



Glitter gluttons:
Illegal gold-mining goes all the way to the top. (Photo: Stephen Tsorotsi)

Inside Zimbabwe's illicit gold trade

The precious metal is one of the country's most valuable natural resources. But only a small, politically-connected cabal benefits.

**Stephen Tsoroti
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Nestled between scenic mountains, Mazowe, 38km north of Harare, is a modest, nondescript town. Gold has been dug from the surrounding areas for more than a century, with activity rising and falling along with the gold price.

In 2018, the area was besieged by more than 100,000 artisanal miners from all over the country, all scraping the earth for

any sign of the precious metal.

It is hard, difficult work. Felix Mauto, 25, is from Madziva, a small town northeast of Mazowe.

“We heard about the gold rush and came here with my brother and two friends,” he says. “We have been working in the tunnels at Jumbo Mine shafts at night. In order to get into the shafts, we pay the police a fee of US\$20, and another \$20 when we get out of the mine collieries. Sometimes our ancestors smile on us and

we get the ore that gives good money. It's hard work in the shafts, a lot happens there, but what else can we do? We need money; there are no jobs back home."

On a good day, Mauto could make up to US\$120. But the big money goes elsewhere – all the way to the top.

A murky business

Details about how the gold trade in Zimbabwe works, and who profits, are scarce. Every now and then, however, legal proceedings shed some light on a murky world that implicates some of the country's most senior officials.

In 2003, for example, current president Emmerson Mnangagwa – he was the speaker of Parliament at the time – was accused of receiving eight million Zimbabwean dollars from an illegal gold miner.

The allegations emerged during the prosecution in the high court of Mark Mathew Burden, who was accused of trading in gold without a licence.

That was nearly two decades ago, but a detective with the Zimbabwe Republic Police says not much has changed over the years.

He has asked us not to publish his name, but says he used to be stationed at the Mines and Mineral Marketing headquarters in the Msasa Industrial Area and Harare International Airport.

"The illicit dealings have been happening over the years," he says. "The actors are 'big people' who are 'untouchable'."

He claims the gold-smuggling cartels include politicians at the highest levels in the government: "At airports, you can receive a phone call from these big people ordering you not to search their bags when they come through. Fail to conform, you are either transferred or [framed] for smuggling out contra."

This account is echoed by none other than Zimbabwe's prosecutor-general, Kumbirai Hodzi.

Much to the displeasure of the ruling



Worth its weight:
An artisanal gold miner loads up a grinding, separating and sorting machine. (Photo: Bloomberg)

party – which has denied his claims in no uncertain terms – he says the Zimbabwean state has been captured by organised crime networks, including gold smugglers.

“Corrupt cartels, responsible for most serious organised crime, are very active in the smuggling of precious metal like gold,” he says in a telephone interview. “They make sure they are not discovered and frustrate the prosecution and the work of law agents.”

Transnational links

Once the gold ore has been illegally extracted from Zimbabwe’s earth, and once it has been processed in its mills, it must be sold and transported out the country. In return, precious foreign exchange flows in.

In 2018, gold and cash to the value of \$5-million was seized at Harare’s Robert Mugabe International Airport. It was allegedly being carried by Kamlesh Pattni, a Kenyan trader, and four others associated with the Dubai-based gold trader Suzan General Trading.

Pattni was arrested, according to police spokesperson Charity Charamba, but released without charge shortly afterwards. He denies he was ever arrested, and denies any involvement in gold trading in Zimbabwe.

But Fredrick Kunaka, an official of Fidelity Printers and Refiners (FPR) – a subsidiary of the Reserve Bank of Zimbabwe – said that Suzan General Trading had a licence to buy gold from FPR.

“Suzan was running a small band

of dealers bringing in \$16-million to \$20-million monthly to buy gold from artisanal miners,” Kunaka told a local newspaper.

In theory, Zimbabwe has strict regulations governing the buying and selling of gold. In practice, however, these regulations are often flouted both by government and businesses.

A growing trade

In 2017 and 2018, gold production from artisanal and small-scale miners in Zimbabwe eclipsed that from large-scale miners. That trend continues: the latest gold delivery data from the FPR shows that, in 2019, artisanal and small-scale miners accounted for 63% of the total 27,650.26 kilograms of gold bought by the state entity.

This is good news for the illicit networks that benefit from small-scale mining activity; but bad news for the country, says Tendai Biti, a former finance minister and current chair of Parliament’s public accounts committee.

“The regime turns a blind eye to the illegality in the quest for foreign currency. Artisanal miners are producing more gold than companies,” he says. “They receive greater incentive from the government. Many of the big miners are now going through them.”

“There is so much corruption everywhere,” adds Biti. “As a parliament, we are overwhelmed.” ■

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