

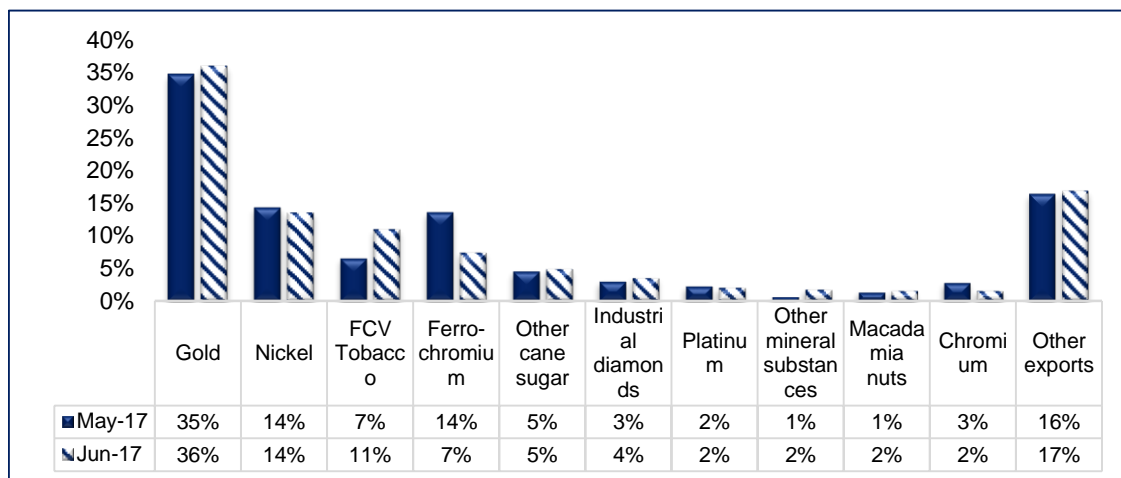
Trade deficit widens on high import bill...

Trade Indicator	Jun-17	May-17	M-o-M Change (%)	Y-o-Y Change (%)
Exports - US\$mIn	204.0	223.1	-8.6%	15.6%
Imports - US\$mIn	495.2	466.1	6.2%	15.3%
Trade Balance - US\$mIn	291.2	242.9	19.9%	15.1%

Exports

- According to the Zimbabwe National Statistics Agency “ZimStat”, the country’s total exports declined by 8.6% to US\$204.0m in Jun 2017, compared to US\$223.1m in May 2017.
- Major declines were recorded for ferro-chrome (-50%), platinum (-16%), nickel (-14%) and gold (-5%). However, increased exports from tobacco (54%) and diamonds (8%), minimized the decline in total exports. The contribution of tobacco exports has nonetheless been low relative to last year due to low international prices. In fact, TIMB noted that cumulative tobacco exports as at 30 June 2017 stood at US\$257.5 m, 3% lower than the comparative figure of US\$266.2m in 2016. **Fig.1** below outlines the major exports with Gold, Nickel and Tobacco commanding c.60% of total earnings.

Fig.1: Major export earners



Source: ZimStat

- The major export markets were South Africa (67%), Mozambique (16%), United Arab Emirates (6.6%), Belgium (3.5%) and Zambia (3.1%).

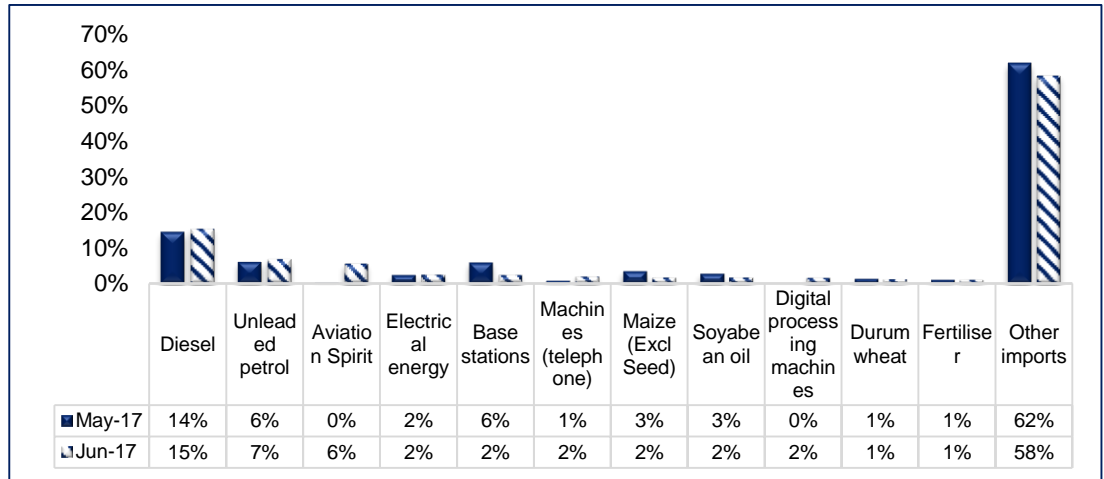
Imports

- Imports increased by 6.2% from US\$466.1m in May 2017 to US\$495.2m in Jun 2017. Most key imports recorded increases, led by diesel (13%), unleaded petrol (21%) and aviation spirit (3,314%). On the other hand, declines were recorded by base stations (-574%), maize (-48%), crude soya bean oil (-36%), among others. **Fig.2** on the next page outlines the trends in major imports between May 2017 and Jun 2017.

...gold, nickel and tobacco commanded 60% of total exports in June 2017...

...Imports growth driven by fuel requirements in June 2017...

Fig.2: Major imports



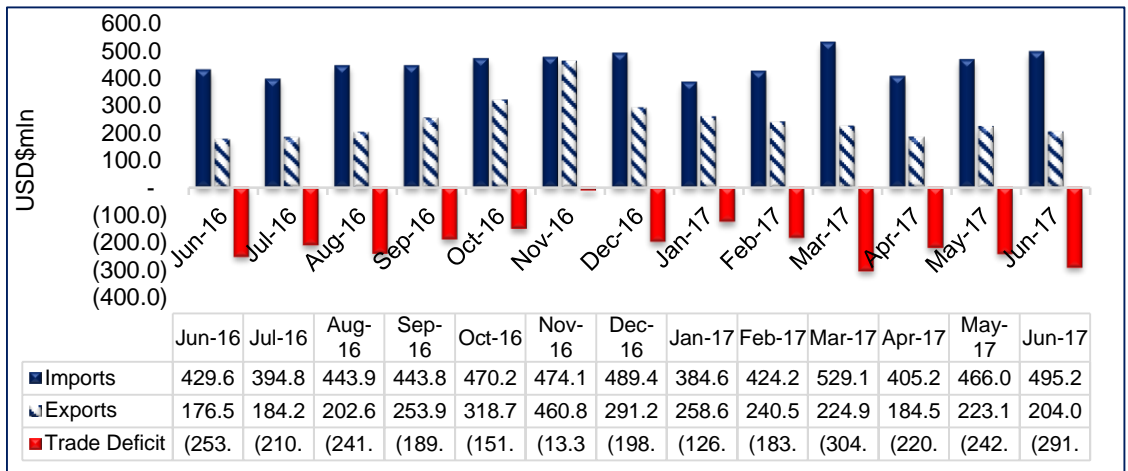
Source: ZimStat

- The major source markets for imports were South Africa (38%), Singapore (27%), China (11%), Zambia (3%) and Japan (2%).

Trade deficit

- The combined effect of higher imports (6.2%) and a reduction in exports (-8.6%) resultantly widened the trade deficit by 19.9% from US\$242.8m in May 2017 to US\$291.2m in June 2017 (Jun 2016: -US\$253.1m) – Fig. 3 below.

Fig.3: External Trade trend



Source: ZimStat

Outlook

Going forward, increased supply-side interventions including easy access to foreign currency for importation of critical raw materials, increased concessionary credit facilities and value-addition for major exports, remains a critical pillar in improving the country's trade balance.

...South Africa remained the major export (67%) and import (38%) market...

.... Trade deficit worsened by 19.9% to US\$291.2m in June 2017...

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