



## SI 64 improves capacity utilisation

BAD news sells. It is easy in these difficult economic times to believe that Zimbabwe's industrial sector has all but ground to a halt, given the amount of media space given to reporting on the challenges facing the manufacturing sector.

This attention on the low capacity utilisation in local industry, company closures and some retrenchments is not unwarranted and is, indeed, based on factual information.

It is, however, not the full story. For, quietly and diligently, some companies have ramped up their production, attracted new investment, boosted capacity and created employment in re-tooling and regeneration exercises that are as awe-inspiring as they are encouraging for the country's economy.

The Ministry of Industry and Commerce likes to tout successes in the cooking oil industry, whose capacity utilisation is now at some 90 percent on average. Most recently, a high-powered government delegation visited an investment in the yeast industry, an industry that had almost closed, but is now operating at 83 percent. The furniture manufacturing sector has spiralled from 45 percent to 75 percent; biscuit manufacturing is up to some 75 percent from a low of 35 percent while the detergent and tyre manufacturing sectors also rose significantly from around 30 percent in both cases to 60 percent for the former and 50 percent for the latter.

These are not small numbers and the knock-on effects have been felt in some downstream industries, notably labels (five percent to 15 percent), packaging supplies (37 percent to 60 percent) and raw materials (20 percent to 37 percent). The figures quoted by the Ministry of Industry and Commerce are supplied by the sectors themselves, but the Ministry proudly notes that much of it is a result of deliberate policy measures that it introduced as interventions to resuscitate the manufacturing sector, albeit under intense pressure and lobbying from industry itself.

The most popular, yet perhaps also infamous, of these policy interventions was Statutory Instrument 64 (SI 64) promulgated on June 17, 2016. The Statutory Instrument sought to manage the volumes of imports into the country, following the realisation that not only were imports creating unfair competition for local manufacturers owing to much lower prices but were also eating up the scarce foreign currency in the country. To achieve parity and level the playing field somewhat, the Ministry, with input from producers, retailers and other stakeholders, used SI64 of 2016 to restrict the quantity of imports into the country, issuing licenses only to cover gaps where local production was not adequate to meet demand.

Industry and Commerce Minister Mike Bimha has been on record urging the manufacturing sector to take advantage of the window provided by SI64, reminding them that the measure is not a permanent fixture but only designed to give them breathing space to allow them to retool and increase their productive capacity.

Industry was quick to respond and some, taking advantage of the opportunity, have been busy upgrading their machines and equipment, while others have been investing in new technologies to improve their productive efficiencies and boost the competitiveness of their products, both in terms of quality and price. These stories often go unreported.

Some multi-national businesses, which had hitherto been bringing finished goods into the country for sale but were affected by the import restrictions, responded positively by establishing manufacturing plants in Zimbabwe, rather than pull out.

Among these are the Willowton Group of Companies, which is almost about to commission a plant in Mutare to produce cooking oil and soap in an investment worth some US\$40 million. Another regional player, Trade Kings Zimbabwe, put up a US\$15 million state-of-art detergent plant in Harare.

There are many others and the Financial Gazette will, in subsequent editions, be featuring in depth the developments in various sectors such as sugar, agro-processing, pharmaceuticals, leather, clothing and textiles and the motor industry among heavy and light industry focus areas.

The features will also throw light on employment generation from the various investments.

It may be early days yet to fully gauge the impact of government's intervention measures but these developments appear to demonstrate that it is not all doom and gloom, and that there are positive stories to tell.

Good news can also sell.



**Vice-President Emmerson Mnangagwa officially opening Lesaffre baking centre in Harare, flanked by Finance and Economic Development Minister Patrick Chinamasa, Industry and Commerce Minister Mike Bimha and Lesaffre CEO Antonie Baule (right). Société Industrielle Lesaffre (Lesaffre), is a global leader in the manufacture of yeast and fermentation products and recently completed the acquisition of a 60 percent stake in Zimbabwe's Anchor Yeast, the country's sole manufacturer of the product. The new firm will trade as Lesaffre Zimbabwe. Anchor Holdings, which previously wholly owned the yeast business, will own 40 percent of the company.**



Civils | Irrigation | Borehole Casings | Ducting



## Affordable pipes built to last generations



As the only local company that makes premium, affordable, durable and quality plastics pipes, tailor made for mining, civil works and irrigation, we are committed to the growth of the nation in every industry possible.

You can also pay using:



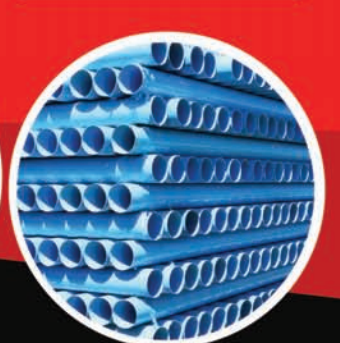
Irrigation



Mining



Civil Works



Borehole Casings

### Contact us:


Head Office: 5 Spurn Road, Ardennie, P.O. Box CY 1199, Causeway, Harare, Zimbabwe | Tel: +263 (4) 621 651-5, 661 341-3 | Fax: +263 (4) 660 545  
Harare Show Grounds | Tel: 08644219155, 0778 415 338: Steinley Munyanyi, 0772 454 670: Kudzai Manyika  
Email: sales@proplastics.co.zw | Website: www.proplastics.co.zw



**ZIMBABWE MAKES IT.**

Made in Zimbabwe, By Zimbabweans for Zimbabwe  
Creating Employment & Forex Saving

**Industrial Trolley Wheels**



Rubber Tyred, Heavy Duty Pressed Steel Rims,  
Sealed Bearings

200mm diameter x 50mm wide  
300mm diameter x 75mm wide  
340mm diameter x 75mm wide  
340mm diameter x 100mm wide  
400mm diameter x 100mm wide

For your nearest Distributor contact:  
Albco (Pvt) Ltd  
Tel, 04 754002 or 0772 289 754  
e-mail: albco@hms.co.zw

## Experts in industrial trolleys, barrow wheels

ALBCO (Pvt) Ltd are manufacturers of a wide range of industrial trolleys, barrow wheels and castors as import substitution, in sizes from 100mm to 400mm diameter.

Operating from their own premises in Workington, Harare, the enterprise has hydraulic press capacity of up to 200 tonnes and full in-house machining facilities and incorporates locally manufactured rubber tyres and components.

A wide range of industrial wheels are manufactured from heavy duty pressed mild steel plate rims and all components are replaceable.

The company offers a service facility for repair and re-conditioning of industrial trolley wheels and will consider up-grading failed previously imported wheels.

The rim design is such so as to optimise load bearing, facilitate shaft alignment and minimise wear.

Rubber-tyred industrial wheels are specifically designed for arduous conditions in the mining, industrial and agricultural sectors for use on sack barrows, trolleys and allied handling equipment.

Large component stocks ensure prompt delivery in a wide range of configurations and shaft sizes including sealed bearings, plain bushes in steel or nylon, normal duty and high load tyres.

We endorse government attempts to resuscitate local manufacture and create employment and conserve valuable foreign currency through restricted imports but we are relying on quality and durability acceptance by our local and regional customers rather than import restrictions.



Chiratidzo Mabuwa

## Govt, UN in 20m euro industrialisation programme

THE United Nations Industrial Development Organisation (UNIDO) launched a 20 million euro programme for capacity building to help rebuild the country's ailing industry.

The project, which is being undertaken in collaboration with the Government of Zimbabwe and running between 2016 and 2019, would include providing capacity to upgrade at least 30 small to medium scale enterprises (SMEs) and building capacity to help a number of pharmaceutical firms return to production.

It would also support the development of green industries and improve fund strategies to make industries energy efficiency. The Zimbabwe National Statistics Agency would also be capacitated through the UNIDO project.

UNIDO said it would scout for funding partners to work with on the project, described by Industry and Commerce deputy minister, Chiratidzo Mabuwa, as one of the best developments for the country.

"As a former international civil servant myself, I know that this is a privilege because only a few countries are chosen for this programme," Mabuwa told the media at the launch recently.

UNIDO is a specialised agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalisation and environmental sustainability.

"We have our priority areas that we will look at in line with Zim-Asset. There has already been indications from agencies who are ready to fund the programme," she said.

Zimbabwe's manufacturing sector is comatose due to critical shortage of liquidity, power outages, smuggling, increased foreign competition and low consumer demand.

Most pharmaceutical companies have also collapsed leading to the country relying mainly on importing medical drugs from India.

Zimbabwe's medical drugs bill from that country rose from US\$14 million in 2008 to more than US\$50 million in 2013.



### RESERVE BANK OF ZIMBABWE

80 Samora Machel Avenue  
P.O. BOX 1283, Harare  
Tel: 263-4-703000, +263 8677000474

## INFORMAL TENDER INVITATION

Tenders must be enclosed in sealed envelopes, addressed to Director, Finance & Procurement and endorsed on the outside with the advertised tender number, the description and the closing date and must be delivered by hand to;

The Reserve Bank of Zimbabwe  
Ground floor  
80 Samora Machel Avenue  
Harare

Before **10:00hrs** on the closing date.

Tender No.	Description	Site visit date
RBZ//PROC/006/17	Firefighting equipment and services	9 MARCH 2017
RBZ//PROC/007/17	Water treatment services	9 MARCH 2017
RBZ//PROC/008/17	Fumigation services	9 MARCH 2017

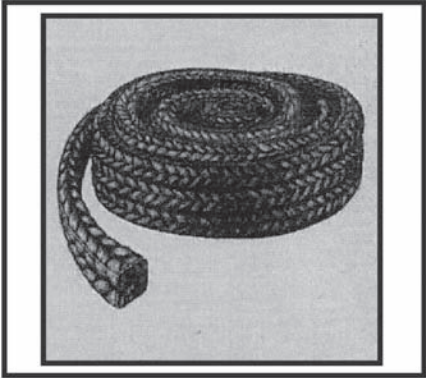
**Closing Date** 16 MARCH 2017

Documents for the tender are obtainable upon production of proof of payment of a tender fee of USD\$10.00 (ten US Dollars) from the **Banking Hall at the above given addresses.**

**ZIMBABWE MAKES IT.**

Made in Zimbabwe, By Zimbabweans for Zimbabwe  
Creating Employment & Forex Saving

**Pump Gland Packing**



Graphited and Lubricated Pump Gland Packing

Aramid Fibre with PTFE for Slurry  
Pure P.T.F.E for Food Industry  
Ceramic Graphited for Steam  
Cotton Graphite for Water  
Pure Carbon for HP Steam

For your nearest Distributor contact:  
Albco (Pvt) Ltd  
Tel, 04 754009 or 0772 289 754  
e-mail: albco@hms.co.zw





Industry and Commerce Minister Mike Bimha

# Govt introduces CBCA programme

IN a bid to curb the increasing influx of imported sub-standard products, the government — through the Ministry of Industry and Commerce, introduced a programme designed to check the quality of such products before they come into the country.

The initiative was dubbed the Consignment Based Conformity Assessment programme (CBCA) and was introduced through Statutory Instrument 132 of 2015.

A French company with global experience in such work, Bureau Veritas, was engaged to run the programme, with the Ministry of Industry and Commerce playing an oversight role.

The CBCA's primary objective is to ensure that only quality compliant goods are imported into Zimbabwe.

Inspections, testing and certifications of selected products are conducted in the country of export, before they reach Zimbabwe. The

idea is to help prevent sub-standard and counterfeit goods from entering the local market.

The CBCA is global practice, where more and more governments are using the scheme to ensure the safety and protection of their populations and, in particular, secure and foster fairer competition for local manufacturers.

Only critical and targeted products fall under the scope of the programme, which also uses international quality standards such as ISO, IEC, Codex and UNECE to inform its determinations.

Importers stand to benefit as well from a secure procurement process which allows them to mitigate risk by ensuring they only pay when the exporter is able to provide a certificate of conformity.

The destruction of incoming sub-standard products at ports of entry is also minimised, saving costs as well as averting damage to the environment.



Electrical sub-standard products have been flooding the market

**BooM**

**TRADEKINGS**  
ZIMBABWE

info@tkzim.com www.tkzim.com

### THE CONSIGNMENT BASED CONFORMITY ASSIGNMENT (CBCA) PROGRAMME

The Consignment Based Conformity Assessment (CBCA) programme is implemented under Statutory Instrument No 132 of 2015.

This scheme is a Trade Facilitation programme enabling a more efficient "Ease of Doing Business". Please find below the main achievements related to the year 2016 of the CBCA Programme in Zimbabwe.

<b>1 800</b> Importers	More than 1800 importers had their imports verified through the CBCA program	
<b>On-line application</b> and follow-up of files opened to exporters and importers <b>QR Codes</b> for quicker follow-up on Verigates tool		Only electronic certificates issued: speeding up process and clearance time, avoiding logistical issues and protecting the environment
<b>1 500</b> Participants	More than 1500 importers, clearing agents and stakeholders have participated in 24 Seminars in Zimbabwe to increase their awareness about the CBCA Programme. Exporters are also aware of the program and its requirements.	<b>24</b> Awareness Seminars
<b>Conformity is now associated with any export to Zimbabwe</b> <b>Zimbabwe is no longer seen as a dumping ground country.</b>		
<b>500</b> ZIMRA Official Customs Officers	More than 500 ZIMRA Official Customs Officers trained during 41 training sessions for the implementation and enforcement at border of the CBCA Programme	<b>41</b> Training Sessions <b>9</b> points of entry
<b>182 000 000 products</b> (units) identified as problematic in 2016		Number of <b>problematic</b> consignments has been <b>divided by 5</b> from the enforcement of the CBCA Programme to the end of the year 2016
<div>More information about the CBCA program and follow up of your CBCA files on <a href="http://www.verigates.com">www.verigates.com</a> </div> <div><b>Dedicated Bureau Veritas Liaison Office in Zimbabwe,</b> inaugurated by Honorable Minister Bimha <a href="mailto:conformity.zimbabwe@bureauveritas.com">conformity.zimbabwe@bureauveritas.com</a> Tel.: +263 (4) 792 683 / +263 (4) 792 684 Causeway Building 8<sup>th</sup> Floor, North West Wing 4<sup>th</sup> Street &amp; Central Avenue Harare, Zimbabwe</div>		

For details, please visit the ministry's website [www.mic.gov.zw](http://www.mic.gov.zw) and for further enquires forward an email to [mic@mic.gov.zw](mailto:mic@mic.gov.zw) or visit [www.verigates.com](http://www.verigates.com).

Requests for certificates may also be sent to [conformity.zimbabwe@bureauveritas.com](mailto:conformity.zimbabwe@bureauveritas.com)





# Demystifying the consignment-based conformity assessment (CBCA) programme

## What is the CBCA programme all about - Principles and objectives?

THE programme's primary objective is to make sure that only quality compliant goods are imported into Zimbabwe by conducting inspection, testing and certification of selected products in the country

of export thereby preventing sub-standard and counterfeit products from entering the Zimbabwe market. More and more Governments are using the Consignment Based Conformity Assessment (CBCA) scheme to ensure safety and protection of their population and in parallel secure and foster more fair competition for their national manufacturers while protecting them against sub-standard and counterfeit products. The Government of Zimbabwe has decided to move forward with such import scheme. The international standards that shall be used include ISO, IEC, Codex and UN-

ECE standards. Only critical and targeted products are under the scope of this programme.

### Objectives:

- Ensure consumer protection by checking conformity compliance of consumer goods to International Standards.

- Secure procurement process for importers, with positive impact on their cash-flow as they will only pay when exporter is able to provide certificate of conformity thereby mitigating risk.

- Reduce significantly the cost of destruction of incoming substandard products at the border for both traders and the Government.

- Protect the local industry against sub-standard imports ruining local labour and national production.

### Consignment based conformity assessment programme

- What is the main process of CBCA?

- CBCA is undertaken through the following steps:

- Exporter submits a Request for certificate to Bureau Veritas

- Documentary review / laboratory testing on samples if necessary

- Physical inspection

- Issuance of CoC (Certificate of Conformity) or NCR (Non-Conformity Report)

**What are the specific tariff codes of the products covered under the CBCA programme?**

- The HS/tariff codes are uploaded on the official website of the Ministry of Industry & Commerce. They are also available on [www.verigates.com](http://www.verigates.com) under the Zimbabwe Flag hyperlink. Hard copies are also accessible from Government Printers under Statutory Instrument 132 of 2015.

- What is the minimum value subject to inspection?

- The threshold value has been determined through consultations with the Ministry of Industry and Commerce and the Ministry of Finance among other stakeholders. Consignments with FOB value above US\$ 1000 are subject to CBCA Programme. This means that consignments whose FOB value is less than or equal to US\$ 1000 do not require inspection.

- Are some exporting countries or country of supply exempted from the CBCA programme?

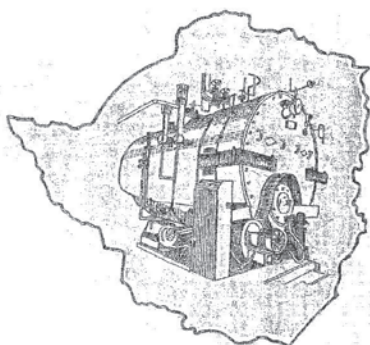
- No. Goods falling under the scope of the CBCA Programme will have to be inspected by Bureau Veritas, regardless of the country of origin or the country of supply.

**For details, please visit the ministry's website [www.mic.gov.zw](http://www.mic.gov.zw) and for further enquires forward an email to [mic@mic.gov.zw](mailto:mic@mic.gov.zw) or visit [www.verigates.com](http://www.verigates.com)**

**Requests for certificates may also be sent to [conformity.zimbabwe@bureauveritas.com](mailto:conformity.zimbabwe@bureauveritas.com)**

## ZIMBABWE MAKES IT. BOILER JOINTS

Made in Zimbabwe, By Zimbabweans for Zimbabwe Creating Employment & Forex Saving



Boiler Manhole and Mudhole Gaskets

Sizes up to 5000mm  
Rubberised Fabric/Metallic Reinforced  
Suitable for :-  
Boilers, Compressors, Autoclaves,  
Furnaces, Ovens and Pressure Vessels

### Contact:

Albco (Pvt) Ltd  
Tel. 04 754009 or 0772 289 754  
e-mail: [albco@hms.co.zw](mailto:albco@hms.co.zw)

## FIREPLACES SLIDING GATES GARAGE DOORS PALISADE FENCING SECURITY SCREENS BRAAI STANDS SECURITY FENCING FIREPLACE DECORATIONS



174 GLENEAGLES ROAD  
CSC COMPLEX, WILLOWVALE  
HARARE

Tel: 04-2926200 / 756128  
Cell: 0772 446 633 / 0712 417 874  
0775 764 300 / 0773 213 138

Email: [moushtecsteel@yahoo.com](mailto:moushtecsteel@yahoo.com)  
Website: [moushtecfireplaces.com](http://moushtecfireplaces.com)



### Saltrama Plastics is a manufacturer of:

Plain & printed bopp bags, Plain & printed bopp sheeting, Plain & printed, carrier bags, Bread bags, Shrinkwrap sheeting & tubing, Autopac (freezits, milk, sweets), Plain clear sheeting / branded, Black polythene sheeting, Seed bed covers, Plain & printed poly bags, Cotton picking bags, Danger warning tapes, Bailer bags, Tobacco caseliners.



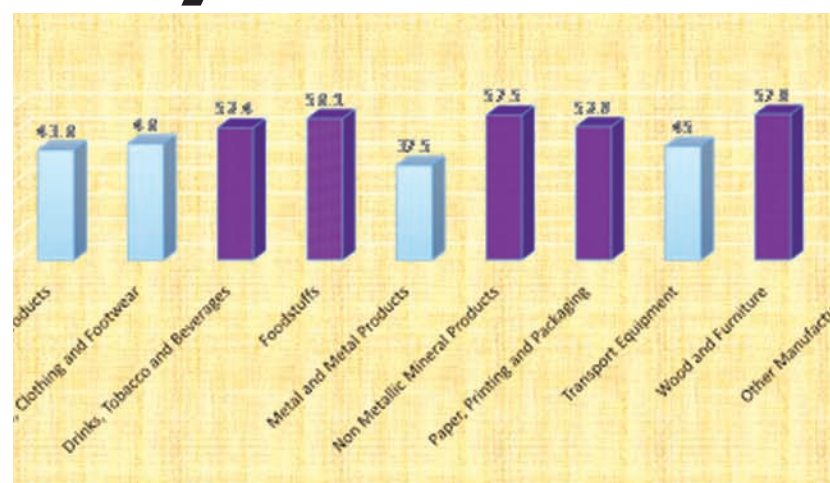
### Physical address:

110 Lytton Road, Workington  
Harare, Zimbabwe  
Contact Numbers:  
Phone: +263-4-621840-9  
Fax: +263-4-621836/621867/662037  
Cell: 0772285091 / 0772 250 878  
0772 285 089 / 0772 400 104

### Postal address:

P. O. Box 446, Belvedere  
Harare, Zimbabwe  
Email: [sales@saltrama.co.zw](mailto:sales@saltrama.co.zw)  
Web: [www.saltrama.co.zw](http://www.saltrama.co.zw)

# Capacity utilisation by sector



ACCORDING to the *CZI 2016 Manufacturing Sector Survey*, capacity utilisation improved by 13,1 percent.

The increase in capacity was driven by two factors:

- Boosted response rate within the small to medium sized enterprises

- Increase in production by companies whose products are under Statutory Instrument 64.

Sectors that largely contributed to the increase are foodstuffs; drinks, tobacco and beverages; wood and furniture as well as paper, printing and packaging.

The major factors impacting business are:

- Corruption
- Policy instability
- Access to finance
- Competition from imports and

- Low demand for domestic products.

The top problematic factors for exporters are:

- Access to trade finance
- Access to imported inputs at competitive prices
- Burdensome procedures at foreign borders

- Difficulties in meeting customer requirements
- High cost of delays caused by domestic transportation

The five most problematic factors when importing:

- Corruption at the border
- Import licencing requirements
- Zimbabwe Revenue Authority (ZIMRA) system inefficiency
- Burdensome import procedures
- Delays caused by domestic transportation.