



**TREASURY QUARTERLY BULLETIN**

**January – March, 2020**

**Ministry of Finance and Economic Development**

**May 2020**

## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>3</b>
<b>SECTOR PERFORMANCE .....</b>	<b>4</b>
Agriculture.....	4
<i>Weather.....</i>	<i>4</i>
<i>Update on the 2019/20 Agriculture Season.....</i>	<i>5</i>
Mining.....	9
<i>Gold.....</i>	<i>10</i>
<i>Platinum.....</i>	<i>10</i>
<i>Nickel.....</i>	<i>10</i>
<i>Diamonds.....</i>	<i>10</i>
<i>International Mineral Prices .....</i>	<i>11</i>
Tourism.....	12
<i>Tourist Arrivals .....</i>	<i>12</i>
<i>Hotel Occupancies .....</i>	<i>13</i>
Electricity Developments .....	14
<b>INFLATION DEVELOPMENTS .....</b>	<b>17</b>
<b>FINANCIAL SECTOR.....</b>	<b>19</b>
Performance of the Zimbabwe Stock Exchange.....	19
<b>FISCAL PERFORMANCE.....</b>	<b>20</b>
Revenue.....	21
Revenue Heads.....	22
Expenditure .....	22
Fiscal Balance and Financing .....	24
<b>EXTERNAL SECTOR .....</b>	<b>25</b>
Exports .....	25
Imports.....	26
<i>Trade Balance.....</i>	<i>28</i>
<b>CONCLUSION .....</b>	<b>31</b>
<b>ANNEXURES .....</b>	<b>32</b>
Consolidated Statement of Financial Performance for the Month Ended 31 March 2020 .....	32
January –March 2020 Outturn .....	42

## **INTRODUCTION**

1. During the first quarter of 2020, Government continued implementation of the Transitional Stabilisation Programme (Oct 2018 - Dec 2020) through the 2020 National Budget, with a focus on productivity, growth and job creation, though building of a competitive investment environment.
2. On the fiscal front, Government continued advancing fiscal consolidation reforms which gave a budget surplus of ZWL\$554.3 million during the first quarter. While revenues outperformed their target by 10.7%, expenditures were contained below targets throughout January to March by an average of 12.6%.
3. However, economic activity in the real sectors continued to be depressed by climatic and macro-economic shocks related to drought, forex shortages in the formal market and inflation. The substantial depreciation of the local currency from February through to March 2020, pushed month-on-month inflation up to 13.5% and 26.6%, respectively.
4. The above shocks, combined with the emergency of the COVID-19 pandemic further added stress on economic activity and fiscal capacity through closure of borders and lockdowns.
5. The external sector was not spared which affected trade, supply chains, financial and other traffic flows. The pandemic had also a knock off effect on remittances, seriously affecting the current account

## SECTOR PERFORMANCE

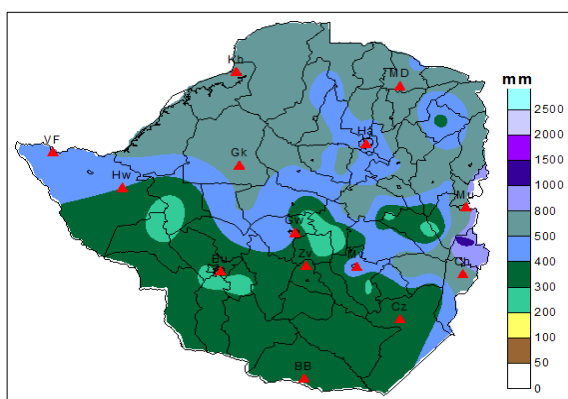
### Agriculture

6. Agricultural activity was subdued during the first quarter of the year 2020, compared to normal agriculture seasons. The country faced another drought year, and some parts of the country could not even plant crops due to dry spells.

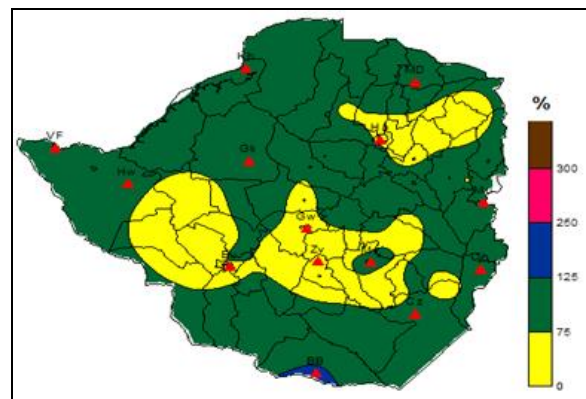
### *Weather*

7. The first quarter of the year coincided with the second half of the domestic rainfall season. While the first half of the 2019/20 rainfall season, stretching from October to December 2019, was characterised by a dry spell and general late onset of rainfalls across most parts of the country, the second half of the season was relatively wet.
8. Increased rains were received across the country from mid-January through to the month of February, leading to an improved crop condition. On the down-side, some low-lying areas of the country in the Zambezi Valley experienced flash floods which led to destruction of crops.
9. While cumulative rainfall received in most parts of the country was in the normal category, the spatial distribution was not even.

Rainfall totals received as at 26 February 2020



Percentage of normal rains as at 26 February 2020



10. Consequently, the 2019/20 rainfall season was overall unfavourable, characterised by late onset of rainfall, mid-season dry spells and flash floods in some areas. These factors all led to substantial write offs in planted areas, resulting in reduced harvestable area.

*Update on the 2019/20 Agriculture Season*

11. The 2019/2020 First Round Crop and Livestock Assessment indicates that farmers chose to increase area planted for drought resistant crops such as small grains and other crops like sunflower.
12. These decisions were also driven by prior knowledge of below normal rainfall pattern and its late onset, which left farmers with little choice but to choose short season crops.

**Area Planted (hectares)**

<b>Crop</b>	<b>2019/2020</b>	<b>2018/2019</b>	<b>%</b>
<b>Maize</b>	1 549 324	1 623 757	-5
<b>Sorghum</b>	305 865	201 065	52
<b>Pearl millet</b>	166 429	151 708	10
<b>Finger millet</b>	34 353	25 146	37
<b>Tobacco</b>	100 426	106 558	-6
<b>Soyabean</b>	33 599	55 660	-40
<b>Cotton</b>	170 622	197 242	-13
<b>Groundnut</b>	208 229	210 468	-1
<b>Sesame</b>	15 044	16 181	-7
<b>Sunflower</b>	24 595	21 258	16
<b>Cowpeas</b>	60 799	53 917	13
<b>Sugar bean</b>	22 997	30 574	-25
<b>Sweet potatoes</b>	20 537	17 502	17
<b>Cassava</b>	718	584	23
<b>Paprika</b>	1 227	611	101

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

13. On the other hand, there was general decline of area planted for traditional crops such as maize, cotton and soya beans. Of concern is the huge drop in area planted for critical crops like soya beans which declined by 40%, to 33 599 hectares

compared to 55 660 hectares during the previous season. This will likely entail increased importation of raw materials for the production of cooking oil and livestock feeds, further increasing demand for scarce foreign currency.

14. Ultimately, the 2019/20 agriculture season is expected to be another agricultural drought year with cereals output anticipated to be below the national requirement, compelling the country to complement domestic grain supply by importing.

#### *Tobacco Marketing*

15. Area planted for tobacco declined by 6% to 100 000 hectares compared to area planted in the previous season. The decline is partly attributed to low prices offered during the previous season of slightly below US\$2 per kg compounded by unfavourable rainfall season. Low prices discouraged farmers to grow the crop opting for alternatives.
16. Due to the outbreak of the COVID-19 pandemic, marketing of the crop, which usually commences in March, was delayed beyond the first quarter.

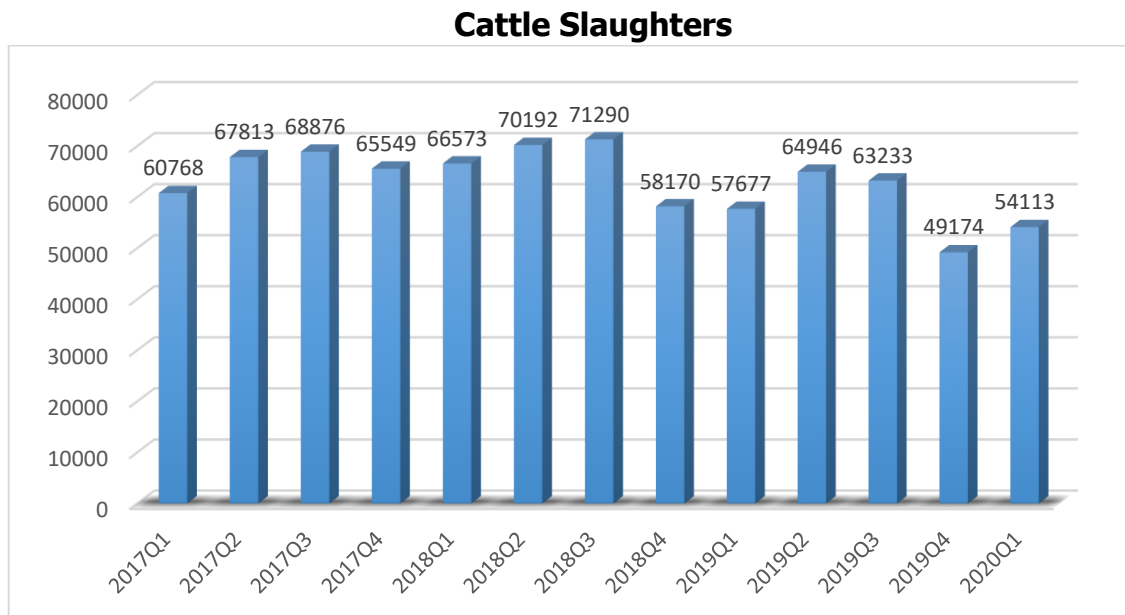
#### ***Livestock Production***

17. Prolonged dry spells and outbreak of diseases caused significant livestock losses, especially of cattle, during the first quarter of the year, exacerbating losses experienced during the previous year.

#### *Beef*

18. The difficult economic environment was worsened by outbreaks of diseases such as tick-borne diseases especially theileriosis and foot mouth, among others, forcing farmers to destock to earn a living and also to reduce losses.

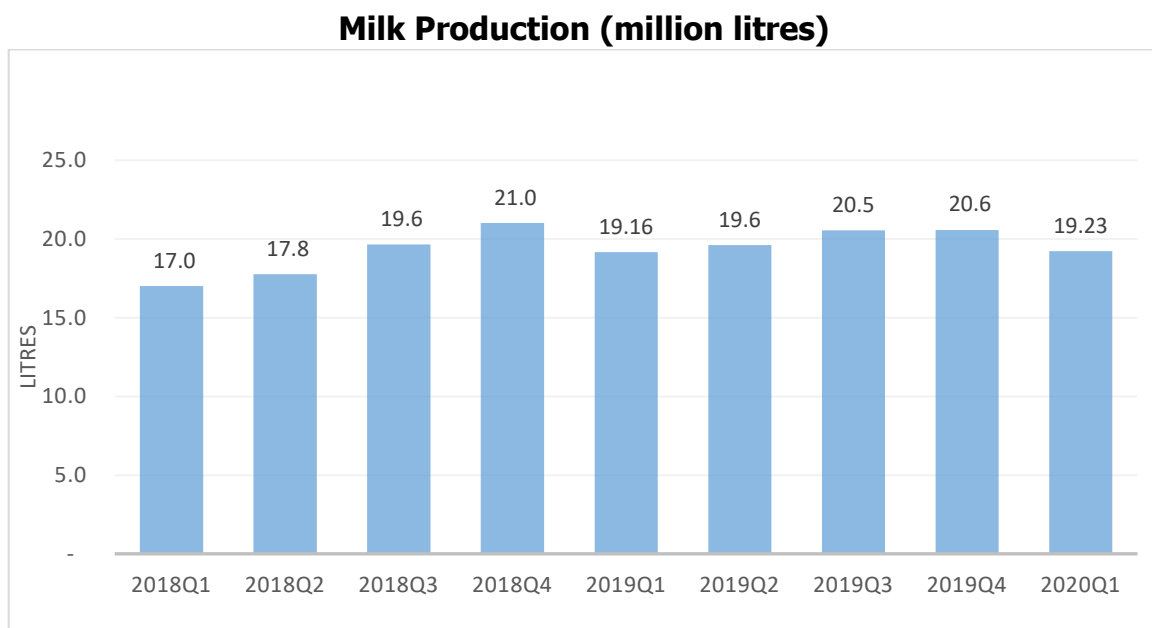
19. As a result, formal slaughters during the first quarter of 2020 increased by 10%, to 54 113 compared to 49 174 slaughters during the fourth quarter of 2019. However, the number was 6% below the 57 677 slaughters recorded during the first quarter of 2019.



20. Due to destocking process and effects of drought, the number of cattle in the country declined by 4.7% from 5.8 million in 2018 to 5.5 million in 2019. The destocking process is expected to continue throughout the year of 2020 as farmers are forced to augment their income which has been reduced by the recurrent drought. The destocking exercise is also being driven by reduced grazing pastures as a result of successive droughts.
21. However, the COVID-19 pandemic mitigation measures which are constraining movements could on the other hand constrain the destocking process, which could push further down real returns to farmers.

*Dairy*

22. According to the 2020 First Round Crop and Livestock Assessment Report, dairy herd stands at 38 000, of which, 12 000 are in milk production, producing an average of 14 litres/cow/day.
23. Milk production for the first quarter of 2020 declined by 6.6% compared to the fourth quarter of 2019, where production stood at 20.6 million litres. However, this production level was marginally above the first quarter of 2019, surpassing it by 0.35%.



24. This mediocre level of milk production was partly attributed to the previous drought season which caused shortage of animal feed locally, compounded by high costs of vaccines and other costs of production, compromising productivity.
25. Milk production woes during the first quarter of 2020 were worsened by the COVID-19 pandemic which resulted in a national lockdown, constraining demand and movement of produced milk to the market.
26. Notwithstanding, the dairy industry is one of the few sectors which has remained relatively resilient in recent times.



### *Impact of COVID-19 on the Sector*

27. The COVID-19 pandemic has caused lockdowns across the globe, with serious ramifications for the economic activity of various sectors. Luckily, the shutdowns were at the end of the domestic farming season, hence disruptions of the overall agricultural crop production for the 2019/20 agriculture season remained minimal.
28. However, the major threat was related to the marketing of the produce which was impeded by movement restrictions, adversely affecting farmers' revenues.
29. Looking forward, while the effect of low prices discourages production expansion for some crops, the lockdowns also present opportunity for local farmers to switch production to otherwise imported agriculture products.

### **Mining**

30. Minerals output slumped during the first quarter of 2020, owing to difficulties associated with the wet summer season where miners are expected to do a lot of dewatering exercises, hence stalling mining activities.
31. This period also coincides with the December festive season when most companies, including those in the mining sector, take a temporary break for the greater part of January.

#### **Quarterly Mineral Production**

	<b>QI 2019</b>	<b>QIV 2019</b>	<b>QI 2020</b>	<b>Var QI20/ QIV19</b>	<b>Var QI20/ QI19</b>
Gold/kg	6,965	7,458	6,152	-18	-12
Nickel/t	4,421	4,183	3,935	-6	-11
Chrome/t	419,486	369,347	292,673	-21	-30
Platinum/kg	3,417	3,585	3,544	-1	4
Palladium/kg	2,825	2,994	2,957	-1	5
Diamonds	461,348	560,875	540,939	-3.5	-3.6

*Source: Ministry of Mines and Mining Development*

32. Disruptions associated with the COVID-19 pandemic also affected production and productivity across the mining industry as well as external demand and overall trade.

#### *Gold*

33. Gold output dropped by 18% from the 2019 fourth quarter production level of 7 458 kg to 6 152 kg produced during the first quarter of 2020. Similarly, there was a 12% drop in output during the first quarter of 2020 compared to the first quarter of 2019.
34. The lower than anticipated output is mainly on account of low production largely from small scale and artisanal miners. Production was also disrupted by power shortages, as well as contestations on the exchange rate and retentions.

#### *Platinum*

35. Platinum output marginally decreased by 1% to register 3 544 kg during the first 3 months of 2020 from 3 585 kg produced in that last quarter of 2019. However, there was a 4% improvement from the 2019 first quarter production of 3 417 kg to 3 544 kg between January – March 2020.

#### *Nickel*

36. During the period under review, nickel output stood at 3 935 tons, lower than the 2019 fourth quarter's production of 4 183 tons. The production level for the quarter under review is also 11% lower than that of 2019 first quarter.

#### *Diamonds*

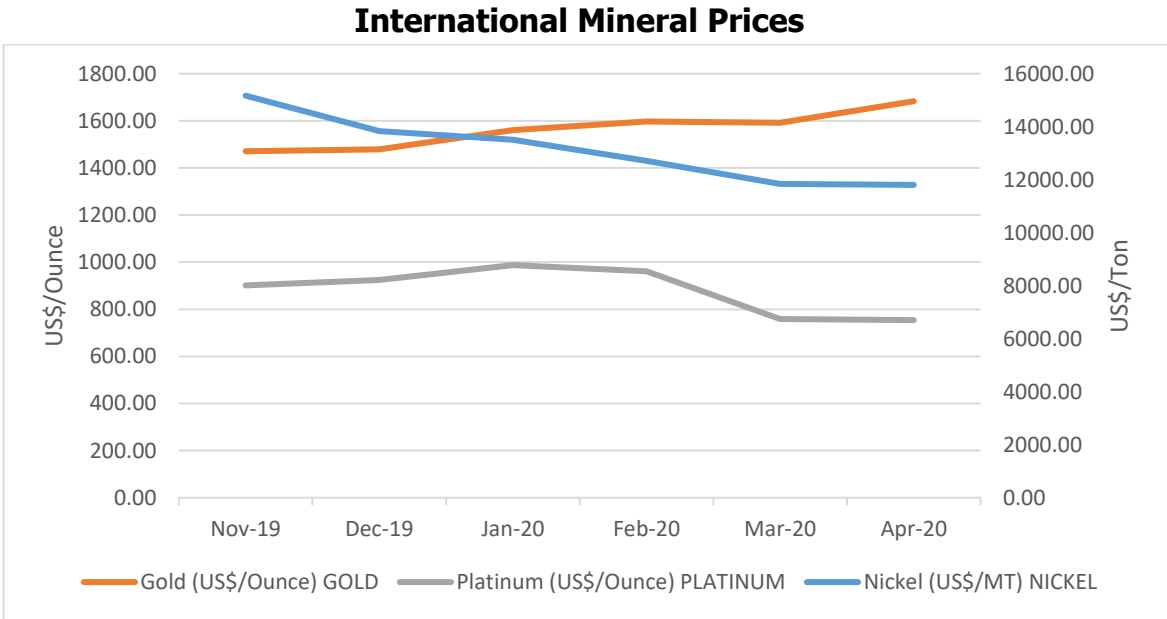
37. Diamonds production dropped by -3.5% during first quarter of 2020, recording 540 939 carats, compared to 560 875 carats produced between October and December

2019. The 2020 first quarter output was also -3.6% lower than that of the same period in 2019.

38. The drop in output is partly attributed to power challenges encountered during the first quarter.

*International Mineral Prices*

39. Prices of platinum and nickel remained subdued during the first quarter of 2020, owing to global dampened demand of most primary products, following the outbreak of COVID-19 which caused the temporary closure of many factories of major consumers of the minerals as inputs.



Source: World Bank Commodity Price Data (The Pink Sheet)

40. However, gold prices gained during the quarter, as investors tried to cushion themselves against the damaging effects of Covid-19 through hedging in gold.

## **Tourism**

41. The Tourism and Hospitality Industry was the worst affected by the pandemic through trade and travel restrictions. With the airlines cancelling bookings and suspending flights, borders being closed and trade disrupted, the tourism industry was facing damaging threats.
42. Zimbabwe recorded the first COVID-19 case on 21 March 2020, but the pandemic, which had started in December 2019 in China's Wuhan City in Hubei Province and officially been declared a pandemic by WHO on 30 January 2020, was already negatively impacting Zimbabwe's tourism industry.
43. As a step towards containing the spread of the disease, the country instituted a lockdown on 30 March 2020, but global travel restrictions and flight cancellations had already started to disrupt both international and domestic tourism.

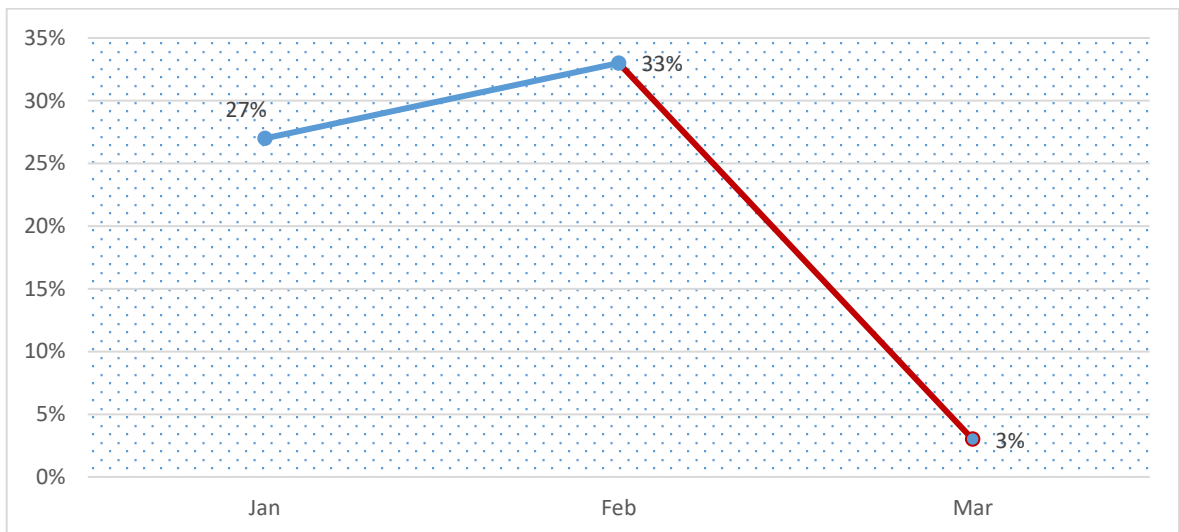
### *Tourist Arrivals*

44. Despite the fact that the first quarter is traditionally low season for the tourism industry, threats of the pandemic were beginning to take effect towards the end of the first quarter of 2020.
45. Preliminary statistics of tourist arrivals show a 44% decline to 315 223 from 558 061 recorded in 2019 for the same period. The country registered a 41% and 44% drop in arrivals from the overseas and Africa source markets, respectively.
46. Whilst the first quarter performance does not show the full effect of the pandemic on the industry, all indicators were pointing to a downward spiral. South Africa, which is one of the major gateways to Zimbabwe, Africa and the rest of the world for air travel, had already declared a State of National Disaster on the 15th of March 2020, enforcing a travel ban to, from or through high risk countries amid confirmed COVID 19 cases. Indirectly, travel to and from Zimbabwe was already bottlenecked.

### *Hotel Occupancies*

47. Some of the major conferences and meetings that were in the pipeline, among them FAO Regional Conference, Zimbabwe Stock Exchange Regional Conference, Zim Thrive and Zimbabwe International Trade Fair (ZITF) were cancelled or postponed indefinitely. Essentially, the tourism industry and its value chain was beginning to bear the brunt of the disease.
48. Consequently, average hotel occupancy rates, which had peaked to 33% in February from 27% in January dipped to a low of 3% in March 2020. During this period, the drop was explained by the reduced travel and use of accommodation facilities as clients and hotel operators were already taking precautionary steps to reduce the spread of the disease.

**2020 Q1 Average Occupancy Rates**



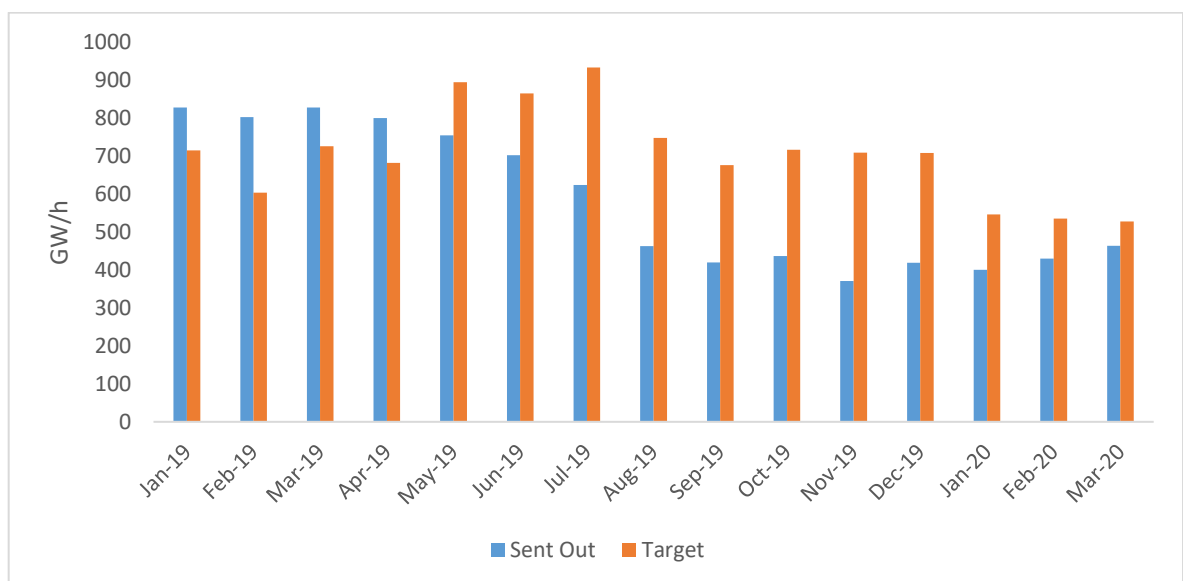
49. All hotels were virtually closed down, by the close of the quarter. Similarly, utilization of restaurants and fast food outlets was significantly reduced, threatening revenues and employment for the tourism value chain.

50. In the outlook period, the performance of the tourism industry and its value chain depends on the spread of the disease as well as the pattern of spread together with containment measures.

### Electricity Developments

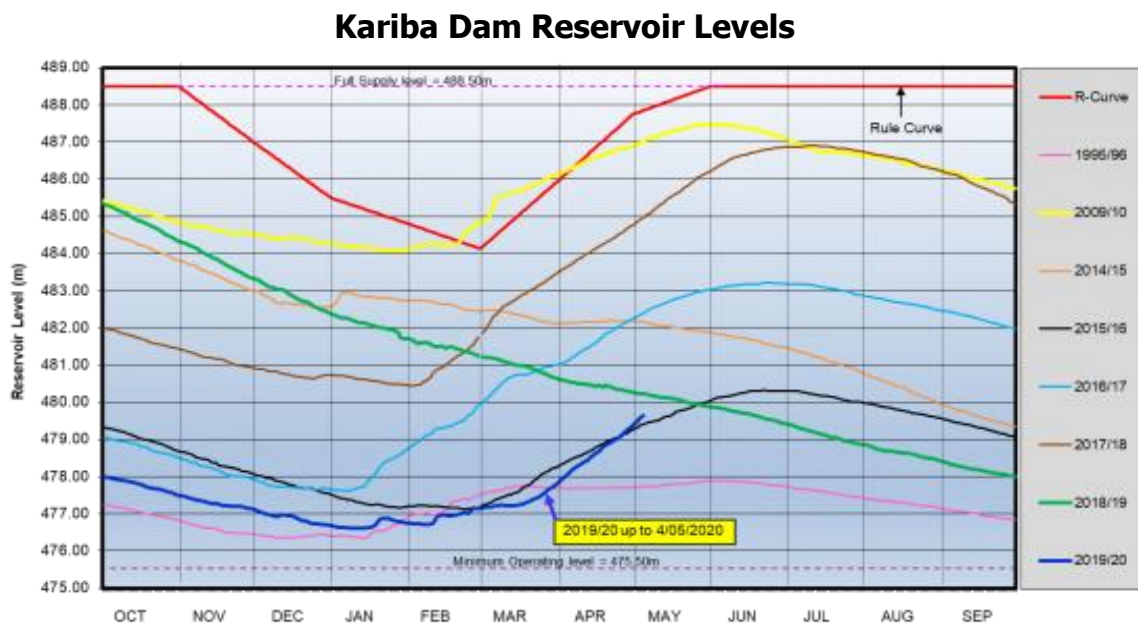
51. There was a relative improvement in electricity generation during the first quarter of 2020 compared to the last quarter of 2019, with total electricity generated amounting to 1 294 GW/h, up from 1 226 GW/h. The improved generation combined with consistent imports resulted in reduced load shedding.
52. The generation performance is, however, lower when compared to the same period last year. This reflects the planned reduced operating levels at Kariba Power Station in order to allow the dam to fill up following a drastic fall in reserves of usable water. In line with this, the Zambezi River Water Authority allocated about 11 billion cubic meters to Kariba Power Station, which is consistent with a generation capacity of 275MW/h.

### Electricity Generated and Sent Out



Source: ZPC

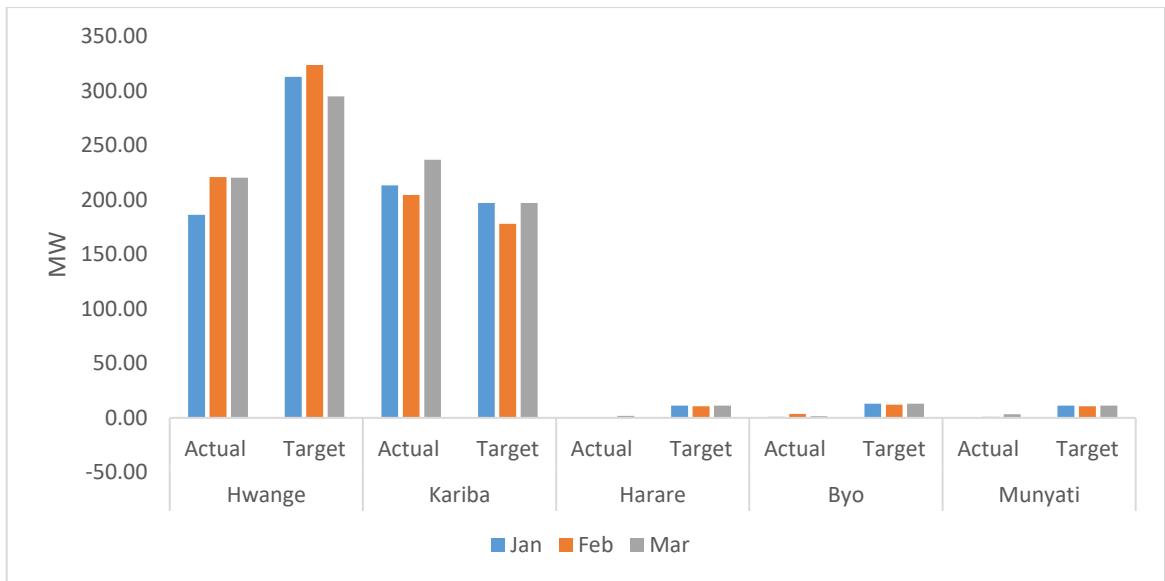
53. On a positive development, the Lake level has continued to rise steadily during the quarter, closing at 478m (19.2% of usable storage), and is expected to further increase during the second quarter. The recovery has been supported by an increased flow of water into the dam following normal to above normal rainfall in the Zambezi water catchment areas.



Source: Zambezi Water Authority

#### Generation by Units

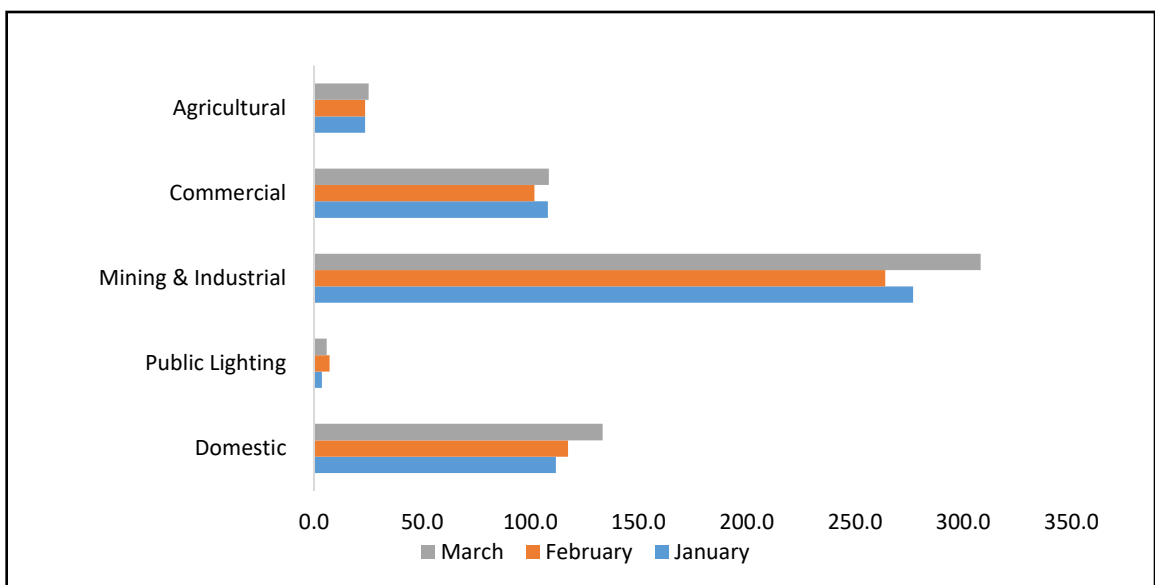
54. Kariba Hydro plant was the main source of generation during the quarter. This is despite low water levels in the lake. Hwange and other small generation contributions were low due to operational constraints.



Source: ZPC

*Electricity Consumption*

55. During the quarter, electricity consumptions for domestic purposes was on a gradual increase while commercial, agriculture, mining and industrial activities experienced a decline in February before recovering March.



Source: ZPC



### *Power Tariffs*

56. The Zimbabwe Electricity Transmission and Distribution Company (ZETDC) adjusted electricity tariffs by 19%, effective 1 March 2020. This was in accordance with the Tariff Award of 2 October 2019, which takes into account the movement of macroeconomic fundamentals such as exchange rate and inflation, for changes above 10%.

#### **Approved Conventional Meter Tariffs**

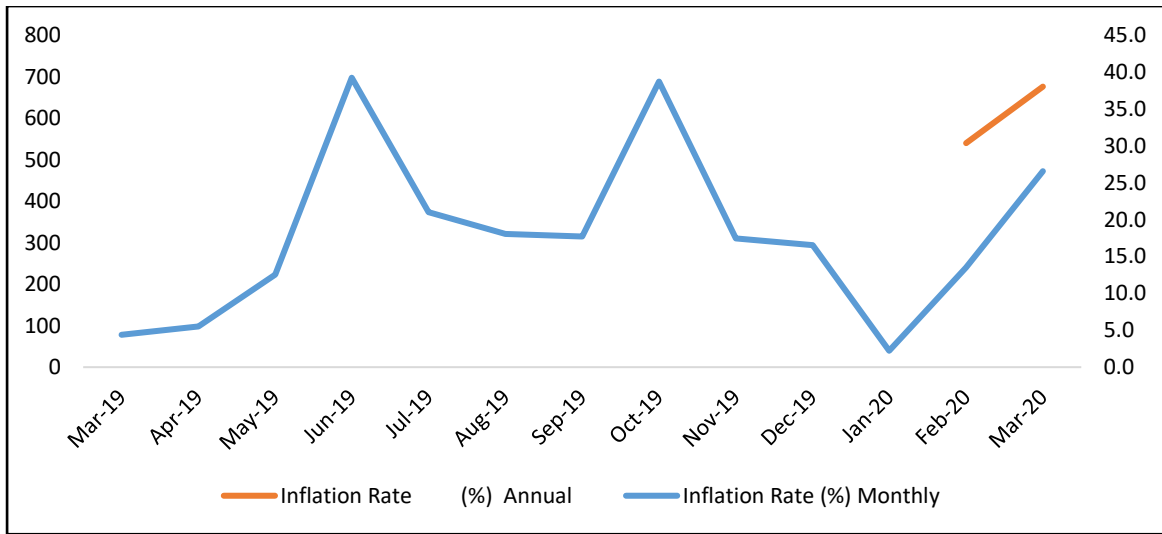
	<b>KWH</b>	<b>Cost/Unit</b>
a) Fixed Monthly Charge		\$7.24
b) Energy charge per kWh	(i) 1st 50 kWh	\$0.49
	(ii) 51 to 200 kWh	\$1.08
	(iii) Balance	\$4.61

57. The adjustments are expected to result in stable electricity generation, going forward.

## **INFLATION DEVELOPMENTS**

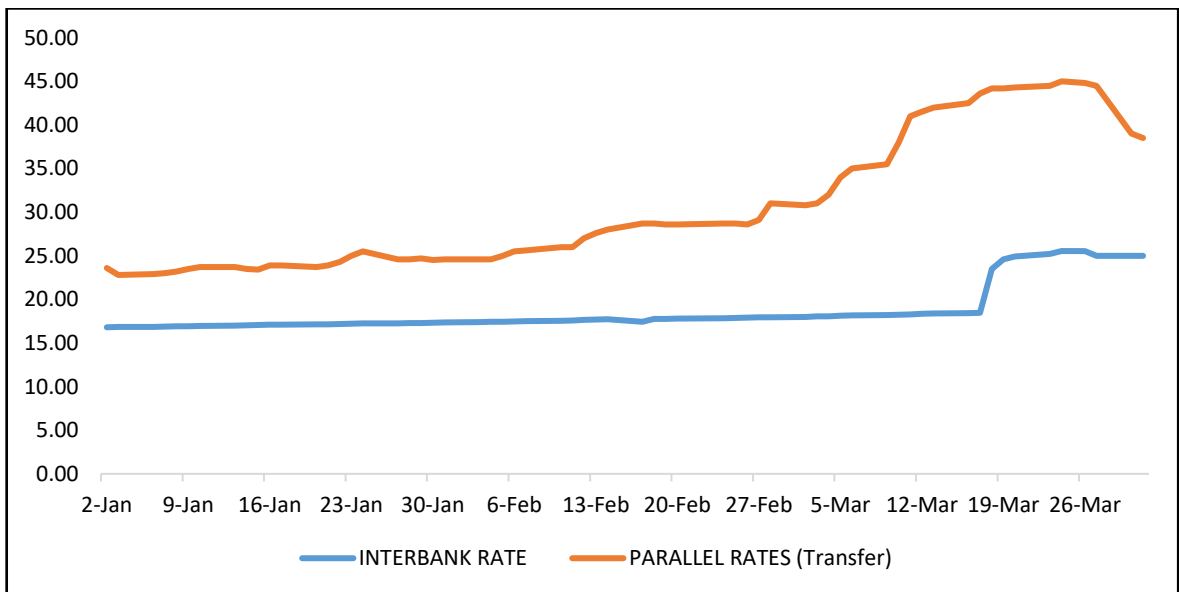
58. The beginning of the quarter was characterised by significant deceleration in inflation in response to relative stability in the parallel exchange rate that was sustained during the month of January 2020. A gradual widening of the premium between official and parallel exchange rate emerged in February, followed by a spike in inflation in March.
59. Similarly, annual inflation, the publication of which resumed in February 2020 following the rebasing exercise undertaken in February 2019, began at higher levels and continued on a rising trajectory in March.

### Inflation Profile



60. Besides depreciation of the parallel exchange rate, inflation is also being driven by adverse expectations, speculation, drought and scarcity of essential goods.

### Exchange Rate Movements



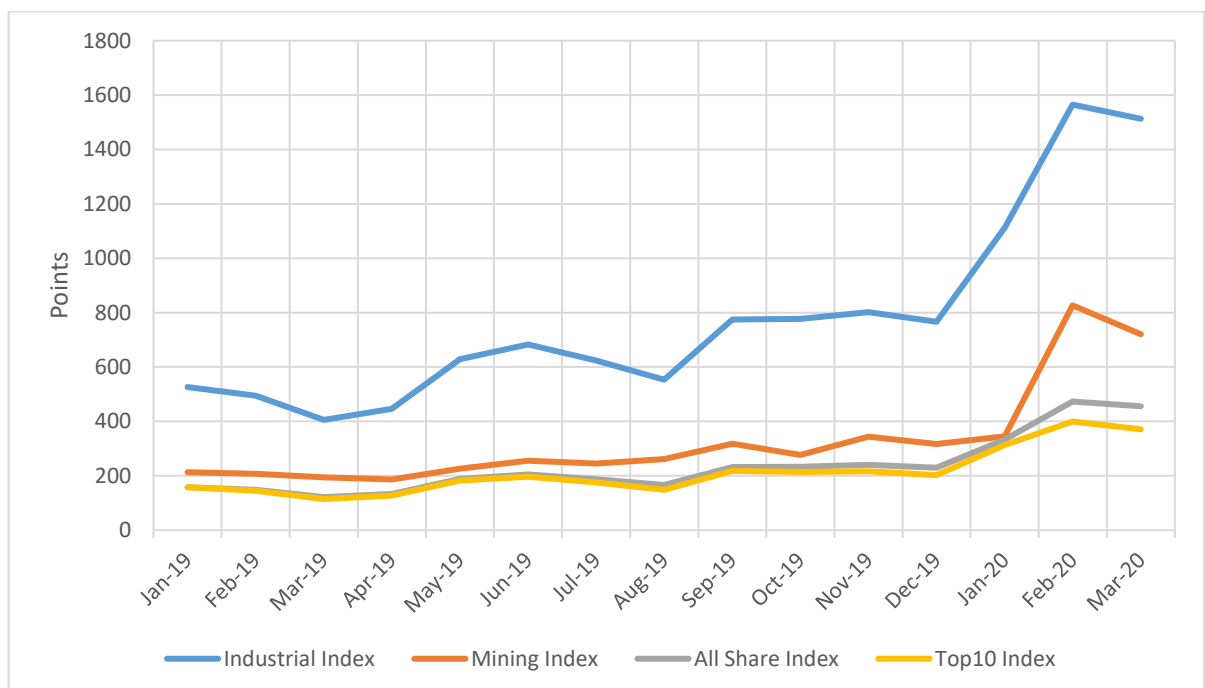
Source: RBZ, marketwatch.co.zw

## FINANCIAL SECTOR

### Performance of the Zimbabwe Stock Exchange

61. All ZSE indices gained substantially during the first quarter of 2020. The largest gains accrued in the Mining Index, which increased by 128% in March 2020 compared to December 2019. The Industrial Index gained 97%, the All Share Index 98%, and the Top 10 Index 83%.

#### ZSE Indices



Source: Zimbabwe Stock Exchange

62. Similarly, market capitalisation increased by 98% since December 2019, from ZWL\$29.8 billion to ZWL\$58.6 billion.
63. However, rally on the stock market was also being driven by inflation and currency movements.

### *Performance of other Regional Stock Exchanges*

64. The Johannesburg Stock Exchange (JSE) All Share Index closed the first quarter of 2020 at 44 559 points down by 12 525 points or 21.94% from the 57 084 points at the beginning of the quarter. The Financials and Resources indices declined during the quarter by different margins. On the contrary, the Gold mining index improved by 97 points or 3.74%.
65. The JSE's performance was driven by panic about COVID-19, the impact of an enormous decline in the oil price and the general economic performance that was already in decline.
66. The Botswana Stock Exchange's (BSE) turnover declined by 46.6% from P346.9 million in the first quarter of 2019 to P185 million, in the first quarter of 2020. Similarly, the number of shares traded in the first three months of 2020 amounted to 81.7 million compared to 156.1 million traded during the same period in 2019.
67. The Malawi Stock Exchange (MSE) registered a negative return on index as reflected by the downward movement of the Malawi All Share Index (MASI) from 30 252.20 points registered on 1 January 2020 to 29176.23 points registered on 31 March 2020, giving a return on index of -3.56%.

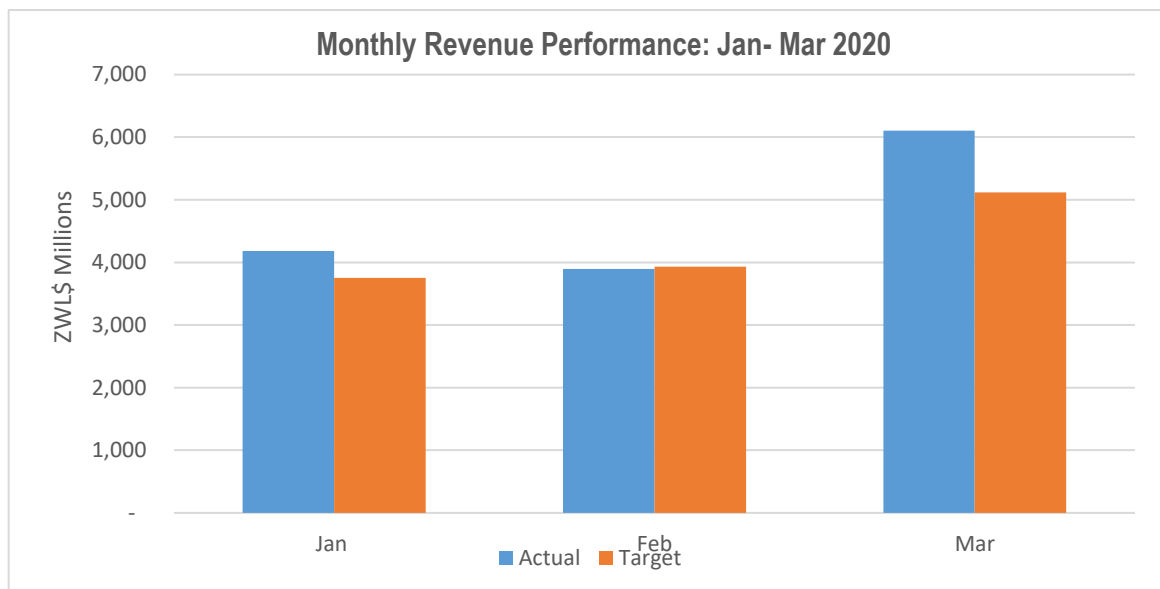
### **FISCAL PERFORMANCE**

68. Total revenue collections during the first quarter of 2020 amounted to ZWL\$14.2 billion, against expenditures of ZWL\$13.7 billion. Whilst a deficit of ZWL\$2.8 billion was planned for the quarter, actual performance resulted in a surplus of ZWL\$554.3 million, revealing positive impact of ongoing fiscal reforms.
69. These included significant fiscal consolidation that had started in 2019 focussing on containment of the wage bill, elimination of the agricultural command programme

subsidies with financing being transferred to the banking system as well as adoption of regulations (gazetted on the 14th of June 2019), to implement the Public Financial Management Act.

## Revenue

70. The total collections for the first quarter surpassed the set target of ZWL\$12 billion by 10.74% owing to higher than anticipated performance in all revenue heads. However, the target was missed marginally during the month of February.

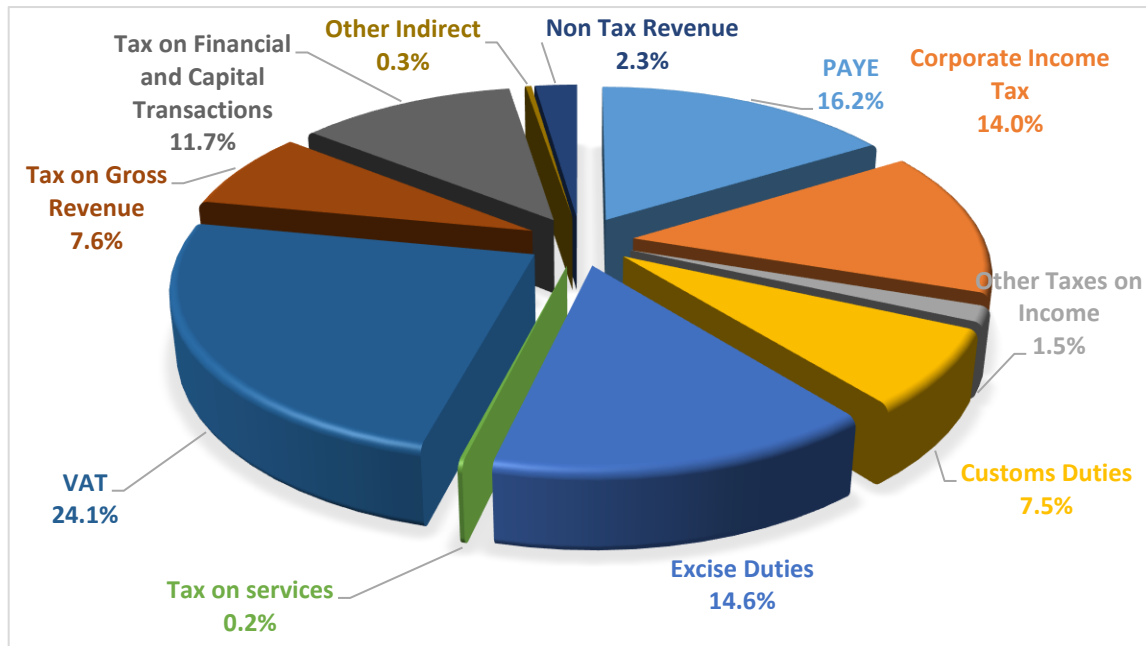


*Ministry of Finance and Economic Development*

71. It is worth noting that revenue performance during the first quarter was not seriously affected by COVID-19, since lockdown measures were only implemented towards the end of March. As a result, minimal disruptions were experienced by the industry over this period. It is expected that the effect of policy responses to COVID 19 on revenues will be witnessed beginning the month of April 2020.

## Revenue Heads

72. Value Added Tax (VAT) remained the largest contributor to tax revenue at 24.1% ahead of individual tax, excise duties and corporate tax at 16.2%, 14.6% and 14%, respectively.

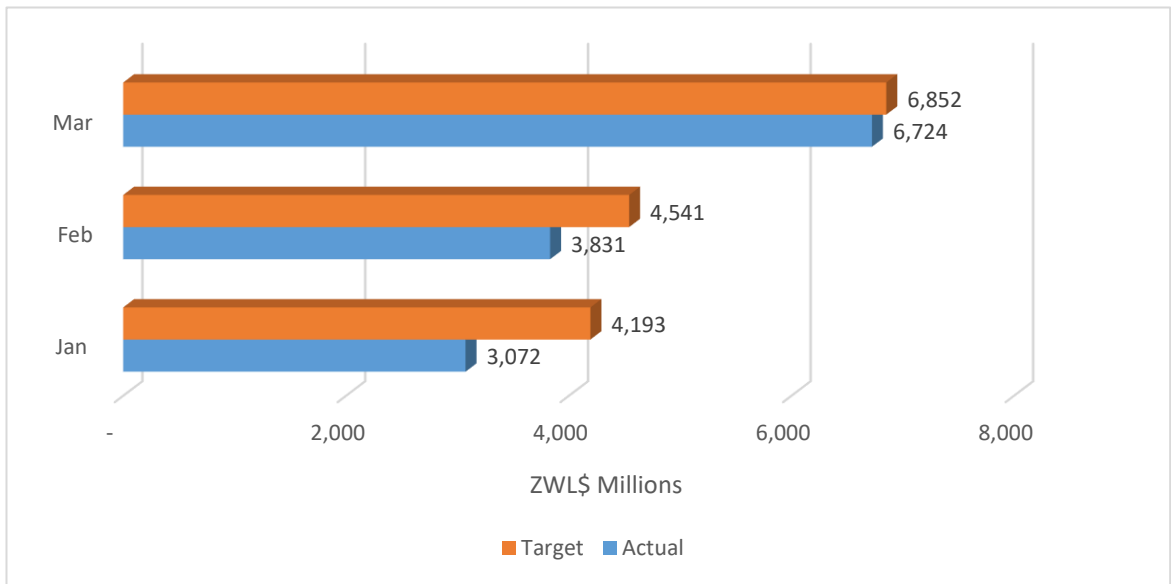


73. Excise duty on fuels continued to drive the revenue head, ahead of other products in this category such as motor vehicles, beer, tobacco, wines and spirits.

## Expenditure

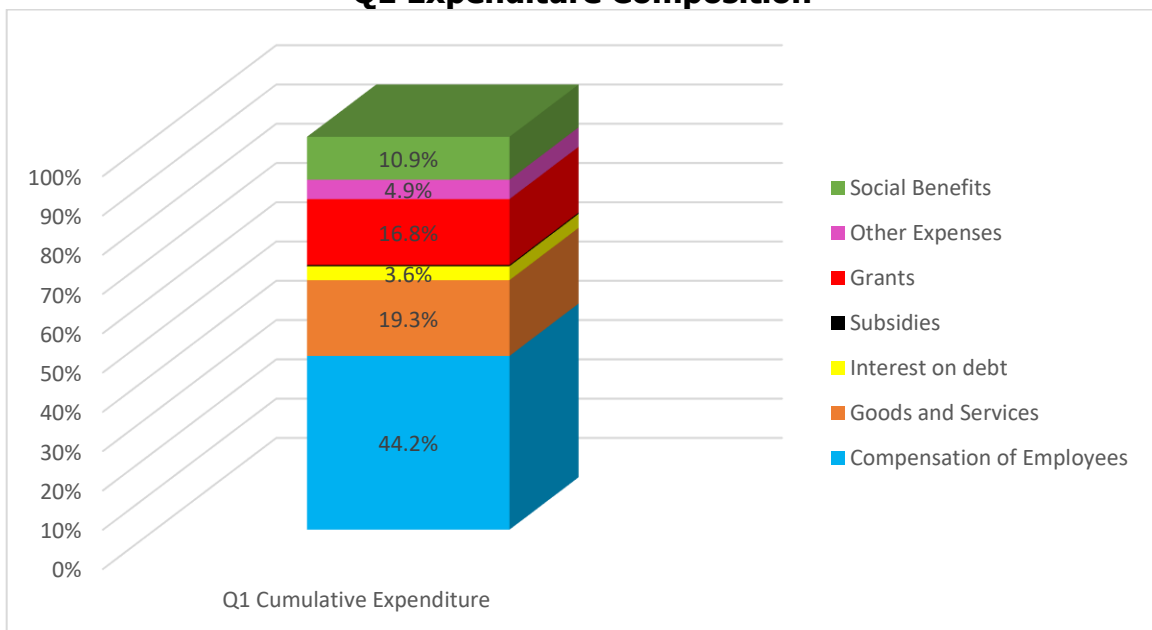
74. Government managed to contain monthly expenditures within target during the months of January to February. However, with the onset of the Covid 19 pandemic, the need to prepare and respond resulted in a surge in expenditures by end of March, from about ZWL\$3.8 billion in February to ZWL\$6.7 billion in March 2020, to give cumulative expenditures for the first quarter of ZWL\$13.6 billion against a target of ZWL\$15.6 billion.

### Jan-Mar 2020 Expenditures



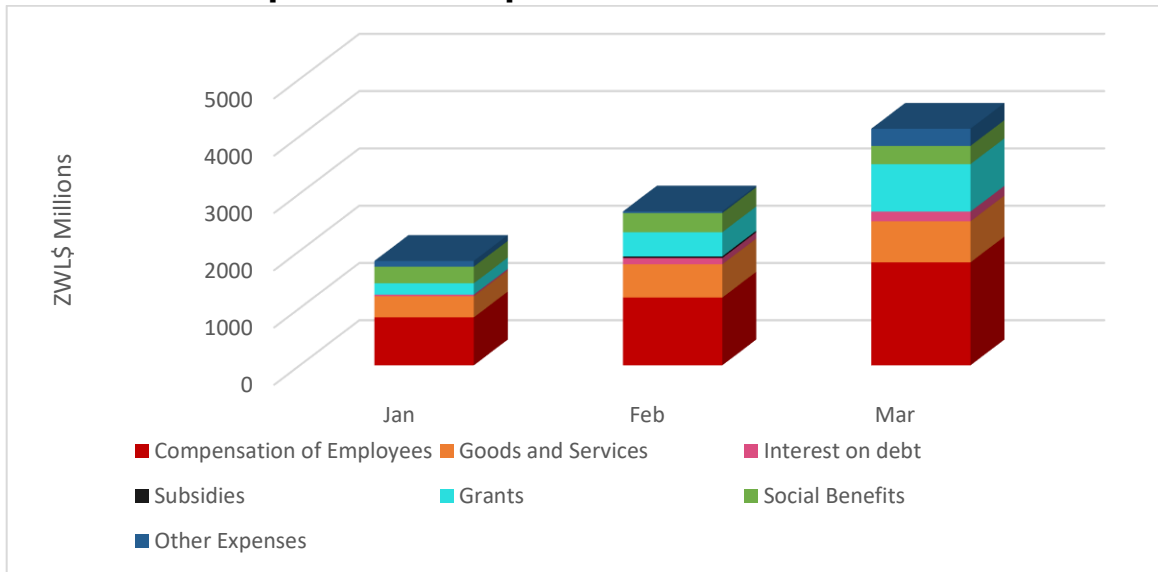
75. Whereas staff costs constituted 44.2% of total expenditure during the quarter, spending on goods and services took up 19.3%, with grants and social benefits taking up 16.8% and 10.9%, respectively.

### Q1 Expenditure Composition



76. Government unfroze 4 000 health sector posts and created additional 200 medical posts in March 2020 which is expected to increase staff costs going forward.

### Expenditure Composition: Jan-Mar 2020



77. To cater for urgent and inescapable additional expenditure requirements from the COVID-19 pandemic, on March 30 2020 Government instituted further fiscal mitigatory measures. These included ring-fencing Intermediated Money Transfer Tax towards social protection and also directed all Government Ministries, Departments and Agencies (MDAs) to re-prioritise their spending within the approved Budget in order to release resources for the disaster.
78. Government efforts to meet COVID-19 related expenditures are being complemented by Development Partner support, private sector and individual donations.

### Fiscal Balance and Financing

79. Due to prudent fiscal management, the first quarter of 2020 ended with a budget surplus amounting to ZWL\$554 million.
80. However, in preparation for higher expenditures related to fighting COVID-19 pandemic in coming months, Government issued TBs amounting to ZWL\$274 million during the first quarter.

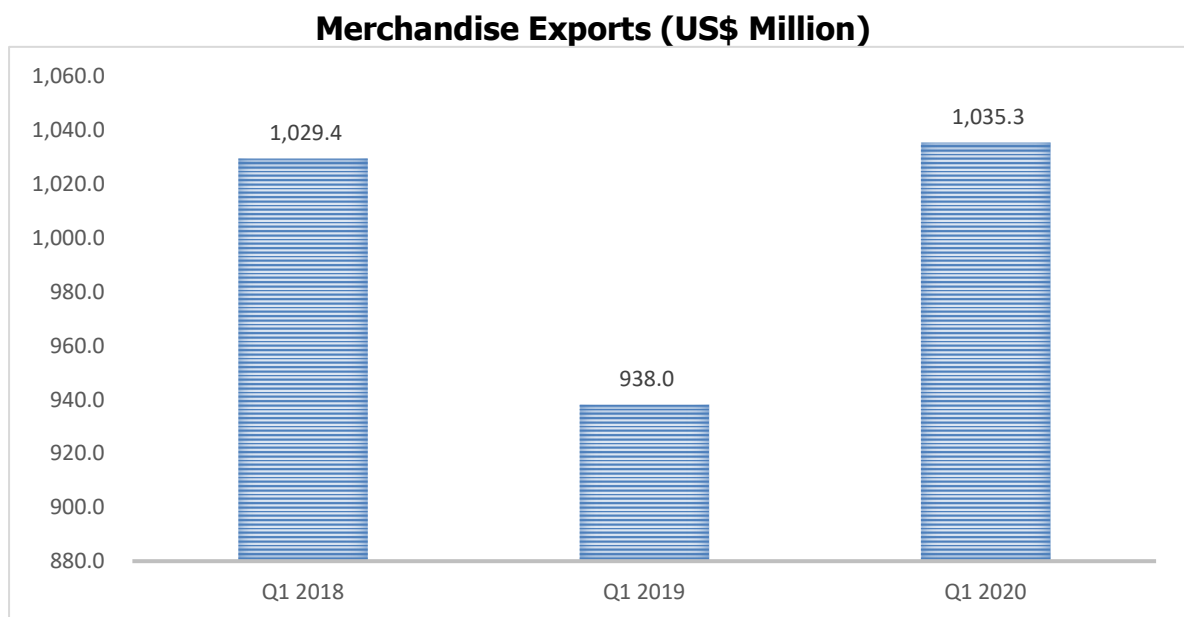


## EXTERNAL SECTOR

81. The first quarter of 2020 was faced with the emergency of the COVID-19 global pandemic which greatly affected the global trade and supply chains. The pandemic is expected to have a knock off effect on trade and remittances, seriously affecting the current account, going forward.

### Exports

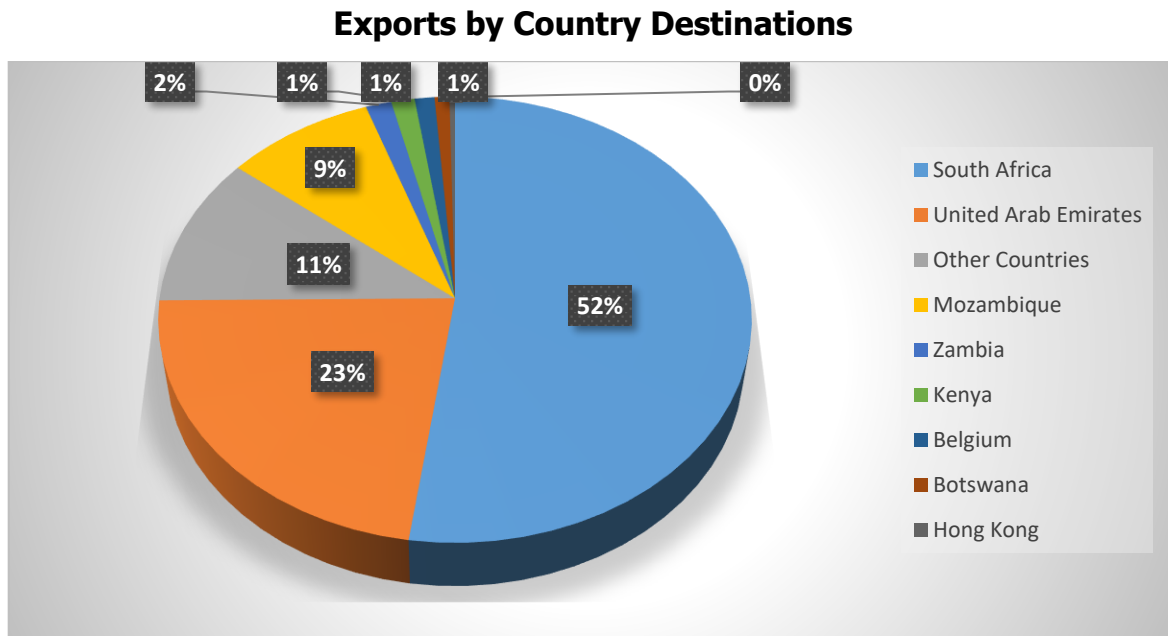
82. Notwithstanding, during the first quarter of 2020, the country's merchandise exports grew by 10% from US\$938 million realised in first quarter of 2019, to reach US\$1 billion.



*Source: ZIMSTAT, RBZ & MOFED calculations*

83. Exports for the period were mainly dominated by flue-cured tobacco (22%), gold (22%), nickel mattes (18%) and nickel ores & concentrates (10%), ferrochrome, industrial diamonds, among others.

84. South Africa, United Arab Emirates, and Mozambique remained the country’s export destinations, absorbing 52%, 23% and 9%, respectively, whilst the rest of the world absorbed 16% of our exports.

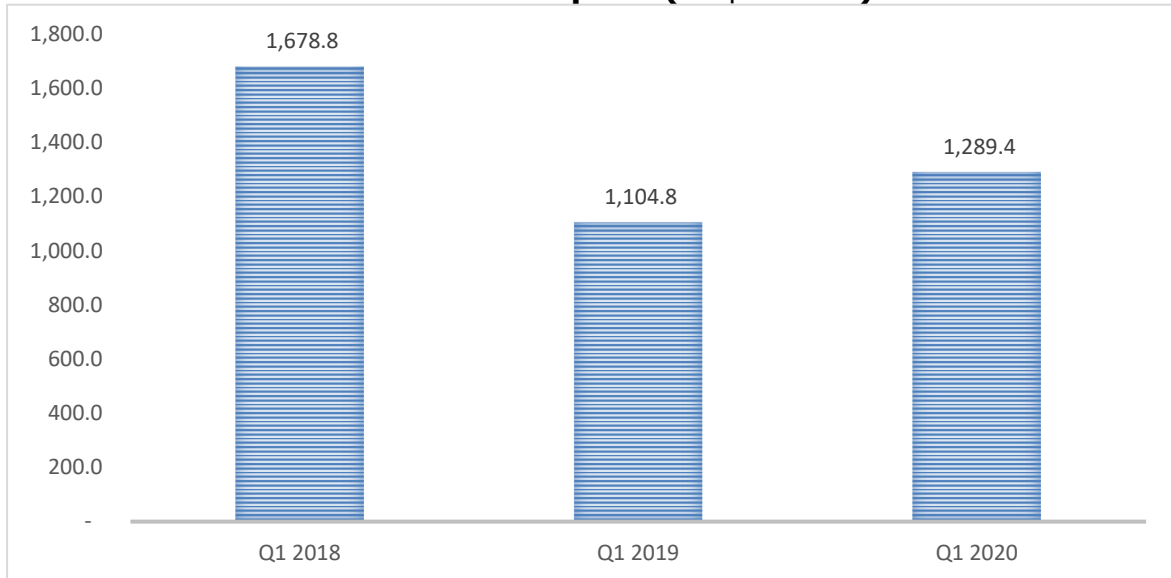


*ZIMSTAT & MOFED Calculations*

### **Imports**

85. Total merchandise imports stood at US\$1.3 billion during the first quarter of 2020, a 17% increase from US\$1.1 billion accumulated during the comparable quarter of 2019. The increase in import bill reflects the impact of drought leading to increase in importation of maize and electricity.

### Merchandise Imports (US\$ Million)



Source: ZIMSTAT, RBZ & MOFED calculations

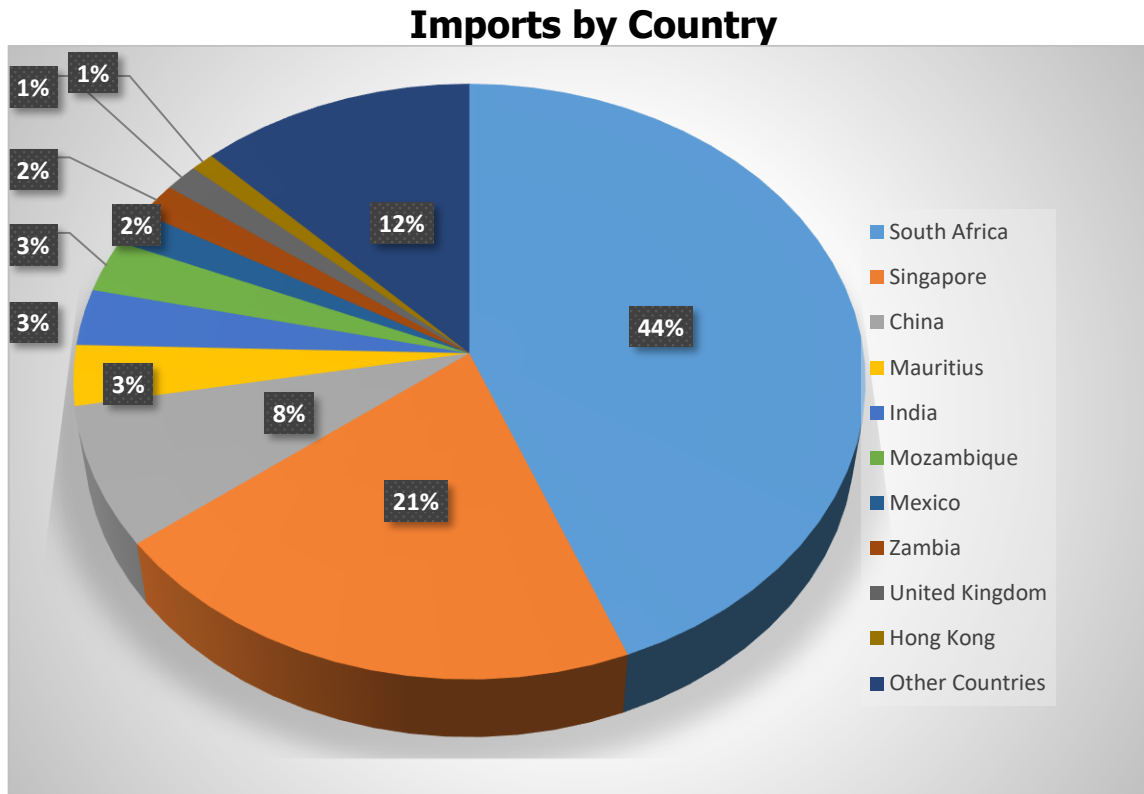
86. Diesel, maize, petrol, electricity, rice and crude soya bean oil were the country's major imports during the first quarter of 2020.

### Imports by product

	Q1 2019	Q1 2020	Change (%)
	US\$ M	US\$ M	
<b>Diesel</b>	206.1	186.4	-10%
<b>Maize (Excluding Seed)</b>	0.2	135.2	71105%
<b>Unleaded petrol</b>	105.3	90.2	-14%
<b>Electrical energy</b>	9.6	39.1	308%
<b>Broken rice in Bulk &gt;= 25kg</b>	5.1	19.8	289%
<b>Crude soya bean oil, whether or not degummed</b>	14.0	17.7	27%
<b>Other insecticides</b>	10.4	16.1	55%
<b>Groats and meal of maize (corn)</b>	0.0	14.6	494872%
<b>Structures &amp; parts of structures, of iron/ steel</b>	1.0	13.6	1285%
<b>Medicaments of mixed or unmixed</b>	4.7	12.3	160%
<b>Road tractors for semi-trailers</b>	15.5	11.3	-27%
<b>Vaccines for human medicine</b>	7.3	11.3	55%
<b>Medicaments used in the management of cronic illnesses</b>	7.3	10.9	50%
<b>Goods vehicles, with diesel/semi-diesel engines</b>	7.8	9.8	26%
<b>Motor vehicles for the transport of goods</b>	14.2	9.1	-36%
<b>Other Products</b>	696.5	692.0	-1%
<b>Total</b>	<b>1,104.8</b>	<b>1,289.4</b>	<b>17%</b>

Source: ZIMSTAT & MOFED Calculations

87. The country's imports were mainly sourced from South Africa, Singapore, and China, contributing 44%, 21%, 8%, respectively, whilst the rest of the world absorbed 27%.

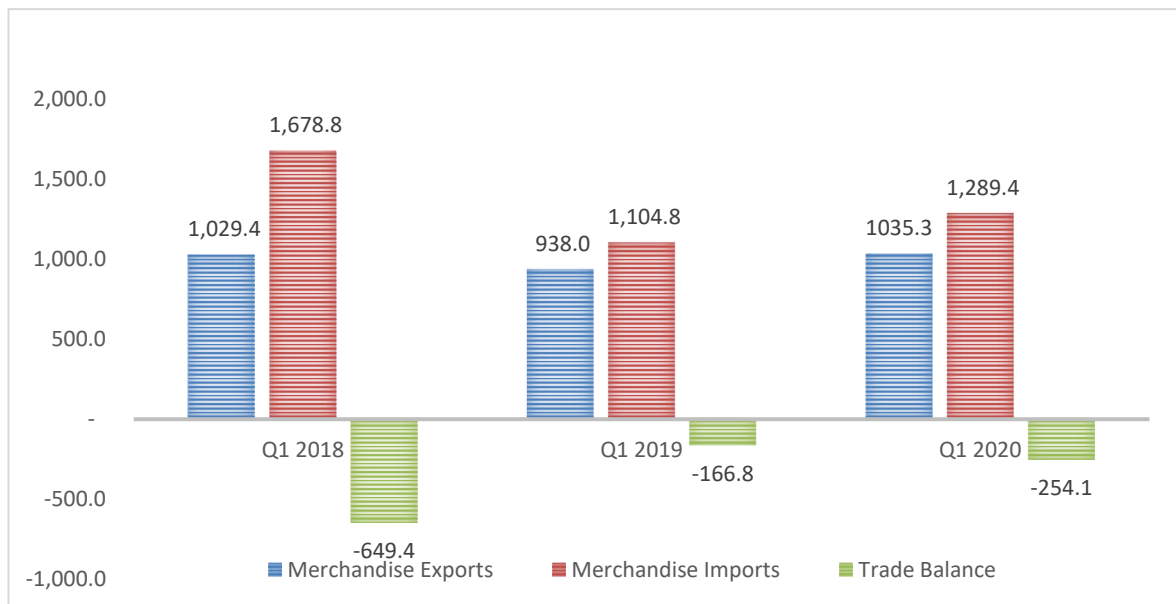


Source: ZIMSTAT & MOFED Calculations

### *Trade Balance*

88. Resultantly, the trade deficit for the first quarter of 2020 stood at US\$254.1million, constituting a 52% deterioration from the 2019 first quarter deficit of US\$166.8 million.

## Merchandise Trade Balance



*Source: ZIMSTAT & MOFED Calculations*

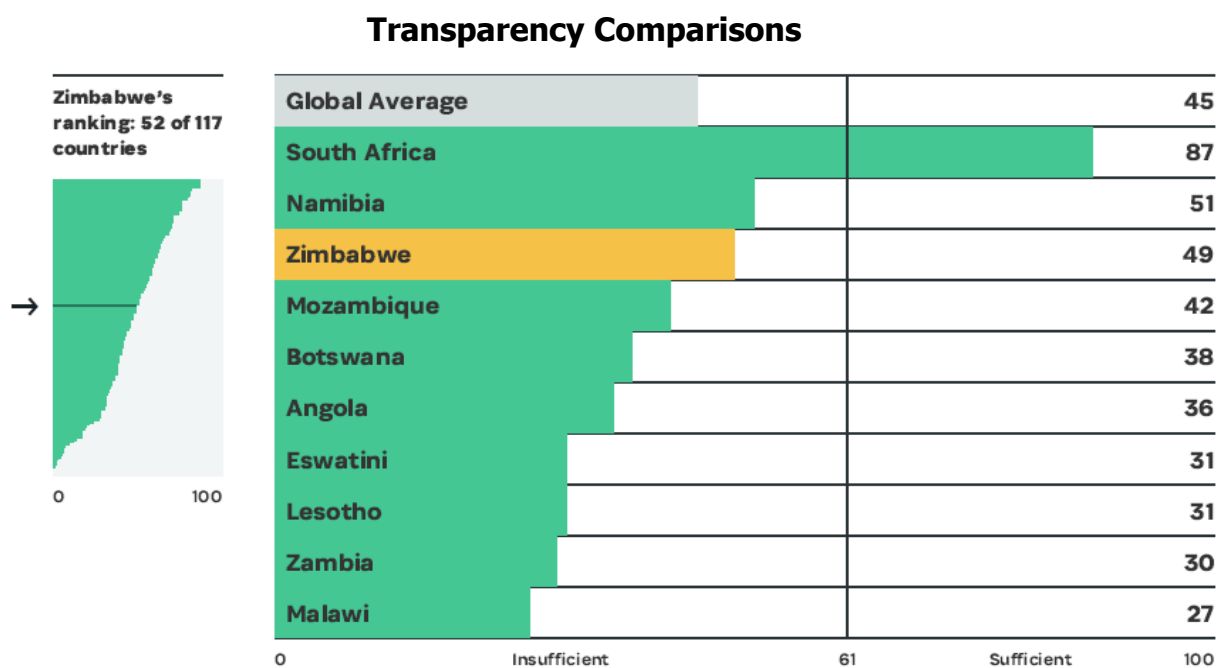
89. However, shortage of foreign currency in the economy has hampered the importation of critical raw materials required in the economy thereby affecting the performance of merchandise trade.

### ***Ease of Doing Business Reforms***

90. The long-awaited Zimbabwe Investment and Development Agency Act was gazetted in February to provide for the establishment of the Zimbabwe Investment and Development Agency. The appointment of the Board and the Chief Executive Officer has been concluded.
91. On the other hand, the country has commenced another round of Ease of Doing Business Reforms which is running from February to April. The reforms are expected to improve the country's ranking on registering property, access to electricity and starting a business, among others.

## ***Budget Transparency***

92. On a positive development, the country improved significantly on open budget index score in terms of budget transparency to 49 in 2019 from 23 recorded in 2017. Zimbabwe is now ranked number three in Africa by the Open Budget Survey (OBS).
93. The Open Budget Survey (OBS) is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions such as the legislature and auditor in the budget process.
94. OBS measures public access to information on how the central government raises and spends public resources. It assesses the online availability, timeliness, and comprehensiveness of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.



Source: International Budget Partnership (IPB)

95. The country's ranking has improved due to increased availability of budget information through:

- Publishing the Enacted Budget, Citizens Budget, and Year-End Report online.
- Publishing the In-Year Reports online in a timely manner.
- Increasing the information provided in the Executive's Budget Proposal.
- Increasing the information provided in the Pre-Budget Statement.

## **CONCLUSION**

96. The first quarter fiscal performance remained resilient, but substantial economic challenges remain, including inflation, foreign currency shortages, as well as the availability of basic goods.

97. Looking forward, the economic and fiscal environment will be dominated by the impact of COVID-19 in the near future. Meanwhile, Government has put into place a wide range of measures in order to absorb the economic implications and hardships caused by the pandemic, and will remain alert and responsive to future challenges.

# ANNEXURES

## Consolidated Statement of Financial Performance for the Month Ended 31 March 2020

	Notes	ACTUAL ZWL\$	TARGET ZWL\$	VARIANCE ZWL\$	%
<b>TAXES ON INCOME</b>	<b>1</b>	<b>2,366,620,077</b>	<b>1,681,500,000</b>	<b>685,120,077</b>	<b>41</b>
<b>Tax on goods and services</b>	<b>2</b>	<b>3,589,131,341</b>	<b>3,356,907,000</b>	<b>232,224,341</b>	<b>7</b>
Customs duty	2.1	413,581,674	358,600,000	54,981,674	15
Excise duty	2.2	882,633,273	844,981,000	37,652,273	4
Value added tax	2.3	1,244,312,217	1,191,800,000	52,512,217	4
tax on specific services	2.4	13,754,488	9,380,000	4,374,488	47
tax on gross revenue	2.5	475,136,557	352,786,000	122,350,557	35
taxes on financial and capital transactions	2.6	548,441,314	588,750,000	(40,308,686)	(7)
other indirect taxes	2.7	11,271,818	10,610,000	661,818	6
<b>TOTAL TAX REVENUE</b>		<b>5,955,751,418</b>	<b>5,038,407,000</b>	<b>917,344,418</b>	<b>18</b>
<b>NON TAX REVENUE</b>	<b>3</b>	<b>148,059,679</b>	<b>81,443,000</b>	<b>66,616,679</b>	<b>82</b>
Property income	3.1	573,339	27,700,000	(27,126,661)	(98)
sales of goods and Services	3.2	147,486,340	53,743,000	93,743,340	174
<b>TOTAL INCOME</b>		<b>6,103,811,097</b>	<b>5,119,850,000</b>	<b>983,961,097</b>	<b>19</b>
<b>EXPENSES</b>					
<b>Recurrent Expenses</b>	<b>4</b>	<b>5,507,347,031</b>	<b>5,381,910,000</b>	<b>(125,437,031)</b>	<b>(2)</b>
compensation of Employees	4.1	1,797,958,678	1,194,772,000	(603,186,678)	(50)
use of Goods and services	4.2	716,223,498	1,381,816,000	665,592,502	48
Interest on Debt	4.3	169,533,459	52,500,000	(117,033,459)	(223)
Subsidies	4.4	290,687,828	45,000,000	(245,687,828)	(546)
Grants	4.5	1,915,637,256	1,558,022,000	(357,615,256)	(23)
Social benefits	4.6	318,560,178	391,800,000	73,239,822	19
Other Expenses	4.7	298,746,134	758,000,000	459,253,866	-
<b>SURPLUS /(DEFICIT) BEFORE NON FINANCIAL AND FINANCIAL ASSETS TRANSACTIONS</b>		<b>596,464,066</b>	<b>(262,060,000)</b>	<b>1,109,398,128</b>	<b>22</b>
<b>Non financial Assets</b>	<b>5</b>	<b>927,573,969</b>	<b>1,158,882,000</b>	<b>(267,808,752)</b>	<b>(23)</b>
<b>Financial Assets</b>	<b>6</b>	<b>579,388,752</b>	<b>311,580,000</b>	<b>(267,808,752)</b>	<b>(86)</b>
<b>TOTAL EXPENDITURE</b>		<b>7,014,309,752</b>	<b>6,852,372,000</b>	<b>(161,937,752)</b>	<b>(2)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(910,498,655)</b>	<b>(1,732,522,000)</b>	<b>822,023,345</b>	<b>(47)</b>



**ZIMBABWE GOVERNMENT**

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE 3 MONTHS ENDED 31 MARCH 2020**

	Notes	ACTUAL ZWL\$	TARGET ZWL\$	VARIANCE ZWL\$	%
<b>TAXES ON INCOME</b>	<b>7</b>	<b>4,499,048,549</b>	<b>3,064,909,000</b>	<b>1,434,139,549</b>	<b>47</b>
<b>Tax on goods and services</b>	<b>8</b>	<b>9,360,045,681</b>	<b>9,501,831,000</b>	<b>(141,785,319)</b>	<b>(1)</b>
Customs duty	8.1	1,056,919,300	1,033,600,000	23,319,300	2
Excise duty	8.2	2,074,416,746	2,386,045,000	(311,628,254)	(13)
Value added tax	8.3	3,413,913,119	3,456,090,000	(42,176,881)	(1)
tax on specific services	8.4	25,417,715	27,360,000	(1,942,285)	(7)
tax on gross revenue	8.5	1,081,451,788	953,206,000	128,245,788	13
taxes on financial and capital transactions	8.6	1,662,196,480	1,616,250,000	45,946,480	3
other indirect taxes	8.7	45,730,534	29,280,000	16,450,534	56
<b>TOTAL TAX REVENUE</b>		<b>13,859,094,230</b>	<b>12,566,740,000</b>	<b>1,292,354,230</b>	<b>10</b>
<b>NON TAX REVENUE</b>	<b>9</b>	<b>322,409,828</b>	<b>239,682,000</b>	<b>82,727,828</b>	<b>35</b>
Property income	9.1	5,084,727	81,530,000	(76,445,273)	(94)
sales of goods and Services	9.2	317,325,101	158,152,000	159,173,101	101
<b>TOTAL INCOME</b>		<b>14,181,504,059</b>	<b>12,806,422,000</b>	<b>1,375,082,059</b>	<b>11</b>
<b>EXPENSES</b>					
<b>Recurrent Expenses</b>	<b>10</b>	<b>11,225,073,184</b>	<b>12,453,782,000</b>	<b>1,228,708,816</b>	<b>10</b>
compensation of Employees	10.1	3,818,638,486	3,584,316,000	(234,322,486)	(7)
use of Goods and services	10.2	1,666,139,401	2,933,926,000	1,267,786,599	43
Interest on Debt	10.3	306,906,534	157,266,000	(149,640,534)	(95)
Subsidies	10.4	317,542,828	135,000,000	(182,542,828)	(135)
Grants	10.5	3,746,045,141	3,946,674,000	200,628,859	5
Social benefits	10.6	943,417,465	923,600,000	(19,817,465)	(2)
Other Expenses	10.7	426,383,329	773,000,000	346,616,671	45
<b>SURPLUS /(DEFICIT) BEFORE TRANSACTIONS IN NON FINANCIAL ASSETS</b>		<b>2,956,430,875</b>	<b>352,640,000</b>	<b>146,373,243</b>	<b>42</b>
<b>Non financial Assets</b>	<b>11</b>	<b>1,684,606,087</b>	<b>2,450,767,000</b>	<b>766,160,913</b>	<b>31</b>
<b>Financial Assets</b>	<b>12</b>	<b>1,008,206,764</b>	<b>682,420,000</b>	<b>(325,786,764)</b>	<b>(48)</b>
<b>TOTAL EXPENDITURE</b>		<b>13,917,886,035</b>	<b>15,586,969,000</b>	<b>1,669,082,965</b>	<b>11</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>263,618,024</b>	<b>(2,780,547,000)</b>	<b>3,044,165,024</b>	<b>(109)</b>

**NOTES TO CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE FOR THE 3 MONTHS ENDED 31 MARCH 2020**

Notes	ACTUAL ZWL \$	TARGET ZWL \$
<b>1 TAXES ON INCOME &amp; PROFITS</b>		
Individuals	820,426,911	543,500,000
Companies	1,466,264,369	1,077,380,000
Domestic Dividend and interest	58,142,012	25,450,000
Other incomes taxes	19,958,950	31,290,000
Presumptive tax	1,827,835	3,880,000
<b>Total</b>	<b>2,366,620,077</b>	<b>1,681,500,000</b>
<b>2 TAX ON GOODS &amp; SERVICES</b>	<b>3,577,859,524</b>	<b>3,346,297,000</b>
<b>2.1 Customs duties</b>		
Prime&Surtax	413,581,674	358,600,000
<b>Total</b>	<b>413,581,674</b>	<b>358,600,000</b>
<b>2.2 Excise Duties</b>		
Beer	98,075,589	37,016,000
Wines and Spirits	5,483,102	7,485,000
Tobacco	2,611,278	3,860,000
Second Hand Motors Vehicles	2,037,845	1,820,000
Fuels	774,425,460	794,800,000
<b>Total</b>	<b>882,633,273</b>	<b>844,981,000</b>
<b>2.3 Value Add Tax</b>		
VAT on domestic goods	751,203,002	633,300,000
VAT on Withholding Tax	42,341,552	71,200,000
Imported Goods & Services	576,364,365	487,300,000
Refunds	(125,596,701)	-
<b>Total</b>	<b>1,244,312,217</b>	<b>1,191,800,000</b>
<b>2.4 Taxes on Specific Services</b>		
Business Licences	33,502	1,400,000
Energy Taxes -Carbon Tax	13,720,986	7,980,000
	<b>13,754,488</b>	<b>9,380,000</b>

	ACTUAL ZWL \$	TARGET ZWL \$
<b>2.5 tax on gross Revenue</b>		
Tobacco Levy	-	21,536,000
Royalties-mining	167,892,037	137,940,000
Airtime( including Health levy)	88,666,831	76,560,000
withholding tax on Tenders	218,577,689	116,750,000
	<b>475,136,557</b>	<b>352,786,000</b>
<b>2.6 Taxes on financial and capital transactions</b>		
IMTT	545,600,379	585,000,000
ATM Levy	2,840,935	3,750,000
	<b>548,441,314</b>	<b>588,750,000</b>
<b>2.7 Other Indirect taxes</b>		
Stamp duty	10,841,290	8,300,000
Other indirect taxes	430,528	2,310,000
	<b>11,271,818</b>	<b>10,610,000</b>
<b>TOTAL TAX REVENUE</b>	<b>5,955,751,418</b>	<b>5,038,407,000</b>
<b>3 NON TAX REVENUE</b>		
<b>3.1 Property income</b>		
Interest	107,065	12,750,000
Dividends	343,803	5,960,000
Withdrawals quasi -corporations	-	-
Rent	122,471	8,990,000
<b>Total</b>	<b>573,339</b>	<b>27,700,000</b>
<b>3.2 Sales of Goods and Services</b>		
sales of market Establishments	-	10,430,000
Administrative fees	129,537,148	36,153,000
Incidental sales of goods and services	4,182,418	2,790,000
Fines ,penalties and forfeits	9,991,480	-
Rentals	3,775,294	4,370,000
<b>Total</b>	<b>147,486,340</b>	<b>53,743,000</b>
<b>TOTAL NON TAX REVENUE</b>	<b>148,059,679</b>	<b>81,443,000</b>
<b>TOTAL REVENUE</b>	<b>6,103,811,097</b>	<b>5,119,850,000</b>
	<b>ACTUAL ZWL \$</b>	<b>TARGET ZWL \$</b>

## Expenditure

<b>4 Recurrent Expenses</b>	<b>5,507,347,031</b>	<b>5,381,910,000</b>
<b>4.1 compensation of Employees</b>		
wage bill in cash	1,210,828,248	828,100,000
wages in kind	14,227,212	22,700,000
PSMAS	80,740,126	66,100,000
NSSA	7,915,942	18,300,000
Public Service Pension Scheme	-	24,130,000
Funeral Expenses	-	900,000
Pension	484,247,150	234,542,000
<b>Total</b>	<b>1,797,958,678</b>	<b>1,194,772,000</b>
<b>4.2 Use of Goods and Services</b>		
Domestic Travel Expenses	42,946,506	90,410,000
Foreign Travel Expenses	30,568,503	77,070,000
Communication, Supplies and Services	30,371,822	41,866,000
Education supplies and Services	3,797,168	22,309,000
Medical Supplies and services	14,431,125	54,983,000
Office supplies and services	29,015,100	31,983,000
Training expenses	115,964,263	94,144,000
Rental and other service charges	129,580,978	178,357,000
Institutional provisions	111,849,417	240,207,000
Other Good and Services	106,631,255	317,946,000
Maintenance	101,067,361	232,541,000
<b>Total</b>	<b>716,223,498</b>	<b>1,381,816,000</b>
<b>4.3 Interest and Debt</b>		
Foreign:	147,381,418	10,500,000
Domestic :interest	22,152,041	42,000,000
<b>Total</b>	<b>169,533,459</b>	<b>52,500,000</b>
<b>4.4 Subsidies</b>		
Subsidy	290,687,828	45,000,000
<b>Total</b>	<b>290,687,828</b>	<b>45,000,000</b>

	ACTUAL ZWL\$	TARGET ZWL\$
<b>4.5 Grants</b>		
Salaries	364,807,738	218,054,000
Operations	463,979,491	156,386,000
capital grants	1,086,850,027	1,183,582,000
<b>Total</b>	<b>1,915,637,256</b>	<b>1,558,022,000</b>
<b>4.6 Social Benefits</b>		
Social Benefits	318,560,178	391,800,000
<b>Total</b>	<b>318,560,178</b>	<b>391,800,000</b>
<b>4.7 Other Expenses</b>		
Foreign Transfers	1,031,134	25,000,000
Transfers to Provinces and local Authorities	297,715,000	733,000,000
<b>Total</b>	<b>298,746,134</b>	<b>758,000,000</b>
<b>5 NON FINANCIAL ASSETS</b>	<b>927,573,969</b>	<b>1,158,882,000</b>
Building and Structures	725,296,172	814,027,000
Machinery and Equipment	188,408,242	263,886,000
other fixed Assets	13,869,555	63,892,000
Non produced Assets	-	17,077,000
<b>6 FINANCIAL ASSETS</b>	<b>579,388,752</b>	<b>311,580,000</b>
Loans	534,388,752	311,580,000
Equity and Investments Fund Shares	45,000,000	-
<b>TOTAL EXPENDITURE</b>	<b>7,014,309,752</b>	<b>6,852,372,000</b>

**NOTES TO CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE FOR THE 3 MONTHS ENDED 31 MARCH 2020**

Notes	ACTUAL ZWL \$	TARGET ZWL \$
<b>7 TAXES ON INCOME &amp; PROFITS</b>		
Individuals	2,296,420,462	1,607,209,000
Companies	1,990,596,586	1,289,000,000
Domestic Dividend and interest	156,938,884	73,750,000
Other incomes taxes	46,147,832	83,770,000
Presumptive tax	8,944,786	11,180,000
<b>Total</b>	<b>4,499,048,549</b>	<b>3,064,909,000</b>
<b>8 TAX ON GOODS &amp; SERVICES</b>	<b>9,314,315,148</b>	<b>6,875,735,000</b>
<b>8.1 Customs duties</b>		
Prime&Surtax	1,056,919,300	1,033,600,000
<b>Total</b>	<b>1,056,919,300</b>	<b>1,033,600,000</b>
<b>8.2 Excise Duties</b>		
Beer	174,569,630	106,756,000
Wines and Spirits	20,585,760	20,190,000
Tobacco	11,839,697	8,743,000
Second Hand Motors Vehicles	6,496,245	5,456,000
Fuels	1,860,925,414	2,244,900,000
<b>Total</b>	<b>2,074,416,746</b>	<b>2,386,045,000</b>
<b>8.3 Value Add Tax</b>		
VAT on domestic goods	2,207,860,432	1,808,400,000
VAT on Withholding Tax	118,536,014	208,090,000
Imported Goods & Services	1,502,036,400	1,439,600,000
Refunds	(414,519,727)	-
<b>Total</b>	<b>3,413,913,119</b>	<b>3,456,090,000</b>
<b>8.4 Taxes on Specific Services</b>		
Business Licences	313,897	3,750,000
Energy Taxes -Carbon Tax	25,103,817	23,610,000
	<b>25,417,715</b>	<b>27,360,000</b>

**ACTUAL  
ZWL\$**

**TARGET  
ZWL\$**

**8.5 tax on gross Revenue**

Tobacco Levy	194,395	21,536,000
Royalties-mining	329,557,134	376,590,000
Airtime( including Health levy)	249,896,056	224,840,000
withholding tax on Tenders	501,804,203	330,240,000
	<b>1,081,451,788</b>	<b>953,206,000</b>

**8.6 Taxes on financial and capital transactions**

IMTT	1,652,117,196	1,605,000,000
ATM Levy	10,079,285	11,250,000
	<b>1,662,196,480</b>	<b>1,616,250,000</b>

**8.7 Other Indirect taxes**

Stamp duty	43,624,382	22,300,000
Other indirect taxes	2,106,152	6,980,000
	<b>45,730,534</b>	<b>29,280,000</b>

**TOTAL TAX REVENUE**

<b>13,859,094,230</b>	<b>9,969,924,000</b>
-----------------------	----------------------

**9 NON TAX REVENUE****9.1 Property income**

Interest	188,439	37,920,000
Dividends	565,079	17,060,000
Withdrawals quasi -corporations	3,124,437	-
Rent	1,206,773	26,550,000
<b>Total</b>	<b>5,084,727</b>	<b>81,530,000</b>

**9.2 Sales of Goods and Services**

sales of market Establishments	-	29,563,000
Administrative fees	256,073,839	107,131,000
Incidental sales of goods and services	8,098,698	8,240,000
Fines ,penalties and forfeits	41,999,687	8,848,000
Rentals	11,152,877	4,370,000
<b>Total</b>	<b>317,325,101</b>	<b>158,152,000</b>

**TOTAL NON TAX REVENUE**

<b>322,409,828</b>	<b>239,682,000</b>
--------------------	--------------------

**TOTAL REVENUE**

<b>14,181,504,059</b>	<b>10,209,606,000</b>
-----------------------	-----------------------

**ACTUAL**  
**ZWL \$**

**TARGET**  
**ZWL \$**

**Expenditure**

<b>10 Recurrent Expenses</b>	<b>11,225,073,184</b>	<b>12,453,782,000</b>
<b>10.1 compensation of Employees</b>		
wage bill in cash	2,913,679,157	2,484,300,000
wages in kind	27,396,929	68,100,000
PSMAS	142,344,509	198,300,000
NSSA	23,747,826	54,900,000
Public Service Pension Scheme	-	72,390,000
Funeral Expenses	-	2,700,000
Pension	711,470,065	703,626,000
<b>Total</b>	<b>3,818,638,486</b>	<b>3,584,316,000</b>
<b>10.2 Use of Goods and Services</b>		
Domestic Travel Expenses	101,396,839	265,934,000
Foreign Travel Expenses	138,471,823	258,177,000
Communication, Supplies and Services	72,041,851	130,524,000
Education supplies and Services	6,807,963	63,335,000
Medical Supplies and services	34,346,940	221,505,000
Office supplies and services	59,855,231	94,741,000
Training expenses	125,055,910	155,286,000
Rental and other service charges	239,781,038	368,387,000
Institutional provisions	330,031,557	422,539,000
Other Good and Services	259,387,081	528,288,000
Maintenance	298,963,168	425,210,000
<b>Total</b>	<b>1,666,139,401</b>	<b>2,933,926,000</b>
<b>10.3 Interest and Debt</b>		
Foreign:	253,483,051	31,266,000
Domestic :interest	53,423,483	126,000,000
<b>Total</b>	<b>306,906,534</b>	<b>157,266,000</b>
<b>10.4 Subsidies</b>		
Subsidy	317,542,828	135,000,000
<b>Total</b>	<b>317,542,828</b>	<b>135,000,000</b>



	ACTUAL ZWL\$	TARGET ZWL\$
<b>10.5 Grants</b>		
Salaries	788,346,526	654,162,000
Operations	661,916,810	434,283,000
capital grants	2,295,781,805	2,858,229,000
<b>Total</b>	<b>3,746,045,141</b>	<b>3,946,674,000</b>
<b>10.6 Social Benefits</b>		
Social Benefits	943,417,465	923,600,000
<b>Total</b>	<b>943,417,465</b>	<b>923,600,000</b>
<b>10.7 Other Expenses</b>		
Foreign Transfers	28,668,329	40,000,000
Transfers to Provinces and local Authorities	397,715,000	733,000,000
<b>Total</b>	<b>426,383,329</b>	<b>773,000,000</b>
<b>11 NON FINANCIAL ASSETS</b>	<b>1,684,606,087</b>	<b>2,450,767,000</b>
Building and Structures	1,122,772,170	1,805,566,000
Machinery and Equipment	547,146,582	564,232,000
other fixed Assets	14,687,335	63,892,000
Non produced Assets	-	17,077,000
<b>12 FINANCIAL ASSETS</b>	<b>1,008,206,764</b>	<b>682,420,000</b>
Loans	961,206,764	602,420,000
Equity and Investments Fund Shares	47,000,000	80,000,000
<b>TOTAL EXPENDITURE</b>	<b>13,917,886,035</b>	<b>15,586,969,000</b>

## January –March 2020 Outturn

Item	Actual	Target	Actual	Target	Actual	Target	Actual	Target
	Jan-20	Jan-20	Feb-20	Feb-20	Mar-20	Mar-20	Cumulative Total	Cumulative Total
	RTGS\$	RTGS\$	RTGS\$	RTGS\$	RTGS\$	RTGS\$	RTGS\$	RTGS\$
Total Revenue Including Retained Revenue, Transfers & Prepayments	4,281,567,568	3,754,799,000	3,853,105,334	3,931,773,000	6,049,307,634	5,119,850,000	14,184,387,660	12,806,422,000
Total Revenue	4,182,018,361	3,754,799,000	3,895,674,600	3,931,773,000	6,103,811,097	5,119,850,000	14,181,911,183	12,806,422,000
Tax Revenue	4,118,227,314	3,676,225,000	3,785,115,499	3,852,108,000	5,955,751,418	5,038,407,000	13,859,094,230	12,566,740,000
Tax on Income and Profits	1,177,643,833	691,220,000	954,784,639	692,189,000	2,366,620,077	1,681,500,000	4,499,048,549	3,064,909,000
<b>Individuals</b>	861,748,838	528,300,000	614,244,712	535,409,000	820,426,911	543,500,000	2,296,420,462	1,607,209,000
<b>Companies</b>	259,798,261	110,200,000	264,533,956	101,420,000	1,466,264,369	1,077,380,000	1,990,596,586	1,289,000,000
<b>Domestic dividend and interest</b>	41,342,636	23,920,000	57,454,235	24,380,000	58,142,012	25,450,000	156,938,884	73,750,000
<b>other income taxes</b>	11,257,022	25,200,000	14,931,860	27,280,000	19,958,950	31,290,000	46,147,832	83,770,000
<b>Presumptive tax</b>	3,497,075	3,600,000	3,619,876	3,700,000	1,827,835	3,880,000	8,944,786	11,180,000

Customs duties	<b>287,762,300</b>	<b>329,700,000</b>	<b>355,575,326</b>	<b>345,300,000</b>	<b>413,581,674</b>	<b>358,600,000</b>	<b>1,056,919,300</b>	<b>1,033,600,000</b>
<b>Oil products</b>							-	-
<b>Other(Prime &amp; Surtax)</b>	288,888,163	329,700,000	364,785,592	345,300,000	415,175,859	358,600,000	<b>1,068,849,614</b>	<b>1,033,600,000</b>
<b>Refunds Duty</b>	(1,125,863)		(9,210,266)		(1,594,185)		<b>(11,930,314)</b>	-
Excise duties	<b>608,617,829</b>	<b>737,805,000</b>	<b>583,165,643</b>	<b>803,259,000</b>	<b>882,633,273</b>	<b>844,981,000</b>	<b>2,074,416,746</b>	<b>2,386,045,000</b>
<b>Beer</b>	57,413,873	33,760,000	19,080,168	35,980,000	98,075,589	37,016,000	<b>174,569,630</b>	<b>106,756,000</b>
<b>Wines and Spirits</b>	10,632,876	6,040,000	4,469,782	6,665,000	5,483,102	7,485,000	<b>20,585,760</b>	<b>20,190,000</b>
<b>Tobacco</b>	6,877,809	2,390,000	2,350,610	2,493,000	2,611,278	3,860,000	<b>11,839,697</b>	<b>8,743,000</b>
<b>Second Hand Motors Vehicles</b>	2,280,650	1,815,000	2,177,750	1,821,000	2,037,845	1,820,000	<b>6,496,245</b>	<b>5,456,000</b>
<b>Fuels</b>	531,412,620	693,800,000	555,087,334	756,300,000	774,425,460	794,800,000	<b>1,860,925,414</b>	<b>2,244,900,000</b>
Taxes on Specific Services	<b>5,903,435</b>	<b>8,880,000</b>	<b>5,759,792</b>	<b>9,100,000</b>	<b>13,754,488</b>	<b>9,380,000</b>	<b>25,417,715</b>	<b>27,360,000</b>
<b>Business Licences</b>	229,196	1,100,000	51,200	1,250,000	33,502	1,400,000	<b>313,897</b>	<b>3,750,000</b>
<b>Energy Taxes -Carbon Tax</b>	5,674,240	7,780,000	5,708,592	7,850,000	13,720,986	7,980,000	<b>25,103,817</b>	<b>23,610,000</b>
							-	
Value Added Tax (VAT)	<b>1,109,605,935</b>	<b>1,121,060,000</b>	<b>1,059,994,968</b>	<b>1,143,230,000</b>	<b>1,244,312,217</b>	<b>1,191,800,000</b>	<b>3,413,913,119</b>	<b>3,456,090,000</b>
<b>VAT on Domestic Goods</b>	789,378,529	589,900,000	667,278,902	585,200,000	751,203,002	633,300,000	<b>2,207,860,432</b>	<b>1,808,400,000</b>
<b>VAT on Withholding Tax</b>	53,843,787	67,560,000	22,350,676	69,330,000	42,341,552	71,200,000	<b>118,536,014</b>	<b>208,090,000</b>

<b>Imported Goods &amp; Services</b>	414,008,738	463,600,000	511,663,297	488,700,000	576,364,365	487,300,000	<b>1,502,036,400</b>	<b>1,439,600,000</b>
<b>Refunds</b>	(147,625,118)		(141,297,908)		(125,596,701)		<b>(414,519,727)</b>	-
tax on gross Revenue	<b>341,526,013</b>	<b>289,930,000</b>	<b>264,789,218</b>	<b>310,490,000</b>	<b>475,136,557</b>	<b>352,786,000</b>	<b>1,081,451,788</b>	<b>953,206,000</b>
<b>Tobacco Levy</b>	36,992	-	157,403	-	-	21,536,000	<b>194,395</b>	<b>21,536,000</b>
<b>Royalties-mining</b>	86,211,256	109,850,000	75,453,841	128,800,000	167,892,037	137,940,000	<b>329,557,134</b>	<b>376,590,000</b>
<b>Airtime( including Health levy)</b>	80,521,612	73,130,000	80,707,613	75,150,000	88,666,831	76,560,000	<b>249,896,056</b>	<b>224,840,000</b>
<b>withholding tax on Tenders</b>	174,756,153	106,950,000	108,470,361	106,540,000	218,577,689	116,750,000	<b>501,804,203</b>	<b>330,240,000</b>
Taxes on financial and capital transactions	<b>576,514,165</b>	<b>488,750,000</b>	<b>537,241,001</b>	<b>538,750,000</b>	<b>548,441,314</b>	<b>588,750,000</b>	<b>1,662,196,480</b>	<b>1,616,250,000</b>
<b>IMTT</b>	573,557,023	485,000,000	532,959,794	535,000,000	545,600,379	585,000,000	<b>1,652,117,196</b>	<b>1,605,000,000</b>
<b>ATM Levy</b>	2,957,142	3,750,000	4,281,208	3,750,000	2,840,935	3,750,000	<b>10,079,285</b>	<b>11,250,000</b>
Other Indirect taxes	<b>10,653,804</b>	<b>8,880,000</b>	<b>23,804,912</b>	<b>9,790,000</b>	<b>11,271,818</b>	<b>10,610,000</b>	<b>45,730,534</b>	<b>29,280,000</b>
<b>Stamp duty</b>	9,574,342	6,500,000	23,208,751	7,500,000	10,841,290	8,300,000	<b>43,624,382</b>	<b>22,300,000</b>
<b>Other indirect taxes</b>	1,079,463	2,380,000	596,161	2,290,000	430,528	2,310,000	<b>2,106,152</b>	<b>6,980,000</b>
							-	-
Non-tax Revenue	<b>63,791,048</b>	<b>78,574,000</b>	<b>110,559,101</b>	<b>79,665,000</b>	<b>148,059,679</b>	<b>81,443,000</b>	<b>322,816,952</b>	<b>239,682,000</b>
Property income	<b>4,211,775</b>	<b>26,460,000</b>	<b>299,613</b>	<b>27,370,000</b>	<b>573,339</b>	<b>27,700,000</b>	<b>5,084,727</b>	<b>81,530,000</b>
<b>Interest</b>	29,627	12,560,000	51,746	12,610,000	107,065	12,750,000	<b>188,439</b>	<b>37,920,000</b>

<b>Dividends</b>	119,411	5,300,000	101,864	5,800,000	343,803	5,960,000	<b>565,079</b>	<b>17,060,000</b>
<b>Withdrawals quasi - corporations</b>	2,978,435		146,002				<b>3,124,437</b>	-
<b>Rent</b>	1,084,302	8,600,000	-	8,960,000	122,471	8,990,000	<b>1,206,773</b>	<b>26,550,000</b>
<b>Reinvested earnings on FDI</b>							-	-
Sales of Goods and Services	<b>59,579,272</b>	<b>52,114,000</b>	<b>110,259,489</b>	<b>52,295,000</b>	<b>147,486,340</b>	<b>53,743,000</b>	<b>317,732,225</b>	<b>158,152,000</b>
<b>sales of market Establishments</b>		9,183,000		9,950,000		10,430,000	-	<b>29,563,000</b>
<b>Administrative fees</b>	40,639,126	35,853,000	85,897,565	35,125,000	129,537,148	36,153,000	<b>256,073,839</b>	<b>107,131,000</b>
<b>Incidental sales of goods and services</b>	2,973,774	2,700,000	942,506	2,750,000	4,182,418	2,790,000	<b>8,098,698</b>	<b>8,240,000</b>
<b>Imputed sales of goods and services</b>		-					-	-
<b>Fines ,penalties and forfeits</b>	11,950,930	4,378,000	20,057,277	4,470,000	9,991,480	4,370,000	<b>41,999,687</b>	<b>13,218,000</b>
<b>Rentals</b>	4,015,442		3,362,141		3,775,294		<b>11,560,001</b>	-
							-	
Retained & Prepaid Revenue (Others)	<b>99,549,207</b>	-	<b>(42,569,266)</b>	-	<b>(54,503,463)</b>	-	<b>2,476,478</b>	-
<b>Ministries</b>								
<b>Prepayment Account</b>	99,549,207		(42,569,266)		(54,503,463)		<b>2,476,478</b>	-
<b>Grants</b>							-	-
<b>Total Expenditure</b>	<b>3,072,337,588</b>	<b>4,193,295,000</b>	<b>3,664,238,694</b>	<b>4,541,302,000</b>	<b>7,014,309,752</b>	<b>6,852,372,000</b>	<b>13,750,886,035</b>	<b>15,586,969,000</b>

Expenses	<b>1,822,460,240</b>	<b>2,557,695,000</b>	<b>2,519,334,135</b>	<b>2,839,530,000</b>	<b>4,420,497,004</b>	<b>4,198,328,000</b>	<b>8,762,291,379</b>	<b>9,595,553,000</b>
compensation of Employees	<b>837,716,382</b>	<b>1,194,772,000</b>	<b>1,182,963,426</b>	<b>1,194,772,000</b>	<b>1,797,958,678</b>	<b>1,194,772,000</b>	<b>3,818,638,486</b>	<b>3,584,316,000</b>
	837,716,382	1,194,772,000	1,182,963,426	1,194,772,000	1,797,958,678	1,194,772,000	<b>3,818,638,486</b>	<b>3,584,316,000</b>
Use of Goods and Services	<b>369,571,372</b>	<b>749,440,000</b>	<b>580,344,531</b>	<b>802,670,000</b>	<b>716,223,498</b>	<b>1,381,816,000</b>	<b>1,666,139,401</b>	<b>2,933,926,000</b>
<b>Domestic Travel Expenses</b>	28,000,490	84,488,000	30,449,843	91,036,000	42,946,506	90,410,000	<b>101,396,839</b>	<b>265,934,000</b>
<b>Foreign Travel Expenses</b>	22,017,434	91,396,000	85,885,886	89,711,000	30,568,503	77,070,000	<b>138,471,823</b>	<b>258,177,000</b>
<b>Communication, Supplies and Services</b>	18,826,172	39,314,000	22,843,857	49,344,000	30,371,822	41,866,000	<b>72,041,851</b>	<b>130,524,000</b>
<b>Education supplies and Services</b>	1,434,503	20,410,000	1,576,292	20,616,000	3,797,168	22,309,000	<b>6,807,963</b>	<b>63,335,000</b>
<b>Medical Supplies and services</b>	12,075,864	73,842,000	7,839,951	92,680,000	14,431,125	54,983,000	<b>34,346,940</b>	<b>221,505,000</b>
<b>Office supplies and services</b>	16,418,413	27,829,000	14,421,718	34,929,000	29,015,100	31,983,000	<b>59,855,231</b>	<b>94,741,000</b>
<b>Training expenses</b>	2,194,790	26,502,000	6,896,857	34,640,000	115,964,263	94,144,000	<b>125,055,910</b>	<b>155,286,000</b>
<b>Rental and other service charges</b>	37,409,927	97,570,000	72,790,133	92,460,000	129,580,978	178,357,000	<b>239,781,038</b>	<b>368,387,000</b>
<b>Institutional provisions</b>	112,519,122	81,405,000	105,663,018	100,927,000	111,849,417	240,207,000	<b>330,031,557</b>	<b>422,539,000</b>
<b>Other Good and Services</b>	39,480,261	103,678,000	113,275,565	106,664,000	106,631,255	317,946,000	<b>259,387,081</b>	<b>528,288,000</b>
<b>Maintenance</b>	79,194,396	103,006,000	118,701,411	89,663,000	101,067,361	232,541,000	<b>298,963,168</b>	<b>425,210,000</b>
Interest on debt	<b>26,665,944</b>	<b>51,066,000</b>	<b>110,707,131</b>	<b>53,700,000</b>	<b>169,533,459</b>	<b>52,500,000</b>	<b>306,906,534</b>	<b>157,266,000</b>
<b>Foreign</b>	14,489,839	9,066,000	91,611,795	11,700,000	147,381,418	10,500,000	<b>253,483,051</b>	<b>31,266,000</b>
<b>Domestic</b>	12,176,106	42,000,000	19,095,336	42,000,000	22,152,041	42,000,000	<b>53,423,483</b>	<b>126,000,000</b>

Subsidies	-	45,000,000	26,855,000	45,000,000	290,687,828	45,000,000	317,542,828	135,000,000
<b>Subsidy</b>	-	45,000,000	26,855,000	45,000,000	290,687,828	45,000,000	317,542,828	135,000,000
Grants	198,078,276	385,617,000	423,397,831	328,388,000	828,787,229	374,440,000	1,450,263,336	1,088,445,000
<b>o/w extra budgetary units -salaries</b>	165,378,276	218,054,000	258,160,512	218,054,000	364,807,738	218,054,000	788,346,526	654,162,000
<b>operations</b>	32,700,000	167,563,000	165,237,319	110,334,000	463,979,491	156,386,000	661,916,810	434,283,000
Social Benefits	291,017,506	131,800,000	166,839,781	400,000,000	318,560,178	391,800,000	776,417,465	923,600,000
<b>Social Benefits</b>	291,017,506	131,800,000	166,839,781	400,000,000	318,560,178	391,800,000	776,417,465	923,600,000
Other Expenses	99,410,760	-	28,226,435	15,000,000	298,746,134	758,000,000	426,383,329	773,000,000
<b>Transfers to Provincial Councils and local Authorities</b>	98,000,000		2,000,000		297,715,000	733,000,000	397,715,000	733,000,000
<b>Foreign Subscriptions</b>	1,410,760	-	26,226,435	15,000,000	1,031,134	25,000,000	28,668,329	40,000,000
<b>Non Financial Assets</b>	1,249,877,348	1,635,600,000	1,144,904,560	1,701,772,000	2,593,812,748	2,654,044,000	4,988,594,656	5,991,416,000
<b>Building and Structures</b>	73,627,869	397,270,000	323,848,129	594,269,000	725,296,172	814,027,000	1,122,772,170	1,805,566,000
<b>Machinery and Equipment</b>	212,730,322	211,042,000	146,008,018	89,304,000	188,408,242	263,886,000	547,146,582	564,232,000
<b>Other fixed assets</b>	817,780				13,869,555	63,892,000	14,687,335	63,892,000
<b>Inventories</b>	-				-		-	-
<b>Valuables</b>							-	-
<b>Non-produced Assets</b>	-				-	17,077,000	-	17,077,000
<b>Capital Grants to other General Gvt units</b>	714,328,584	868,238,000	494,603,194	806,409,000	1,086,850,027	1,183,582,000	2,295,781,805	2,858,229,000

<b>Loans</b>	248,372,793	159,050,000	178,445,219	131,790,000	534,388,752	311,580,000	<b>961,206,764</b>	<b>602,420,000</b>
<b>Equity and Investments Fund Shares</b>	-		2,000,000	80,000,000	45,000,000		<b>47,000,000</b>	<b>80,000,000</b>
<b>Standardised Guarantee Schemes</b>	-				-		-	-
Surplus/Deficit	<b>1,109,680,773</b>	<b>(438,496,000)</b>	<b>231,435,906</b>	<b>(609,529,000)</b>	<b>(910,498,655)</b>	<b>(1,732,522,000)</b>	<b>430,618,024</b>	<b>(2,780,547,000)</b>
Financing	<b>(2,534,751,877)</b>	-	<b>233,977,092</b>	-	<b>(739,345,117)</b>	-	<b>(3,040,119,901)</b>	-
								-
Domestic Financing (net)	<b>(2,424,010,477)</b>	-	<b>583,666,769</b>	-	<b>(334,585,736)</b>	-	<b>(2,174,929,444)</b>	-
Banks (net)	<b>(2,359,668,627)</b>	-	<b>678,014,696</b>	-	<b>(119,357,411)</b>	-	<b>(1,801,011,342)</b>	-
Mobilisation	<b>(2,334,885,327)</b>	-	<b>694,380,355</b>	-	<b>(83,964,646)</b>	-	<b>(1,724,469,618)</b>	-
<b>Changes in Government Deposits</b>	<b>(2,334,885,327)</b>	-	<b>420,385,831</b>	-	<b>(178,964,646)</b>	-	<b>(2,093,464,142)</b>	-
<b>Changes in Bank Overdraft</b>	-	-	-	-	-	-	-	-
<b>Loans</b>	-	-	-	-	-	-	-	-
<b>Central Bank (cash payments)</b>							-	-
<b>Other Banks</b>								
<b>Treasury Bills</b>	-	-	<b>273,994,524</b>	-	<b>95,000,000</b>	-	<b>368,994,524</b>	-
<b>Issuances (TBs)</b>			273,994,524		95,000,000		368,994,524	-
Repayments	<b>(24,783,299)</b>	-	<b>(16,365,659)</b>	-	<b>(35,392,765)</b>	-	<b>(76,541,724)</b>	-



Loans	-	-	-	-	-	-	-	-
<b>Central Bank - Loans</b>							-	-
<b>Other - Loans</b>							-	-
Treasury Bills	(24,783,299)	-	(16,365,659)	-	(35,392,765)	-	(76,541,724)	-
<b>Maturities (TBs)</b>	(24,783,299)		(16,365,659)		(35,392,765)		(76,541,723.6)	-
Non Bank (net)	(64,341,851)	-	(94,347,926)	-	(215,228,325)	-	(373,918,102)	-
Mobilisation	-	-	-	-	-	-	-	-
<b>Loans</b>							-	-
<b>Treasury Bills</b>							-	-
Repayments	(64,341,851)	-	(94,347,926)	-	(215,228,325)	-	(373,918,102)	-
<b>Loans</b>							-	-
<b>Treasury bills</b>	(64,341,851)		(94,347,926)		(215,228,325)		(373,918,102)	-
Foreign Financing (net)	-	-	-	-	-	-	-	-
<b>SDR Liquidation</b>							-	-
<b>Borrowings</b>							-	-
<b>Repayments</b>							-	-
							-	-
Other Financing (net)	(110,741,400)	-	(349,689,677)	-	(404,759,380)	-	(865,190,457)	-

Mobilisation	(110,741,400)	-	(349,689,677)	-	(404,759,380)	-	(865,190,457)	-
Recovery of Tax Arreas							-	-
Privatisation Proceedes							-	-
Outstanding Payments	(79,841,238)	-	(113,006,755)	-	(94,933,009)	-	(287,781,002)	-
Tax Reserve Certificates/Prepayments	(15,688,963)	-	(142,118,473)	-	(11,934,196)	-	(169,741,633)	-
ZIMRA Account Net Movement	(15,211,198)		(94,564,449)		(297,892,175)		(407,667,822)	-
Errors and omissions	(1,425,071,104)	(438,496,000)	465,412,998	(609,529,000)	(1,649,843,771)	(1,732,522,000)	(2,609,501,877)	(2,780,547,000)