



External Sector Developments

Trade Update

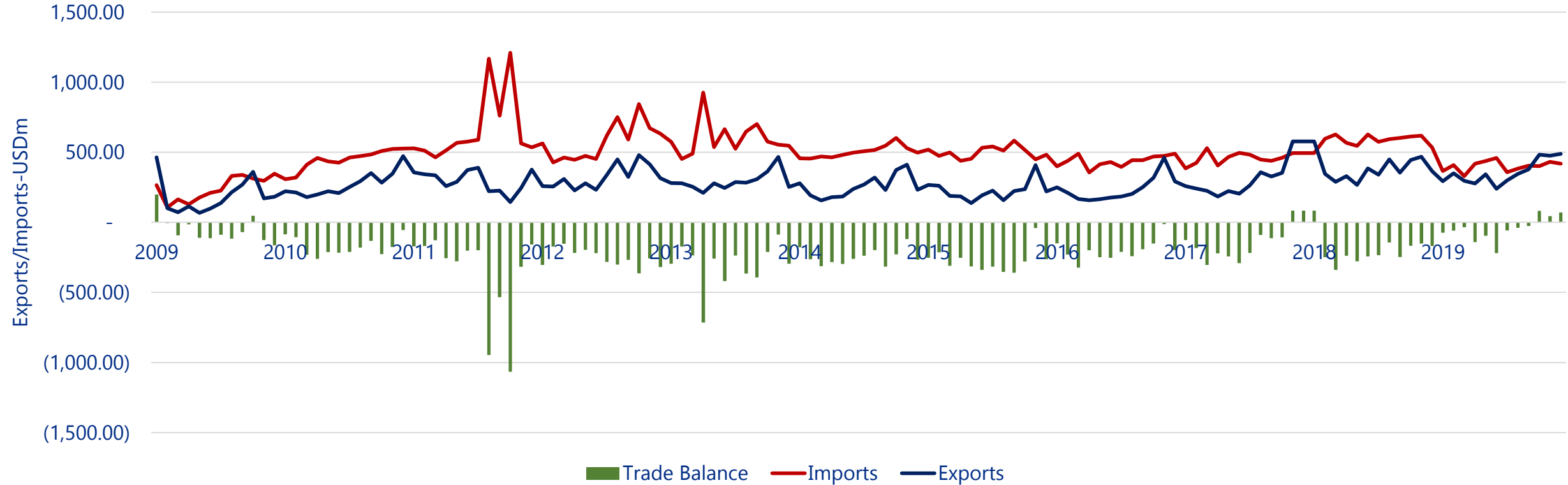
January 2020

External Trade Overview



- Latest figures from the Zimbabwe National Statistics Agency, "ZimStat", show that the country recorded a trade surplus of US\$70 million in December 2019, the third successive monthly surplus since 2018.
- Subsequently, the cumulative trade deficit declined by 78% to USD\$0.55 billion in 2019 from USD\$2.46 billion in 2018. The decline in trade deficit reflected the 5.7% growth in exports compared to a decline of 25.9% in imports- **Fig 1**

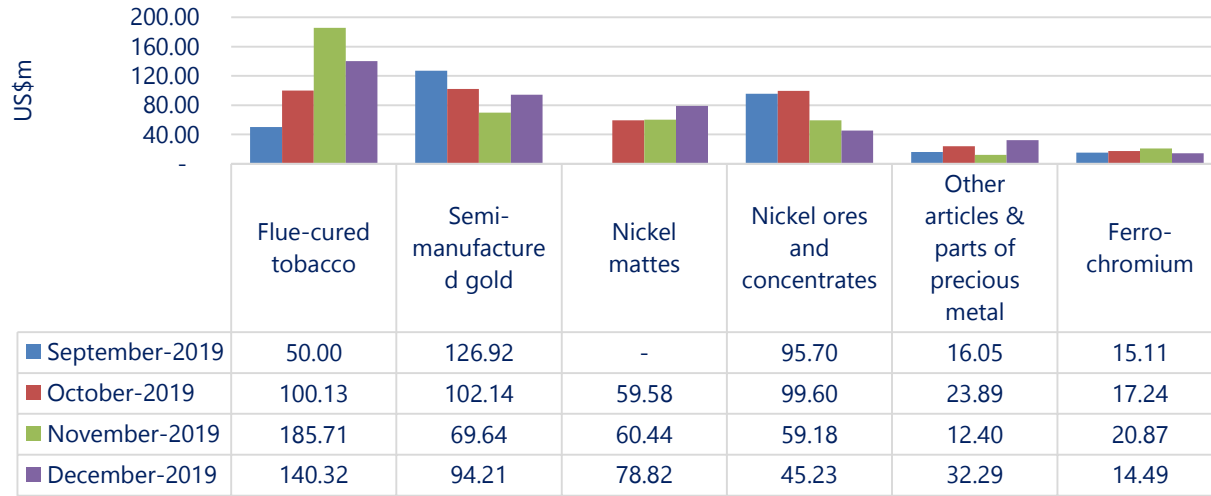
Fig 1: Trade Performance



Source: ZimStat

Exports: High concentration risk as minerals dominate...

Fig 2: Major Exports



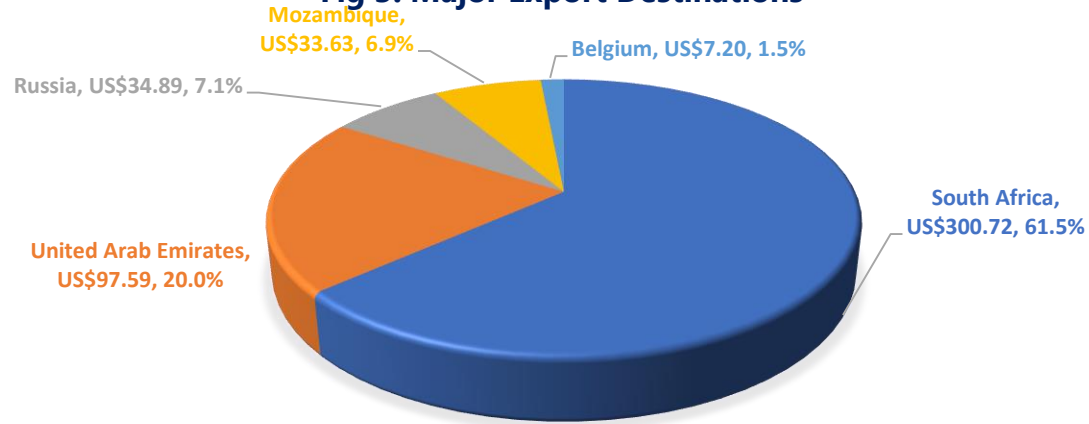
- Total exports grew by 2.9% m/m to a two-year high of US\$489.1million in December 2019. The growth was driven by increases in exports for other articles and parts of precious metals (+160%), semi-manufactured gold (+35%) and nickel mattes (+30%). However, m/m declines were still recorded for tobacco, nickel ores and ferro-chromium exports, but these remained among the country's major export earners – **Fig 2.**

- Meanwhile, cumulative exports for the full year 2019 stood at US\$4.3 billion, about 5.7% higher than the comparative period of 2018. Major y/y increases were recorded for other articles and parts of precious metals (+773%), nickel (+87%) and diamonds (+27%) offsetting losses in tobacco (-11%), Ferro-chromium (-10%), gold (-7%), and nickel mattes (-7%) exports.

- The top six exports accounted for 83% of total export earnings in December 2019 as mineral commodities continue to dominate the export basket.

- Meanwhile, the major export markets and/ gateways were South Africa (61.5%), United Arab Emirates (20.0%), Russia (7.0%), Mozambique (6.9%) and Belgium (1.5%). These countries accounted for 97% of the total exports - **Fig 3** across.

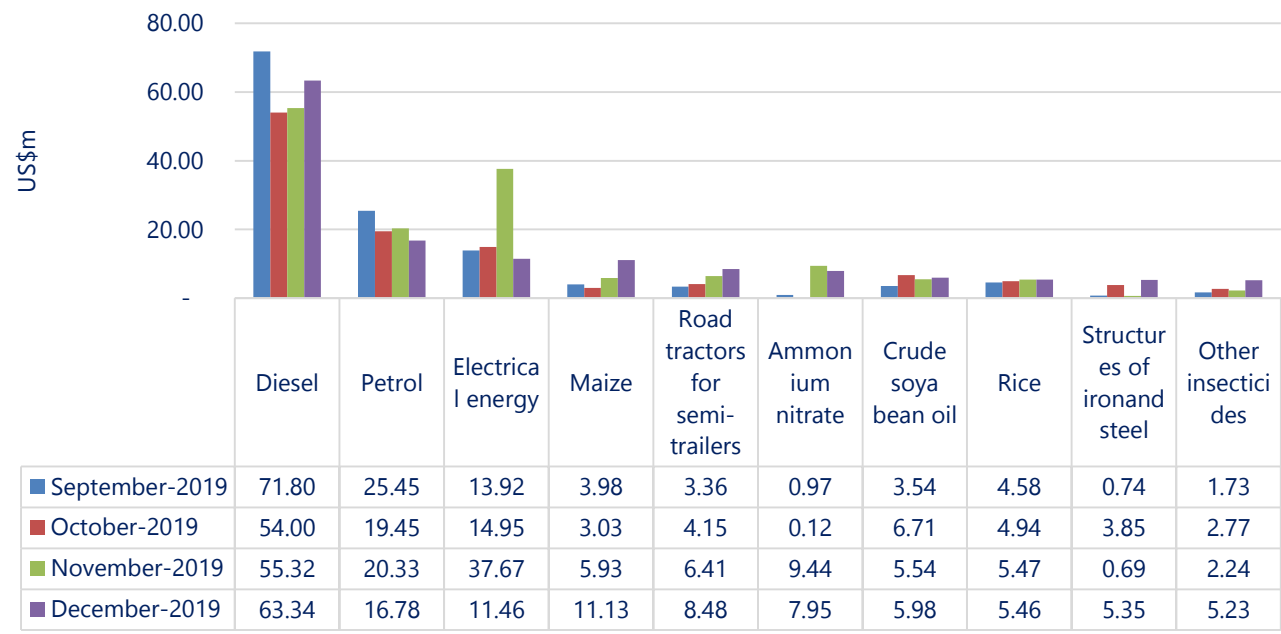
Fig 3: Major Export Destinations



Imports: Shifting consumer habits ...

- Imports fell by 2.9% m/m to US\$418.8 million in December 2019 dragged by declines in imports of electrical energy (-70%), petrol (-17%) and medicaments (-51%). However, growth was recorded in the importation of mixtures of ammonium nitrate (+669%)-reflecting the onset of the agricultural season, structures of iron and steel (+630%), maize (+88%), diesel (+15%) and road tractors (+32%).
- Resultantly, cumulative imports from January to December 2019 fell by 25.9% to US\$4.8 billion. With the exception of road tractors (+20%), all the other top 10 imports recorded declines. The decline seemingly reflected the foreign currency shortages and expenditure switching by consumers following the liberalisation of the exchange rate.
- Fig. 4** below shows the top 10 imports for the month of December 2019.

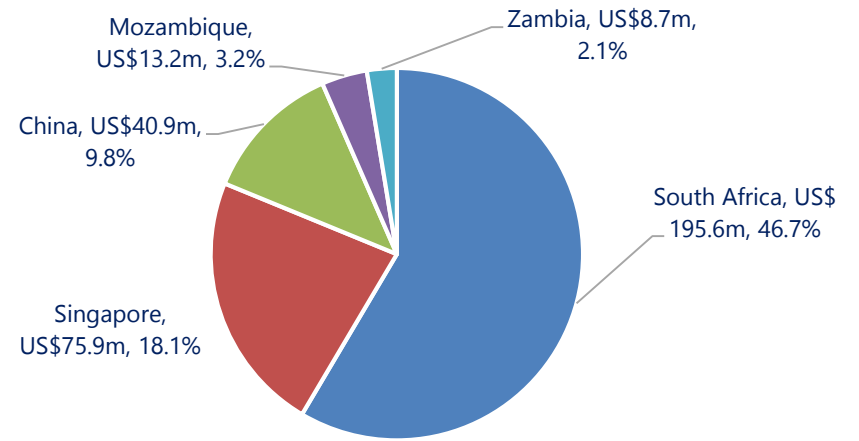
Fig 4: Major Imports



Source: ZimStat

- Meanwhile, the major source markets for imports were South Africa (47%), Singapore (18%), China (10%), Mozambique (3%) and Zambia (2%). **Fig 5**

Fig 5: Major Import markets



Contact Details

3rd Floor, Sapphire House,
Cnr Speke/Angwa St,
P O Box 3313,
Harare, Zimbabwe,
Tel: +263 4 759 110-6
Website: www.cbz.co.zw
Email: research@cbz.co.zw

Analysts

Andrew Chirewo	achirewo@cbz.co.zw
Victor Makanda	vmakanda@cbz.co.zw
Johane Virima	jvirima@cbz.co.zw

Disclaimer

CBZ Holdings Limited has prepared this report on behalf of itself and its clients for informative purposes only. Whilst the facts and opinions expressed in this report are based on sources that are believed to be reliable, and every care has been taken in preparing the report, no warranty (implicit or explicit) is made by CBZ Holdings Limited, its employees, directors, associates and affiliates regarding the accuracy, reliability, currency or completeness of the information in this report nor its usefulness for any purpose. CBZ Holdings Limited, its employees, directors, associates and affiliates accept no responsibility or liability, whatsoever, for any loss, damage, cost or expense, howsoever, incurred or arising by reason of any person using or relying on information or opinions expressed in this report. The opinions and estimates expressed in this report are based on the information available as at the date of publication and such opinions and estimates are given in good faith, but without legal responsibility, and may be changed after publication at any time without notice. The information contained in this report does not constitute legal advice or personal recommendation and each recipient may undertake his or her own independent investigation of the issues discussed in this report.