

Minister "made mistake" says Mugabe

Zimbabwe President Robert Mugabe said his minister in charge of indigenisation, Saviour Kasukuwere, had made a "mistake" in striking an R8.3bn empowerment deal with Impala Platinum and he questioned whether the company should be paid for transferring a 51% stake to local owners.



In an interview broadcast on state television on Friday (1 March) to mark his 89th birthday, Mugabe said he was unhappy with the repayment terms for the transfer of a 51% stake in Implats' subsidiary, Zimplats, to local Zimbabweans which will be vendor financed by the company.

Zimbabwe has passed a law obliging foreign-owned companies to be 51% owned by black Zimbabweans. Zimplats, which is 87% owned by JSE-listed Implats, has been one of the most high-profile groups involved in the process.

Mugabe said he was not satisfied with the terms of the deal, which will transfer to a community and to an employee trust 10% each of Zimplats and a further 31% to the state-owned National Indigenisation and Economic Empowerment Board once the conditions of the deal have been resolved by June this year.

The repayment of US\$971m for the shares would come from Zimplats' dividend flows.

"The problem is that Zimplats gave us 51% shareholding saying they were loaning us the money and then we would have to pay them back. That is where our differences are," Mugabe told *Zimbabwe Television*.

Mugabe said the minerals belonged to the state and it should not have to pay Zimplats.

"I think that is where our minister (Mr Kasukuwere) made a mistake. He did not understand what was happening and yet our theory is that this is our resource and that resource is our share. That is where the 51% comes from," he said.

There has been scepticism about the government's sincerity in fulfilling its requirements under the Zimplats agreement.

These include payment for the shares, lowering mining fees and mineral royalties as well as making a US\$153m payment for the 51-million ounces of resources released by Zimplats for empowerment credits in 2006. Zimplats received no recognition for these returned resources.

Zimplats has 30 days from 1 March to appeal against the gazetted seizure of 27,498ha of the company's tenements, which are set to be given to five new investors.

"We are considering our options and will protect our rights," Implats spokesman Bob Gilmour said on Monday (4 March), declining to comment on what Mugabe said.

Zimbabwe economic analyst Jeffrey Kasirori said foreign-owned mining companies in Zimbabwe were facing increased uncertainty in the run-up to presidential and parliamentary elections, widely expected in July.

Source: *Business Day* via I-Net Bridge

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