

Seizing opportunities in Zimbabwe's new era

Following the events of November 2017, there has been a seismic shift in the political and business environment underpinned by the new maxim 'Zimbabwe is open for business'. As a result of a PR offensive by President Emmerson Dambudzo Mnangagwa, Zimbabwe has seen an upsurge in investment conferences across various sectors as investors seek to understand the potential investment opportunities available.

By [Never Ncube](#) 19 Jul 2018



Never Ncube is the newly appointed Chief Executive Officer of Dandemutande.

These and other efforts have already led to the government securing some US\$15 billion worth of investment commitments from foreign investors to date, while the diaspora community express renewed interest in working with a new Zimbabwe.

Broad and necessary reforms have already been put in place to position Zimbabwe as an attractive investment destination including the effective repeal of key areas of the Indigenisation Act such that with the exception of the mining sector (specifically extractive mining of diamonds and platinum), any investor can now acquire or control business without limitation on shareholding.

Significant changes have also been made to the Electoral Act to allow for the provision of free and fair elections, while the government has also committed to inviting international observers to witness future elections in the country.



DIGITAL

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Locally there has been an upsurge in capacity utilisation and overall industrial growth. While the country does continue to experience cash liquidity shortages and foreign currency availability continues to be constrained, the government is active working to normalise the situation as much as possible to create a productive business environment for local and foreign investors alike.

Communications

Zimbabwe's economic progress will hinge on the provision of world class connectivity and communications solutions within the corporate and business sector, and as a matter of course should include enterprise grade MPLS, VSAT services, fibre, WiMAX, cloud solutions, server hosting and software licensing, data centre operations, intrusion prevention solutions,

communications and IoT solutions.

Like many other developing nations, Zimbabwe is undergoing a transition from an agriculture and manufacturing based economy to one focused primarily on the service sector.

Zimbabwe's own transition to a service-based economy has partly been caused by the economic meltdown that saw an 80-90% unemployment rate in the formal sector and an upsurge in freelancers, entrepreneurs and small-to-medium-sized enterprises, which in turn has led to an ever-increasing move to the digitalisation of services.

Just one example is the extreme cash shortages which resulted in a shift in the provision of financial services from physical transactions to online transactions. There has also been an increase in online mobile financial services.

Insurance can now be bought online and in the tourism sector it is now possible for customers to book and pay online for hotels, restaurants, cruises and the like.

There is no doubt that as the economy opens up Zimbabwean business will need to respond to the disruption technology is causing globally and the change in customer tastes and preferences. The promotion of tech and innovation hubs will also be crucial in aiding the growth of a thriving service-based economy.

Inclusive

While corporate connectivity will provide the foundations of a growing economy, the provision of technology solutions within the SME sector will ensure Zimbabwe's growth path is as inclusive and wide-ranging as possible.

Current statistics indicate that about 80% of the Zimbabwean economy is in the hands of small business across a range of sectors from mining, exporting and agriculture to manufacturing and online marketing. Taken together, these businesses form an integral part of the economy and have become one of the largest sources of employment in Zimbabwe; employing 60% of the country's workforce while contributing around 50% to the GDP.

There is now a renewed and deliberate effort by government to formalise the operations of players in the SME market and the seed-bed of business growth, innovation and employment creation, this segment of our economy now offers a lucrative segment to which ISPs can offer their services. By way of example, Dandemutande's core strength is its provision of enterprise grade connectivity to the corporate market and we are now extending this capability to the SME market. Through Utande we offer a suite of products that speaks directly to SME requirements for cost effective, reliable internet services, consultation to optimise business processes as well as efficient process and systems sensitive to the time and cost constraints of SME's.

In order to fully take advantage of Zimbabwe's growth prospects, small businesses will need to harness the full range of digital technologies to achieve true competitiveness and long-term sustainability.

Rural connectivity

In addition to the opportunities for growth within the SME sector, rural connectivity rightly remains a key focus area for governments across the continent. Zimbabwe is no different and efforts to bridge the divide between rural and urban access to technology is one of the key focus areas of the Zimbabwean government's Post and Telecommunication Regulatory Authority (POTRAZ), which this year intends to reduce the terrestrial coverage gap by at least 25% through strategic partnerships with licensed operators. Going forward we can expect to see more active participation in connecting rural communities through deployment of VSAT solutions either through government-related initiatives and direct to market solutions, particularly in the education, mining and agricultural sectors.

As further investment becomes available there will be even more opportunities for providers to play a key role in connecting rural communities to aid in economic growth in Zimbabwe.

While the country certainly has its challenges to overcome, there is definite interest in the opportunities technology can

create to grow Zimbabwe's foothold in a globally connected economy, and this includes IoT and fibre.

While Zimbabwe's depressed economy has possibly limited the uptake of IoT to date, it is clear that there is no way any economy can avoid it, so we expect greater developments in the coming years on IoT. Already there is a definite move towards embracing IoT and its revenue potential in all sectors including transportation, manufacturing, mining and agriculture.

One of the first sectors to drive the uptake of IoT are security-based solutions such vehicle tracking systems and household surveillance. There is also increased interest and uptake in RFID and satellite tracking solutions, advanced CCTV video analytics, telemetry, as well as building management systems.

At present fibre deployment has been limited to the main urban centres such as Harare and Bulawayo, however the demand for infrastructure and a country wide network has caused growth beyond non-traditional areas. A major thrust of POTRAZ is the sharing of infrastructure among licensed providers in order to enhance the fibre footprint in Zimbabwe.

Providers that embrace this strategy and take further steps to deploy their own fibre are far more likely to enjoy a greater share in what will be a growing market for some time to come.

Overall, the new growth trajectory for Zimbabwe will allow first-rate service providers to increase their local and regional footprint through the provision of quality connectivity products that support large corporate and business customers while also being conscious of new opportunities in a burgeoning SME sector looking towards a brighter Zimbabwean future.

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