



TREASURY QUARTERLY BULLETIN

July – September, 2019

Ministry of Finance and Economic Development

TABLE OF CONTENTS

| | |
|------------------------------------|----|
| INTRODUCTION | 3 |
| REAL SECTOR PERFORMANCE | 3 |
| Agriculture..... | 3 |
| Tobacco | 3 |
| Cotton..... | 4 |
| Livestock..... | 5 |
| Mining..... | 7 |
| Gold..... | 8 |
| Platinum..... | 8 |
| Diamonds..... | 8 |
| Chrome..... | 9 |
| Coal | 9 |
| International Mineral Prices | 10 |
| Electricity | 10 |
| ZIMBABWE STOCK EXCHANGE | 11 |
| PRICES..... | 12 |
| BUDGET PERFORMANCE | 13 |
| Revenue..... | 14 |
| Revenue Heads' Contribution | 15 |
| Expenditure | 16 |
| Employment Costs | 17 |
| Other Recurrent Expenditures..... | 17 |
| Social Service Delivery..... | 17 |
| Capital Expenditures | 18 |
| Devolution..... | 18 |
| Budget Balance..... | 18 |
| EXTERNAL SECTOR..... | 19 |
| Merchandise Exports | 19 |
| Merchandise Imports..... | 21 |
| Trade Balance..... | 23 |
| CONCLUSION | 24 |

INTRODUCTION

1. During the third quarter of 2019, Government pursued a wide range of fiscal, monetary and structural policy reforms for macroeconomic stabilisation and stimulation of growth.
2. However, overall output was constrained by a combination of climatic shocks (drought and cyclone) and macroeconomic vulnerabilities in the form of foreign currency shortages and inflation, which peaked up following the June exchange rate shock following the introduction of the mono currency.
3. Performance of the Budget, was however positive with cumulative revenues of ZWL\$6.33 billion outperforming target (ZWL\$5.4 billion). Expenditures were contained at ZWL\$6.27 billion against a set target of ZWL\$5.4 billion resulting in a budget surplus of ZWL\$9.4 million.
4. Similarly, the current account managed to deliver a positive balance of US\$347.6 million during the third quarter of the year, which all pointed to positive signs for restoring the much needed macro-fiscal stability and elimination of the twin deficits.

REAL SECTOR PERFORMANCE

Agriculture

5. For agriculture, the third quarter faced a severe drought, which caused loss of crops and the national herd including wildlife. The drought also dampened winter wheat production.

Tobacco

6. As at 30 September 2019, 259.4 million kg had been delivered to the floors compared to 252.6 million kg sold during the same period last year.
7. Deliveries increased marginally to 259.5 million kg worth ZWL\$526.7 million as at 22 October 2019, higher than 252.6 million kg recorded during the same time last year.
8. Of this, about 88% of deliveries were from contracted farmers with the remainder coming from own farmer financing initiative.

Tobacco Deliveries as at 22 October 2019

| SEASONAL | DELIVERED FROM | | TOTAL 2019 | TOTAL 2018 | % CHANGE |
|--------------------------|----------------|-------------|-------------|-------------|----------------|
| | Non Contracted | Contracted | | | |
| Mass sold(kg) | 32,504,057 | 226,962,482 | 259,466,539 | 252,603,251 | 2.72 |
| Value(US\$) | 57,130,394 | 469,538,621 | 526,669,015 | 737,431,247 | (28.58) |
| Avg.price US\$/kg | 1.76 | 2.07 | 2.03 | 2.92 | (30.47) |

Source: TIMB

9. Tobacco price remained depressed averaging at ZWL\$2.03 per kg. The low price is expected to disincentive lower tobacco production levels during the 2019/20 agriculture season. Seed sales as at 13 September 2019 were about 737 000 grams, lower than 922 000 grams for 153800 hectares recorded as at 14 September 2018.

Cotton

10. Total national seed cotton seasonal sales stood at 74.4 million kg as at 18 October 2019 compared to 142.8 million kg sold during the same time last year.
11. Cottco accounted for the larger share of about 83%, reflecting the financing structure of the crop.

Seed Cotton Intake as at 18 October 2019

| Company | As at 18 October 2019 (kg) | As at 19 October 2018 (kg) | Price (ZWL\$/kg) |
|----------------------------|-------------------------------|-------------------------------|------------------|
| Alliance Ginneries | 1,110,956.00 | 1,652,101.00 | 3.20 |
| Cottco | 61,943,056.00 | 127,464,844.00 | 3.00 |
| China Africa | 1,585,481.00 | 3,390,916.00 | 3.10 |
| Sourthen Cotton | 5,133,124.00 | 6,586.18.00 | 3.30 |
| ShawashiAgri | 885,637.00 | | 3.15 |
| Zimbabwe Cotton Consortium | 3,769,018.00 | | 3.30 |
| Agri Value Chain (AVC)1 | - | 3,667,102.00 | |
| Total (kg) | 74,427,272.00 | 142,761,141.00 | |

Source: TIMB

12. The drastic decline is attributed to unfavourable weather experienced during the last agriculture season.

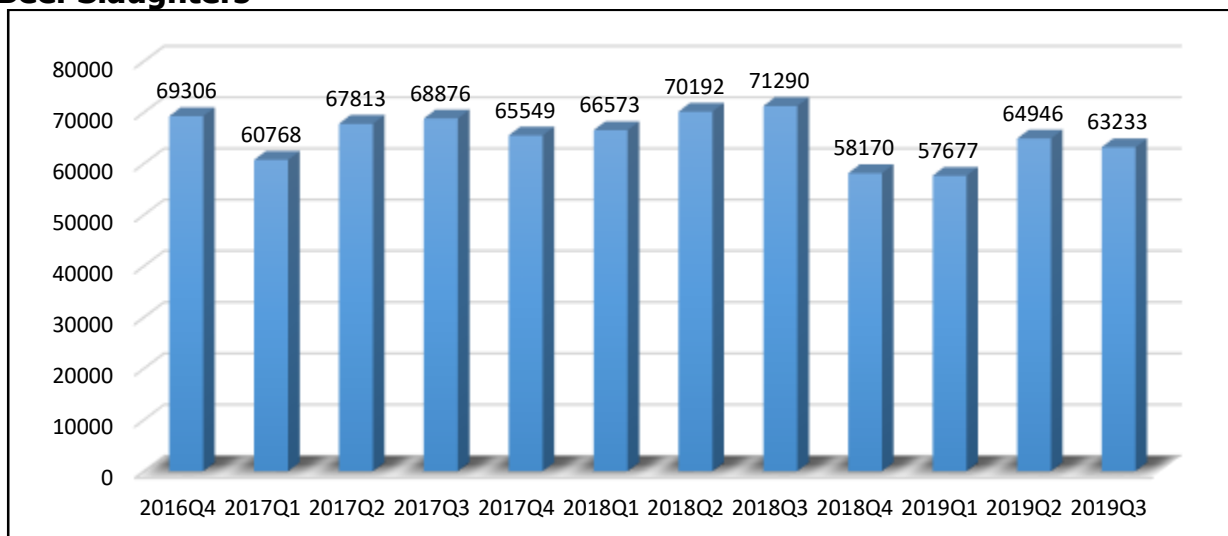
Livestock

13. Livestock production was under threat especially during the third quarter where pastures and water were scarcer. This has resulted in loss of significant herd during the period, compounded by shortage of vaccines due to high cost and unavailability. About 12 000 cattle were lost during the drought season.

Beef

14. During the third quarter of 2019, formal beef slaughters declined by 2.6% to 63 233 from 64 946 recorded during the second quarter. The slaughters were relatively high compared to 2018Q4 and 2019Q1, partly as a result of forced destocking by farmers over mitigation of drought losses.

Beef Slaughters



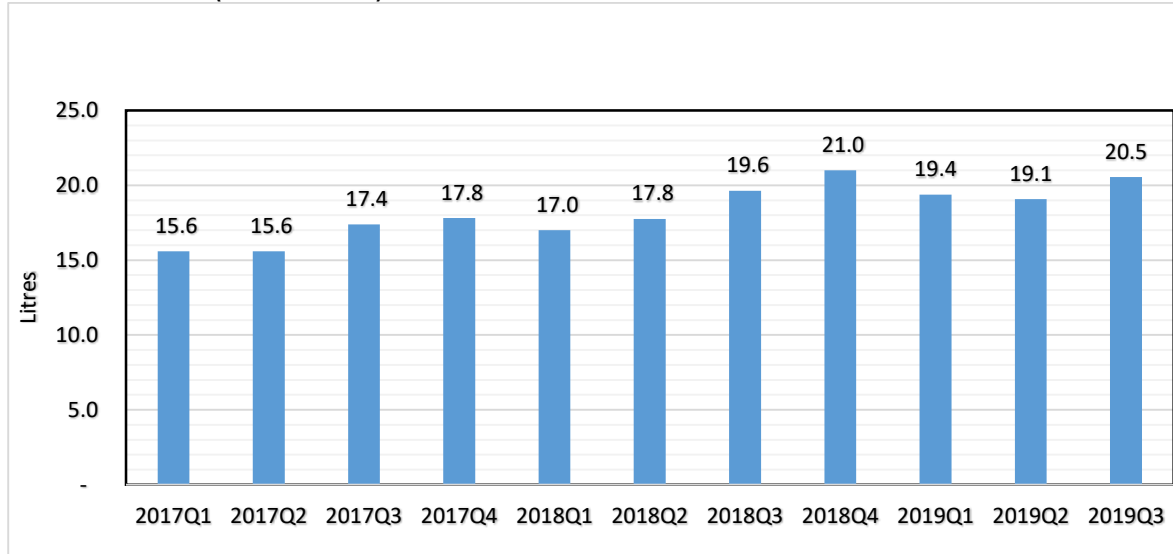
Source: Ministry of Lands, Agriculture, Climate, Water and Rural Resettlement

15. Despite the destocking pressure, the level of slaughters during the third quarter of 2019 indicated a struggling industry compounded by low demand resulting in low prices especially for the farmers in face of increasing cost of production.
16. In the outlook, slaughters are expected to remain subdued due to low demand and as farmers hold their herd for restocking.

Milk

17. Despite the challenges facing livestock production, the milk industry is exhibiting resilience evidenced by continued growth in formal milk production. During the third quarter of 2019, milk production increased by 7.7% to 20.5 million litres from 19.1 million litres recorded during the second quarter.
18. The industry is being affected by challenges related to stock feed shortages and high cost of drugs and chemicals.
19. Support to the sector through the Dairy Revitalisation Programme and Zimbabwe Agricultural Growth Programme fund is expected to go a long way in reviving the industry.

Milk Production (million litres)



Source: Ministry of Lands, Agriculture, Climate, Water and Rural Resettlement

Mining

20. Power shortages was the major challenge for the mining sector. It is estimated that about 80% of the miners suffered regular and prolonged power outages resulting in output losses of around 20%.
21. The following table shows quarterly production for selected minerals in 2018 and 2019.

Mineral Production: QIII 2018 and QIII 2019

| | QIII 2018 | QIII 2019 | Variance |
|----------------|-----------|-----------|----------|
| Gold (kg) | 11,412 | 8,744 | -23% |
| Platinum (kg) | 3,814 | 3,159 | -17% |
| Palladium (kg) | 3,132 | 2,735 | -13% |
| Rhodium (kg) | 346 | 279 | -19% |
| Iridium (kg) | 174 | 188 | 8% |
| Ruthenium (kg) | 280 | 189 | -32% |
| Diamonds (cts) | 646473 | 479922 | -26% |
| Chrome (MT) | 447625 | 394253 | -12% |
| Nickel (MT) | 4586 | 3791 | -17% |
| Coal (MT) | 1104767 | 826915 | -25% |

Source: Ministry Of Mines and Chamber of Mines

Gold

22. Gold output in the third quarter of 2019 at 8 744 kg was 23% lower than the 11 412 kg realised during the same period in 2018. Output was weighed down by low deliveries from small scale miners.
23. As a result, cumulative gold output at 21 971 kg was below the 2018 average output of 29 524 kg.
24. By year end 2019, gold output is expected to reach 28 000 kg.

Platinum

25. Platinum output stood at 3 159 kg, about 17% lower than 3 814 kg produced in the same period of 2018.
26. Although production efficiencies improved across the three main producers, there were extended maintenance works spilling into third quarter at milling plant at Zimplats causing lower production.
27. As a result, cumulative output to September 2019 was 10 271 kg, lower than the 10 996 kg realised during the same period in 2018.
28. In this regard, platinum production for 2019 is expected to reach 15 000 kg.

Diamonds

29. Diamond output for the third quarter of 2019 stood at 0.5 million carats, which is lower than the 0.6 million carats produced in the similar period of 2018.
30. This underperformance was largely on account of reduced throughput at ZCDC due to:

- Stoppage of mining operations in the aftermath of Cyclone Idai in March 2019 of which most of the shafts and infrastructure are yet to be resuscitated;
- Insufficient investment in exploration;
- Shortages of fuel for plant and machinery; and
- Working capital challenges as a consequence of the suspension of sales during the period under review.

31. Resultantly, diamond output is projected to reach 2 million carats in 2019.

Chrome

32. Chrome output in the third quarter of 2019 declined to 394 253 tonnes compared to the 447 625 tonnes produced during a comparable period of 2018.

33. Chrome production was heavily affected by power outages was compounded by the exiting of one of the major produces in the industry ACF. The company used to contribute more than 10% of total output.

34. In addition, challenges in accessing foreign currency for importation of spares and explosives, along with shortages of fuel across the chrome industry, among other challenges.

35. A total of 1.2 million tonnes was produced during the first nine months of 2019 with a projected output of 1.6 million tonnes in to year end 2019.

Coal

36. Coal output, at 0.8 million tonnes during the third quarter of 2019, was 25% lower than the 1.1 million tonnes produced in the comparable period of 2018.

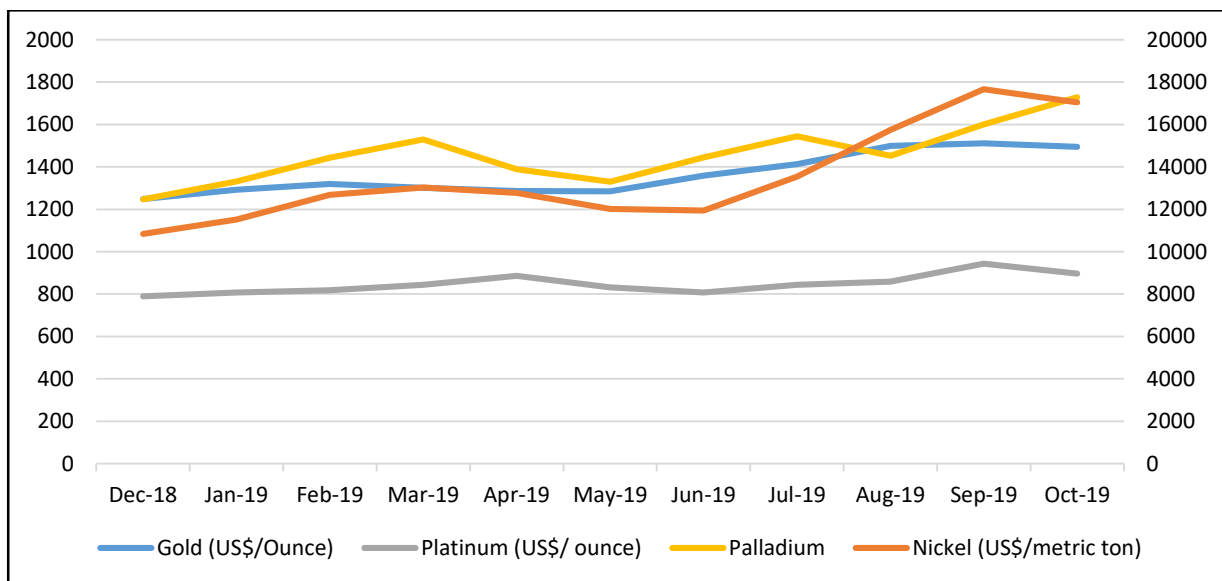
37. The lower performance of coal is largely due to the shortage of working capital as the surging inflation has pushed the cost of production up.

- 38. Cumulatively, coal output in the first nine months of 2019 stood at 1.9 million tonnes compared to 2.7 million tonnes registered during the same period in 2018.
- 39. Resultantly, coal output is projected to reach 2.6 million tonnes in 2019.

International Mineral Prices

- 40. Average prices for most major minerals of gold, platinum, palladium and nickel improved in the third quarter of 2019 compared to the second quarter of 2019. The greatest price increase was recorded for nickel, which improved by 28% compared to the second quarter of 2019.
- 41. Nickel prices benefitted from a further pickup in demand following the strengthening of global demand and tightening global supplies.

International Prices for Selected Minerals



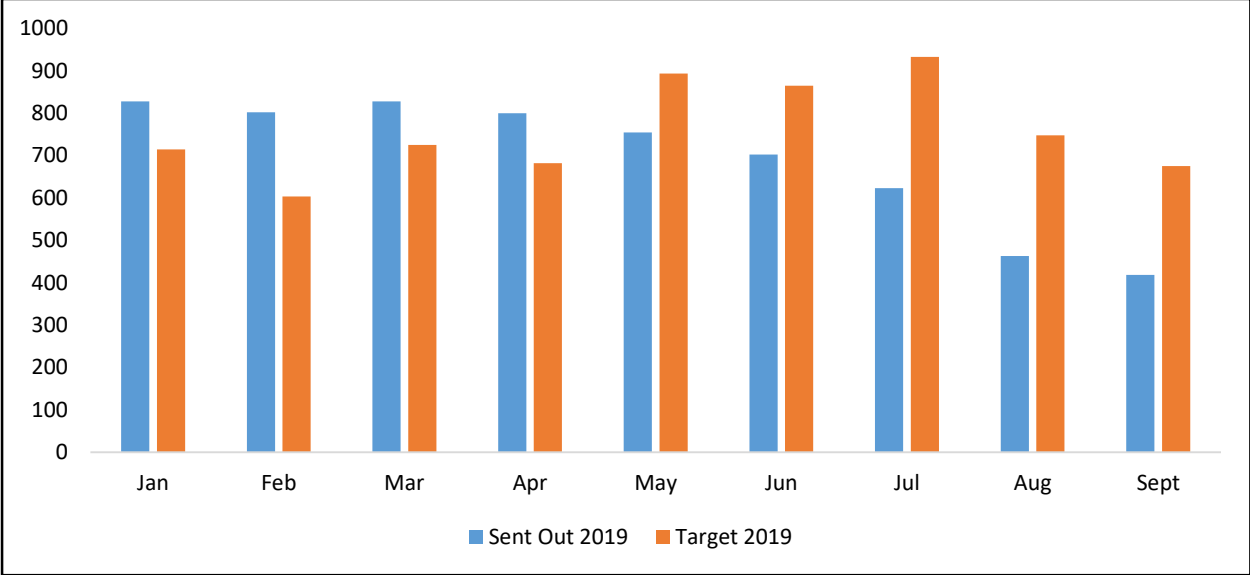
Source: World Bank

Electricity

- 42. Electricity generation underperformed compared to the set target and the previous quarter. Electricity produced and sent out during the quarter amounted

to 1 505 GW/h against a target of 2 355.6 GW/h and 2 256.3 GW/h recorded in the previous quarter.

Electricity Generation Sent Out Vs Target



Source: ZPC

43. The underperformance in generation is attributed to low send out at Kariba power station due to low dam levels, and unreliable supply by thermal power stations due to frequent breakdowns.

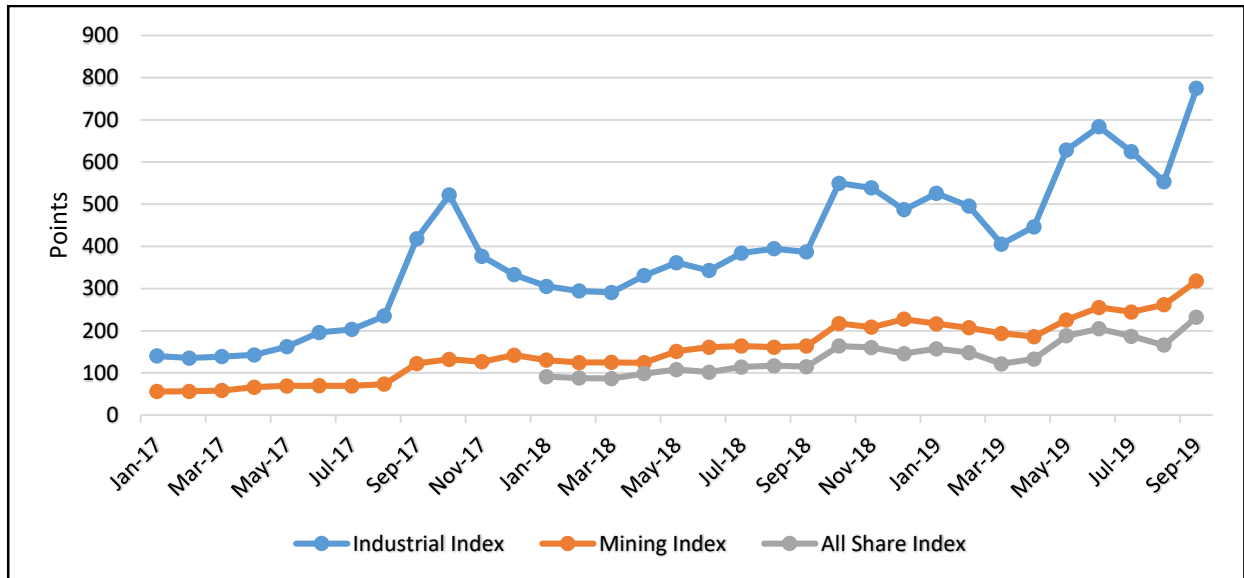
ZIMBABWE STOCK EXCHANGE

44. Mixed trading characterised the local bourse during the third quarter of 2019, with foreign investors’ participation remaining subdued at 34%. This was mainly attributable to challenges faced in the repatriation of profits and capital.

45. The industrial index gained 91 points to close September 2019 at 772.94 points despite decreasing to 553.6 points in August 2019. The demand for shares in this sector remained high as many people were buying shares to preserve their monetary value.

46. Similarly, the mining and the all share index gained 62 and 28 points to close the third quarter at 317.2 points and 232.5 points, respectively. The mining index was mainly buoyed by firming gold and silver metal prices.

ZSE Indices



Source: Zimbabwe Stock Exchange

47. It is projected that the remainder of the year will maintain a steady growth in both the mining and industrial indices as the economy begins to stabilise. The high trading in both the mining and industrial shares is reflected by a market capitalisation which has been on a sharp increase, from ZWL\$20.8 billion at the beginning of the year to ZWL\$30.5 billion in September 2019.

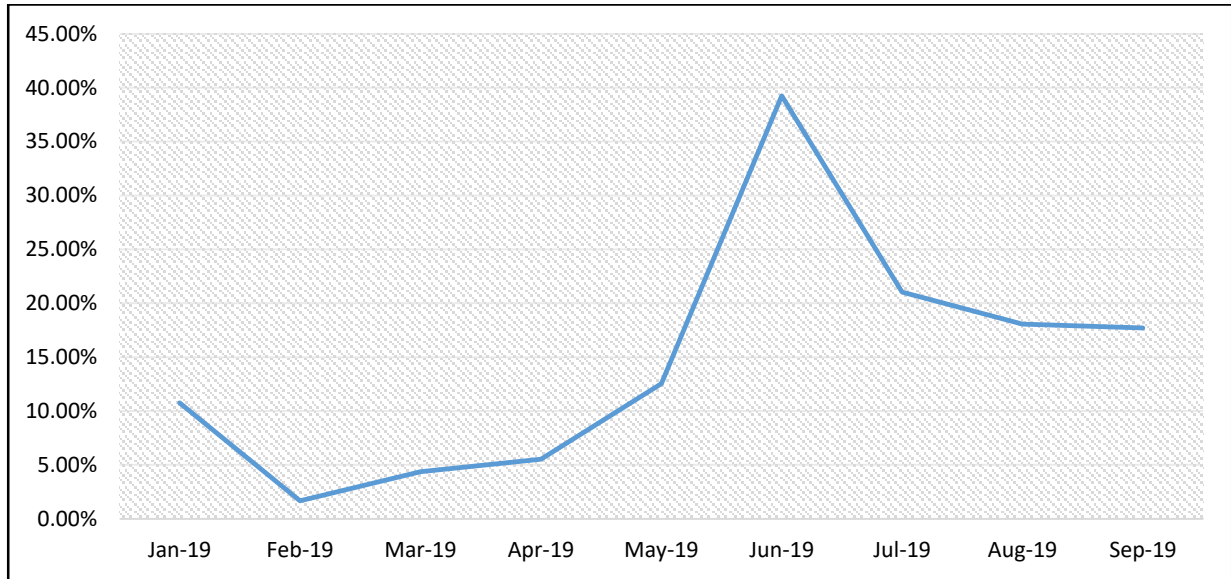
PRICES

48. Inflation, despite slowing down during the quarter the pressure remain elevated with continued exchange rate depreciation, driven by high Reserve money growth.

49. Furthermore, additional inflationary pressure was due to high inflation expectations and alignment of administered prices with general price levels.

- 50. Month-on-month inflation opened the quarter at 21% in July, before slowing down to 18.1% and 17.7% in August and September, respectively.
- 51. Due to high sensitivity of tradable goods to exchange rate movements, food and non-alcoholic beverages were the major drivers of inflation.

Inflation Profile



Source: Zimstat

- 52. In the outlook, inflationary pressures are expected to ease following the stance taken by the Reserve Bank to contain reserve money growth.

BUDGET PERFORMANCE

- 53. Revenue collections for the third quarter of 2019 performed above target by ZWL\$875.1 million, while expenditures were above the target by ZWL\$676.6 million.
- 54. Resultantly, a budget surplus of ZWL\$59.3 million was realised during the quarter. The subdued budget surplus in the third quarter when compared to ZWL\$360.4

million realised in the second quarter was a result of high expenditures during the month of September.

Revenue

55. Cumulative tax and non-tax revenue collections for the third quarter of the year outperformed targets by 16.1% to record ZWL\$6.3 billion, against a target of \$5.4 billion, resulting in a positive variance of ZWL\$875.1 million.

Revenue (ZWL\$ Million)

| | 1st Qtr Actual | 2nd Qtr Actual | 3rd Qtr Actual | 3rd Qtr Target | 3rd Qtr Variance (%) |
|----------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Total Revenue | 1,926.6 | 3,065.1 | 6,325.1 | 5,449.9 | 16.1 |
| Tax Revenue | 1,877.4 | 3,002.6 | 6,209.7 | 5,249.8 | 18.3 |
| Non tax Revenue | 49.2 | 62.5 | 115.3 | 200.1 | -42.4 |

Source: Ministry of Finance and Economic Development

56. This performance represents a 106.4% increase from ZWL\$3.1 billion collected in the second quarter of 2019, reflecting improved tax revenue collections, increasing prices and Quarterly Payment Date (QPD) which fell due on 25 September 2019 wherein, companies were supposed to pay 30% of their projected profits in corporate tax.

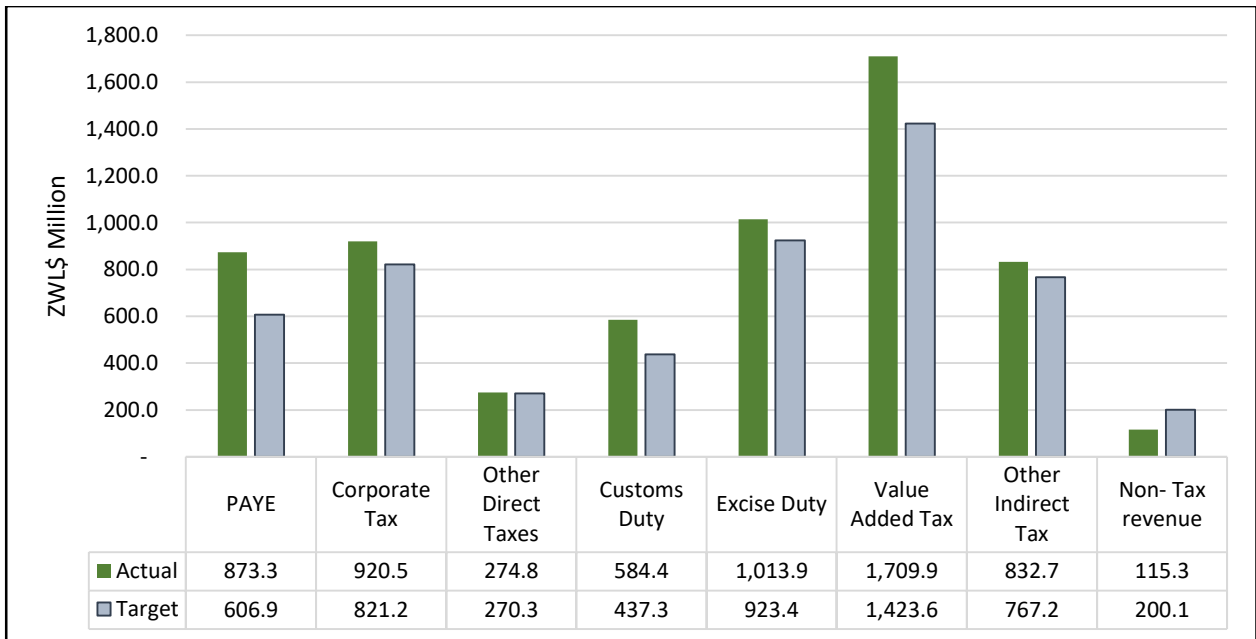
Revenue Performance (\$ Million)

| | 1st Qtr Actual | 2nd Qtr Actual | 3rd Qtr Actual | 3rd Qtr Target | 3rd Qtr Variance (%) |
|----------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| PAYE | 230.2 | 381.8 | 873.3 | 606.9 | 43.9 |
| Corporate Tax | 241.2 | 324.5 | 920.5 | 821.2 | 13.3 |
| Other Direct Taxes | 63.3 | 152.4 | 274.8 | 270.3 | 1.7 |
| Customs Duty | 91 | 231.9 | 584.4 | 437.3 | 14.3 |
| Excise Duty | 565.7 | 707.8 | 1,013.9 | 923.4 | 9.8 |
| Value Added Tax | 357.2 | 758 | 1,709.9 | 1,423.6 | 15.3 |
| Other Indirect Tax | 328.9 | 446.2 | 832.7 | 767.2 | 8.5 |
| Non- Tax revenue | 49.2 | 62.5 | 115.3 | 200.1 | 16.3 |
| Total Revenue | 1,926.60 | 3,065.10 | 6,325.1 | 5,449.9 | 16.1 |

Revenue Heads' Contribution

57. All revenue heads out performed above their quarterly targets save for the non-tax revenue, as indicated on the graph below.

Performance of Revenue Heads



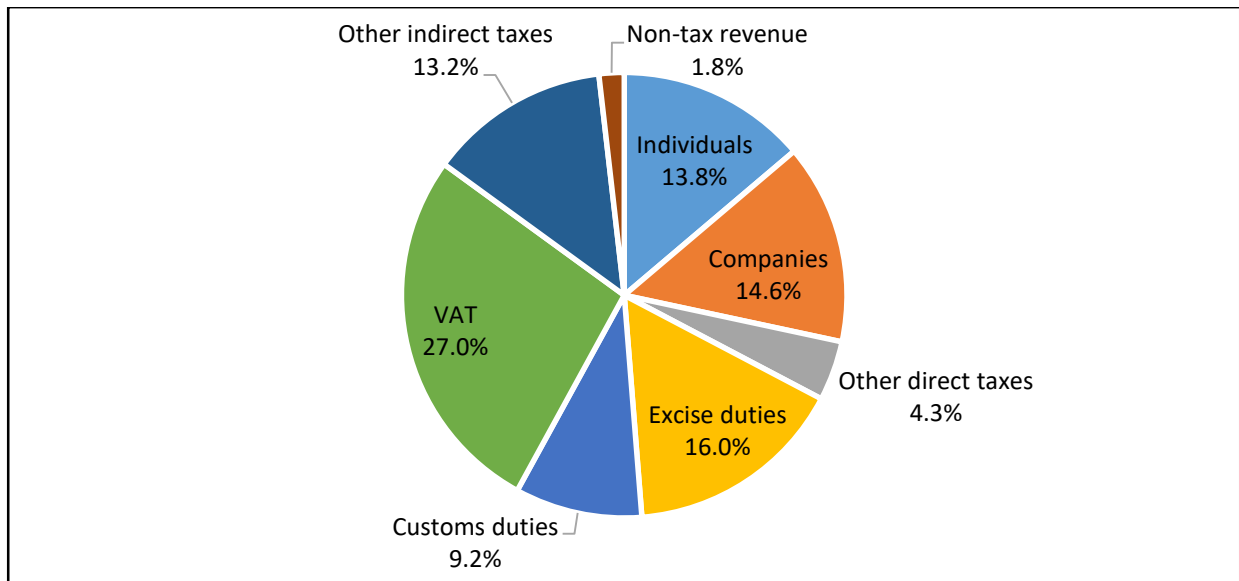
Source: Ministry of Finance & Economic Development

58. The major contributors to revenue collections were VAT at 27%, followed by Excise Duty, 16%, and Corporate Tax, 14.6%. Pay as You Earn (PAYE) Tax at 13.8% was on the fourth position in terms of its contribution to total revenues as was the case in the second quarter of 2019.

59. The positive performance in revenues is expected to continue into the fourth quarter of the year benefiting from the festive season which is typically associated with higher spending on consumption, bonus payments and the fourth QPD falling due in December 2019, wherein companies will be paying 35% of their projected profits.

60. The Chart below summarises the contribution of individual revenue heads to total revenue during the third quarter 2019.

Revenue Heads Contribution to Total Revenue



Source: Ministry of Finance & Economic Development

Expenditure

61. Between July and September, expenditures at ZWL\$6.3 billion were above the set target of ZWL\$5.6 billion by ZWL\$679.6 million or 12.2%.
62. Major outlays were on capital development programmes at ZWL\$2.6 billion, employment costs at ZWL\$2.0 billion and operations & maintenance, ZWL\$1.4 billion

Expenditure Performance (ZWL\$ Million)

| | 1 st Qrter Actual | 2 nd Qrter Actual | 3 rd Qrter Actual | 3 rd Qrter Target | 3 rd Qrter Variance (%) |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------------|
| Total Expenditure | 1,483.4 | 2,704.7 | 6,265.7 | 5,586.1 | 12.2 |
| Employment Costs | 1,015.0 | 1,142.5 | 2,021.0 | 1,588.1 | 27.3 |
| Operations & Maintenance | 201.8 | 698.0 | 1,429.5 | 1,677.0 | -14.8 |
| Interest | 93.3 | 96.0 | 70.5 | 144.0 | -51.1 |
| Transf to Provincial Councils | 0.0 | 41.2 | 116.2 | 234.7 | -50.5 |
| Capital & Net Lending | 173.2 | 726.9 | 2,628.6 | 1,942.4 | 35.3 |

Source: Ministry of Finance & Economic Development

Employment Costs

63. Employment costs at 32.3% constitute the second largest share of total third quarter expenditures. Over-expenditure on employment costs by ZWL\$433.0 million during the review period is largely on account of cost of living adjustment (COLA) since April 2019 and pension & NSSA reviews as well as filling of critical posts.

Other Recurrent Expenditures

64. Operations & Maintenance outlays during the third quarter at ZWL\$1.4 billion constituted 22.8% of total expenditures. These expenditures are mostly institutional provisions which include training, office supplies, rentals and other service charges, communication as well as domestic and foreign travel.
65. Interest payments also dropped from 6.3% in the second quarter to 1.1% in the period under review. The largest share of the ZWL\$70.5 million was on domestic debt.

Social Service Delivery

66. In support of social service delivery, a total of ZWL\$310.8 million was disbursed towards education, health and social protection during the third quarter of 2019 up from ZWL\$275 million disbursed in the second quarter.

Social Spending Disbursements (ZWL\$ Million): Jul – Sept 2019

| | Jul | Aug | Sept | Q3 Total |
|-------------------|------------|--------------|-------------|-----------------|
| Education | - | 15.9 | 0.0 | 15.9 |
| Health | - | 135.0 | - | 135.0 |
| Social Protection | 0.1 | 109.0 | 50.7 | 159.8 |
| Total | 0.1 | 259.9 | 50.8 | 310.8 |

67. Social spending disbursed towards education at ZWL\$15.9 million was in support of teaching and learning materials and special needs education.

68. Health support amounting to ZWL\$135.0 million towards public health (preventative health and medical supplies), procurement of ARVs and TB drugs, primary health care (child and maternal health) and hospital care (hospitals and health care centres).
69. Further, ZWL\$159.8 million was disbursed towards social protection programmes such as BEAM, Harmonised Social Cash Transfer, drought mitigation and sustainable livelihoods, among others.

Capital Expenditures

70. Capital expenditures at ZWL\$2.6 million (42.0%) constituted the largest share of the third quarter expenditures up from 26.9% of total expenditures during the second quarter of 2019. Most of the expenditures were towards capital transfers.

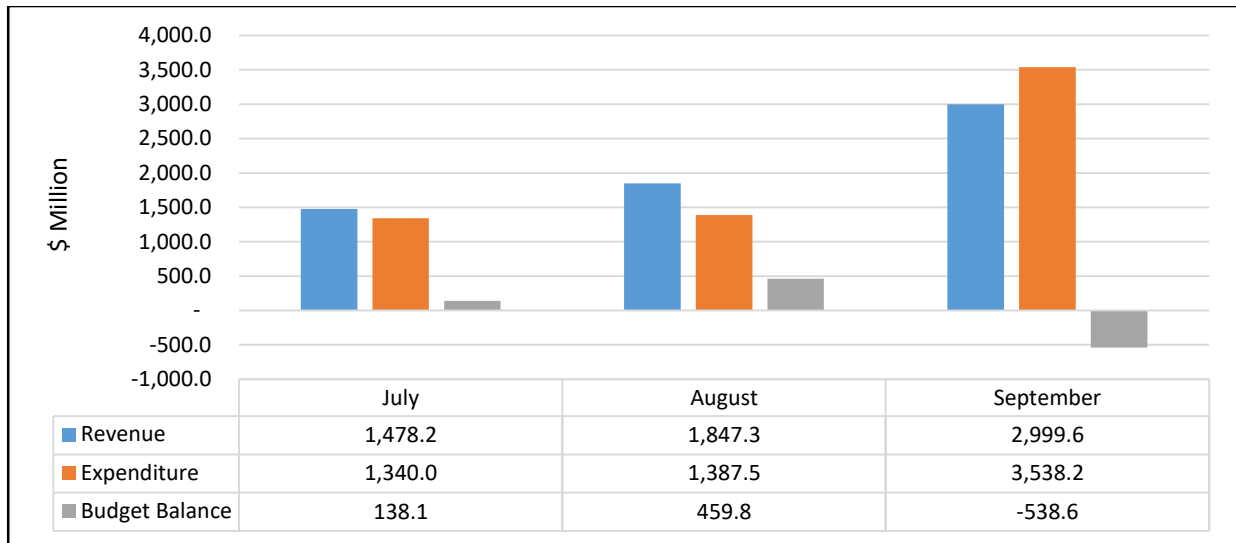
Devolution

71. A total of \$116.2 million was transferred to provincial and local councils with absorption falling short of the quarterly target of \$234.7 million. This was in view of capacity constraints affecting the local authorities.
72. The devolution objective is to achieve growth and development that is equitable, shared and sustainable to the benefit of citizens at all levels.

Budget Balance

73. The budget balance for the period July to September 2019 was a surplus of ZWL\$59.3 million, against a target of ZWL\$136.2 million deficit.

Budget Deficit: Jul – Sept 2019



Source: Ministry of Finance & Economic Development-Budgets

74. As a result, Treasury Bills raised to the tune of \$210.0 million were mainly for smoothening the Government cash flows and repayment of maturing debt.

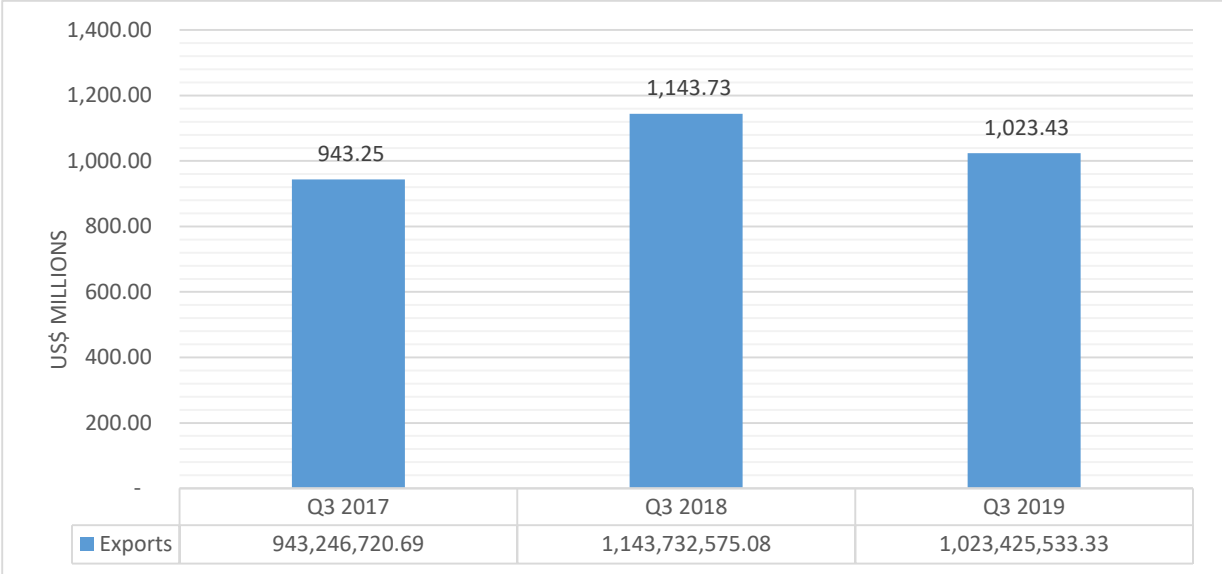
EXTERNAL SECTOR

75. The attainment of a sustainable balance of payments position is key under the TSP through import substitution and value addition.

Merchandise Exports

76. During the third quarter of 2019, the country's merchandise exports declined by 11% from US\$1.14 billion realised during the comparable period in 2018. Export performance was mainly weighed down by depressed exports of gold (-18%), tobacco (-39%), ferro-alloys (-18%), chrome ores and concentrates (-51%) and nickel mattes (-100%), among others.

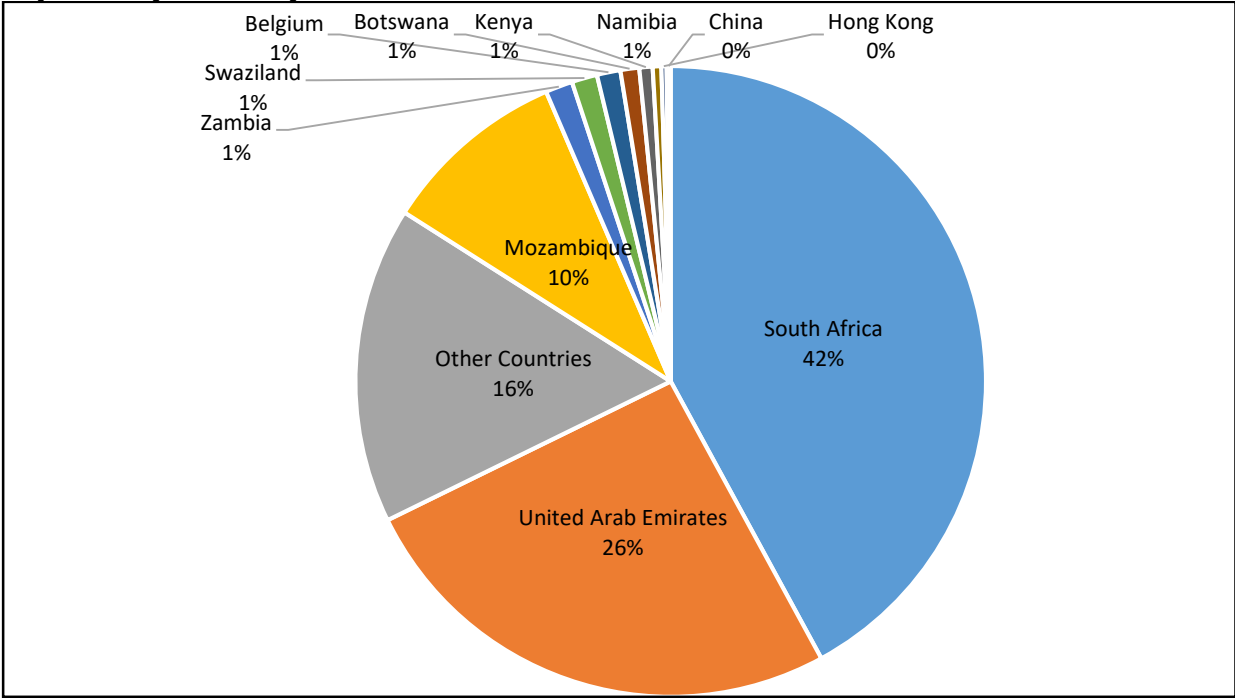
Merchandise Exports (US\$ Million)



Source: ZIMSTAT

77. South Africa, United Arab Emirates, and Mozambique remained the country’s export destinations, absorbing 42%, 26% and 10%, respectively, whilst other countries absorbed 16% of our exports as shown in the chart below:

Exports by Country Destinations

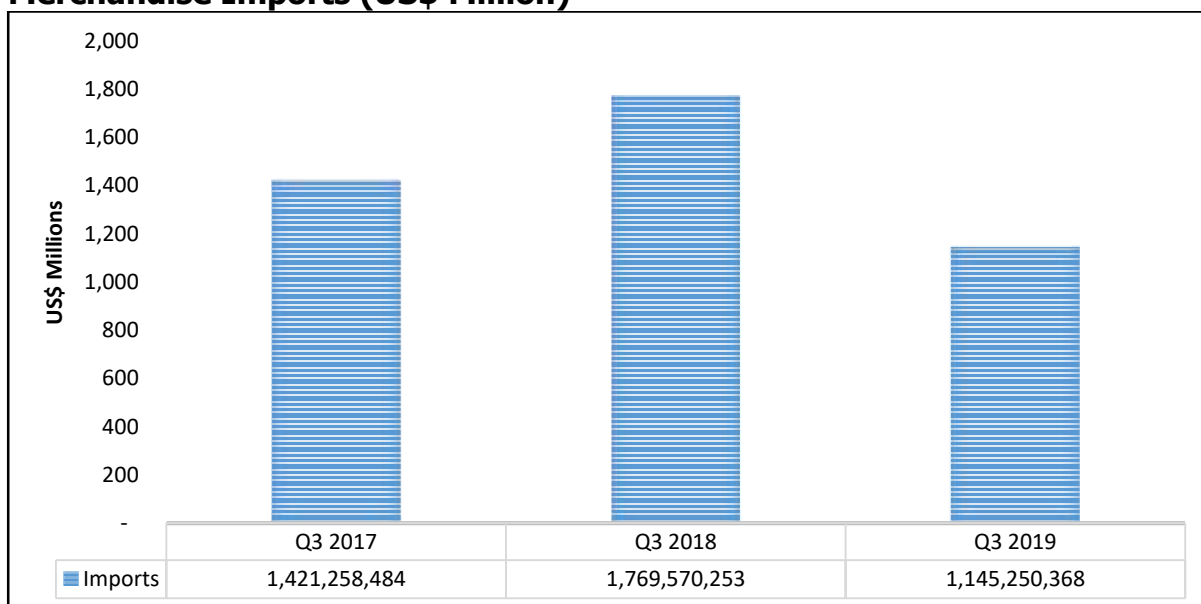


Source: ZIMSTAT & MOFED Calculations

Merchandise Imports

78. Total merchandise imports during the period under review declined by 35% from US\$1.77 billion accumulated during the comparable period in 2018 on account of foreign currency challenges affecting the economy.

Merchandise Imports (US\$ Million)



Source: ZIMSTAT & MOFED calculations

79. Diesel, petrol, medicines, electrical energy, wheat and tractors were the country's major imports during the quarter under review.

Imports by Product (US\$ Million)

| Product | Q3 Value (US\$ Millions) | Share (%) |
|--|--------------------------|-----------|
| Diesel | 207.62 | 18% |
| Unleaded petrol | 75.69 | 7% |
| Medicaments of mixed or unmixed | 33.89 | 3% |
| Electrical energy | 32.64 | 3% |
| Other durum wheat | 23.23 | 2% |
| Road tractors for semi-trailers | 13.18 | 1% |
| Crude soya bean oil, whether or not degummed | 12.84 | 1% |
| Other insecticides nes | 12.54 | 1% |
| Ammonium dihydrogenorthophosphate | 10.83 | 1% |
| Broken rice in Bulk | 9.49 | 1% |

| Product | Q3 Value (US\$ Millions) | Share (%) |
|---|-------------------------------------|----------------------|
| Urea | 9.38 | 1% |
| Ammonium nitrate | 8.81 | 1% |
| Motor vehicles for the transport of goods | 8.30 | 1% |
| Photosensitive semiconductor devices; | 7.50 | 1% |
| Herbicides ,anti-sprouting products | 7.43 | 1% |
| Agricultural or Horticultural | 7.35 | 1% |
| Lubricating oils & blending stocks | 7.12 | 1% |
| Goods vehicles, with diesel/semi-diesel engines | 7.06 | 1% |
| Cyanides and cyanide oxides of sodium | 6.19 | 1% |
| Self-propelled bulldozers, excavators. | 6.05 | 1% |
| Other Products | 638.1 | 56% |
| Total | 1,145.25 | |

ZIMSTAT & MOFED Calculations

80. The country sourced its imports mainly from South Africa, Singapore, China and India, among others as indicated in the table below.

Imports Classified by country

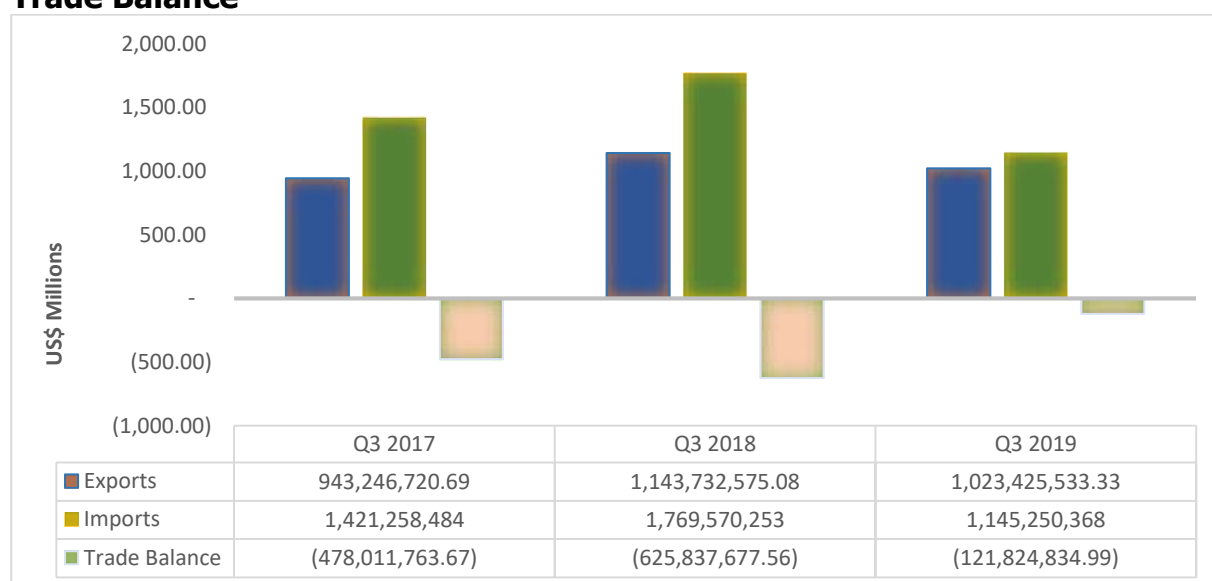
| Country | Q3 Total Imports(US\$ Millions) | Share (%) |
|----------------------|--|------------------|
| South Africa | 464.70 | 41% |
| Singapore | 266.99 | 23% |
| China | 96.35 | 8% |
| India | 45.70 | 4% |
| Zambia | 31.72 | 3% |
| Mauritius | 28.49 | 2% |
| United Kingdom | 23.25 | 2% |
| Mozambique | 20.64 | 2% |
| United Arab Emirates | 18.58 | 2% |
| Hong Kong | 13.77 | 1% |
| Denmark | 12.71 | 1% |
| United States | 11.66 | 1% |
| Japan | 10.08 | 1% |
| Other Countries | 100.62 | 9% |
| World | 1,145.25 | |

ZIMSTAT & MOFED Calculations

Trade Balance

81. Consequently, the merchandise trade balance for the third quarter of 2019 stood at -US\$121.8 million, constituting an 81% improvement from the comparable period in 2018's deficit of US\$625.8 million.

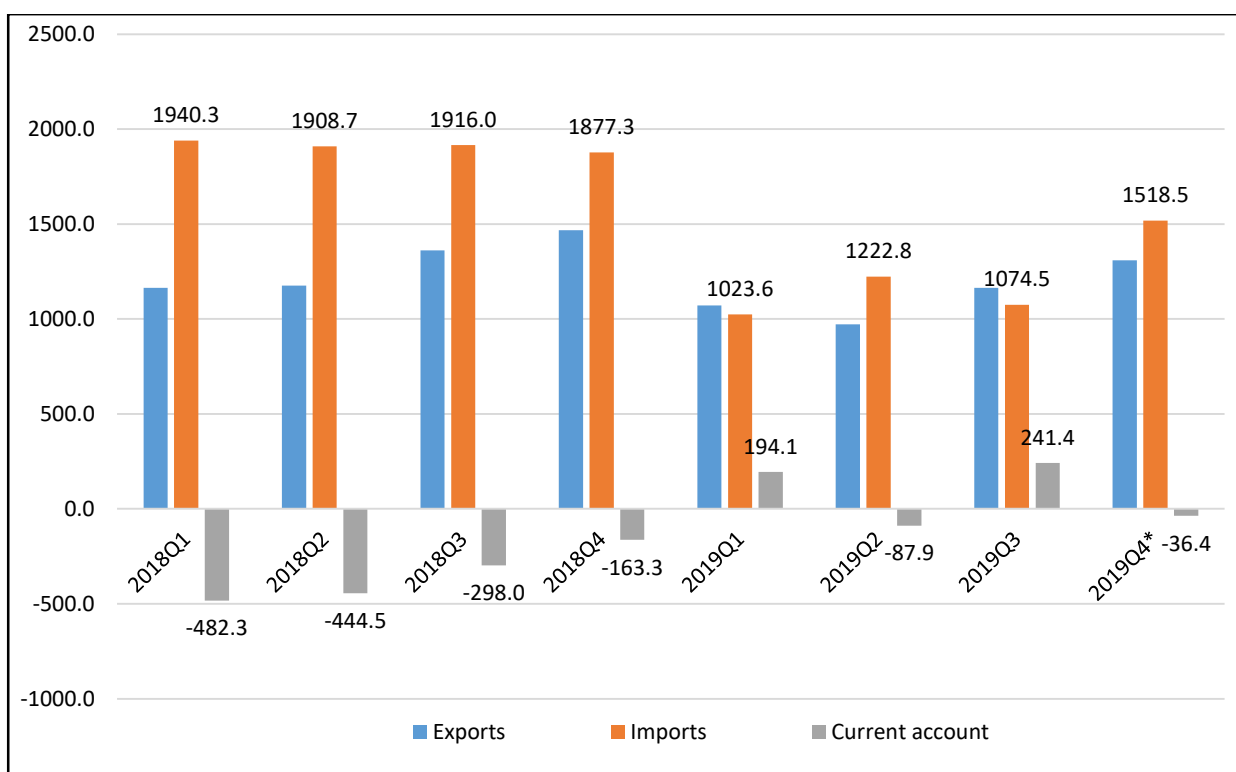
Trade Balance



Source: ZIMSTAT & MOFED Calculations

82. The current account cumulative balance narrowed from a deficit of US\$1224.7 million recorded during the third quarter of 2018 to a surplus of US\$347.6 million during comparable period in 2019.
83. This was largely attributable to a sharp fall in imports (-33%) relative to marginal decline in exports (-3%). The Decline in exports was mainly on account of energy shortages, contraction in imported raw material, weak aggregate demand and import substitution.
84. Liberalization of the foreign exchange market is envisaged to go a long way in conferring sustainability to the current account in particular and the balance of payments in general.

Current account



Source: RBZ

CONCLUSION

85. During the third quarter, economic performance remained subdued by challenges related to power shortage, drought and inflationary environment, among others.
86. However, implementation of reforms under the TSP is bringing positive results, both in terms of macro-stabilisation and restoring necessary conditions for growth, including enhancing the country's resilience to both endogenous and exogenous shocks currently besetting the economy.