



# Indigenisation boosts PPC in Zimbabwe

By [Alistair Anderson](#)

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Pretoria Portland Cement (PPC) on Monday (19 November) said its Zimbabwean subsidiary Portland Holdings Limited (PHL) had received an indigenisation certificate from the Zimbabwean government.

Zimbabwe's Indigenisation and Economic Empowerment Act requires multinationals operating the country to submit an empowerment plan to satisfy a 51% indigenous Zimbabwean ownership requirement by October 2015.

PPC said there were a series of engagements between PHL and the Zimbabwe Government, through the Minister of Youth Development, Indigenisation and Empowerment, Saviour Kasukuwere. The engagements ended with the approval of an empowerment plan that complied with the indigenisation legislation.

Through PPC's secondary listing on the Zimbabwe Stock Exchange and an existing PHL employee share option plan, PHL was deemed to have a pre-existing indigenous shareholding of 21.4%.

To comply with the legislative requirements, an additional 29.6% equity in PHL would be sold to four indigenous parties. These are the PPCZ Special Community Trust, the National Indigenisation and Economic Empowerment Fund, the Employee Share Option Plan consisting of PHL employees and strategic equity partners. These strategic equity partners would have three current non-executive directors of PHL who were indigenous Zimbabweans.

"The indigenisation certificate acknowledges PHL's compliance with both the spirit and the letter of the Zimbabwean Indigenisation and Economic Empowerment Act," PPC said.

The empowerment plan would cost about US\$6.2m and will reduce PPC's earnings by a nominal value of two cents

In addition to this, PHL would donate US\$3m to the PPCZ Special Community Trust in order to expedite urgent community development projects.

Paul Stuver, chief executive of PPC said: "We believe that our plan is both practical and in the spirit of true indigenisation and economic empowerment.

"We see the Zimbabwe market as an exciting growth opportunity and expect our operations to approach full capacity over the next two or three years. This opens up further investment opportunities for PPC in Zimbabwe," Stuver added.

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