



EXCHANGE CONTROL PRESS STATEMENT

**LAUNCH OF FOREIGN EXCHANGE
LICENCED WAREHOUSES AND RETAIL
SHOPS (FOLIWARS) FOREIGN EXCHANGE
LICENCE OIL COMPANIES (FELOCS) AND
FOREIGN EXCHANGE LICENCED OUTLETS
FOR PETROL AND DIESEL (FELOPADS)**

BY

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1. INTRODUCTION AND BACKGROUND

1.1 Economic trends over the past few years have clearly demonstrated that at the core of any successful strategy to turnaround the country's economy ought to be measures that increase the availability of foreign exchange to our productive sectors.

1.2 It is for this reason that the Reserve Bank of Zimbabwe has been introducing successive policy reforms meant to enhance the competitiveness of our exporters.

1.3 Such measures included the allowance for the greater prominence of the market in determining the exchange rate, under the willing-buyer-willing-seller framework; the increase in the period exporters can keep export proceeds in

their FCA accounts before liquidation; as well as special dispensations on a need basis with respect to FCA retention thresholds.

1.4 Over and above these progressive policy reforms, the Reserve Bank also introduced various interventions aimed at shoring up the general availability of basic goods and services in the economy, particularly to the vulnerable members of society.

1.5 These strategic interventions, all of which are still being implemented in defence of the welfare of the majority of Zimbabweans include:

(a) The advancement of targeted concessional loans to firms producing basic goods and services under the Basic Commodities Supply Side Intervention (BACOSSI) Programme;

- (b) The procurement and distribution of basic commodities to vulnerable groups, particularly in the rural areas, under the BACOSI to the People Programme;
- (c) The Medical and Health Sector Support Programme, under which the Reserve Bank, in smart partnerships with local producers of medical drugs and consumables, is restocking the country's health delivery systems; and
- (d) The Medical and Health Profession Skills Retention Programme, under which the Reserve Bank is working to retain critical skills in support of the country's health delivery system.

PROGRESS TO DATE

MEDICAL SECTOR

1.6 As part of its pragmatic interventions, the Reserve Bank is now in its third week implementing the Medical Institutions Support Facility, under which a total of 118 hospitals have already received various medical drugs, equipment, basic food commodities and other medical provisions nationwide.

1.7 Coverage of more institutions is underway as the implementation process deepens.

BASIC COMMODITIES SUPPLY SIDE INTERVENTION

1.8 As at the 8th of September, 2008, a total of 888 254 households had been served in terms of the provision of basic commodities at affordable prices under the BACOSI programme with an additional 400 000 expected to be served over the next few days.

1.9 The beneficiaries are expected to expand even further as the programme is deepened.

OTHER BENEFICIARIES

1.10 In order to have broader effectiveness, the BACOSI Programme is also benefiting the Zimbabwe Prison Services Institutions and Boarding Schools among other needy areas.

1.10 As Monetary Authorities, we continue to be guided more by our strongest conviction that

policy interventions ought to have substance and meaning to the welfare of the people.

1.11 It is this strong conviction that has seen the Reserve Bank predominantly responding to the unique realities on the ground, through pragmatism and an affinity to trying new ways of dealing with our setbacks.

RECENT POLICY RESEARCH

1.12 Over the past few months and weeks, the Reserve Bank has been carrying out a detailed assessment of how additional reforms could be introduced in the country's payments system in a manner that would:

- (a) Increase the availability of foreign exchange in the formal system;

- (b) Increase the overall supply of basic goods and services in the economy; and
- (c) Promote local production of commodities through greater capacity utilization.

1.13 In their 2008 Manufacturing Sector Survey, the Confederation of Zimbabwe Industries, CZI, highlighted the following as major constraints to industry (Page 18):

- Low capacity utilization;
- Foreign currency shortages;
- Rising inflation;
- Raw material shortages; and
- Erratic energy supplies, among other constraints.

1.14 Informed by these invaluable observations and suggestions by stakeholders in the economy, the Reserve Bank is pleased to hereby unveil the introduction of **Foreign Exchange Licenced Warehouses and Shops (FOLIWARs)**.

WHY INTRODUCE THE FOLIWARs

1.15 As Monetary Authorities, we have watched and observed with heavy hearts the suffering of fellow Zimbabweans as they waited and continue to wait in long queues at the borders seeking to bring in basic commodities.

1.16 We have also seen desperate mothers and youths spending cold nights in foreign lands in pursuit of basic commodities.

1.17 Here at home, our hearts are bleeding at the daily sights of workers being laid off their jobs due to industrial capacity underutilization.

1.18 Against this background, it has become compellingly clear that innovations be invoked to increase internal capacity utilization, as well as shoring up the availability of basic goods and services.

1.19 It is for this reason; the reason to stand for and defend the welfare of fellow Zimbabweans that the FOLIWARS are being introduced for an initial period of 18 months to 31 March, 2010 as an **experiment** as we gear ourselves for the 2010 World Cup Games which must find ourselves ready to cater for all visitors to our country.

1.20 Yes, as is typical with any innovations, there would be those who forever are perpetual critics who would be quick to condemn this intervention as unsustainable. (We all know what the Wright Brothers went through back in 1903, as they worked to develop what we now marvel as modern aircraft.)

1.21 But “fear” will never be our master but “servant” in our pursuit of anything that makes a difference.

1.22 As Monetary Authorities, we will, nevertheless remain steadfast in our efforts to innovate and find practical solutions to the challenges we see on the ground.

2. FOLIWARS LICENCING CRITERIA

2.1 In order to be considered for licencing as a registered Foreign Currency Denominated Shop, applicants are required to meet the following conditions:

(a) Submission of a concise application to the Reserve Bank, supported by a **capability statement**, indicating:

- The nature of trade (goods and services being sold/traded. (electrical/food/newspapers/etc.)
- IT systems used in the retail outlet;
- Capacity to handle foreign exchange, including the availability of counterfeit detectors;
- Estimated sales volumes per week/month/year.
- Ownership structure of company/outlet;
- Wholesale or retail outlet

- Shop size/wholesale size
- (b) Lodgment of a refundable security deposit of US\$20 000 at the Reserve Bank, for single floor/storey retail outlets owned by Zimbabweans and US\$50 000 simple shop floor owned by foreigners;
- (c) Systems for quality checks especially food to avoid expired items, etc.
- (d) Intended location of outlets.
- (e) In the case of wholesales the security deposit required is US\$100 000 for those single floor outlets owned by Zimbabweans, and US\$250 000 for single floor wholesales owned by foreigners. Beyond one floor, applicant will

require two licences. With the two licences one can have four, five, floors, etc.

2.2 In making the overall determination of the suitability of each applicant, the Reserve Bank will put greater emphasis on the applicant's ability to smoothly interface with the Banking system in compliance with the country's Exchange Control Regulations, and record keeping requirements.

3. INITIAL GEOGRAPHIC SPREAD OF AVAILABLE LICENCES

3.1 Consistent with the country's cherished policy objective of balanced provincial development, I am pleased to report that the Reserve Bank will be issuing a total of 750 retail licences, and 155

wholesale licences spread as follows
countrywide:

**Geographic Spread of the Special Foreign Exchange
Denominated Shops**

Area	Number of Retail Licences	Number of Wholesales Licences
Harare	100	20
Bulawayo	100	20
Mutare	100	10
Gweru	50	10
Beit Bridge	50	15
Kwe Kwe	50	5
Masvingo	50	5
Victoria Falls	100	10
Kariba	20	2
Nyamapanda	5	10
Chirundu	5	10
Karoi	5	2
Chinhoyi	10	2
Chegutu	5	2
Chiredzi	5	2
Kadoma	10	2
Chivhu	5	2
Mvuma	5	2
Zvishavane	5	2
Mashava	5	2
Bindura	10	2

Area	Number of Retail Licences	Number of Wholesales Licences
Hwange	5	2
Binga	5	2
Gwanda	5	2
Nyanga	10	2
Rusape	5	2
Marondera	10	2
Lupane	5	2
Esigodini	5	2
Chipinge	5	2
Total Allocated	750	155
Unallocated Licences	250	95
Overall Total	1000	250

3.2 Guided by the above targeted nationwide spread of the special shops, applicants must, therefore, explicitly indicate the geographical location of their outlet.

3.3 As Monetary Authorities, we call upon all interested applicants to ensure that their applications are submitted to the Reserve Bank

by **not later than Monday, the 22nd of September, 2008**, to:

Senior Division Chief
Exchange Control Division
Reserve Bank of Zimbabwe
80 Samora Machel Avenue
Harare

3.4 All successful applicants will be issued with licences for immediate assumption of operations by **not later than Friday the 26th of September, 2008**.

3.5 Zimbabweans in the diaspora have up to 10 October, 2008 to send in their applications and those successful will be issued with operating licences by not later than 31 October, 2008.

3.6 As Monetary Authorities, we call upon and encourage stakeholders to go into strategic partnerships in exploiting the new opportunities coming out of these reforms.

4. FORMATION OF THE ASSOCIATION OF FOLIWARS ZIMBABWE

4.1 In order to cultivate a flourishing culture of pro-development ethics, as well as a platform for the advancement of progressive reforms among all licenced outlets, all registered members will be part of The **Foreign Exchange Licenced Wholesalers and Retail Shops Association of Zimbabwe.**

4.2 Through this Association, common interests, challenges, opportunities and threats to the sector will be tackled.

4.3 The purpose and scope of the Association will also be to ensure the advancement of interests that protect members of the Association, the vulnerable members of society, as well as provide a formal organized platform for interface between authorities and members.

4.4 The Association shall have a Chairperson first like the Retailers Association, Consumer Council, etc.

5. EXCLUSION LIST

5.1 In order to ensure that the vulnerable members of society, as well as those who do not have access to foreign exchange continue to have access to basic necessities, the following basic commodities shall continue to be payable in

local currency, even in the Foreign Exchange
Licenced Wholesalers and Retail Shops:

- (a) Mealie-meal;
- (b) Milk;
- (c) Bread;
- (d) Cooking oil;
- (e) Sugar;
- (e) Salt;
- (f) Medicines;
- (g) Locally manufactured sanitary pads;

- (h) Locally produced margarine, soap, toothpaste;
- (i) School uniforms and exercise books.

5.2 There shall be appropriate shelves or space reserved for these items in the FOLIWARs displaying these items and their prices in local currency.

5.3 The charging of these basic commodities in **foreign exchange** shall only apply in cases where it is amply demonstrated that such goods would have been imported.

5.4 As Monetary Authorities, we also wish to underscore that all **shops not licenced**, along with critical service providers as commuter transporters must continue to charge in local currency for their goods and services.

5.5 No other goods or service provider or trader shall engage in the exercise of charging for these items in any other currency other than the Zimbabwean dollar and to do otherwise is to commit a crime in terms of the Exchange Control Act.

6. LOCAL MANUFACTURERS

6.1 In order to promote greater capacity utilization in our local industries, all local producers who sell their locally produced commodities to the FOLIWARs in foreign exchange.

6.2 In essence, therefore, local producers can **“export” their products into these domestic foreign exchange zones.**

6.3 It should be noted, however, that the exclusion list as stated above shall apply at all times for all such locally produced listed commodities, and the Reserve Bank shall have the right to add more specific products to the Exclusion List in consultation with the Association of FOLIWARS and taking into account adequate notice which does not prejudice the business viability of the FOLIWARS.

7. SPECIAL LICENCES FOR FUEL MERCHANTS AND SERVICE STATIONS

7.1 The availability of fuel in the economy is also a critical pillar in the turnaround of the productive sectors.

7.2 It is also common knowledge that this commodity is currently being sold at many

service stations through coupons which are essentially an ambiguity for the term foreign currency.

7.3 There is a meeting of minds between the seller and buyer when they trade in coupons as there is no doubt what the seller is demanding when he/she asks for those “coupons” and the Nation has conveniently allowed this necessary ambiguity to prevail on the understanding that the product is in short supply and that it is necessary to pay a blind eye to this constructive innovation, a typical case of what I have often referred to as a situation of “necessary ambiguity with constructive intent”.

7.4 Accordingly, therefore, with immediate effect, all diesel and petrol, with the exception of paraffin service stations which wish to legalise,

formalize and regularize their hitherto illegal sales in foreign exchange will be issued with a Special Exchange Control Licence which will enable them to formally sell fuel in foreign exchange, subject to registration formalities and administrative arrangements similar to those being applied to FOLIWARS. Theirs will be in two categories for oil companies and for service stations.

7.5 For oil companies they will need a FELOC (Foreign Exchange Licence for Oil Companies) , whilst a FELOPAD (Foreign Exchange Licenced Outlet for Petrol and Diesel) will be for service stations.

7.6 All this excludes paraffin and NOCZIM fuel which will continue to be traded in local currency as per Government Regulations. In

essence, this is a modification of the current DFI arrangements but streamlines these practices.

7.7 It should be noted, however, that such a special licence will require that:

- (a) Each service station openly displays its licence and prices;
- (b) Each service station opens a special revolving FCA account into which all its fuel sales will be deposited on a daily basis;
- (c) Each service station keeps an up to date record of daily fuel sales for purposes of oversight and monitoring by the Exchange Control arm of the Reserve Bank.

(d) To qualify for licence, each oil company and service station must register, paying a security deposit of US\$100 000, whilst each service station lodges a security deposit of US\$5 000. The application should state the name, shareholding, location and expected turnover.

8. FCA RETENTION LEVELS FOR FELOCS, FELOPADS AND FOLIWARS

8.1 All FOLIWARS, FELOCS AND FELOPADS will be entitled to an 85% retention of their foreign exchange earnings in the revolving Special FCA deposits, which should be held at local Authorised Dealers (Banks).

8.2 What this means is that after each trading week, up to 15% of the gross foreign exchange sales proceeds from each licenced outlet will be

bought by the Reserve Bank, along the same lines that general exporters acquit and sell part of their FCA balances, to the Central Bank on receipt of export proceeds whilst 85% is deposited in FCAs.

9. ALLOWABLE PROFIT MARGINS

9.1 In order to arrest the speculative tendencies that are threatening to engulf our economy through unscrupulous pricing practices, all FOLIWARS shall operate on the strict basis of profit mark-ups of no more than 30% on total verifiable cost, including transport, financing charges, etc.

EXAMPLE

9.2 As an illustration, if a unit costs (including transport) a foreign currency amount of, say, ZAR100, the computations will be as follows:

(a) All inclusive, verifiable cost	:	ZAR100
(b) Add: 30% mark-up	:	ZAR 30
		—————
Equals: FOLIWARS Price	:	ZAR130
		=====
(c) 15% of t/over to the RBZ(weekly):(ZAR19,50)		
(d) FCA Retention	:	ZAR110,50

N.B.: The FCA retention by the licenced entity covers the entire ZAR100 cost plus an additional hard currency return of ZAR10,50. The Reserve Bank will buy the 15% at the interbank rate.

9.3 Under this formulation, therefore, FOLIWARS traders and producers who sell in FOLIWARS zones will have their profit margins protected from local inflation and allow for real growth based on the concept of small profit quick returns (i.e. it becomes a volume driven business and not a price profit business).

FCA RETENTION FOR GENERAL EXPORTERS

9.4 In order to give further impetus to the country's export sector, the FCA retention level for all other exporters has been increased from the current level of 55% to 75% retrospectively from 1 September, 2008.

9.5 What this means is that on acquittal of their export proceeds, exporters and other generators

of foreign exchange will sell 25% to the Reserve Bank and retain 75% in their FCAs.

9.6 The surrender level has, therefore, been reduced from 45% to 25%, while the newly born FOLIWARs, FELOCs and FELOPADs who will be legally allowed to deal in foreign exchange will sell only 15% of their foreign exchange proceeds to the Central Bank.

10. ARE FOLIWARs, FELOCs and FELOPADs AN ATTEMPT TO DOLLARISE THE ECONOMY?

10.1 From an empirical and strict theoretical perspective of the term dollarisation, a country is said “to have dollarised its economy when universally, all goods and services in that

economy are payable in another country's legal tender, for instance United States Dollars.”

10.2 In the case of the FOLIWARS, FELOCs and FELOPADs frameworks being introduced in these new measures, it is important to note, however, that:

- (a) The trading in foreign exchange is only limited to the registered, licenced and designated outlets;
- (b) Some specific basic commodities are explicitly excluded from being chargeable in foreign exchange, even in the case of the FOLIWARS, FELOCs and FELOPADs; and
- (c) **The Zimbabwe dollar remains the legal tender of the country.**

10.3 Against this background, therefore, it is imperative to note that the current measures are neither a condonation of nor a direct introduction of the dollarization of the economy.

10.4 Rather, these reforms are essentially a **pragmatic response** to the realities obtaining in the economy, in the interest of advancing smooth functionality of the economy's commercial wheels; in the interest of increasing the availability of foreign exchange in the formal market; as well as in the interest of promoting the general availability of basic commodities through greater capacity utilization.

10.5 Our workers stand to benefit from the envisaged increase in capacity utilization, as well as the expected increase in the general availability in goods and services.

10.6 Above all, these bold measures will, if embraced in full and with positivity, enhance our preparations for the 2010 World Cup Games in South Africa by ensuring that every taste will be catered for.

11. OTHER MEASURES TO CUSHION THE VULNERABLE GROUPS

11.1 As Monetary Authorities, we are acutely alert to the continued need for active interventions that cushion the vulnerable members of society.

11.2 Accordingly, therefore, the on-going BACOSI programme is being deepened, learning from the first experimental phase that has been completed successfully.

11.3 Through BACOSI, the Reserve Bank will, therefore, ensure that basic commodities reach out to vulnerable groups, including those who do not have ready access to foreign exchange.

11.4 Prominence will also continue to be placed on schools, old people's homes, health and medical centers, as well as all outlying rural areas to ensure maximum beneficial impact of this intervention.

11.5 Through collaborative work with ZIMRA, the Reserve Bank would also work tirelessly to plug-off any abuses of the FOLIWARs, FELOCs and FELOPADs programme.

SOURCE OF FUNDS

11.6 Under this special licencing programme, the funding of and sources of funds for the importation, production and purchase of goods from the registered shops shall include:

- (a) Residents earning salaries in foreign currency;
- (b) Residents receiving foreign currency from the diaspora (free funds);
- (c) Embassy, NGOs and International Organisations staff earning foreign exchange;
- (d) Corporate FCA holdings, (with prior Exchange Control approval);
- (e) Foreign visitors/tourists;
- (f) Cross boarder traders; and

- (g) Direct new investment, switch of existing investments, as well as any other funds available to individual investors other than proceeds of crime of money laundering.

BONDED WAREHOUSING

11.7 Retail outlets distributing goods under franchised arrangements will be allowed to operate bonded warehouses, with prior arrangements with ZIMRA who have pledged to facilitate the country's restocking and foreign exchange generating programmes as unveiled herein.

11.8 Such arrangements are expected to instill confidence in the suppliers of imported essential commodities, particularly from a credit risk point

of view, as the capacity of locals to pay in foreign exchange is now much stronger.

OTHER SUPPORTIVE MEASURES

12. FLOATATION OF THE STRATEGIC COMMODITIES IMPORTS BOND (SCIB)

12.1 As underscored in the foregoing, the availability of adequate foreign exchange resources is an indispensable requirement for the importation of strategic commodities that are needed to support key sectors of the economy.

12.2 Accordingly, the Reserve Bank is pleased to further **unveil opportunities** to holders of

foreign exchange to contribute to the National cause, whilst at the same time, earning unparalleled returns on their money.

12.3 With immediate effect, therefore, the Reserve Bank of Zimbabwe has introduced the **Strategic Commodities Imports Bond (SCIB)** with the following key features:

13. FEATURES OF THE SCIB

A: PURPOSE

13.1 The resources are earmarked for the importation of the following Strategic commodities:

- (a) Fuel (diesel, petrol and Jet A1);
- (b) Food (maize and wheat);

- (c) Fertilizers;
- (d) Agrochemicals (veterinary and crops);
- (e) Generators, Agricultural Mechanisation and Irrigation;
- (f) Medicines;
- (g) Mining mechanization, working capital and resuscitation programmes; and
- (h) Other Strategic Imports, including raw materials for the manufacturing sector, infrastructure development, transport enhancement, increased energy supply and conservation, as well as technologically driven value addition programmes across the economy.

B: MODE OF PAYMENT/SUBSCRIPTION

13.2 Payment to the Reserve Bank for the bond can be in foreign exchange (cash or Telegraphic Transfer) or **in kind**, goods and commodities in the form of one or more of the listed strategic imports itemised but not limited to the above.

13.3 What this means is that those with capacity to use their own resources to import the listed commodities can do so, from whatever source of legal funds they have, on a **NO QUESTIONS ASKED BASIS**, so long as they obtain prior approval to import items specified above for the country under this national programme which goes up to 31 March, 2009.

TENOR OF BOND

13.4 The tenor of the bond is 180 days (6 months).

RETURN (INTEREST RATE)

13.5 The bond will yield an effective return of 15% in US\$ terms, on amount invested, with interest and capital being repaid on maturity.

REPAYMENT CAPACITY AND ALTERNATIVES

13.6 In order to guarantee full repayment of the amounts invested in the bond, or equivalent value in foreign exchange as injected in the form of specified commodities, the following repayment alternatives are available:

- (a) Foreign currency pay-out upon maturity, backed by an irrevocable Reserve Bank guarantee;
- (b) Shareholding in selected listed and unlisted counters on which the Reserve Bank, through its subsidiary companies holds shares.
- (c) Certificates of **authority** or entitlement to buy tobacco and cotton in local currency and export it with 100% retention allowance for the underlying foreign exchange so earned from the sale;
- (d) Equity conversion in joint venture projects in the area of mining. The bond pay-out, thus, would entitle to the holder pre-agreed equity in joint ventures with Government or Reserve Bank;

- (e) Coal fines from Hwange. Currently they are 5 million tonnes of this product available for processing and takeover valued at not less than US\$250 million after processing which requires machinery costing less than US\$5 million!;
- (f) Iron fines. Currently they exists not less than 5 million tonnes of this product at ZISCO in need of minimal value-addition prior to export!;
- (g) Raw coal;
- (h) Homelink Houses/Housing development land;
and.
- (i) Raw Chrome.

REMITTABILITY

13.7 The amounts (or value in commodities) as invested in the SCIB, together with the return can be repatriated to any offshore destination of the investor's choice upon maturity.

WHO CAN PARTICIPATE

13.8 The SCIB, which is issued in multiples of US\$50 000 with a minimum subscription of US\$100 000, is open to the following clusters (target market):

- (a) Zimbabweans in the diaspora;
- (b) Resident Zimbabweans (natural persons or corporates) with free funds;
- (c) Willing and able regional and international investors; and

(d) NGOs and any other holders of FCAs.

13.9 Other preferential access into the Zimbabwean economy will be agreed between the Reserve Bank and investors under this programme.

13.10 It is imperative to note that the target investors as listed above can effect their Bond Purchases freely with very minimal procedural/clearance requirements.

14. THE PROCEDURE

14.1 In order to participate, interested investors can submit their bid applications, indicating the foreign exchange amount or basic commodities they are willing and able to support, or the foreign exchange amount they wish to invest.

14.2 All correspondence is to be addressed to the following address; clearly marked “**Strategic Commodities Importation Bond**” (SCIB):

The SCIB Administrator
The Reserve Bank of Zimbabwe
Box 1283
Harare
Telephone: (04) 703000

14.3 On receipt of the bid forms, the Reserve Bank will then directly operationalise the transaction, dealing directly with the applicants on a bilateral basis.

15. START DATE

15.1 The Strategic Commodities Importation Bond is with effect from today the 10th of September, 2008, and would remain open through to 31 March, 2009.

15.2 All interested applicants must, therefore, take advantage of the value-adding investment opportunities.

16. ANTI-CORRUPTION/ANTI-MALPRACTICE REWARD SYSTEM

16.1 In order to deepen the current fight against corruption and indiscipline in the economy, the Reserve Bank is reviving the Whistle Blowers' Fund which would benefit those who come forward with credible information.

16.2 Special payments will also be made to members of the Zimbabwe Republic Police who excel in flushing out corruption and other malpractices in the economy.

16.3 The structure and reward modalities will be announced in due course once the on-going consultations are completed.

INFORMATION BOXES

16.4 In order to complement the market information collection systems already in place, the Reserve Bank will also scatter information/suggestion boxes nationwide.

16.5 Stakeholders should provide as much detailed information as possible on how best to improve our national policy programmes, as well as

providing critical market intelligence on malpractices being committed by unscrupulous economic players in our markets, particularly the banks where Tellers and Treasury Department staff as well as Security Guards manning queues have become the major foreign currency dealer agents or participants themselves through manipulating RTGS traffic flows, transfers, teller cash, interconnected or fake deposits among other malpractices to the detriment and inconvenience of the transacting public.

SUPPORT TO THE GOLD SECTOR

16.6 In order to give impetus to the gold sector, the Reserve Bank shall, with effect from 1 September, 2008 pay the interbank exchange rate plus a delivery bonus of 150% in local currency, to all producers of gold.

16.7 Under the measures unveiled herein, greater focus will be put on in the capacitation of the gold sector through tailor-made mechanization programmes.

SEED MAIZE PRICE

16.8 The Reserve Bank is also pleased to announce a further enhancement of the seed maize price from the current \$13 500 per tonne to \$20 000 per tonne, back-dated for all 2008 deliveries.

17. CONCLUSION

17.1 You will have noticed that in my presentation today I have not referred to **SANCTIONS**; I have not referred to the **WEATHER**; I have not referred to the **INACTION** of this Government

department or that Ministry or that Parastatal, be it in the Mining Sector or Transport as the cause of our difficulties much as it is tempting to do so.

17.2 Instead, I have focused on what needs to be done, on proposed solutions rather than the problems. I have also not mentioned the Political Stalemate we are experiencing as the cause of our difficulties.

17.3 It seems clear to me, as it should to many of you here and many outside, that you cannot change what you have no power or authority to change.

17.4 Much as we want and wish Sanctions to be removed so that we can get on with the task of rebuilding our economy, is there anyone of us who can get that changed other than President

George Bush, Prime Minister Gordon Brown or any of those imposing those sanctions?

17.5 Can anyone of us force ZANU (PF), MDC-T, or MDC-M to commit themselves to what each one of them might not want to?

17.6 Can we influence climatic conditions to be more favourable to us in the face of Hurricane this and Hurricane that or in the face of the global warming phenomenon?

17.7 Yet with all these imponderables, you and me, your mother and my mother, your father and my father, sister and brother must still survive and be able to go through the winds of the next day.

17.8 This is where you and I come in, with no other influence except in those areas under our formal

and active jurisdictions – our workplaces, our individual behaviours, our villages, our provinces, our churches, or any other spheres in the span of our individual or collective control.

17.9 What nobody can take away from us is the fact that we are a Nation of many talents and that in itself is not necessarily good or bad depending on how we apply those talents.

17.10 We implore our Politicians to use their talents wisely and for the benefit of every loyal but suffering subjects they are supposed to be representing.

17.11 While they are busy ignoring the above, we must do whatever it takes to improve our economy, boost productive capacity of our industries, our mines, tourism and agriculture.

17.12 Let us get on with it – politicians will join us later when they have exhausted their talking talents.

17.13 For now, let us commit to the non-collapse of our economy no matter what. Let us get on with it with or without their Agreement!

17.14 **Zimbabwe must come first, and Zimbabwe must survive.**

17.15 In God's hands I place our journey to betterhood!

17.16 I thank you.

DR G. GONO
GOVERNOR
RESERVE BANK OF ZIMBABWE

10 September 2008