# THIRD QUARTER 2010 TREASURY BULLETIN

***July – September 2010***

**Ministry of Finance**

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## I. INTRODUCTION

1. The 2010 Third Quarter Bulletin is a first analysis of the Budget performance after the Mid-Term Fiscal Policy Review presentation on the 14th of July 2010. Thus this Bulletin is reflecting on the Budget performance during the months of July- September 2010.

2. The Mid Term Fiscal Review was meant to revise the 2010 original Macroeconomic and Budget Framework so as to incorporate economic developments during the first half of 2010. The revision of the Macroeconomic Framework was also necessitated by the envisaged underperformance of inflows from donors (Vote of Credit).

3. However, despite underperformance of the Vote of Credit (VOC), the overall budget was maintained at US$2.25 billion with changes only done to rationalise expenditures towards pressure areas.

4. Below is the revised Macroeconomic and Budget Framework on which the review was based.

*The 2010 Mid-Term Revised Macroeconomic and Budget Framework*

| | 2009 Outturn | 2010 Orig. Proj. | 2010 Rev. Proj. |
|---|---|---|---|
| Real GDP | 5.7% | 7.0% | 5.4% |
| Annual Average Inflation | -7.7% | 5.1% | 4.5% |
| Nominal GDP | US$5.220 billion | US$5.561 billion | US$5.517 billion |
| Revenues | US$0.973 billion | US$1.440 billion | US$1.750 billion |
| % of GDP | 18.6% | 26% | 31.7% |
| Total Expenditures | US$1.013 billion | US$2.250 billion | US$2.250 billion |
| % of GDP | 19.4% | 40.5% | 40.78% |
| Overall Balance | (US$93 million) | (US$810 million) | (US$500 million) |
| Vote of Credit | US$93 million | US$810 million | US$500 million |
| % of GDP | 1.8% | 14.6% | 9.1% |
| Exports of Goods and Services | US$1.591 billion | US$2.018 billion | US$1.929 billion |
| % of GDP | 30.4% | 36.3% | 37.5% |
| Imports of Goods and Services | US$3.213 billion | US$3.498 billion | US$3.635 billion |
| % of GDP | 61.5% | 62.9% | 65.9% |

5. It is also worthy noting that this is the third quarter of the first year of the implementation of the Three Year Macroeconomic Framework (STERP II) which was launched in December 2009. STERP II, a

successor of STERP I of 2009 was instituted to consolidate the use of multiple currencies, cash budgeting and liberalisation of the goods and foreign exchange markets.

6. Revenues continue to perform above the set targets in the third quarter amounting to US$655.7 million against a target of US$549.8 million. Expenditures were also above the set targets due to pressure mainly of recurrent nature. Total expenditures amounted to US$537.8 million against a target of US$385.3 million. Revenues of US$655.7 against expenditures of US$537.8 resulted in a quarterly surplus of US$117.9 million.

7. On the prices front, inflation continued on the downward trend from the month of June with month-on-month inflation at -0.1% during the first two months of the review period but September recorded a positive inflation rate of 0.1%. Consequently year-on-year inflation declined from 4.1% in July to 3.6% in August before increasing to 4.2% in September 2010.

## II. ECONOMIC DEVELOPMENTS

### II.1. INFLATION PERFORMANCE

8. Month on month inflation during the quarter was negative in July and August recording -0.1% and September recorded a positive 0.1%.

9. The positive inflation in September was mainly driven by health, furniture household equipment and maintenance and food and non alcoholic beverages which increased by 0.5%, 0.47% and 0.04% respectively between August and September.

10. The jump in food and non alcoholic beverages was as a result of increase in prices of wheat products due to anticipated wheat shortage following the destruction of wheat by veld fires in Russia and floods in Pakistan, who are the major world wheat producers.

11. Year on year inflation for the same period declined from 4.1% in July to 3.6% in August before peaking up to 4.2% in September.

12. Inflation for the quarter was being influenced by international oil prices and exchange rate between the South African rand and United States dollar. Oil prices were stable during the period averaging US$74.49 per barrel, US$75.93 per barrel and US$76.5 per barrel in

July, August and September respectively. The South African rand relatively stabilised against the US dollar during the months of July and August before considerably firming up in September.

13. The increases in prices of non-tradable services have the effect of reducing competitiveness of local production. This will discourage exports and stimulate imports. These increases, coupled with rising food prices are a threat to the living standards of the low income and poor people that already are experiencing contraction in real incomes.

14. From January to September, the price of tradable goods and services increased by 5.28% while the price of non-tradable goods and services rose by 1.8%.

**CHART 1: INFLATION PROFILE: DECEMBER 2009 – SEPTEMBER 2010**

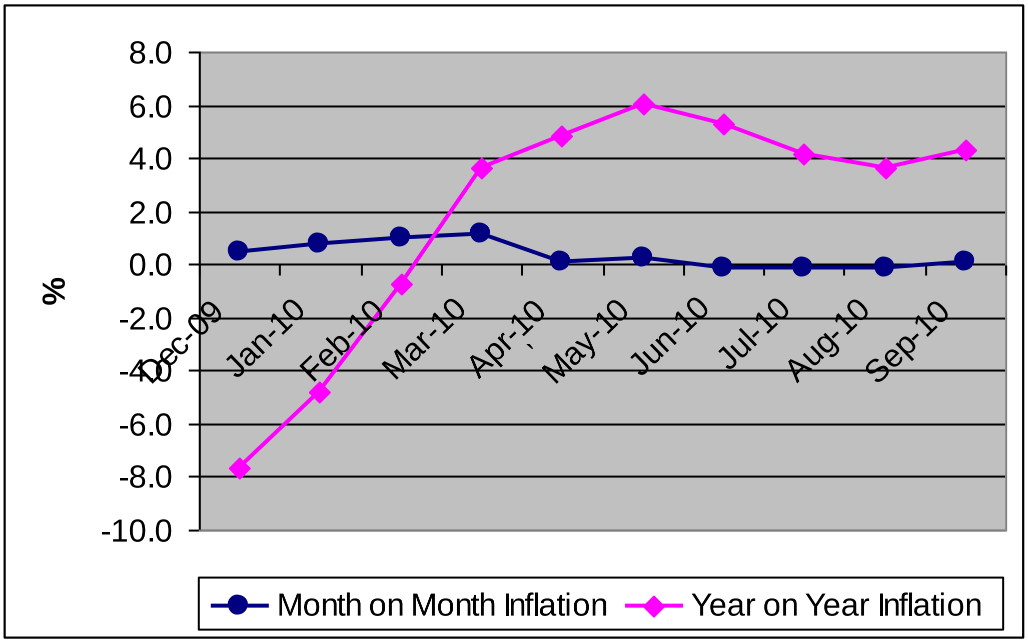


**CHART 2: TRADABLE AND NON TRADABLE GOODS AND SERVICES: DECEMBER 2008 – SEPTEMBER 2010**

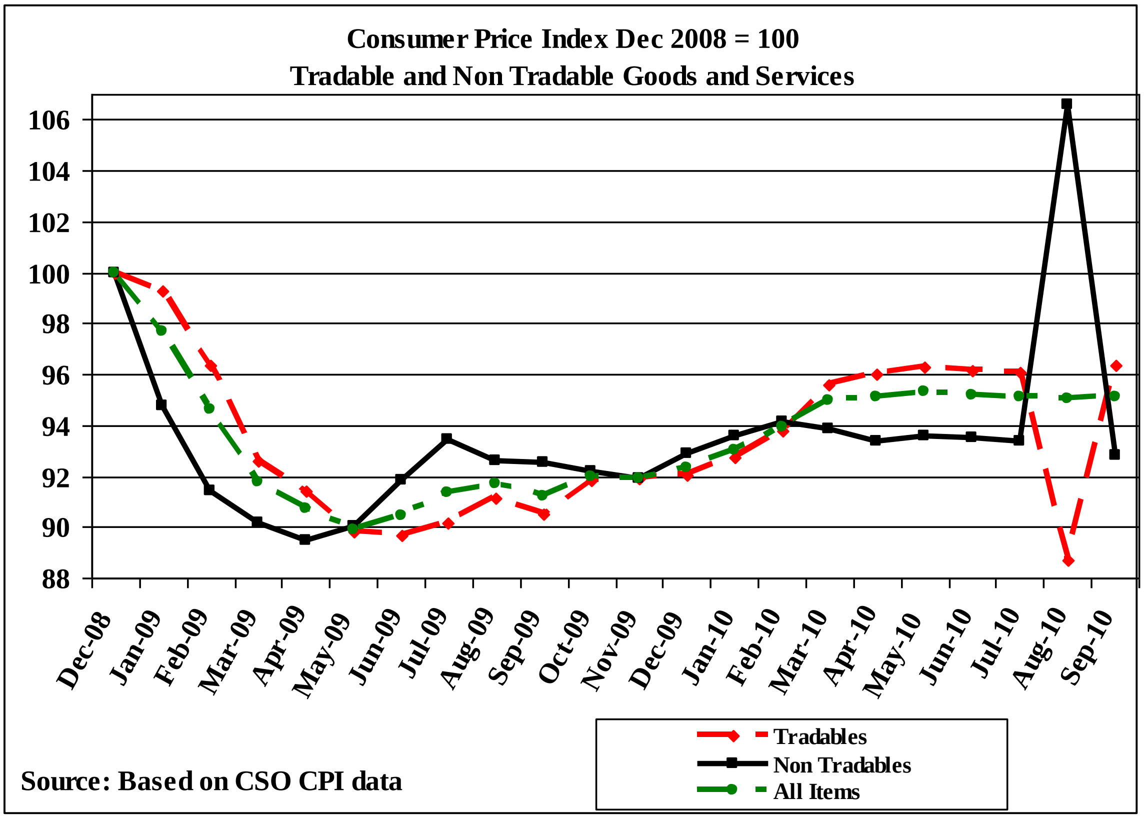


**CHART 3: AVERAGE EXCHANGE RATE USD/ZAR**

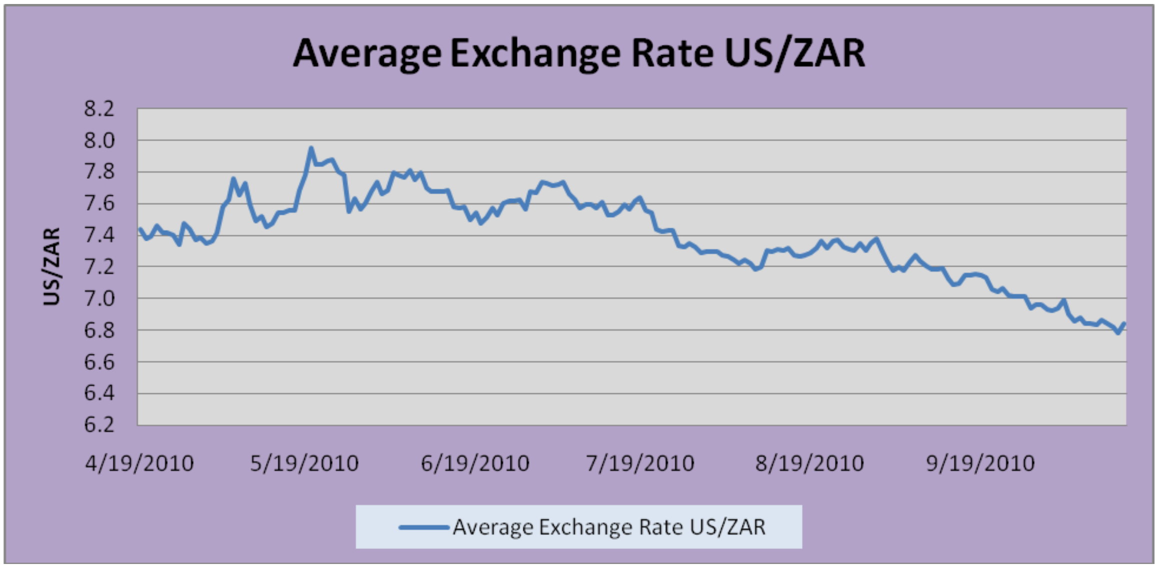
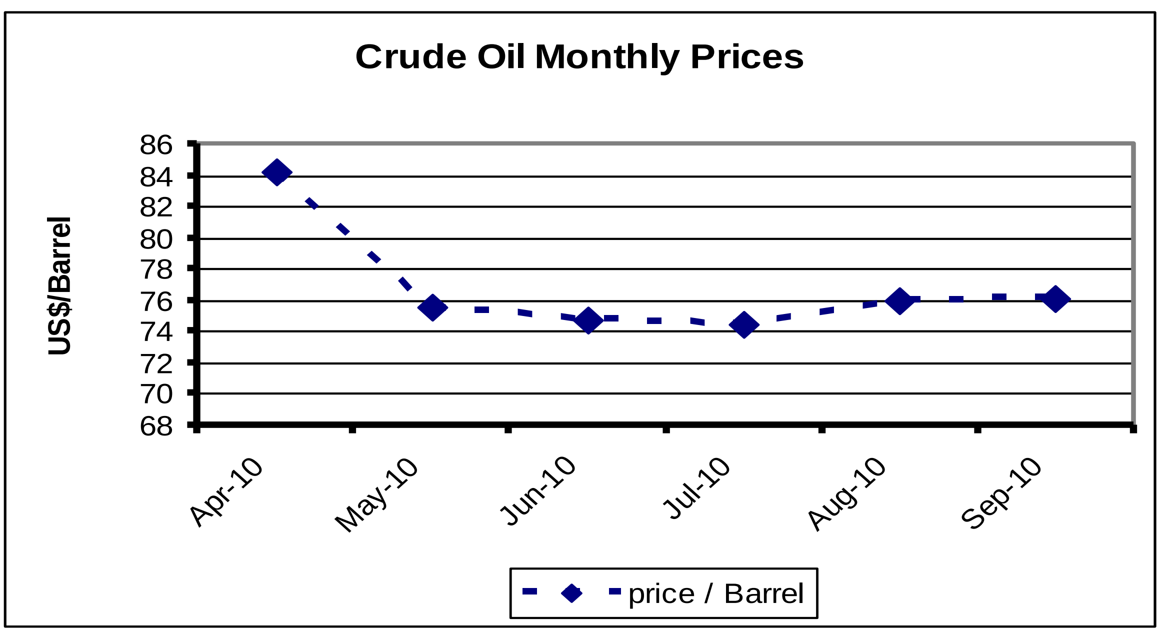



**CHART 4: MONTHLY OIL PRICE 2010**



## II.2. ECONOMIC ACTIVITY

*Agriculture*

15. The 2010 agriculture growth has been revised to 33.9% following the Government Second Round Crop and Livestock Assessment of April 2010 and tobacco deliveries to the auction floors up to the end of September 2010.

16. Tobacco output, initially projected at 77 million kgs, has been revised to 122.8 million kgs in line with deliveries to the auction floors during the 2010 marketing season. These developments among other, has necessitated the growth of the agricultural activities from 18% in the Mid Term Fiscal Policy Review to 33.9%.

17. Growth in 2010 is still presumed to be mainly driven by tobacco (110%), sugar (35%) and cotton (23.2%).

**TABLE 1: AGRICULTURAL OUTPUT MAIN PRODUCTS ANNUAL 2009-2010**

| Revised Agriculture Output (000s tons) | | | |
|---|---|---|---|
| | **2009** | **2010 Original Proj.** | **2010 Revised Est.** |
| **Tobacco** | 58.6 | 93 | 122.8 |
| **Maize** | 1240 | 1300 | 1300 |
| **Beef** | 93 | 95 | 95 |
| **Cotton** | 211 | 172 | 260 |
| **Sugar** | 259 | 250 | 350 |

| | | | |
|---|---|---|---|
| **Horticulture** | 35 | 43 | 43 |
| **Overall Growth Rate** | **14.9%** | **18.8%** | **33.9%** |

*Mining*

18. The mining sector is estimated to grow by 47% in 2010, a revision from the initial estimate of 31%. This is on the background of increased diamond weight in the mining basket and increased diamond output.

19. Mining activities' growth is also benefiting from increased capacity utilisation in most mining houses since their re-opening, improved confidence by investors in the sector, and positive external shocks on mineral prices. Re-investments from generated revenue by most mining houses have also boosted mining output.

**TABLE 2: MINING OUTPUT MAIN PRODUCTS ANNUAL 2009**

| | **2009** | **2010 Original Proj.** | **2010 Revised Est.** |
|---|---|---|---|
| Gold/kg | 4,966 | 7,000 | 8,000 |
| Nickel/t | 4,858 | 6,000 | 6,120 |
| Coal/t | 1,606,315 | 1,700,000 | 2,000,000 |
| Asbestos/t | 7,807 | 7,900 | 2,020 |
| Chrome/t | 201,000 | 450,000 | 500,000 |
| Platinum/kg | 6,848 | 7,800 | 8,500 |
| Palladium/kg | 5,355 | 6,200 | 6,800 |
| Diamonds | 1,305,693 | | 3,000,000 |
| **Overall Growth Rate** | **8.5%** | **31%** | **47%** |

*Manufacturing*

20. Manufacturing is now estimated to record a modest grow of 2.7% by the end of 2010. The revision from the initial Mid Term projection of 4.5% has been necessitated by the stagnant capacity utilisation in most sub sectors of manufacturing, absence of liquidity and working capital in the economy. This is also coupled with the closure of most clothing industries in Bulawayo and Gweru.

21. However, there have been notable investments in the drinks, tobacco and beverages sub-sector. The sub-sector also benefited immensely from higher than anticipated tobacco production.

**TABLE 3: MANUFACTURING INDICES ANNUAL 2009**

| **Sub-sector** | **2009** | **2010 Revised Est.** |
|---|---|---|
| Food stuffs | 39 | 40.5 |
| Drinks, Tobacco & Beverages | 50 | 58.6 |
| Chemicals and petroleum Products | 30.5 | 31.2 |
| Clothing and footwear | 58 | 58 |
| Textile & Ginning | 20 | 20.8 |
| Non Metallic Mineral Products | 21 | 21.2 |
| Wood and Furniture | 82 | 83 |
| Metals and Metal Products | 10.7 | 10.7 |
| Transport Equipment | 16 | 17 |
| Other manufactured Goods | 13 | 14.2 |

| | | |
|---|---|---|
| **Overall Growth Rate** | **10.2%** | **2.7%** |

*Tourism*

22. Tourist arrivals increased by 11% in the first half of 2010 at 568 706 when compared to 514 607 who visited the country in first half of 2009. Africa continues to dominate in terms of tourist arrivals at 90% of the total tourists while the remainder, 10% is contributed by overseas market. In Africa, South Africa is the major contributor to tourist arrivals into the country.

23. Hotel bed occupancy rates also increased from 24% in the first half of 2009 to 31% in 2010 during the same period. Of these occupancy rates, the local clientele continues to dominate, contributing 91% to total number of people who uses hotel facilities and the remainder 9% is foreign clientele.

24. The effects of the 2010 World Cup in June 2010 contributed to the increase in tourist arrivals and accommodation utilisation benefited from the stabilisation of the economy.

**TABLE 4: TOURISM INDICATORS ANNUAL 2009**

| | **2009** | **2010** |
|---|---|---|
| **Arrivals** | 2,017,262 | 2,230,000 |
| **Receipts(US$ million)** | 523000 | 770000 |

| | | |
|---|---|---|
| **Average Bed Occupancy rate** | 33% | 35% |
| **Average Occupancy rate** | 46% | 50% |

## III.3. EXTERNAL SECTOR

25. Total exports amounted to US$1.034 billion while imports were at US$1.480 billion during the period under review resulting in a trade deficit of US$446.1 million.

26. Good performance of exports is largely attributed to firming international prices of minerals and improved availability of foreign exchange on the market, for the importation of inputs, raw materials and machinery.

27. Imports continued to increase as the country continue to depend on imports as local production still falls short of meeting local demand for goods and services as well as fuel and capital goods.

**CHART 4: MONTHLY EXPORTS AND IMPORTS 2010**

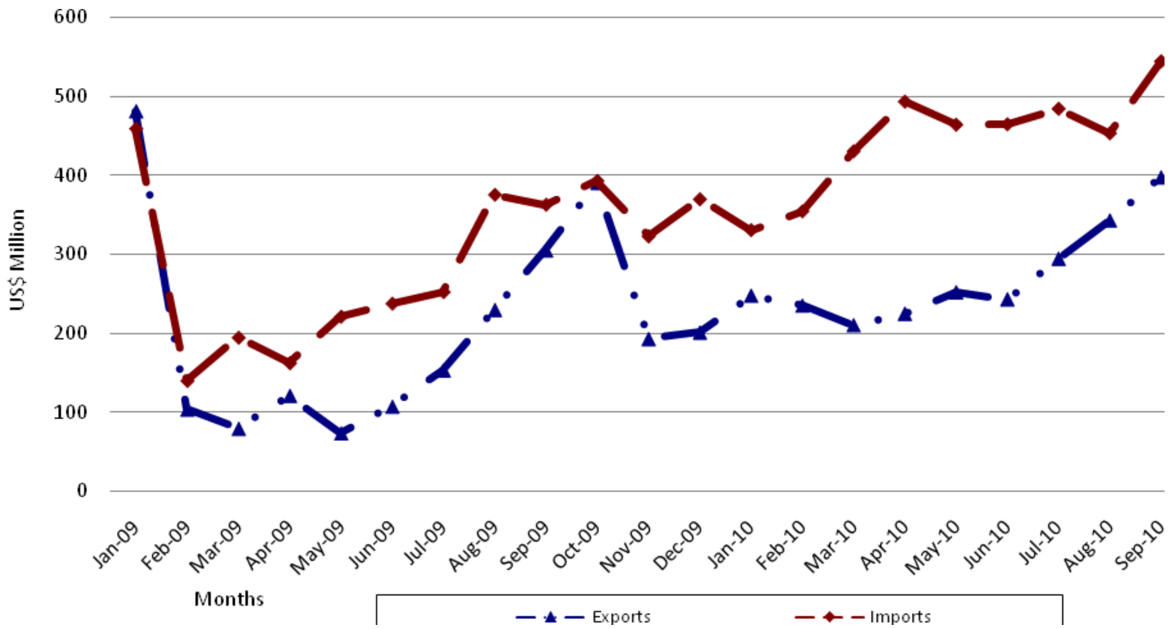


**TABLE 5: MAIN COMMODITY PRICES MONTHLY 2010**

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept |
|---|---|---|---|---|---|---|---|---|---|
| **Gold (US$/Oz)** | 1118.0 | 1095.4 | 1113.3 | 1148.7 | 1202.0 | 1232.0 | 1194.9 | 1216.5 | 1271.2 |
| **Nickel (US$/metric ton)** | 18470.1 | 18986.9 | 22524.3 | 25345.98 | 21193.5 | 19585.98 | 19484.0 | 21435.9 | 22681.1 |
| **Tobacco (US$/metric ton)** | 2750.0 | 2759.9 | 4390.4 | 4390.4 | 4400.0 | 4403.0 | 4405.0 | 4410.0 | 4415.0 |
| **Platinum (US$/Oz)** | 1564.0 | 1522.5 | 1602.9 | 1698.3 | 1625.6 | 1557.3 | 1525.98 | 1537.99 | 1590.3 |
| **Sugar (cents/pound)** | 28.38 | 25.96 | 19.26 | 16.32 | 14.60 | 15.44 | 19.70 | 18.60 | 22.70 |
| **Cotton (cents/pound)** | 77.4 | 80.1 | 85.8 | 88.1 | 90.1 | 91.68 | 84.14 | 90.35 | 104.73 |
| **Wheat (US$/metric ton)** | 2011.2 | 194.4 | 191.1 | 192.87 | 181.6 | 157.7 | 195.82 | 246.3 | 271.9 |
| **Maize (US$/metric ton)** | 167.3 | 161.53 | 158.86 | 157.23 | 163.16 | 152.81 | 163.9 | 175.4 | 206.2 |
| **Petroleum (US$/barrel)** | 76.4 | 74.3 | 79.3 | 84.19 | 75.56 | 74.72 | 74.49 | 75.93 | 76.15 |

## III.4. FINANCIAL SECTOR

28. With the consistent use of multiple currencies in 2010, considerable improvements are being witnessed in the financial sector. Bank deposits resumed to grow by a monthly average of US$82 million from US$1.3 billion recorded in January 2010 to reach US$2.29 billion in September 2010. However, it remains a challenge, that 90% of the deposits are short term thereby restricting lending.

29. The general increase in bank deposits coupled with short-term capital inflows in foreign credit lines, gradually improved the capacity of banks to provide credit to the private sector. Bank lending to both government and private sector increased from US$0.76 billion in January to US$1.4 billion in September 2010.

**30.** The loan-deposit ratio growth from 53.9% in January 2010, to 64% in September 2010. This is an indication of the financial sector's high credit risk profile and high concentration of short term deposits.

**Zimbabwe Stock Exchange**

31. Trading at Zimbabwe Stock Exchange remains subdued for the rest of the three quarters of the year due to low liquidity and low foreign investor participation.

32. The end of year financial statements for Companies made little impact to improve the situation as the mining index fall from 209.8 in January to 145.6 in September. The industrial index also declined from 156.5 to 145.6 over the same period.

33. Market capitalization has resembled little signs of recovery in the third quarter, slightly recovering to US$3.4 billion in September 2010 from US$3.1 billion in June. This is against the US$3.9 billion achieved in January.

**CHART 7: ZIMBABWE STOCK EXCHANGE PERFORMANCE**

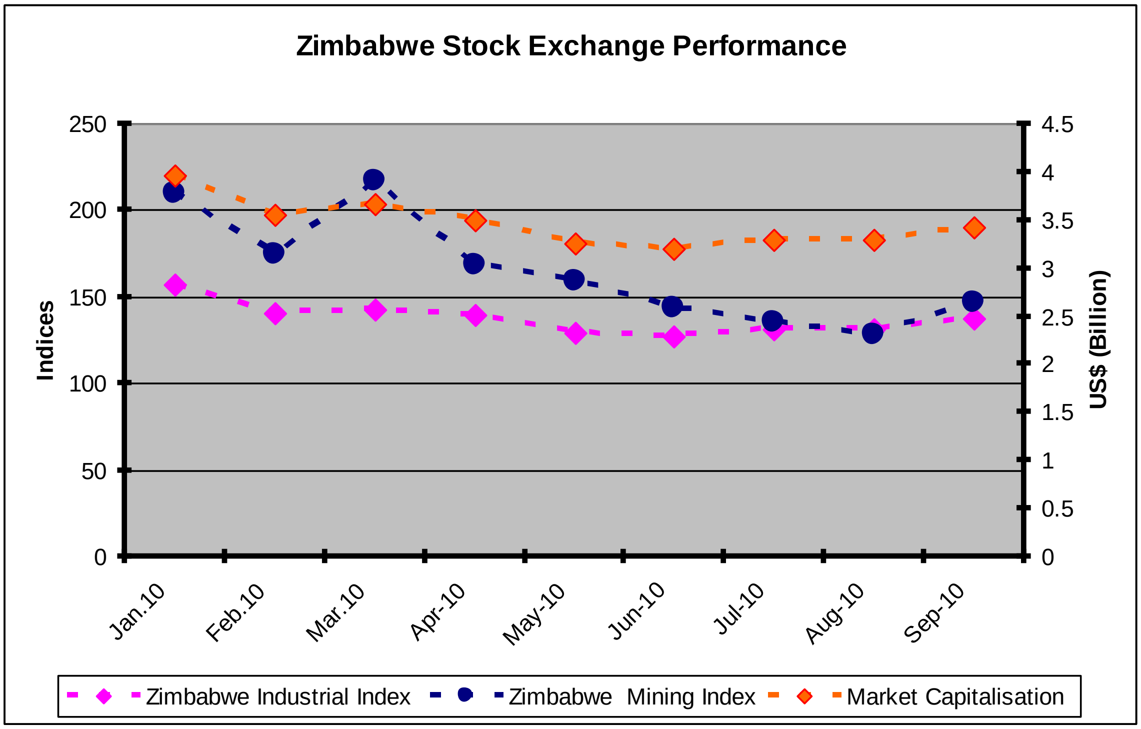
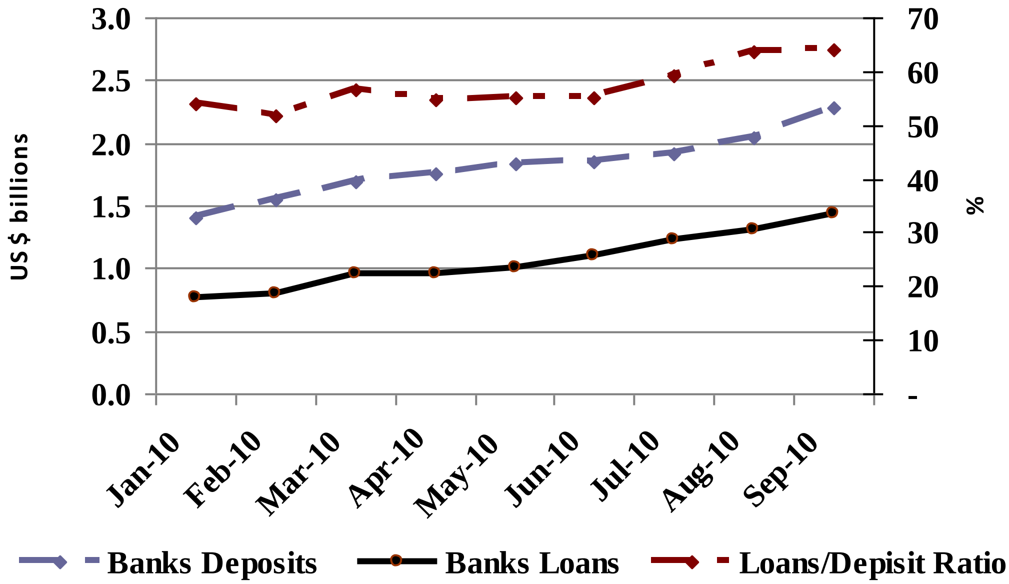
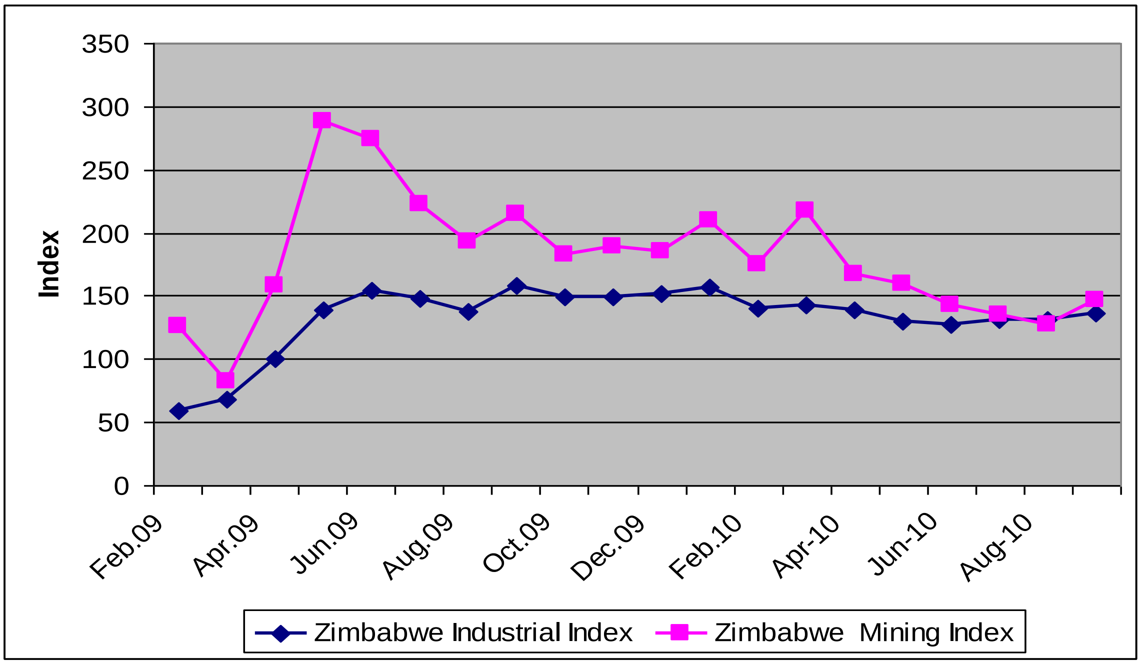


**CHART 8: BANKING SECTOR DEPOSITS, LOANS AND DEPOSITS/LOANS RATIO**




Source: RBZ

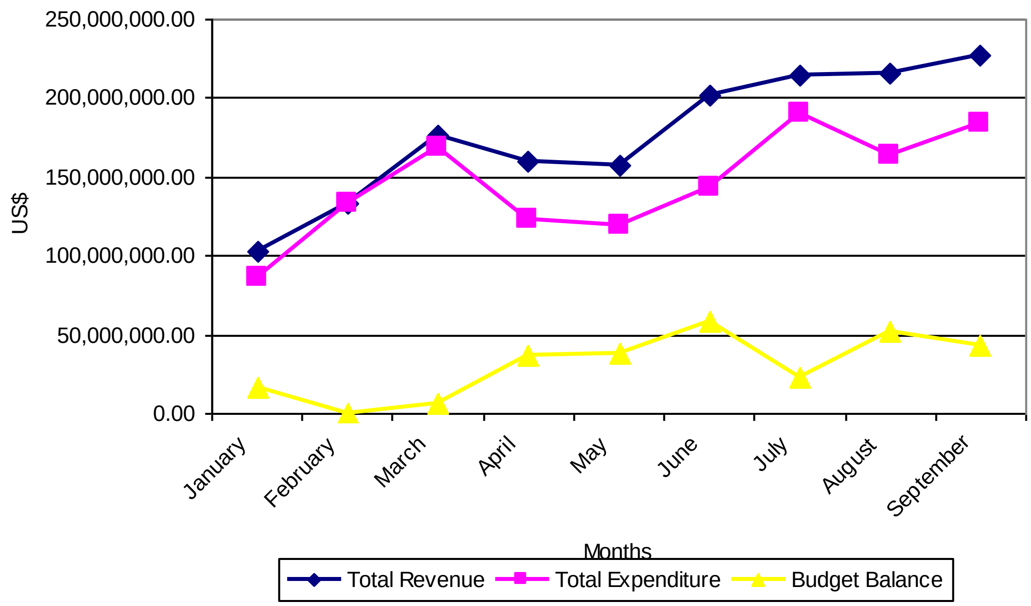
**CHART 9: ZIMBABWE STOCK EXCHANGE MONTHLY INDUSTRIAL AND MINING INDICES 2009-2010**




Source ZSE

## III.5. GOVERNMENT FINANCES

**CHART 10: TOTAL REVENUE, EXPENDITURE, AND CENTRAL GOVERNMENT BALANCE MONTHLY 2010**




### A. GOVERNMENT REVENUES

### Revenue measures

34. The Mid-Term Fiscal Review instituted a number of revenue measures aimed at supporting the improvement in the capacity utilisation by industries as well as enhancing revenue collection.

35. Registered tax payers are required to implement a VAT Fiscalised recording of taxable transactions starting from 1 October 2010 to reduce revenue leakages through fraud. The Mid Year Fiscal Policy Review repeal tax exemptions and deductions on interest earned on Foreign Currency Accounts which is no longer necessary because all accounts are now foreign currency denominated and repeal the rebates of duty on imports covered by a duty free certificate issued under the export incentive scheme, newspapers, magazines, periodicals, pamphlets, brochures and similar publications and bicycle assembly rebate beginning on 1 August 2010.

36. Suspension of duty on motor vehicles imported by Tourist Operators which was effected in 2009 to promote the tourism sector was withdrawn with effect from 1 September 2010 as it was discovered that it was being abused.

37. In order to enhance revenue from mining activities, royalty rate on precious metals was reviewed upwards from 3.5% to 4% of the gross market value with effect from 1 October 2010. To discourage exportation of raw chrome, the Mid Term Review Statement redefined unbeneficiated chrome ore and fines to include semi-processed chrome concentrates and raise the tax from 15% to 20% with effect from 1 August 2010.

38. SADC and COMESA successfully implemented Free Trade Area which means all goods originating within the regions are to be charged 0% duty, however, to try and protect troubled companies in Zimbabwe and avoid dumping of sub-standard goods, the Review Statement proposed the following rates for the imports.

| **Description** | **MFN rates of duty** | **SADC rates of duty** | **Proposed rates of duty under SADC** |
|---|---|---|---|
| **Other food preparations** | 5 | 0 | 10 |
| **Piping** | 15 | 0 | 15 |
| **Plastic packaging** | 15 | 0 | 15 |
| **Solid and woven** | 15 | 0 | 15 |
| **Galvanized Steel Sheets-corrugated** | 20 | 0 | 20 |
| **Galvanized Steel Sheets-fluted profile** | 20 | 0 | 20 |

39. Duty on raw materials, intermediate and capital goods were reduced from 10% to 20% range to 0% to 10% range with effect from 1 August 2010. On the other hand, duty on margarine, washing powder, petroleum jelly, bath soap and beauty or make-up preparations for the care of the skin was re-introduced after realising that local companies producing these commodities had increased their capacity utilisation significantly while at the same time extend suspension of duty on the remaining basic commodities to 31 December 2010.

40. Textiles, clothing and footwear were charged high duty of 40%+US$10/kg and 40%+US$5/kg per pair respectively. However, the quantities of these commodities on the local markets and duty collected from the importation of these commodities was seen to be not tallying thus the review statement reduced duty on these commodities to 40%+US$2.50/kg for blankets and clothing and to 40%+US$2.50 per pair for footwear in order to discourage rent seeking activities and abuse of travellers' rebate.

41. Export of scrap metal which was banned in 2004 was reintroduced with effect from 1 August 2010 on a case by case basis as it was discovered that the local market is failing to absorb the accumulated scrap metals over the past years due to liquidity constraints and closure of big companies during the economic meltdown era.

42. The tax free threshold was reviewed from US$160 to US$175 with effect from 1 September 2010 and the remitting day of PAYE and VAT by companies was shifted from the 3rd to the 10$^{th}$ of the following month and from the 10$^{th}$ to the 15$^{th}$ of the following month respectively in order to facilitate credit creation in the economy.

43. Non-resident withholding tax and capital gains tax were reviewed downwards to encourage investment in the economy by reducing transaction costs of the Zimbabwe Stock Exchange.

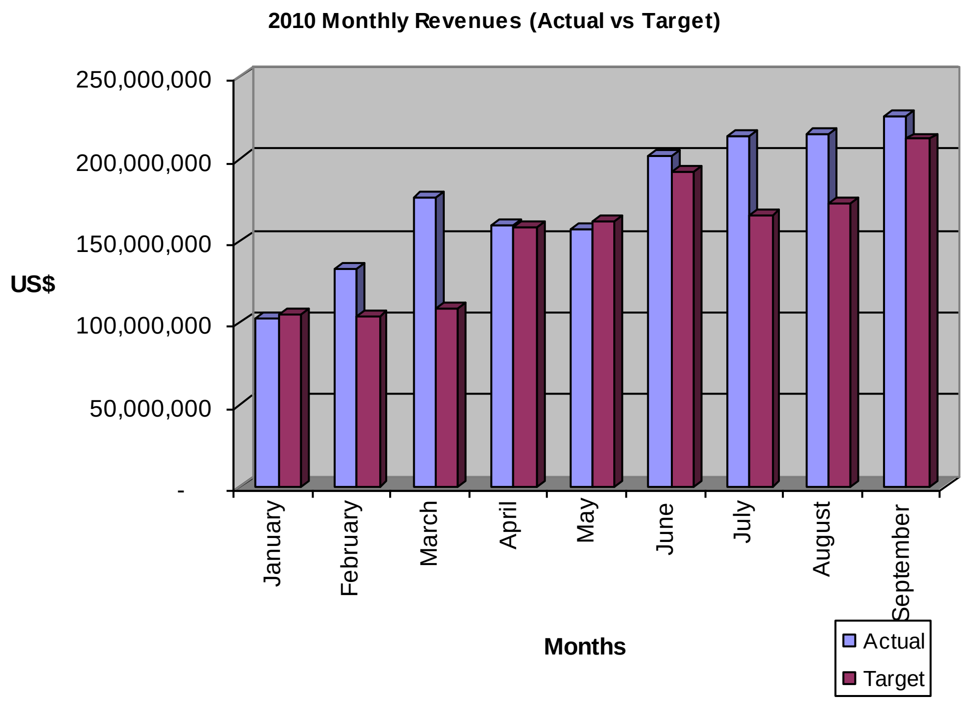
44. Companies which had become informal but, wish to normalize their tax obligations for the period prior to 31 December 2008 were granted a tax amnesty.

## Revenue Performance

45. Total revenues for the period under review amounted to US$655.7 million against a target of US$549.8 million resulting in a positive variance of 19.3%. This positive variance was largely as a result of out performance of VAT, PAYE and Customs duty.

*Quarterly Revenue Performance*

| | 2010 1st Quarter | 2010 2nd Quarter | 2010 3rd Quarter | 2010 3rd Quarter Target |
|---|---|---|---|---|
| Individuals | 68,951,606.70 | 99,847,915.30 | 120,639,629.40 | 94,715,000.00 |
| Companies | 42,765,267.00 | 57,777,466.30 | 52,524,320.97 | 61,912,000.00 |
| Domestic dividend and interest | 3,415,102.20 | 12,723,268.20 | 17,201,043.94 | 1,520,228.00 |
| Vehicle Carbon Tax | 5,537,319.50 | 7,761,779.90 | 9,558,480.89 | 6,436,000.00 |
| Customs duties | 64,454,534.90 | 68,344,161.70 | 105,205,732.46 | 83,018,000.00 |
| Excise duties | 33,616,129.50 | 42,708,992.80 | 32,311,069.36 | 56,587,000.00 |
| Value Added Tax (VAT) | 165,302,629.00 | 184,428,102.40 | 235,046,343.26 | 195,826,000.00 |
| Non-tax Revenue | 11,742,888.80 | 20,544,857.20 | 52,827,198.01 | 27,140,304.40 |
| Other taxes (indirect taxes, other income taxes, royalties & tobacco levy) | 15,725,131.57 | 25,008,406.71 | 30,383,179.70 | 22,622,000.00 |
| **Total** | **411,510,609.17** | **519,144,950.51** | **655,696,997.99** | **549,776,532.40** |




46. Below is a summary of individual tax head revenue performance:-

*Value Added Tax (VAT)*

47. This revenue head continues to be the best contributor to total revenues. During the period under review, VAT amounted to US$235 million which is 35.8% of the total revenue. The collections were above the target by US$39.2 million or 20% positive variance.

48. VAT on local sales contributed 54.8% of total VAT revenues, a 0.5% increase from its contribution in the second quarter. VAT on local sales was largely influenced by the improvement in capacity utilisation by local firms especially in the drinks, beverages and

tobacco sub-category resulting in the substitution of some imports by local products.

49. The re-introduction of duty on some selected basic commodities in August 2010 resulted in more vatable commodities hence the increase in VAT collections in August.

*Pay As You Earn (PAYE)*

50. This continues to be the second best performer after VAT with total collections at US$120.6 million which is 18.4% of total revenues. Just like most revenue heads, PAYE performed above the target of US$94.7 million benefiting from the salary increments that were offered by some employers to their employees for the second half of the year and improved compliance as a result of audits carried out by the Authority.

51. In July collections were at US$44.4 million against a target of US$28.6 million while in August and September collections were at US$32.8 million and US$43.3 million respectively.

*Customs duty*

52. Customs duty continues to perform well contributing 16% to total revenues and continues to assume the third rank in contribution to total revenues at US$105.2 million against a target of US$83 million. The contribution of 16% to total revenues is an improvement from 13.2% contribution in the second quarter.

53. Customs duty performance is largely driven by large volumes of customs duty paying imports into the country despite the liquidity challenges in the economy. This is because most of the local industries are still not operating at full capacity and the country depends mostly on imported capital and intermediate goods.

*Corporate tax*

54. This is one of the two revenue heads which performed below the target with collections at US$52.5 million against a target of US$61.9 million resulting in a negative variance of 15.2%. The under performance of corporate tax can be attributed to lower than expected collections on the third Quarterly Payment Date (QPD) which was on the 25th of September 2010 and the low capacity

utilisation of less than 50% as a result of lack of working capital and use of antiquated machinery.

55. Despite the performance of this revenue head in the third quarter, it is of interest to note that in August, collections at US$15.9 million were above the target of US$10 million.

*Non Tax Revenue*

56. This include revenue from investments and property, fees charged for Government services, licences, judicial fines, refunds from miscellaneous payments from votes among others.

57. This revenue head performed well above expectations with collections for the period under review contributing 8.1% to total revenue from 4% contribution in the second quarter.

58. The contribution pattern of the revenue items under this revenues head was changing each month with Government sales, licences, fines etc contributing most in July, investments and property revenue was the best performer in August while retained and prepaid revenues account ranked in most revenues under this revenue head in September.

*Excise duty*

59. Collections in the third quarter at US$32.3 million was below the target of US$56.6 million by 24.3% as well as below the second quarter collections of US$42.7 million. This also consequently affected its contribution to total revenue from 8.2% in the second quarter to 4.9% in the third quarter.

60. Even though some companies awarded their employees salary increments for the second half of the year, the disposable incomes remained low thus forced households to consume less of excisable goods which are luxury in nature hence suppressed inflows to this revenue head.

61. Excise on fuel was the best contributor, contributing almost half of the revenue under this revenue head at 49.1%. This has to do with its nature which is different from all other items under this revenue head which are luxurious but fuel is a very important input in the running of businesses, hence it is unavoidable.

*Domestic dividends and interests*

62. Collections under this revenue head amounted to US$17.2 million against a target of US$1.5 million leading to a 1031.5% positive variance.

63. Performance of this revenue head can be attributed to an above average number of companies which declared cash dividends as well as more withholding tax resulting in more than anticipated collections.

*Vehicle Carbon tax*

64. This revenue head's contribution remained at 1.5% this quarter as in the second quarter. Total collections improved from US$7.8 million in the second quarter to US$9.6 million against a target of US$6.4 million resulting in a positive variance of 48.5%.

65. Good performance of this revenue head can be attributed to increase in consumption of products attracting carbon tax as well as thorough audits carried out in the fuel industry which improved compliance.

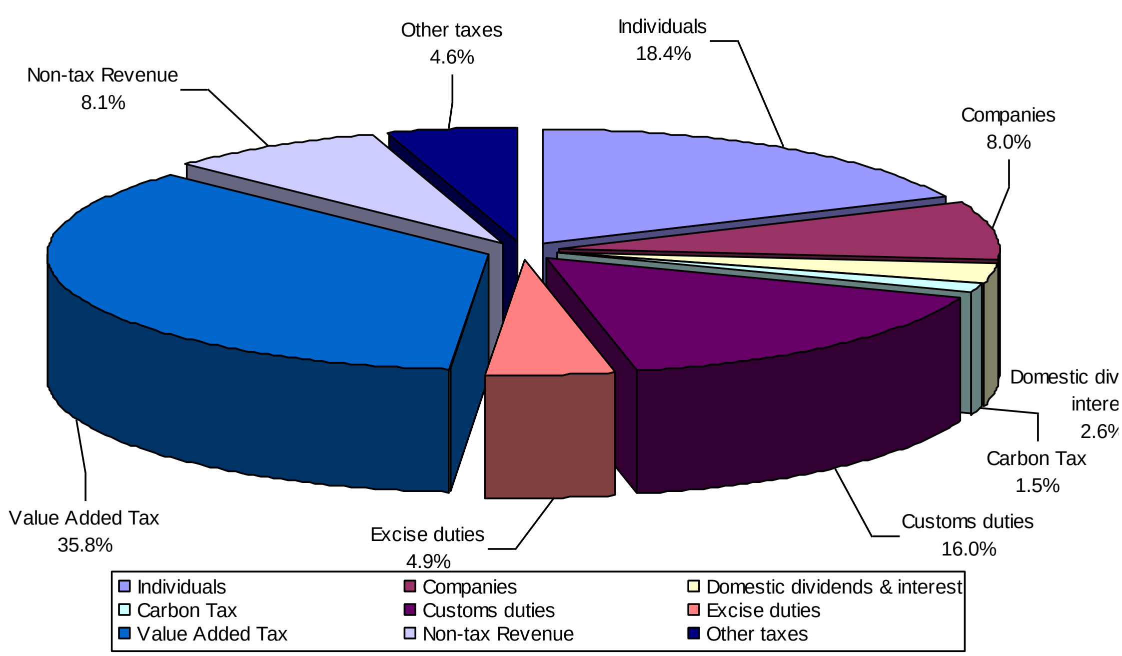
*Tobacco levy*

66. Revenues collected under this revenue head amounted to US$1.2 million against a target of US$0.8 million during the period under review.

67. In July and August, collections amounted to US$0.8 million against a target of US$0.4 million and US$0.3 million against a target of US$0.2 million respectively as a result of good tobacco deliveries in these months. However, August recorded lower revenues than July because tobacco deliveries were dwindling at the auction floors and the prices had been softening.

68. September collections of US$0.08 million were below the target of US$0.2 million as the marketing season had ended. Collections in September were coming from mop up sales only.

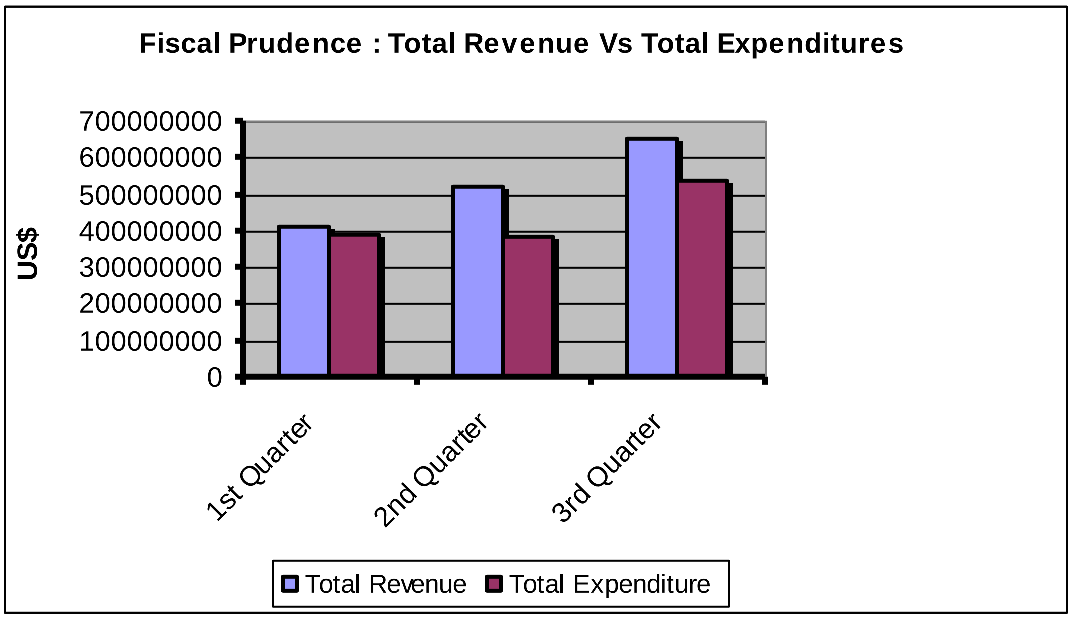
**CHART 11: TAX REVENUES: MAIN TAXES THIRD QUARTER 2010**




**Note**: Other taxes include tobacco levy, royalties, other income taxes and other indirect taxes

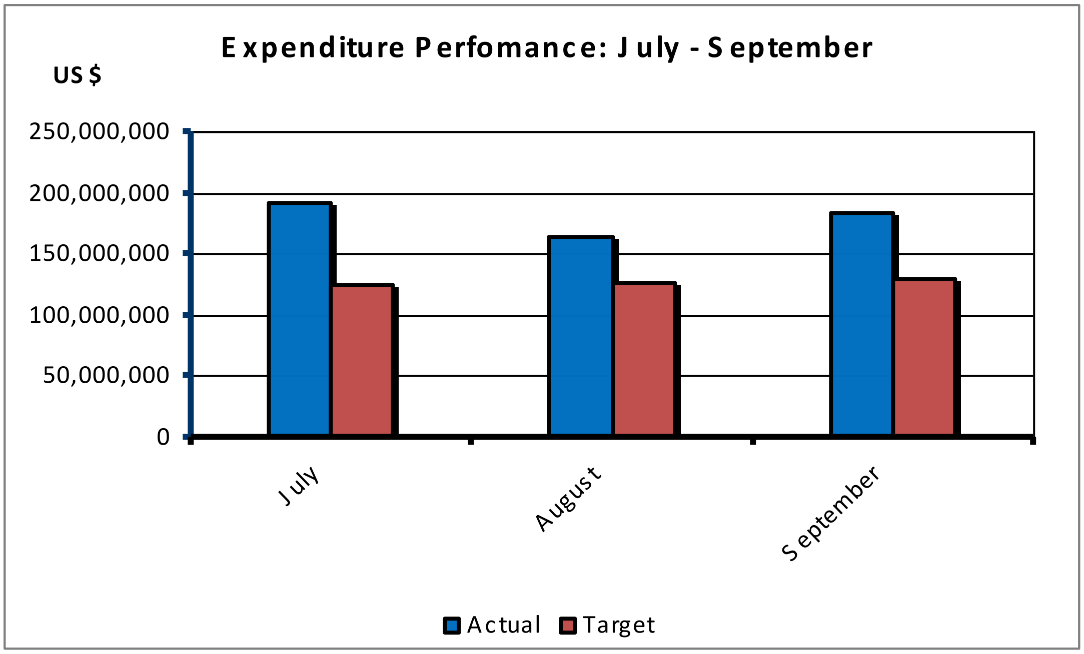
## B. GOVERNMENT EXPENDITURES

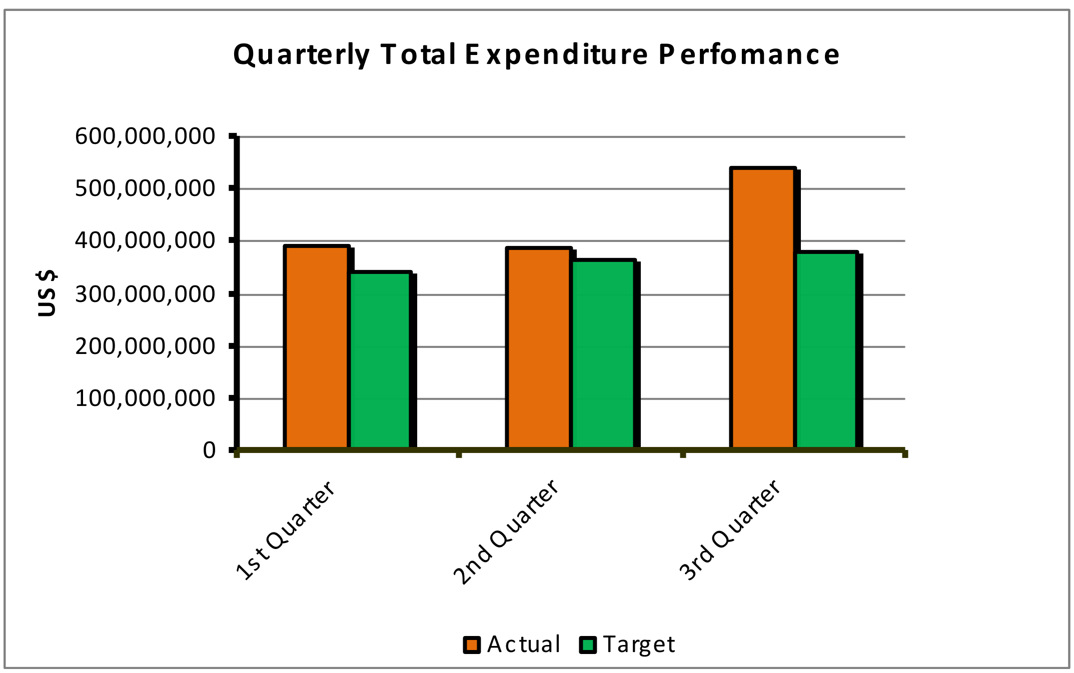
69. Expenditure developments for the third quarter continue to exhibit consistency in attainment of fiscal prudence in line with cash budgeting. This is indicated by the performance expenditures which have remained below revenues for the period under review.




70. Total expenditures for the three months ending September 2010 amounted to US$537.8 million, against revenue collections of US$655.7 million. Of the total expenditures during the period under review, US$362.5 million went towards current expenditures, whilst US$95.4 million was for capital development projects.

71. Monthly expenditure performance for the third quarter is shown in the graph below.


Expenditure Perfomance: July - September
US $
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
0
July
August
September
Actual
Target

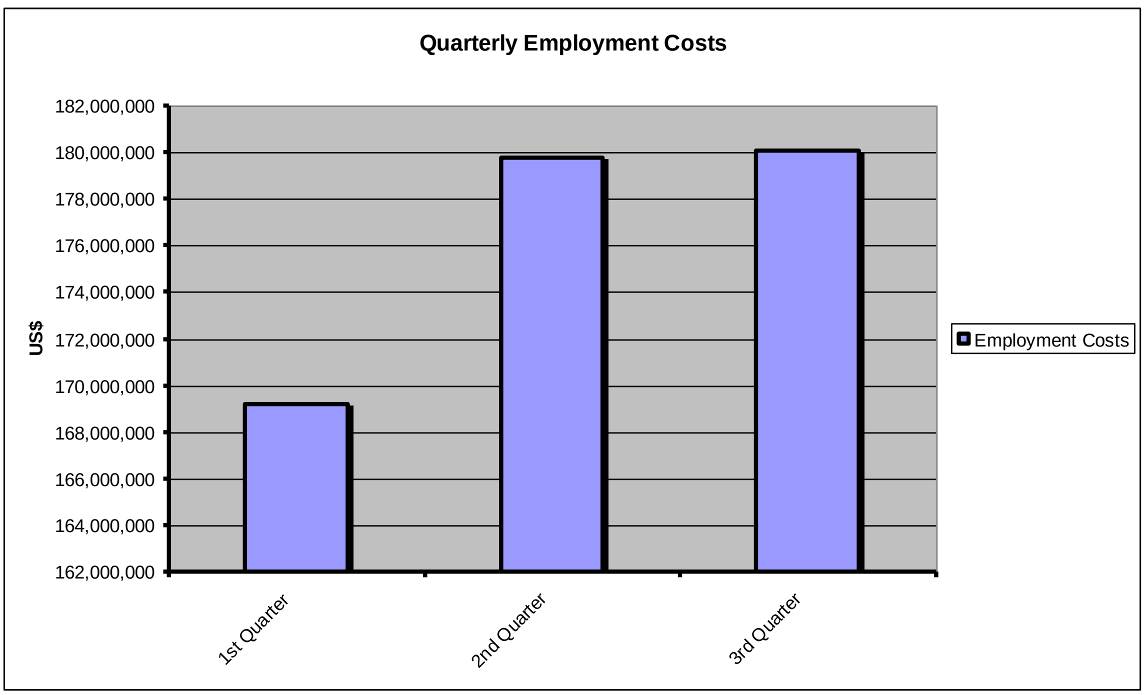

Quarterly Total Expenditure Perfomance
US $
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
0
1st Quarter
2nd Quarter
3rd Quarter
Actual
Target

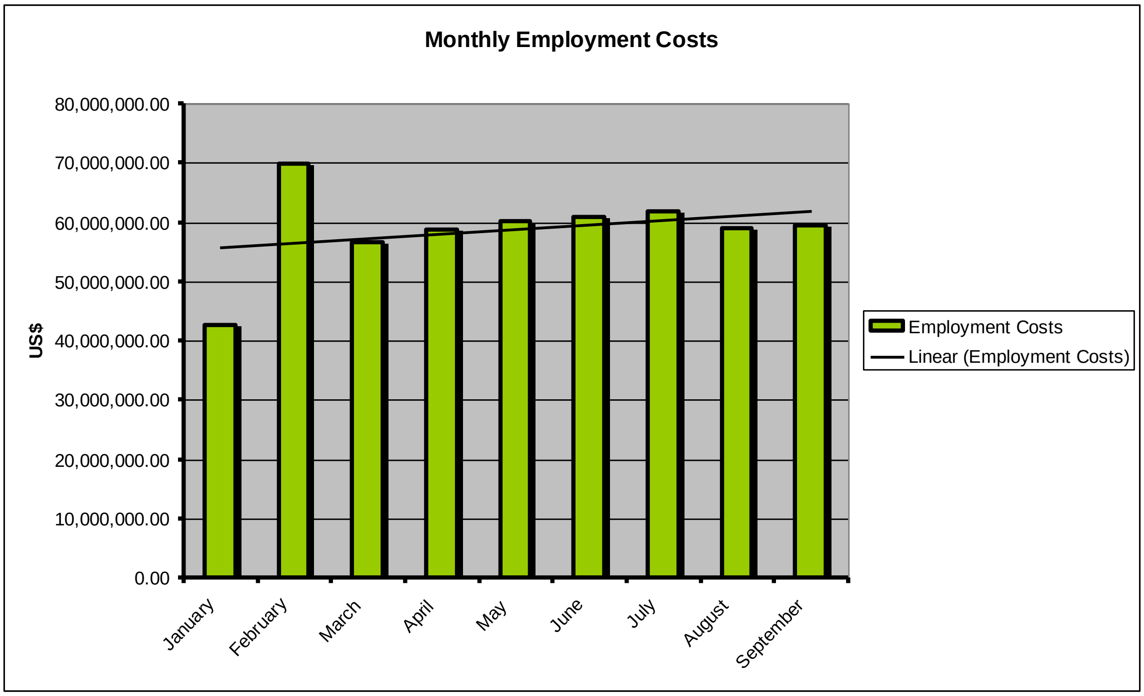
### *Recurrent Expenditure*

72. The bulky of the current expenditures were on employment costs, Goods and services and grants and transfers.

### *Employment Costs*

73. Total employment costs for the three months to September 2010 amounted to US$180 million representing 33.5% of total expenditure.






### *Goods and Services*

74. Total expenditure on goods and services for the three months ending September amounted to US$259.1 million indicating an increase in level of expenditure compared to US$225.0 million and US$253.6 million expended during the first and second quarter respectively. The developments are in line with improvements in revenue collections and the cash budgeting principle.

75. This amount comprised of rentals & other charges (US$14.1 million), maintenance (US$12.6 million), domestic travel expenses institutional provisions (US$6.6 million), (US$3.4 million), communication services (US$3.3 million) and medical supplies (US$1.0 million), among others.

76. Foreign travel for the three months to September amounted to US$13.1 million, accounting for 2.4 % of the total expenditure showing a growth compared to 1.5% for the second quarter.

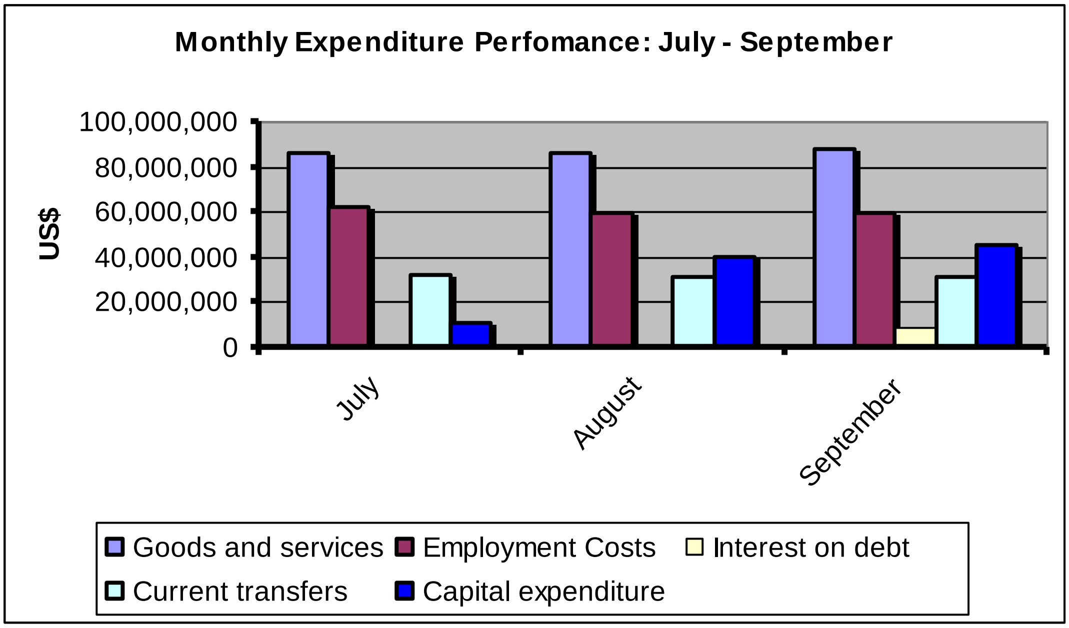
***Interest on Debt***

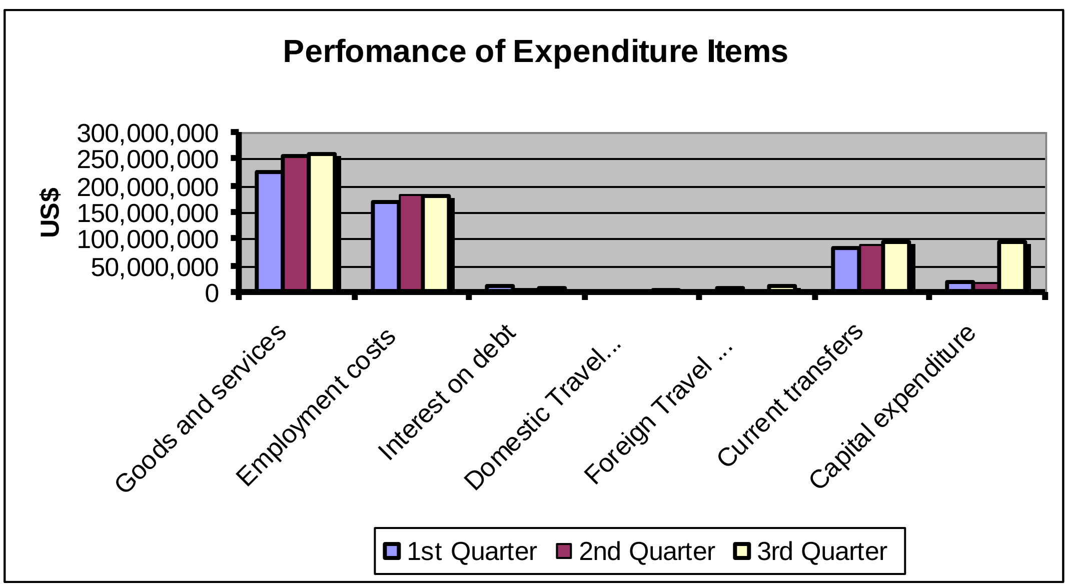
77. Interest payments for the three months ending September amounted to US$9.3 million representing 1.7% 0f total expenditure. The amount was in relation to the country's external debt obligation.

***Current Transfers***

78. Current transfers for the period under review amounted to US$94 million. Of this amount, US$48.2 million relates to Pensions and US$45.8 million for Grant Aided Institutions.

*Performance of Expenditure Items- July – September*



### *Capital Expenditure*

79. Capital expenditures for the three months to September amounted to US$95.4 million, representing 17.7% of total expenditures, which is a significant improvement compared to the 4.7% of the second quarter.

### *Vote of Credit*

**80.** Underperformances of the Vote of Credit have continued, with the three months ending September receiving US$ 57.7 million. This is against the revised 2010 budget targeted of US$500 million from the International Cooperating Partners under the vote of credit.

**CHART 12: CURRENT AND CAPITAL EXPENDITURE MONTHLY 2010**

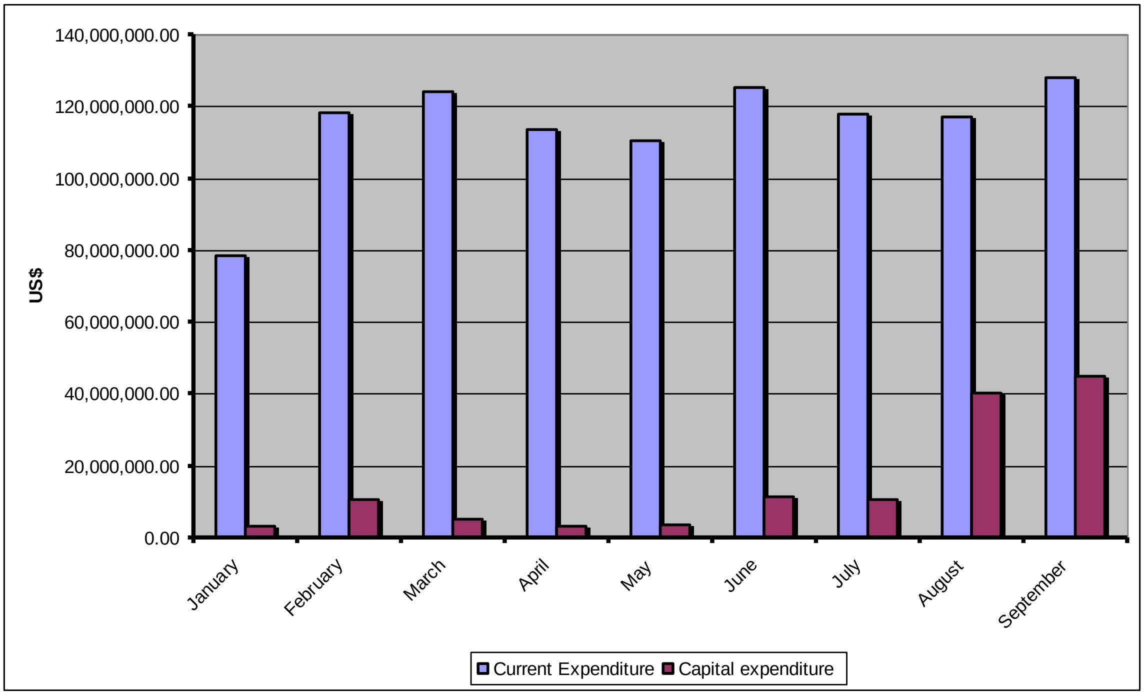
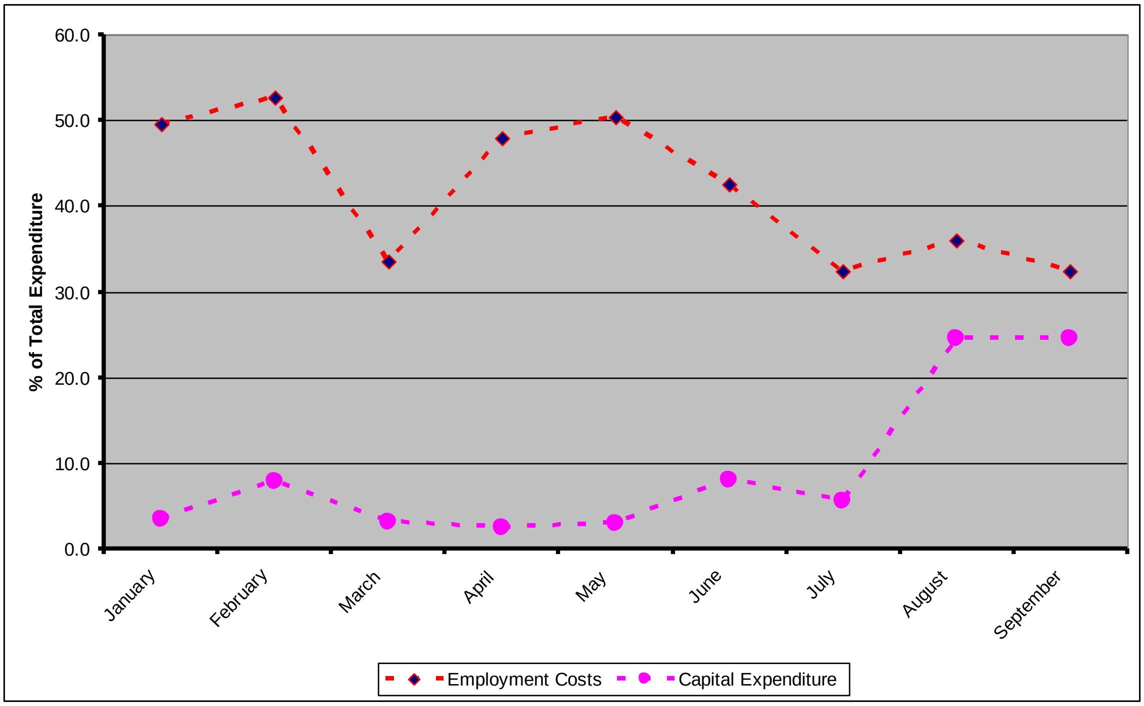


**CHART 13: EMPLOYMENT COSTS AND CAPITAL EXPENDITURE AS % OF TOTAL EXPENDITURE 2010**



# STATISTICAL APPENDIX

## TABLE A1: MACROECONOMIC FRAMEWORK SUMMARY TABLE 2009-2010

| | **2009** | **2010** |
|---|---|---|
| **Real Sector and Inflation** | | |
| Nominal GDP (US$ Million) | 5623 | 6716 |
| GDP growth (%) | | 8.1 |
| Average Inflation (%) | -7.7 | 4.0 |
| | | |
| **External Sector (US$ million)** | | |
| Exports of goods and services | 2006.4 | 2540.0 |
| % of GDP | 28.3 | 31.1 |
| Imports of goods and services | 3659.8 | 4043.6 |
| % of GDP | 57.1 | 52.9 |
| Current account balance | -927.8 | -1041.1 |
| % of GDP | -16.5 | -15.5 |
| Overall Balance of Payments | -1767 | -463 |
| | | |
| **Central Government (US$ million)** | | |
| Total Revenue Central Government (including grants) | 973 | 2015 |
| % of GDP | 17 | 30 |
| Total Expenditure Central Government | 850 | 2015 |
| % of GDP | 15 | 30 |
| | | |
| Overall Fiscal Balance (accrual basis; including Grants) | 30 | 0 |
| % of GDP | 2 | 0 |

## TABLE A2: MONTHLY CPI INFLATION 2010

| 2010 | MOM (%) | YOY (%) | CPI |
|---|---|---|---|
| **January** | 0.7 | -4.8 | 93.0 |
| **February** | 1.0 | -0.7 | 93.9 |
| **March** | 1.1 | 3.5 | 95.0 |
| **April** | 0.1 | 4.8 | 95.1 |
| **May** | 0.3 | 6.1 | 95.3 |
| **June** | -0.1 | 5.3 | 95.2 |
| **July** | -0.1 | 4.1 | 95.1 |
| **August** | -0.1 | 3.6 | 95.0 |
| **September** | 0.1 | 4.2 | 95.1 |

**Source: CSO**

**TABLE A3: SUMMARY TABLE BALANCE OF PAYMENTS ANNUAL 2009-2010 (US$ Million)**

| | **2009 Actual** | **2010 Proj.** |
|---|---|---|
| **CURRENT ACCOUNT (excl. official transfers)** | **-927.8** | **-1041.1** |
| | | |
| **TRADE BAL f.o.b** | **-1621.8** | **-1462.2** |
| Exports f.o.b | 1591.3 | 2089.8 |
| Imports f.o.b | 3213.1 | 3552.0 |
| | | |
| **NON FACTOR SERVICE(Net)** | **-31.7** | **-41.4** |
| **INCOME(Net)** | **-200.4** | **-199.9** |
| **PRIVATE TRANSFERS(Net)** | **926.0** | **662.4** |
| | | |
| **CAPITAL ACCOUNT (Incl. Official Transfers)** | **-556.5** | **578.5** |
| Grants | 391.0 | 300.0 |
| Direct Investment (Net) | 105.0 | 85 |
| Portfolio Investment (Net) | 67.0 | 95.0 |
| **Long Term Capital (net)** | **-127.9** | **-102.6** |
| **Short term capital (net)** | **-991.6** | **200.9** |
| | | |
| **Errors and omissions** | **-282.7** | **0.0** |
| | | |
| **Overall Balance** | **-1767.0** | **-462.6** |
| | | |
| **Financing** | **1767.0** | **462.6** |
| Change in RBZ Usable Reserves | -270.1 | 91.8 |
| SDR Allocations | 420.0 | 0.0 |
| Change in Other Liabilities | 148.4 | -21.0 |
| | | |
| **EXCEPTIONAL FINANCING** | **1468.6** | **391.8** |
| Accumulation of External Payment Arrears | 1415.6 | 391.8 |

***Source:*** RBZ

**TABLE A4: EXPORTS MAIN CATEGORIES ANNUAL 2009-2010 (US$ Million)**

| | 2009 Est | 2010 Est |
|---|---|---|
| Tobacco | 300.8 | 333.9 |
| Sugar | 48.3 | 52.4 |
| Horticulture | 23.7 | 23.8 |
| Gold | 155.2 | 304.8 |
| Nickel | 31.1 | 52.2 |
| PGMs | 354.9 | 596.2 |
| Diamonds | 31.3 | 126.0 |
| High Carbon Ferrochrome | 68.2 | 12.2 |
| Cotton Lint | 65.3 | 79.5 |
| Pure Manufactures | 252.7 | 264.1 |

**TABLE A5: IMPORTS MAIN CATEGORIES ANNUAL 2009-2010 (US$ Million)**

| | 2009 Est | 2010 Est |
|---|---|---|
| Maize | 165.7 | 99.0 |
| Wheat | 154.7 | 105.0 |
| Electricity | 72.1 | 73.9 |
| Fuels | 568.2 | 623.9 |
| Chemicals | 511.3 | 559.0 |
| Manufactured Goods | 332.9 | 370.9 |
| Machinery | 400.7 | 491.0 |
| Motor Vehicles | 256.1 | 324.0 |

**TABLE A6: BANKING SECTOR TOTAL DEPOSITS AND LOANS MONTHLY 2009-2010**

| | Deposits (US$ billion) | Lending (US$ billion) |
|---|---|---|
| **January** | 1.4 | 0.743 |
| **February** | 1.57 | 0.824 |
| **March** | 1.68 | 0.899 |
| **April** | 1.72 | 0.934 |
| **May** | 1.81 | 1.09 |
| **June** | 1.86 | 1.08 |
| **July** | 1.22 | 1.92 |
| **August** | 1.31 | 2.04 |
| **September** | 1.4 | 2.29 |

## TABLE A7: CENTRAL GOVERNMENT FINANCES ANNUAL 2009-2010

| | 2009 | 2010 Jan-Sept |
|---|---|---|
| **Total revenue**[1] | **933,647,862.3** | **1,586,352,557.7** |
| Tax revenue | 882,562,451.2 | 1,501,237,613.7 |
| Income and profits | 221,406,412.3 | 550,786,248.8 |
| Customs duty | 212,219,336.3 | 238,004,429.1 |
| Excise duty | 67,899,027.1 | 108,636,191.6 |
| S ales tax / VAT | 367,235,143.5 | 584,777,074.7 |
| Other taxes | 13,802,532.0 | 19,033,669.5 |
| Non tax revenue | 51,085,411.1 | 85,114,944.0 |
| | | |
| **Total expenditure and net lending** | **920,900,134.2** | **1,311,400,027.8** |
| Current expenditure | 803,977,378.8 | 1,032,196,071.0 |
| Goods and services | 603,911,320.0 | 734,246,396.0 |
| Employment costs | 409,261,162.0 | 529,034,486.0 |
| Other | 10,815,562.0 | 7,772,705.0 |
| Interest on debt | 19,792,693.8 | 30,121,448.0 |
| Foreign | 16,427,445.8 | 30,121,448.0 |
| Domestic | 3,365,248.0 | |
| Transfers | 180,273,365.0 | 267,828,227.0 |
| Capital expenditure | 45,203,723.0 | 132,081,889.0 |
| Net lending & SDRs | 1,098,208.0 | 7,943,830.0 |
| | | |
| **Balance, excluding grants and foreign interest arrears** | **12,747,728.2** | **257,425,147.9** |
| | | |
| Grants | 41,287,696.8 | 0 |
| | | |
| **Balance, including grants and foreign interest arrears** | **54,035,423.9** | **257,425,147.9** |
| **Financing** | **(42,472,506.9)** | **(257,425,147.9)** |
| Foreign financing | (99,230.2) | 0 |
| Borrowing-SDR | | |
| International Aid Grant (VOC) | | |
| Repayments | (99,230.2) | |
| Domestic financing | (42,373,276.8) | (257,425,147.9) |
| *Of which*: proceeds of asset sales | | |

# TABLE A8: REVENUES PERFORMANCE BY TAXES MONTHLY 2010

| | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul 10 | Aug 10 | Sept 10 | Cumulative Actual Sept 10 | Cumulative Target Sept 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Revenue Including Zimra Grant** | **102,244,495.7** | **133,272,566.7** | **175,993,546.9** | **159,775,145.1** | **157,207,619.5** | **202,162,185.9** | **213,918,206.** | **215,216,555.** | **226,562,236.** | **1,586,352,557.** | **1,380,241,036.9** |
| **Total Government Revenue (Net)** | **102,244,495.7** | **133,272,566.7** | **175,993,546.9** | **159,775,145.1** | **157,207,619.5** | **202,162,185.** | **213,918,206.** | **215,216,555.** | **226,562,236.** | **1,586,352,557.** | **1,380,241,036.9** |
| **Tax Revenue** | **98,685,397.0** | **130,277,762.6** | **170,804,560.8** | **151,003,501.3** | **151,215,641.1** | **196,380,950.9** | **199,927,516.** | **187,386,995.** | **215,555,287.** | **1,501,237,613.7** | **1,320,633,697.5** |
| **Tax on Income and profits** | **26,587,795.9** | **39,571,241.9** | **65,441,415.8** | **57,000,454.7** | **49,528,638.8** | **86,910,990.1** | **68,799,669.6** | **71,892,667.3** | **85,053,374.7** | **550,786,248.8** | **420,019,995.2** |
| Individuals | 15,836,153.7 | 19,674,684.8 | 33,440,768.1 | 31,854,816.7 | 25,533,773.7 | 42,459,324.9 | 44,429,086.72 | 32,773,554.01 | 43,436,988.67 | 289,439,151.40 | 233,781,957.7 |
| Companies | 5,666,045.5 | 13,067,567.9 | 24,031,653.7 | 17,058,337.0 | 8,021,798.0 | 32,697,331.3 | 7,760,558.86 | 15,899,855.10 | 28,863,907.01 | 153,067,054.28 | 127,024,548.6 |
| Domestic dividend and interest | 1,520,154.9 | | 1,894,947.3 | 2,950,800.3 | 3,963,071.8 | 5,809,396.1 | 6,763,675.90 | 6,057,220.90 | 4,380,147.14 | 33,339,414.34 | 4,335,897.9 |
| Tobacco Levy | | 4,535.7 | 142,454.9 | 741,957.0 | 686,437.2 | 1,148,874.5 | 817,492.01 | 330,239.01 | 79,596.74 | 3,951,586.88 | 1,821,400.0 |
| Royalties | 1,878,238.0 | 1,882,670.2 | 2,401,152.9 | 472,601.5 | 7,317,386.7 | 1,339,890.6 | 3,191,873.43 | 13,378,171.06 | 2,978,928.59 | 34,840,912.89 | 17,088,986.7 |
| Other income taxes | 327,250.7 | 3,515,383.5 | 779,472.4 | 1,315,124.8 | 1,303,232.9 | 1,004,148.7 | 2,992,994.47 | 740,987.00 | 1,311,954.13 | 13,290,548.69 | 18,440,027.0 |
| Vehicle Carbon Tax | 1,359,953.2 | 1,426,399.8 | 2,750,966.6 | 2,606,817.3 | 2,702,938.5 | 2,452,024.1 | 2,843,988.23 | 2,712,640.20 | 4,001,852.46 | 22,857,580.31 | 17,527,177.3 |
| **TAX ON GOODS & SERVICES** | | | | | | | | | | | |
| **Customs duties** | **13,816,774.0** | **28,499,673.6** | **22,138,087.3** | **21,971,612.0** | **18,398,589.1** | **27,973,960.6** | **34,449,800.7** | **31,491,377.8** | **39,264,553.8** | **238,004,429.11** | **211,654,421.7** |
| Oil products | 1,667,808.7 | 6,516,952.3 | 5,487,956.6 | 7,607,475.8 | 1,671,479.7 | 2,128,314.6 | 13,554,815.35 | 11,637,038.16 | 11,199,000.76 | 61,470,841.95 | 28,548,831.1 |
| Other(Prime &Surtax) | 12,148,965.3 | 21,982,721.3 | 16,650,130.7 | 14,364,136.2 | 16,727,109.4 | 25,845,646.0 | 20,894,985.44 | 19,854,339.70 | 28,065,553.05 | 176,533,587.16 | 183,105,590.6 |
| **Excise duties** | **6,135,712.0** | **8,506,650.4** | **18,973,767.1** | **7,316,721.7** | **18,372,957.9** | **17,019,313.1** | **10,435,568.0** | **10,572,735.9** | **11,302,765.3** | **108,636,191.61** | **157,212,047.0** |
| Beer | 3,763,969.2 | 2,621,364.0 | 5,042,799.4 | 2,398,474.1 | 2,918,557.9 | | 3,065,214.39 | 2,953,397.62 | 4,731,090.07 | 27,494,866.68 | 28,783,592.2 |
| Wines and Spirits | 286,316.5 | 1,117,049.2 | 3,344,004.1 | 782,772.2 | 1,418,514.5 | 1,759,830.0 | 484,025.38 | 2,028,389.70 | 117,796.11 | 11,338,697.70 | 26,891,160.5 |
| Tobacco | 1,224,769.3 | 1,622,532.9 | 934,636.7 | 1,323,061.1 | 635,123.1 | 896,451.4 | 860,556.12 | -6,932.00 | 8,262.41 | 7,498,461.15 | 12,357,782.8 |
| Second Hand Motors Vehicles | | 514,904.6 | 771,171.2 | 541,642.5 | 572,754.9 | 1,074,394.9 | 810,359.16 | 557,357.21 | 826,395.71 | 5,668,980.19 | 11,846,757.4 |
| Fuels | 860,657.0 | 2,630,799.7 | 8,881,155.7 | 2,270,771.8 | 12,828,007.6 | 13,288,636.7 | 5,215,413.04 | 5,040,523.40 | 5,619,221.04 | 56,635,185.89 | 77,332,754.2 |
| **Value Added Tax (VAT)** | **50,663,317.0** | **52,577,537.6** | **62,061,774.5** | **57,070,376.4** | **63,890,937.5** | **63,466,788.5** | **84,531,272.6** | **71,865,039.4** | **78,650,031.1** | **584,777,074.65** | **516,799,761.3** |
| VAT on Domestic Goods | 33,819,588.6 | 30,359,365.4 | 32,280,126.8 | 30,520,696.7 | 34,261,511.1 | 35,423,179.2 | 50,678,673.43 | 36,096,168.69 | 42,120,452.83 | 325,559,762.69 | 270,970,152.7 |
| Imported Goods & Services | 16,843,728.4 | 22,218,172.1 | 29,781,647.6 | 26,549,679.8 | 29,629,426.4 | 28,043,609.3 | 33,852,599.22 | 35,768,870.76 | 36,529,578.33 | 259,217,311.96 | 245,829,608.6 |
| **Other indirect taxes** | **1,481,798.1** | **1,122,659.1** | **2,189,516.2** | **7,644,336.6** | **1,024,517.7** | **1,009,898.6** | **1,711,205.79** | **1,565,174.93** | **1,284,562.54** | **19,033,669.52** | **14,947,472.2** |
| **Non-tax Revenue** | **3,559,098.6** | **2,994,804.2** | **5,188,986.0** | **8,771,643.8** | **5,991,978.4** | **5,781,235.0** | **13,990,689.2** | **27,829,560.0** | **11,006,948.7** | **85,114,944.02** | **59,607,339.5** |
| **Revenue from Investments & Property** | **35,075.4** | **376,166.8** | **915,121.0** | **1,336,083.5** | **880,109.1** | **648,214.2** | 3,798,790.36 | 22,658,842.90 | 5,191,900.95 | 35,840,304.14 | 6,466,030.0 |
| RBZ remittances | | | | | | | | | | | |
| Govt Property rent, interest and dividends etc. | 35,075.4 | 376,166.8 | 915,121.0 | 1,336,083.5 | 880,109.1 | 648,214.2 | 3,798,790.36 | 22,658,842.90 | 5,191,900.95 | 35,840,304.14 | 6,466,030.0 |
| **Fees:** Govt./Dept facilities & services | **495,244.7** | **1,631,242.1** | **30,200.3** | **5,216,712.2** | **2,660,926.5** | **1,759,797.5** | **732,342.51** | **1,988,669.36** | **2,088,879.00** | **16,604,013.94** | **11,217,049.5** |
| **Pension Contribution** | | | | | | | | | 377,394.55 | 377,394.55 | 0 |
| **Other** | **3,028,778.6** | **987,395.3** | **4,243,664.8** | **2,218,848.2** | **2,450,942.8** | **3,373,223.3** | **9,459,556.33** | **3,182,047.80** | **3,348,774.25** | **32,293,231.39** | **41,924,260.0** |
| Gvt sales,licences,fines etc | 2,088,603.5 | 276,266.7 | 3,301,286.9 | 1,708,536.7 | 2,341,822.2 | 2,567,948.1 | 8,419,171.67 | 2,524,090.38 | 2,684,421.84 | 25,912,147.84 | 24,534,160.0 |
| Judicial Fines | 437,386.0 | 375,033.3 | 430,061.7 | 393,501.9 | | | | | 386,510.05 | 2,022,493.06 | 5,284,500.0 |
| Refunds of Miscellaneous Payments from Votes | 19,371.4 | 325,964.6 | 66,487.9 | 96,417.2 | | 193,087.2 | 87,188.39 | 264,565.18 | 191,713.28 | 1,244,795.09 | 5,616,700.0 |
| Miscellaneous | 483,417.8 | 10,130.7 | 445,828.3 | 20,392.4 | 109,120.7 | 612,188.0 | 953,196.27 | 393,392.24 | 80,777.78 | 3,108,444.10 | 6,488,900.0 |
| Automated Teller Machine (ATM) | | | | | | | | | 5,351.30 | 5,351.30 | 0 |
| **ZIMRA Retained Grant** | | | | | | | | | | | |
| **Retained & Prepaid Revenue(Others)** | **19,065,014.3** | **15,389,694.0** | **25,443,072.2** | **12,721,116.4** | **8,358,254.7** | **6,442,766.8** | **8,628,381.33** | **16,845,461.6** | **6,479,775.02** | **120,936,831.45** | **0** |
| Aids Levy | | | 1,030,574.7 | 897,719.1 | 992,070.8 | 2,182,957.3 | 1,557,634.86 | 1,361,647.55 | 309,075.80 | 8,331,680.08 | 0 |
| Noczim Levy | 2,067,273.2 | 2,359,385.4 | 5,135,517.6 | 4,580,036.6 | 4,876,342.1 | 5,818,585.2 | 5,808,834.69 | 4,743,611.73 | | 35,389,586.52 | 0 |
| Toll fees | 1,319,204.1 | 1,319,204.1 | 1,266,720.4 | 1,814,402.7 | 1,663,683.8 | | 1,644,039.93 | 1,809,013.98 | 2,126,317.32 | 14,289,393.31 | 0 |
| Prepayment Account | 15,678,537.0 | 15,678,537.0 | 18,010,259.5 | 5,428,957.9 | 826,157.9 | (1,558,775.7) | -382,128.15 | 8,931,188.40 | 4,044,381.90 | 62,926,171.54 | |

# TABLE A9: EXPENDITURES PERFORMANCE BY CATEGORY MONTHLY 2010

| | January | February | March | April | May | June | July | August | September | Cumulative Actual Sept 10 | Cumulative Target Sept 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| **Total Expenditure** | **86,077,146.0** | **147,810,787.0** | **152,597,238.0** | **143,238,322.0** | **119,517,992.0** | **227,376,187.0** | **190,631,004.90** | **163,472,350.00** | **183,673,239.00** | **1,406,849,562.80** | **1,091,131,604.0** |
| **Current Expenditure** | **78,499,946.0** | **118,046,252.0** | **123,898,279.0** | **113,621,668.0** | **110,395,607.0** | **125,270,373.0** | **117,748,309.00** | **116,942,139.00** | **127,773,498.00** | **1,032,196,071.00** | **899,687,215.0** |
| **Goods and services** | **55,141,086.0** | **83,795,171.0** | **86,076,240.0** | **83,748,566.0** | **80,771,854.0** | **85,573,061.0** | **85,876,664.00** | **85,923,433.00** | **87,340,321.00** | **734,246,396.00** | **655,470,883.0** |
| Employment Costs | 42,709,787.0 | 69,809,636.0 | 56,675,183.0 | 58,662,910.0 | 60,213,768.0 | 60,914,465.0 | 61,836,405.00 | 58,895,030.00 | 59,317,302.00 | 529,034,486.00 | 472,728,312.0 |
| Domestic Travel Expenses | 205,287.0 | 440,389.0 | 833,058.0 | 868,208.0 | 514,532.0 | 1,713,165.0 | 1,971,755.00 | 600,777.00 | 801,179.00 | 7,948,350.00 | 5,748,486.0 |
| Foreign Travel Expenses | 2,180,543.0 | 1,054,283.0 | 2,394,449.0 | 2,149,467.0 | 1,784,576.0 | 3,570,597.0 | 2,876,910.00 | 4,885,783.00 | 5,314,823.00 | 26,211,431.00 | 19,050,177.0 |
| Communication, Supplies and Services | 171,205.0 | 322,540.0 | 1,137,328.0 | 1,524,743.0 | 860,876.0 | 663,606.0 | 720,811.00 | 927,536.00 | 1,682,380.00 | 8,011,025.00 | 5,678,503.0 |
| Education supplies and Services | 0 | 4,473.0 | 9.012.0 | 12,446.0 | 4,710.0 | 23,741.0 | 14,119.00 | 76,936.00 | 23,319.00 | 168,756.00 | 3,037,069.0 |
| Medical Supplies and services | 60,908.0 | 338,621.0 | 544,197.0 | 497,564.0 | 429,158.0 | 521,019.0 | 297,439.00 | 275,012.00 | 440,939.00 | 3,404,857.00 | 6,051,211.0 |
| Office supplies and services | 86,963.0 | 258,035.0 | 352,190.0 | 362,585.0 | 283,128.0 | 269,187.0 | 337,694.00 | 548,418.00 | 249,287.00 | 2,747,487.00 | 3,657,205.0 |
| Training expenses | 38,989.0 | 144,612.0 | 158,563.0 | 480,331.0 | 109,015.0 | 592,228.0 | 164,687.00 | 708,357.00 | 393,915.00 | 2,790,697.00 | 1,565,571.0 |
| Rental and other service charges | 4,704,018.0 | 4,152,953.0 | 6,549,917.0 | 6,707,710.0 | 5,384,234.0 | 4,052,995.0 | 4,470,560.00 | 5,515,699.00 | 4,121,338.00 | 45,659,424.00 | 29,933,970.0 |
| Institutional provisions | 279,701.0 | 1,813,202.0 | 2,229,533.0 | 2,460,319.0 | 3,749,978.0 | 1,428,623.0 | 2,516,025.00 | 1,922,117.00 | 2,164,396.00 | 18,563,894.00 | 17,506,827.0 |
| Other | 469,182.0 | 1,618,917.0 | 1,405,453.0 | 769,231.0 | 29,074.0 | 827,747.0 | 539,258.00 | 1,749,992.00 | 363,851.00 | 7,772,705.00 | 11,280,920.0 |
| Maintenance of capital works | 1,772,527.0 | 1,703,895.0 | 2,919,921.0 | 2,713,647.0 | 2,829,898.0 | 2,396,480.0 | 6,925,671.00 | 2,934,933.00 | 2,774,522.00 | 26,971,494.00 | 18,624,403.0 |
| Programmes | 2,461,976.0 | 2,133,615.0 | 10,867,436.0 | 6,539,405.0 | 4,578,907.0 | 8,599,208.0 | 3,205,330.00 | 6,882,843.00 | 9,693,070.00 | 54,961,790.00 | 60,608,229.0 |
| **Vote of Credit** | | | **31,895,112.9** | | | | **57,683,112.90** | | | **89,578,225.8** | **0** |
| **Interest on debt** | **5,200,000.0** | **100,000.0** | **7,100,000.0** | | | **8,380,000.0** | **85,000.00** | **0.00** | **9,256,448.00** | **30,121,448.00** | **5,000,000.0** |
| Foreign | 5,200,000.0 | 100,000.0 | 7,100,000.0 | | | 8,380,000.0 | 85,000.00 | | 9,256,448.00 | 30,121,448.00 | 5,000,000.0 |
| Domestic | | | | | | | | | | 0.00 | 0 |
| **Current transfers** | **18,158,860.0** | **34,151,081.0** | **30,722,039.0** | **29,873,102.0** | **29,623,753.0** | **31,317,312.0** | **31,786,645.00** | **31,018,706.00** | **31,176,729.00** | **267,828,227.00** | **239,216,332.0** |
| Pensions | 11,960,152.0 | 17,503,741.0 | 14,773,851.0 | 15,056,815.0 | 15,924,252.0 | 16,042,481.0 | 15,912,580.00 | 16,358,068.00 | 15,953,539.00 | 139,485,479.00 | 132,587,532.0 |
| Other grants and transfers | 6,198,708.0 | 16,647,340.0 | 15,948,188.0 | 14,816,287.0 | 13,699,501.0 | 15,274,831.0 | 15,874,065.00 | 14,660,638.00 | 15,223,190.00 | 128,342,748.00 | 106,628,800.0 |
| **Capital expenditure** | **2,977,200.0** | **10,453,251.0** | **7,172,975.0** | **3,071,874.0** | **3,422,385.0** | **11,478,499.0** | **10,499,583.00** | **40,030,211.00** | **44,919,741.00** | **132,081,889.00** | **141,844,377.0** |
| Breeding stock | | | | 38,988.0 | | | 0.00 | 0.00 | 0.00 | 38,988.00 | 0 |
| Furniture and Equipment | 77,200.0 | 113,941.0 | 116,885.0 | 475,432.0 | 182,612.0 | 376,167.0 | 1,031,376.00 | 685,002.00 | 283,679.00 | 3,342,294.00 | 13,380,508.0 |
| Vehicles, Plant and Mobile equipment | | | | | | 1,997,694.0 | 1,363,132.00 | 2,677,531.00 | 5,366,728.00 | 11,405,085.00 | 16,287,951.0 |
| Acquisition of buildings | 2,700,000.0 | 15,000.0 | 1,614,014.0 | 829,454.0 | 509,622.0 | 2,334,990.0 | 5,684,902.00 | 2,100,202.00 | 1,485,828.00 | 17,274,012.00 | 48,672,088.0 |
| Intangible assets | | | | | | 247,122.0 | | 146,875.00 | | 393,997.00 | 3,300,00.0 |
| Feasibility studies | | | | | | | | | | 0.00 | 160,830.0 |
| Capital transfers | 200,000.0 | 10,324,310.0 | 5,442,076.0 | 1,728,000.0 | 2,730,151.0 | 6,522,526.0 | | 34,420,601.00 | 37,783,506.00 | 97,207,340.00 | 59,563,000.0 |
| Equity participation | | | | | | | 2,420,173.00 | | | 2,420,173.00 | 480,000.0 |
| Repayments | | | | | | | | | | 0.00 | 0 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net Lending** | | | | | | **64,205,186.0** | **0.00** | **0.00** | **5,000,000.00** | **7,943,830.00** | **0** |
| **Long-term loans (net)** | | | | | | | | | | 0.00 | 0 |
| Loan and debt | | | | | | | | | | 0.00 | 0 |
| Recoveries | | | | | | | | | | 0.00 | 0 |
| **Investments** | | | | | | | | | | 0.00 | 0 |
| **Short-term loans (net)** | | | | | | **1,000,000.0** | **0.00** | **0.00** | **5,000,000.00** | **7,943,830.00** | **0** |
| Lending | | | | | | 1,000,00.0 | | | 5,000,000.00 | 7,943,830.00 | 0 |
| Recoveries | | | | | | | | | | 0.00 | 0 |
| **SDRs** | | | | | | **63,205,186.0** | | | | | |
| ***ZIMRA Grant*** | **4,600,000.0** | **4,300,000.0** | ***6,316,000.0*** | ***5,950,000.0*** | ***5,700,000.0*** | ***5,554,012.0*** | ***4,700,000.00*** | ***6,500,000.00*** | ***5,980,000.00*** | ***49,600,012.00*** | ***49,600,012.00*** |
| | | | | | | | | | | | |
| **Other Grants- Retained** | **5,937,581.2** | **3,107,935.2** | **2,931,512.5** | **7,420,436.9** | **1,475,864.9** | **5,868,412.92** | **2,531,473.23** | **7,366,469.55** | **6,105,259.25** | **47,324,982.22** | |
| *Noczim Grant* | 1,470,880.6 | 1,040,662.0 | 2,359,385.4 | 5,135,517.6 | | 4,876,342.11 | 348,515.92 | 5,808,834.69 | 4,743,611.70 | 31,390,397.82 | |
| *Aids Grant* | 4,466,700.6 | 2,067,273.2 | 572,127.1 | 2,284,919.3 | 1,475,864.9 | 992,070.81 | 2,182,957.31 | 1,557,634.86 | 1,361,647.55 | 15,934,584.40 | |