommit ourselves to build a legacy of peace, love, unity, harmony and development and continue to diligently and honestly work hard in our various spheres not just for our families but for the good and prosperity of our great country Zimbabwe. Together, we are building a new economy. We are building a new future; we are building a new Zimbabwe. Zimbabwe shall surely rise again. We are moving on brick by brick, step by step. Forward ever- backward never! Our prosperity is certain!

Ladies and Gentlemen

It is important to note that the translation of NDS1 into 16 local languages will enhance national vision sharing and robust implementation of the NDS 1 strategy. Dissemination of the NDS 1 Translated versions has already begun in our provinces.

Ladies and Gentlemen

My Government through the NDS 1 seeks to create an appropriate environment for the attainment of Vision 2030. Focus is on Macro-economic Stability, Sustainable and inclusive Economic Growth.

The Zimbabwe economy recently experienced an uptick in month-on-month inflation, from a monthly average of 4.5% seen in the past 12 months to 15.5% in April 2022. Annual inflation also increased further from 72.7% in March 2022, to 96.4% in April 2022. These developments have given rise to concerns over possibility of further escalation in inflation and thus erosion of confidence in the domestic currency. Government is taking action to correct this trend.

While the recent increase in domestic inflation is substantially attributed to recent global shocks emanating from the impact of the on-going Russia-Ukraine conflict, domestic factors are also at play, mainly attributed to the pass-through effects of the recent exchange rate depreciation on the parallel market.

If not contained, the continued depreciation of the domestic currency against the US dollar may lead to reversal of economic stability gains achieved since the introduction of the foreign exchange auction system in July 2020.

Ladies and Gentlemen,

Government is aware that economic fundamentals to support a stable domestic currency are currently in place as evidenced by the amount of foreign currency being generated in the economy against the quantum of local currency deposits. For instance, the country generated foreign currency more than US \$9.7 billion in 2021 compared to US\$6.3 billion recorded in 2020, showing an increase of 53.5%. Foreign currency earnings for the first quarter ending 31 March 2022 were US\$2.4 billion as compared to US\$2.04 billion generated during the same period in 2021. Resultantly, the foreign currency liquidity in the economy has continued to increase to reach the current level of US\$2.4 billion, made up of foreign currency accounts (FCAs) deposits of US\$1.4 billion and national reserves of US\$1.0 billion.

Monetary policy has also remained on a tighter path as shown by continued reduction in reserve money growth targets from above 10% in 2020, to current levels of about 5% per quarter. Commendably, reserve money supply has remained under control and stable at the current level of ZW\$28 billion for the past six months' period ending 30 April 2022.

Similarly, the country's fiscal position has been favourable since 2020, thus enabling Government to avoid monetisation of the budget deficit which increases money supply and inflationary pressures in the economy. As such, foreign exchange disturbances from the money supply are limited.

Ladies and Gentlemen,

The existence of strong economic fundamentals imply that the recent exchange rate depreciation is driven by factors outside the obtaining economic basics. Government is therefore convinced that the recent exchange rate movements are being driven by negative sentiments by economic agents as opposed to economic fundamentals.

These negative sentiments have been propagating adverse expectations on future inflation and exchange rate movements, thus giving rise to artificially high demand for foreign currency as economic agents hedge against expected high inflation. Unfortunately, this practice has become a self-fulfilling process by becoming the driver of exchange rate depreciation and inflation in the economy. This vicious cycle needs to be broken.

Ladies and Gentlemen,

Against this background, Government has put in place measures to restore macroeconomic stability, boost confidence in the economy, preserve value for depositors and investors and deal with market indiscipline. These measures are expected to restore macroeconomic stability and support the current robust economic recovery trajectory.

- Restoration of Lost value on Bank Deposit
- Clearance of Foreign auction backlog
- Continuation of Partial Dollarisation (Dual Currency System)
- Exchange Rate Management
- Reviewing the willing-buyer willing-seller trading limit

- Suspension of Third-Party Country payment on Foreign Payments
- Suspension of lending by banks for such a time to be determined by the Reserve Bank of Zimbabwe.
- Fostering discipline on the Stock Market
- Opening of the Public Transport System
- Incentives to Support the Manufacturing Sector

Ladies and Gentlemen,

You are the Economic Think Tanks of this country here gathered, as you are engaging with each other chatting a way forward toward Vision 2030, I wish you fruitful deliberations.

I therefore declare this Zimbabwe Economic Development Conference officially open.

Thank you

APPENDIX E

SALUTATIONS



*"Accelerating Economic Transformation
Through Evidence Based Policy Making"*

SALUTATIONS:
ZIMBABWE ECONOMIC DEVELOPMENT CONFERENCE

His Excellency the President of the Republic of Zimbabwe, Cde. Dr.
E. D. Mnangagwa

Minister of State for Provincial Affairs and Devolution for
Matabeleland North, Hon. R. Moyo

Hon. Dr. O. C. Z. Muchinguri Kashiri, Minister of Defence and War
Veterans Affairs

Hon. Dr. S. Nzenza, Minister of Industry and Commerce

Deputy Minister for Finance and Economic Development,

Hon. C. Chiduwa

Chairperson of the Portfolio Committee on Budget, Finance and
Economic Development, Hon. Dr. M. Nyashanu

Hon. E. Musakwa, Member of the Portfolio Committee on Budget,
Finance and Economic Development

Ambassador N. D. Kitikiti, Deputy Chief Secretary, OPC

Rev. P. B. Damasane, Deputy Chief Secretary, OPC

Secretary for Finance and Economic Development,

Mr. G. T. Guvamatanga

Secretary for Provincial Affairs and Devolution for Matabeleland North, Ms Sithandiwe Ndumo Ncube

Mr. R. Chikoore, Secretary for Presidential Communications

Head Zimbabwe Debt Management Office, Mr. A. N. Bvumbe

His Worship the Mayor of Victoria Falls, Councilor S. Dhlamini

Mr. R. Dube, Town Clerk of the City of Victoria Falls

Chief Directors

Senior Government officials

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Event Management Agency - Onai Media Group

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