

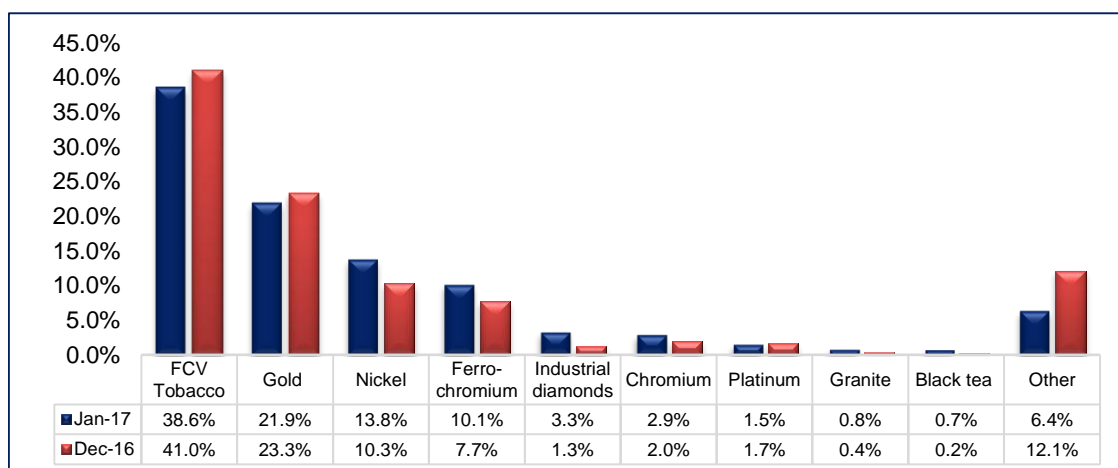
## Trade deficit narrows as imports slowdown by a greater margin...

Trade Indicator	Dec-16	Jan-17	M-o-M Change (%)	Y-o-Y Change (%)
Exports - US\$mIn	291.2	258.6	-11.2%	3.8%
Imports - US\$mIn	489.4	384.6	-21.4%	-3.7%
Trade Balance - US\$mIn	(198.2)	(126.0)	-36.4%	-16.1%

## Exports

- According to the Zimbabwe National Statistics Agency “ZimStat”, the country’s total exports declined by 11.2% to US\$258.6m in Jan 2017, compared to US\$291.2m in Dec 2016.
- Major declines were recorded for tobacco (-16%), gold (-16%) and platinum (-20%), partly due to (1) the late opening of the Chinese markets on the back of the Chinese New Year celebrations and (2) incessant rain related production stoppages in the mining sector. Nonetheless, increases were still recorded for nickel (19%), industrial diamonds (126%) and ferro-chromium (16%) exports. **Fig.1** below outlines the major exports with Tobacco, Gold and Nickel commanding c.74% of total earnings.

**Fig.1: Major export earners**



Source: ZimStat

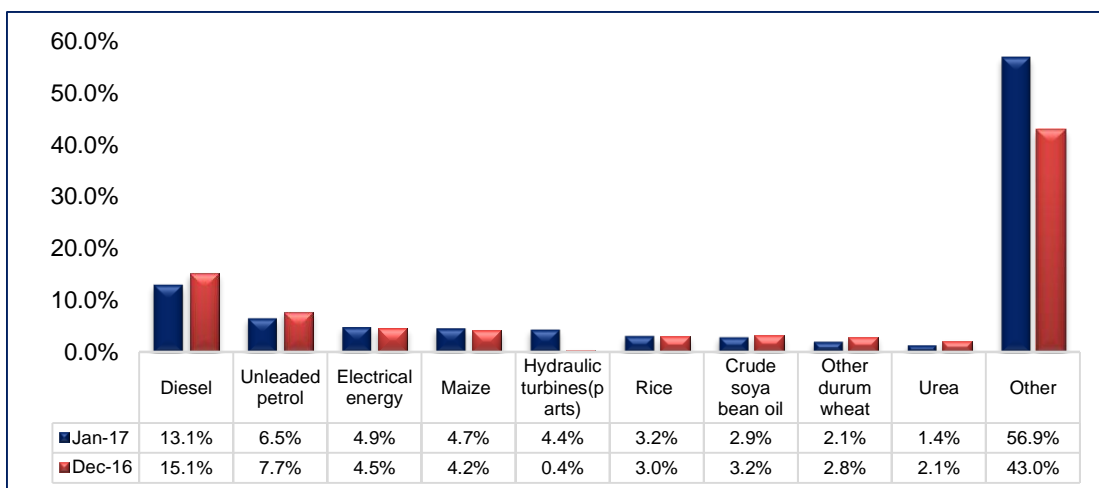
- South Africa (82.8%), Mozambique (9.2%), United Arab Emirates (3.2%), Belgium (2.2%) and Zambia (1.5%), were the major export markets.

## Imports

- Imports declined by 21.4% from US\$489.4m in Dec 2016 to US\$384.6m in Jan 2017.
- Most key imports recorded declines, led by diesel (-32%), unleaded petrol (-34%), electrical energy (-15%), maize (-12%) and broken rice (-15%). Nonetheless, increases were registered in imports for turbines parts (759%), urea (303%) and medicament (116%), among others. **Fig.2** on the next page outlines the trends in major imports between Dec 2016 and Jan 2017.

...Tobacco, gold and nickel commanded 74% of total exports in January 2017...

**Fig.2: Major imports**



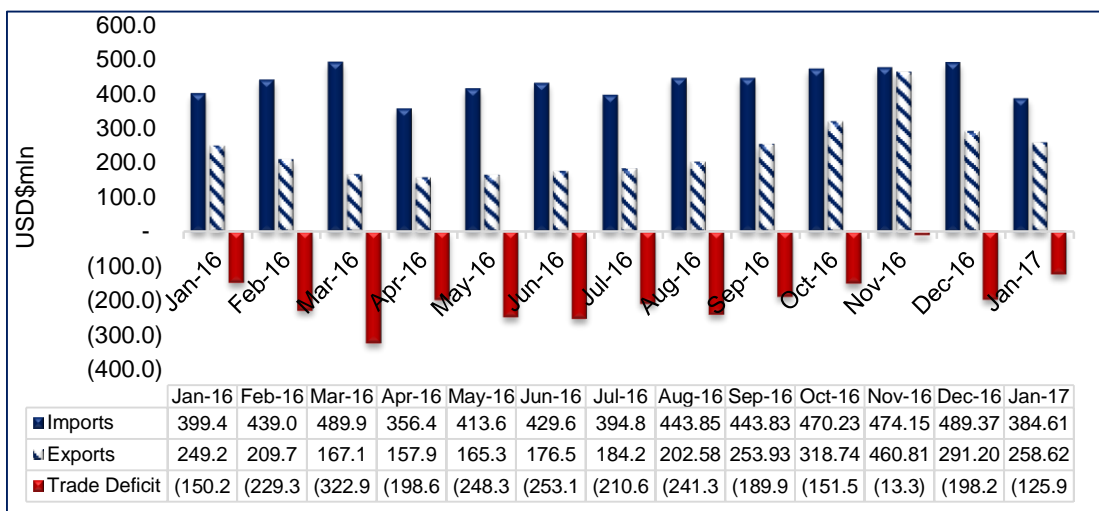
Source: ZimStat

- The major source markets for imports were South Africa (37.8%), Singapore (18%), China (15.1%), Zambia (2.6%) and Mauritius (2.6%).

## Trade deficit

- Due to the smaller decline in exports (11.2%), against a larger decline in imports (21.4%), trade deficit improved to US\$126.0m in Jan 2017, from US\$198.2m in Dec 2016 (January 2016: -US\$150.2m) – **Fig. 3** below.

**Fig.3: External Trade trend**



Source: ZimStat

## Outlook

Availability of foreign currency for critical imports that aid domestic production, promotion of local production at competitive prices and expenditure switching policies are some of the measures that could aid in further addressing the trade imbalances.

...South Africa remained the major export (82.8%) and import (37.8%) market...

....Trade deficit declined by 36.4% to US\$126.0 million in January 2017...

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