



**INVESTMENT OPPORTUNITIES IN THE STATE
ENTERPRISES AND PARASTATALS SECTOR:
PRIVATISATION PROGRAMME IN ZIMBABWE
2019**

INTRODUCTION

1.1. The State Enterprises and Parastatals sector is one of the sectors that Government, under the Transitional Stabilisation Programme, has opened for international investors through partial privatisation.

This is being undertaken through targeted privatisation of State Enterprises and Parastatals, which are very lucrative and are key to the country's turnaround strategies.

In this regard, the Government of Zimbabwe invites interested strategic investors to take advantage of the wide range of investment opportunities being offered in the State Enterprises and Parastatals sector.

The strategic investor/partners are expected to inject capital and bring in technology and expertise.

The following State Enterprises and Parastatals, within their respective sectors, are open to foreign investors:

- TelOne Pvt Limited, NetOne Pvt Limited, and ZIMPOST Pvt Limited — Telecommunications & Postal Services Sector.
- 17 Zimbabwe Mining Development Corporation (ZMDC) subsidiaries — Mining Sector.
- Agribank Pvt Limited, People's Own Saving Bank (POSB), and Infrastructure Development Bank of Zimbabwe Pvt Limited (IDBZ) — Banking Sector.
- Petrotrade Pvt Limited — Energy and Power Sector.

- Industrial Development Corporation of Zimbabwe (IDCZ) subsidiaries namely, Chemplex Corporation, Zimglas, Willovale Motor Industry, Deven Pvt Limited — Manufacturing Sector.
- Allied Timbers — Forestry & Timber Sector.
- ZUPCO—Transport Sector
- RMS—Transport Sector

Telecommunications & Postal Services

1.2. The sector is in its stages of development characterised by excess capacity thereby presenting immense opportunities for investors to resuscitate existing companies through strategic partnerships.

The Telecommunication is one of the enablers to all other sectors of the economy and provides investors with a number of investment opportunities, some of which are;

Table 1: Investment Opportunities in the Telecommunications & Postal Services Sector

EQUITY PARTICIPATION IN TELONE PVT LIMITED – FIXED VOICE AND BROADBAND SERVICE PROVIDER	
Project Information Brief	TelOne seeks a Strategic Partner to inject fresh capital, bringing in new technology and expertise into its fixed voice and broadband network.
Company Background	Tele-Communication Service Provider
Shareholder Structure	Government of Zimbabwe 100%
Number of fixed voice subscribers	260,000

Number of Broadband subscribers	130,000										
Revenue (US\$ Million)	<table border="1"> <tr> <td>2013</td> <td>2014</td> <td>2015</td> <td>2016</td> <td>2017</td> </tr> <tr> <td>\$148</td> <td>\$157</td> <td>\$138</td> <td>\$120</td> <td>\$133</td> </tr> </table>	2013	2014	2015	2016	2017	\$148	\$157	\$138	\$120	\$133
2013	2014	2015	2016	2017							
\$148	\$157	\$138	\$120	\$133							
Geographical Presence	Countrywide										
Core Products	<ul style="list-style-type: none"> • Broadband. • Internet – Services Provider • Satellite. • Voice. • Optical Fiber Services • Cloud Services • Radio Network • Digital Solution 										
Core Assets	<ul style="list-style-type: none"> • Fixed Network Technologies. • Public Switched Telephone Network (PSTN) licence. • TelOne-Center for learning • Data Centre. • Manufacturing and repairs department 										
Capital Base	<ul style="list-style-type: none"> • \$-144 million 										
Capital Requirements	<ul style="list-style-type: none"> • \$400-\$500 million 										
Website	www.telone.co.zw										

EQUITY PARTICIPATION IN NETONE PVT LIMITED – MOBILE NETWORK OPERATORS

Project Information Brief	NetOne seeks a Strategic Partner to inject fresh capital, bringing in new technology and expertise into its mobile voice and broadband network.
Company Background	First Mobile Network in Zimbabwe which was launched in 1996

Shareholding Structure	Government of Zimbabwe 100%
Number of subscribers	4.9 million
Revenue (US\$ million)	2013 2014 2015 2016 2017 \$106 \$104 \$114 \$115 \$105
Geographical Presence	Countrywide with two switching centres in Harare and Bulawayo
Core Products	<ul style="list-style-type: none"> • Mobile Financial Services (MFS) • Mobile Broadband services • Roaming services • Interconnection services • Digital Solution services • Prepaid services • Value added services
Core Assets	<ul style="list-style-type: none"> • 2 G, 3G & 4G base stations • Mobile Network Operator license
Capital Base	<ul style="list-style-type: none"> • \$-45.8 million
Capital Requirement	<ul style="list-style-type: none"> • \$600 million
Website	www.netone.co.zw

EQUITY PARTICIPATION IN ZIMPOST – PORTAL SERVICES AND REAL ESTATES

Project Information Brief	Zimposts seeks a Strategic Partner to inject fresh capital in the postal business and property business or real estate business.
Company Background	To provide universal postal, courier, communications and financial service to the Zimbabwean population.
Shareholding Structure	Government of Zimbabwe 100%
Number of postal outlets	240
Revenue (US\$ million)	2013 2014 2015 2016 2017 \$20,366,120 \$20,292,168 \$24,697,807 \$25,030,616 \$35,715,413
Geographical Presence	Countrywide
Core Products	<ul style="list-style-type: none"> • International money transfer • Retail services

	<ul style="list-style-type: none"> • E-post services • Letter post services • Portal communication • Logistics & transport and financial services • Real estates services (Office space) • Parcel Post Services • Post Finance Services
Core Assets	•
Capital Base	• \$32 million
Capital Requirement	• \$50-100 million
Website	www.zimpost.co.zw

Table 2: Investment Opportunities in the Mining Sector

EQUITY PARTICIPATION IN ZIMBABWE MINING DEVELOPMENT CORPORATION (ZMDC)	
Project Information Brief	<p>ZMDC seeks Strategic Partners to inject fresh capital, bringing in new technology and expertise into its 17 subsidiaries that mines precious metals and precious stones, base minerals, industrial minerals as well as energy minerals.</p> <p>The available investment opportunities in the various subsidiaries includes:</p> <ol style="list-style-type: none"> 1. Copper <ul style="list-style-type: none"> • Alaska Mine • Mhangura • Sanyati 2. Tin, tantalite, lithium, beryllium, niobium, (pegmatites minerals) <ul style="list-style-type: none"> • Kamativi • Lutope • Kapata

	<p>3. Graphite</p> <ul style="list-style-type: none"> • Lynx <p>4. Emeralds, Iron Ore, Tin, tantalite, lithium, beryllium, niobium, gold</p> <ul style="list-style-type: none"> • Sandawana <p>5. Limestone</p> <ul style="list-style-type: none"> • Mumburume <p>6. Asbestos</p> <ul style="list-style-type: none"> • Shabanie • Gaths Mine <p>7. Coalbed Methane</p> <ul style="list-style-type: none"> • Mbungu • Gwayi
Capital Base	
Capital Requirements	
Website	www.zmdc.co.zw

Table 3: Investment Opportunities in the Banking Sector

EQUITY PARTICIPATION IN INFRASTRUCTURE DEVELOPMENT BANK OF ZIMBABWE PVT LIMITED (IDBZ).	
Project Information Brief	IDBZ seeks a Strategic Partner to inject fresh capital of more than US\$250 million to support infrastructure development mandate.
Company Background	Infrastructure Development Bank
Shareholding Structure	87% Owned by Government of Zimbabwe
Bank's External Credit Rating	'A' rating, for 2016 & 2015 by Prudential Standards, Guidelines and Rating System [PSGRS] for African Development Financial

	Institutions
Core Products	<p>The Bank provides capital for the development of infrastructure projects of demonstrable economic and /or social benefit to:</p> <ul style="list-style-type: none"> • Local Authorities (City Councils, Town Councils and Rural Councils) • Parastatals (commercial as well as social utilities) • Special Purpose Vehicles created within the context of Public Private Partnerships on larger projects.
Capital Base	\$65 million
Capital Requirements	\$250 million
Website	www.idbz.co.zw

EQUITY PARTICIPATION IN AGRIBANK PVT LIMITED

Project Information Brief	<p>Agribank Pvt Limited seeks a Strategic Partner to inject fresh capital of more than US\$250 million to improve the Bank's capacity to underwrite more business to the productive and agriculture sectors.</p> <p>The Strategic Partner should also provide lines of credit as well as offering other strategic support services such as technical assistance, capacity building as well as information technology enhancements.</p>
Company Background	Agricultural Finance Institution to support the agriculture sector
Shareholder Structure	100% Owned by Government of Zimbabwe
Core Products	<ul style="list-style-type: none"> • Agricultural Finance & Development • Domestic Money and Capital Markets • Treasury, Foreign Currency Trading & International Banking Services • Retail Banking services • Executive Banking

	<ul style="list-style-type: none"> • Corporate Banking • Microfinance • Corporate Finance services • Advisory services 								
Profitability (US\$ Million)	<table> <tr> <td>2014</td> <td>2015</td> <td>2016</td> <td>2017</td> </tr> <tr> <td>\$(9) mill</td> <td>\$(6) mill</td> <td>\$5 mill</td> <td>\$5 mill</td> </tr> </table>	2014	2015	2016	2017	\$(9) mill	\$(6) mill	\$5 mill	\$5 mill
2014	2015	2016	2017						
\$(9) mill	\$(6) mill	\$5 mill	\$5 mill						
Geographical Presence	The Bank has one of the largest Branch networks in Zimbabwe, with 45 branches located in all the 10 provinces of the country. Service provision is through Branch Offices and designated National Banking Offices (NBOs)								
Capital Base	\$74 million								
Capital Requirements	\$250 million								
Website	www.agribank.co.zw								
EQUITY PARTICIPATION IN PEOPLE'S OWN SAVING BANK (POSB)									
Project Information Brief	POSB seeks a Strategic Partner to inject fresh capital to improve the Bank's capacity to underwrite more business to the productive sector.								
Company Background									
Shareholder Structure	100% Owned by Government of Zimbabwe								
Core Products	<ul style="list-style-type: none"> • Savings Accounts • Investments • Corporate Loans • Microfinance • SME& Agribusiness Loans • Mortgage Finance • International Banking • Individual loans • Mortgage Finance 								

Profitability (US\$)	2014	2015	2016	2017
	\$1 mill	\$0.4 mill	\$3 mill	\$11 mill
Geographical Presence	35 POSB Branches and Agency Banking Network countrywide.			
Capital Base	\$70 million			
Capital Requirements	\$100-150 million			
Website	www.posb.co.zw			

Table 4: Investment Opportunities in Energy and Power Sector

EQUITY PARTICIPATION IN PETROTRADE PVT LIMITED				
Project Information Brief	Petrotrade Pvt Limited seeks a Strategic Partner to inject fresh capital of more to improve the entity's operational capacity.			
Company Background				
Shareholder structure	100% Owned by Government of Zimbabwe			
Core Products	<ul style="list-style-type: none"> The mandate of the company is to market and distribute petroleum products that include Diesel, Petrol, lubricants and LP Gas. 			
Profitability (US\$)	2013	2014	2015	2016
	\$2 mill	\$0.95 mill	\$0.7 mill	\$1.2 mill
Geographical Presence	<ul style="list-style-type: none"> 17 service stations 8 Dealer Owned and Company Operated Sites 29 Dealer Owned and Dealer Operated Sites 			

Capital Base	\$77.6 million
Capital Requirements	\$50-100 million
Website	www.petrotrade.co.zw

Table 5: Investment Opportunities in the Manufacturing Sector

EQUITY PARTICIPATION IN INDUSTRIAL DEVELOPMENT CORPORATION OF ZIMBABWE (IDCZ) SUBSIDIARIES	
Project Information Brief	<p>IDCZ seeks Strategic Partners to inject fresh capital, bringing in new technology and expertise into its subsidiaries that are involved in the manufacturing of various goods from fertilizers, chemicals, motor vehicles.</p> <p>The available investment opportunities in the various subsidiaries includes:</p> <p>Strategic Partner for Chemplex Corporation Limited and its subsidiaries</p> <p>Chemplex is uniquely positioned in the fertilizer industry in the country as it is the only vertically integrated fertilizer company in Zimbabwe. Chemplex comprises of four subsidiaries namely:</p> <ul style="list-style-type: none"> • Zimbabwe Phosphates Industries Limited (“ZimPhos”), the country’s sole producer of phosphates fertilizer. • ZimPhos in turn has two wholly owned subsidiaries namely GD Haulage (Private) Limited (“GD”) and Dorowa Minerals Limited (“DML”), which is the only phosphate mine in Zimbabwe. Mining is by opencast method and involves ripping and dozing in soft rock and

drilling and blasting in hard rock.

- G&W Industrial Minerals (Private) Limited (“G&W”), which is involved in the processing and marketing of a wide range of non metallic industrial minerals which find a variety of uses in the agricultural and manufacturing industries.
- ZFC Limited (ZFC), is an associated company which is involved in the manufacture of Ammonium Nitrate fertilizer and Ammonium Nitrate for mining purposes.
- Allied Insurance Company (Private) Limited (“Allied”)
- Chemplex also has one associate company Sable Chemical Industries (Private) Limited (“Sable”) owned 36%.
- Two operating divisions namely Chemplex Marketing and Chemplex Animal & Public Health (CAPH).

Strategic Partner for Zimglass

Zimglass seeks a strategic partner for rebuilding of a container glass manufacturing electric furnace (G1 Furnance) at its factory in Gweru, Midlands province, at an estimated cost of US\$22 million. Pre-feasibility has already been undertaken.

Strategic Partner for Willollovale Motor Industries

Willowvale Mazda Motor Industries (Pvt) Ltd. manufactures and

	<p>distributes motor vehicles in Southern Africa. The company offers a range of passenger and commercial vehicles in diesel and petrol models. It also provides Mazda Service Plan Excel, a service benefit that covers parts, labor, lubrication, sundry, and consumables for the company's vehicles through service centers.</p> <p>The company is now a contractual assembly operation. Its assembly line is one of the most flexible in the world as it is capable of producing any automotive products that include passenger vehicles, light and heavy commercial vehicles, and tractors. This flexibility is brought about by the labour intensive nature of the assembly operation.</p> <p>The company acquired ISO 9001:2008 certification with a desire to be a local and regional force in the provision of high quality, world class and environmentally friendly automotive products that are competitively priced.</p> <p>Strategic Partner for Deven Engineering (Pvt.) Ltd</p> <p>Deven Engineering (Pvt.) Ltd. operates as a engineering and coach-building firm. The company builds bus bodies, trailers, van bodies, dropside trailers and truck canopies.</p>
Website	www.idc.co.zw

Table 6: Investment Opportunities in Forestry and Timber Sector

EQUITY PARTICIPATION IN ALLIED TIMBERS PVT LIMITED	
Project Information Brief	Allied Timbers seeks a Strategic Partner to inject fresh capital of more to improve the entity's operational capacity.
Company Background	Forestry plantation & timber retailing
Shareholder structure	100% Owned by Government of Zimbabwe
Core Products	Allied Timbers operations involve Plantations, Harvesting,

	Processing, Marketing and Selling of both pine and gum. The company currently exports products to Botswana, Namibia and South Africa and is destined to venture into other regional and international markets.										
Geographical Presence	Allied Timbers' operations are highly concentrated in the Eastern Highlands and Midlands areas of Zimbabwe, with countrywide distribution channels.										
Revenue	<table border="1"> <thead> <tr> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>\$14.26 mill</td> <td>\$12.39 mill</td> <td>\$10.03 mill</td> <td>\$12.76 mill</td> <td>\$15.6 mill</td> </tr> </tbody> </table>	2013	2014	2015	2016	2017	\$14.26 mill	\$12.39 mill	\$10.03 mill	\$12.76 mill	\$15.6 mill
2013	2014	2015	2016	2017							
\$14.26 mill	\$12.39 mill	\$10.03 mill	\$12.76 mill	\$15.6 mill							
Capital Base	\$ 55.13 million										
Capital Requirements	\$20 – 30 million										
website	www.alliedtimbers.co.zw										

Table 7: Investment Opportunities in Transport Sector

EQUITY PARTICIPATION IN ZIMBABWE PASSENGERS COMPANY PVT LIMITED (ZUPCO)	
Project Information Brief	ZUPCO seeks a Strategic Partner to inject fresh capital of more to improve the entity's operational capacity.
Company Background	Transport company for urban and rural population
Shareholder structure	100% Owned by Government of Zimbabwe
Core Products	<ul style="list-style-type: none"> • Rural – Urban transport • Inter - city • Cross border • Driving School • Private bus hire • Urban transport (BRT) re-entry • Corporates for in-bus advertising

	2013	2014	2015	2016	2017
Revenue (US\$)	\$34.9 mill	\$29 mill	\$19 mill	\$10.6 mill	\$8 mill
Capital Base	2017 \$14,20 mill				
Capital Requirements	\$60-100 mill				
Geographical Presence	The Company has 19 Depots country wide.				
Website	www.zupco.co.zw				

EQUITY PARTICIPATION IN ROAD MOTORS SERVICES PVT LIMITED (RMS)

Project Information Brief	RMS seeks a Strategic Partner to inject fresh capital of more to improve the entity's operational capacity.
Company Background	Established a last mile deliver of freight
Shareholder structure	100% Owned by Government of Zimbabwe
Core Products	<ul style="list-style-type: none"> • Road Haulage Service RMS provides an effective and efficient road haulage service to all the sectors of the economy. • Joint Operations / Feeder Services to NRZ RMS is also involved in joint operations with the National Railways of Zimbabwe. This relates to business areas where RMS picks up traffic from railheads to final destination, and delivery of traffic from various localities to railheads. • Support to the National Infrastructural Development Programmes RMS plays an active role in the transportation of materials for the construction and maintenance of roads, bridges, dams and irrigation projects throughout the country.
Geographical Presence	The Company has several country wide depots.

For more information:

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