

**NATIONAL UNIVERSITY OF SCIENCE AND
TECHNOLOGY**

**FACULTY OF COMMERCE
DEPARTMENT OF FINANCE**

**THE SECURITISATION PROCESSES, IMPLEMENTATION AND
POTENTIAL IN ZIMBABWE**

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EXECUTIVE SUMMARY

It is generally recognized that Zimbabwe is lagging behind in terms of innovation in the financial markets. As such a lot of new products have been developed elsewhere in the world and never been applied in Zimbabwe, despite the various efficiency and cost saving advantages that they possess. Accordingly the purpose of this project is to look at one such product, securitisation, and frame the context in which securitisation may be applied in Zimbabwe.

It is argued that securitisation has the capacity and ability to transform the financial services industry by replacing the traditional banking lending system. The United States of America and Australia are two countries where securitisation has changed the financial services sector. The benefits securitisation has brought to these countries have been numerous and invaluable.

The question really is, can we in Zimbabwe embrace the concept of securitisation. Will securitisation transform our financial services sector in the manner in which it has in other countries. The answer to this question really is that Zimbabwe is part of a global village and if securitisation worked in other parts of the village surely there is a way securitisation can be adopted and modelled to suit Zimbabwe so that we can benefit in as

much the same or even at a larger scale than in the countries that have implemented this concept.

This report therefore takes a simplistic view of the concept of securitisation so much so that a layman may be able to understand the concept and fully appreciate the process, its benefits and risks. The project identifies the **problems** that may hinder the successful development of the concept and also suggests possible solutions to these problems. At the end of it all a way forward on securitisation process in Zimbabwe is proposed. It is hoped that the reader will obtain a clearer picture of the concept of securitisation and be able to appreciate the concept as they go through the project.