

**PRIME MINISTER OPENS  
ECONOMIC CONFERENCE**

**SEPTEMBER 1, 1980**

**ZIMBABWE**



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**The following is the text of a speech by the Prime Minister, the Hon. Robert Mugabe, when he opened the International Economic Resources Conference on Zimbabwe, at the Seven Arts Theatre, Salisbury, on September 1, 1980.**

It is with great pleasure that, on behalf of my government and the people of Zimbabwe, I welcome you to our newly independent country and in particular to this Economic Resources Conference. Some of you, doubtless, have had the opportunity to come to Zimbabwe for brief visits or merely during stop-overs. For others, this may be your first call. Whatever your experiences may be, may I say again, welcome and I wish you an exciting, fruitful and enjoyable stay.

It is just four months ago that the people of this country elected its first African majority government and obtained its legal independence. In those four months, Zimbabwe has gained entry into various international and regional groupings within the community of nations, culminating in our historic admission into the United Nations as the 153rd member last week. The fact that these major and significant developments should have taken place in so short a time after the attainment of our independence is a clear demonstration of our determination to play our part and make meaningful contributions to the search for solutions to the international and regional problems of the world. Let the clear message, therefore, go out to the world's political, industrial, economic and financial corners that Zimbabwe has arrived on the international scene determined to play its part alongside other nations of the world.

My government regards the holding of this conference, at this point in the nation's history, as a tremendous achievement on the part of its organisers. It is a significant and timely development in an already declared policy of my government to achieve economic self-reliance.

For 15 years, this country has been shunned and cut off from the community of nations because of the folly of a handful of racist politicians. The imposition of sanctions together with our war of liberation made trading difficult and only clandestine deals by the former illegal regime were possible. Today, not only have we restored peace but business and other transactions can be

negotiated openly and I extend a sincere and friendly invitation to potential investors to come and invest in Zimbabwe.

It remains our honest and sincere belief that the world's investors are insufficiently aware of the resources and opportunities that await investment in this country. Our vast mineral wealth lies in the ground, awaiting exploration and beneficiation. The agricultural potential exists in an ideal climate which makes it possible, given adequate investment, to produce virtually anything for our own domestic food requirements as well as for others beyond our borders. In the industrial sector we are fortunate in having an extensive and sophisticated infrastructure backed by high level technology.

One major feature of our economy is the considerable degree of linkage between our primary and secondary industries, an aspect virtually unrivalled in many countries of the continent. For us, therefore, this conference represents one of the most comprehensive economic resources forums yet presented to the world. I have little doubt that the deliberations which will follow its opening today coupled with your own stay in Zimbabwe will bear ample testimony to our convictions and unbounded confidence in the future of our country.

Having said that, Mr. Chairman, Ladies and Gentlemen, I must, in the same breath, assure you that the government and people of Zimbabwe have taken office with a new determination to achieve the goals they have set themselves. We will not waver from the direction we have chosen to follow and while we are willing and prepared to share the benefits of the vast opportunities which exist, we cannot afford to wait for the rest of the world to drag us into its self-imposed complexities. We have a job to do and this job must be accomplished regardless of whether or not those who lured us along the garden path of ample aid fulfil their promises.

The most urgent and immediate task facing the Government is that of land resettlement and economic reconstruction within the country, to which government has assigned top priority. This priority is dictated not merely by moral and social considerations but also by the fundamental realisation that no development can effectively take place unless and until the vast human and capital resources of the country are properly developed.

I mentioned earlier our ability to achieve food sufficiency which has been a feature of this country's history. Not only is my government determined to maintain this pattern but also to improve on it so that our political independence does not become impaired by the scourge of starvation and food shortages. Our expertise and agricultural performance thus far, I am happy to say, show good prospects of our agricultural viability, a factor which must have influenced the recent Lusaka conference on economic regional co-operation to make Zimbabwe responsible for the food security plan of the entire region.

The vast majority of the poorer sections of our people are found in the rural areas — traditionally referred to as the Tribal Trust Lands. It follows, therefore, that the greatest potential strength this country has, lies in the enlightened development of these areas. They represent to us, in a unique way, the means by which we can fulfil the essential objective of our strategy as well as the opportunity to develop this land to its fullest potential. The concentration of human, financial and other resources therefore into these under-developed areas of the country can, in my opinion, solve the existing problems and realise at the same time, the following objectives:

- A balanced development of the country and its economy;
- dramatic improvement in the standard of living of the majority of the poorer people and general improvement of living standards elsewhere;
- the provision of wider domestic markets for our local industries, as well as some local inputs for home industries;
- the substantial easing of the unemployment problem and the narrowing of the enormous income differential as well as ensuring that the benefits of development are equitably shared by all sections of the community.

The Government of Zimbabwe remains committed to a socialist egalitarian democratic society which recognises the collective interest and collective demands, but which is anchored firmly by the rule of law and respect for individual rights and freedoms. In guaranteeing these rights and in pursuit of the fulfilment of our socio-economic objectives we, as a government, have also made it clear that private initiative and private enterprise have

an assured and significant role to play in the economy of the country. Furthermore, it is our wish and desire that private industry will not only carry out its plans in ways which are consistent with those of government but also that such plans will recognise, in their practical application, the social aspirations of the people of Zimbabwe.

Given the acceptance by private enterprise of state objectives and priorities, my government will refrain from imposing its will upon it. Private enterprise from outside must, however, lend itself to substantial local participation and management and, while it retains the right to remit its dividends and profits, ensure that substantial percentages are re-invested. Government, however, is of the view that certain aspects of the economy and certain industries are of such vital and strategic importance to the country, that its own participation should be required. An example is energy, in the production of which the government feels it has a duty to participate.

*Harange  
Paw  
Stalin*  
*to carry the full burden??*

In instances where Government decides on participation, it will be prepared to consider arrangements such as equity share holdings, joint ventures or even agreements with private interests. Setting apart certain strategic areas, government is prepared to consider offers of participation on suitable and acceptable terms from private industry in other spheres.

It is a natural projection of our independence that the people of this country expect that a substantial measure of participation and control of the economy should be in Zimbabwean hands. We also believe that there should be local incorporation of internationally owned companies and businesses operating in this country. This should be interpreted as nothing more than a sign of good faith and a demonstration of mutual trust.

In achieving these aspirations, government is fully cognizant of the fact that time will be required to put any such measures into operation and that more precise details setting out clearly defined principles will be necessary. To this end, the Minister of Economic Planning and Development is currently working out government economic policy which will include investment policy, aspects of which have already been enunciated by the Minister of Finance in his budget speech. In his recent budget speech, the Minister of Finance clearly revealed the acceptance by government of the principle of the remittability of dividends and other funds. Govern-

ment also demonstrated its practical willingness to permit a measure of remittances consistent with our foreign exchange and balance of payments position. We are prepared to continue to accommodate investors in this way within the parameters of the constraints imposed upon us.

To those of you who may be wondering how it may be possible to meet any demand for local Zimbabwean participation, let me remind or inform you that the mechanism of the Zimbabwe stock exchange exists and has the potential to meet such requirements.

Zimbabwe has an economy which is emerging from a long and bitter war. A number of its industries and companies were established as import-substitution industries in response to sanctions. Sacrifices of foreign exchange, regulatory and other controls which were features of the war largely remain, offering protective barriers against competition from outside.

Immediate abandonment and easing of these measures could have serious economic and employment consequences for us. Nevertheless, I want to assure you that government is concerned that the economy should be eased away from a war to peace time footing at a rate which it can tolerate and at a speed which is consistent with our objectives.

Government is not keen to provide protection for investors or for particular activities on an individual but rather on a general basis as it believes that this is the most efficient and appropriate way to conduct business. In this connection, plans will soon be put into operation to bring the country's tariff nomenclature under the customs co-operation council nomenclature and the United Nations statistical standards. Part of the exercise will also involve a complete examination of the whole of our tariff rate system with a view to bringing it into line with our own development level and with our neighbours in the context of our regional participation.

Government stands ready to minimize the costs of high risk investments by helping to provide infrastructure utilities and other services where investments are in desirable areas and are consistent with its own development objectives and priorities.

A systematic, planned approach to the problems of development of this country is a cornerstone of the economic strategy of

any government. In this context, a large measure of industrial centralisation will be necessary and required as part of our balancing effort in the country's development and industrial growth. We are fully conscious of the fact that private industry needs to be brought into close consultation and collaboration with government in the whole process of our development and planning. Government will be making its specific intentions known at the appropriate time.

It is important to remember that this country occupies a strategic geographical, political, and economic position in this region of Africa. Our determination and willingness to play a role that benefits our position is clearly demonstrated by development since Zimbabwe's independence. Already numerous agreements, some of which I have already touched on, have been signed with our friendly neighbours and details of specific schemes and projects of co-operation have also been worked out. It is our clear intention, not only to significantly contribute to the opening up of opportunities for development in this region, but also, and equally important, to provide a sound, durable and conducive framework within which industry can operate and prosper.

I hope that what I have said today gives you the reassurances of the good and genuine intent of my government; Zimbabwe has the necessary economic infrastructure and a healthy and agreeable climate. More than that Zimbabwe is now a peaceful country with a great potential and good opportunities for future investment. We do hope that after this conference you will come out here and help us make this country the pride of Africa and the rest of the world.