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Zimbabwe seeks Malaysian investments

Hardev Kaur in Victoria Falls, Zimbabwe

MALAYSIAN businessmen and entrepreneurs have been urged to come to Zimbabwe to seek out opportunities for themselves. At present, there are not that many Malaysian investments in Zimbabwe.

Among those which have ventured to this land-locked African country are YTL, which has a joint venture with the Zimbabwe Electricity Supply Authority (Zesa) in Hwange for power generation.

Sungei Way Group is involved in the Export Processing Zone, while another Malaysian company is involved in the construction of low-cost houses in Bulawayu.

Proton officials were also in Zimbabwe recently to explore opportunities. With very high import tariffs for completely built-up units, assembly of cars is a possibility for the local market.

The Zimbabwean Government is trying to improve the conditions and make it more attractive for foreign investors. President Robert Mugabe recently said that his Government would improve the bureaucracy to remove the obstacles for business.

While communications are being improved and there is still a lot that needs to be done, the labour is cheap and easily trained.

Malaysia's High Commissioner to Harare Ali Abdullah said currently most of the electricity consumed in Zimbabwe was imported from Mozambique and South Africa. There is a need for the country to set up power plants as most of the contracts for the supply of electricity expire in 2003.

YTL, which first signed the agreement for the project on Oct 15, 1998, has faced obstacles and the Zimbabwean Government has been pressured from both internally and externally regarding the project.

Another foreign company, National Power from Britain, is also keen to venture into electricity generation. It has identified Gokwe as the site but it is away from the coal supplies while YTL's joint venture at Hwange is closer to the coal supplies. The Gokwe plant is expected to cost more than US\$1 billion (RM3.8 billion) and it is understood to have been sanctioned by both the World Bank and the International Monetary Fund.

Trade between Malaysia and Zimbabwe is also small. Last year, total trade was valued at RM16 million. Malaysia imports mainly food items, while exports to Zimbabwe are mainly electrical and electronic items. Most of the country's trade is through Durban, South Africa.

Ali, who is also accredited to seven other African countries, namely Malawi, Zambia, Tanzania, Kenya, Comoros, Mauritius and Seychelles, said bilateral trade had been affected by the economic crisis in Zimbabwe and the financial crisis in Malaysia in the last two years.

Malaysia and Zimbabwe are both founder members of the Group of 15 and are committed to increased South-South co-operation.

Both Governments also support the Smart Partnership - South African International Dialogue (SAID) and the Langkawi International Dialogue.

Ali was speaking to the Malaysian Press who are here for SAID '99 which will focus on economic empowerment in smart partnership.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who arrived here Sunday to attend SAID '99, will deliver his address on Tuesday.

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