



ZIMBABWE

PRESS STATEMENT

BLACKLISTING OF CONTRACTORS WHO CHANNEL FUNDS TO THE ILLEGAL FOREIGN EXCHANGE MARKET

BACKGROUND

1. Government continues to implement informed bold measures in an endeavor to promote stability and position the economy on a sustainable growth trajectory. The measures being implemented are in sync with the announcements by his Excellency the President on 7 May 2022 which managed to instill discipline and curb speculative behaviour.
2. Subsequent supportive policy measures from the Ministry of Finance and Economic Development and the Reserve Bank of Zimbabwe during the course of the year have signaled to the market, Government's utmost commitment to maintaining price stability, and restoring market discipline, which in turn will engender market confidence.
3. You may be aware that on the 18th of August 2022, the Ministry issued a statement advising the public regarding the institution of a Value for Money Process on all payments to suppliers and contractors to Central Government, Departments and Agencies. After a careful analysis, it was observed that certain pricing behaviours and trends in the supply chain to

Government Agencies and Ministries pointed to weaknesses in the procurement framework, and that these loopholes contributed to distorted pricing practices by the market and effectively fueled inflation in the economy. A Value for Money exercise is underway to strengthen procurement systems and to improve management of payment cycles for Government contracts.

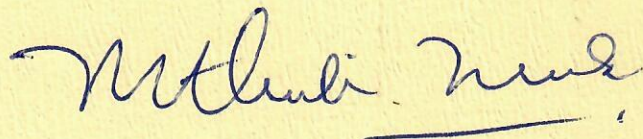
CONTRACTORS CHANNELING FUNDS TO THE ILLEGAL FOREIGN CURRENCY MARKET

4. It has been observed that some contractors after passing through the Value for Money process and having received their payment from government still tend to siphon their proceeds into the parallel market thereby causing domestic inflationary pressures.
5. In this regard, this statement today is to give an update on findings from the work conducted by the Financial Intelligence Unit (FIU) on monitoring payments made to Government suppliers as well as measures to deal with non-compliant Contractors with a view to plug parallel market dealing.
6. A total of 19 companies have been identified by the FIU to be involved in this unlawful conduct as follows:
 - i. Nariox (Pvt) Ltd
 - ii. New Age Marketers (Pvt) Ltd
 - iii. Pepwit Investments (Pvt) Ltd
 - iv. Tirumi Investments (Pvt) Ltd
 - v. Mwendo Africa (Pvt) Ltd
 - vi. Alg World Investments (Pvt) Ltd
 - vii. Lobmer Investments (Pvt) Ltd
 - viii. Nisbank Enterprises (Pvt) Ltd

- ix. Sailgroom Enterprises
- x. Wayvar Investments
- xi. Poweride Safaris
- xii. Azelion Energy (Pvt) Ltd
- xiii. Blackdeck (Pvt) Ltd
- xiv. Paza Buster (Pvt) Ltd
- xv. Redan Coupon (Pvt) Ltd
- xvi. The Best Car Rental
- xvii. The Legacy Car Rental
- xviii. Josam Enterprises (Pvt) Ltd
- xix. Construction Warehouse (Pvt) Ltd

7. The FIU has noted that upon receiving their payments, the companies would engage in spontaneous illegal foreign currency transactions through buying foreign currency from individuals and entities. It was also noted that some of the companies would engage in transactions which are not related to their line of business. Some would also purchase fast moving consumer goods from various manufacturers and the goods would then be sold exclusively in foreign currency.
8. In view of the above, and in an endeavor to maintain sanity in the foreign currency market as well as to curb inflation, Government is left with no other option than to blacklist the mentioned companies. The Procurement Regulatory Authority of Zimbabwe (PRAZ) will be advised accordingly, to blacklist these entities from doing business with Government.
9. The Government of Zimbabwe remains committed to maintaining macro-economic stability and the elimination of harmful and destabilizing arbitrage conditions that have pervaded the economy at the expense of the generality of citizens.

I Thank You,



Hon. Prof. Mthuli Ncube

MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

09 NOVEMBER 2022

