

SA not sweet on Zim plan to nab sugar firm's land

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by KENNEDY MAPOSA



Some Cabinet ministers, such as Finance Minister Patrick Chinamasa, are allegedly against the planned expropriation. Zimbabwe's reluctance to expropriate the land could have to do with the huge bill it accrued after losing some international lawsuits for forcibly acquiring farms or land protected by the agreements.

Zimbabwe government officials are allegedly debating whether to expropriate Tongaat Hulett's farmlands.

Tongaat Hulett is the subject of heated debate in Zimbabwe, where government officials are allegedly debating whether to expropriate the sugar company's farmlands, leaving it only with its milling operations.

Some Cabinet ministers, such as Finance Minister Patrick Chinamasa, are allegedly against the planned expropriation, saying it would disrupt efforts to revive the country's economy. He is said to be backed by several other ministers.

Tongaat Hulett, which wholly owns Triangle Limited and 50.3% of Zimbabwe Stock Exchange-listed Hippo Valley Estates, is seeking protection under the bilateral investment promotion and protection agreement signed in 2010 between Zimbabwe and South Africa. South Africa has apparently made it clear that it wants Zimbabwe to respect the agreement.

Tongaat Hulett also runs Mkwazine Sugarcane Estates in Mwenezi. Frank Stevens, the South African department of trade and industry representative in Zimbabwe, said this week: "We've not been approached by Tongaat Hulett yet, but the agreement [binding the Zimbabwe government] ... protects Tongaat Hulett."

Zimbabwe's reluctance to expropriate the land could have to do with the huge bill it accrued after losing some international lawsuits for forcibly acquiring farms or land protected by the agreements.

A Zimbabwean government official, who did not want to be named, said: "[President Robert] Mugabe is in support of the acquisition of Tongaat Hulett's land, but he is aware of the concerns from the South African government against such a move. Any deviation from that agreement would be unacceptable."

Amended agreement

South Africa has already conceded on earlier land grabs and the agreement between the two companies has been amended to read: "This agreement shall apply

to all investments, whether made before or after the date of entry into force of this agr to any property right or interest compulsorily acquired by either party in its own territor of this agreement."

Tongaat Hulett's Zimbabwe operations consist of 44 519 hectares, with a demonstrate excess of three million tonnes of sugar cane annually.

The company has allocated private farmers an initial 15 880 hectares of land through Farming Community Project.

Proposals seen by the Mail & Guardian indicate that officials from the Masvingo provi operations are based, want the government to expropriate 10 000 hectares for resettl

This would be incremental over the next five years until all the land is parcelled out.

The plan is that Tongaat Hulett would be left with the Triangle and Hippo Valley Estate whereas growing sugar cane is undertaken by indigenous farmers.

Planning to stay

Tongaat Hulett officials have declined to comment but, in May last year, the firm's chie said that the company plans to stay "in the country a long time and work with the peo

The company in the past has distanced itself from criticism of the Zimbabwe governm

An official from Masvingo province said the government is "seeing a gravy train".

"It's meant to benefit only the chiefs; it's nothing to do with resettlement of the landles claimed.