

Mugabe to step up grab of SA, foreign companies

DUMISANI MULEYA
Harare Correspondent

SOUTH African and other foreign-owned companies are expected to come under growing threats of seizure in Zimbabwe after President Robert Mugabe launches his "anti-sanctions campaign" tomorrow as part of his new election drive.

The threats could reverse Zimbabwe's nascent economic recovery and push the country back onto a slippery slope.

Investors worried about Mr Mugabe's indigenisation laws have been watching closely. Some have frozen their investment plans, while others have beaten a hasty retreat, as shown by capital flight.

Mr Mugabe said on Saturday at his 87th birthday celebrations that he wanted the campaign to take over foreign-owned companies to be intensified.

He specifically urged Indigenisation Minister Saviour Kasukuwere to move quickly to take con-

trol of foreign companies, starting with nutrition giant Nestlé.

The Swiss multinational ran into problems with Mugabe's Gushungo Dairy last year after refusing to buy his milk under international pressure connected to sanctions.

"Nestlé refused to buy milk from Gushungo dairies. I told Kasukuwere to begin with them and say he was sent by Gushungo."

Mugabe's calls could open floodgates for the seizure of foreign-owned businesses.

Mr Mugabe urged his minister also immediately to target platinum producer Zimplats, which is owned by SA's Impala Platinum.

Implats has submitted plans for meeting indigenisation demands and is in talks with the government. A spokeswoman declined to comment on Mr Mugabe's latest pronouncement, saying, "It's a very sensitive issue for us."

Implats CEO David Brown said at a results presentation last month it wanted clarity on how indigeni-

sation would be carried out. It has outlined suggestions for an equity portion, release of mineral rights back to the state and investment in social and infrastructure projects.

Pretoria Portland Cement CEO Paul Stuiver said yesterday: "There is a procedure for industries to get together and negotiate with the ministers concerned regarding indigenisation. By no means is it a grab or fait accompli — it's a process in motion." *With Allan Seccombe and Mark Allix*