



INTERCONTINENTAL TRUST

International Tax & Management Services

INTERCONTINENTAL TRUST NEWSLETTER

VOLUME 6 - ISSUE 12

MAURITIUS BECOMES THE LARGEST INVESTOR IN ZIMBABWE

Mauritius is currently topping investment inflows into Zimbabwe with a commitment of over USD 3.4 billion for the past two years. Proposed projects are mainly in the sectors of mining, manufacturing and services.

The 3 countries with the highest investment pledges in Zimbabwe are:

Country	Amount	Ranking
Mauritius	USD 3.4 Billion	1 st
China	USD 1.7 Billion	2 nd
South Africa	USD 0.4 Billion	3 rd

The figures clearly demonstrate how investors are familiar with the Mauritius solution.

Investment Opportunities in Zimbabwe

The Zimbabwe Investment Authority (“ZIA”) continues to receive investment pledges from various countries globally, with the past nine months recording USD 350 million worth of proposed investments. Among the proposed investments, there are 40 mining, as well as 33 manufacturing projects. This USD 350 million proposed investments have a potential to create over 4,000 jobs.

Investment incentives mostly in the form of tax incentives are available, aiming to make Zimbabwe an ideal investment destination.

Opportunities across different sectors are as follows:

Opportunities in the Agricultural Sector

- National Irrigation Rehabilitation and Development Programme.
- Rehabilitation of Cattle Infrastructure.
- Small Stock Breeding and Multiplication Centres in Matebeleland South Province.
- Rehabilitation of Infrastructure for Animal Health Extension Services.
- Agro-Processing / Value Addition.
- Aqua Culture e.g. Binga Inshore Fisheries Development and Marketing.
- Improved Horticultural Productivity in Irrigation Schemes.
- Cotton Farming.
- Farm Mechanization Programs.
- Livestock Capacity Building.
- Pig Industry Board/Poultry.
- Matebeleland South Enhancing beef through paddock and rotational grazing in the Gwanda District.
- Dairy Development Project.
- Recapitalization of the Cold Storage Commission (“C.S.C”).
- Increasing Rice Production in Zimbabwe.
- Grain Marketing Board Contract farming for ground nuts, popcorn.
- Potato Farming.
- Contract Farming.

Opportunities in Infrastructure

Energy

- Enhancement of billing and collection system for Zimbabwe Electricity Supply Authority (“ZESA”).
- Rehabilitation of Hwange Power station.
- Kariba Power station-current repairs and maintenance.
- Transmission and Distribution network refurbishment.
- National Grid Rehabilitation.

Transport

- Roads
- Rail
- Air

Water and Sanitation

- Rehabilitation of water and sewerage plants, water distribution system for; and enhancement of billing and collection system including replacement of non-functional meters and installation for all new connections.
- Rehabilitation of Rural water supply and sanitation.



Opportunities in the Tourism Sector

- Development of Tourism Infrastructure that include resort towns such as Victoria Falls and Kariba.
- Tourism Development Zones which are in and around major centres of attraction such as Gonarezhou, Great Limpopo Transfrontier Park (“GLTP”)/Chiredzi and surroundings, Great Zimbabwe National Monument like Lake Mtirikwi and surroundings.
- Refurbishment of Airport Infrastructure in resort towns such as Victoria Falls and Kariba.
- Partnerships with local hotels for refurbishment of existing infrastructure.



Opportunities in the Manufacturing Sector

- Clothing and Textiles.
- Oil Processing and Milling.
- Chemicals.
- Metals and Minerals.
- Food.
- Timber and Furniture.
- Pharmaceuticals.

Opportunities in the ICT Sector

- Provision of Postal Services.
- Provision of Private Broadcasting Services.
- E-business.
- Software development.
- Rural communication (internet villages).
- Hardware assembling.
- Integrated solution planning.
- Multimedia development.
- Provision of Telecommunication Services.
- Provision of Media Services.
- Supply of digitisation equipment.
- Business process outsourcing.
- Data storage area networks.
- Call centers.
- Film industry and graphics.

Opportunities in the Mining Sector

- The sector has immense opportunities for investment as the country is endowed with vast range of minerals.
- About 60% of the country's land is said to comprise of ancient rocks renowned worldwide for hosting rich varieties of minerals resources including gold, base metals (e.g. Nickel, Copper, Zinc and Lead) and industrial minerals (Limestone, Phosphates, Clay and Dolomites) Zimbabwe has got the second largest deposits of platinum in the world.
- Other important geological environments include the famous Great Dyke—hosting platinum and chromite resources.
- Opportunities exist throughout the whole mining cycle from exploration, mining production, marketing and downstream industries.
- This ancient Achaean terrain hosts Kimberlites, some of which have diamonds e.g. in the eastern parts of the country-Murowa diamond deposits.
- Mashonaland Dolerite Dykes marketed as black granite, which is ranked as the best dimension stone (building stones) in the world.
- There are several sequences of sedimentary rocks, some of which contain significant amounts of coal, some with potential for Coal-bed Methane and kimberlites to host diamonds.
- There are some opportunities for joint venture partnerships on existing low capacity running projects as well as new ventures.



The Mauritius Advantage

Mauritius has rapidly developed itself as a major financial services centre in recent years and, is well positioned as a financial hub with salient features such as no capital gains tax, no withholding tax, no capital duty on issued capital, confidentiality of company information, exchange liberalization and free repatriation of profits and capital, and the distinct advantages of being a treaty-based jurisdiction with a substantial network of treaties and Double Taxation Agreement.

Specific Advantages for investments into Africa

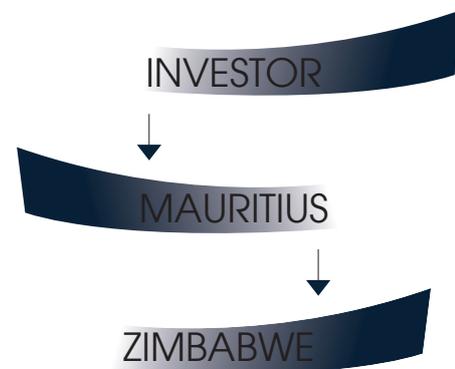
Choosing Mauritius as a platform to invest into Africa proves to be more beneficial than choosing a direct route.

Investing directly	Investing through Mauritius
No protection against nationalisation or confiscation of assets	Protection of investments under Investment Promotion and Protection Agreements (“IPPs”) with number of African countries
High withholding/capital gains taxes in African countries	Double Taxation Treaties (“DTA”) network No/low withholding taxes No capital gains taxes
No or limited preferential access to markets	Preferential access to markets through membership in major African regional blocs
Possible exchange controls	No exchange controls

Types of Companies in Mauritius

There are two types of global business companies in Mauritius - Category One Global Business Company (“GBC1”) and Category Two Global Business Company (“GBC2”). A global business company is one which conducts its business outside of Mauritius. While the GBC1 is resident for tax purposes in Mauritius and can thus avail itself of the benefits of the double taxation treaties signed by Mauritius, the GBC2 is tax exempt and is typically used where no tax treaty benefits are sought.

A typical structure may be as follows:



The Mauritius Company may be freshly set up in Mauritius or can be registered by way of continuation either as a GBC1 or GBC2 in Mauritius. ITL can assist in the formation or migration and administration of both categories of companies.

Sources: • Zimbabwe Investment Authority

Intercontinental Trust Ltd is regulated by the Financial Services Commission in Mauritius.

For any additional information please contact us.

Intercontinental Trust Limited ©
Email: info@intercontinentaltrust.com
Web Site: www.intercontinentaltrust.com

DISCLAIMER

The information in this brochure was prepared by Intercontinental Trust Limited to provide clients and potential clients with a broad overview of the opportunities available in Mauritius. While all reasonable care has been taken in the preparation of this brochure, Intercontinental Trust Limited accepts no responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on it. Readers are advised to consult with appropriate, qualified professional advisors before taking action. Intercontinental Trust Limited will be pleased to discuss any specific issues.