



TREASURY QUARTERLY BULLETIN

April - June 2023

Ministry of Finance and Economic Development

September 2023

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INTRODUCTION

1. The economy exhibited strong economic performances during the second quarter of 2023, underpinned by strong agriculture summer cropping season activities, increased electricity generation, as well as buoyant tourism activities.
2. However, significant depreciation of the local currency and the subsequent rise in inflation presented a challenge for the industry and households, undermining the attainment of economic growth potential during the quarter.
3. In response to the negative price and exchange rate movements, Government introduced a raft of fiscal and monetary measures in May and June 2023 to foster domestic macroeconomic stability.

PUBLIC FINANCE DEVELOPMENTS

4. Revenue collections during the second quarter of 2023 stood at ZWL\$3.2 trillion, higher than the ZWL\$1 trillion target for the quarter. On the other hand, total expenditure stood at ZWL\$2.6 trillion, resulting in a surplus of ZWL\$662.5 billion for the quarter.
5. The higher than targeted revenue and expenditure outturn is mainly attributable to the depreciation of the local currency and high inflation environment.

Revenue

6. Tax revenue collections stood at ZWL\$3.1 trillion, while non-tax revenue amounted to ZWL\$92.3 billion in the second quarter of 2023

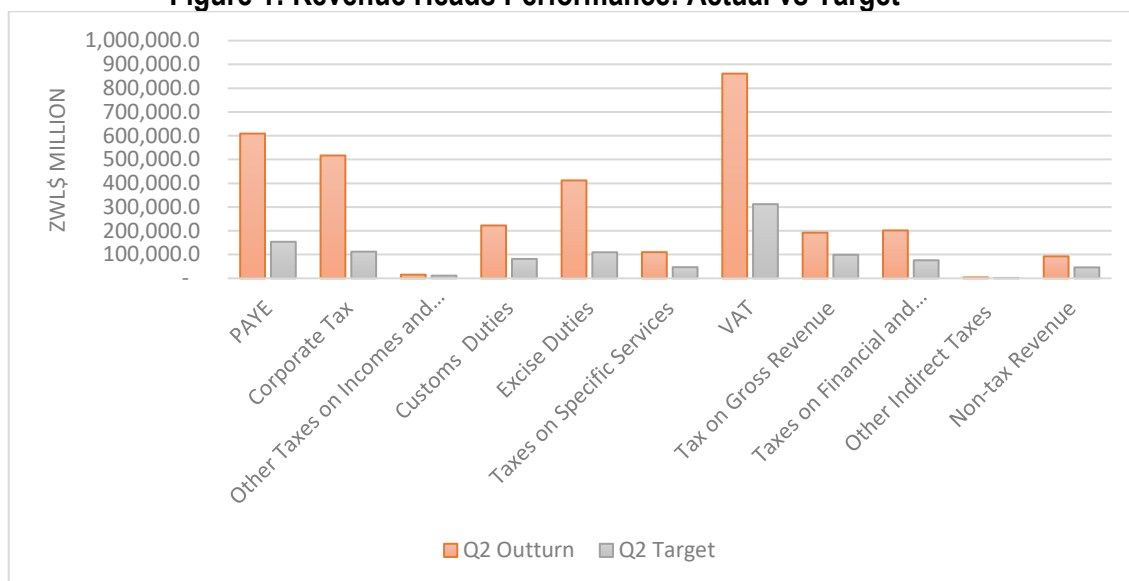
Table 1:Revenue Collections (ZWL\$ Million)

	Q1-Outturn	Q2-Outturn	Q2-Target	Variance %
Total Revenue	1,056,642.9	3,236,750.8	1,049,345.5	208.5%
Tax Revenue	988,048.7	3,144,436.4	1,003,400.4	213.4%
Non-tax Revenue	68,594.2	92,314.4	45,945.1	100.9%

Source: MoFED

7. The figure below shows that all revenue heads outperformed their quarterly targets.

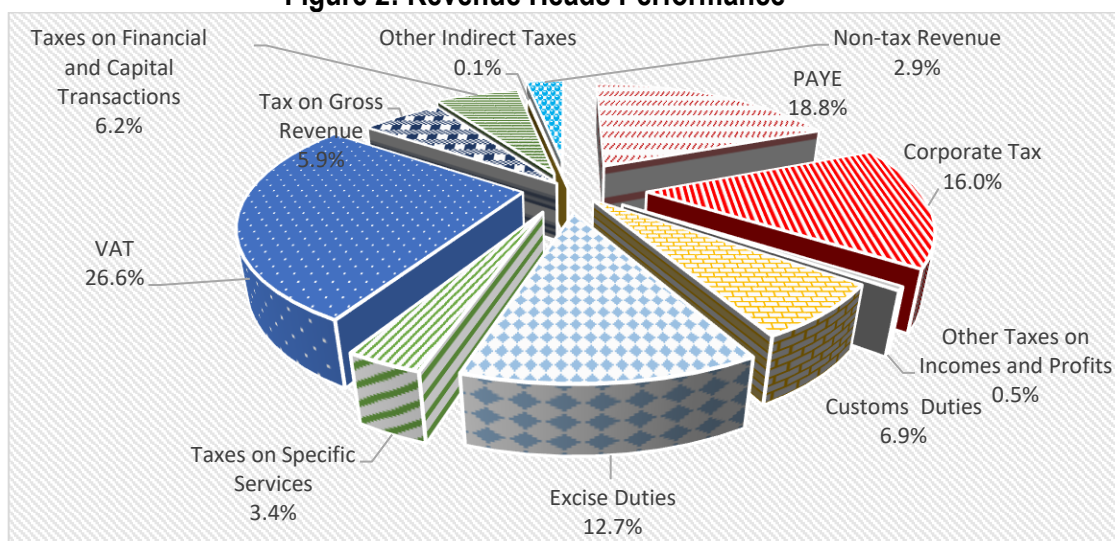
Figure 1: Revenue Heads Performance: Actual vs Target



Source: MoFED

8. The main contributors to revenue collections were Value Added Tax (VAT) at 26.6%, Personal Income Tax (PIT) at 18.8%, Corporate Tax at 16%, and Excise Duty at 12.7%.

Figure 2: Revenue Heads Performance



Source: MoFED

Expenditure

9. Expenditure during the second quarter of 2023 stood at ZWL\$2.6 trillion, higher than the target of ZWL\$975 billion, resulting in an expenditure overrun of ZWL\$1.6 trillion. Recurrent

expenditure amounted to ZWL\$2.1 trillion, whilst capital expenditure and net lending amounted to ZWL\$503.4 billion.

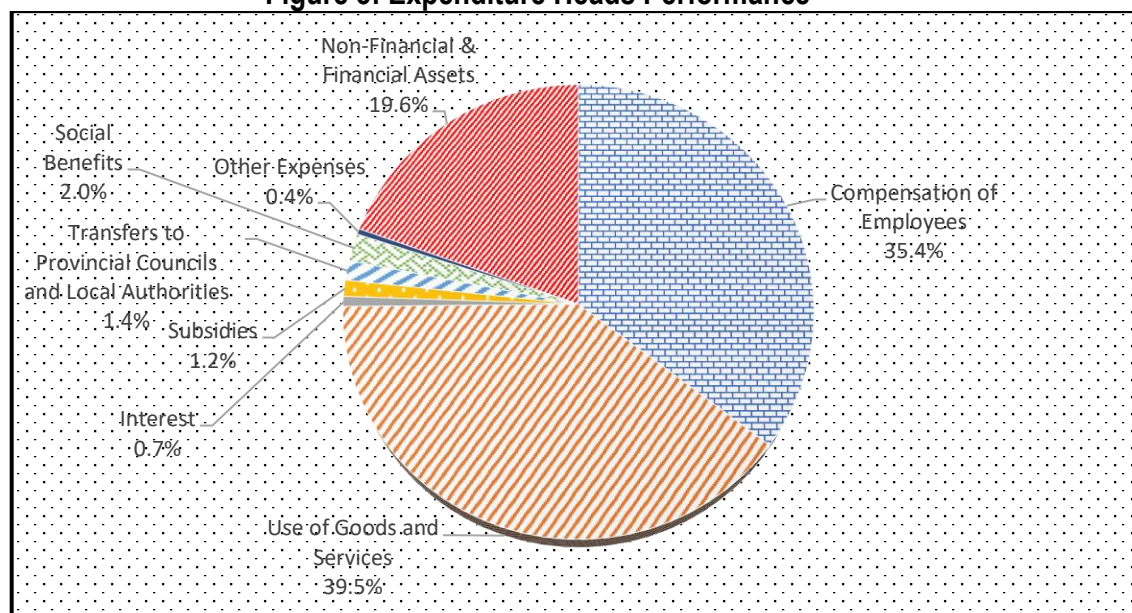
Table 2: Expenditures (ZWL\$ Million)

	Q1-Outturn	Q2-Outturn	Q2-Target	Variance
Total Expenditure	1,110,600.3	2,574,279.7	975,072.6	164%
Compensation of Employees	447,781.2	911,049.2	531,007.4	71.6%
Use of Goods and Services	360,576.1	1,015,674.0	204,802.9	395.9%
Interest	14,795.7	18,186.0	7,881.9	130.7%
Subsidies	10,315.2	29,814.7	7,526.7	296.1%
Transfers to provincial councils and local Authorities	16,287.9	35,665.0	48,876.0	-27.0%
Social Benefits	12,292.5	50,323.6	29,257.6	72.0%
Other Expenses	4,495.0	10,156.1	-	
Non-Financial & Financial Assets	244,056.7	503,411.0	145,720.2	245.5%

Source: MoFED

10. Recurrent expenditures were comprised of ZWL\$1 trillion for operations, ZWL\$911 billion for compensation of employees, ZWL\$143.2 billion for social protection to vulnerable groups of our society, and ZWL\$35.7 billion for transfers to provincial councils and local authorities. Interest on domestic debt amounted to ZWL\$18.2 billion, 0.7% of total expenditures.

Figure 3: Expenditure Heads Performance



Source: MoFED

11. Expenditure on non-financial and financial assets was ZWL\$503 billion, of which ZWL\$141.8 billion went towards buildings and structures, whilst capital grants to general government units stood at ZWL\$97.7 billion.

Budget Balance

12. The resultant budget balance for the second quarter was a surplus of ZWL\$662.5 billion.

Table 3: Budget Balance (ZWL\$ Million)

	Q1-Outturn	Q2-Outturn	Q2-Target
Revenue	1,056,642.9	3,236,750.8	1,049,345.5
Expenditure	1,110,600.3	2,574,279.7	975,072.6
Budget Balance	-53,957.4	662,471.1	74,272.9

Source: MoFED

REAL SECTOR PERFORMANCE

Agriculture

13. Activities under the agriculture sector during the second quarter of 2023, included planting of winter wheat, harvesting and marketing of crops such as maize, traditional grains, cotton and tobacco, among others.

Grain

14. The Second Round Crop Assessment Report estimated maize production for the 2022/23 cropping season at 2.3 million tonnes, a 58.2% increase from the estimated 1.5 million tonnes produced during the 2021/22 season. This is be complemented by small grains output estimated at 280 966 tonnes, 45% more than 194 100 tonnes produced in 2021/2022.
15. The estimated total cereal grain production of 2.6 million tonnes (maize and small grains) is higher than the national cereal requirement of about 1.8 million tonnes for human consumption and 450 000 tonnes for livestock requirement. Resultantly, the country is expected to have excess grain reserve of 291 505 tonnes.

Grain Marketing: Zimbabwe Mercantile Exchange (ZMX)

16. On the 21st of June 2023, the Zimbabwe Mercantile Exchange (ZMX), launched a weekly maize online auction to deepen agriculture markets. The weekly auction comes as an addition to the existing normal trading where orders are posted continuously but matched at the end of the auction with one clearing price.

17. As at 21st of June, 93 tonnes of maize were successfully purchased at an average price of US\$260/ton, resulting in a total sales value of US\$24 050.

Table 4: Commodity Auction Results on 28 June 2023

Commodity	Volume (MT)	Ave Price (US\$/ton)	Value (US\$)
Maize	105	285	30,033.30

Source: ZMX

18. During the second auction on 28 June 2023, 105 tonnes were purchased at an average price of US\$285/ton, resulting in a cumulative total of 198 tonnes purchased since its inception. This reflects positive participation which in turn leads to better price discovery and a liquid commodity market.

Winter Wheat

19. During the 2023 winter season, a total area of 86 325 hectares was put under wheat production, a 6.7% increase from the 80 883 hectares planted during the same period in 2022. Mashonaland West and East had the highest area planted at 26 953 and 15 673 hectares, respectively, whilst Matabeleland North Province had the least area planted at 1 141 hectares.

Table 5: 2023 Winter Wheat Target Area and Planted Area (Ha)

Province	Targeted Area (Ha):2023	Area Planted :2022	Area Planted:2023	% Change
Mashonaland Central	18,200	14,888	15,433	3.7
Mashonaland west	32,000	27,714	26,953	-2.7
Mashonaland East	14,000	12,728	15,673	23.1
Manicaland	10,000	9,224	11,615	25.9
Midlands	9,000	9,423	10,035	6.5
Masvingo	2,100	2,190	2,139	-2.3
Matabeleland South	3,200	1,858	3,335	79.5
Matabeleland North	1,500	2,860	1,141	-60.1
Total	90,000	80,883	86,325	6.7

Source: MALWFR

20. Therefore, at least 400 000 tonnes of winter wheat output is expected this year, against the national requirement of 360 000 tonnes, giving a surplus of 72 000 tonnes.

Tobacco

21. The country is estimated to have recorded its highest tobacco production in its history this year, having sold 296 million tonnes to the auction floors as at 31 August 2023.

22. In terms of marketing, as at 30 June 2023, total tobacco deliveries to the auction floors were 283 million kgs at an average price of US\$3.03/kg compared to the 188.2 million kgs delivered during the same period in 2022. Contract farmers delivered the bulk of the tobacco, accounting for 93% of total deliveries.

Table 6: Tobacco Sales at Auction Floors Statistics as at 30 June 2023

Seasonal	Auction	Contract	Total 2023	Total 2022	% Change
Mass sold (kg)	19,629,615	263,388,898	283,018,513	188,179,330	50.4
Value (US\$)	56,509,474	800,014,655	856,524,129	572,331,023	49.7
Avg.price US\$/kg	2.88	3.04	3.03	3.04	(0.49)

Source: TIMB

23. As a result, the value of cumulative deliveries to 30 June 2023 to the auction floors amounted to US\$856.5 million at an average price of US\$3.03 kg, representing a 50% increase from US\$572.3 recorded during the comparable period in 2022.
24. Of the delivered tobacco, 246.9 million kgs of tobacco was delivered during the second quarter of 2023 with a value of US\$743.1 million. Contract farmers delivered the bulk of the tobacco accounting for 92.1% of total deliveries.

Cotton

25. The total national seed cotton sales as of 30 June 2023 stood at 63.2 million kgs, compared to 15.5 million kgs sold during the same period in 2022. Cotton Company of Zimbabwe Limited (Cottco), the largest financier of cotton farming through Government support accounted for 79.2% of cotton sales while the remainder was shared among the five remaining companies.

Table 7: Seed Cotton Sales (Kgs) as at 30 Jun 2023

Company	Jun:2022	Jun:2023	2023 intake share (%)
Alliance Ginneries	240,169	7,100,000	11.2
Cottco	14,669,467	50,044,000	79.2
Shawash Agri	28,512	-	-
Zimbabwe Cotton Consortium	24,192	1,499,516	2.4
New Cotton Company Holdings,	-	-	-
Southern Cotton	550,370	4,538,000	7.2
Total	15,512,710	63,181,516	100

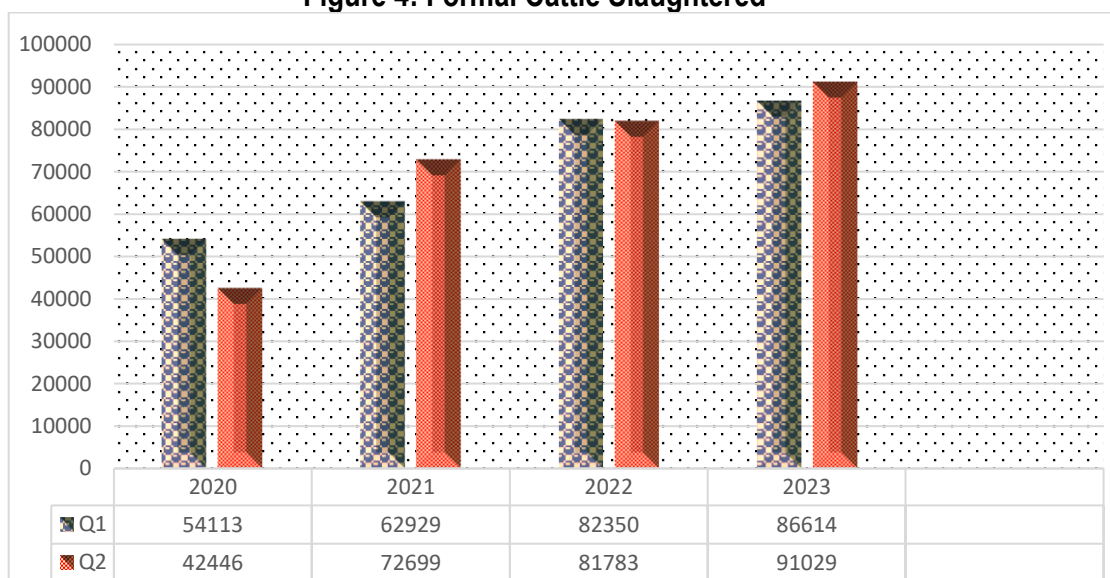
Source: Agriculture Marketing Authority

Livestock

Beef

26. According to the 2022 Second Round Crop, Livestock, Fisheries Assessment Report, the national beef herd increased by 2% from 5.5 million in 2021, benefiting from fair pastures and sufficient water availability.
27. During the second quarter of 2023, formal cattle slaughters increased slightly by 5.1% to 91 029 compared to 86 614 slaughtered during the first quarter of 2023.

Figure 4: Formal Cattle Slaughtered



Source: MALWFRD

28. Cattle slaughters are expected to increase in the third quarter of 2023 as economic performance peaks.

Dairy

29. Milk production increased by 3.1% to 23.3 million litres during the second quarter compared to the first quarter of 22.6 million litres. This is attributed to complementarity efforts of both the public and private sector investments aimed at enhancing cow productivity and capacitation through procurement of necessary capital equipment.

Figure 5: Milk Production



Source: MALWFRD

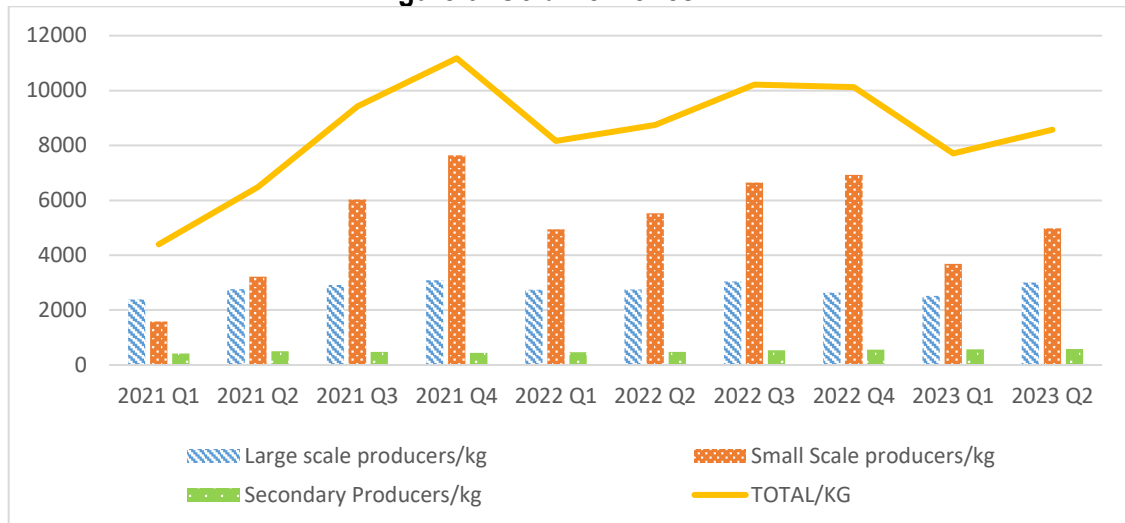
Mining

30. The second quarter of 2023 saw significant increase in mining activities, especially from Platinum Group Metals (PGMs), diamond and coal which recorded increases of 18.6%, 26.8% and 96.6%, respectively. However, gold deliveries to Fidelity Gold Refinery (FGR) dropped by 2.1%, relative to the same period in 2022.

Gold

31. Gold deliveries to FGR decreased by 2.1% during the second quarter of 2023, relative to the same period in 2022. Deliveries were affected by intermittent power outages during the quarter under review.

Figure 6: Gold Deliveries



Source: FGR

32. Large scale producers' output increased by 19.5% and 9.2% during the second quarter of 2023, compared to the first quarter of 2023 and same period in 2022, respectively.
33. However, small scale producers, recorded a decrease of 9.8% during the second quarter of 2023 compared to same period last year but recorded an increase of 35.4% when compared to the first quarter of the year.

Platinum Group Metals

34. Platinum Group Metals (PGMs) was characterised by increased activities during the second quarter of 2023 recording a significant 18.6% increase, relative to the second quarter of 2022.

Table 8: Platinum Group Metals

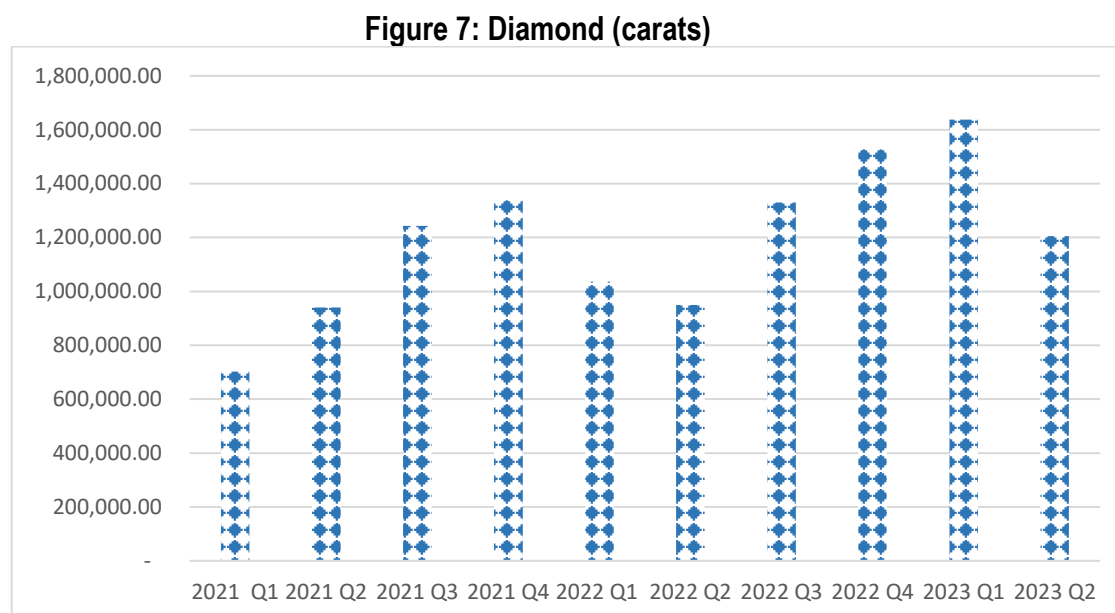
PGMs	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q2 V 2022 Q2
Pt (Kg)	3528.7	3789.0	4485.2	4656.9	4752.8	4750.9	25.4%
Pd (Kg)	3100.2	3175.2	3780.6	3878.5	3957.5	3973.3	25.1%
Rh (Kg)	328.7	330.4	396.8	405.3	414.7	415.6	25.8%
Ir (Kg)	127.0	127.9	168.7	177.7	184.0	274.4	114.5%
Ru (Kg)	284.2	290.2	377.4	389.6	398.9	240.8	-17.0%
Au(Kg)	471.0	474.5	533.1	553.7	1514.9	581.0	22.4%
Ag (Kg)	439.8	447.1	475.4	183.1	603.2	0.0	
Total	8279.7	8634.2	10217.3	10244.8	11825.9	10236.0	18.6%

Source: Ministry of Mines and Mining Development (MoMMD)

35. PGMs' output increase was boosted by platinum, palladium and rhodium which increased significantly by 25.4%, 25.1% and 25.8%, respectively. However, ruthenium output decreased by 17% during the period under review.

Diamond

36. Diamond output stood at 1.2 million carats during the quarter, a 26.8% increase relative to the same period in 2022 benefiting from ramping up of production by the major produces during the quarter.



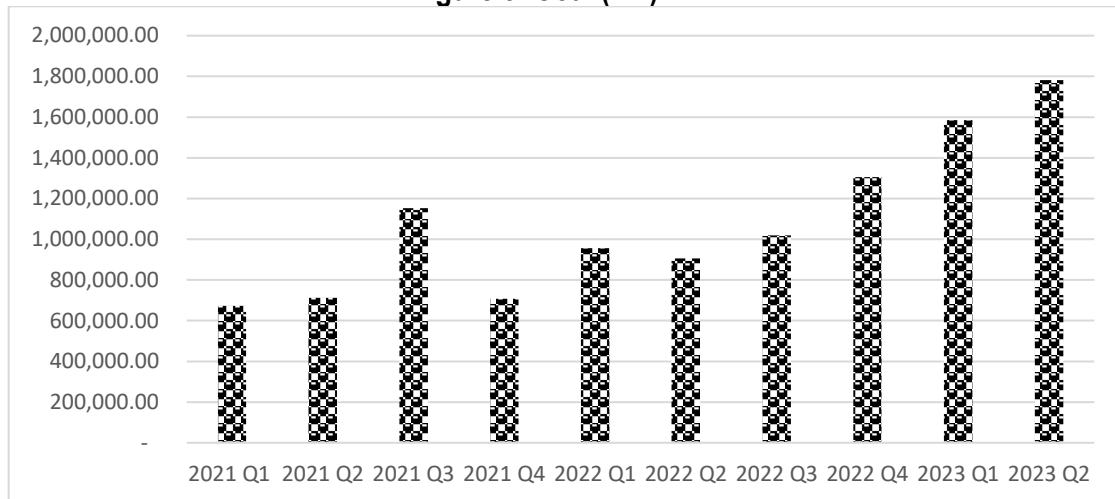
Source: MoMMD

37. The increase was directly linked to expansion projects by RioZim Murowa Diamond Expansion and ZCDC/ALROSA joint venture.

Coal

38. During the second quarter of 2023, coal production stood at 1.8 million metric tonnes, a 96.6% increase compared to the second quarter of 2022.

Figure 8: Coal (MT)



Source: MoMMD

39. Coal production benefitted largely from increased demand for thermal coal for Hwange Units 7 and 8 Expansion Project, prompting upscaling of coal production by the major producers.

Tourism

40. The tourism sector continues on a recovery path with new airlines and flights having been introduced during the period under review. Preliminary tourist arrivals during the second quarter increased by 44.2% compared to the same period in 2022. Overseas arrivals increased 2.2%, while arrivals from Africa increased 69.2%.

Table 9: Tourist Arrivals

	April – June 2022	April – June 2023	% Change	
Africa	139,228	235,565	69.2%	▲
Overseas	82,955	84,771	2.2%	▲
Total	222,183	320,336	44.2%	▲

Source: ZTA

41. As a result, the tourism sector is estimated to have generated US\$209.6 million during the second quarter of 2023, a 2% increase when compared to US\$206.1 million generated in 2022.

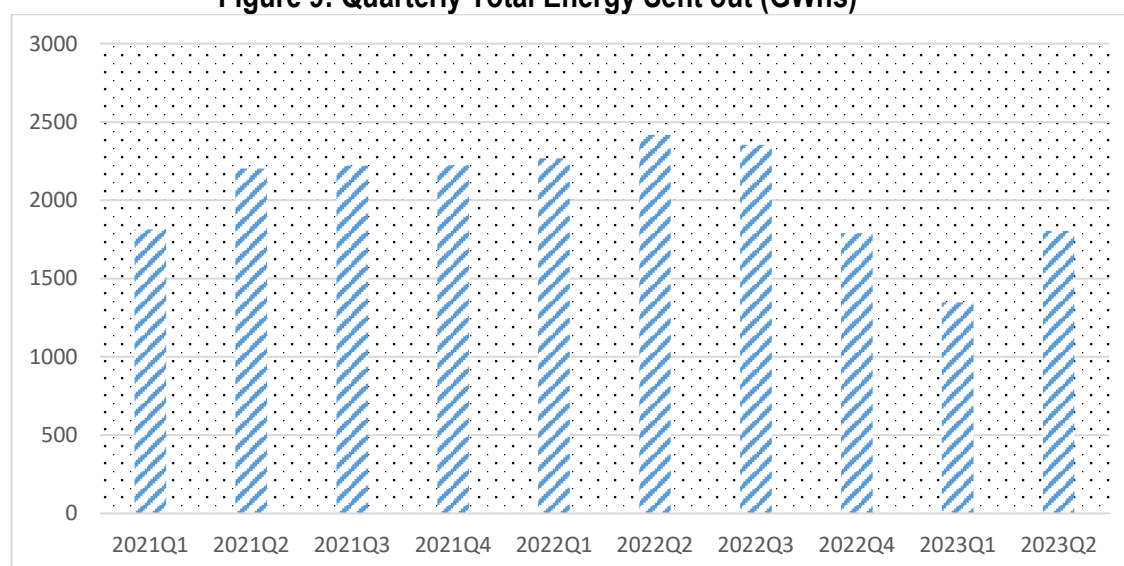
Electricity

42. Electricity generation during the second quarter of 2023 witnessed a huge boost relative to the first quarter of 2023, owing to the commissioning of Hwange Unit 7 and 8. As a result, electricity

generation during the quarter stood at 1 804.01 GWhs, a 34% increase compared to the first quarter of 2023.

43. Despite the registered increase compared to the first quarter of 2023, electricity generation during the second quarter of 2023 was subdued when compared to the second quarter of 2022. The decrease was mainly as a result of overdue planned maintenance of the old thermal units resulting in numerous forced outages, compounded by low water levels at Kariba dam.

Figure 9: Quarterly Total Energy Sent out (GWhs)



Source: MoEPD, ZERA

44. Zimbabwe Power Company (ZPC) sent out 1 686,42 GWhs of electricity in the second quarter of 2023, a 27% decrease compared to the same period in 2022. Electricity generation by Independent Power Producers stood at 117.59 GWhs a marginal increase of 1% from the same period last year.

INFLATION DEVELOPMENTS

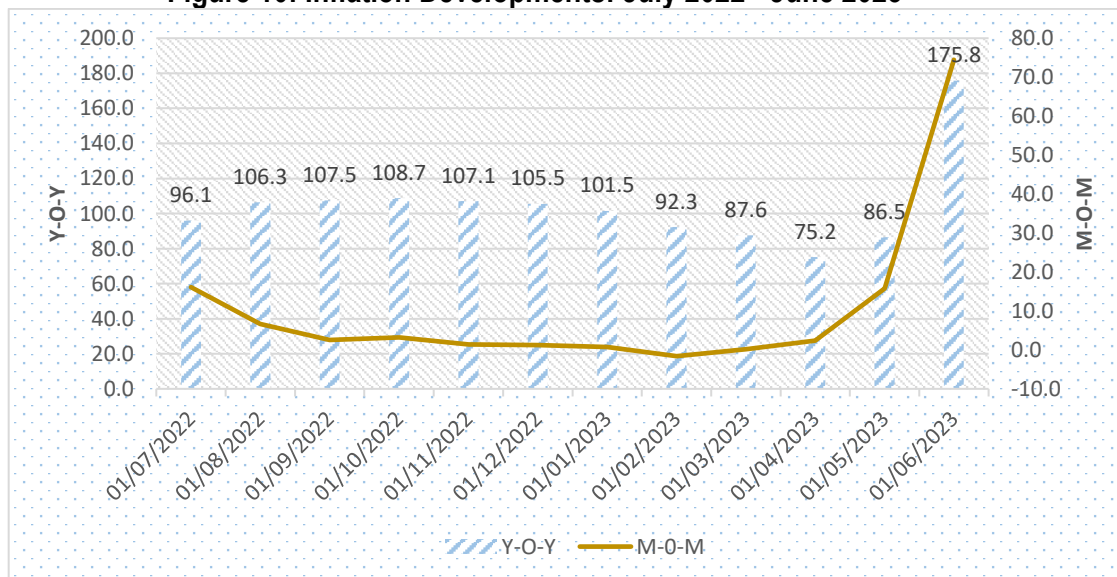
45. Month on month inflation in the second quarter of 2023 was on an upward trajectory from 2.4% in April to 74.5% in June. Major prices increase were recorded on food and non-alcoholic beverages which contributed 65.9%, followed by housing, water, electricity, gas, and other fuels which contributed 22.4%.

Table 10: Inflation Developments

	Weights	Apr-23	Jun-23	% Change	Percentage Contributions
Food & Non-Alcoholic Beverages	31.3	376.0	966.4	157.0	65.9
Housing, Water, Electricity, Gas & Other Fuels	27.6	316.5	544.1	71.9	22.4
Alcoholic Beverages & Tobacco	4.9	189.4	368.5	94.6	3.1
Transport	8.4	162.3	257.3	58.5	2.8
Miscellaneous Goods & Services	6.5	175.1	289.5	65.3	2.6
Communication	2.7	271.5	470.8	73.4	1.9
Education	4.3	227.7	295.4	29.7	1.0
Health	1.4	177.6	371.6	109.2	1.0
Recreation & Culture	2.3	218.1	279.2	28.0	0.5
Clothing & Footwear	4.3	154.2	176.4	14.4	0.3
Restaurants & Hotels	1.1	195.6	267.9	36.9	0.3
Furniture & Equipment	5.3	150.4	150.0	-0.2	0.0
All Items	100.0	280.5	566.4	101.9	101.9

Source: ZIMSTAT, MoFED calculations

46. Similarly, year on year inflation increased from 75.2% in April to 175.8% in June. Increases in foreign exchange premium as a result of increased demand for United States dollar as a store of value, speculative activities, and money supply expansion caused the rapid increase in general prices in local currency.

Figure 10: Inflation Developments: July 2022 - June 2023

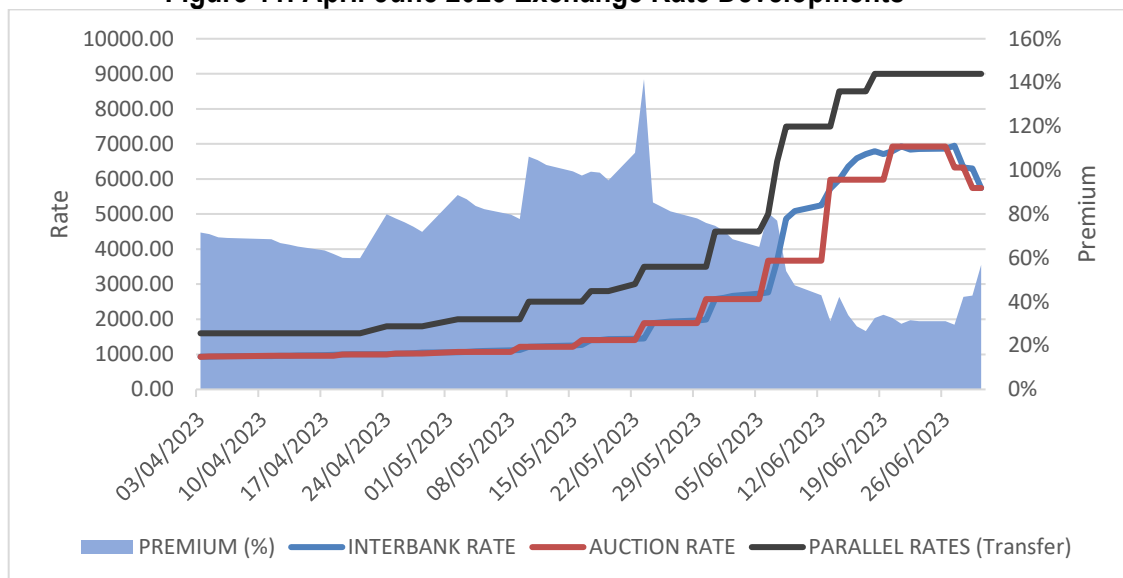
Source: ZIMSTAT

EXCHANGE RATE DEVELOPMENTS

47. The foreign exchange rate premium between the official and the parallel exchange rate surged from 71.58% in April to 141.56% in May 2023, before subsiding to 29.51% in June.

48. Speculative tendencies, indiscipline by market players and money supply growth led to the widening of the exchange rate premium in the second quarter of 2023.

Figure 11: April-June 2023 Exchange Rate Developments



Source: RBZ 2023

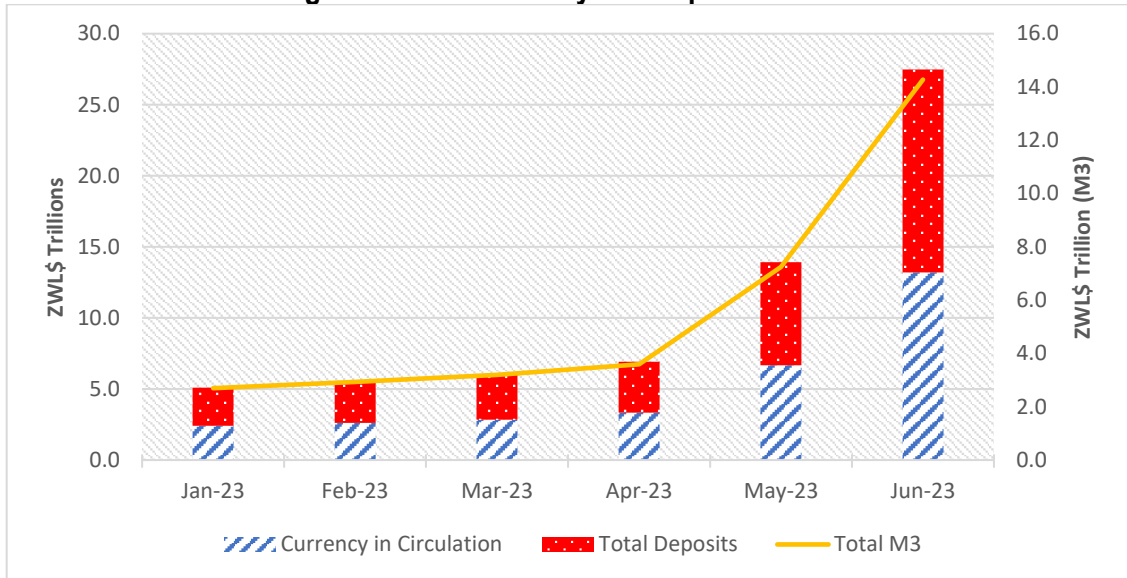
49. The Government intervened by implementing a cocktail of measures in May and June in order to stabilize the economy's exchange rate and inflation.

FINANCIAL SECTOR PERFORMANCE

Monetary Developments

50. Broad money (M3) stock stood at ZWL\$14.3 trillion at the end of June 2023, an increase of 346.76% compared to ZWL\$3.2 trillion recorded at the end of the previous quarter. On an annual basis, broad money registered a growth of 1 171.94%.

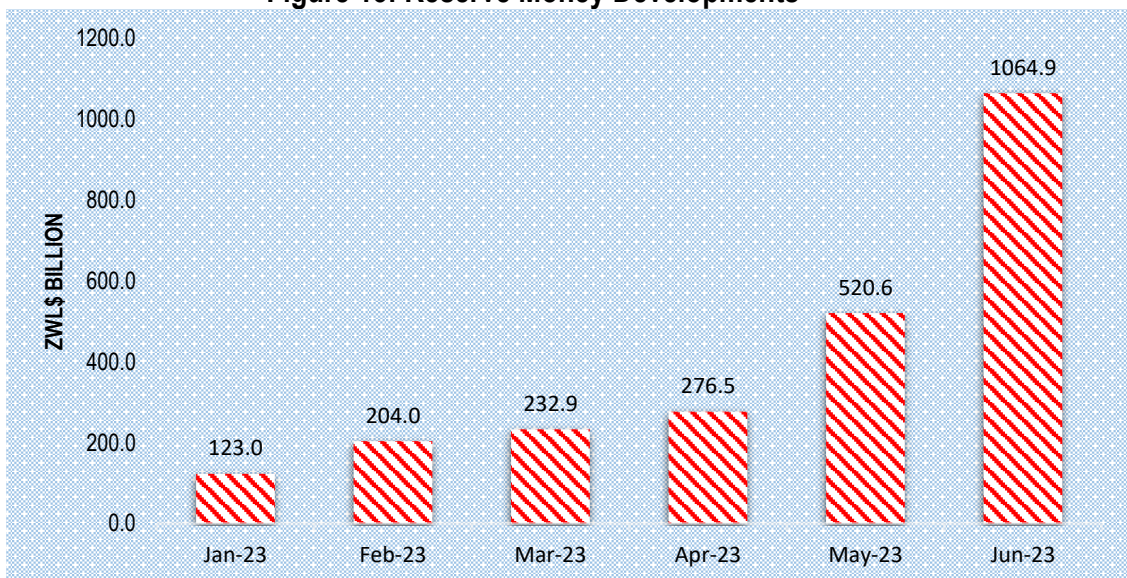
Figure 12: Broad Money Developments



Source: RBZ, 2023

51. The increase in M3 was attributed to the growth in foreign currency accounts (FCA) deposits, partly due to valuation changes related to the exchange rate depreciation experienced during the quarter.
52. Similarly, reserve money at ZWL\$1.1 trillion registered 357% and 3 074% increases quarterly and annually, respectively. The increase in reserve money was largely attributed to foreign and local currency statutory reserves.

Figure 13: Reserve Money Developments



Source: RBZ, 2023

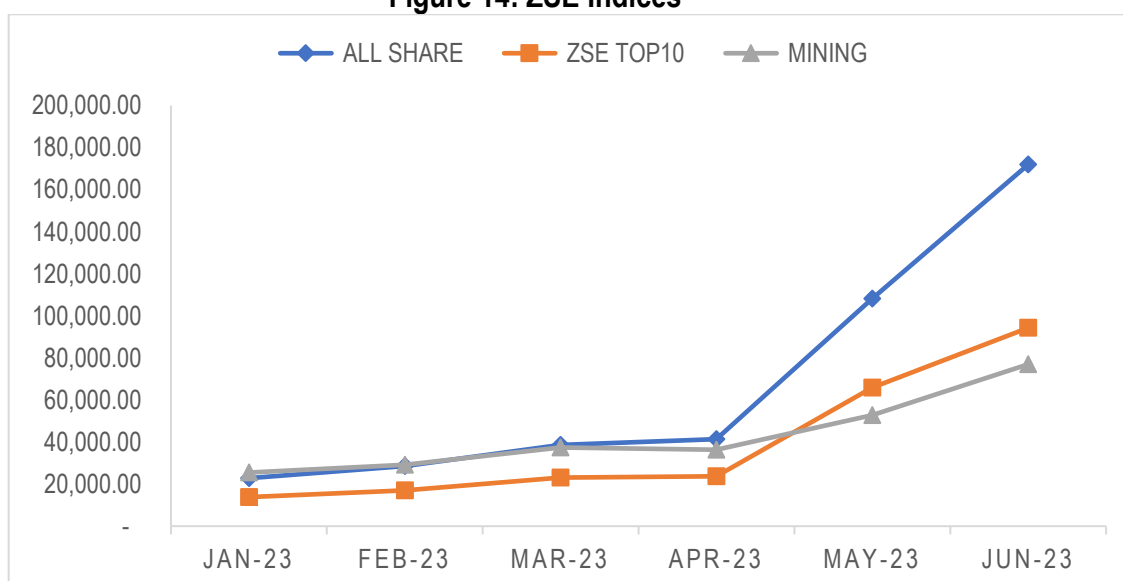
Securities Market

53. The market capitalisation of the two bourses, the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) grew by 310.4% and 29.5%, respectively. However, All-Share Index for VFEX fell by 17%, whilst the ZSE grew by 345.7%.

Zimbabwe Stock Exchange

54. The Zimbabwe Stock Exchange (ZSE) experienced bullish sentiments during the quarter with the All-Share Index ending the quarter at 171 911.16, an increase of 345.7% relative to the previous quarter. This was largely driven by an increase in blue chip counters (Top Ten Index) which increased by 308.4% during the quarter under review.
55. Correspondingly, the mining index gained 106% ending the quarter at 76,960.49 points compared to 37 359.78 points registered in the previous quarter.

Figure 14: ZSE Indices

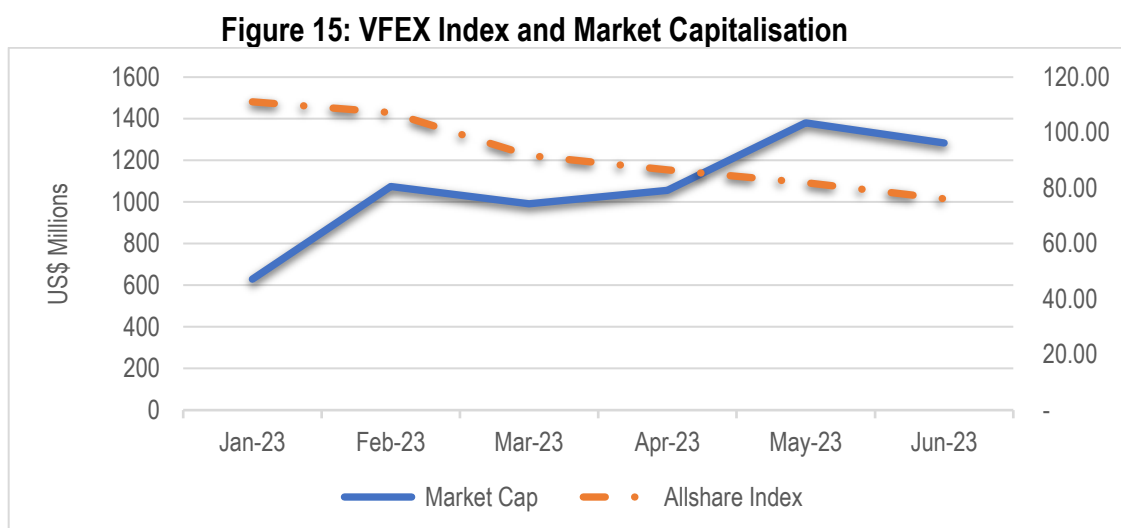


Source: ZSE

56. Similarly, market capitalisation of the bourse was on an upward trajectory throughout the quarter, ending the quarter at ZWL\$14 trillion, a 310.4% increase compared to the previous quarter.

Victoria Falls Stock Exchange

57. The Victoria Falls Stock Exchange (VFEX) experienced mixed trading during the quarter under review, with market capitalisation registering a 29.5% increase compared to the first quarter. This increase was driven by new listings, with African Sun and First Capital Bank listed in April and May, respectively.



Source: VFEX

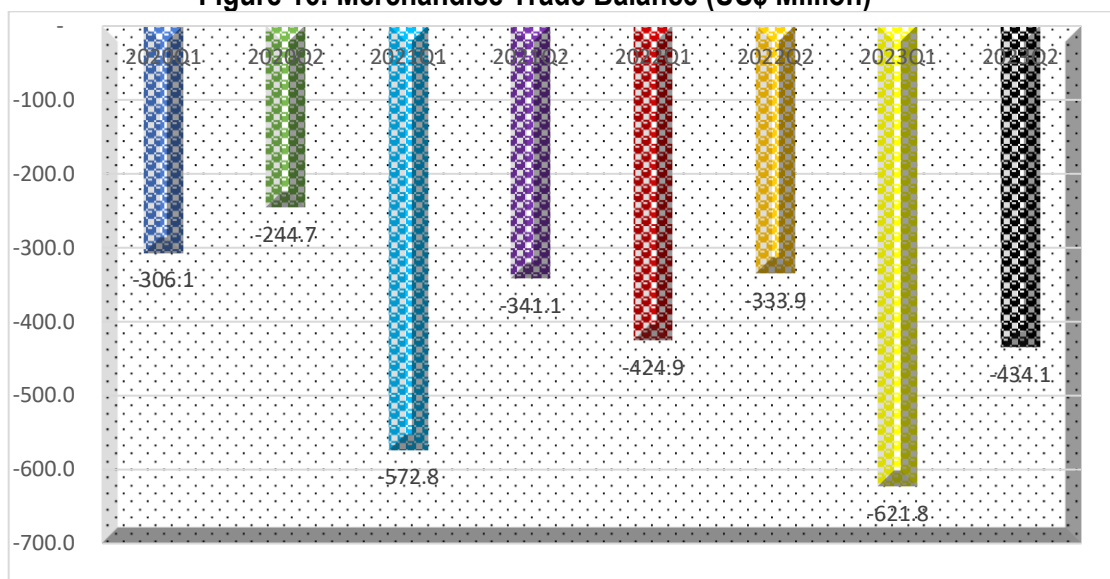
58. However, the All-Share Index fell by 17% ending the quarter at 76.17 points compared to 91.76 points recorded during the first quarter.

EXTERNAL SECTOR PERFORMANCE

Merchandise Trade Balance

59. During the second quarter of 2023, the trade balance improved by 30.2% to a deficit of US\$434.1 million compared to a deficit of US\$621.8 million recorded during the first quarter of 2023.

Figure 16: Merchandise Trade Balance (US\$ Million)



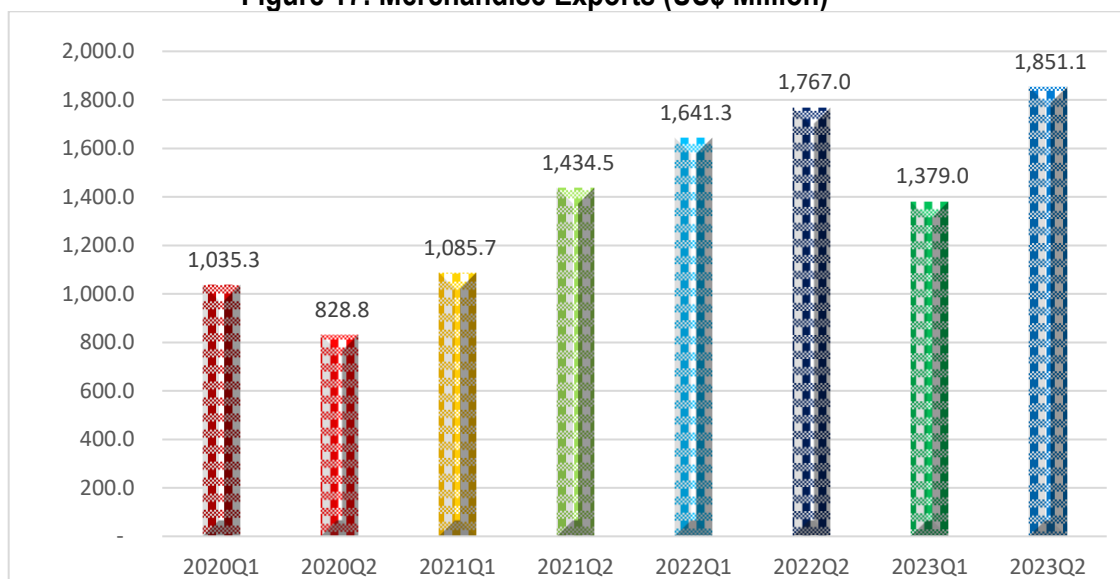
Source: MOFED & ZIMSTAT calculation

60. The improvement of the trade balance was a result of exports that grew faster than imports driven by a rise in international commodity prices for most precious metals and tobacco marketing.

Merchandise Exports

61. The country exported goods worth US\$1.9 billion during the second quarter of 2023, a 34.2% increase from US\$1.4 billion recorded in the previous quarter. The increase in exports is attributed to the rise in the global commodity prices for precious minerals such as gold and increase in the volume of tobacco export during the period under review.

Figure 17: Merchandise Exports (US\$ Million)



Source: MoFED & ZIMSTAT calculation

62. Major merchandise exports were minerals especially PGMs, gold and diamond together with tobacco.

Table 11: Quarterly Merchandise Exports by Product (US\$ Million)

	2022Q1	2023Q1	2023Q2	2023Q1-2023Q2 % Changes	2022Q1-2023Q2 %Changes
Total	1,641.3	1,379.0	1,851.1	34.2	12.8
PGMs	710.5	516.5	491.4	-4.9	-30.9
Gold	495.0	345.7	500.9	44.9	1.2
Tobacco	128.6	183.3	266.9	45.6	107.6
Other mineral substances	4.2	50.0	151.9	203.8	3,496.6
Industrial diamonds	37.2	41.7	109.9	163.3	195.6
Ferro-chromium	98.6	87.5	103.9	18.8	5.4
Coal	38.7	56.6	67.0	18.5	73.2
Chromium ores and concentrates	18.5	15.7	26.1	66.1	41.0
Sugar	6.3	2.4	18.3	661.7	189.8
Granite	7.6	7.2	11.5	50.8	60.2
Other Exports	96.1	72.4	103.2	7.4	42.5

Source: ZIMSTAT& MoFED

63. The country's exports were mainly destined for South Africa, United Arab Emirates, China, Mozambique, and Zambia absorbing 35.5%, 27.5%, 13.2%, 6.7%, and 2.2%, respectively.

Table 12: Exports by Country (US\$ Million)

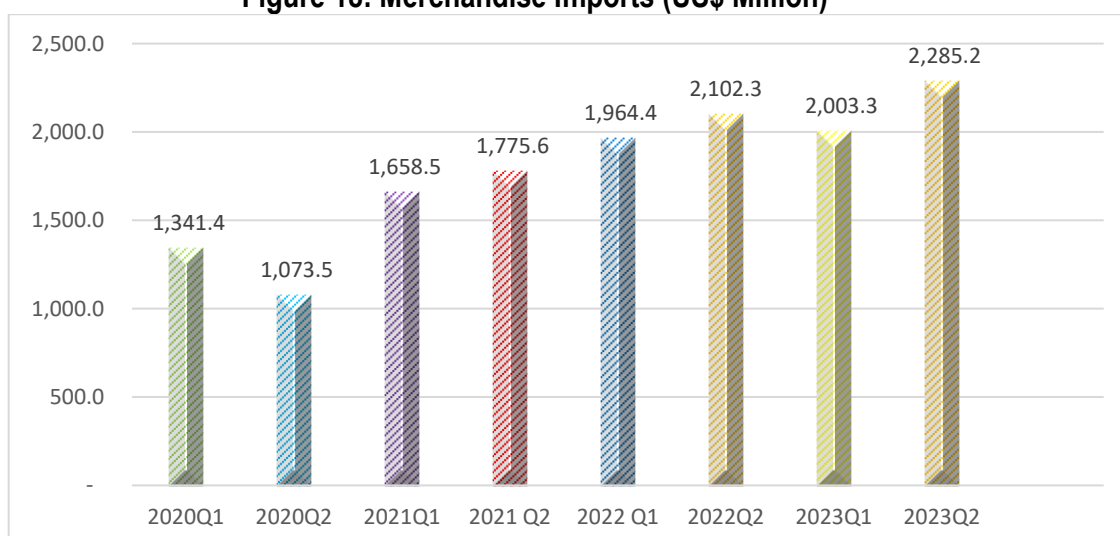
Country	Q2-2023	% share
South Africa	656 .3	35.5
United Arab Emirates	508 .1	27.5
China	243 .5	13.2
Mozambique	124 .3	6.7
Unspecified	98 .3	5.3
Zambia	40 .6	2.2
Hong Kong	32 .8	1.8
Belgium	30 .5	1.7
Italy	15 .3	0.8
Netherlands	14 .7	0.8
Canada	14 .0	0.8
Other countries	72.7	3.9
Total	1,851.1	100

Source: MoFED & ZIMSTAT

64. Specifically, South Africa continued to be the leading export destination with exports worth US\$656.3 million, whilst UAE followed at US\$508.1 million.

Merchandise Imports

65. Similarly, merchandise imports increased by 14.2% to US\$2.3 billion from US\$2 billion imported during the first quarter of 2023 driven by increase in demand for raw materials. This is notwithstanding declining international commodity prices of certain commodities such as energy, fertilizers, oils and meals.

Figure 18: Merchandise Imports (US\$ Million)

Source: MoFED & ZIMSTAT

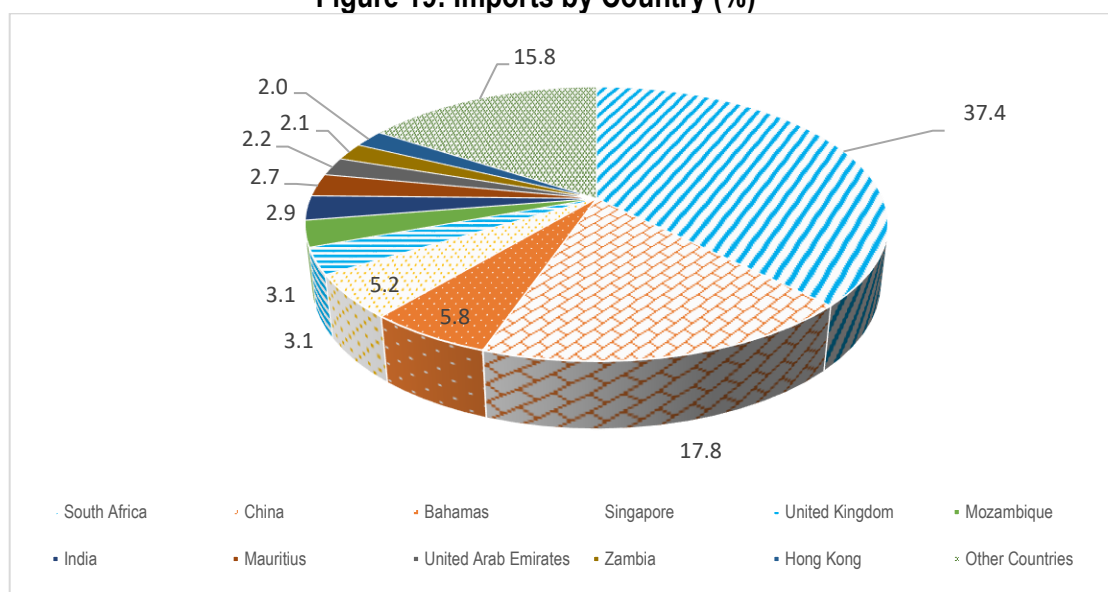
66. Major imports were fuel, crude soya-bean, wheat, electrical energy and fertilizers.

Table 13: Quarterly Merchandise Imports by Product (US\$ Million)

	2022Q2	2023Q1	2023Q2	2023Q1-2023Q2 % Change	2022Q2-2023Q2 % Change
Total	2,102.3	2,003.3	2,285.2	14.1	8.7
Diesel	224.4	198.5	233.4	17.6	4.0
Petrol	122.7	117.9	141.3	19.9	15.1
Crude Soyabeans oil	87.2	58.4	61.0	4.5	-30.0
Electrical Energy	42.4	68.2	44.8	-34.4	5.5
Wheat	83.7	76.8	97.5	27.0	16.5
Maize (Excluding Seed)	10.5	28.3	25.6	-9.4	143.5
Aeroplanes	24.6	3.8	7.0	83.2	-71.5
Furnaces and Ovens	27.0	1.0	6.1	519.6	-77.5
Ammonium nitrate	39.1	76.5	42.5	-44.4	8.7
Palm Oil	23.4	6.5	8.3	27.6	-64.7
Other Imports	1,417.3	1,367.4	1,617.6	18.5	14.3

Source: MoFED & ZIMSTAT

67. The country's imports were mainly sourced from South Africa (37.4%), China (17.8%), Bahamas (5.8%), Singapore (5.2%), United Kingdom (3.1%) Mozambique (3.1%), India (2.9%) and Mauritius (2.7%) among other markets.

Figure 19: Imports by Country (%)

Source: MoFED & ZIMSTAT

International Mineral Prices

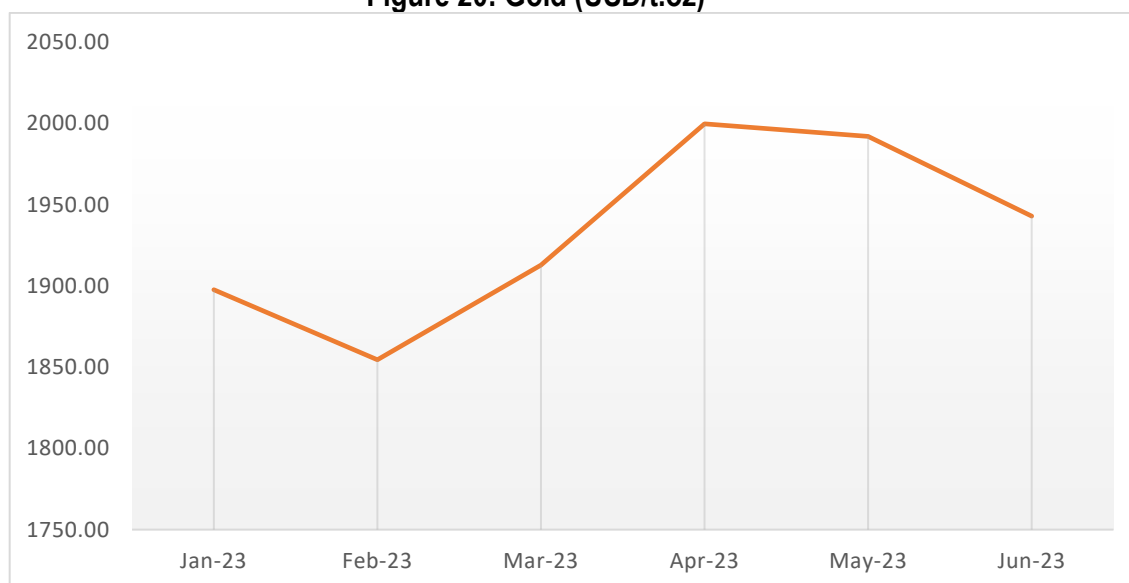
68. Prices for energy and non-energy commodities declined by (9.6%) and (3.5%), respectively, in the second quarter compared to the previous quarter.

Table 14: International Commodity Prices

Commodity	% Change
NON-ENERGY	-3.5
Precious minerals	5.2
Gold (USD/t.oz)	4.8
PGMs	-27.9
Platinum (USD/t.oz)	3.1
Palladium	-7.9
Rhodium	-33.8
Base Metals	
Lithium (USD/T)	-2.4
ENERGY	-9.6
Brent Crude Oil (USD/Bbl)	-5.4

Source: World Bank Pink Sheets and Trade Economics

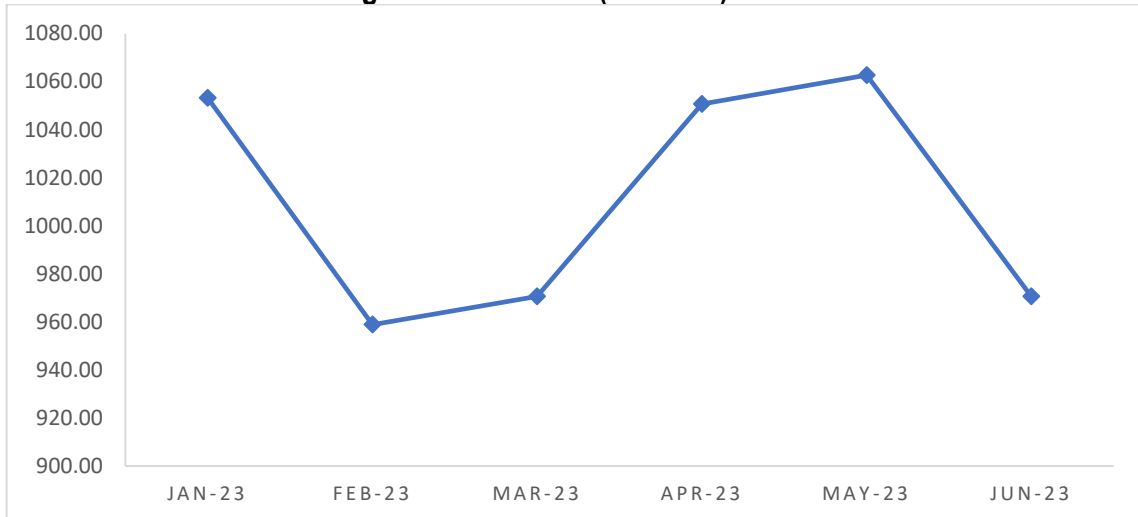
69. Precious minerals recorded a significant price increase of 5.2%, driven by an increase in gold prices of 4.8%.

Figure 20: Gold (USD/t.oz)

Source: World Bank Pink Sheets

70. The significant drop in PGMs prices was due to a slump in demand for the metal, on the back of uncertainties on the auto catalyst converters front.

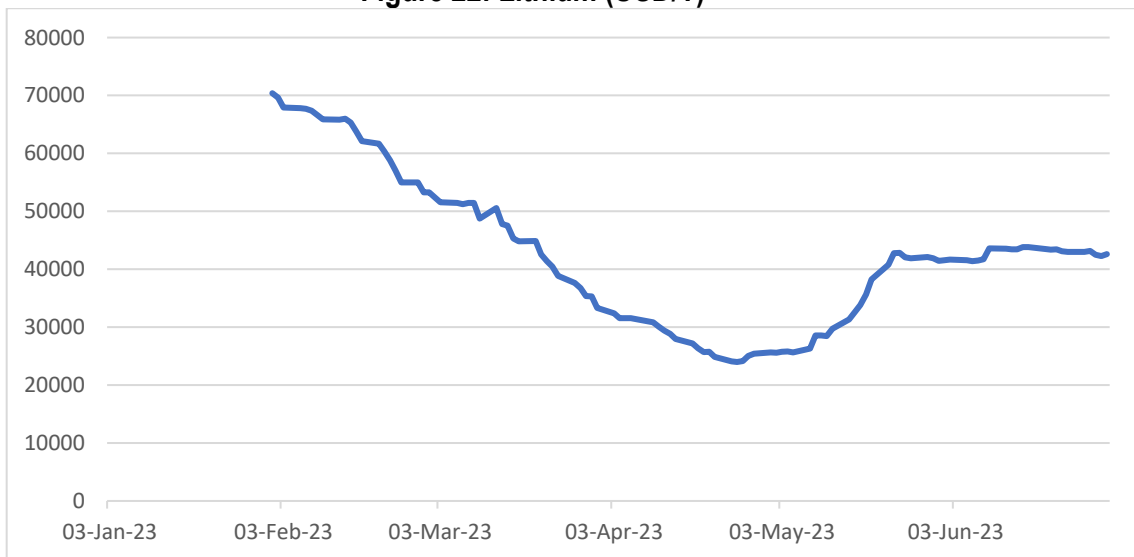
Figure 21: Platinum (USD/t.oz)



Source: World Bank Pink Sheets

71. Palladium and rhodium prices have significantly decreased by 7.9% and 33.8%, respectively.
72. Rhodium prices have been tapering during the quarter owing to increased supply against gradually decreasing demand for the metal. Despite the significant tapering in prices, rhodium prices are still higher than their 2019 pre-pandemic levels.
73. Lithium prices have tapered during the quarter under review by 2.4%, following decreases in the demand for electrical vehicles in China.

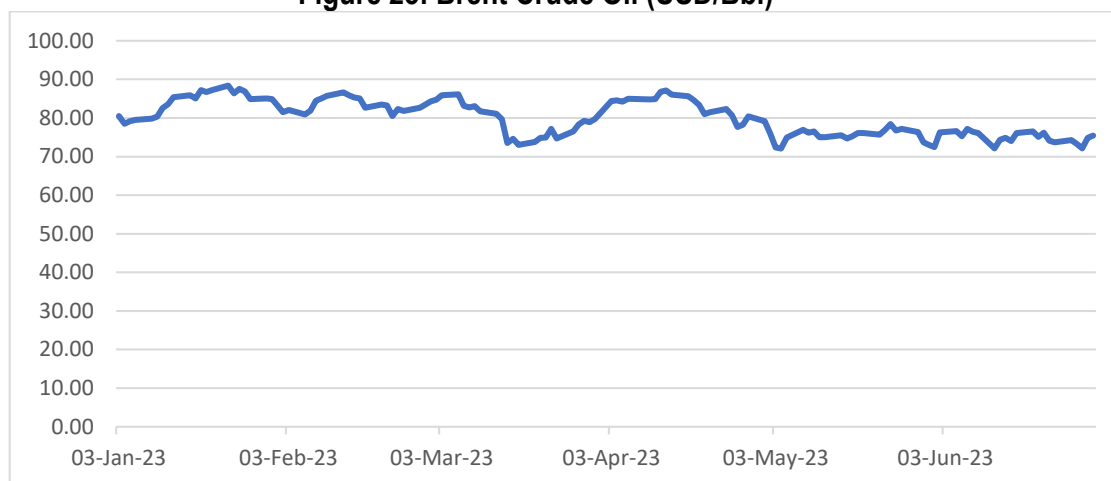
Figure 22: Lithium (USD/T)



Source: Trade Economics

74. This marginal decline in energy prices has been driven by a 5.4% decrease in the price of Brent crude oil.

Figure 23: Brent Crude Oil (USD/Bbl)



Source: World Bank Pink Sheets and Trade Economics

75. Uncertainties in the global demand of Brent crude oil as result of slowing global economic activities have seen a gradual decrease in the price of the product during the quarter.

CONCLUSION

76. The second quarter was characterised by increasing economic activities across all sectors, save for a few. However, notable disruptions were witnessed on the currency and inflation front, as well as intermittent power outages during the first month of the quarter.
77. Going forward, the measures introduced by Government to address the macroeconomic imbalances are expected to stabilise the situation and support increased economic activity. The commercialisation of Hwange Units 7 and 8 during the quarter is also expected to anchor economic growth in the outlook.

ANNEX: CONSOLIDATED BUDGET OUTTURN (ZWL\$): JANUARY – JUNE 2023

Item	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Cumulative Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Total Revenue	301,942,507,841	310,163,011,280	444,537,386,470	381,872,505,248	620,481,472,090	2,234,396,842,232	4,293,393,725,161
Tax Revenue	294,308,429,524	281,304,256,923	412,435,992,909	367,311,568,634	590,977,646,552	2,186,147,193,130	4,132,485,087,671
Tax on Income and Profits	98,868,786,562	80,065,914,536	160,418,508,781	103,688,651,592	152,492,018,362	885,032,431,031	1,480,566,310,863
Individuals	66,770,520,095	61,405,687,288	78,906,510,459	79,588,557,329	119,126,840,249	410,415,066,192	816,213,181,611
Companies	23,943,096,882	16,435,769,577	74,651,064,179	19,108,564,508	27,837,002,475	469,881,115,422	631,856,613,044
Domestic dividend and interest	7,680,890,690	1,868,581,325	6,406,583,089	4,669,329,177	4,255,658,696	1,246,818,740	26,127,861,718
Other income taxes	59,507,204	83,756,562	92,695,876	28,515,623	141,836,166	1,823,735,847	2,230,047,279
Presumptive tax	414,771,691	272,119,784	361,655,177	293,684,953	1,130,680,776	1,665,694,829	4,138,607,210
Customs duties	21,930,810,853	25,810,752,690	28,454,689,345	32,758,051,751	43,514,999,161	146,079,461,552	298,548,765,353
Other(Prime & Surtax)	22,066,885,023	25,863,356,104	28,545,196,406	32,769,665,650	44,145,146,621	146,507,079,803	299,897,329,607
Refunds Duty	(136,074,170)	(52,603,414)	-	(11,613,899)	(630,147,460)	(427,618,251)	(1,348,564,254)
			90,507,061				
Excise duties	37,931,363,308	33,489,028,960	58,402,715,329	39,461,723,889	99,459,899,994	273,084,407,917	541,829,139,399
Beer	4,696,961,434	5,530,437,737	5,834,647,696	5,691,909,745	7,569,953,086	10,056,360,569	39,380,270,267
Wines and Spirits	1,820,221,198	1,567,728,752	1,318,585,220	1,580,686,855	1,954,525,262	4,563,403,277	12,805,150,563
Tobacco	1,473,211,425	703,150,704	1,210,046,109	1,973,669,647	2,182,631,411	5,796,241,028	13,338,950,324
Second Hand Motors Vehicles	164,017,888	184,606,964	247,214,229	159,707,836	258,864,549	1,455,184,067	2,469,595,533
Fuels	29,776,915,638	25,503,027,423	49,792,207,392	30,055,749,807	87,493,925,686	251,213,218,977	473,835,044,923
Electric lamp	35,726	77,381	14,683				127,790
Taxes on Specific Services	5,903,259,308	5,418,635,466	9,565,020,652	6,769,523,311	18,564,518,118	84,753,277,152	130,974,234,008
Business Licences	1,509,779,936	1,846,176,990	2,689,189,030	2,356,361,676	6,674,445,283	41,597,687,155	56,673,640,069
Energy Taxes -Carbon Tax	4,140,246,265	3,572,458,476	6,561,064,209	4,199,680,163	11,761,860,275	34,611,452,664	64,846,762,052
Fuel levy (4 cents diesel levy)	253,233,107		314,767,413	213,481,473	128,212,560	8,544,137,334	9,453,831,887
Value Added Tax (VAT)	79,402,961,943	91,322,051,989	106,991,610,174	120,794,179,017	193,086,522,053	547,575,668,740	1,139,172,993,917
VAT on Domestic Goods	62,575,606,640	54,936,904,470	67,321,289,569	67,642,329,915	119,983,222,021	382,792,064,657	755,251,417,270
VAT on Withholding Tax	5,385,860,683	3,524,239,374	6,036,565,966	3,212,954,945	6,084,967,819	29,266,770,289	53,511,359,076
Imported Goods & Services	37,353,406,705	45,476,657,672	52,918,488,499	57,894,734,135	78,435,899,088	269,350,626,170	541,429,812,269
Refunds	(25,911,912,084)	(12,615,749,526)	-19,284,733,859	(7,955,839,977)	(11,417,566,875)	(133,833,792,376)	(211,019,594,698)
tax on gross Revenue	18,585,305,650	18,361,131,627	20,568,117,783	28,462,268,955	40,236,037,857	123,377,482,154	249,590,344,027
Tobacco Levy			1,289,724,841	4,509,042,605	6,991,473,113	13,294,757,716	26,084,998,274
Royalties-mining	6,253,449,896	5,614,324,122	6,969,044,768	7,156,390,072	14,777,939,112	67,166,114,693	107,937,262,662
Airtime (including Health levy)	7,323,907,058	6,909,415,793	6,953,703,906	9,370,524,341	11,567,916,872	28,144,457,243	70,269,925,214
withholding tax on Tenders	5,007,948,696	5,837,391,712	5,355,644,268	7,426,311,936	6,898,708,761	14,772,152,503	45,298,157,877
Taxes on financial and capital transactions	31,186,740,316	26,242,090,778	27,195,021,575	34,572,091,533	42,910,092,137	123,918,423,741	286,024,460,079
IMTT	31,087,786,573	26,176,669,319	27,105,513,119	33,477,800,129	41,865,602,013	121,356,449,362	281,069,820,516
ATM Levy	98,953,742	65,421,459	89,508,456	1,094,291,405	1,044,490,123	2,561,974,379	4,954,639,563
							-
Other Indirect taxes	499,201,583	594,650,876	840,309,270	805,078,585	713,558,869	2,326,040,842	5,778,840,026
Stamp duty	439,455,372	585,354,978	830,485,208	795,748,381	697,358,936	1,990,191,147	5,338,594,023
Other indirect taxes	59,746,211	9,295,898	9,824,061	9,330,205	16,199,933	335,849,695	440,246,003
Grants	-	-	-	-	-	-	-
Non-tax Revenue	7,634,078,317	28,858,754,357	32,101,393,562	14,560,936,614	29,503,825,538	48,249,649,102	160,908,637,490
Property income	91,699,716	3,771,304,495	354,841,676	1,773,988,742	-	225,948,322	6,217,782,951
Interest	91,699,716	2,956,833,550	56,231,597	31,212,859		225,948,322	3,361,926,044
Dividends		23,888,622					23,888,622
Withdrawals quasi - corporations		397,094,914	49,677,037	1,742,775,883			2,189,547,835
Rent							-
Insurance		393,487,409	248,933,042				642,420,451
Sales of Goods and Services	7,156,893,898	24,652,313,431	31,118,016,702	12,175,202,654	26,789,939,327	46,049,014,896	147,941,380,909
sales of market Establishments		16,683,079,900	18,232,428,390	5,696,901,050	11,678,818,700	18,045,524,340	70,336,752,380
Administrative fees	6,932,096,593	7,782,183,658	10,490,538,331	6,374,139,878	13,551,210,856	26,939,794,113	72,069,963,430
Incidental sale By Non market Establishments	162,098,448	125,952,662	2,259,790,886	15,202,053	120,981,430	717,304,086	3,401,329,565
Rentals	62,698,856	61,097,212	135,259,096	88,959,673	1,438,928,340	346,392,356,27	2,133,335,534
Fines ,penalties and forfeits	385,484,702	435,136,432	628,535,183	611,745,218	2,713,886,211	1,974,685,884	6,749,473,630
Judicial fines		14,164,577	14,294,285			26,386,060	54,844,922
ZIMRA penalties	385,484,702	406,898,833	614,240,898	611,745,218	2,713,886,211	1,948,299,824	6,680,555,687
Employment related penalties		14,073,021					14,073,021
Total Expenditure	304,512,077,971	314,987,961,671	491,100,259,547	574,432,867,957	677,644,838,745	1,322,202,037,201	3,684,880,043,093
							-
Expenses	269,540,374,151	252,781,541,971	344,221,658,896	380,807,453,940	562,915,645,810	1,127,145,600,160	2,937,412,274,927
Compensation of Employees	84,273,680,429	98,925,941,474	140,949,978,516	176,683,302,435	173,076,725,298	350,742,753,702	1,024,652,381,853
Wages in cash	80,239,295,343	98,379,485,164	129,908,503,860	150,277,714,757	165,740,879,366	334,666,391,814	959,212,270,304
Wages in kind	106,730,371	301,418,339	1,347,420,697	622,428,242	1,461,262,033	3,880,443,919	7,719,703,600
Medical Insurance (PSMAS)	999,588,100	321,300	1,998,178,000	21,158,816,364	999,089,000	7,000,411,900	32,156,404,664
Social Contribution (NSSA)	757,983,351	519,220	1,942,834,694	1,071,592,836	1,067,364,437	1,071,801,732	5,912,096,270
Employer pension contribution	2,060,488,377	10,220,780	5,435,826,567	3,391,746,592	3,414,106,891	3,390,244,020	17,702,633,227
Funeral Expenses	109,594,887	233,976,671	317,214,698	161,003,646	394,023,571	733,460,317	1,949,273,789
Use of Goods and Services	70,072,910,572	71,170,409,067	89,849,524,174	99,852,904,985	167,645,942,941	293,172,779,146	791,764,470,884
Domestic Travel Expenses	4,485,390,800	3,649,159,778	13,541,669,865	27,508,965,261	37,713,515,771	34,344,528,297	121,243,229,771
Foreign Travel Expenses	3,604,006,050	8,124,233,389	5,721,862,259	2,883,036,772	20,201,226,621	49,515,852,590	90,050,217,681
Communication, Supplies and Services	978,256,966	1,791,505,435	6,596,947,410	10,855,261,139	6,483,354,031	13,305,430,873	40,010,755,854
Education supplies and Services	15,000,000	18,123,427	107,780,180	59,077,320	62,489,681	117,010,940	379,481,548
Medical Supplies and services	873,932,404	4,429,531,496	2,746,842,201	1,286,142,690	10,146,900,413	3,381,245,871	22,864,595,074
Office supplies and services	576,868,969	677,523,228	2,733,662,796	3,854,030,157	10,249,233,565	15,781,798,340	33,873,117,054

Training expenses	103,546,321	923,983,646	2,908,933,138	1,055,832,419	3,122,811,869	4,462,409,982	12,577,517,374
Rental and other service charges	6,853,791,181	5,424,803,724	18,044,295,974	23,598,903,211	27,678,466,530	60,613,462,873	142,213,723,495
Institutional provisions	1,909,361,430	1,990,762,615	8,075,899,686	4,585,219,112	10,413,824,824	19,737,808,438	46,712,876,105
Other Good and Services	42,633,027,888	37,443,608,486	15,507,676,822	17,399,757,551	25,049,154,802	48,925,844,107	186,959,069,656
Maintenance	8,039,728,563	6,697,173,842	13,863,953,843	6,766,679,355	16,524,964,835	42,987,386,834	94,879,887,272
Interest on debt	2,920,607,369	7,430,343,610	4,444,703,439	5,091,692,454	9,327,355,705	3,766,978,506	32,981,681,082
Foreign							-
Domestic	2,920,607,369	7,430,343,610	4,444,703,439	5,091,692,454	9,327,355,705	3,766,978,506	32,981,681,082
Subsidies	3,265,186,024	3,750,000,000	3,300,000,000	4,564,151,252	4,300,000,000	20,950,531,129	40,129,868,405
Subsidy	3,265,186,024	3,750,000,000	3,300,000,000	4,564,151,252	4,300,000,000	20,950,531,129	40,129,868,405
Grants	86,339,685,765	39,762,578,952	73,593,995,024	44,442,550,592	179,813,501,203	384,087,301,315	808,039,612,851
o/w extra budgetary units - salaries	14,852,668,649	18,311,123,832	20,761,301,014	26,415,394,059	29,639,370,247	61,621,138,576	171,600,996,378
operations	67,897,472,720	18,887,419,120	42,698,388,175	16,787,072,232	122,762,508,782	315,452,835,102	584,485,696,132
Transfers to Provincial Councils and local Authorities	3,589,544,396	2,564,036,000	10,134,305,835	1,240,084,300.00	27,411,622,173	7,013,327,637	51,952,920,341
Social Benefits	22,664,369,671	29,893,788,379	29,440,835,339	50,140,712,951	21,529,865,486	71,523,525,395	225,193,097,221
Social Benefits	860,522,200	6,544,052,122	4,887,937,124	9,236,261,288	6,572,277,159	34,515,050,247	62,616,100,141
Pensions	21,803,847,471	23,349,736,257	24,552,898,215	40,904,451,663	14,957,588,326	37,008,475,148	162,576,997,080
Other Expenses	3,934,322	1,848,480,489	2,642,622,405	32,139,270	7,222,255,177	2,901,730,968	14,651,162,631
Subscriptions: Local	3,934,322	17,958,845	1,543,232,038	13,749,094	60,489,748	44,963,583	1,684,327,630
subscriptions: Foreign		1,830,521,644	1,099,390,367	18,390,176	7,161,765,429	2,856,767,385	12,966,835,001
Non-Financial & Financial Assets	34,971,703,820	62,206,419,701	146,878,600,651	193,625,414,017	114,729,192,935	195,056,437,042	747,467,768,166
Building and Structures	5,023,176,347	38,955,940,111	84,585,352,295	43,847,072,793	46,933,079,712	51,005,016,325	270,349,637,581
Machinery and Equipment	1,384,547,823	2,704,643,029	15,823,324,331	12,287,659,142	14,155,815,170	49,796,949,297	96,152,938,793
Non produced Assets		3,886,207,268					3,886,207,268
Capital Grants to other General Gvt units	6,811,764,740	9,728,275,597	40,900,203,437	7,491,244,000	25,538,467,325	64,702,146,361	155,172,101,460
Loans	19,767,434,020	817,729,410	3,197,286,068	6,188,200,000	2,500,000,000	10,995,942,400	43,466,591,898
Equity and Investments Fund Shares	1,984,780,890	5,774,786,250	1,402,605,520	12,405,619,041	6,825,433,729	18,556,382,659	46,949,608,089
Standardised Guarantee Schemes			969,829,000	111,405,619,041	18,776,397,000		131,151,845,041
							-
Surplus/Deficit	(2,569,570,130)	(4,824,950,392)	(46,562,873,077)	(192,560,362,709)	(57,163,366,655)	912,194,805,031	608,513,682,068
							-
Financing	2,569,570,130	4,824,950,392	46,562,873,077	192,560,362,709	57,163,366,655	(912,194,805,030)	(608,513,682,067)
						(1,136,845,857,847)	(1,136,845,857,847)
))
Domestic Financing (net)	(8,144,651,048)	(21,326,925,114)	25,299,175,748	176,383,858,005	43,706,096,278	(1,136,845,857,847)	(920,928,303,979)
))
				-			-
Banks (net)	(8,144,651,048)	(21,009,288,017)	26,000,588,087	176,383,858,005	43,706,096,278	(1,094,671,800,146)	(877,735,196,841)
))
Mobilisation	1,835,135,529	6,231,330,219	45,348,051,179	199,070,340,432	77,889,578,707	(1,070,052,810,398)	(739,678,374,332)
))
Exchange rate gain/loss	153,835,361,373	54,378,821,969	12,989,982,503	(12,104,865,583)	604,283,359,427	1,067,112,542,666	1,880,495,202,356
Changes in Government Deposits (current accounts)	(261,010,124,625)	(190,331,199,755)	24,470,707,288	81,039,728,335	(495,922,297,966)	(1,809,168,418,124)	(2,650,921,604,848)
))
Changes in SDR balance	60,577,563,781	119,859,003,877	(2,779,506,114)	(6,320,840,076)	(77,697,353,768)	(163,005,982,041)	(69,367,114,340)
Changes in Government Deposits (fixed deposits)	(10,804,624,932)	(10,258,757,453)	(4,511,688,784)	103,003,171,019	-	-	77,428,099,850
Changes in ZIMRA Bank Accounts	12,236,959,931	783,461,582	(14,564,309,735)	3,853,146,737	(5,070,641,127)	(166,990,952,898)	(169,752,335,511)
Treasury Bills	47,000,000,000	31,800,000,000	29,742,866,021	29,600,000,000	52,296,512,141	2,000,000,000	192,439,378,162
Issuances (TBs)	47,000,000,000	31,800,000,000	29,742,866,021	29,600,000,000	52,296,512,141	2,000,000,000	192,439,378,162
Repayments	9,979,786,577	27,240,618,236	19,347,463,092	22,686,482,427	34,183,482,429	24,618,989,748	138,056,822,509
Loans	-	-	-	-	-	-	-
Treasury Bills	9,979,786,577	27,240,618,236	19,347,463,092	22,686,482,427	34,183,482,429	24,618,989,748	138,056,822,509
Maturities (TBs)	9,979,786,577	27,240,618,236	19,347,463,092	22,686,482,427	34,183,482,429	24,618,989,748	138,056,822,509
Non Bank (net)	-	(317,637,098)	(701,412,339)	-	-	(42,174,057,701)	(43,193,107,139)
Mobilisation	-	-	-	-	-	-	-
Repayments	-	317,637,098	701,412,339	-	-	42,174,057,701	43,193,107,139
Loans	-	317,637,098	701,412,339	-	-	42,174,057,701	43,193,107,139
Foreign Financing (net)	(5,075,167,500)	(2,627,784,805)	(3,733,086,110)	(7,932,197,439)	(10,558,090,990)	-	(29,926,326,844)
SDR Liquidation							-
Borrowings							-
Repayments	5,075,167,500	2,627,784,805	3,733,086,110	7,932,197,439.20	10,558,090,990		29,926,326,844
							-
Other Financing (net)	15,789,388,679	28,779,660,311	24,996,783,439	24,108,702,143	24,015,361,367	224,651,052,817	342,340,948,756
Mobilisation	15,789,388,679	28,779,660,311	24,996,783,439	24,108,702,143	24,015,361,367	224,651,052,817	342,340,948,756
Zimra prepayments & unreceipted funds	15,789,388,679	28,779,660,311	24,996,783,439	24,108,702,143	24,015,361,367	224,651,052,817	342,340,948,756