



STATE OF THE NATION ADDRESS

AND

THE OPENING OF THE SECOND SESSION OF

THE NINTH PARLIAMENT

BY HIS EXCELLENCY THE PRESIDENT OF

THE REPUBLIC OF ZIMBABWE

DR. E. D. MNANGAGWA

1ST OCTOBER 2019

PARLIAMENT OF ZIMBABWE

Vice President, Gen. (Rtd) C.G.D.N. Chiwenga;

Vice President Col. (Rtd) K.C.D. Mohadi;

Speaker of the National Assembly, Advocate J. Mudenda;

Madam President of the Senate, Mai M.Chinomona;

Honourable Members of Parliament;

Fellow Zimbabweans;

Comrades and friends;

Before I begin my address, I kindly request the August House to observe a minute of silence in honour of the late Founding Father of our country and Former President, His Excellency, Cde R. G. Mugabe who passed on, on the 6th of September 2019. As we remember him, let us stand emboldened by the fact that we cannot change the past, but the future is in our hands.

Mr Speaker Sir;

My Government continues to take bold and decisive steps to open up and grow the economy for the benefit of all our people. The road map articulated in our Vision 2030, with the TSP as the key building block is being

systematically pursued. We are reforming our economy, we are reforming political space, and the very fabric of our society.

I am encouraged by the nation's positive response to the currency reforms which we have embarked on. Government is equally pleased with the relative stability of the exchange rate over the past eight weeks. However, last week's events of exchange rate manipulation, amounts to economic sabotage and should not be tolerated. We all need to adhere to the rule of law and foster discipline at all levels.

We are determined to consolidate digital financial services which are contributing to the creation of financial inclusion by way of delivering banking services to previously unbanked and vulnerable groups of our population. To further support the development of the financial services sector, Government has revived the issuance of treasury bills and bonds through the Auction system. In this vein, the RBZ has established Savings

Bond instruments to facilitate safe and secure investment for the public. In addition, measures will be put in place to establish the SMEs Stock Exchange, with a view to unlocking resources for SMEs.

Mr Speaker Sir;

Government is fully aware of the challenges faced by the public in accessing cash, which has resulted in some unscrupulous traders selling cash in exchange for electronic money. Appropriate measures are being taken to address the cash situation, which include a gradual removal of arbitrage opportunities created through multi-tier pricing.

I am pleased to highlight that the ongoing fiscal consolidation measures are already paying off. During the first half of 2019, a budget surplus has been recorded. Such savings have enabled Government to meet essential unplanned expenditures in particular related to the rehabilitation of damaged infrastructure and supporting livelihoods for communities affected by

Cyclone Idai; social service delivery, cost of living adjustments for civil servants and the provision of social safety nets for the vulnerable members of our society.

Mr Speaker Sir;

The sustained turnaround of our economy hinges on focused support for the productive sectors especially in agriculture, mining and manufacturing. The 2018/2019 drought has seen our agricultural sector registering a negative growth rate. Going forward, Government has set aside ZWL\$1, 8 billion towards the production of strategic crops, such as maize, soya beans and cotton. Of this amount, ZWL\$ 567, 4 million has been allocated for the provision of inputs for vulnerable households and ZWL\$332 million to ensure the procurement of inputs for cotton production. A total of ZWL\$968 million will augment the ZWL\$ 2, 8 billion put forward by banks and the private sector to support the Command Agriculture Programme.

Let me hasten to state that, only those with a proven track record of delivering to GMB and repaying their loans will be supported under the Command Agriculture Programme.

To strengthen our resilience to climate change, Government is encouraging communal, A1 and A2 farmers to grow traditional grains. The implementation of the irrigation development programme will also be accelerated. A \$60 million facility has been set aside for the rehabilitation of machinery under the Command Agriculture Programme. US\$ 51 million has been allocated for the supply of various agricultural machinery from John Deere, some of which, are already being delivered.

Meanwhile, Government will accelerate the consummation of a facility with the Government of Belarus for the importation of tractors, planters and combine harvesters.

To render inputs more affordable to our farmers, Government is putting in place measures to facilitate the duty free importation of fertilisers, targeted electricity subsidies and the local manufacturing of fertilisers, including the full exploitation of phosphates from Dorowa.

Government is currently working on a programme to avail dipping chemicals and improve general animal husbandry practices. Research by our institutions of higher and tertiary education towards the local manufacturing of foot and mouth disease vaccines, has begun with the support of Government.

Mr Speaker Sir;

The mining sector has continued to be a key source of export earnings, income, employment and the preferred destination for investment inflows. During the first half of the year, the sector generated US\$1, 3 billion, which constitutes 68% of the country's total export receipts. We will soon unveil a comprehensive strategy and roadmap

towards the attainment of a US\$ 12 billion mining industry in Zimbabwe, by 2023. The attainment of this goal is achievable, with concrete green fields and expansion projects now at various stages of implementation.

Mr Speaker Sir;

Our manufacturing sector offers immense growth opportunities through backward and forward production linkages. I am pleased to note that some companies are gradually increasing their production and exports. The introduction of a mono-currency system is also set to boost the competitiveness of our manufacturing sector.

In addition, Government is scaling up its support to the sector through duty exemptions on raw materials and capital equipment, tax breaks and holidays for priority projects and other import management measures. This thrust is anchored on the implementation of the recently adopted Zimbabwe National Industrial Development Policy and Local Content Strategy.

Mr Speaker Sir;

To promote trade and exports, the modernisation of the Beitbridge Border Post and bilateral negotiations on the establishment of One-Stop Border Posts in Victoria Falls and Beitbridge are ongoing. The introduction of smart technologies to speed up freight clearance at our border ports of entry will be speeded up.

As Zimbabwe, we continue to play our part in advancing the SADC, COMESA and African Union economic development agenda. In partnership with the private sector, we envisage to derive maximum benefit from the operationalisation of African Continental Free Trade Area.

Our businesses are urged to take advantage of the scope that exists from Zimbabwe becoming a transport and logistics hub. This follows the commissioning of the Zimbabwe Walvis Bay Dry Port in Namibia, coupled with other confirmed bilateral investments.

Our SMEs, continue to face challenges of inappropriate technology and unsuitable work spaces. Government has since secured a US\$2,7 million grant from the Government of India for the upgrading of eleven existing Technology and Common Facility Centres, located in the country's ten provinces. Additional state-of-the-art machinery for use in manufacturing activities of SMEs, are currently being installed. Going forward, Government is committed to support programmes to build appropriate work spaces for SMEs businesses.

I am also pleased to report that, in line with Government's policy to empower women entrepreneurs, the Zimbabwe Women's Micro Finance Bank continues to disburse loans to clients throughout the country.

Mr Speaker Sir;

Government is accelerating the operationalisation of the Zimbabwe Investment and Development Agency.

Furthermore, we have begun implementing Phase Two of the Ease of Doing Business Reform Programme. It is encouraging that Zimbabwe has been recognised by the World Bank as having made considerable regulatory improvements in five areas measured on the Ease and cost of Doing Business. This has seen Zimbabwe being cited as a country in the top twenty improvers in Doing Business.

Mr Speaker Sir'

Due to the impact of climate change, our economy is facing severe electricity supply challenges, owing to reduced hydro-power generation capacity at Kariba Dam. To address this state of affairs, we have now restored the cost reflective electricity tariff structure and increased power imports to provide the much needed short term relief. More innovative initiatives will be implemented to ensure stability in the sector. Meanwhile, ZESA will be restructured, to enhance efficiency.

I urge all of us to protect power installations in our areas. Initiatives must be developed at community level to bring to an end criminal activities which destroy these vital installations.

The country has seen some stability in the fuel sector on the back of the introduction of cost-reflective pricing adjustments, coupled with the fuel procurement financing facilities structured by Government. Companies with foreign currency are now permitted to procure their own fuel through registered oil companies. To curb malpractices in the fuel industry, Government will soon roll out an electronic National Fuel Monitoring System. For the long term, a comprehensive National Integrated Energy Resource Plan is being developed

Mr Speaker Sir;

The modernisation and rehabilitation of our infrastructure, in particular road networks, has resumed in earnest, with noticeable progress. Given that these are

key enablers to our national economic revival as envisaged under Vision 2030, we are determined to leapfrog the quality of our infrastructure across the country.

To date, a total of ZWL\$2.5 billion, which constitutes 34.5% of total capital development, has been set aside for various transport, water, public amenities, energy, irrigation, social services and other infrastructural projects. The Hwange 7 and 8 Thermal Power Project, R.G. Mugabe International Airport Expansion, borehole rehabilitation and drilling, and the construction of the new Parliament Building projects are all well on course. Dam construction projects such as the Marovanyati Dam, Gwai-Shangani Dam, walling of Causeway Dam, among others, are also on schedule.

The tourism sector remains on an upward growth trajectory, generating about US\$1.3 billion in receipts. To accelerate this growth trend, robust strategies are being pursued to boost investments in accommodation

and conference facilities as well as widen our range of tourism products. I urge players in the sector to be flexible and adopt more competitive pricing regimes and to jointly market our attractions with partners from the region and beyond.

Mr Speaker Sir;

Significant steps that have been realised in the implementation of the Public Enterprise Reforms, these include the:

- De-merger of GMB into the GMB Strategic Grain Reserve and Silo Foods Industries
- Recapitalisation of the NRZ, for which US\$420 million has now been secured by the DIDG;
- Recapitalisation of CSC, of which the approved strategic partner is already on the ground;
- Unbundling of the Civil Aviation Authority of Zimbabwe (CAAZ);

- Approval by Cabinet of the roadmap for the privatisation of TelOne and NetOne as a single entity and
- The partial privatisation of Allied Timbers, POSB, ZUPCO, AGRIBANK and the IDBZ.

Mr Speaker Sir;

It is incumbent on us all to ensure that our nation grooms proactive patriotic young citizens capable of protecting their heritage. Through the ongoing Build Zimbabwe Programme, Government has mobilised thousands of young people, from across the country, to engage in voluntary work within their respective communities. Meanwhile, the Empower Bank continues to capacitate our youths through financial inclusion programmes and financial training workshops across the country.

In the health sector, Government is implementing measures to revitalise the referral system by upgrading medical infrastructure and equipment in clinics, district

hospitals and central hospitals. I wish at this juncture, to pay tribute to the United Arab Emirates (UAE) and the Government of India along with other partners for their generous support towards the modernisation and revamping of our health delivery system.

Mr Speaker Sir;

We continue to engage and re-engage with the international community. We remain indebted to SADC, following the landmark resolution taken at the 39th Summit held in Dar es Salaam, Tanzania in August this year, declaring 25 October as the date for Member States to collectively call for the lifting of the illegal sanctions imposed on our country. Zimbabwe deeply appreciates this gesture of friendship and solidarity.

The 74th United Nations General Assembly held only last week, offered us yet another opportunity to advance our country's national interests, highlighting our journey of transition, reform and growth. Our participation at meetings under the Forum on China-Africa Cooperation

(FOCAC) and the Tokyo International Cooperation for African development (TICAD) was also in furtherance of this goal. At all these forums, conversations were frank, positive and productive.

Zimbabwe and the European Union formally launched their dialogue in June 2019, under Article 8 of the Cotonou Partnership Agreement. Re-engagement with the Commonwealth is ongoing with the latest round of meetings having taken place on the sidelines of the recent 74th UN General Assembly meeting.

Mr Speaker Sir;

Allow me to now turn to the legislative programme which the Second Session of the 9th Parliament must pursue with renewed vigour. I commend the progress registered in the alignment of our country's laws to the Constitution. This development will undoubtedly help further entrench democratic traditions, the rule of law and constitutionalism in our country.

The Second Session of the 9th Parliament is expected to continue the alignment process by considering amendment to the High Court Act, Labour Court Act, Magistrates Court Act and the Police Act.

Mr Speaker Sir;

The Public Finance Management Amendment Bill will be placed before this Parliament in an endeavour to align the current act to the constitution. In line with devolution, this Bill extends the scope of application of statutes to Provincial and Metropolitan Councils as well as local authorities, including the mandatory submissions of annual budgets and financial performance reports.

The Insurance and Pension Act will be amended to enhance good corporate governance while Securities and Exchange Commission Bill is intended to strengthen anti-money laundering legislation. The Bill to facilitate the appointment of the Deposit Protection Cooperation as the liquidator of all deposit taking institutions, will also be tabled.

The Mines and Minerals Amendment Bill is expected to be re-tabled, while amendments to the Gold Trade Act and Precious Stones Act, must ensure that our mining industry is more competitive and in sync with global benchmarks.

Government has noted with concern the emergence of monopolies as well as cartels which stifle competition and engage in unjustified price hikes. While Government will not revert to price controls, we are nonetheless, in the process of reviewing the Competition Act in order to introduce deterrent penalties to combat such business malpractices.

In the energy sector, the Petroleum Act will be amended to create an enabling environment for natural gas and mineral oil exploration and exploitation. The Electricity Act will see the imposition of stiffer penalties for vandalism and the theft of electricity infrastructure and equipment.

As the media legislative reforms gather pace, the Bills relating to Freedom of Information, the Zimbabwe Media Commission, Protection of Information, and the Broadcasting Services Act Amendments, must be expedited during this Session.

In view of the fast changing technology, there is need to continue to research and develop new legislative and regulatory instruments to secure the country's cyber space. This Session of Parliament must therefore consider the Cyber Crime and Cyber Security Bill; and the Data Protection and Electronic Transactions Bill to regulate this field.

The Pension and Provident Funds Bill, is designed to ensure compliance with International Standards. The ultimate objective is to protect the Policy holders and pensioners so that they fully enjoy their rights and benefits.

The Medical Aid Societies' Bill will pave way for the establishment of the Medical Aid Society Regulatory

Authority. This Bill seeks to ensure that Medical Aid Societies operate within the law as health care insurers, rather than doubling up as health care providers.

The Prisons and Correctional Services Bill, Child Justice Bill, and Mandatory Sentencing for Rape and Sexual Offences Bill, must incorporate acceptable customary norms, human rights standards and international best practice.

Amendments to the Immigration Act will pave way for the establishment of a citizenship and immigration board as provided for in our Constitution. Parliament will also be expected to consider the ratification of the Protocol Against the Smuggling of Migrants by Land, Sea and Air and the Protocol Against the Illicit Manufacturing and Trafficking of Firearms, Their Parts and Components and Ammunition.

The Persons with Disabilities Bill, which seeks to entrench the protection of the Constitutional rights of

persons living with disabilities. The Private Voluntary Organisation Bill seeks to streamline and strengthens administrative procedures as well as improve the governance of the non-governmental organisation.

Mr Speaker Sir;

The ongoing democratic reforms must entrench Constitutional rights and freedoms for all Zimbabweans. The culture of fear and violence must be uprooted from our societies.

In line with this commitment to deepen our democracy, I have set up an Inter-Ministerial Task force to look into the Political, Electoral, Legislative and Administrative issues raised by the 2018 Election Observer Missions and indeed the Motlanthe Commission of Enquiry.

Mr Speaker Sir;

The law must be a universal instrument of development. As such, the slow pace in this August House, which has resulted in a low number of bills passing through

Parliament cannot be allowed to continue. I, thus, challenge Honourable Members in their individual and collective capacities, to play their part in speeding up our parliamentary processes. Equally, reports of mismanagements of public finances as exposed by the Office of the Auditor General, and brought before this Parliament, must never be condoned.

Corruption retards our development, frustrates our ease and cost of doing business reforms and robs us of revenue. Government will continue to strengthen institutions that help in the fight against corruption. We must rid our society of this corruption cancer, to this there is no going back. It is time to increase accountability and transparency. We must work hard and smarter to serve our people, they deserve better

Let us be mindful that the Zimbabwe we all want, with opportunities and hope shall only be achieved through productivity, innovation, responsiveness, persistence, deliberate planning and disciplined focus.

We must, therefore, adequately prepare for the opportunities and challenges which are ahead. Our Vision 2030 envisages a Zimbabwe with a digital and knowledge driven economy. As such, we shall re-invigorate the implementation of the e-Government programme, as well as operationalise the National Data Centre, to foster digital capabilities across the entire economy.

Mr Speaker Sir;

The economic reforms we have embarked on are beginning to bear fruit. I am aware of the pain being experienced by the poor and the marginalised. Fellow compatriots, getting the economy working again will require time, patience, unity of purpose and perseverance. I am happy with the progress being made under the ongoing Political Parties Dialogue and stand ready to welcome all political parties who contested in the 2018 Harmonised Elections, and are yet to be part of this forum.

With these remarks, it is now my singular honour and privilege to table this State of the Nation Address and declare the Second Session of the 9th Parliament of Zimbabwe officially open.

God bless you all!

God bless Zimbabwe!

I thank you.