



ZIMBABWE

2012 FIRST QUARTER TREASURY BULLETIN

January-February 2012

Ministry of Finance

Table of Contents

INTRODUCTION	4
ECONOMIC OVERVIEW	4
Agriculture	5
<i>Output</i>	5
<i>Strategic Grain Reserve</i>	6
<i>Tobacco Sales</i>	7
<i>Agricultural Exports and Imports</i>	8
<i>Agricultural Commodities Price Developments</i>	8
Mining	10
<i>Gold</i>	10
Manufacturing.....	12
<i>Electricity</i>	13
Inflation	14
FINANCIAL SECTOR.....	15
<i>Bank Deposits</i>	16
Zimbabwe Stock Exchange.....	18
EXTERNAL SECTOR.....	20
Exports.....	20
<i>Diamond Exports</i>	21
<i>Imports</i>	21
<i>Trade Balance</i>	25
BUDGET PERFORMANCE.....	26
Revenues.....	26

<i>Recurrent Expenditures</i>	28
<i>Capital Expenditures</i>	29
Balance of Payments Summary	36

INTRODUCTION

1. The 2012 First Quarter Treasury Bulletin provides fiscal and economic developments during the first three months of the year.

ECONOMIC OVERVIEW

2. During the first quarter of 2012, the economy remained on a recovery path, with moderate output improvements in key sectors of mining, manufacturing and energy. In agriculture, the First and Second Round Crop and Livestock Assessment Reports indicate a decline in maize output during the 2011/12 season, which affects the projected growth of 11.6% for agriculture.
3. Inflation was on a decline from 4.3% in January and February to 4.0% March.
4. With regards to first quarter public finances, monthly revenues were on an upward trend, with cumulative collections of US\$771.1 million. This was, however, far below target of US\$869.7 million, a situation which affected the implementation of various projects and programmes.

5. In the external sector, total exports at about US\$900 million by end of March 2012, continued to improve but at a much slower pace than imports at US\$1.8 billion. As a result, the trade balance remained negative.

Agriculture

Output

6. According to the First and Second Round Crop and Livestock Assessment Reports, a total of 1 689 609 hectares were planted with maize during the 2011/2012 cropping season compared to 2 096 034 hectares in the 2010/2011 season.
7. This decrease is attributed to the late onset of the rainy season as well as the dry spell that prevailed during the season.
8. The Table below indicates the total area put under selected crops during the 2011/2012 season.

Area Planted			
Crop	2010/2011 (ha)	2011/2012 (ha)	% Change
Maize	2,096,034	1,689,609	-19.4
Sorghum	304,693	263,911	-13.4
Soya Beans	60,124	51,869	-13.7
Cotton	379,689	432,709	-14.0
Tobacco	78,359	65,020	-17.0
Groundnuts	426,806	315,339	-26.1
Sugar Beans	26,778	18,370	-31.4
Sunflower	31,102	12,809	-58.8

9. A notable decline in output of 33% is anticipated for maize, down from 1 451 629 tons to 968 041 tons. The Table below indicates the estimated output for selected crops.

Output			
Crop	2010/2011 (tons)	2011/2012 (tons)	% Change
Maize	1 451 629	968 041	-33
Sorghum	94 789	64 793	-32
Soya Beans	84 173	70 542	-16
Cotton	249 904	254 888	2
Tobacco	132 500	133 607	2
Groundnuts	230 475	120 001	-48
Sugar Beans	13 121	10 766	-18
Sunflower	11 508	6 902	-40

Strategic Grain Reserve

10. Cumulative grain deliveries to the Grain Marketing Board as at 29 March 2012 amounted to 208 527.5 tons of maize, 12 388.91 tons of wheat and 101.31 tons of small grains.

Tobacco Sales

11. As at 29 March 2012, a total of US\$128.0 million had been realised from the sale of 34.5 million kgs of tobacco at an average price of US\$3.71 per kg. This is compared to US\$86.4 million realised after the sale of 28.5 million kgs of the crop at an average price of US\$3.03 per kg during the same period in 2011.

12. The Table below indicates tobacco sales from the commencement of the 2011/12 Tobacco Selling Season on 15 February 2012 to 29 March 2012.

Tobacco Sales: February – March 2012

	Day	Mass Sold(kg)	Value(US\$)	Average Price (US\$/kg)
15/02/2012	1	177,861	633,091	3.6
16/02/2012	2	605,579	2,221,840	3.7
20/02/2012	3	620,220	2,205,314	3.6
21/02/2012	4	918,806	3,326,376	3.6
22/02/2012	5	630,938	2,173,035	3.4
23/02/2012	6	786,643	2,958,815	3.8
24/02/2012	7	798,540	2,816,075	3.5
27/02/2012	8	767,214	2,881,182	3.8
28/02/2012	9	1,267,285	4,478,040	3.5
29/02/2012	10	857,499	3,089,304	3.6
1/03/2012	11	816,068	3,018,493	3.70
2/03/2012	12	766,655	2,734,301	3.57
5/03/2012	13	962,787	3,564,521	3.70
6/03/2012	14	1,354,746	5,019,395	3.71
7/03/2012	15	904,163	3,299,651	3.65
8/03/2012	16	983,523	3,542,024	3.60
9/03/2012	17	895,974	3,320,275	3.71

	Day	Mass Sold(kg)	Value(US\$)	Average Price (US\$/kg)
12/03/2012	18	934,068	3,360,552	3.60
13/03/2012	19	1,667,355	6,137,776	3.68
14/03/2012	20	1,082,305	4,075,627	3.77
15/03/2012	21	1,032,240	3,930,306	3.81
16/03/2012	22	1,089,226	4,062,764	3.73
19/03/2012	23	969,943	3,589,057	3.70
20/03/2012	24	1,653,241	6,111,955	3.70
21/03/2012	25	1,447,490	5,418,678	3.74
22/03/2012	26	1,352,353	4,987,730	3.69
23/03/2012	27	1,494,355	5,705,723	3.82
26/03/2012	28	1,394,996	5,364,254	3.85
27/03/2012	29	2,084,375	7,972,387	3.82
28/03/2012	30	1,895,426	7,214,217	3.81
29/03/2012	31	1,639,391	6,240,159	3.81
29/03/2012				
% Change				

Agricultural Exports and Imports

13. Cumulative agriculture exports for the period January to March 2012 were US\$155.6 million compared to US\$224.6 million for the same period in 2011, representing a 30.7% decrease.
14. On the other hand, agricultural imports for the same period stood at US\$93.7 million compared to US\$69.3 million in 2011, representing an increase of 35%.

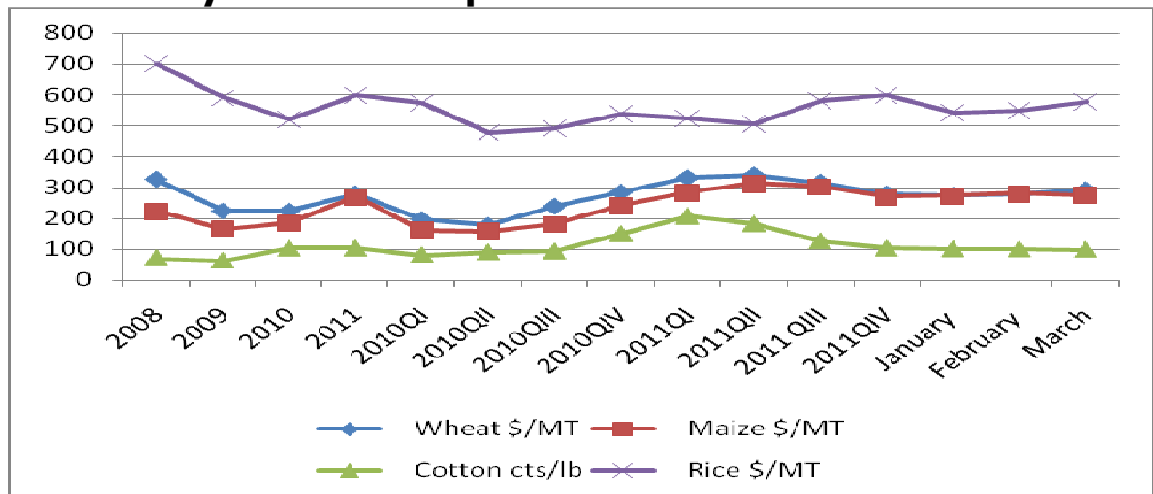
Agricultural Commodities Price Developments

15. International agricultural commodity prices have continued to firm, mainly driven by growing demand from emerging global

markets and an increasingly unpredictable growing environment.

16. During the first quarter of 2012, maize prices increased from US\$273 per ton in January 2012 to US\$279.9 per ton in February 2012 before easing to US\$275.6 per ton by end of March 2012.
17. Similarly, wheat prices also increased from US\$275 per ton in January 2012 to US\$277 per ton in February 2012 and US\$292.3 per ton by March 2012.
18. Price movements for the main agricultural commodities on the international market are shown in the Graph below. Please see also Annexure 1.

Commodity Price Developments



Source: IMF Commodity Price Developments

Mining

Gold

19. Gold output in the first quarter of 2012 was 3 126 kgs, which is consistent with benchmarks for attaining the annual target of 15 000 kgs for 2012.

Gold Producers and their Deliveries: January – March 2012(Kgs)

	Jan-12	Feb-12	Mar-12	Cumulative
CALCITE – Isabella	2.1577	1.1076	0.8717	4.1370
CALEDONIA HOLDINGS - Blanket Mine	94.9194	87.5278	140.7640	323.2112
DTZ-OZGEO PVT LTD - Mutare	23.9239	26.8862	25.9971	76.8072
DURATION GOLD ZIMBABWE P/L - Anthens	8.0315	6.8352	7.8700	22.7367
DURATION GOLD ZIMBABWE P/L - Queens	21.2847	20.5803	14.1552	56.0202
DURATION GOLD ZIMBABWE P/L - Gaika	0.5852	0.4321	0.0000	1.0173
DURATION GOLD ZIMBABWE P/L - Horn	0.0000	0.2025	0.0000	0.2025
DURATION GOLD ZIMBABWE P/L - Sunace	0.0000	0.0000	0.5491	0.5491
FALCON MINES - Camperdown	0.0000	5.7475	0.0000	5.7475
FALCON MINES - Dalny	28.7472	23.7389	35.3169	87.8030
FALCON MINES – Lulu	17.5866	15.7857	33.8300	67.2023
FALCON MINES - Venice	0.0000	0.0000	0.0000	0.0000
FALCON MINES - Golden Quarry Mine	0.0000	0.0000	0.0000	0.0000
FORBES & THOMPSON - Long John	29.2825	26.1445	34.0915	89.5185
FORBES & THOMPSON - Camp	0.0000	0.0000	0.0000	0.0000
JOHN MACK AND COMPANY - Golden Valley Mine	16.1984	18.5063	23.5464	58.2511
MATABELELAND MINERALS P/L - Lonely	0.0000	0.0000	0.0000	0.0000
MATABELELAND MINERALS P/L - Turk Mine	26.9548	26.8713	37.9230	91.7491
METALLON GOLD ZIMBABWE (PVT) LTD - Acturus	19.8435	18.4301	19.7849	58.0585
METALLON GOLD ZIMBABWE (PVT) LTD - How	120.6352	117.8085	139.0996	377.5433
METALLON GOLD ZIMBABWE (PVT) LTD - Mazowe	24.5586	22.8254	26.1513	73.5353
METALLON GOLD ZIMBABWE P/L - Redwing	10.1285	10.1281	9.0790	29.3356
METALLON GOLD ZIMBABWE P/L - Shamva	55.2094	39.9020	65.7178	160.8292

	Jan-12	Feb-12	Mar-12	Cumulative
MWANA AFRICA - Freda Rebecca	176.1852	131.0626	152.6279	459.8757
OLYMPUS GOLD MINES - Old Nic	7.3594	6.0431	4.8400	18.2425
PAN AFRICAN MINING P/L - Ayrshire (Last Shot)	14.6815	12.4052	24.5346	51.6213
PAN AFRICAN MINING P/L - Muriel	6.1270	4.1176	5.6241	15.8687
PAN REEF MINING COMPANY PVT LTD - Indarama	2.4583	4.0068	1.8794	8.3445
RIO TINTO ZIMBABWE LTD - Renco	47.5654	49.7189	66.6829	163.9672
STEWART F A (PVT) LTD - Jessie	9.7951	8.6817	7.6511	26.1279
STEWART F A (PVT) LTD - London Wall	0.0000	0.0000	0.0000	0.0000
ZMDC - Elvington Mine	0.0000	0.0000	0.0000	0.0000
ZMDC - Jena Mines (pvt) ltd.	28.0028	35.2626	28.5304	91.7958
ZMDC - Sabi Consolidated Mines (pvt)ltd	20.6139	14.8623	19.8457	55.3219
Other Small Scale Producers	240.3243	192.3611	218.4952	651.1808
TOTAL	1053.1600	927.9819	1145.4588	3126.6007

Source: Fidelity Printers

20. The underlying factors for increased gold production include the continued firming of international gold prices, the liberalised marketing environment and the huge investments being made in the sector.
21. The Table below indicates gold and other mineral output during the first quarter of 2012:

Monthly Mineral Output: Jan –March 2012

Mineral	January	February	March	Total
Gold /kg	1 150.79	1 081.82	1145.4588	3 378.07
Nickel/ ton	720.38	655.63	N/A	
Coal/ ton			N/A	
Chrome/t	37 092.00	43 632.00	N/A	
Platinum/kg	952.00	866.17	N/A	
Palladium/kg	742.50	670.62	N/A	

Source: Chamber of Mines N/A - Not Yet Available

Manufacturing

22. During the period January – March 2012, the manufacturing sector continued on a recovery path, with capacity utilisation estimated to have increased to an average of around 60%.
23. The increased capacity utilisation is also against the backdrop of the re-introduction of tariffs on selected products meant to create a level playing field for both domestic producers and imports.
24. The volume of manufacturing, which measures the performance of industries in terms of levels of production, is projected to have recovered during the first quarter of 2012 as indicated in the Table below:

Volume Of Manufacturing Indices				
	2009	2010	2011	March 2012 Proj
Food Stuffs	38.9	43.2	48.6	53.8
Drinks, Tobacco and Beverages	53.7	69.1	72.3	73.2
Textiles and Ginning	12.4	19.9	26.7	26.5
Clothing and Footwear	18.2	15.6	9.7	9.9
Wood and Furniture	85.2	85.3	89.5	96.2
Paper, Printing and Publishing	17.3	16.3	18.6	18.6
Chemical and Petroleum Products	23.2	25.7	32.6	34.8
Non-metallic Mineral Products	71.4	76.7	69.4	86.8
Metals and Metal Products	31.9	41.2	64.2	72.3
Transport Equipment	41.3	35.2	32.5	37.7
Other Manufactured Goods	31.4	44.8	57.7	69.2

Source: ZIMSTAT (2009 -2011) and Ministry of Finance March 2012 Projections

25. Notwithstanding this, the textile, clothing and printing industry remains under stress.

Electricity

26. Average production capacities of 967 MW, 956 MW, and 988 MW were realised in January, February and March. The improved production capacity in March 2012 remained much lower than the peak of about 1100 MW in 2011. This low capacity is attributed to the unresolved challenges at Hwange Thermal Power Station on Unit 1 and 4. Hence, domestic electricity supply continued to be subdued in the face of huge demand.
27. Monthly production trends are indicated in the Table below:

Monthly Electricity Production Trends

	Jan (MW)	Feb (MW)	Mar (MW)
Hwange	256	245	291
Kariba	664	663	645
Harare	0	6	6
Munyati	25	22	26
Bulawayo	23	20	21
Total	967	956	988

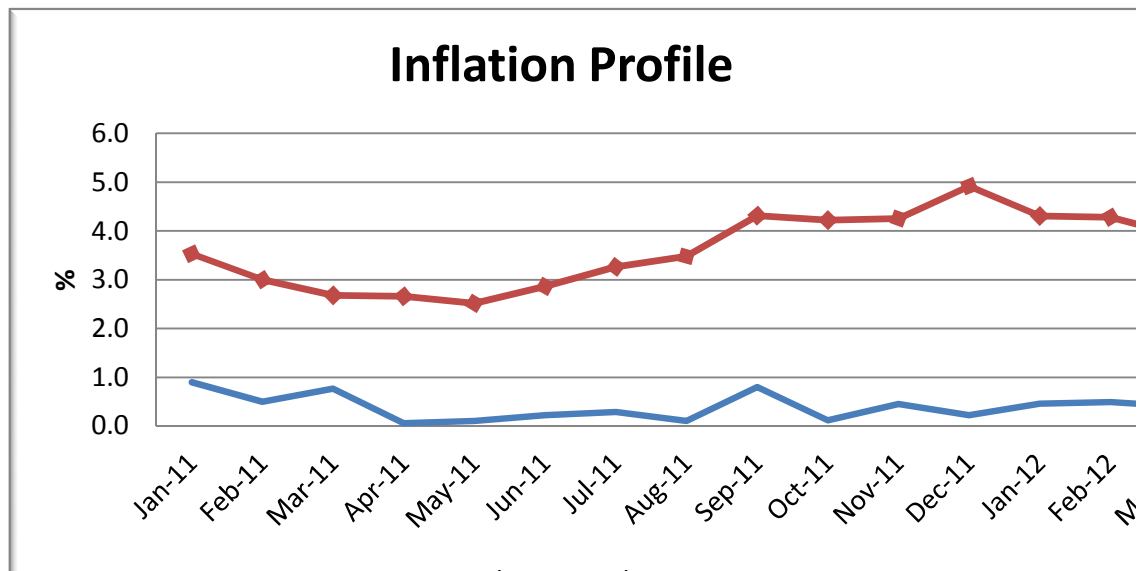
Source: Zimbabwe Power Company

28. The Zimbabwe Electricity Supply Authority has also embarked on a nation-wide disconnection programme to reduce arrears owed by customers in order to raise financial resources to increase imports.

Inflation

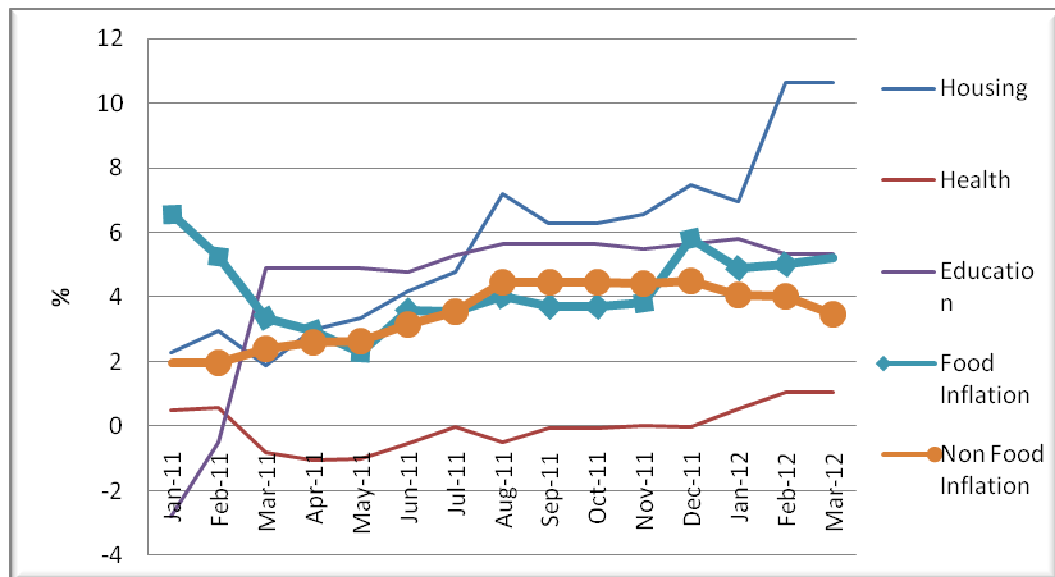
29. During the first quarter, month on month inflation which was 0.5% in January, decelerated to 0.49% in February and 0.43% in March 2012.

30. Year-on-year inflation was constant at 4.3% in both January and February 2012, before decelerating to 4.0% in March 2012.



31. Month on month food inflation during the first quarter of 2012 remained constant at 0.41% in January and February, before increasing to 0.80% in March 2012.
32. Similarly, month on month non-food inflation also remained constant at 0.48% in January and February, before decelerating to 0.26% in March 2012.

Annual Food and Non-Food Inflation



FINANCIAL SECTOR

33. During the period under review, the economy experienced severe liquidity challenges, which had begun during the last quarter of 2011. In response, Government put in place a number of measures to address the problems.

34. Some of the measures included:

- reviewing the four monthly civil service and pension payments dates,
- closure of the offshore accounts by companies;
- increased monitoring and surveillance of the financial sector by the Reserve Bank and Treasury;
- Enhanced collaboration and sharing of information by all the financial sector regulators, including the insurance and pensions Commission and the Securities Commission.

Bank Deposits

35. Total banking sector deposits increased from US\$3.15 billion in January 2012 to US\$3.45 billion in March 2012 as shown in the Table below:

Total Banking Sector Deposits

Month	Amount (US\$)
January	3.15 billion
February	3.38 billion
March	3.45 billion

Interest on Deposits

36. Deposit rates for demand and short-term savings accounts were ranging between 0.15-5% per annum. However, longer

term deposits were ranging between 0.10-18% per annum against lending rates which were as high as 30%.

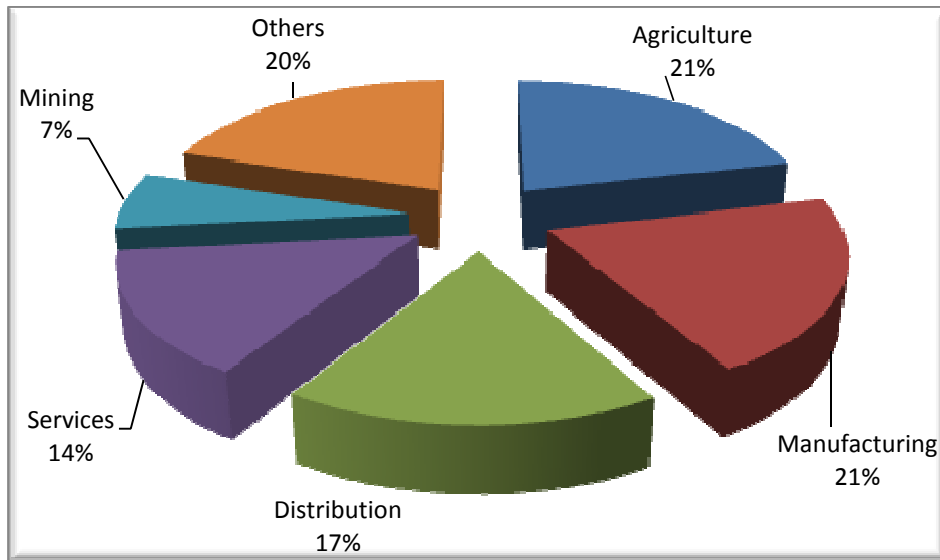
Type of Deposit	Interest Rate Per Annum
Demand	3-10%
Savings	0.15-10%
30 days	0.02-16%
60 days	0.05-17%
90 days	0.1-18%
180-360 days	0.15-18%

Total Bank Credit

37. Total credit to the private sector as at the end of February 2012 was US\$2.76 billion. Credit to the private sector was mainly utilised for the payment of recurring expenditures and other asset purchases. The purchase of raw materials and other inputs accounted for 40.2% of total credit to the private sector.

38. Distribution of the loans to key sectors was as follows:

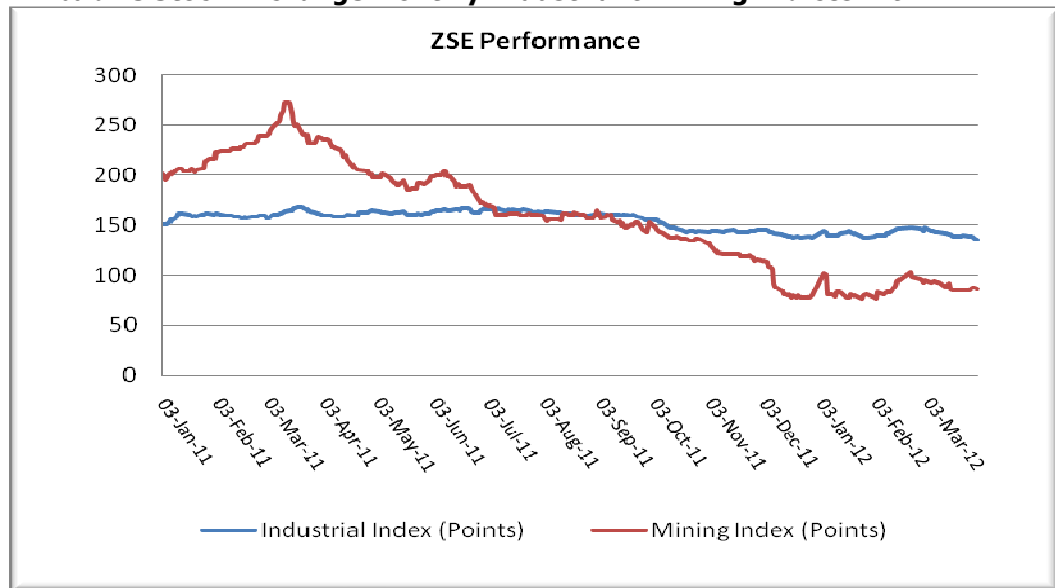
Loan Distribution: February 2012



Zimbabwe Stock Exchange

39. Performance of the Zimbabwe Stock Exchange during the first three months of 2012 was subdued with the few trades mainly concentrated in a few blue chip counters.

Zimbabwe Stock Exchange Monthly Industrial & Mining Indices: 2012



40. Reflecting this, total market capitalisation declined from US\$3.69 billion in February 2012 to US\$3.458 billion in March 2012.

Date	Turnover Value US\$	Turnover Volume	Industrial Index	Mining Index	Market Cap (US\$)
Jan-12	55,790,225.78	383,219,763	138.52	79.09	3,489,841,345.00
Feb-12	30,992,492.34	225,215,108	146.03	95.39	3,696,613,989.00
Mar-12	32,189,968.39	190,464,164	136.76	85.01	3,458,055,450.00

41. Overall, the 2012 first quarter performance of the Zimbabwe Stock Exchange indicates further deterioration of the local bourse compared to the same period in 2011 as as reflected below:

		January	February	March
Industrial Index	2009		58.56	67.73
	2010	156.52	140.37	142.37
	2011	161.10	159.04	160.65
	2012	138.52	146.03	136.76
Mining Index	2009	-	126.31	81.88
	2010	209.81	175.08	216.85
	2011	216.82	239.08	237.18
	2012	79.09	95.39	85.01

EXTERNAL SECTOR

Exports

42. The total exports shipments as at 30 March 2012 were US\$900 million compared to US\$788 million declared during the corresponding period in 2011. This represents an increase of 14.24% in 2012 of the declared exports shipments.

43. On a sectoral basis, declared mineral export shipments accounted for (73.35%), followed by Tobacco (10.84%), Manufacturing (9.17%), Agriculture (6.13%), Horticulture (0.32%) and Hunting (0.19%).

	Agriculture	Horticulture	Hunting	Manufacturing	Mining	Tobacco	Total
Jan	14,045,143	572,853	334,690	10,195,374	160,071,634	64,407,531	252,640,225
Feb	20,046,700	728,454	441,842	30,345,237	189,745,797	18,286,103	259,594,131
Mar	21,112,159	1,610,321	918,846	26,039,468	310,292,632	14,828,300	390,765,026
Total	55,204,002	2,911,628	1,695,378	82,543,379	660,092,063	97,521,934	899,968,384

Source: RBZ

Diamond Exports

44. Diamond exports for the first quarter of 2012 amounted to US\$214.2 million. Mbada Diamonds had the highest export shipments at US\$87.6 million, followed by Anjin which had US\$72.3 million.
45. The Table below shows diamond exports by mine.

Total Diamond Exports: Jan-Mar 2012

Exporter	Jan – March 2012 (US\$ mil)
Mbada Diamonds	87.6
Marange Resources	11.7
Murowa Diamonds	5.7
Canadile Miners	-
River Ranch	1.9
Mavlon Trading	-
Lesley Fay Marsh	-
Anjin Investments	72.3
Diamond Angel	0.113
Diamond Mining Corporation	38.9
Total	214.2

Imports

46. In the first quarter, foreign payments for various imports amounted to US\$1.85 billion. This amount represents a 41% increase compared to US\$1.31 billion, in the same period in 2011.

47. The increase in foreign payments is attributed to the country's continued dependence on imported goods and services. Local production remains subdued and as a result, still falls short of meeting the local demand.

Imports Payments in US\$ (Jan to Mar 2012)

Month	2012	2011	Change	% Change
Jan	650,847,283	387,994,932	262,851,351	68%
Feb	563,530,165	466,233,428	97,296,737	21%
Mar	638,097,053	459,510,627	178,586,426	39%
Total	1,852,474,501	1,313,738,986	538,735,515	41%

Imports by Sector

48. In terms of foreign payments by sector, the retail and distribution sectors constituted the largest proportion of foreign payments, mainly due to the low productivity in the agriculture and manufacturing sectors. The low production in these sectors has resulted in the continued increase in foodstuffs imports and other consumables.

Foreign Imports by Sector

Sector	2012	2011	Change	% Change
Distribution, Retail & Individuals	861,633,440	420,388,085	441,245,355	105%
Services	419,876,230	350,382,992	69,493,238	20%
Manufacturing	294,497,931	219,809,876	74,688,055	34%
Mining	182,738,075	253,851,683	-71,113,608	-28%
Agriculture	93,728,826	69,306,349	24,422,476	35%
Total	1,852,474,501	1,313,738,985	538,735,516	41%

Source: RBZ

Imports by Category of Goods and Services

49. Services fees and consumables accounted for 51% of the country's foreign payments, indicating that the country continues to heavily depend on foreign service providers and producers of consumer goods. The Table below show foreign payments in terms of goods and services.

Imports by Category of Goods/ Services

Category	2012	2011	Change	% Change
Consumption Goods	675,270,128	410,996,370	264,273,758	64%
Capital Goods	276,240,951	234,523,580	41,717,370	18%
Service Fees	269,860,159	175,927,775	93,932,384	53%
Other	251,393,422	255,555,292	-4,161,870	-2%
Raw Materials	197,280,156	145,089,942	52,190,213	36%
Capital Repayments	182,429,686	91,646,028	90,783,658	99%
Total	1,852,474,501	1,313,738,986	538,735,515	41%

Major Sources of Imports

50. South Africa remains the major source of imports, accounting for 43% of the country's imports in the first quarter of 2012, as shown in the Table below.

Country	Amount (US\$)	Contribution
South Africa	802,392,793	43%
Great Britain	306,679,405	17%
China	104,982,965	6%
United States of America	90,653,606	5%
Mauritius	87,037,436	5%
Switzerland	44,668,774	2%
Cyprus	43,597,368	2%
United Arab Emirates	37,239,719	2%
Egypt	28,742,715	2%
Mozambique	27,511,845	1%
Sub- Total	1,573,506,626	85
Other Beneficiaries	278,967,875	15
Grand Total	1, 852,474,501	100%

Source: RBZ

Trade Balance

51. The country continues to experience a negative trade balance. For the period January to March 2012, the trade balance was – US\$997 million.
52. The monthly imports and exports are depicted by the Table below:

	January	February	March	Total
Exports	249,609,222	259,594,134	390,765,023	899,968,379
Imports	650,847,283	563,530,165	638,097,053	1,897,474,501
Trade Balance	-401,238,061	-303,936,031	-247,332,030	-997,506,122

Source: RBZ

BUDGET PERFORMANCE

Revenues

53. Cumulative revenue collections for the period January to March 2012 amounted to US\$771.1 against a target of US\$869.7 million, resulting in a negative variance of US\$98.6 million or 12.8%.

Cumulative Revenue Collections

	Targeted Collections (US \$mil)	Actual collections (US\$ mil)	Variance (US\$ mil)
ZIMRA	715.4	709.6	5.8
Diamond Dividend	122.5	30.5	92
Non Tax	31.9	31	1.1
Total	869.8	771.1	98.7

Diamond Revenues

54. Diamonds dividends have been underperforming since January 2012, with only US\$10.9 million having been received for the month of March 2012. This gives a total of US\$30.4 million diamonds dividend remittances for the period January to 21 March 2012 against a target of US\$122.5 million.

Diamond Dividends: 2012

Date	Target (US\$)	Actual (US\$)
January	36 000 000	14,500,000.00
February	41 500 000	5,000,000.00
March	45 000 000	10,972,204.31
Total	122 500 000	30,472,204.31

Source: Ministry of Mines

Expenditures

55. At the end of the 2012 first quarter, expenditures amounted to US\$751.4 million against planned expenditure of US\$869.9 million.
56. Overall disbursements were below targeted expenditures by US\$118.4 million, with capital expenditures and support to recurrent operations under-performing by US\$86.3 million and US\$68.9 million, respectively.
57. This reflects challenges related to revenue underperformance and the capacity constraints in line Ministries. As a result, implementation of budgeted programmes and projects was severely compromised.
58. First quarter sectoral performance is reported below.

Cumulative Expenditures to end of March 2012

	Targeted Expenditure US\$m	Actual Expenditure US\$m	Variance US\$m
Employment Costs	535.5	572.3	-36.8
<i>o/w Civil Service Wage Bill</i>	<i>343.5</i>	<i>360.4</i>	<i>-16.9</i>
Recurrent Operations	184.9	116.0	68.9
Capital Expenditure	149.4	63.1	86.3
Total	869.9	751.4	118.4

Recurrent Expenditures*Employment Costs*

59. The average monthly employment cost outlay of around US\$191 million for the period January to March 2012 is exceeding targeted monthly expenditures of US\$178.4 million.

Employment Cost Developments: January to March 2012

	Targeted Expenditure US\$m	Actual Expenditure US\$m	Variance US\$m
January	178.4	155.2	23.2
February	178.4	217.0	-38.6
March	178.4	200.1	-21.7
Total	535.5	572.3	-36.8

Recurrent Operations

60. Service delivery in health, education, agriculture and social protection, among other areas, was undermined by cash-flows during the first quarter.

Selected Sectoral Expenditures: January to March 2012

	Targeted Expenditure US\$ mil	Actual Expenditure US\$ mil	Variance US\$ mil
Health	21.1	6.4	14.7
Education	18.7	3.5	15.2
Social Protection	8.6	5.7	2.9
Agriculture	6.4	1.6	4.9
Maintenance	2.9	0.7	2.2
Foreign Travel	12.3	9.2	3.1
Empowerment	3.7	0.1	3.6
Total	73.7	27.2	46.6

Capital Expenditures

61. Disbursements for capital expenditures during the first quarter of 2012 amounted to US\$63.1 million, with US\$43.2 million having been allocated for capital development expenditures, US\$11.2 million for payment to farmers for grain deliveries and US\$8.6 million for other capital expenditures.
62. The Table below shows disbursements made to March 2012:-

Disbursements: First Quarter 2012

Sector	Budget	Disbursements to March 2012	Disbursement as % of Budget
Energy	47,500,000	500,000	1%
Transport & Communication	113,400,000	3,500,000	3%
Water & Sanitation	113,245,000	1,400,000	1%
Housing	118,610,000	12,020,690	10%
ICT	40,200,000	160,000	0%
Education	85,200,000	7,938,815	9%
Health	63,425,000	15,764,000	25%
Irrigation & Rehabil. Of Research Institutions	25,850,000	1,920,000	7%
Constituency Development Fund	8,000,000	-	0%
Sub Total	615,430,000	43,203,505	7%
Other Capital Expenditures			
Agriculture - Strategic Grain Reserve	50,200,000	5,100,000	10%
Crop Input Support	37,000,000	6,123,200	17%
Compensation for farm improvements	6,000,000	740,000	12%
Shareholding in international Orgs	12,000,000	800,000	7%
Other	79,370,000	7,089,080	9%
Sub Total	184,570,000	19,852,280	11%
Total	800,000,000	63,055,785	8%

Projects Financed from Budget Resources during the 1st Three Months

Sector	Budget US\$	Jan	Feb US\$	March	Cumulative	Disbursement as % of Budget
Energy	47,500,000	-	500,000	-	500,00	1.1%
Transport & Communication	113,400,000	-	1,600,000	1,900,000	3,500,000	3.1%
Water & Sanitation	113,245,000	-	900,000	1,000,000	1,900,000	1.6%
Housing	118,610,000	431,533	5,019,857	6,569,300	12,020,690	10.1%
ICT	40,200,000	-	100,000	60,000	160,000	0.4%
Education	85,200,000	1,828,467	4,025,348	2,085,000	8,353,815	9.8%
Health	63,425,000	1,200,000	4,004,000	1,660,000	6,864,000	10.8%
Agriculture – Irrigation & Rehab. Of Research Institutions	25,850,000		1,100,000	820,000	1,920,000	7.4%
Subtotal for Infrastructure Projects	615,430,000		18,909,205			3.1%
Other Capital Expenditures	184,570,000	1,540,400	8,850,180	18,361,700	28,752,280	15.6
Strategic Grain Reserve-Wheat Deliveries	50,200,000		2,500,000			5.0%
Crop Input Support	37,000,000		6,123,200			16.5%
Compensation For Farm Improvements	6,000,000		740,000			12.3%
Shareholding in International Organisations	12,000,000		800,000			6.7%

Other	79,370,000		176,600			0.2%
Sub-Total	184,570,000		10,339,800			5.6%
Total	800,000,000		29,249,005			3.7%

2012 Monthly Revenues

	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL
	Jan-12	Feb-12	Mar-12	Mar-12
	USD	USD	USD	USD
Total Revenue Including Retained Revenue, Transfers & Prepayments	265,123,144.9	234,920,951.4	287,859,420.1	787,903,516.4
Total Revenue Including Zimra Grant	256,018,542.8	227,255,012.9	287,859,420.1	771,132,975.8
				-
Total Government Revenue (Net)	256,018,542.8	227,255,012.9	287,859,420.1	771,132,975.8
Tax Revenue	229,690,256.7	214,059,987.2	265,899,181.9	709,649,425.8
Tax on Income and profits	79,587,137.6	73,538,228.4	122,695,745.5	275,821,111.5
Individuals	51,201,456.0	44,822,339.1	49,265,056.2	145,288,851.3
Companies	16,636,986.8	9,502,428.6	49,076,368.7	75,215,784.1
Domestic dividend and interest	6,838,545.8	10,071,086.4	9,093,252.3	26,002,884.5
Tobacco Levy		167,839.7	1,624,810.4	1,792,650.1
Royalties	114,374.9	4,788,252.7	8,857,368.9	13,759,996.4
Vehicle Carbon Tax	2,988,438.7	2,463,743.2	3,190,908.8	8,643,090.7
TAX ON GOODS & SERVICES				-
Customs duties	29,561,156.9	29,359,898.3	28,973,833.1	87,894,888.3
Oil products	710,700.8	1,300,233.4	6,739,056.8	8,749,991.0
Other(Prime & Surtax)	28,850,456.1	28,059,665.0	22,234,776.3	79,144,897.4
Excise duties	30,024,720.7	27,331,072.4	31,531,221.5	88,887,014.5
Beer	8,029,246.8	7,305,160.8	7,757,282.8	23,091,690.4
Wines and Spirits	484,680.8	1,635,859.8	955,671.1	3,076,211.7
Tobacco	1,515,214.2	1,822,305.2	1,290,471.0	4,627,990.4
Second Hand Motors Vehicles	602,031.6	680,320.9	706,118.3	1,988,470.8
Fuels	19,393,547.3	15,887,425.6	20,821,678.3	56,102,651.2
Value Added Tax (VAT)	86,560,846.5	77,413,656.1	78,758,824.0	242,733,326.6
VAT on Domestic Goods	61,322,146.29	56,480,330.96	54,872,944.81	172,675,422.1
Imported Goods & Services	39,540,770.8	37,788,655.9	42,090,956.3	119,420,382.9
Refunds	(14,302,070.5)	(16,855,330.8)	(18,205,077.1)	(49,362,478.4)
Other indirect taxes	3,956,395.0	6,417,132.0	3,939,557.8	14,313,084.8
Non-tax Revenue	26,328,286.1	13,195,025.8	21,960,238.2	61,483,550.1
				-

2012 Monthly Expenditures

	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL
	Jan-12	Feb-12	Mar-12	Mar-12
	USD	USD	USD	USD
Total Exp including Retained Grants(ZIMRA,AIDS&NOCZIM)	177,927,360.4	290,393,277.2		468,320,637.6
Total expenditure and net lending including ZIMRA Grant	170,398,780.5	282,820,041.7		453,218,822.3
Total expenditure and net lending (Net)	170,398,780.5	282,820,041.7		453,218,822.3
Current Expenditure	166,030,045.2	262,970,491.0		429,000,536.2
Goods and services	113,413,202.0	171,986,494.8		285,399,696.8
Employment Costs	106,306,498.2	151,045,788.7		257,352,287.0
Domestic Travel Expenses	516,932.1	2,378,709.9		2,895,642.0
Foreign Travel Expenses	1,123,705.6	2,033,010.1		3,156,715.7
Communication, Supplies and Services	220,403.5	551,526.1		771,929.6
Education supplies and Services	1,336.0	54,080.4		55,416.4
Medical Supplies and services	255,290.3	1,161,079.3		1,416,369.6
Office supplies and services	42,042.0	249,394.6		291,436.6
Training expenses	370,762.8	637,610.7		1,008,373.5
Rental and other service charges	2,137,315.8	1,439,518.5		3,576,834.2
Institutional provisions	943,089.8	2,079,781.6		3,022,871.3
Other	324,948.5	4,140,690.8		4,465,639.3
Maintenance of capital works	825,436.4	6,215,304.2		7,040,740.5
Vote of Credit				-
Interest on debt	-	-		-
Current transfers	52,616,843.2	90,983,996.2		143,600,839.4
Pensions	23,420,800.0	35,700,000.0		59,120,800.0
Other grants and transfers	29,196,043.2	55,283,996.2		84,480,039.4
Capital expenditure	4,368,735.3	16,126,350.7		20,495,086.0
Vehicles, Plant and Mobile equipment	184,766.3	270,637.4		455,403.7
Acquisition of buildings		60,577.0		60,577.0
Capital transfers	4,183,969.0	11,467,682.0		15,651,651.0
Equity participation		4,233,466.3		4,233,466.3
Net Lending	-	3,723,200.0		3,723,200.0
Long-term loans (net)	-	3,723,200.0		3,723,200.0

Inflation

	Month on Month Inflation	Year on Year Inflation
Jan-10	0.7	-4.8
Feb-10	1.0	-0.7
Mar-10	1.2	3.6
Apr-10	0.1	4.8
May-10	0.2	6.0
Jun-10	-0.1	5.3
Jul-10	-0.1	4.2
Aug-10	-0.1	3.6
Sep-10	0.1	4.3
Oct-10	0.2	3.6
Nov-10	0.5	4.2
Dec-10	-0.4	3.2
Jan-11	0.9	3.5
Feb-11	0.5	3.0
Mar-11	0.8	2.7
Apr-11	0.1	2.7
May-11	0.1	2.5
Jun-11	0.2	2.9
Jul-11	0.3	3.3
Aug-11	0.1	3.5
Sep-11	0.8	4.3
Oct-11	0.1	4.2
Nov-11	0.5	4.2
Dec-11	0.2	4.9
Jan-12	0.5	4.3
Feb-12	0.5	4.3
Mar-12	0.4	4.0

Balance of Payments Summary

	2010	2011	2012
	Actual	Estimate	Proj.
CURRENT ACCOUNT (excl.official transfers)	-2339.09234	-2735.362004	-2415.656957
TRADE BAL f.o.b	-1844.353211	-2377.316974	-1984.322579
Exports f.o.b	3317.455605	4566.80203	5114.327421
Imports f.o.b	5161.808815	6944.119003	7098.65
NON FACTOR SERVICE(Net)	-449.4322132	-643.6245449	-753.087164
Receipts	223.577698	276.4297204	296.7082517
Payments	673.0099113	920.0542652	1049.795416
INCOME(Net)	-618.1130606	-652.2404471	-680.310524
Interest	-116.9870871	-121.9915664	-123.5415079
Receipts	0.653587375	0.683652394	3.303187096
Payments:Public & Pvt Sectors	117.6406744	122.6752188	126.844695
Other Income (Net)	-501.1259736	-530.2488807	-556.7690161
Receipts	83.68835298	87.53801721	91.56476601
Payments	584.8143266	617.7868979	648.3337821
PRIVATE TRANSFERS(Net)	572.8061447	937.8199611	1002.06331
Receipts	586.0723854	951.4854151	1016.151682
Payments	13.26624065	13.66545396	14.08837271
CAPITAL ACCOUNT (Incl. Official Transfers)	646.0476377	1277.056488	1088.632741
Grants	231	210	215
Direct Investment (Net)	122.5866667	125	205
o/w Market Purchases	---		
Portfolio Investment (Net)	63.09	80	83
	185.6766667	205	288
Long Term Capital (net)	33.2331	390.2	335.4571
Government	-168.0919	-55.8	-6.1
Receipts	0	98	130
Payments	168.0919	153.8	136.1
Public Enterprises	-105.675	41	32.5
Short term capital (net)	196.137871	471.856488	250.175641
Private	167.06	416.01	208.8
Change in DMBs NFA	29.077871	55.846488	-3.624359
Errors and omissions	1280.994702	803.8836164	0
Overall Balance	-412.05	-654.4219	-1327.024216
Financing	412.05	654.4219	1327.024216
Change in RBZ Usable Reserves	78.52	4.98	0.8
SDR Allocations	0	0	0
Change in Other Liabilities	21.53	-12.42	-2.51
Privatisation Proceeds	0	0	0
EXCEPTIONAL FINANCING	312	661.8619	526.0659
O/W: Debt Forgiveness	0	0	0
Accumulation of External Payment Arrears	312	661.8619	526.0659
Financing Gap (-) /Surplus (+)	0	0	-802.668316