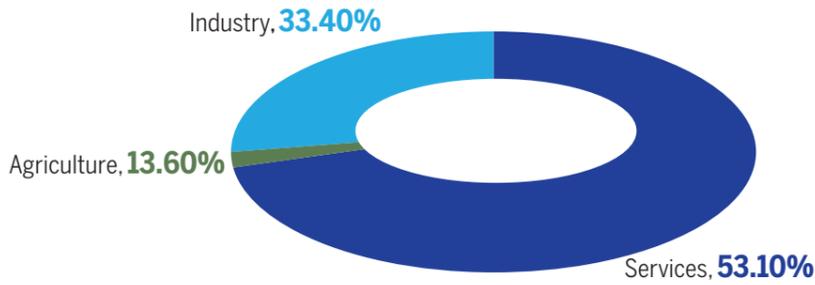


ZIMBABWE FACT SHEET 2016



ECONOMICS

SECTOR CONTRIBUTIONS TO GDP



2014 2015^(f) 2016^(f) 2017^(f) 2018^(f)

Inflation %	-0.2	-1.7	3.7	5.2	6.1
GDP %	3.1	-0.9	1.1	1.7	2.4

(f) FORECASTED

Currency: Multi currency including: United States Dollar, Botswana Pula, South African Rand, Euro, and Pound sterling

Top import products

- Mineral fuels, oils, distillation products (24.6%)
- Machinery, nuclear reactors, boilers (9.3%)
- Vehicles other than railway (8.5%)

Top import origins

- South Africa (42.9%)
- Singapore (18.3%)
- China (6.3%)



Top export products

- Pearls, precious stones, metals, coins etc. (29.5%)
- Tobacco and manufactured tobacco substitutes (27.4%)
- Ores, slag and ash (11.9%)

Top export locations

- South Africa (67%)
- Mozambique (18.8%)
- Belgium (4.1%)

SOCIAL

- **Population:**
 - 14.2 million people in 2015
- Zimbabwe boasts one of the highest literacy rates amongst the African countries at almost 90% of the population
- Zimbabwe's interconnected economic and political crisis from 1998 through 2008 prompted many of the country's most skilled and well-educated citizens to emigrate, leading to widespread labour shortages.

TECHNOLOGY

- Mobile cellular subscription rates have grown substantially from just over 330 000 users in 2009 to almost 9.9 million users in 2012.
- Internet penetration is estimated at around 48%. Limitations on international bandwidth have hampered development of the internet and broadband sectors.
- Fixed-line services reach only 2.8% of the population.

POLITICAL/LEGAL

- The president, Robert G. Mugabe, was elected in December 1987 and leads the Zimbabwe African National Union – Patriotic Front (ZANU-PF)
- Zimbabwe's political risk in terms of business and investment is seen to be moderate to high.

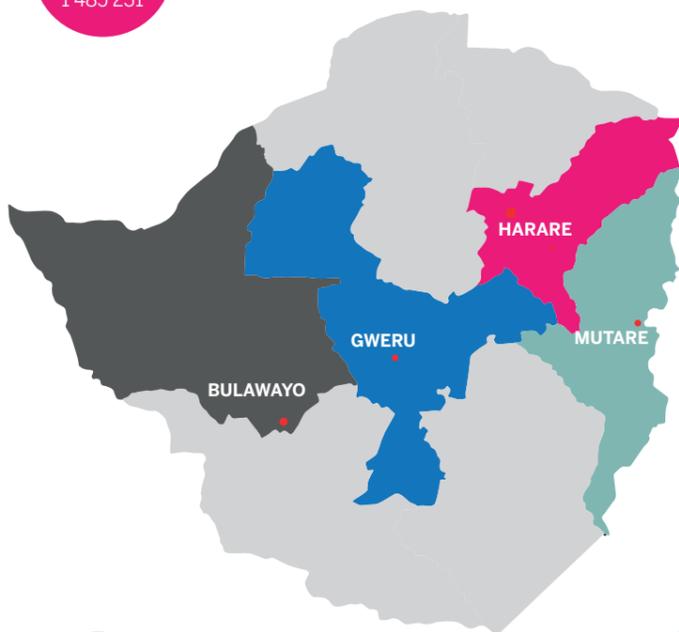
ENVIRONMENT

- Current environmental issues affecting both commercial and subsistence agriculture include soil erosion, deforestation, land degradation, water pollution, poaching of wildlife, and poor mining practices.
- Zimbabwe is vulnerable to recurring droughts.

MAJOR CITIES

Harare
Population:
1 485 231

- Capital city
- Trade centre for tobacco, maize, cotton and citrus fruits



Mutare
Population:
262 124

- Key industries include citrus farming, mining and forestry

Bulawayo
Population:
653 337

- Former industrial centre and transport hub

Gweru
Population:
141 862

- Economy is driven by a few industries, cattle farming and chromite mining

CHALLENGES TO DOING BUSINESS

- It would take approximately three months (90 days) to start a business in Zimbabwe; this is much higher than the regional average of 26.8 days in sub-Saharan Africa.
- Businesses operating in the country are hindered by relatively expensive labour costs due to extensive national minimum wage regulations, high severance pay packages and generous annual leave allowances. Businesses do, however, benefit from a low rate of labour tax and contributions.
- Zimbabwe's landlocked position in the centre of Southern Africa, with no direct access to sea ports, presents challenges to the country's trade routes.
- Extensive investment is needed to improve the quality of the road network and increase the efficient functioning of supply chains.
- Zimbabwe lacks a sovereign currency. This limits the country's ability to improve money supply through the issue of notes and lending.

OPPORTUNITIES FOR DOING BUSINESS

- Zimbabwe recognises the need to boost investment. It has implemented a number of incentives that are designed to attract foreign direct investment (FDI). These include tax breaks for new investment by foreign and domestic companies, and allowing capital expenditures on new factories, machinery, and improvements to be fully tax deductible. The government also waives import taxes and surtaxes on capital equipment.
- The allure of Zimbabwe's mineral resources has supported FDI inflows. This sector is the largest recipient of foreign investment.