

#ZimIndustry_Insights

OLD FACTORIES, NEW FEARS

– PART ONE

27 October 2025

“Building a new plant is like refuelling a plane on the ground while turning around an old one is like refuelling it mid-air. Both require precision, but only one allows for calm conditions.”



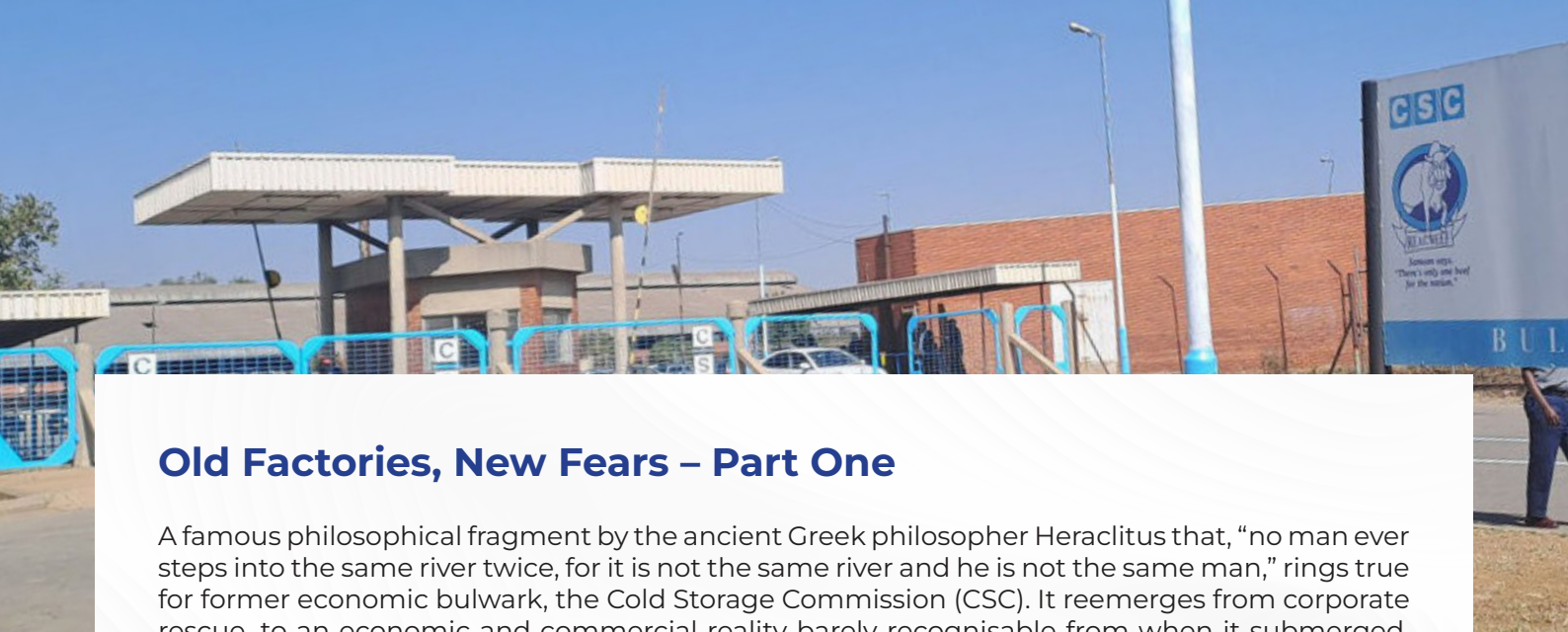
Kevin Msipha

Value Chains and Sectors Coordinator



CZI

Enterprise Leadership Service



Old Factories, New Fears – Part One

A famous philosophical fragment by the ancient Greek philosopher Heraclitus that, “no man ever steps into the same river twice, for it is not the same river and he is not the same man,” rings true for former economic bulwark, the Cold Storage Commission (CSC). It reemerges from corporate rescue, to an economic and commercial reality barely recognisable from when it submerged. Its revival owes much to a surfeit of will from its benefactor, the state. Beneath the cautious optimism however, belies a quieter reality, private investors shorn of sentiment unlike the state are increasingly choosing to build new plants rather than resuscitate the old. According to ZIDA investment approvals, over 65% of new industrial investments registered between 2018 and 2024 were greenfield projects, particularly in food processing, chemicals, and construction materials. In this first instalment we review a number of factors driving this investor decision.

The Hidden Cost of Legacy

Old industrial assets can be deceptively expensive. What begins as a “cheap acquisition” often ends as a costly rehabilitation. The real bill surfaces when investors must replace obsolete machinery, rebuild electrical systems, or retrofit effluent plants to meet EMA and SAZ standards. In many cases, refurbishment costs reach 60–80% of new-build expenses, yet yield lower efficiency and higher maintenance risks. EMA estimates that environmental compliance retrofits can raise plant rehabilitation budgets by 10–15%, due to obsolete

spares, imported machinery prices, and energy-inefficient layouts.

Beyond the physical, the financial legacies are equally daunting, inherited debts, unpaid taxes, and pension arrears complicate transactions. Greenfields, by contrast, offer balance-sheet purity, fresh SPVs, clean land titles, and eligibility for ZIDA incentives, including tax holidays and capital allowances.

Modern Efficiency and ESG Compliance

Many older plants were designed for volume production under import-substitution models, not modern lean or modular production. Retooling them for today’s lean, automated, and sustainable manufacturing models is prohibitively complex. New plants, however, are “green by design,” they integrate solar energy, water recycling, and digital monitoring from inception, key requirements for ESG-aligned financing from institutions like IFC and Afreximbank. The IFC’s 2022 Zimbabwe Green Manufacturing Diagnostics found that firms adopting modern, energy-efficient equipment reduce production costs by up to 25% through savings on electricity, water, and maintenance.



Sunway City Industrial Park



Msasa



Workington



Belmont

Strategic Geography and the New Industrial Map

It's also a question of infrastructure. Older industrial zones, Msasa, Workington, Belmont, suffer from unreliable power and outdated logistics. New industrial parks like Sunway City Industrial Park provide stable utilities, road access, and proximity to corridors, giving greenfields a structural advantage. The spatial logic of industry is shifting. Investors no longer see value in clustering within decaying inner-city industrial zones. Instead, they're relocating toward logistics corridors and renewable-energy nodes, near Harare–Mutare, Beitbridge, and Shurugwi.

Regulatory and Incentive Asymmetry

The laws, too, are quietly on the side of the new. The ZIDA Act and Special Economic Zones framework shower greenfield investors with incentives, from 10-year tax holidays and duty-free capital imports to fast-track permitting and flexible profit repatriation. Those who choose to retrofit old plants rarely qualify for these benefits. Instead, they inherit outdated EIAs, environmental violations, and slow-moving bureaucracies. The system rewards the new, but punishes the persistent. This policy asymmetry partly explains why Zimbabwe's industrial rebirth is physically visible in earth moving equipment and scaffolds, not in the reopening of long-shuttered factories.

The Capital Drought for Turnarounds

Ultimately, the preference for greenfields points to a deeper failure in Zimbabwe's financial ecosystem, a critical lack of patient, risk-informed capital. Reviving a distressed company is a complex art, requiring debt restructuring, operational overhaul, and cultural renewal. Only three registered corporate rescue practitioners have successfully concluded major industrial turnarounds since the introduction of the Insolvency Act in 2018, highlighting a serious shortage of restructuring expertise. To borrow an aviation metaphor, building a new plant is like refuelling a plane on the ground while turning around a failing one is like refuelling it mid-air. Both require precision, but only one allows for calm conditions.

However, this expertise is not much use without the right kind of funding. Zimbabwe's financial landscape is dominated by institutions that are cautious, collateral-driven, and focused on the short term. There are few pools of capital willing to underwrite the messy, medium-to-long-term process of an industrial resurrection. Unlike other economies, Zimbabwe lacks a vibrant ecosystem of private equity, venture capital, and distressed asset funds that specialize in buying, fixing, and rebuilding value in underperforming assets. In this environment of capital scarcity, greenfields become the default path. They are simpler, cleaner, and free from the financial ghosts of the past. The system isn't just failing to save old factories, it is financially engineered to build new ones instead.

In Conclusion

Abandoning brownfields wastes existing national assets, buildings, infrastructure (the railway lines going into old industrial zones come to mind), and skilled workers, eroding the country's industrial foundation and leaving communities stranded. This creates concentrated joblessness, decays urban areas into hazardous zones, and severs critical local supply chains. A balanced strategy rewarding both new investments and responsible rehabilitation will define whether Zimbabwe's industrial sunrise becomes inclusive or uneven. To channel patient capital towards the vital task of brownfield revitalization, a targeted strategy is needed to level the playing field. The goal is not to punish greenfield investment, but to make brownfield revitalization a financially plausible and attractive alternative, ensuring the nation's industrial past is not an abandoned liability but a reusable foundation for the future. The second instalment looks deeper, at some of the interventions ecosystem actors can deploy to optimise seemingly moribund infrastructure and capacity and broadly infuse the brownfield space with new energy.



This is a publication of the Confederation of Zimbabwe Industries for its members.
For any further information, clarifications or insights
kindly contact the following:
membership@czi.co.zw or 0789 092 977

Kevin Msipha

Value Chains and Sectors Coordinator

kmsipha@czi.co.zw
0772 390 541

Florence Takaendesa

Value Chains and Sectors Coordinator

ftakaendesa@czi.co.zw
0771 322 874