



2012 SECOND QUARTER TREASURY BULLETIN

April – June 2012

Ministry of Finance

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INTRODUCTION

1. The 2012 Second Quarter Treasury Bulletin updates stakeholders on macro-economic developments, paying particular attention to the performance of the 2012 National Budget.

ECONOMIC OVERVIEW

2. The economy growth target for 2012 was revised downwards from the original of 9.4% to 5.7%.
3. The slowdown in economic growth was also accompanied by under-performance in revenue, with some monthly collections falling below targets. This compromised and undermined effectiveness of budget execution and affected implementation of planned capital development projects and other social programmes.

The 2012 Revised Macro-economic Framework

	2009	2010	2011 Est.	2012 original Proj	2012 Rev Prj
Nominal GDP (US\$ Billion)	6.133	7.433	9.433	11.914	11.427
Real GDP Growth (%)	5.4%	9.6%	9.4%	9.4%	5.6%
Inflation Average (%)	-7.7%	-3.1%	3.5%	5%	5.0%
Central Government					
Revenues (US\$ Billion)	0.973	2.339	2.921	4.000	3.640
Expenditures (US\$ Billion)	0.850	2.107	2.895	4.000	3.640
External Sector					
Exports (US\$ Billion)	1.613	3.317	4.496	5.167	5.090

	2009	2010	2011 Est.	2012 original Proj	2012 Rev Prj
Imports (US\$ Billion)	3.213	5.162	7.562	6.800	8.215
Monetary					
Deposits (US\$ Billion)	1.381	2.328	3.100	4.279	3.877
Domestic Credit (US\$ Billion)	0.723	1.695	2.755	3.940	3.538

Source: MOF, MOEPIP and RBZ

Real Sector

Agriculture

4. The poor rainfall season for the 2011/2012 agricultural season affected outputs of maize and other small grains. This necessitated revision of the 2012 agricultural growth projections from 13.2% to -5.8%, as indicated in the table below.

2009 - 2012 Crop Production (000 tons)

	2009	2010	2011	2012
Tobacco	58.6	123.4	133	144
Maize	1240	1328	1,452	968.0
Cotton	211	270	250	332
Groundnuts	216	186	231	120.0
Wheat	48	41.5	53	17.0
Soyabeans	115	70	84	70.5
Sorghum	181	132	95	64.8
Overall Growth	21.0%	7.2%	11.2%	-5.8%

Source: Second Round Crop & Livestock Assessment Report, Ministry of Agriculture

Tobacco

5. As at end of the 2012 tobacco marketing season, a total of 144 million kgs of tobacco had been sold at an average price of US\$3.67 per kg, grossing US\$514.39 million. This was an improvement compared to the 133 million kgs sold at an average price of US\$2.74 per kg and realised US\$360.9 million in 2011.

Tobacco Deliveries

	2009	2010	2011	2012
Deliveries (million kgs)	58.6	122.9	131.9	144.0
Average Price(US\$/kg)	2.98	2.89	2.74	3.66
Total value (US\$ million)	174.5	355.1	360.9	526.6

Source TIMB

Wheat

6. Wheat production continues on the decline, with only 8 000 ha planted in 2012 from 15 982 ha in 2011. The downward trend is a reflection of high local wheat production costs, impacting on viability.
7. Urgent steps are, therefore, needed to resuscitate wheat production.

Cotton

8. A total of 332 tons of cotton were sold during this year's marketing season. This is, however, notwithstanding depressed prices of

between \$0.30 - \$0.40 per kg, compared to the previous season's price ranges of \$0.80c to US\$1 per kg.

9. This drastic reduction in cotton prices was mainly a result of reduced demand from the traditional markets of China, Russia and India.
10. A survey of cotton prices by different Cotton merchants are indicated below:

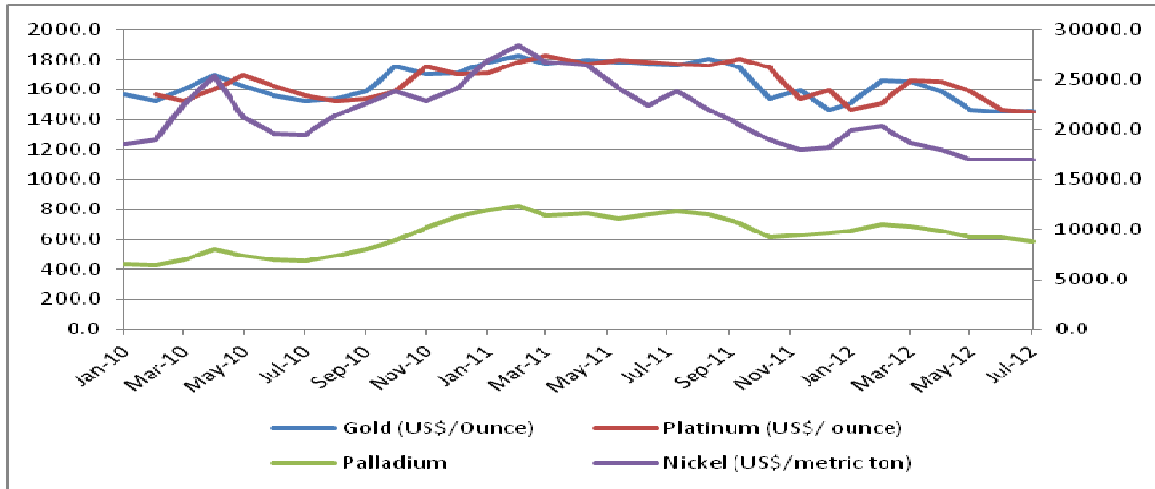
Contractor	Buying Price (US\$/kg)
Jinmac	0.35
Cottco	0.35
SinoZim	0.35
Alliance	0.35
Cargill	0.35
Grafax	0.35 – 0.40
Romsdale	0.30 – 0.35
Olam	0.30 – 0.35
Viridis	0.35
Fahad	0.33
Southern Cotton	0.35
Cotzim	0.30
Insing	0.35
Parrogate	0.30 – 0.35

Source: Agricultural Marketing Authority

Mining

11. Most minerals continued to perform well in the second quarter in line with projections. Benefitting factors were increased investment by mining houses, notwithstanding dampened international commodity prices for most minerals since February 2012, as indicated below.

Mineral price developments



12. Most minerals including gold, platinum, palladium and nickel, recorded improved outputs in the second quarter compared to the first quarter. The only exceptions were on diamond and coal, whose outputs were below those recorded in the first quarter.
13. The tables below show the performance of key minerals as well as their projected output in 2012.

2012 Quarterly Performance and Projections

	1 st Quarter	2 nd Quarter	1 st Half Total	Total Annual Projection
Gold/kg	3 494.9	3 605.8	7 100.7	15 000
Platinum/kg	2 725.7	2 925.2	5 650.9	12 000
Palladium/kg	2 111.9	2 255.6	4 367.5	9 600
Diamond/carats	3 127 176.9	2 786 585.9	5 913 762.9	12 000 000
Coal/t	526 542	446 004	972 546	2 000 000
Nickel/t	2 052.2	2 190.9	4 243.1	8 800

Source: Chamber of Mines, Fidelity Printers, Ministry of Mines & Mining Development

Main Minerals Second Quarter Performance: 2010-2012

	2 nd Quarter 2010	2 nd Quarter 2011	2 nd Quarter 2012	2012 Total Projection
Gold/kg	2 092.7	3 004.5	3 605.8	15 000
Nickel/t	1 507.5	2 094.5	2 190.9	8 800
Platinum/kg	2 120.9	2 899.0	2 925.2	12 000
Palladium/kg	1 713.8	1 529.7	2 255.6	9 600
Diamonds				

Source: Chamber of Mines, Fidelity Printers, Ministry of Mines & Mining Development

Annual Mineral Production

Mineral	2009	2010	2011	2012(proj.)
Gold \ kg	4,966	9,620	12,949.3	15,000.0
Nickel \ t	4,858	6,134	7,992.2	8,800
Coal \ t	1,606,315	2,668,183	2,562,054.0	3,500,000.0
Asbestos \ t	7,807	2,031	1	1
Chrome \ t	201,000	516,776	599,079.4	750,000
Platinum \ kg	6,848	8,639	10,826.6	12,000
Paladium \ kg	5,355	6,916	8,421.7	9,600
Black Granite \ t	162,283	165,000	168,000	170,811
Diamonds (carats)	1,305,693	3,000,000	8,718,570	12,000,000

14. The 2012 revised growth projection of 16.7 % is set to be achieved, with anticipated strong growth momentum for all minerals in the last two quarters of the year.

Manufacturing

15. Average capacity utilisation as measured by the Volume of Industrial Manufacturing Index, marginally declined from 49.4% in 2011 to 47% during the first quarter of the year.

16. Improved capacity utilisation was in respect of the subsectors of drinks, tobacco and beverages, textiles and ginning, non metallic mineral product and transport equipment.
17. On the other hand, subdued performance were also recorded on the food stuffs, wood and furniture, metals and metal products, subsectors, as indicated in the table below.

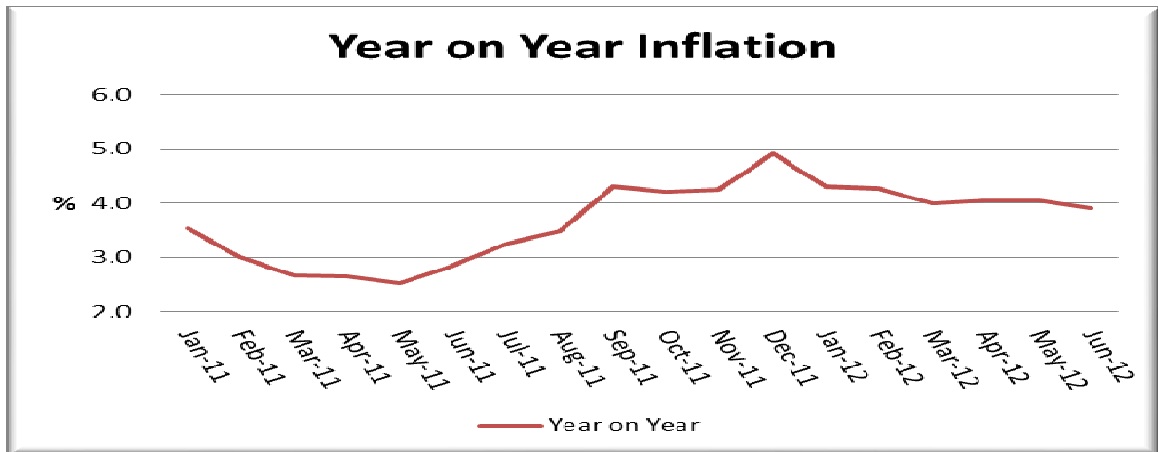
Volume of Manufacturing Indices

	2009	2010	2011	March 2012
Food stuffs	38.9	43.2	48.6	40.6
Drinks, Tobacco and Beverages	53.7	69.1	72.3	86.3
Textiles and Ginning	12.4	19.9	26.7	32.8
Clothing and Footwear	18.2	15.6	9.7	8.4
Wood and Furniture	85.2	85.3	89.5	60.3
Paper , Printing and Publishing	17.3	16.3	18.6	24.0
Chemical and Petroleum Products	23.2	25.7	32.6	28.6
Non-metallic Mineral Products	71.4	76.7	69.4	71.2
Metals and Metal Products	31.9	41.2	64.2	47.1
Transport Equipment	41.3	35.2	32.5	46.4
Other Manufactured Goods	31.4	44.8	57.7	55.7
All Manufacturing groups	35.6	42.55	49.4	47.3

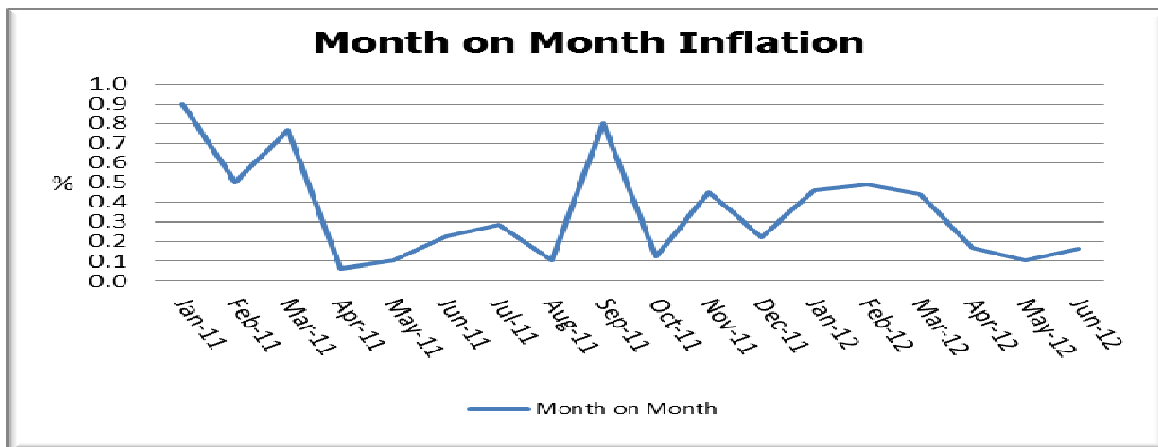
Source: ZIMSTAT (2009-2012)

Inflation

18. Inflation remained under control during the second quarter of 2012, with year on year inflation recording 4.0% for both April and May, and receded to 3.9% in June.

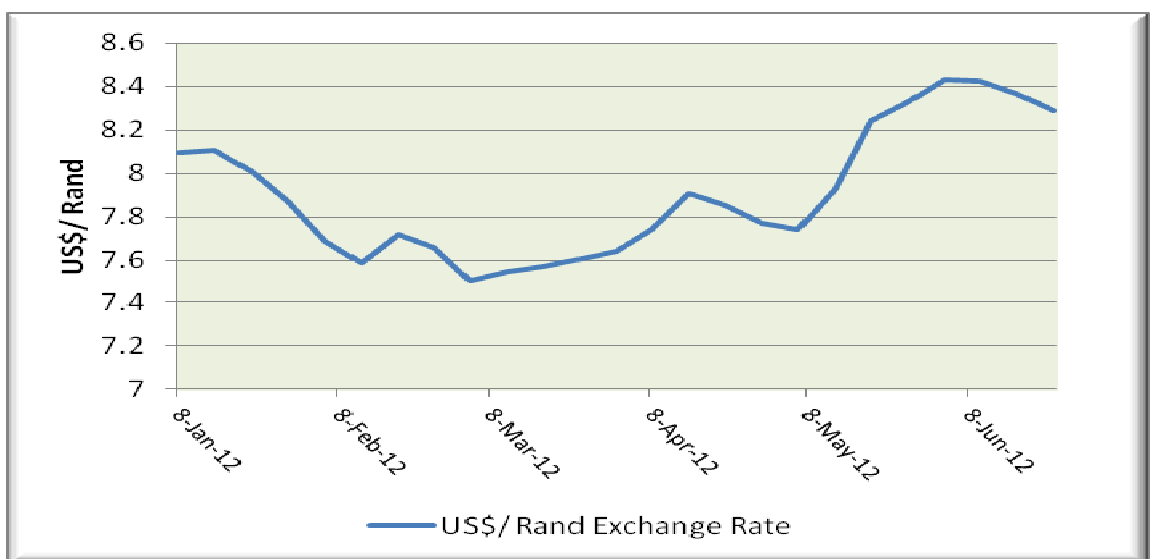
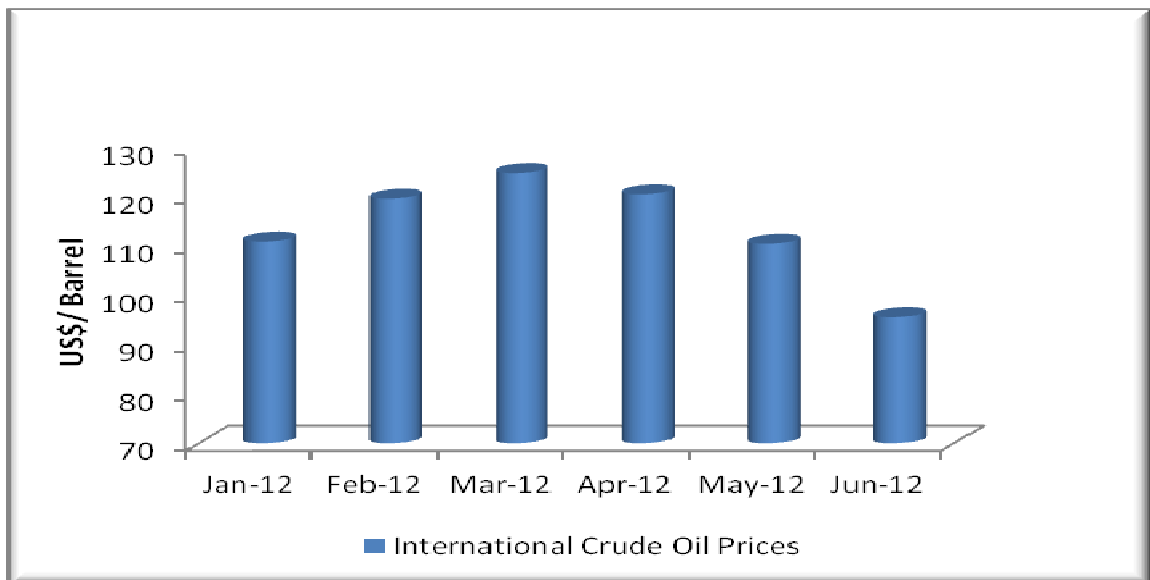


19. Month on month inflation recorded 0.2% in April and decelerated to 0.1% in May. However, a marginal increase of 0.2% was recorded in June.



20. The stable prices during the quarter under review were in part, supported by the softening of international oil prices and depreciation of the rand against the us dollar.

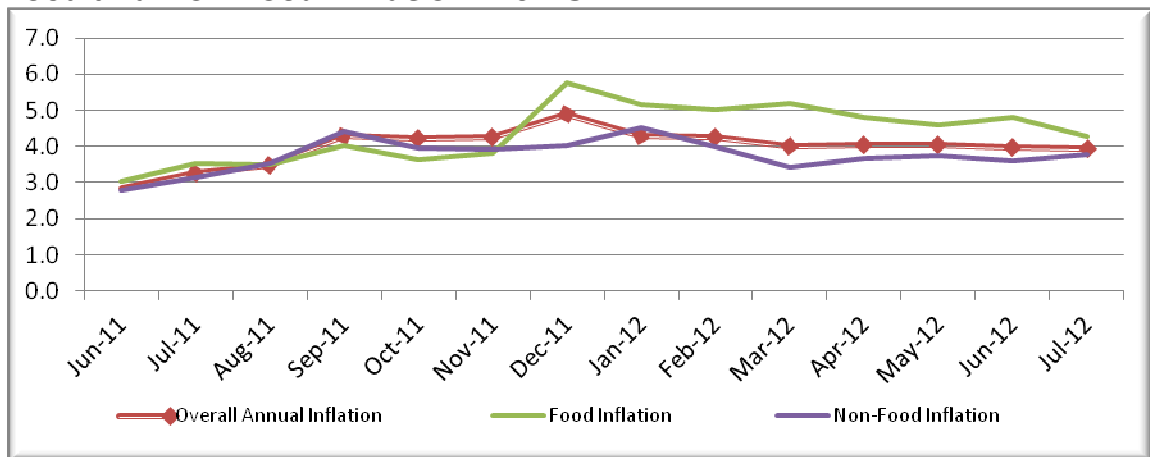
International Oil Prices Vs Rand Us Depreciation



Food Inflation

21. During the period under review, food prices were characterized by volatilities, mainly on fruits, tea and vegetables prices, reflecting changes in seasonal supplies.
22. As a result of the above transitory shocks, overall food inflation recorded 4.8% in April, 4.61% in May and 4.79% in June.

Food and Non-Food Inflation Profile



Non Food Inflation

23. Non-food inflation during the same period remained stable recording 3.68% in April, 3.75% in May, before slowing down to 3.61% in June, benefitting from fuel and communication.

Financial Sector

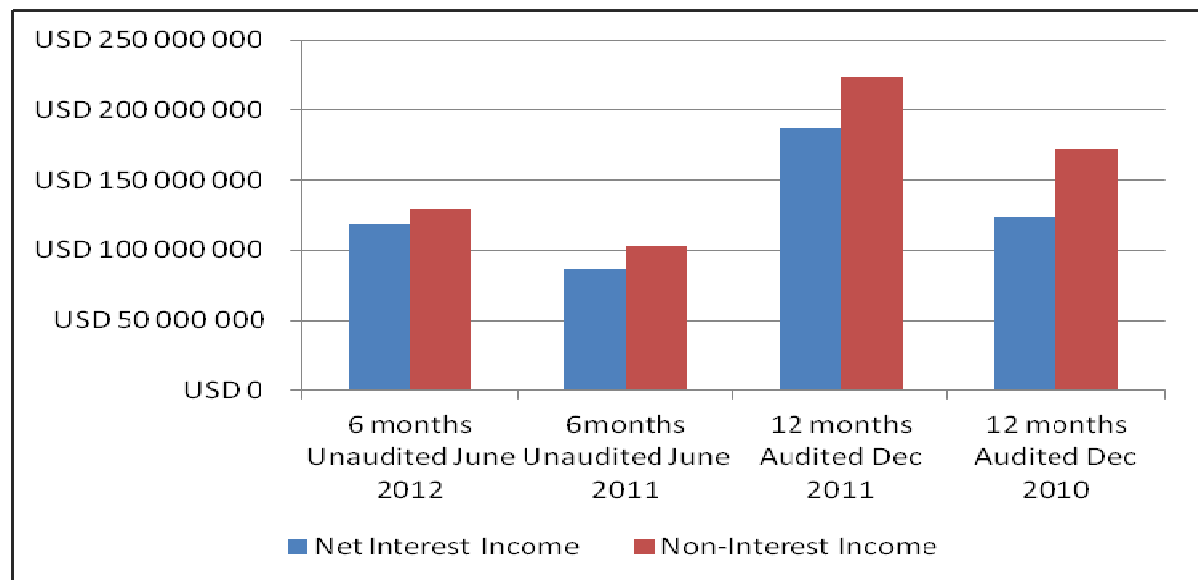
24. The financial sector although stable, is confronted with a number of challenges, related to high credit risks, deteriorating asset quality, high non-performing loans, low capital buffers and poor corporate governance, among others.
25. The closure of Genesis Investment Bank and Royal Bank as well as the placement of Interfin Bank under curatorship, has further dampened confidence, particularly on small banks – a development that has resulted in high concentration of bank deposits with bigger banks.
26. Furthermore, the inadequate intermediation in the financial sector is demonstrated through the disproportionate high non-interest income relative to the interest income.
27. An analysis of the income statements of the financial sector for the six months to June 2012, indicate that all financial institutions continue to derive most of their income from fees and commission as opposed to interest on loans. This is indicated in the table below.

Comparison of Interest and Non Interest Income (US\$)

	30-Jun-12	31-Dec-11	30-Jun-11	31-Dec-10
Net Interest Income	118,265,869	187,317,171	86,936,194	123,898,092
Non Interest Income				
*Fees and Commission	100,815,578	181,234,889	82,480,968	136,537,448
*Other Income	28,638,577	42,556,870	20,256,336	35,799,857

Source: Published Audited and Unaudited Financial Statements of Banks

Distribution of Income for Commercial Banks

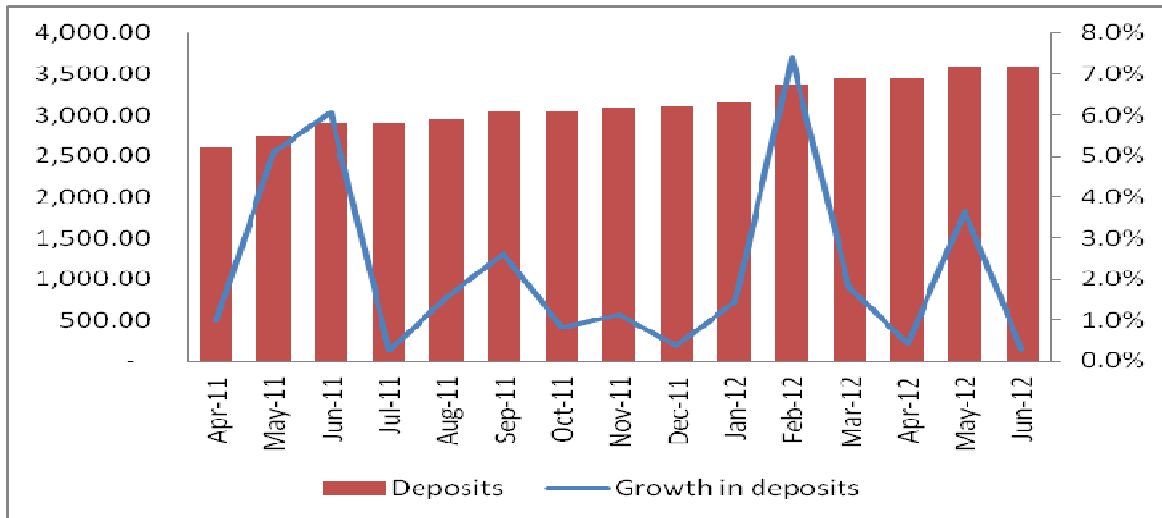


Source: Published Audited and Unaudited Financial Statements

Bank Deposits

28. Total bank deposits increased by 4.4% from US\$3.45 billion in April 2012 to US\$3.6 billion as at 30 June 2012. This growth rate was however, lower than the 9.8% realised during the first quarter.

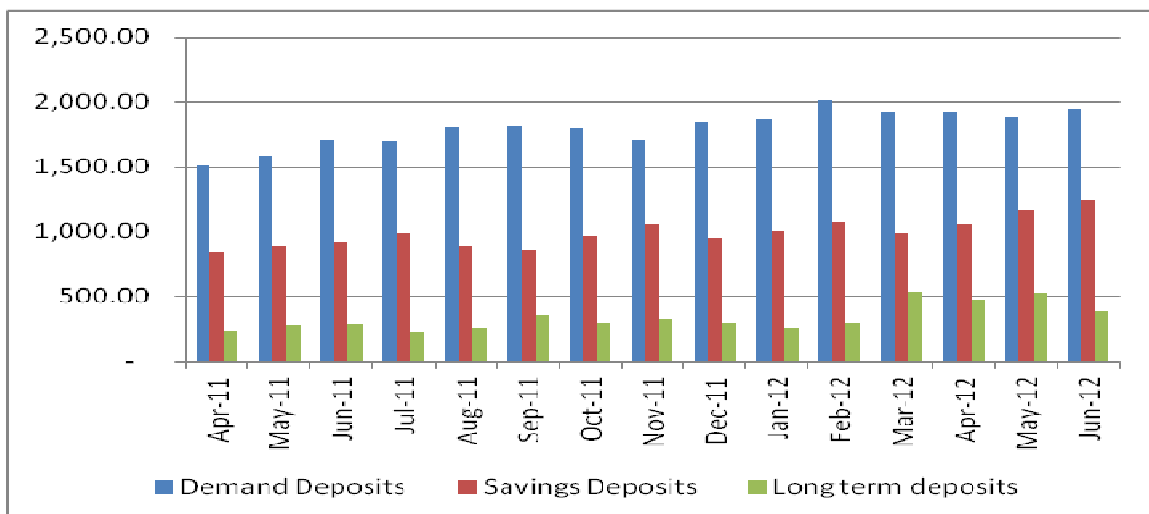
Deposits from April 2011 to June 2012



Source: Reserve Bank of Zimbabwe

29. The decrease in deposit growth, partly reflects the overall slowdown in economic activity, depressed confidence due to increasing vulnerabilities in the financial sector.

Structure of bank deposits(US\$million)



Source: Reserve Bank of Zimbabwe

Interest on Deposits

30. The interest rates on deposits, marginally increased during the second quarter as banking sector confidence dipped in the wake of bank closures.

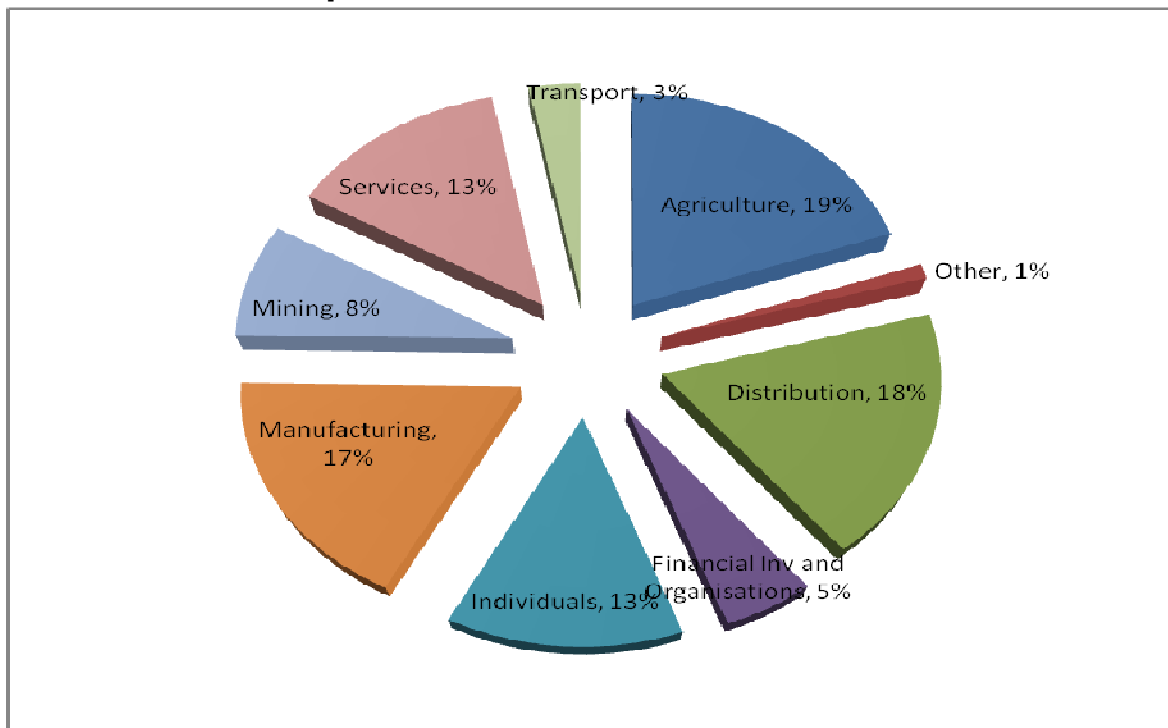
Type of Deposit	Interest Rate Per Annum
Demand	0 - 3.9%
30 Days	0.15% - 15.5%
60 Days	0.15% - 19%
90 Days	0.15% - 19%
180 – 360 Days	0.15 - 21%

Source: Reserve Bank of Zimbabwe

Total Bank Credit

31. In the second quarter, loans and advances to the private sector increased by 7.4% from US\$2.86 billion in April 2012 to US\$3.1 billion, as at 30 June 2012. This translated to a loan to deposit ratio of 86.2%.
32. The distribution of the loans to key sectors of the economy is as follows:

Loan Distribution: April-June 2012



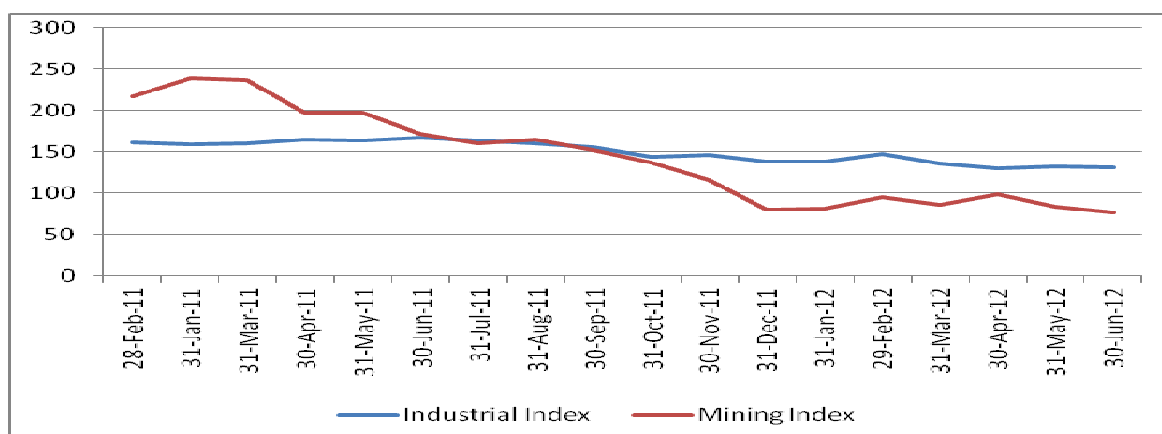
Source: Reserve Bank of Zimbabwe

Zimbabwe Stock Exchange

33. Activity on the local bourse continued on the bearish trend, registering the lowest market capitalisation level of US\$3.3 billion in April from US\$3.7 billion recorded in February this year. For the quarter under review, the Zimbabwe Stock Exchange performance has been trapped at those low levels.
34. In line with the above, the industrial index decelerated from 146.03 points in February to 129.55 points in April and slightly recovered to 131.0 by 30 June 2012.

35. Similarly, the mining index also fell from 97.15 points in April to 75.7 points by 30 June 2012.

Zimbabwe Stock Exchange Monthly Industrial & Mining Indices: 2012



Date	Industrial Index	Mining Index	Market Capitalisation (US\$)
Jan-12	138.52	79.09	3 489 841 345
Feb-12	146.03	95.39	3 696 613 989
Mar-12	136.76	85.01	3 458 055 450
Apr-12	129.55	97.15	3 303 408 283
May -12	132.03	83.73	3 351 215 680
June-12	131.0	75.7	3 341 457 429

EXTERNAL SECTOR

Exports

36. In the second quarter, total export shipments were valued at US\$754 million compared to US\$900 million realised during the first quarter.

This translates to a 19% slump in declared exports shipments for the quarter under review.

37. The decrease in total export shipments, has been attributed mainly to the slowdown in agricultural and manufactured exports.

38. Of the total exports, mineral shipments at 72%, contributed the bulk of the exports, riding on high global demand and improved capacity utilization. Other exports were tobacco (11%), manufacturing (9%), agriculture (7%), horticulture (0.4%) and Hunting (0.2%).

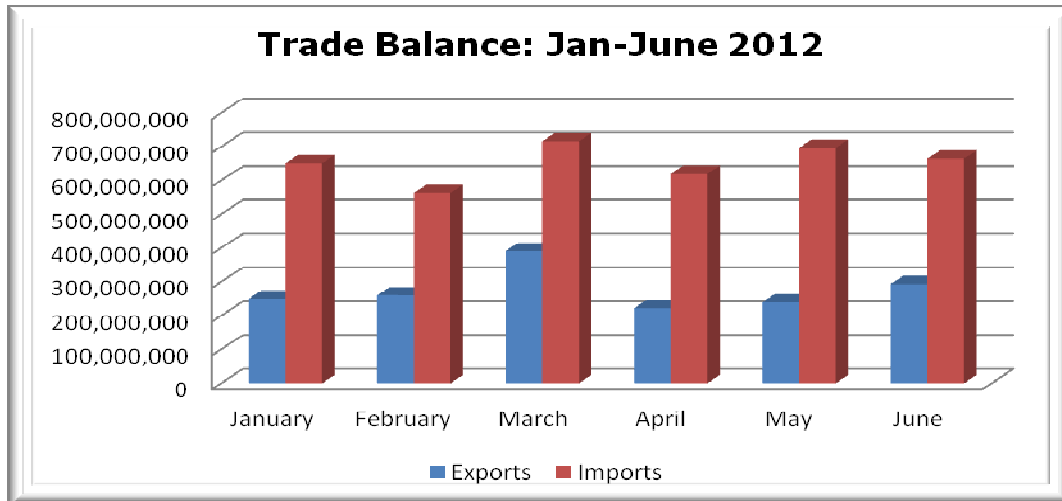
Monthly Exports in USD: Jan – June 2012

Month	Agriculture	Horticulture	Hunting	Manufacturing	Mining	Tobacco	Grand Total
Jan	14,045,143	572,853	334,690	10,195,374	160,053,634	64,407,531	249,609,225
Feb	20,046,700	728,454	441,842	30,345,237	189,745,797	18,286,103	259,594,133
March	21,112,159	1,610,321	918,846	42,002,768	310,292,632	14,828,300	390,765,026
April	17,807,548	1,132,174	631,730	27,841,599	167,082,434	7,320,020	221,815,505
May	19,586,143	1,116,723	689,302	24,220,277	173,983,164	19,567,283	239,162,892
June	16,504,589	834,128	624,713	16,698,671	202,619,424	55,912,191	293,193,716
Total	190,141,022	7,966,878	4,819,607	177,645,989	1,580,406,131	273,856,985	2,234,836,612

Source: Computerised Export Payments Exchange Control System (CEPECS), RBZ

Imports

39. Import values in the second quarter, remained the same as in the first quarter, at US\$1.9 billion. Major imports were foodstuffs (29%), capital goods (15%), raw materials (11%), fuel and electricity (10%).



BUDGET PERFORMANCE

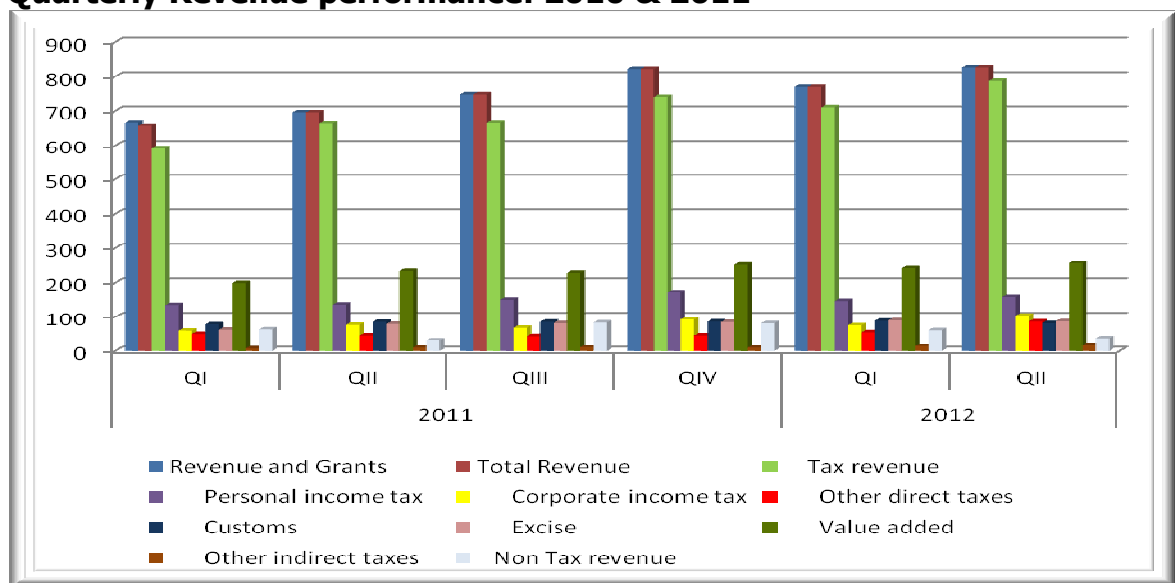
Revenues

40. Revenue collections for the quarter under review were US\$825.9 million, against a target of US\$968.1 million, giving a negative variance of US\$142.2 million.
41. Cumulative revenue collections since the beginning of the year, amounted to US\$1.597 billion, which were short of the target of US\$1.840 billion, by US\$240.3 million
42. Second quarter collections were higher by 7.1%, compared to first quarter collections of US\$771.1 million.
43. Tax revenue collections were largely in line with target, driven by strong performance on Value Added Tax, Personal Income Tax and

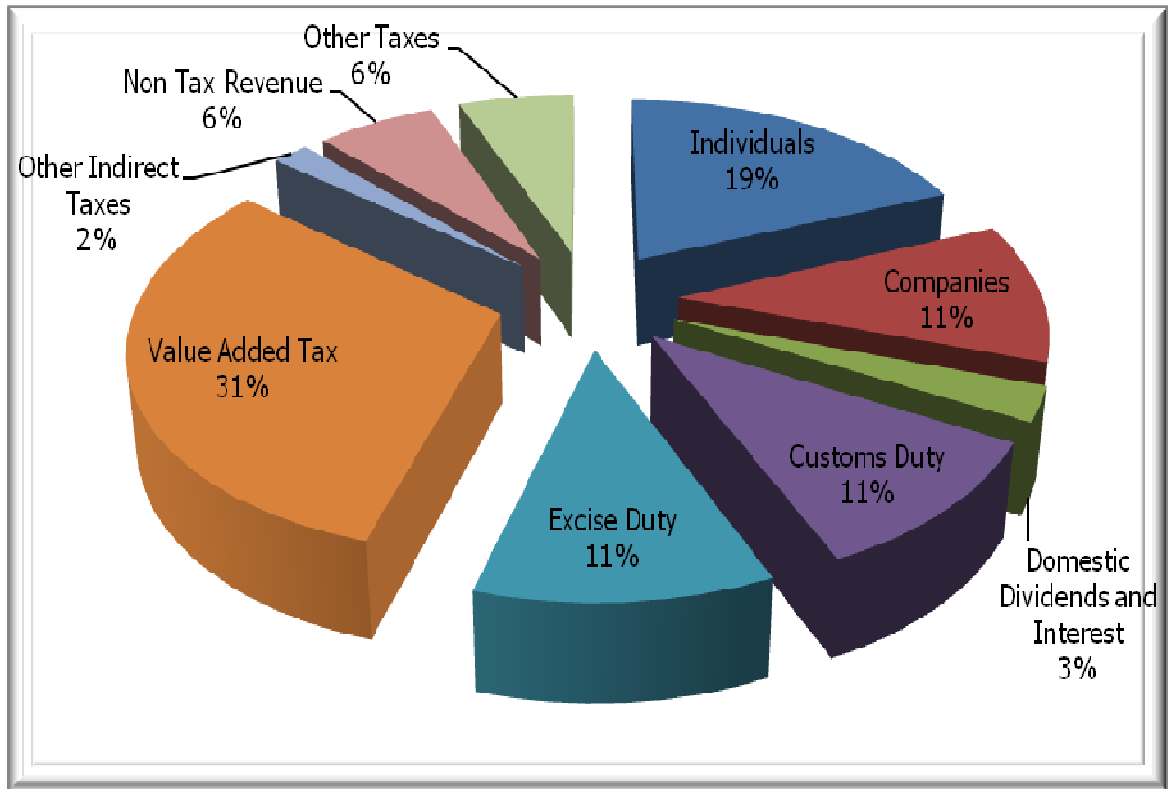
Corporate Tax, which were more buoyant in the second quarter compared to the first quarter.

44. However, customs duty and excise duty were below the first quarter collections.
45. The biggest slippage was on non tax revenue, which recorded a huge negative variance, largely attributed to poor performance of diamond revenues, which accounts for over 90% of non tax revenue.
46. Diamond revenues continued to perform below expectations with only U\$11.2 million having been collected during the second quarter of 2012, bringing cumulative collections since the beginning of the year to US\$41.7 million.

Quarterly Revenue performance: 2010 & 2011



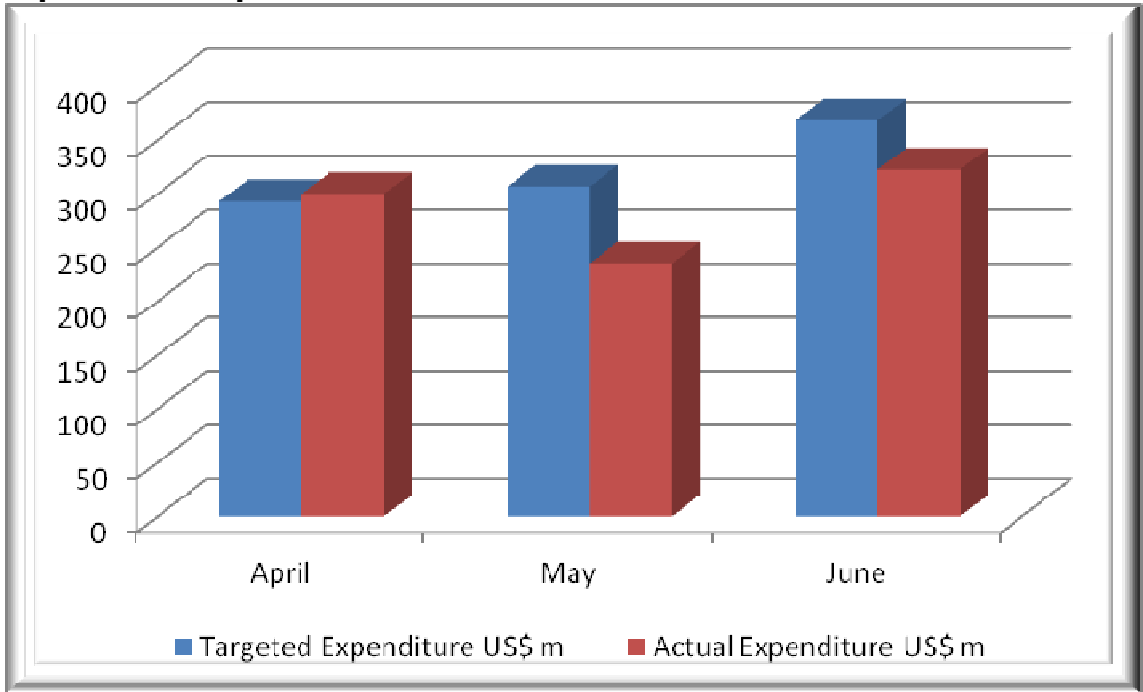
Performance of Revenue Heads: Jan – June 2012



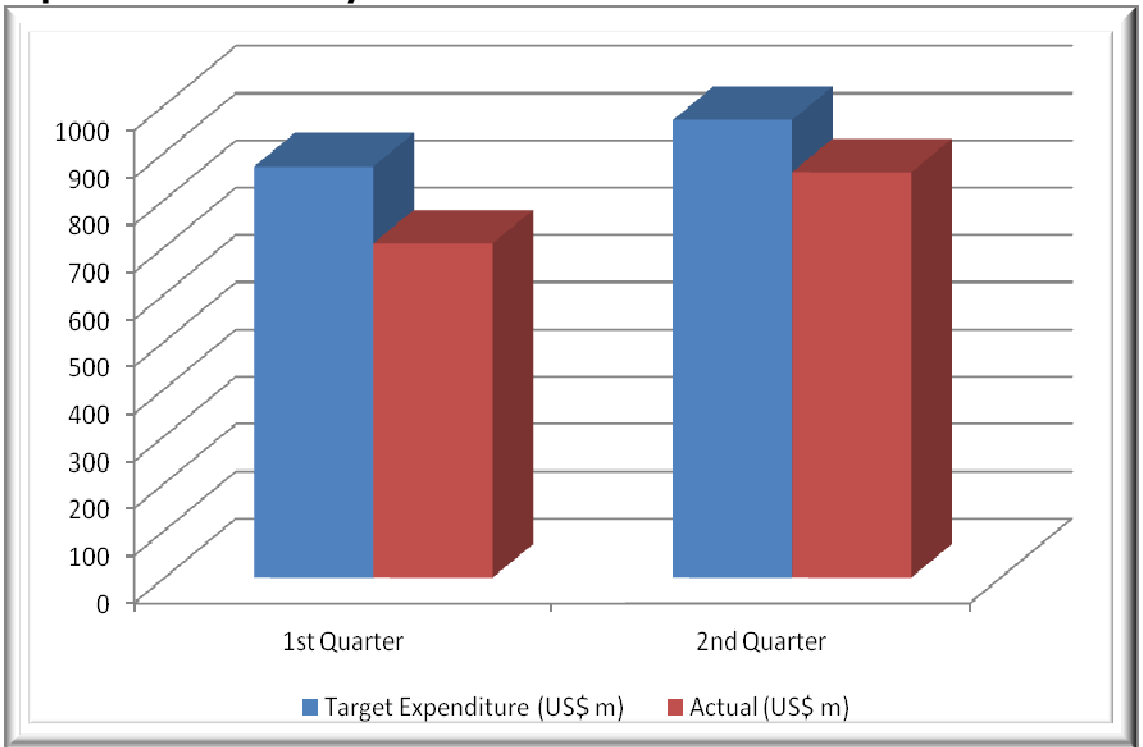
Expenditures

47. Expenditures for the quarter under review, in line with revenues, were restricted at US\$857.7 million, although the planned target for the period was US\$968 million.
48. Cumulatively, total expenditures for the year to June were US\$1.565 billion against a target of US\$1.838 billion, hence underperforming by US\$273 million.

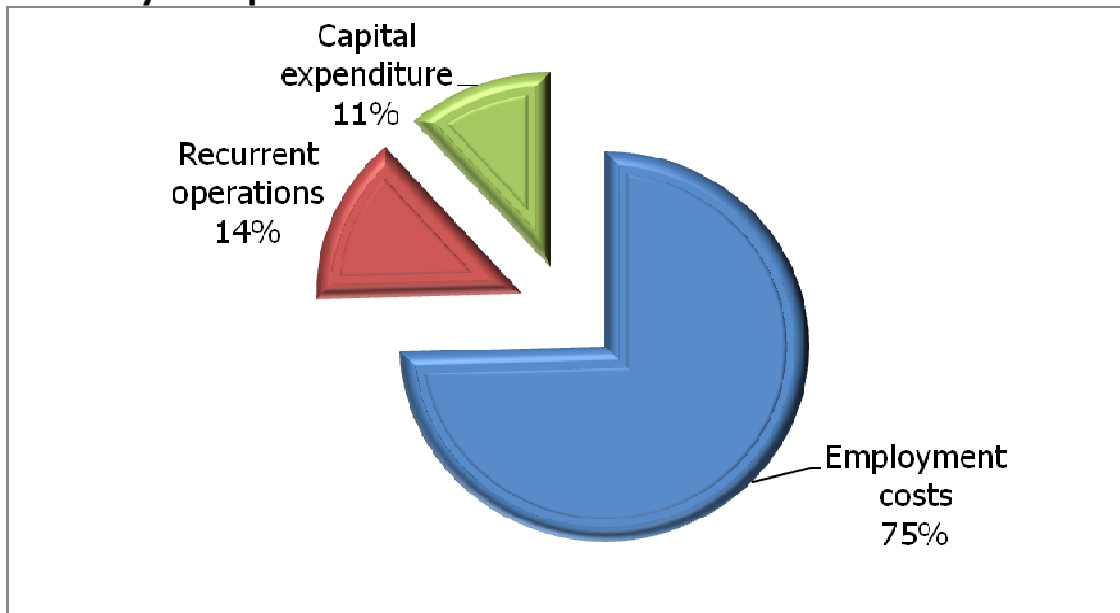
Expenditures: April - June 2012



Expenditures: January – June 2012



Summary of Expenditures: Jan-June 2012



**Inclusive of ZIMRA retention and Interest on External Debt*

Operations and Maintenance

49. Non-wage recurrent expenditures, comprising operational costs and maintenance were only US\$217.9 million, against a target of US\$410.9 million. Performance across such key sectors as health, education, social services and agriculture were subdued as a result.

	Targeted Expenditure US\$ m	Disbursements US\$ m
Health	42.3	13.5
Education	38.3	6.6
Social Services	17.2	7.3
Agriculture	11.8	4.7
Maintenance and Infrastructure	5.7	1.5
Empowerment	7.4	2.4
Total	122.7	36.0

Capital Expenditure

50. Of the 2012 capital budget of US\$800 million, only US\$204 million was disbursed by end of June 2012, representing a utilisation rate of 25.5%. Capital projects were severely affected by the underperformance of revenue, increase in employments costs beyond budgeted levels, as well as operations and maintenance.
51. Prioritised capital projects and the status of disbursement are indicated below:

Sector	Budget	Disbursement Targets to June	Actual Disbursements to June	Variance (Under-performance)	Disbursement as % of Budget
	US\$	US\$	US\$	US\$	%
Energy	47 500 000	23 750 000	6 170 000	17 580 000	0.13
Transport & Communication	113 400 000	53 700 000	22 500 000	3 1200 000	0.20
Water & Sanitation	113 245 000	49 622 000	24 245 000	25 377 000	0.21
Housing	118 610 000	54 305 000	19 459 972	34 845 028	0.16
ICT	40 200 000	22 100 000	12 316 418	9 783 582	0.31
Education	85 200 000	47 600 000	14 153 815	33 446 185	0.17
Health	63 425 000	40 712 500	21 497 604	19 214 896	0.34
Agriculture				0	
<i>Irrigation & Rehabilitaion of Research Institutions</i>	<i>25 850 000</i>	<i>11 925 000</i>	<i>2 950 000</i>	<i>8 975 000</i>	<i>0.11</i>
<i>Strategic Grain Reserve</i>	<i>50 200 000</i>	<i>16 100 000</i>	<i>32 400 000</i>	<i>-16 300 000</i>	<i>0.65</i>
<i>Crop Input Support</i>	<i>37 000 000</i>	<i>20 500 000</i>	<i>19 623 200</i>	<i>876 800</i>	<i>0.53</i>
Constituency Development Fund	8 000 000	4 000 000	0	4 000 000	0.00
Other	97 370 000	42 685 000	28 767 018	13 917 982	0.30
Total	800 000 000	386 999 500	204 083 027	182 916 473	0.26

STATISTICAL TABLES

2012 Monthly Revenues

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL	CUM. TARGET	CUM.VARIANCE	CUM. VARIANCE AS % OF TARGET
	USD	USD	USD	USD	USD	USD	USD	USD	USD	
Total Revenue Including Retained Revenue, Transfers & Prepayments	265,123,144.9	234,920,951.4	298,593,295.1	256,368,237.2	265,585,655.8	321,746,374.8	1,642,337,659.1	1,837,839,845.0	(195,502,185.9)	-10.64
Total Government Revenue (Net)	256,018,542.8	227,255,012.9	287,859,420.1	247,730,371.3	256,400,862.9	321,746,374.8	1,597,010,584.8	1,837,839,845.0	(240,829,260.2)	-13.10
Tax Revenue	229,690,256.7	214,059,987.2	265,899,181.9	234,843,928.2	241,839,337.7	310,795,809.5	1,497,128,501.2	1,500,242,845.0	(3,114,343.8)	-0.21
Tax on Income and profits	79,587,137.6	73,538,228.4	122,695,745.5	96,684,728.2	91,455,668.7	158,082,158.8	622,043,667.3	624,742,040.0	(2,698,372.7)	-0.43
Individuals	51,201,456.0	44,822,339.1	49,265,056.2	47,212,764.5	55,348,621.0	53,752,042.3	301,602,279.1	320,257,000.0	(18,654,721.0)	-5.82
Companies	16,636,986.8	9,502,428.6	49,076,368.7	21,180,904.7	16,367,694.1	66,579,510.5	179,343,893.3	157,337,000.0	22,006,893.3	13.99
Domestic dividend and interest	6,838,545.8	10,071,086.4	9,093,252.3	6,486,860.3	5,814,000.1	5,816,277.1	44,120,022.0	46,412,700.0	(2,292,678.0)	-4.94
Tobacco Levy		167,839.7	1,624,810.4	1,689,109.2	2,098,951.0	735,441.1	6,316,151.3	4,550,320.0	1,765,831.3	0.00
Royalties	114,374.9	4,788,252.7	8,857,368.9	16,191,059.8	7,475,957.9	27,350,411.0	64,777,425.1	72,107,545.0	(7,330,119.9)	-10.17
Other income taxes	1,807,335.4	1,722,538.6	1,587,980.3	1,167,962.5	1,347,535.4	1,117,837.1	8,751,189.3	6,928,875.0	1,822,314.3	26.30
Vehicle Carbon Tax	2,988,438.7	2,463,743.2	3,190,908.8	2,756,067.4	3,002,909.3	2,730,639.8	17,132,707.2	17,148,600.0	(15,892.8)	-0.09
TAX ON GOODS & SERVICES										
Customs duties	29,561,156.9	29,359,898.3	28,973,833.1	24,888,780.3	27,797,650.2	28,409,983.7	168,991,302.6	189,976,390.0	(20,985,087.4)	-11.05

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL	CUM. TARGET	CUM.VARIANCE	CUM. VARIANCE AS % OF TARGET
Oil products	710,700.8	1,300,233.4	6,739,056.8	-			8,749,991.0	18,939,510.0	(10,189,519.0)	-53.80
Other(Prime & Surtax)	28,850,456.1	28,059,665.0	22,234,776.3	24,888,780.3	27,797,650.2	28,409,983.7	160,241,311.6	171,036,880.0	(10,795,568.4)	-6.31
Excise duties	30,024,720.7	27,331,072.4	31,531,221.5	27,445,075.7	30,831,804.5	28,274,770.2	175,438,664.9	157,497,545.0	17,941,119.9	11.39
Beer	8,029,246.8	7,305,160.8	7,757,282.8	5,973,910.6	6,922,390.1	6,603,434.3	42,591,425.3	40,525,620.0	2,065,805.3	5.10
Wines and Spirits	484,680.8	1,635,859.8	955,671.1	987,072.1	397,961.2	1,256,678.2	5,717,923.2	4,181,400.0	1,536,523.2	36.75
Tobacco	1,515,214.2	1,822,305.2	1,290,471.0	1,645,586.8	1,456,888.0	1,506,181.4	9,236,646.6	7,620,620.0	1,616,026.6	21.21
Second Hand Motors Vehicles	602,031.6	680,320.9	706,118.3	504,206.9	827,474.8	671,541.5	3,991,694.0	6,345,385.0	(2,353,691.0)	-37.09
Fuels	19,393,547.3	15,887,425.6	20,821,678.3	18,334,299.3	21,227,090.4	18,236,934.9	113,900,975.8	98,824,520.0	15,076,455.8	15.26
Value Added Tax (VAT)	86,560,846.5	77,413,656.1	78,758,824.0	81,333,379.1	87,688,266.7	88,216,004.5	499,970,976.8	510,288,270.0	(10,317,293.2)	-2.02
VAT on Domestic Goods	61,322,146.29	56,480,330.96	54,872,944.81	53,819,418.3	59,985,448.4	66,049,599.1	352,529,887.9	283,253,820.0	69,276,067.9	24.46
Imported Goods & Services	39,540,770.8	37,788,655.9	42,090,956.3	37,365,938.7	41,637,121.7	41,693,180.4	240,116,623.6	227,034,450.0	13,082,173.6	5.76
Refunds	(14,302,070.5)	(16,855,330.8)	(18,205,077.1)	(9,851,978.0)	(13,934,303.4)	(19,526,774.9)	(92,675,534.7)	-	(92,675,534.7)	
Other indirect taxes	3,956,395.0	6,417,132.0	3,939,557.8	4,491,965.0	4,065,947.6	7,812,892.4	30,683,889.7	17,738,600.0	12,945,289.7	72.98
Non-tax Revenue	26,328,286.1	13,195,025.8	21,960,238.2	12,886,443.1	14,561,525.3	10,950,565.2	99,882,083.6	337,597,000.0	(237,714,916.4)	-70.41
							-	-		
Revenue from Investments & Property	14,779,885.5	5,342,606.4	11,462,639.6	5,098,512.5	7,104,897.1	616,879.5	44,405,420.7	272,260,000.0	(227,854,579.3)	-83.69
RBZ remittances							-	-	-	
Govt Property rent, interest and dividends etc.	14,779,885.5	5,342,606.4	11,462,639.6	5,098,512.5	7,104,897.1	616,879.5	44,405,420.7	272,260,000.0	(227,854,579.3)	-83.69
Fees: Govt./Dept facilities & services	9,338,433.13	6,144,845.0	8,603,895.5	6,316,905.3	6,002,357.1	9,019,059.3	45,425,495.3	51,237,000.0	(5,811,504.7)	-11.34
Pension Contribution	498,595.3	61,208.9	21,852.3	78,493.1	58,477.7	69,279.0	787,906.3	3,000,000.0	(2,212,093.7)	
Other							-	-	-	
Gvt sales,licences,fines etc	494,091.5	664,814.7	543,741.1	274,653.2	312,135.5	285,729.9	2,575,165.9	2,600,000.0	(24,834.1)	0.00
Judicial Fines	876,228.1	544,257.7	308,467.8	361,615.0	466,777.8	446,021.0	3,003,367.4	2,600,000.0	403,367.4	0.00
Refunds of Miscellaneous Payments from Votes	245,886.11	373,338.2	718,403.6	587,471.7	450,829.3	471,801.8	2,847,730.6	4,000,000.0	(1,152,269.4)	0.00
Miscellaneous	78,923.0	50,242.8	290,202.9	156,792.2	125,085.2	28,924.0	730,170.1	1,822,000.0	(1,091,829.9)	0.00

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL	CUM. TARGET	CUM.VARIANCE	CUM. VARIANCE AS % OF TARGET
Automated Teller Machine (ATM)	16,243.5	13,712.0	11,035.5	12,000.1	40,965.6	12,870.7	106,827.3	78,000.0	28,827.3	0.00
Retained & Prepaid Revenue(Others)	9,104,602.1	7,665,938.5	10,733,874.9	8,637,865.9	9,184,792.9	-	45,327,074.3	-	45,327,074.3	0.00
Aids Levy	2,032,229.3	1,632,033.9	2,940,993.2	2,048,978.7	2,094,034.2		10,748,269.2	-	10,748,269.2	0.00
Noczim Levy	5,541,006.2	4,462,898.9	5,985,845.4	5,002,537.1	5,642,089.9		26,634,377.5	-	26,634,377.5	0.00
Toll fees	1,531,366.6	1,571,005.8	1,807,036.4	1,586,350.1	1,448,668.8		7,944,427.6	-	7,944,427.6	0.00
Prepayment Account	9,104,602.1	7,665,938.5	10,733,874.9	8,637,865.9	9,184,792.9	-	45,327,074.3	-	45,327,074.3	0.00

2012 Monthly Expenditures

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL	CUM. TARGET	CUM.VARIANCE	CUM. VARIANCE AS % OF TARGET
	40939.00	40967.00	40999.00	41029.00	41059.00	41090.00	41090.00	41090.00	41090.00	
	USD	USD	USD	USD	USD	USD	USD	USD	USD	
Total Exp including Retained Grants(ZIMRA,AIDS&NOCZIM)	177927360.43	290393277.21	274087040.20	321633284.37	246119523.50	309221709.14	1619382194.85	1841786763.00	222404568.15	12.08
							0.00	0.00		
Total expenditure and net lending including ZIMRA Grant	170398780.54	282820041.73	267992107.46	312706445.79	239068007.72	301485585.07	1574470968.31	1841786763.00	267315794.69	14.51
							0.00	0.00		
Total expenditure and net lending (Net)	170398780.54	282820041.73	267992107.46	312706445.79	239068007.72	301485585.07	1574470968.31	1841786763.00	267315794.69	14.51
							0.00	0.00		
Current Expenditure	166030045.21	262970491.03	243857647.13	261771104.23	234050542.21	270317048.20	1438996878.01	1517546378.00	78549499.99	5.18
							0.00	0.00		
Goods and services	113413202.00	171986494.82	164132386.82	175118594.19	161533438.08	174134223.12	960318339.03	1044037347.00	83719007.97	8.02
Employment Costs	106306498.24	151045788.74	136755652.75	135283129.85	140944328.58	135879533.63	806214931.79	782603757.00	-23611174.79	-3.02
Domestic Travel Expenses	516932.10	2378709.91	5217176.00	3071580.92	789594.99	2117464.55	14091458.47	11058932.00	-3032526.47	-27.42
Foreign Travel Expenses	1123705.64	2033010.10	2558287.14	2392672.99	2702137.45	5338184.86	16147998.18	22198233.00	6050234.82	27.26
Communication, Supplies and Services	220403.52	551526.07	645594.11	1288973.41	414114.63	818351.58	3938963.32	12575470.00	8636506.68	68.68
Education supplies and Services	1336.00	54080.40	131524.50	72109.71	36053.47	77637.87	372741.95	1739431.00	1366689.05	78.57
Medical Supplies and services	255290.32	1161079.26	2321843.66	1701606.45	418997.59	961152.51	6819969.79	8739787.00	1919817.21	21.97
Office supplies and services	42042.00	249394.64	303780.24	459711.28	322205.86	942156.85	2319290.87	5646754.00	3327463.13	58.93
Training expenses	370762.84	637610.65	513798.67	794482.80	335567.46	777560.08	3429782.50	4454751.00	1024968.50	23.01
Rental and other service charges	2137315.77	1439518.47	3049511.48	9129283.44	5766217.28	5395273.69	26917120.13	32865599.00	5948478.87	18.10
Institutional provisions	943089.75	2079781.56	2710085.72	3488932.12	2850009.53	3565205.60	15637104.28	24280138.00	8643033.72	35.60
Other	324948.46	4140690.84	4764442.13	3013925.69	629001.49	8435901.29	21308909.90	32719150.00	11410240.10	34.87

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL	CUM. TARGET	CUM.VARIANCE	CUM. VARIANCE AS % OF TARGET
Maintenance of capital works	825436.36	6215304.18	4676394.42	8309318.15	3188961.51	7487973.86	30703388.48	36179786.00	5476397.52	15.14
Programmes	345441.00	0.00	484296.00	6112867.38	3136248.24	2337826.75	12416679.37	68975559.00	56558879.63	82.00
Vote of Credit							0.00	0.00	0.00	
Interest on debt	0.00	0.00	6718444.44	9849999.19	0.00	0.00	16568443.63	6800000.00	-9768443.63	-143.65
Foreign				9849999.19			9849999.19	0.00	-9849999.19	
Domestic			6718444.44				6718444.44	6800000.00	81555.56	
Current transfers	52616843.21	90983996.21	73006815.87	76802510.85	72517104.13	96182825.08	462110095.35	466709031.00	4598935.65	0.99
Pensions	23420800.00	35700000.00	36714110.00	32580125.00	34825897.00	34283000.00	197523932.00	173700000.00	-23823932.00	-13.72
Other grants and transfers	29196043.21	55283996.21	36292705.87	44222385.85	37691207.13	61899825.08	264586163.35	293009031.00	28422867.65	9.70
Capital expenditure	4368735.33	16126350.70	16099460.33	32935341.56	7567465.51	21148536.87	98245890.30	263403385.00	165157494.70	62.70
Breeding stock				1162.00			1162.00	0.00	-1162.00	
Furniture and Equipment			282261.24	85758.81	195631.80	224656.40	788308.25	9656780.00	8868471.75	91.84
Vehicles, Plant and Mobile equipment	184766.33	270637.40	183044.20	588676.45	319896.27	301964.92	1848985.57	6061200.00	4212214.43	69.49
Acquisition of buildings		60576.97	1348806.89	729844.30	781305.44	1384055.55	4304589.15	86571217.00	82266627.85	95.03
Intangible assets		93988.00		0.00			93988.00	3516000.00	3422012.00	0.00
Feasibility studies		0.00		0.00			0.00	600000.00	600000.00	0.00
Capital transfers	4183969.00	11467682.00	14235348.00	31529900.00	6270632.00	19212860.00	86900391.00	149580988.00	62680597.00	41.90
Equity participation		4233466.33	50000.00			25000.00	4308466.33	7417200.00	3108733.67	41.91
Repayments							0.00	0.00	0.00	
Net Lending	0.00	3723200.00	8035000.00	18000000.00	-2550000.00	10020000.00	37228200.00	60837000.00		
Long-term loans (net)	0.00	3723200.00	0.00	0.00	-2550000.00	10020000.00	11193200.00	36240000.00	25046800.00	
Loan and debt		3723200.00				1450000.00	15193200.00	36240000.00	21046800.00	
Recoveries					-4000000.00		-4000000.00	0.00	4000000.00	
Investments	0.00						0.00	0.00	0.00	
Short-term loans (net)	0.00	0.00	8035000.00	18000000.00	0.00	0.00	26035000.00	24597000.00		

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	CUM.ACTUAL	CUM. TARGET	CUM.VARIANCE	CUM. VARIANCE AS % OF TARGET
Lending			8035000.00	18000000.00			26035000.00	24597000.00		
Recoveries							0.00	0.00	0.00	
ZIMRA Grant							0.00	0.00		0.00
							0.00	0.00		
Other Grants	7528579.89	7573235.48	6094932.74	8926838.58	7051515.78	7736124.07	44911226.54	0.00	-44911226.54	
<i>Noczim Grant</i>	3542815.21	5541006.16	4462898.87	5985845.43	5002537.11	5642089.90	30177192.68	0.00	-30177192.68	
<i>Aids Grant</i>	3985764.68	2032229.32	1632033.87	2940993.15	2048978.67	2094034.17	14734033.86	0.00	-14734033.86	

Inflation December 2008 – June 2012

Month	CPI	Month on Month Inflation (%)	Year on Year Inflation (%)
Dec-08	100.0		
Jan-09	97.7	-2.3	
Feb-09	94.6	-3.2	
Mar-09	91.7	-3.1	
Apr-09	90.7	-1.1	
May-09	89.9	-0.9	
Jun-09	90.4	0.6	
Jul-09	91.3	1.0	
Aug-09	91.7	0.4	
Sep-09	91.2	-0.5	
Oct-09	92.0	0.9	
Nov-09	91.9	-0.1	
Dec-09	92.3	0.5	-7.7
Jan-10	93.0	0.7	-4.8
Feb-10	93.9	1.0	-0.7
Mar-10	95.0	1.2	3.6
Apr-10	95.1	0.1	4.8
May-10	95.3	0.2	6.0
Jun-10	95.2	-0.1	5.3
Jul-10	95.1	-0.1	4.2
Aug-10	95.0	-0.1	3.6
Sep-10	95.1	0.1	4.3
Oct-10	95.3	0.2	3.6
Nov-10	95.7	0.5	4.2
Dec-10	95.3	-0.4	3.2
Jan-11	96.3	0.9	3.5
Feb-11	96.8	0.5	3.0
Mar-11	97.5	0.8	2.7
Apr-11	97.6	0.1	2.7
May-11	97.7	0.1	2.5
Jun-11	97.9	0.2	2.9
Jul-11	98.2	0.3	3.3
Aug-11	98.3	0.1	3.5
Sep-11	99.2	0.8	4.3
Oct-11	99.3	0.1	4.2
Nov-11	99.8	0.5	4.2

Dec-11	100.0	0.2	4.9
Jan-12	100.4	0.5	4.3
Feb-12	100.9	0.5	4.3
Mar-12	101.4	0.4	4.0
Apr-12	101.6	0.2	4.0
May-12	101.7	0.1	4.0
Jun-12	102.0	0.2	3.9

BOP Summary (US\$m)

6/15/2011 13:11	2008 Actual	2009 Actual	2010 Actual	2011 Est.	2012 Proj.
CURRENT ACCOUNT (excl.official transfers)	-775.3	-1140.3	-1852.5	-1566.2	-1128.3
TRADE BAL f.o.b	-969.1	-1599.8	-1781.7	-1723.9	-1286.0
Exports f.o.b	1660.4	1613.3	3380.1	4097.9	4607.7
Imports f.o.b	2629.5	3213.1	5161.8	5821.8	5893.7
NON FACTOR SERVICE(Net)	-206.9	-266.2	-443.7	-495.2	-502.4
Receipts	168.6	182.4	225.0	250.4	266.9
Payments	375.5	448.6	668.7	745.6	769.3
INCOME(Net)	-224.2	-200.4	-199.9	66.5	70.1
Interest	-111.8	-116.8	-115.1	-19.9	-20.2
Receipts	2.3	2.4	2.5	2.6	2.8
Payments:Public & Pvt Sectors	114.1	119.2	117.6	22.5	23.0
Other Income (Net)	-112.4	-83.6	-84.8	86.3	90.3
Receipts	63.0	79.4	83.7	87.6	91.6
Payments	175.4	163.0	168.4	1.3	1.3
PRIVATE TRANSFERS(Net)	624.9	926.0	572.8	586.4	590.0
Receipts	637.4	938.8	586.1	586.5	590.2
Payments	12.4	12.8	13.3	0.1	0.1
CAPITAL ACCOUNT (Incl. Official Transfers)	272.7	-656.5	617.5	776.5	764.5
Grants	72.7	391.0	231.0	210.0	215.0
Direct Investment (Net)	51.6	105.0	123	125.0	205.0

6/15/2011 13:11	2008 Actual	2009 Actual	2010 Actual	2011 Est.	2012 Proj.
Portfolio Investment (Net)	0.0	67.0	63.1	80.0	83.0
Long Term Capital (net)	-174.0	-127.9	4.7	77.3	55.7
Government	-226.5	-141.0	-168.1	-55.8	-6.1
Receipts	11.6	0.0	0.0	98.0	130.0
o/w World Bank	0.0	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0	0.0
Payments	238.1	141.0	168.1	153.8	136.1
o/w World Bank	47.0	44.0	38.1	33.2	28.6
ADB	16.7	17.6	22.5	20.6	2.8
Public Enterprises	57.3	-39.4	-134.3	41.0	32.5
Receipts	111.9	0.0	0.0	91.0	71.0
Payments	54.7	39.4	134.3	50.0	38.5
Private Sector	-4.8	52.5	307.0	92.1	29.3
Receipts	30.4	53.0	349.9	342.1	340.2
Payments	35.1	0.5	42.9	250.0	310.9
Short term capital (net)	322.4	-1091.6	196.1	284.2	205.8
Government	0.0	-1300.0	0.0	0.0	0.0
Public Enterprises	275.1	0.0	0.0	0.0	0.0
Private	6.8	257.0	167.1	285.8	208.8
Change in DMBs NFA	40.4	-48.6	29.1	-1.6	-3.0
Errors and omissions	-222.6	-70.2	822.9	0.0	0.0
Overall Balance	-725.2	-1867.0	-412.1	-789.8	-363.8
Financing	725.2	1867.0	412.1	789.8	363.8
Change in RBZ Usable Reserves	78.7	-270.1	78.5	127.3	-10.0
Net use of Fund resources	0.0	0.0	0.0	0.0	0.0
Purchases	0.0	0.0	0.0	0.0	0.0
Repurchases	0.0	0.0	0.0	0.0	0.0
SDR Allocations	0.0	420.0	0.0	0.0	0.0

6/15/2011 13:11	2008 Actual	2009 Actual	2010 Actual	2011 Est.	2012 Proj.
Change in Other Liabilities	219.5	148.4	21.5	0.6	2.5
Privatisation Proceeds	0.0	0.0	0.0	0.0	0.0
o/w: Foreign Direct Investment	0.0	0.0	0.0	0.0	0.0
Portfolio	0.0	0.0	0.0	0.0	0.0
EXCEPTIONAL FINANCING	427.0	1568.6	312.0	661.9	526.1
O/W: Debt Forgiveness	0.0	0.0	0.0	0.0	0.0
Debt Rescheduling	109.1	53.0	0.0	0.0	0.0
Debt-Equity Swaps	0.0	0.0	0.0	0.0	0.0
Debt-Bond Swaps	0.0	0.0	0.0	0.0	0.0
Debt Refinancing	0.0	0.0	0.0	0.0	0.0
Accumulation of External Payment Arrears	317.9	1515.6	312.0	661.9	526.1
Financing Gap (-) /Surplus (+)	0.0	0.0	0.0	0.0	154.7
<i>(Memorandum Items)</i>					
Gross Official Reserves(US\$m) - At 50%	77.6	360.0	477.3	160.0	165.0
Import Cover (months) - At 50% (Goods only)	0.4	1.3	1.1	0.3	0.3
Gross Official Reserves(US\$m) - At 100%	75.9	365.8	477.3	160.0	170.0
Import Cover (months) - At 100% (Goods & Services)	0.3	1.2	1.0	0.3	0.3
Usable Reserves (US\$m)*	5.8	275.8	197.3	70.0	80.0
Net DMBs Reserves	492.9	541.5	512.4	514.0	517.0
Other Liabilities	367.0	515.4	536.9	537.5	540.0
External Payment Arrears	3071.4	4587.0	4899.0	5560.9	6086.9
Current account /GDP(%)-Exc. Grants (Revised GDP)	-17.6%	-19.5%	-24.8%	-17.2%	-11.4%
GDP (US\$m) market prices	4416.0	5836.0	7474.0	9097.0	9903.0
Export Growth (%)	-8.7%	-2.8%	109.5%	21.2%	12.4%
Import Growth (%)	24.4%	22.2%	60.7%	12.8%	1.2%
Food %	-6.8	117.6	-25.3	-16.5	-31.1

6/15/2011 13:11	2008 Actual	2009 Actual	2010 Actual	2011 Est.	2012 Proj.
Non-Food %	31.0	8.0	86.4	16.3	4.0

Monthly Foreign Payments in USD – Jan -June2012

Month	Value (US\$)
January	650,847,283
February	563,530,165
March	716,107,953
April	619,694,695
May	696,966,515
June	664,153,491
Total	5,141,556,739

Source: CEBAS Foreign Payments Reporting System, RBZ

Government Finances

CENTRAL GOVERNMENT				
(Millions US\$)	2009	2010	2011	2012 EST.
Revenue and Grants	1040.1	2339.1	2921.0	3640.0
Revenue	998.8	2339.1	2921.0	3641.5
Tax revenue	947.7	2214.6	2661.2	3337.7
Personal income tax	221.4	427.7	587.6	732.2
Corporate income tax	44.2	256.4	296.4	369.4
Other direct taxes	21.5	168.0	188.5	257.8
Customs	212.2	339.9	332.9	414.9
Excise	67.6	165.1	306.6	382.0
Value added	367.2	830.0	911.6	1136.0
Other indirect taxes	13.5	27.5	37.5	45.4
Non Tax revenue	51.1	124.5	259.9	304
Expenditure and Net Lending	850.3	2239.7	2895.0	3639.9
Current expenditure	804.0	1736.1	2499.9	3180.6
Goods and services	194.7	442.0	454.3	402.3
Wages and salaries	409.3	794.0	1269.1	1759.3
Pensions & benefits	98.4	245.0	275.0	404.0
Interest Paid	19.8	30.8	33.6	18.0
Foreign	16.4	30.8	33.6	18.0
Domestic	3.4	0.0	0.0	0.0
Transfers, subsidies, other	81.9	224.3	467.9	597.0
Capital expenditure	45.2	415.3	353.2	359.8
Net Lending	1.1	88.4	41.9	99.5