



## **Table of Contents**

1. Overview of the Economy.....	1
1.1.Domestic Economy.....	1
1.1.1. COVID-19 Pandemic in Zimbabwe.....	2
1.2.Global Economy.....	2
1.2.1. COVID-19 Pandemic Around the Globe.....	3
2. Inflation.....	4
3. Foreign Currency Market.....	5
4. Various Sectors of the Economy.....	10
4.1.Manufacturing Sector.....	10
4.1.1. New Highlights.....	10
4.2.Mining Sector.....	10
4.2.1. New Highlights.....	10
4.3.Agricultural Sector.....	10
4.3.1. New Highlights.....	11
5. Labour Market.....	11
5.1.Labour Force Participation Rate (LFPR).....	12
5.2.Employment to Population Ratio (EPR).....	12
5.3.Distribution of Employed Persons by Industry.....	12
5.4.Distribution of Employed Persons by Occupation.....	13
5.5.Distribution of Employed Persons by Highest Level of Education.....	13
5.6.Informal Economy.....	13

### **1. Overview of the Economy**

#### **1.1.Domestic Economy**

Zimbabwe is facing an economic crisis fueled by the COVID-19 pandemic. Nevertheless, the economy is expected to rebound in 2021, mostly supported by a recovery of the agriculture sector characterized by a bumper harvest and also due to implementation of a rule-based monetary policy. The COVID-19 pandemic continues to negatively affect economic activity in the country, limiting employment growth and improvement in living standards. However, the government, through the Ministry of Health and Child Care, is already implementing a COVID-19 vaccination programme, since February 2021. This will go a long way in managing the pandemic. Meanwhile, Zimbabwe is bracing for a third wave of COVID-19 and the new imported B.1.617.2 variant which has already been confirmed in the country. The recent Statutory Instrument 127 of 2021 (SI 127-2021) announced by the government in May 2021 entails civil penalties for all economic agents that override the Banking and Use Promotion Act (24:24) and the Foreign Exchange Act (22:05). The newly gazetted statutory instrument implies that businesses that do not accept Zimbabwe dollars (Zw\$) at the official exchange rate for goods and services priced in United States dollars (USD) may face a maximum of fine of Zw\$50 000. Simply put, it is now illegal to price goods and services above the auction rate. This is tantamount to re-introduction of sector-wide price controls last seen in the period 2007/8 in the country. Just like what happened during the 2007/8 period, the current price controls will lead to lower market supply, severe shortages and strengthening of the black market as

economic agents attempt to overcome rising shortages by paying above the market prices. SI 127-2021 is not economically justifiable in the sense that not everyone or every business can easily access forex on the RBZ auction system. After all, the Zimbabwe dollar is currently overvalued on the auction market, hence its heightened depreciation in alternative markets. Currently, parallel rates range between ZW\$130 and ZW\$150 to US\$1. With the official exchange rate at ZW\$85.64, parallel market premiums have now increased beyond 50%. This implies that it is now 50% more expensive to buy US\$1 on the black market relative to the official market. SI 127-2021 is a threat to business continuity and consumer livelihoods at large, as it will lead to steep price increases. Despite the economic hurdles posed by the pandemic and the country's "command economics", the Reserve Bank of Zimbabwe (RBZ) still believes that the anticipated economic growth of 7.4% in 2021 is attainable, anchored, mostly on fiscal sustainability, good agricultural sector performance, price and financial system stability. The central bank also projects that annual inflation will fall below 10% by end of 2021. In the recent 2021 mid-term budget review, the Ministry of Finance and Economic Development reviewed Gross Domestic Product (GDP) targets up to 7.8% arguing that the projection would be anchored on bullish international mineral prices, the scaling up of a vaccination drive to combat the COVID-19 pandemic as well as positive spin-offs from a good agricultural season following high rainfalls received in the past season.

Below is a summary of economic growth forecasts for Zimbabwe:

Table 1: Economic growth forecasts for Zimbabwe

Authority/Year	2020	2021	2022
World Bank	-10%	2.9%	-
International Monetary Fund (IMF)	-10.4%	3.1%	-
Ministry of Finance & Economic Development	-4.1%	7.8%	5.4%

Takeaway: the government's growth projections may not be realistic especially given the current threat of a third COVID-19 wave, the new imported B.1.617.2 variant and the effects of SI 127-2021. Government's immediate policy priorities should be biased towards liquidity management to stabilize exchange rates, controlling the spread of COVID-19, as well as ensuring adequate and widespread COVID-19 vaccine deployment.

### 1.1.1. COVID-19 Pandemic in Zimbabwe

Zimbabwe's COVID-19 situation report by the Ministry of Health and Child Care (MoHCC) as of 31 July 2021 indicated that there were 108860 cumulative cases, 3532 total deaths, 75865 total recovered cases; with a recovery rate of 69%. From February 2021 up to 31 July 2021; 1 645 599 people have received their first dose of the COVID-19 vaccines while 767 910 people have received their second doses. Zimbabwe continues to lead all mainland southern Africa when it comes to procuring and administering vaccines. The country set aside US\$100 million for COVID-19 vaccine acquisition.

### 1.2. Global Economy

The World Bank is optimistic that the global economy will expand by approximately 4% in 2021, making a return to growth, following a 4.3% contraction in 2020. Below is a summary of economic growth forecasts for economies around the globe:

Table 2: Economic growth forecasts for economies around the globe

Economy/Year	2020	2021
United States of America (USA)	-3.6%	3.5%
Eurozone	-7.4%	3.6%
Japan	-5.3%	2.5%
China	-2%	7.9%
Emerging market & developing economies, including China	-2.6%	5%
Emerging market & developing economies, excluding China	-5%	3.4%
Low income economies	-0.9%	3.3%

Source: World Bank (2021)

As shown in table 2 above, in 2021, China is projected to experience the highest growth rebound of approximately 8%, following a 2% contraction in 2020. According to the UNCTAD, world trade's recovery from the COVID-19 pandemic reached a record high in the 1<sup>st</sup> quarter of 2021, increasing by an estimated 10% year-on-year. This rebound has been mostly driven by exports from East Asian Economies, specifically China, while other developing regions and countries including Russia have experienced trade recovery more slowly. This rebound is likely to continue into the 2<sup>nd</sup> quarter of the year, with combined value of goods and services reaching nearly \$6.6 trillion. Also, worthy to note on the global scenario is that prices of key raw materials for crude oil shot up by more than 100% in the global market. This implies that edible oils producers will need more foreign currency to maintain current production levels and meet demand. The surge in prices on the global market also shades more light on the sharp increase in the prices of cooking oil on the domestic market.

### 1.2.1. COVID-19 Pandemic Around the Globe

Table 3: COVID-19 situation around the globe as at 31 July 2021

Country/Place	Total Cases	Total deaths	Cases/Million
United States of America (USA)	34786651	610253	105979
India	31613993	423810	22909
Brazil	19880273	555460	93528
Russia	6161985	155180	42224
France	6020331	110779	92232
United Kingdom	5830774	129583	85891
Turkey	5704713	51253	67640
Argentina	4919408	105586	108847
Colombia	4776291	120432	93868
Spain	4447044	81486	95114

Source: WHO (2021)

Table 3 shows the leading countries in terms of total COVID-19 cases. As shown in table 3 above, the pandemic is continuously ravaging the world. USA is currently leading, globally, in terms of the number of total cases. Table 3 hints the need for all countries around the world to continue adhering to COVID-19 prevention and control measures as outlined by the World Health Organization (WHO). On the 30<sup>th</sup> of May 2021, Vietnam detected a new corona virus variant which is a hybrid of the B.1.617.1, B.1.617.2 and the B.1.1.7 variants and spreads quickly by air. This also indicates that the pandemic is far from ending and thus there is need for continued efforts to control the pandemic, by both government and the private sector.

Takeaway: It is important to note that vaccine development, investment, deployment and uptake around the globe is key to sustaining recovery of the global economy.

## 2. Inflation

Figure 1: Month-on-month inflation rates

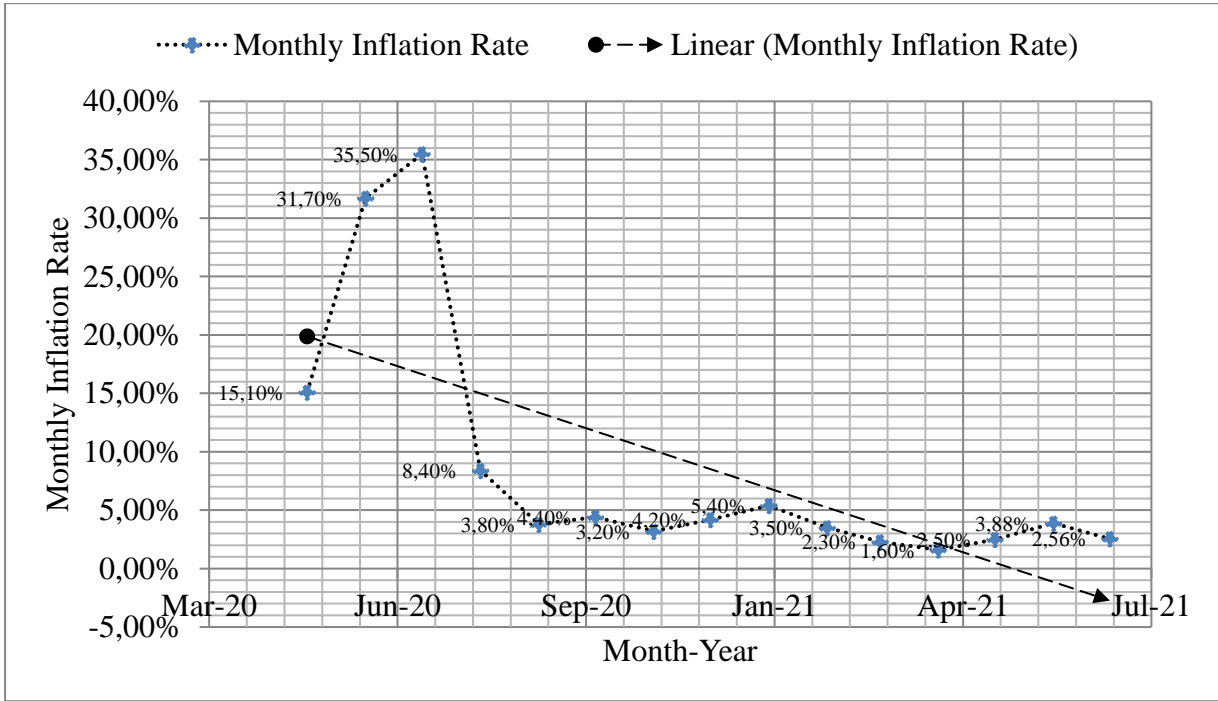
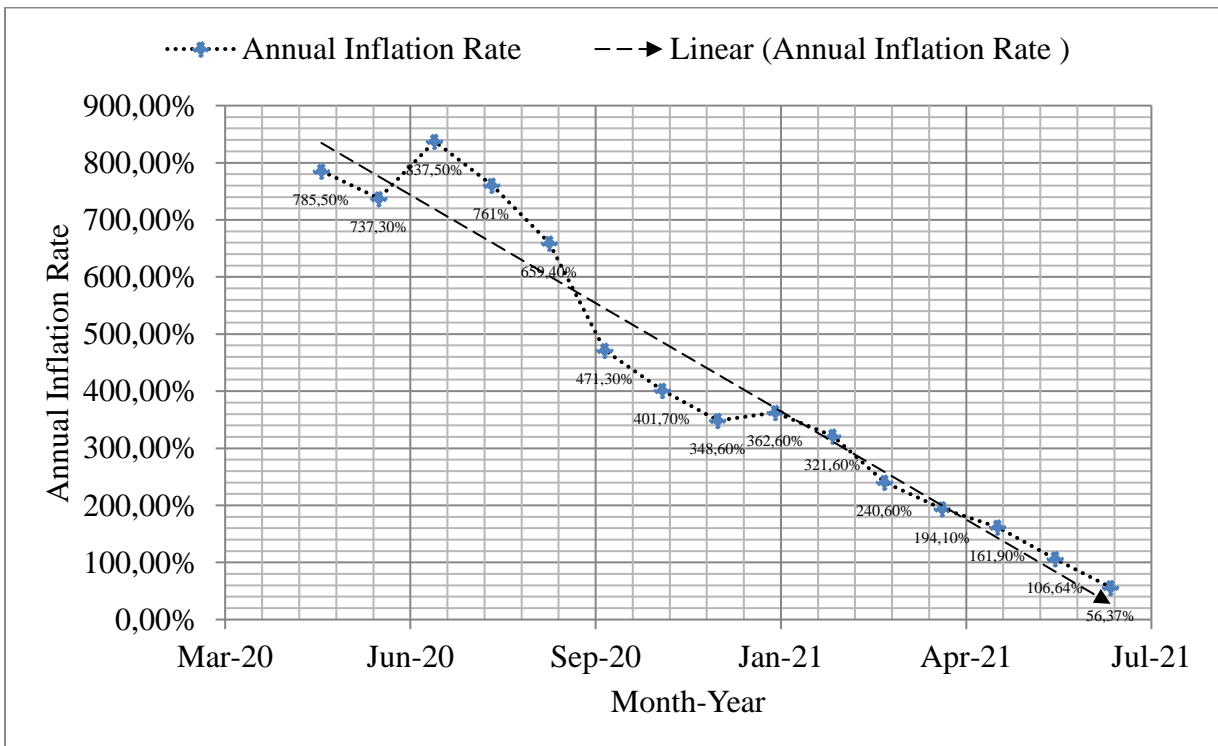


Figure 2: Annual inflation rates



Source of data: Zimbabwe National Statistics Agency (ZIMSTAT) (2021)

As shown in figures 1 and 2, Zimbabwe's annual inflation rate eased to 56.37% in July 2021 from 362.3% in January 2021. Since May 2020, annual inflation rate has been falling in the country, indicating the central bank's commitment to sustaining the disinflationary path. At the beginning of the year, the RBZ projected that year-on-year inflation will decline to less than 55% by end of the year 2021. The disinflationary trend is attributed to the introduction of a foreign exchange auction trading system in June 2020, which has played a pivotal role in restoring stability in the foreign exchange market. Figures 1 and 2, also shows that monthly inflation has been generally declining over the period May 2020 to July 2021. However, the month of May 2021 witnessed a slight increase in month-on-month inflation from 1.6% in April 2021 to 2.5%. This marginal increase of 0.9% may have been triggered by the fluctuating exchange rate in alternative markets, which is still a basis of price determination for goods and services across the country. Similarly, the month of June witnessed a slight increase in month-on-month inflation from 2.5% in May 2021 to 3.88%. The marginal increase of almost 1.34% could be attributed to fluctuating exchange rates in alternative markets as necessitated by announcement of SI 127-2021. Figure 2 also shows that Zimbabwe's annual inflation for the month of July 2021 slowed down to 56.37%. The decline, which shows a 50.27% drop from the June 2021 annual inflation rate of 106.64%, is consistent with RBZ's target of 55% by July 2021. Month-on-month inflation rate in July declined by approximately 34%, to about 2.56% from last month's 3.88%. It is important to note that parallel markets remain the basis of price determination for and services across the country.

Takeaway: inflation rate is likely to remain on a generally downwards trajectory given the central bank's conservative monetary policy stance.

### 3. Foreign Currency Market

During the month of July 2021, the USD gained against 13 out of 18 currencies in the basket under consideration. The USD gained the most against the Botswana Pula (5.3%), Brazilian real (2.24%), South African rand (2.2%), Norwegian krone (1.69%), British pound (1.26%), Argentine peso (0.9%), Canadian dollar (0.41%), Euro (0.27%), Russian ruble (0.26%), Zimbabwe dollar (0.25%), Hong Kong dollar (0.06%), Swedish krone (0.05%) and the Indian rupee (0.04%). The USD neither gained nor lost value against the French franc. However, it lost value against the rest of the currencies in the basket under consideration, losing the most against the Australian dollar by approximately 1.42%. Table 5 below is a summary of the July 2021 exchange rate analysis:

Table 4: Exchange rate analysis

Currency/USD	1 July 2021	26 July 2021	Change (%)
Zimbabwean dollar	85.42340	85.64020	0.25
ZAR-South African rand	14.29505	14.61	2.2
GBP-British pound	1.38190	1.39450	1.26
JPY-Japanese yen	111.09500	109.56500	-1.38
BWP-Botswana pula	0.09160	0.09065	5.3

CHF-Swiss franc	0.92585	0.90715	-2
AUD-Australian dollar	0.74890	0.73825	-1.42
NOK-Norwegian krone	8.61820	8.76390	1.69
SEK-Swedish krone	8.56205	8.56670	0.05
CAD-Canadian dollar	1.23995	1.24505	0.41
EUR	1.18490	1.18805	0.27
CNY-Chinese yuan	6.46450	6.46240	-0.03
INR-Indian rupee	74.34050	74.3700	0.04
BRL-Brazilian real	4.97050	5.08195	2.24
RUB-Russian ruble	73.11695	73.30955	0.26
FRF-French franc	7.43295	7.43295	0
HKD-Hong Kong dollar	7.75730	7.76190	0.06
ARS-Argentine Peso	95.71000	96.56750	0.9

Source of data: RBZ (2021)

The table below shows the daily midpoint rates of the Zimbabwe dollar/USD exchange rate for the month of July 2021. The Zimbabwe dollar lost value by an overall margin of 0.25% against the USD. It is important to remember that the Zimbabwe dollar remains overvalued in the auction market; this is the reason why it is always depreciating in alternative markets.

Table 5: Zimbabwe/USD exchange rate for July 2021

Date - July 2021	Midpoint Rate (Zimbabwe dollar/USD)–July 2021
1	85.42340
2	85.42340
5	85.42340
6	85.42340
7	85.50970
8	85.50970
9	85.50970
12	85.50970
13	85.50970
14	85.50990
15	85.50990
16	85.50990

19	85.50990
20	85.50990
21	85.63730
22	85.63730
23	85.63730
26	85.63730
27	85.63730
28	85.64020
29	85.64020
30	85.64020

Source of data: RBZ (2021)

### ***RBZ Foreign Currency Auction Market***

The auction market resumed on the 12<sup>th</sup> of January 2021. So far, the USD has gained 4.14% against the Zimbabwean dollar, from 82.0914 as at 12 January 2021 to 85.64020 as at 26 July 2021.

### ***Foreign exchange auction for 1<sup>st</sup> of week of July 2021***

Table 6: Foreign exchange auction for 1<sup>st</sup> of week of July 2021:

<b>PURPOSE</b>	<b>AMOUNT ALLOTTED SME AUCTION</b>	<b>AMOUNT ALLOTTED MAIN</b>
Raw Materials	1,729,385.55	14,077,599.22
Machinery and Equipment	1,972,893.91	7,016,303.27
Consumables (Incl. Spares, Tyres, Electricals, etc)	1,975,402.78	3,065,060.23
Services (Loans, Education, Dividends, Disinvestments, etc)	511,375.65	1,320,644.89
Retail and Distribution (Incl. Food, Beverages, etc)	655,316.87	3,210,048.87
Fuel, Electricity and Gas	158,059.75	1,333,354.93
Pharmaceuticals and Chemicals	394,855.68	3,702,409.64
Paper and Packaging	352,162.54	832,586.04
<b>TOTAL</b>	<b>7,749,452.73</b>	<b>34,558,007.09</b>
<b>GRAND TOTAL AWARDED</b>	<b>42,307,459.82</b>	

On the 1<sup>st</sup> week of July 2021, US\$42,307,459.82 was allocated to various sectors of the economy. As shown in table 6 above, most the funds were allocated towards machinery and equipment for SMEs while most of the funds were directed towards raw materials for the rest of economy.

### ***Foreign exchange auction for 2<sup>nd</sup> week of July 2021***

Table 7: Foreign exchange auction for 2<sup>nd</sup> week of July 2021:

<b>PURPOSE</b>	<b>AMOUNT ALLOTTED SME AUCTION</b>	<b>AMOUNT ALLOTTED MAIN</b>
Raw Materials	1,855,265.04	15,300,224.02
Machinery and Equipment	2,442,216.02	7,894,924.87
Consumables (Incl. Spares, Tyres, Electricals, etc)	1,690,620.68	2,690,225.08
Services (Loans, Education, Dividends, Disinvestments, etc)	575,760.19	1,791,011.44
Retail and Distribution (Incl. Food, Beverages, etc)	811,269.47	3,721,669.82
Fuel, Electricity and Gas	323,011.21	1,747,233.43
Pharmaceuticals and Chemicals	444,991.38	2,618,290.28
Paper and Packaging	295,993.70	918,651.87
<b>TOTAL</b>	<b>8,439,127.69</b>	<b>36,682,230.81</b>
<b>GRAND TOTAL AWARDED</b>	<b>45,121,358.50</b>	

On the 2<sup>nd</sup> week of July 2021, US\$45,121,358.50 was allocated to various sectors of the economy. As shown in table 7 above, most the funds were allocated towards machinery and equipment for SMEs while most of the funds were directed towards raw materials for the rest of economy.

*Foreign exchange auction for 3<sup>rd</sup> week of July 2021*

Table 8: Foreign exchange auction for 3<sup>rd</sup> week of July 2021:

<b>PURPOSE</b>	<b>AMOUNT ALLOTTED SME AUCTION</b>	<b>AMOUNT ALLOTTE D MAIN</b>
Raw Materials	2,027,591.73	15,100,167.36
Machinery and Equipment	2,014,127.79	9,539,708.98
Consumables (Incl. Spares, Tyres, Electricals, etc)	1,984,305.33	3,104,800.09
Services (Loans, Education, Dividends, Disinvestments, etc)	606,061.45	911,998.04
Retail and Distribution (Incl. Food, Beverages, etc)	968,244.79	3,713,743.57
Fuel, Electricity and Gas	278,492.74	1,748,127.88
Pharmaceuticals and Chemicals	563,690.77	2,449,332.18
Paper and Packaging	290,528.02	727,756.21
<b>TOTAL</b>	<b>8,733,042.62</b>	<b>37,295,634.31</b>



<b>GRAND TOTAL AWARDED</b>	<b>46,028,676.93</b>
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On the 3<sup>rd</sup> week of July 2021, US\$46,028,676.93 was allocated to various sectors of the economy. As shown in table 8 above, most the funds were allocated towards machinery and equipment for SMEs while most of the funds were directed towards raw materials for the rest of economy.

**Foreign exchange auction for 4<sup>th</sup> week of July 2021**

Table 9: Foreign exchange auction for 4<sup>th</sup> week of July 2021:

<b>PURPOSE</b>	<b>AMOUNT ALLOTTED SME AUCTION</b>	<b>AMOUNT ALLOTTED MAIN</b>
Raw Materials	2,618,337.54	14,262,215.75
Machinery and Equipment	2,571,114.31	8,981,866.50
Consumables (Incl. Spares, Tyres, Electricals, etc)	1,848,155.35	1,896,941.25
Services (Loans, Education, Dividends, Disinvestments, etc)	711,992.69	2,137,154.25
Retail and Distribution (Incl. Food, Beverages, etc)	862,967.10	4,332,677.09
Fuel, Electricity and Gas	286,143.71	1,987,585.65
Pharmaceuticals and Chemicals	732,787.66	2,900,273.71
Paper and Packaging	301,905.58	743,407.07
<b>TOTAL</b>	<b>9,933,403.94</b>	<b>37,242,121.28</b>
<b>GRAND TOTAL AWARDED</b>	<b>47,175,525.22</b>	

In the 4<sup>th</sup> week of July 2021, US\$47,175,525.22 was allocated to various sectors of the economy. As shown in table 9 above, most the funds were allocated towards machinery and equipment for SMEs. Within the main auction, most of the funds were directed towards raw materials.

For the month of July 2021, US\$180633020.47 was accumulatively allocated to various sectors of the economy with the bulk of funds being committed towards machinery and equipment as well as raw materials.

Takeaway: There is no doubt, the auction system is playing a critical role in stabilizing the financial system and therefore, the central bank should continue conserving and supporting the foreign exchange auction system. However, parallel, or alternative market rates remain a cause for concern as they are now hovering between ZW\$130 and ZW\$150 against the official rate. This is, however, an indication that the auction foreign exchange market still has a long way to go in terms of meeting the requirements of economic agents in the country. In the short run, local currency is likely to weaken further, due to pressure coming from alternative markets and the increased demand for foreign currency.

## **4. Various Sectors of the Economy**

### **4.1. Manufacturing Sector**

Employing at least 80,000 workers and contributing between 9% and 11% of exports and 12% to 14% of the country's GDP, the manufacturing sector remains one of the most strategic sectors in Zimbabwe. The sector's capacity utilization improved by 11% to 47% in 2020 from 36.4% in 2019. In 2021, capacity utilization is projected to rise to 61% on the back of a good agricultural season, COVID-19 vaccination programme, availability and access to foreign currency as well as improvements in electricity supply.

#### **4.1.1. New Highlights**

- ✓ Exports of processed foods increased by 18%. Under National Development Strategy 1 (NDS1), this upward trajectory is expected to continue.
- ✓ South African vehicle manufacturer expected to open plant in the country on the 1<sup>st</sup> of July 2021. This will go a long way in terms of job creation and stimulating economic growth.

### **4.2. Mining Sector**

The sector is on track to achieve its target of generating US\$12 billion annual revenue by 2023. Under the US\$12 billion mining roadmap, gold is projected to contribute US\$4 billion, platinum US\$3 billion, while chrome, iron, steel, diamonds, and coal are expected to rake in US\$1 billion. Lithium is projected to bring-in US\$500 million while other minerals will contribute US\$1.5 billion. In the diamond mining sector, 3 million carats are expected to be produced in 2021. Various thermal power projects are reportedly in various stages of development within the coal and hydrocarbons sector. Companies within the chrome, nickel and steel sector are set to expand their capacities in 2021. Jinan Corporation, for instance, has reportedly started expanding its smelting capacity. Companies such as Zimplats, Unki and Mimosa are expanding their operations with new projects reportedly in various stages of development.

#### **4.2.1. New Highlights**

- ✓ Removal of a clause (section 36) in the Finance Act (No. 2) of 2020 that was thought of as a re-introduction of the 51/49 shareholding structure in favor of indigenous entities.
- ✓ Nickel now the top forex earner, followed by gold and tobacco. ZimStats notes that the metal brought-in US\$985 million, tantamount to 22.4% of Zimbabwe's 2020 forex receipts.
- ✓ "use it or lose it" policy implemented by government with the aim of allocating mines to other companies willing to start production immediately.

### **4.3. Agriculture Sector**

The Ministry of Agriculture, Fisheries, Water and Rural Resettlement's agriculture and food systems transformation strategy is set to achieve:

- ✓ 100% food security by 2022
- ✓ 100% increase in household income by 2024
- ✓ 40% increase in value addition by 2024
- ✓ Create 1 million jobs by 2030
- ✓ Boost exports by 60% before 2030
- ✓ 80% import substitution by 2024

Various programmes are already operational in order to enhance food security in the country and these include:

- ✓ Pfumvudza
- ✓ Accelerated Irrigation Rehabilitation
- ✓ Farm Mechanization (Belarus; John Deere)
- ✓ Local manufacture of farm implements
- ✓ More Food Africa
- ✓ Soil and Water Conservation

In the 2020/21 farming season, crop hectarage increased for crops such as maize, sorghum, soya beans, cotton and tobacco as shown below:

Table 10: Crop hectarage

Crop	Area planted during the 2019/20 season	Area planted during the 2020/21 season	% Change
Maize	1,549,324	1,821,030	17.5%
Sorghum	305,865	322,274	5.4%
Soya beans	33,599	79,359	136.2%
Cotton	304,703	382,157	25.4%
Tobacco	100,426	107,558	7.1%
Millet	166,429	160,144	-3.8%
Sunflower	24,595	15,843	-35.6%
Sesame	11,534	10,279	-10.9%

Source: Ministry of Agriculture, Fisheries, Water and Rural Resettlement (2021)

#### 4.3.1. New Highlights

- ✓ Granadilla producer started exporting first fruits to the United Kingdom (UK), setting pace on the horticultural sector.
- ✓ Government is set invest US\$4 billion under the Presidential Inputs Scheme for grain production.
- ✓ The marketing season for cotton farmers started on the 18<sup>th</sup> of May 2021. Farmers have started delivering their bales, however; no payment has been done, cotton farmers are currently owed about ZW\$1.5 billion for the last crop season.
- ✓ Promulgation of SI 2021-97 – Grain Marketing (Control of Sale of Soya Beans). Under this new law, farmers should not store or transport above 100kgs of soya beans without permission from the Grain Marketing Board (GMB).
- ✓ Government to increase tobacco production to 300 million kilograms by 2025
- ✓ Tobacco sales for this season (which closed on the 14<sup>th</sup> of July 2021) increased by 31% to US\$515.9 million compared to last year's US\$393.9 million (Tobacco Industry Marketing Board, 2021).
- ✓ At least ZW\$13.2 billion worth of grain delivered to GMB. ZW\$8.3 billion has already been paid to the farmers.

#### 5. Labour Market

The Labour Force Framework (LFF) developed by ZimStats in 2019 shows the following key statistics concerning the architecture of the labour market in Zimbabwe:

- ✓ Total population – 14,215,809
- ✓ Below 15 years – 16,114,294 (43%)
- ✓ 15 years and above – 8,101,515 (57%)
- ✓ Outside labour force – 4,638,003 (57%)
- ✓ Potential labour force – 2,291,623 (49%)
- ✓ Unemployed – 566,449 (16%)

- ✓ Youth (15-24 years) unemployment – 27%
- ✓ Youth (15-35 years) unemployment – 21%
- ✓ Employed – 2,897,064 (84%)

Unemployment, according to ZimStats, is the proportion of persons of working age who are without work, available for work and are actively seeking work. As indicated by the LFF, unemployment in Zimbabwe stands at 16%. However, a health economy should have an unemployment rate of about 5%. Zimbabwe's unemployment rate is an indication of underlying problematic macroeconomic fundamentals as well as the COVID-19 pandemic. Youth unemployment 27% for youths aged 15-35 years. Countries with highest youth unemployment in Africa are Namibia (39.5%) and Botswana (37.3%).

### 5.1.Labour Force Participation Rate (LFPR)

- ✓ Male LFPR – 53%
- ✓ Female LFPR – 34%

Takeaway: Economic policies that increase unemployment rates such as heavy labour market regulation lead to a decrease in labour force participation.

### 5.2.Employment to Population Ratio (EPR)

- ✓ National EPR – 36%
- ✓ Male EPR – 44%
- ✓ Female EPR – 29%

Zimbabwe's EPR is 36%. This low EPR means that an important proportion of the population in the working age is unemployed, which is also reflected in the country's lower GDP per capita. It also indicates that, in this country, many people are struggling economically. This also means that Zimbabwe's ability to create jobs is still comprised. A good EPR should be at least 70% while an EPR of less than 50% is deemed low.

### 5.3.Distribution of Employed Persons by Industry

Table 11: Employment by industry

Industry	Distribution
Accommodation and food service	1.4%
Administrative and support service	1.7%
Human health and social work	2%
Public administration and defense	2.4%
Other services	2.5%
Transportation and storage	2.9%
Other industrial sectors	3.3%
Construction	3.6%
Household activity	5.7%
Education	6.8%
Mining and quarrying	7.2%
Manufacturing	7.5%
Retail trade	17%
Agriculture, forestry and fishing	36%

Source: ZimStats (2019)

As shown in table 11, most people, that is, 36%; are employed in the agriculture, forestry and fishing industry. The accommodation and food services industry only employs 1.4%.

#### 5.4. Distribution of Employed Persons by Occupation

Table 12: Employment by occupation

Occupation	Distribution
Elementary occupations	29.4%
Skilled, agricultural, forestry and fishing	19.9%
Service and sales workers	17.7%
Craft and related trades	9.5%
Plant and machine	9.1%
Professionals	8.2%
Technicians	2.7%
Managers	1.9%
Clerical support workers	1.6%
Armed forces occupations	0.2%

Source: ZimStats (2019)

Most people (29.4%) are employed in elementary occupations. The occupation with the lowest employees is the armed forces occupation.

#### 5.5. Distribution of Employed Persons by Highest Level of Education

Table 13: Employment by education level

Level of education	Distribution
ECE	0%
Primary	25.3%
Vocational – national	0.3%
Lower secondary	54.3%
Upper secondary	2.8%
Vocational - certificate	2%
Vocational - apprenticeship	3.5%
Tertiary - short cycle	3.3%
Tertiary - higher national	5.3%
Masters / Medical Doctors	1.2%
Ph.D	0%
No education	1.7%
Level not known	0

Source: ZimStats (2019)

Most people (54.3%) in Zimbabwe's labour market hold a lower secondary qualification. About 1.7% have no education.

#### 5.6. Informal Economy

According to ZimStats, the informal economy in Zimbabwe is categorized into informal sector and informal employment. Informal sector refers to an establishment not registered with the registrar of companies. However, enterprises involved in agricultural activities are not considered as in the informal sector. Informal employment includes own account workers, employers in their own informal sector enterprises, members of informal producers' cooperatives as well as paid employees not entitled to pension funds by employer, paid annual leave, paid sick leave and written contract with employer. 34% of all employed persons are in

the informal sector while 76% are informally employed. This implies that the informal economy in the country has become significant and can no longer be undermined as it now contributes to at least 48% of GDP and an estimated 42% of the total national employment.