

# IT'S THE POLITICS

## Introduction

Writing this towards the end of 2012, it is difficult not to let events since the previous year colour this account, but there haven't been any changes in the underlying emphasis. The predominant influence on economic events has been the power struggle which ZANU-PF seems likely to lose on the political front, but the economic front is another matter. One of the big grievances against ZANU-PF has been that they have used political power to enrich themselves, which means many senior members have acquired great economic power. Their concern at this stage is to hold on to that power and even to extend it before they lose the political power to do so.

That is the driving force behind the talk of “indigenisation”, which in the year under consideration focused on the mines and the banks. Hence the banking crisis and the plunges on the stock market every time the proponents of indigenisation get noisy. Those plunges serve their short-term purpose, as smart and rich individuals can buy shares at reduced prices, but those plunges are warnings that the industry has little chance of profitability in the short term. If the ZANU elite do succeed in driving out foreign investors, there is little chance that they will be able to run it profitably in the long run. We may see some of them disassociating themselves from the party and even trying to write it out of their CVs, but most of them are classic kleptocrats – economic vultures, capable only of consuming not producing. Of course, they may not succeed in getting total control of the economy, but they have a lot of power.

Compiling this report has been complicated by several factors: although more statistics are available than for a few years, the quality of a number of them is doubtful. Simple mathematical, typing or computer errors are usually easy enough to identify as such, even if you can't always figure out what the correct figure should be, but a number of the figures presented below are more erratic than that. We know there are plenty of people with secrets they would like to hide and cannot exclude the possibility that some of these apparent errors are designed to hide something.

In previous years I was able to supplement official statistics by trawling through the newspapers. Unfortunately, most of my records from the press for 2011 disappeared in a computer crash. There might have been clues to some of the information that has been obscured by official statistics in there; I had not examined them closely enough to know.

## Agriculture

Table 1: Summary of crop sales to/through marketing authorities (Source: ZimStats):

crop		2010	2011
maize	tonnes	63,459	216,746
	price, US\$	\$67,359,050	\$59,605,150
Groundnuts (unshelled)	tonnes	481	3,208
	price, US\$	\$211,500	\$952,400
sorghum	tonnes	119	184
	price, US\$	\$22,770	\$20,240
soya beans	tonnes	867	317
	price, US\$	\$9,873,600	\$5,495,100
sugar beans	tonnes	n/r	36
	price, US\$	\$28,800	\$6,874,774
Rapoko/ millet	price, US\$	\$990	\$440
coffee	price, US\$	\$0	\$96,200
wheat	tonnes	19,998	14,739
	price, US\$	\$11,509,734	\$1,137,506
cotton	tonnes	270,000	249,904
	price, US\$	\$270,000	\$249,904
Flue-cured tobacco	tonnes	\$58,570,652	123,503,651
	price, US\$	\$355,572,326	\$361,448,679
burley tobacco	tonnes	125,502	340,481
	price, US\$	\$666,304	\$522,140
sunflower seed	tonnes	99	1
	price, US\$	\$6,490	\$110
TOTAL	price, US\$	\$445,251,564	\$436,152,739

Unfortunately, all we can say definitely on the basis of these figures is that a lot of crops are **not** sold any longer through or to the marketing authorities, and that is not news. There is no other way the tobacco sales figures can be reconciled with the recorded exports. Likewise, it is clear that the tea and/or coffee exported did not pass through marketing authorities. It would be a bigger task for ZimStats to find out where else crops are sold and determine the quantities.

There is something very wrong about the cotton figures (taken from ZimStats Quarterly Digest, 2<sup>nd</sup> quarter 2012, the latest available) and those for sugar beans.

No sales of livestock through marketing authorities are recorded. Private abattoirs have been doing better business:

	CSC '000 head	Butchers & grading centres
cattle	26.6	225
goats	0	10.25
sheep	0	6.13
pigs	74.21	58.09

Table 2: livestock slaughtering, 2011 (ZimStats)

Only Colcom (for pigs) maintains a dominant position vis a vis the private butchers.

The figures for food imports (below, under **trade**) confirm the parlous state food production has fallen into.

## *Cost of living*

We now have fuller figures from ZimStats. The table below lists the total consumption poverty line in US\$/month by province:

	2009	2010	2011
Harare	451.53	474.43	516.56
Bulawayo	455.87	502.78	517.77
Midlands	447.35	471.90	506.51
Masvingo	463.87	486.93	513.77
Mash Central	418.61	446.93	498.71
Mat South	482.86	503.05	548.08
Mat North	505.13	522.62	555.82
Mash West	437.59	467.78	501.59
Manicaland	426.79	449.06	483.57
Mash East	453.02	469.51	503.72
Zimbabwe	453.63	478.95	514.24
Inflation/yr		5.58%	7.37%

*Table 3: total consumption poverty lines for a family of 5 members, US\$/month*

Inflation has returned. Now that we are using US dollars, this should not happen. Two explanations are plausible:

- (1) inflation has become a habit, with people expecting increased earnings every year without increased production, and
- (2) the shortage of small change has created upward pressure on prices. Government's failure to import sufficient coins shows this serves some people's political interest. After the failure in 2010 to get retailers to accept Rand coins, Finance Minister Biti tried to import US coins. Somehow the shipment only got as far as Namibia. The Zimbabwe airforce were supposed to collect it from there, but since they are part of the political problem the explanation seems clear.

## Employment & wages

Table 4: Some average wages over the years 1975-2011, from CSO/ZimStats figures

	agr.,for & fisheries	mining & quarrying	manufing	Domestic service	CSO national avg.
constant 1980 Z\$					
1975	407.83	1,448.97	2,307.46	586.20	1,587.63
1980	457.80	1,756.80	2,520.70	599.07	1,862.66
1985	626.69	2,047.69	2,626.24	498.59	1,899.95
1990	618.59	2,104.80	2,692.85	508.83	1,984.38
1991	554.79	2,012.70	2,532.16	425.32	1,865.86
1992	329.22	1,762.00	2,156.70	299.00	1,497.40
1993	367.44	1,685.01	2,015.05	234.29	1,340.80
1994	352.97	1,619.50	1,916.95	191.57	1,287.53
1995	296.81	1,624.26	1,920.32	156.26	1,270.46
1996	331.76	1,687.81	1,901.13	128.71	1,392.82
1997	367.06	1,953.22	2,055.14	108.43	1,661.45
in 1980 US\$				(Z\$1.00=US\$1.5859)	
1975	646.78	2,297.92	3,659.40	929.65	2,517.82
1980	726.03	2,786.11	3,997.58	950.07	2,953.99
1985	993.87	3,247.43	4,164.95	790.71	3,013.13
1990	981.02	3,338.00	4,270.59	806.95	3,147.03
1991	879.84	3,191.94	4,015.75	674.51	2,959.07
1992	522.11	2,794.36	3,420.31	474.18	2,374.73
1993	582.72	2,672.26	3,195.67	371.56	2,126.37
1994	559.78	2,568.37	3,040.09	303.81	2,041.89
1995	470.71	2,575.91	3,045.44	247.81	2,014.82
1996	526.14	2,676.70	3,015.00	204.12	2,208.87
1997	582.12	3,097.61	3,259.25	171.96	2,634.89
& in current US\$					
2009		590.50	1,155.72		-
2010	91.21	1,601.11	1,509.45	190.13	801.66
2011		1,793.35	1,625.78	228.74	-

So average wages overall are less than half what they were in 1997, comparing 1997 wages in 1980 US\$ with 2010 wages in current dollars. The US dollar has lost value since 1980, so real wages today can't be more than 1/5 of what they were before the upheavals in 1997.

We can make some comparisons of the sectors in which workers have recovered best since 2009, showing average wages in US\$ and the percentage increase 2009-2011:

2009	2010	2011	Increase 2009-11	sector
1,155.70	1,509.40	1,625.80	40.7%	manufacturing
1,385.90	1,505.70	2,034.30	46.8%	"other services"*
1,976.20	1,943.00	3,253.10	64.6%	Electricity & water
942.40	1,407.50	1,672.40	77.5%	transport & communication
826.80	1,511.70	1,482.60	79.3%	construction
521.50	743.70	1,166.90	123.8%	teaching
727.90	1,536.70	1,635.70	124.7%	distribution, restaurants & hotels
476.30	785.40	1,135.10	138.3%	health
641.90	920.30	1,577.40	145.7%	public administration
737.60	1,645.30	1,814.20	145.9%	Finance, insurance & real estate
590.50	1,601.10	1,793.30	203.7%	mining & quarrying

Table 5: wage increases in selected sectors 2009-11

(\*: excluding education, health, public admin and domestic service)

Agriculture and domestic service data are not complete enough to compare. Workers in manufacturing were comparatively well paid in 2009, but have been overtaken by those in distribution, restaurants & hotels, transport and communication, financial institutions and mining & quarrying. I doubt whether the last named increase has benefited workers at the pit face.

ZimStats (2<sup>nd</sup> quarter 2012) Quarterly Digest of Statistics gives two tables on the number of “employees in agriculture”.

The table of employees and wages by sector over the whole economy claims that there were 388,100 people employed in “agriculture, forestry and fishing” in 2010 (figures for 2009 and 2011 are not complete), a larger number than the maximum in any year before 2000. There certainly can't be that many employed, full time, for wages. ZimStats seem to be attempting to count all casual labour. The inclusion of communal areas in the table below implies this.

If we look at the distribution of “employees” on different categories of land, we find:

Table 6: “employees” by agricultural sector:

by sector	communal	OLD RESETTLEMENT				New resettlement		SSCF	LSCF	
		model A	model E	model B1	model B2	A1	A2			
1st quarter 10	493,009	11,901	2,806	5	1,281	205,622	168,165	8,636	146,721	1,038,146
2nd quarter 10	334,908	9,485	2,233	5	785	152,084	128,867	6,609	131,233	766,209
3rd quarter 10	253,010	3,499	1,114	54	471	86,949	124,038	4,284	62,683	536,102
4th quarter 10	426,062	6,771	1,640	13	850	137,391	146,678	6,073	62,132	787,610
1st quarter 11	509,335	94,563	4,059	12	1,329	168,008	146,802	8,158	83,994	1,016,260
2nd quarter 11	384,544	52,464	2,415	12	803	128,066	111,406	4,925	89,516	774,151
3rd quarter 11	215,597	18,414	1,522	12	447	55,063	93,580	2,056	85,424	472,115

I omit the yearly totals, because the printed figures are miscalculated. The large number in the first quarter of each year clearly includes migrant seasonal workers. Even so, the numbers supposed to be still living on commercial farms, as opposed to model A1 or A2 settlers, are hard to believe.

Getting the population figures for these areas is important, because the figures might be hinting at what the census, should find. If they produce shaky figures that could affect the next elections, and we won't get full publication of those census details for a few years, by which time it will be too late.

To make sense of the only figure I have been able to obtain for total formal employment in the years 2000-2008, which showed 950,00 employed in 2004 (compare with 1,232,500 in 2000 and 1,192,900 in 2010 including 388,100 in agriculture &c), we may have to reduce the total figure in formal employment in 2010 by as much as 300,000.

I wonder whether manufacturing employment was really as high as 128,800 in 2011, 61.7% of the 1998 peak of 207,600. If isn't, then the average wage figures of those still employed are higher. Or are nearly 130,000 workers doing more maintenance than production? I don't get answers from LEDRIZ or the CZI's 2011 Manufacturing sector survey – on which more below.

## Industry

### Manufacturing

Industrial performance continues to improve, though the rate of improvement is slowing.

Table 7 shows capacity utilisation and its distribution

CAPACITY UTILISATION (%)		% plant with capacity utilisation at:					
		100%	>74%	>49%	<50%	<30%	
2000	56.0%						
2001	58.0%						
2002	60.0%						
2003	51.1%						
2004	59.2%						
2005	35.8%		3%	13%	55%	46%	14%
2006	33.8%		0%	10%	51%	49%	18%
2007	18.9%		0%	4%	24%	76%	38%
2008	10.0%		Figures not available				
2009	32.3%	as at 30 June	0%	6%	18%	82%	45%
2010	43.7%		4%	15%	45%	55%	26%
2011	57.2%		7%	21%	60%	40%	12%

from CZI Manufacturing Sector Survey, 2011

Output growth is a more meaningful figure, as changes in capacity may have more effect than the extent to which existing capacity is used.

But, as the next table shows, output growth has dropped:

	%reporting output -		overall output vol.growth
	growing	shrinking	
2006	20%	80%	78%
2007	30%	70%	-28%
2008	Figures not available		
2009	89%	11%	110%
2010	67%	33%	34%
2011	68%	32%	14%

Table 8: industrial output volume growth, 2006-2011, from CZI Manufacturing Sector Survey, 2011

The main constraints on growth are reported by manufacturers as low product demand (18% reporting), machine breakdowns (18%) shortage of working capital (17%) and scarcity of raw materials (16%).

The proportion manufactures exported is low, and very little is sold beyond the SADC region. Manufacturers blame shortage of raw materials, frequent breakdowns and non-competitive pricing. The actual export destinations reported are shown in the table below:

	Zambia	Botswana	Malawi	S.Africa	Mozambique	other SADC	other
2005	30%	15%	15%	22%	3%	7%	9%
2006	29%	18%	13%	20%	5%	13%	4%
2007	23%	13%	11%	27%	7%	7%	13%
2008	Figures not available						
2009	31%	12%	16%	20%	5%	7%	9%
2010	30%	15%	15%	14%	11%	10%	5%
2011	29%	9%	16%	16%	11%	11%	4%

Table 9: Leading export markets for manufactured exports (CZI Manufacturing sector survey, 2011).

The uncertain environment has led to increased casualisation of labour, which does not make for stable steady growth. The proportion of casual workers in the workforce which has fluctuated from 18% to 42%, was back near the top end of that range: up from 25% in 2010 to 41% in 2011.

## Mining

It is hard to make sense of the mineral production figures from ZimStats, so I will simply offer figures for recent years given by Finance Minister T.Bitl, quoting Ministry of Mines and Chamber of Mines figures (reported in *NewsDay*, 15/7/10), adding slightly edited figures from ZimStats for the last two years:

	asbestos	gold	chrome	coal	copper	nickel*	platinum*
2005	123.15	13.45	831.88	3468.94		9470	4.56
2006	110	10.8	690	2200		9200	5.19
2007	115	6.8	693.45	2600		9250	5.3
2008	11.49	3.07	442.58	1701.6		6350	5.5
2009	5.5	4.97	201	1606.32		4860	6.86
2010	2.03	9.62	516.78	2500.2	4630	6134	8.64
2011	0	12.95	599.08	2562.1	6550	7992	10.86

Table 10: production of some major minerals in tonnes/year

To make sense of the figures, I have to assume that:

1. Bitl was misquoted as listing tonnes of nickel when he must have said thousands of tonnes, and
2. ZimStats listed tonnes of platinum where they should have said kilograms (they made the same mistake for rhodium)

With these corrections, we can see that production of most major minerals was increasing, except that asbestos production has steadily dropped to zero in 2011.

The next table gives ZimStats' figures for major minerals. For each mineral produced in 2011 I have in the last column calculated what percentage of ZimStats' recorded total income; the total for these minerals is 125.5%, and diamonds, the highest-earning mineral, are not listed at all. Government revenue from diamonds, known to be an artificially small fraction of total earnings, amounted to at least \$300 million in the year, more than the total earnings from all but gold, chrome and platinum. The other minerals that do not feature here are:

- (1) cobalt and graphite, both showing increases of more than 200% in 2011 compared to 2010,
- (2) phosphate (declining),
- (3) ferrosilicon, iron pyrites and magnesite. ZimStats lump these three together under "other"; they earned \$600 in 2010 and \$1.1 million in 2011.
- (4) ZimStats "exclude production from sand or stone quarries" the most important of which is black granite.

These discrepancies are more than a few prining or calculating errors.

	2010	2011	% of total income, 2011
gold	380,437.9	655,689.4	32.6%
chrome	576,776.1	599,079.4	29.8%
platinum	409,065.7	538,276.3	26.8%
palladium	100,654.5	178,280.9	8.9%
nickel	111,216.4	175,475.7	8.7%
coal	91,165.1	103,880.8	5.2%
rhodium	50,269.8	52,442.6	2.6%
copper	28,512.2	50,934.0	2.5%
iridium	2,643.0	7,709.5	0.4%
ruthenium	1,929.7	3,369.8	0.2%
asbestos	1,308.8	0.0	0.0%
High-carbon ferrochrome	135,104.9	156,750.7	7.8%
Total of these minerals	1,889,084.1	2,521,889.1	125.5%
<b>all minerals</b>	<b>1,376,077.8</b>	<b>2,010,653.9</b>	

Table 11: earnings from "major minerals" 2010 & 2011, US\$thousands/year (ZimStats figures)

The platinum group metals as a whole account for a growing share: US\$780,079,100 in 2011.

### Commerce and services

There are small indications of the extent and the ambitions of ZANU(PF)-related enterprises under the guise of "indigenisation".

Last year's failure to import rand coins to ease the inflationary pressure caused by a shortage of small change was due to organised retail trade's insistence that they would only accept the coins at an unrealistic exchange rate.

In mid-2011 the ongoing Harare "kombi war" reached a new intensity: in July the police seemed determined to drive all kombis not owned by them and their cronies off the streets of Mbare, but before this operation was complete the force that was mustered for the task was redirected against competition to the main operator on Glen Norah and Waterfalls routes. We can be grateful that there is this much evidence of rivalry and distrust within the ZANU ranks.

The rumours, breaking out during 2012 into louder and more insistent threats of a new "Murambatsvina" indicate that private kiosks are seen as a serious threat to the near-monopoly ZANU members hold on retail trade, right down to the party "licensing" vendors stalls at Mupedzanhamo, Siya-So and Mbare Musika.

### Government budget

In the first half of the year, revenue collected totalled \$1,495 million very nearly reaching its target of \$1,500mn. Here are some of the components:

	individual tax	corporate tax	Customs duty	excise duty	totals
actual	300.8	178.0	170.3	175.4	824.5
target	320.0	157.5	189.98	157.5	825.0

Table 12: tax revenue January-June 2011

Government continues to do most business in cash. Mineral revenues, especially from diamonds, are well below expectations; it is clear where the money is going. Road tolls, for which drivers are not given receipts and police "spot fines" are still beyond government control.

## Finance

### Banking

With confidence in the banking system having been zero at the end of the Zimdollar era, bankers can claim that the increase in total bank deposits between mid-2009 and mid-2011 from about \$700 million to \$2.8 billion is a success.

The amount loaned by commercial and merchant banks increased by 50.1% in the year: see table

Table 13: bank advances by sector, US\$ thousands at end of 2011

	commercial banks	merchant banks
agriculture	366,827.1	31,338.9
construction	36,043.4	10,547.9
communication	24,836.9	0
distribution	323,322.2	46,231.1
Financial & investments	3,720.8	17,089.5
financial organisations	87,963.3	44,752.3
manufacturing	310,488.5	68,045.5
mining	75,310.4	45,679.1
services	191,534.5	86,371.6
transport	55,295.7	24,273.3
individuals	180,205.0	65,951.4
conglomerates	4,726.2	2,326.4
<b>Total, 31/12/11</b>	<b>1,660,274.0</b>	<b>442,607.0</b>
<b>Total, 1/1/11</b>	<b>1,112,969.9</b>	<b>288,232.8</b>

However, the banking system is still not stable. The IMF point to rising liquidity risk and the number of undercapitalised smaller banks (6 out of 25 banks in the country). The risk of borrowers defaulting is still high, leading most banks to rely more on non-interest income (bank charges) than interest on loans. Most deposits were still for fairly short terms, which made lending more difficult.

Some interest rates are summarised in the next table:

@ end of	Interest on deposits			Interest on borrowing			
	Commercial banks		Accepting houses	Commercial banks		Merchant banks	
	savings	3 mnth dep.	3 mnth dep.		average		average
Dec-10	0.05-2.0%	0.5-16.0%	10-18%	1.26-36.0%			
Dec-11	0.15-5.0%	0.1-18.0%	10-17%	8.0-30.0%	13.20%	10.0-32.0%	19.58%

Table 14: bank interest rates, 2011

The wide range of rates for both deposits and borrowing is a matter for serious concern. The wide gap between deposit rates and lending rates needs explaining and the bankers don't have satisfactory explanations.

With banking one of the sectors being targeted during this year by the "indigenisers", bankers did not feel secure.

### Stock Exchange

Over the course of the year, the industrial share index fell 7.04% and the mining index by 58.72%. Mining shares dropped sharply every time there was more noise about indigenisation.

Table 15: ZSE indices, 2011

date	industrial	mining	source
5/1/11	151.07	196.92	ZimInd
17/1/11	158.99	206.74	ZimInd
19/1/11	161.24	213.88	ZimInd
2/2/11	161.28	222.46	ZimInd
16/2/11	157.73	228.83	ZimInd
23/2/11	158.30	232.87	ZimInd
2/3/11	157.84	241.30	ZimInd
9/3/11	162.21	260.06	Zimbabwean
23/3/11	165.38	234.77	ZimInd

date	industrial	mining	source
6/4/11	158.50	229.38	ZimInd
20/4/11	160.06	205.26	ZimInd
4/5/11	163.37	200.98	ZimInd
18/5/11	160.65	185.92	ZimInd
8/6/11	165.03	199.23	ZimInd
15/6/11	166.50	189.52	ZimInd
28/6/11	163.13	175.28	DN
29/6/11	164.76	172.69	DN
6/7/11	164.25	166.72	DN
13/7/11	165.44	162.24	ZimInd

date	industrial	mining	source
27/7/11	162.88	160.32	DN
3/8/11	164.23	154.25	DN
10/8/11	162.96	156.46	DN
17/8/11	161.28	160.81	DN
24/8/11	159.79	157.79	DN (26 Aug)
31/8/11	160.53	164.52	DN
7/9/11	159.73	159.94	DN
14/9/11	160.02	149.84	DN
21/9/11	159.63	152.60	DN

date	industrial	mining	source
28/9/11	155.73	143.21	ZimInd
5/10/11	153.54	143.61	ZimInd
19/10/11	144.34	137.57	DN
9/11/11	142.94	123.67	ZimInd
23/11/11	143.58	118.99	DN
21/12/11	138.49	79.80	ZimInd
28/12/11	140.44	81.28	ZimInd

The mining share values published by Zimstats are noticeably higher for September and December than these taken from the newspapers, but their figures on market capitalisation and volume of turnover agree with what partial data were published elsewhere for the first half of the year. Their figures for these, with a calculated average value per share traded each month are given below. Noteworthy is the vast number of shares of very low value traded in August. What were these shares?

	volume of trade, US\$M	Market capitalisation, US\$M	Turnover, Mshares	average share value
January	32.55	4,131.82	302.74	\$0.108
February	47.48	4,101.65	239.52	\$0.198
March	36.38	4,156.32	349.98	\$0.104
April	35.50	4,222.67	357.06	\$0.099
May	28.90	4,191.38	474.99	\$0.061
June	42.91	4,267.50	377.73	\$0.114
July	51.31	4,172.70	619.77	\$0.083
August	42.39	4,105.93	3618.01	\$0.012
September	34.94	3,984.47	304.27	\$0.115
October	38.62	3,656.59	545.15	\$0.071
November	41.32	3,677.61	309.88	\$0.133
December	45.21	3,689.69	410.91	\$0.110

Table 16: ZSE capitalisation and trading, 2011

## Trade

Table 17: Principal exports by HS2 category, in US\$

HS	US\$	2009	%of total	2010	%of total	2011	%of total
24	Tobacco, raw & manufactured	276,190,193	12.6%	477,539,120	14.5%	717,989,262	20.4%
72	iron&steel	43,176,562	2.0%	204,547,092	6.2%	117,460,961	3.3%
75	Ni raw & manufactured	234,691,260	10.7%	440,720,436	13.4%	528,639,541	15.0%
52	cotton	114,408,882	5.2%	162,477,016	4.9%	269,080,370	7.7%
49	books&printed matter, paper	435,460,569	19.9%	559,289,052	17.0%	393,228,651	11.2%
71	precious stones & metals	148,377,365	6.8%	669,112,130	20.3%	717,268,758	20.4%
	other	937,411,823		779,543,391		772,418,244	
	<b>total</b>	<b>2,189,716,654</b>		<b>3,293,228,237</b>		<b>3,516,085,787</b>	

Source: ZimStats Quarterly Review, 2<sup>nd</sup> quarter 2012

These six categories accounted for 57.2% of exports in 2009, 76.3% in 2010 and 78.0% in 2011. Tobacco seems to be doing well, though imports of presumably manufactured tobacco products were very high; over \$120 million in 2010 and just under \$100M in 2011. The extraordinary bulk of “books and products of publishing” remarked on in the past two reviews, seems to be somewhat diminished but still unexplained.

Nobody believes that actual exports of precious metals and precious stones could be as low as these figures claim, but we know that large amounts of diamonds are feeding the private economy of certain private individuals at the expense of the national fiscus and the rest of the population.

Exports were concentrated in a few major categories, more so than imports, as the next table shows



Table 18: Principal imports by HS2 category, in US\$

HS		2009	%	2010	%	2011	%
27	fuels	401,504,247	6.5%	939,634,670	16.0%	1,250,040,368	14.5%
84,85,87	machinery & transport equipment	954,787,414	15.4%	2,065,328,001	35.2%	2,060,995,027	24.0%
15	fats, animal&veg	118,580,641	1.9%	153,400,137	2.6%	222,190,384	2.6%
10	cereals	220,820,624	3.6%	292,812,316	5.0%	352,034,359	4.1%
11	milled meal	93,197,297	1.5%	108,911,503	1.9%	125,617,199	1.5%
31	fertilisers	88,383,533	1.4%	149,833,919	2.6%	2,031,438,819	23.6%
34	soap, candles &c	70,418,753	1.1%	94,351,114	1.6%	122,790,492	1.4%
48	paper&c	65,640,681	1.1%	113,283,209	1.9%	128,684,179	1.5%
39	plastics &manufactures	93,981,954	1.5%	148,355,601	2.5%	202,057,704	2.4%
	other	4,100,185,376		1,799,022,751		2,098,437,736	
	<b>total</b>	<b>6,207,500,520</b>		<b>5,864,933,221</b>		<b>8,594,286,267</b>	
	<b>Trade balance</b>	<b>-4,017,783,866</b>		<b>-2,571,704,984</b>		<b>-5,078,200,480</b>	

These ten categories accounted for 33.9% of imports in 2009, 69.3% in 2010 and 75.6% in 2011.

The trade balance of -\$4,017,783,866 in 2009 meant imports exceeded exports by -183.5%. The -\$2,571,704,984 balance in 2010 gave -78.1% and the -\$5,078,200,480 in 2011 gave a balance of -144.4% of exports.

Zimbabwe, once the biggest food exporter north of the Limpopo, had a negative balance in every kind of foodstuff except the category “tea & coffee”, producing a \$8,083,590 surplus (exports = 414% of imports) in 2009, \$9,945,816 in 2010 (exports= 296% of imports) and in 2011 a \$13,406,739 surplus (exports = 330% of imports). The balance in “oil seeds and oleaginous fruits; miscellaneous grains, seeds & fruits, industrial or medicinal plants” became positive in 2011, a small consolation for a much bigger deficit in sugar and confectionery, going from a \$46.1million balance in 2009 to -\$17.9M in 2010 and -\$7.8M in 2011 as exports dropped and imports increased.

Manufactured exports remain negligible, while goods that Zimbabwe used to produce are now imported, including fertiliser costing over \$2,000 million, and soap and candles to the tune of over \$120 million in 2011. Clothing imports, including increasing amounts of used clothes, rose from \$22.2M in 2009 to \$58.6M in 2011. The shift from locally assembled cars to imported Mercs for the elite and used Japanese cars for the rest of us costs us many times this.

Table 19: Exports, listed by principal countries, in US\$:

	2009	2010	2011
S Africa	1,145,690,338	1,773,667,878	2,396,151,176
UAE	18,167,330	329,004,073	298,853,076
China	54,203,759	237,345,622	185,852,111
Mozambique	97,187,665	90,891,105	128,311,073
Zambia	64,973,009	68,029,750	75,376,113
Belgium	60,757,977	60,536,831	60,002,882
Italy	45,150,837	76,916,262	59,481,779
Singapore	19,731,679	30,486,818	49,376,681
Botswana	36,701,935	27,587,703	36,166,368
UK	56,494,124	96,436,123	33,136,223

ZimStats' calculations from these figures do not add up, so I will merely give their totals:

2009: \$2,189,716,654    2010: \$3,204,228,237 (though this might be in error by more than \$2billion)

2011: \$3,516,085,787 (though this is slightly less than the total for the top 30 countries). The totals for both imports and exports for 2010 have been revised upwards, both being almost doubled. That is without asking why

The change in ranking of a couple of countries might be of interest:

IN US\$	2009	2010	2011
Israel	345,438	379,536	18,581,675
Netherlands	187,809,225	13,282,233	4,647,237

Table 20: Imports from major supplier countries, in US\$:

	2009	2010	2011	%in 2011
S Africa	4,809,056,206	2,820,595,941	4,833,769,949	56.2%

	2009	2010	2011	%in 2011
Kuwait	80,531,788	317,065,907	800,599,466	9.3%
USA	274,987,007	744,470,543	589,086,535	6.9%
China	127,588,153	319,679,054	371,391,321	4.3%
Zambia	89,766,972	146,354,664	217,185,138	2.5%
Botswana	245,869,442	215,911,672	206,145,946	2.4%
UK	71,369,107	158,600,817	188,270,352	2.2%
India	28,316,018	65,555,165	168,428,047	2.0%
Mozambique	107,892,601	165,459,749	164,263,557	1.9%
Mauritius	44,952,902	74,767,137	122,235,358	1.4%
total of top 10:	5,880,330,196	5,028,460,649	7,661,375,669	89.1%
grand total	6,207,500,520	5,864,933,221	8,594,286,267	

The total trade balance remains heavily in the red, at least on paper.

## **Tourism**

ZimStats figures, from the Immigration Department of visitors in the past three years are compared with those for the years 1997-9

*Table 21: visitors to Zimbabwe, 1997-9 and 2009-11:*

	in transit	business	education	holiday	shopping	total	% on holiday
1997	213,888	249,669	10,338	1,075,573		1,549,468	69.4%
1998	311,163	219,597	42,743	1,828,067		2,401,570	76.1%
1999	471,200	441,496	45,407	1,762,712		2,720,815	64.8%
2009	418,708	145,883	21,093	558,193	8,389	1,152,266	48.4%
2010	458,973	143,066	11,230	748,067	23,910	1,385,246	54.0%
2011	500,487	230,670	21,586	895,290	25,995	1,674,028	53.5%

There seems little reason to doubt that these figures are broadly accurate. That raises some questions as to what the Zimbabwe Tourism Authority are counting when they give us the figures below for tourist arrivals in the first quarter of each year. Are they calling all visitors, including the 30-36% of them who were in transit, "tourists"?

*Table 21: Tourist arrivals (ZTA)*

<b>First quarter of</b>	<b>from Africa</b>	<b>overseas</b>	<b>total tourists</b>	<b>total visitors in year (ZimStats)</b>
2009	254,911	62,681	317,592	1,152,266
2010	282,528	37,260	319,788	1,385,246
2011			346,299	1,674,028

The figures for the first quarter of 2009 and 2010 both exceed a quarter of the total visitors recorded by Immigration, which seems strange. When ZTA reported the figure for 2011 (Radio VoP, 18 July 2012) they claimed this figure of 346,299 was an increase of 18% over 2010, but it is in fact only 8.3% more than their earlier reported figure for that period.

Most tourists are reported to be still coming from Africa and Europe. It would be interesting to know how many of the visitors recorded by immigration officials are Zimbabweans resident abroad coming on holiday or business.

## **Conclusion**

Some statistics have become more readily available than in recent years. This is partly due to a recovery of sorts in the economy and an incipient revival of capacity in the Civil Service. Such figures as we have show that the vast majority of Zimbabweans are much poorer than they or their parents were 12 or 30 years ago. There is evidence of some improvement since the introduction of the multi-currency regime, but large swathes of the economy, including our most profitable mineral resources, have been privatised to the extent that they do not appear in national statistics. Government is hamstrung for lack of revenue, while private forces are being mobilised by the military controllers of the diamond fields and their Chinese backers to resist any real transfer of political power. A political handover without submitting the whole economy to government inspection and regulation would be worse than meaningless.

This situation means that some of the gaps and inconsistencies pointed out in this survey are probably due to government agencies such as ZimStats' greatly reduced capacity. Others are due to deliberate concealment by people supposedly on the government payroll, of important facts. Some questions simply cannot be safely asked.

The strategy of the military group now in power, of ensuring their ownership of all the country's wealth before they run

the risk of being forced to hand parliament over to an elected government, is well advanced. If they succeed, we will see a gangster state like Jamaica. They don't have the brains to form a military- industrial complex that can control government and keep unemployment low enough to avoid too much trouble on the streets, like the USA.

The struggle is intensifying as the date is approaching when elections cannot be further postponed and external pressures, even within SADC and the AU, are being exerted to ensure they at least **look** free and fair. In this situation, some who have used their positions in government or government service to enrich themselves seem to see their survival prospects best served by dissociating themselves from the visible political shell of ZANU-PF. Others, who feel their present wealth is not enough, or their grip on it is not secure enough, prefer to use party and State organs to pursue their economic aims. Both these tendencies embrace members of different ethnic or other allegiances as endemic ZANU factionalism comes nearer to the surface.