

Trade deficit worsens on higher imports...

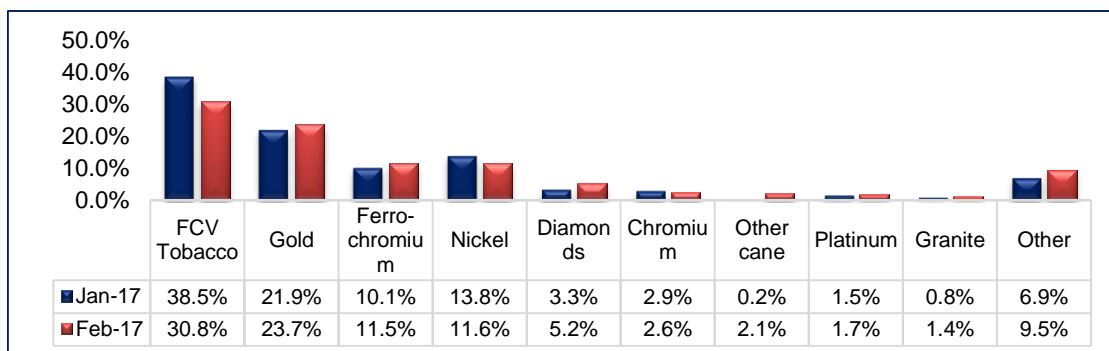
Trade Indicator	Feb-17	Jan-17	M-o-M Change (%)	Y-o-Y Change (%)
Exports - US\$mIn	240.5	258.6	-7.0%	14.7%
Imports - US\$mIn	424.2	384.6	10.3%	-3.4%
Trade Balance - US\$mIn	(183.7)	(126.0)	45.8%	-19.9%

Exports

- According to the Zimbabwe National Statistics Agency “ZimStat”, the country’s total exports declined by 7.0% to US\$240.5m in Feb 2017, compared to US\$258.6m in Jan 2017.
- Major declines were recorded for tobacco (-26%), nickel (-8%) and chromium ores (-17.7%). The decline in tobacco proceeds was partially attributable to the low prices fetched in export markets. In fact, the average price declined from US\$6.38/Kg in Jan 2017 to US\$5.23/kg in Feb 2017. However, increased exports from diamonds (45%), cane sugar (701%), granite (60%) and platinum (5.3%), minimized the decline in total exports. In addition, gold exports were almost flat at US\$57m as subdued production due to incessant rains was offset by a 3.5% gain in international gold prices in Feb 2017. **Fig.1** below outlines the major exports with Tobacco, Gold, Ferrochromium and Nickel commanding c.78% of total earnings.

...Tobacco, gold, ferrochromium and nickel commanded 78% of total exports in February 2017...

Fig.1: Major export earners



Source: ZimStat

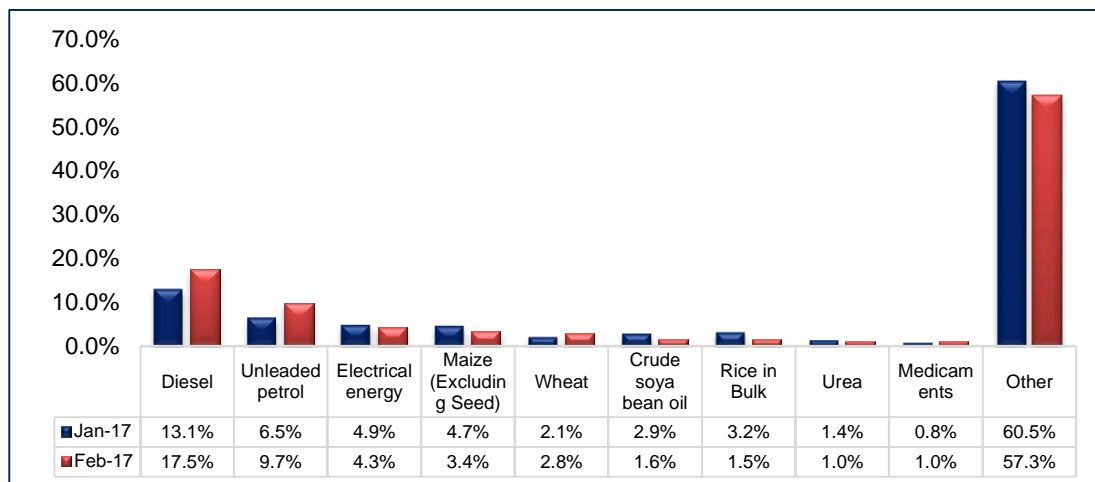
- The major export markets were South Africa (77.1%), Mozambique (8.8%), United Arab Emirates (8.7%), Zambia (2.1%) and Kenya (2.0%).

Imports

- Imports increased by 10.3% from US\$384.6m in Jan 2017 to US\$424.2m in Feb 2017. Most key imports recorded increases, led by diesel (47%), unleaded petrol (64%) and wheat (47%). On the other hand, declines were recorded by electrical energy (-4%), maize (-20%), crude soya bean oil (-38%) and rice (-49%), among others. **Fig.2** on the next page outlines the trends in major imports between Jan 2017 and Feb 2017.

...Imports growth driven by fuel and wheat requirements in Feb 2017...

Fig.2: Major imports



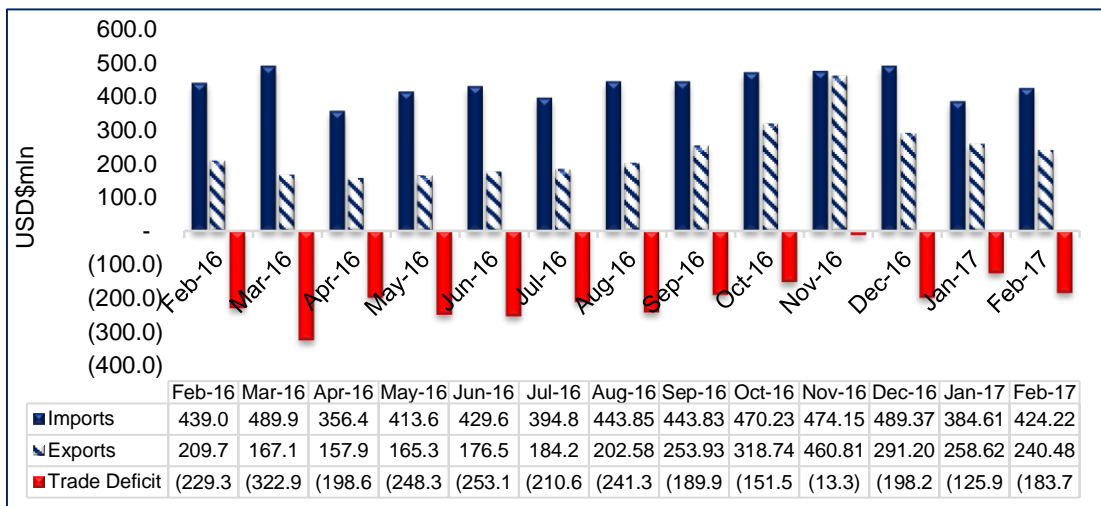
Source: ZimStat

- The major source markets for imports were South Africa (40.4%), Singapore (26.5%), China (7.6%), Zambia (2.4%) and India (2.1%).

Trade deficit

- Given the smaller decline in exports (7%), against a larger increase in imports (10.3%), trade deficit worsened to US\$183.7m in Feb 2017, from US\$126.0m in Jan 2017 (Feb 2016: -US\$229.3m) – **Fig. 3** below.

Fig.3: External Trade trend



Source: ZimStat

Outlook

Increased support for key exports, including swift processing of payments for critical raw material imports and supply-side reforms such as access to long-term finance, will significantly assist in redressing the trade imbalances.

...South Africa remained the major export (77%) and import (40%) market...

....Trade deficit worsened by 45.8% to US\$183.7m in February 2017...

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