MIF resets economy through power reform

MUTAPA Investment Fund (MIF), under the leadership of Dr. John Mangudya, is doubling down on a bold new economic play — pushing Zimbabwe past decades of energy shortfalls to unlock industrial and mining growth.

In a decisive move this November, MIF injected US$40 million into a range of struggling state-owned enterprises (SOEs), from agriculture and transport to logistics.

Beneficiaries included Cold Storage Company (CSC), ZUPCO, Silo Foods and National Railways of Zimbabwe (NRZ); all earmarked for turnarounds under the country's long-term national development frameworks. But more importantly for business, MIF is steering those resources — and far larger capital — toward the country's power crisis, hoping to rewire Zimbabwe's energy supply, industrial capacity and export potential.

MIF was rebranded in 2023 (from the erstwhile Sovereign Wealth Fund) to manage a diversified portfolio of more than 30 SOEs across sectors including energy, mining, infrastructure, agriculture, logistics, finance and real estate.

Its gross asset value is estimated at US$16 billion.

Beyond injecting seed capital and stabilising distressed entities, MIF is re-imagining

these SOEs as "cash cows" — commercially viable, efficient enterprises that contribute to national growth rather than draining the fiscus.

A key component of this restructuring is institutional reform: new boards, merit-based leadership appointments, mandatory audits and a commitment to transparency. For many long-idle SOEs, this marks a fundamental shift in operational philosophy.

MIF has identified energy as the linchpin for Zimbabwe's economic revival.

Through the SOE portfolio it controls ZESA Holdings — the national power utility — the fund is directing capital toward stabilising electricity supply, long seen as one of the country's most debilitating bottlenecks.

Notably, MIF has concluded a US$455 million concession agreement with Jindal Steel & Power Company to rehabilitate Units 1–6 at Hwange Thermal Power Station.

The plan — structured under a rehabilitate-operate-transfer (ROT) public-private partnership — is expected to increase output of the ageing units from about 340 MW to a potential 800 MW.

At the same time, MIF is overseeing a rebundling of ZESA — reversing an earlier unbundling of generation, distribution, metering and manufacturing into separate arms.

The goal is to streamline governance, reduce duplication, and improve operational efficiency across the supply chain.This drive for power is not just about lights and appliances — it is deeply strategic for Zimbabwe's industrial and extractive ambitions.

As evidence of MIF's mining cluster performance demonstrates, the fund's gold-producing entities delivered 2.4 tonnes in the first nine months of 2025 alone.

That output contributed nearly 29 percent of large-scale miners' supply to the refinery.

With global demand for gold, lithium, platinum and other minerals surging, stable and affordable energy becomes critical if Zimbabwe is to scale production, attract foreign investment and convert mineral wealth into sustained export earnings.

MIF officials have already flagged mining, heavy industry, transport and agro-processing among the sectors to benefit most directly from improved electricity supply.

MIF's approach combines capital injections, structural reforms, and strategic investments — but underlines a new ethos of accountability.

The fund has commissioned the Zimbabwe National Statistics Agency (ZIMSTAT) to quantitatively assess the contribution of its portfolio companies to national GDP, a move that could anchor MIF's success in transparent, data-driven metrics rather than rhetoric.

Further, a proposed stabilisation fund is intended to act as a buffer against economic shocks — including droughts, climate change impacts, and global commodity price swings. By redeploying assets from mining and natural resources into critical services like energy, infrastructure and transport, MIF is attempting not just to salvage moribund parastatals — but to build a diversified, resilient economic base for Zimbabwe.

For investors, the MIF strategy could mark a turning point. Reliable power — long the Achilles heel of industry — becomes a more realistic prospect, shifting the risk calculus for capital-intensive sectors such as mining, agro-processing, manufacturing and rail logistics.

For state enterprises, the window is now open for transformation from liabilities into engines of growth.

The injection of US$40 million, governance enhancements, and strategic recapitalisation signal that bankruptcies and bailouts may not be the norm anymore.

For the broader economy, if the Hwange rehabilitation and ZESA rebundling yield even half of their promised benefits, Zimbabwe may be closing in on the kind of energy stability required to meet the aspirations of Vision 2030 — namely, an upper-middle income country with diversified, export-led growth.

But the stakes are high. Execution will require discipline, transparency, and continuity.

Delays, mismanagement or a renewed governance backlash could derail the plan.

For now, the signal is clear: under Dr. Mangudya, MIF is no longer about preserving legacy political institutions — it is about re-engineering the levers of growth.