

## Zimbabwe's company grab to start with mining: Minister

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Zimbabwe's mining sector will be the first target of the country's drive to force foreign firms to cede a majority stake to locals, the indigenisation minister said Tuesday. "I am happy to announce that government has unanimously decided that implementation of our indigenisation policy (will) start with the mining sector," Saviour Kasukuwere told journalists.

Under the indigenisation law, which came into force on March 1, foreign-owned firms valued at 500,000 dollars (371,000 euros) or more must cede at least a 50 percent stake to local owners. Firms had been given 45 days to report their efforts at complying, but Kasukuwere said the deadline has been extended to May 15.

The biggest targets include local subsidiaries of British banks Barclays and Standard Chartered, as well as mining companies such as Impala Platinum, Anglo Platinum and Rio Tinto. Kasukuwere said some mining houses had prejudiced the state by sending money abroad without authorisation. "They were externalising as much as 280 million dollars. These funds are badly needed here," he said. He said more than 400 companies have already taken measures to comply with the law.

President Robert Mugabe has defended the regulations as a measure to correct the economic imbalances created by Zimbabwe's colonial past. But Prime Minister Morgan Tsvangirai, Mugabe's partner in a power-sharing government formed last year, has complained the regulations were crafted behind his back and passed without his approval.

Zimbabwe is still struggling to recover from an economic collapse that saw the country grind to a halt in the face of record-setting hyperinflation, a meltdown caused in part by Mugabe's policy of seizing white-owned farms. Analysts have warned that the indigenisation law could put the country's nascent recovery at risk. In the first month after the law was published, Zimbabwe's stock market fell about 10 percent, while mining shares dropped 20 percent.