



Finance and Economic Development Minister Mthuli Ncube on Thursday presented the 2022 Mid-Term Budget and Economic Review in Parliament. Here are the highlights:

- Reserve money stock has increased to ZW\$33.6 billion as of 30th June 2022, largely due to growth in statutory reserves in line with the thrust of tightening monetary policy.
- The annual growth in broad money was largely driven by increases of 316.9% and 286% in credit to the private sector and net claims on Government, respectively.
- Zimbabwe's balance of payments remains favourable with a current surplus of US\$387.1 million having been registered during the first half of 2022.
- The gold coins are tradable, highly liquid and can be used as collateral security.
- Merchandise exports and imports increased by 33% and 15% to US\$3 516.5 million and US\$3 746.8 million, respectively, during the first half of 2022, compared to the same period in 2021.
- Exports are expected to reach US\$7.3 billion, spurred by increases in mineral receipts benefitting from the mineral commodity price boom, as well as increases in agriculture and manufactured exports.
- 2022 National Budget was premised on revenue collections of ZWL\$850.8 billion (16.8% of GDP), expenditures of ZWL\$968.3 billion and a target budget deficit of ZWL\$76.5 billion (1.5% of GDP). Unaudited outturn during the first half indicates revenue collections of ZWL\$506.6 billion, against expenditures of ZWL\$534.5 billion. This has resulted in a budget deficit of ZWL\$27.9 billion, against a target deficit of ZWL\$45 billion.
- As at end of June 2022, public and publicly guaranteed debt stood at ZWL\$1.3 trillion and US\$13.2 billion, comprised of domestic and external debt, respectively.

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- Budget Transparency Performance, the country is doing well in terms of budget transparency and is now ranked 3 in Africa, after South Africa and Benin. Globally, the country is ranked 41 out of 120 countries according to the International Budget Partnership (IBP) latest Report.
- Revenue collections to year-end are now projected at ZW\$1.7 trillion while expenditures are now estimated at ZWL\$1.9 trillion. This is against the approved Budget of ZWL\$968.3 billion, entailing additional spending of ZWL\$929 billion.
- The bulk of the Supplementary Budget (53%) is going towards employment costs to cushion public servants against the increasing cost of living. The balance of additional resources are going towards meeting Government consumables (18%), capital projects (19%) & social benefits (7%).
- Tax-Free Threshold was increased to ZW\$300,000 or USD1,200 per annum for remuneration earned in local and foreign currency, respectively, with effect from 1 January 2022.
- Tax Relief Measures, Threshold on local currency remuneration from ZW\$300,000 to ZW\$600,000 per annum and also adjust the tax bands to end at ZW\$12 million from the current ZW\$6,000,000 per annum, above which tax is levied at a rate of 40 percent, with effect from 1 August 2022.
- Bonus Tax Free Threshold: I also propose to review the local currency tax-free bonus threshold from ZW\$100,000 to ZW\$500,000 with effect from 1 November 2022.