



**PRESENTATION OF QUARTERLY GROSS DOMESTIC PRODUCT  
(GDP) ESTIMATES (2019-2022)**

**MAY 2023**

## **Introduction**

This release gives the official Quarterly Gross Domestic Product (QGDP) estimates for Zimbabwe. It provides the first set of results for all quarters covering the period 2019 to 2022. The compilation of QGDP is a response to the increasing demand for high frequency statistics from stakeholders. Quarterly estimates of GDP are a high frequency indicator of economic activity which provides the impetus for timely policy interventions. The aggregates shown were derived from a wide variety of sources.

## **Methodology**

The compilation of quarterly GDP follows definitions and conceptual frameworks as well as accounts and accounting identities of the 2008 Systems of National Accounts (SNA). The production approach to GDP was used in the estimation of current and constant quarterly GDP.

The compiled estimates are subject to revisions as more complete data is made available. This series is not de-seasonalised, since international best practices require a minimum of 5 years for a series to be de-seasonalised.

## **Data Sources**

Quarterly estimations are based on survey data collected by ZIMSTAT and administrative data from Zimbabwe Revenue Authority (ZIMRA), Reserve Bank of Zimbabwe (RBZ), Zimbabwe Tourism Authority, ZESA, ZINWA, POTRAZ, Ministry of Mines and Mining Development, Ministry of Transport and Infrastructure Development, Ministry of Health, and Ministry of Finance and Economic Development. VAT data from ZIMRA was extensively used to estimate activities of industries where regular surveys were not done. The VAT data provide estimates of turnover by economic activity.

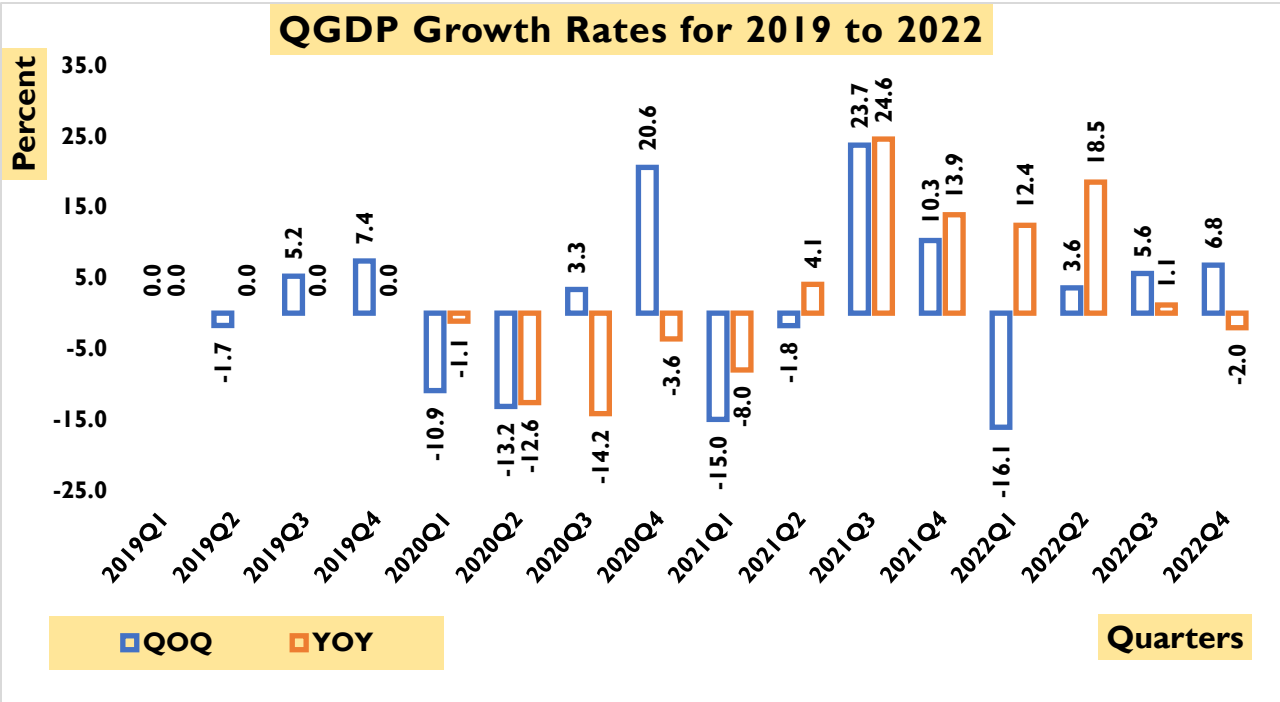
The Table below provides a summary of key indicators for selected industries

<b>INDICATORS USED FOR 2022 QUARTERLY GROSS DOMESTIC PRODUCT COMPILATION</b>	
<b>INDUSTRY</b>	<b>INDICATOR</b>
Agriculture, Hunting and Fishing and forestry	Turnover (ZIMRA)
Mining and Quarrying	Volume of Mineral Production
Manufacturing	Turnover (ZIMRA)
Electricity, Gas, Steam and Air Conditioning Supply	Volume of Electricity Production
Water Supply; Sewerage, Waste Management and Remediation Activities	Volume of Water Production
Construction	Cement Production
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Turnover (ZIMRA)
Transportation and Storage	Turnover (ZIMRA)
Accommodation and Food Service Activities	Volume of Bed Occupancy
Information and Communication	Volume of Voice and Data
Education	Number of Employees
Human Health and Social Work Activities	Number of Out Patients

### **Quarterly Overall Growth Rates**

Over the period 2019 to 2021, growth in quarterly estimates exhibited the impact of the COVID 19 restrictions on economic activity. The following graph shows the quarterly growth rates for the period under review.

### **Year on Year and Quarter on Quarter Growth Rates**



The Year to Year quarterly growth rates measure the growth in value added at constant prices for a quarter in relation to the same quarter in the preceding year. The Quarter to Quarter growth rate refers to the change in value added at constant prices for succeeding quarters.

The following graph shows trends in both Year to Year and Quarter to Quarter Growth rates.

## Summary Quarterly GDP Estimates for 2022 by Industry

<b>2022 QUARTERLY GROSS DOMESTIC PRODUCT AT MARKET PRICES (CONSTANT, MILLION ZWL)</b>				
<b>INDUSTRY</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Agriculture, Hunting and Fishing and forestry	6,359.06	7,183.69	6,299.82	6,908.43
Mining and Quarrying	6,777.84	6,901.79	7,882.67	8,445.54
Manufacturing	4,203.23	5,382.44	7,950.01	7,885.29
Electricity, Gas, Steam and Air Conditioning Supply	1,979.49	2,101.53	1,864.53	1,543.48
Water Supply; Sewerage, Waste Management and Remediation A	55.49	59.12	78.72	71.74
Construction	1,357.80	1,717.38	2,026.48	1,936.93
Wholesale and Retail Trade; Repair of Motor Vehicles and Moto	9,627.96	9,780.65	10,432.24	13,120.16
Transportation and Storage	873.14	1,155.48	981.00	1,166.30
Accommodation and Food Service Activities	979.86	1,329.78	1,309.05	1,184.41
Information and Communication	3,202.52	3,283.92	3,663.08	4,156.38
Financial and Insurance Activities	4,695.26	4,641.09	4,615.79	4,807.33
Real Estate Activities	1,625.15	1,793.05	1,917.16	1,924.72
Professional, Scientific and Technical Activities	543.47	565.46	556.61	619.70
Administrative and support service activities	524.34	538.89	501.56	592.63
Public Administration and Defence; Compulsory Social Security	1,277.09	1,223.58	1,267.28	1,213.15
Education	2,076.72	2,070.69	2,082.45	2,103.05
Human Health and Social Work Activities	1,506.95	1,425.43	1,447.24	1,553.95
Arts, Entertainment and Recreation	306.29	238.24	364.93	351.63
Other Services	794.49	799.43	813.51	812.48
Activities of Households as Employers Producing Activities of Ho	73.51	80.58	89.78	98.48
<b>GDP basic price</b>	<b>48,839.64</b>	<b>52,272.24</b>	<b>56,143.90</b>	<b>60,495.79</b>
Net taxes on products	3,713.53	2,154.22	1,330.04	872.91
Taxes on products	3,950.64	2,291.76	1,414.97	928.65
Subsidies	237.11	137.55	84.92	55.74
<b>GDP at market price</b>	<b>52,553.17</b>	<b>54,426.46</b>	<b>57,473.94</b>	<b>61,368.70</b>

## Summary Quarterly GDP Growth rates for 2022 by Industry

Industry	Q2	Q3	Q4
Agriculture, Hunting and Fishing and forestry	13.0%	-12.3%	9.7%
Mining and Quarrying	1.8%	14.1%	7.3%
Manufacturing	28.1%	47.7%	-0.8%
Electricity, Gas, Steam and Air Conditioning Supply	6.2%	-11.3%	-17.2%
Water Supply; Sewerage, Waste Management and Remediation Activities	6.5%	33.2%	-9.3%
Construction	26.5%	18.0%	-4.4%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.6%	6.7%	25.8%
Transportation and Storage	32.3%	-15.1%	18.9%
Accommodation and Food Service Activities	35.7%	-1.6%	-9.5%
Information and Communication	2.5%	11.5%	13.5%
Financial and Insurance Activities	-1.2%	-0.5%	4.2%
Real Estate Activities	10.3%	6.9%	0.4%
Professional, Scientific and Technical Activities	3.8%	-1.6%	11.3%
Administrative and support service activities	2.9%	-6.9%	18.1%
Public Administration and Defence; Compulsory Social Security	-4.2%	3.6%	-4.3%
Education	4.3%	0.9%	1.0%
Human Health and Social Work Activities	-5.4%	1.5%	7.4%
Arts, Entertainment and Recreation	-22.2%	53.2%	-3.6%
Other Services	0.6%	1.8%	-0.1%
Activities of Households as Employers Producing Activities of Households for own use	9.6%	11.4%	9.7%

## **ANNEX**

### **Concepts, definitions and role of QNA**

Quarterly National Accounts (QNA) is an integrated and consistent system of macroeconomic accounts designed to describe the entire system of production on a quarterly basis. It provides a picture of current economic developments that is timelier and more frequent than provided by Annual National Accounts (ANA). Therefore, the QNA serve as a framework for assessing, analyzing, and monitoring current economic developments.

QNA adopts the same concepts, definitions and structure as ANA. In principle QNA covers the entire sequence of accounts and balance sheets as reflected in the 2008 SNA. However, it is usually less complete than ANA because of constraints relating to time, resources and data availability. Specifically, QNA provides useful information for:

- Early identification of changes in trend;
- Timely implementation of economic policies;
- Better forecasts, including early estimates of annual accounts;
- Framework for business cycle analysis.

The basic requirement in compilation of QNA is to publish quarterly estimates of GDP with a maximum time lag of 90 days from the quarter. The level of compilation adopted by any country is usually determined by availability of resources and data.

### **Conceptual links between Quarterly and Annual Accounts**

The main difference between QNA and ANA is the reference period, that is, three months for QNA and twelve months for ANA. Whereas both the QNA and ANA are based on the same concepts and definitions, quarterly data provide explicit information about short-term movements in the series while annual data determine the overall level and long-term movements.

Ideally QNA should be consistent with ANA, that is, the sum of the estimates for the four quarters should be equal to the annual estimates. This condition is unlikely to hold in most cases, mainly because the ANA and QNA estimates are based on different data sources. To circumvent this problem, the QNA data is aligned with the annual data through a process known as “benchmarking”. Benchmarking process increases the accuracy of quarterly time series by incorporating the usually more accurate annual information into the quarterly estimates. The

general objective of benchmarking is to preserve as much as possible the short-term movements in the source data under the restrictions provided by the annual data.

### **Special Problems in Compilation of QNA**

Problems associated with compilation of QNA arise from three main sources:

- The fact that QNA compilation relies on incomplete information;
- The estimation process is built on assumptions of varying validity; and
- Some production cycles are longer than three months.

**Timing errors:** The main consideration in the compilation of QNA is timeliness and availability of quarterly data. Normally, there are less quarterly data available and, given the need to produce quarterly accounts with the least delay possible, initial quarterly estimates tend to be affected by delays in the collection and processing of data than annual estimates. This contributes to the problem of timing errors.

**Indicator bias:** The most usual method of compiling quarterly accounts is the indicator method, where a set of indicators are used to represent the National Accounts variables. However, the common feature of such indicators is that their coverage is less complete than for the annual data. This means that some indicators may suffer from bias in comparison to the more comprehensive annual data. Bias may also arise when an indicator is used as a proxy for the target variable but the relationship between the proxy and the target variable are weak.

**Long production cycles:** Construction and agricultural activities have production cycles that exceed three months and this poses a challenge to quarterly compilation. National accounting principles require that production is recorded and valued when it takes place and not simply when a finished product is sold. As a result, production taking place in each quarter must be valued even if the finished product may not be complete. The production should be recorded as work-in-progress and should form part of changes in inventories.

### **Compilation procedures**

Due to resource constraints and scarcity of short-term indicators, only Quarterly Value Added (QVA) by activity at constant prices is compiled using the production approach. The calculation of value added using the production



approach is ideally derived as output at basic prices less intermediate consumption. But most of the indicators available are on output; therefore, the estimates of quarterly value added by industry are compiled by extrapolating value added with the relevant indicators. The underlying assumption employed is that the ratio of intermediate consumption to output is constant. QGDP at constant prices is finally derived as sum of values added at basic prices plus taxes less subsidies on products.

Indicators are used to track changes over time. These are series of numbers which are presented as index numbers in the estimation process. Index numbers are necessary when weighting indicators (in cases where two or more indicators are used for a given industry eg transport).

Measurement of crop output on a quarterly basis, however, presents special difficulties. Crop harvests are largely confined to a single quarter of the year though the production process occurs on a continuous basis throughout the year. The 2008 SNA recommends that crop output should be distributed among quarters in proportion to the costs incurred in each quarter and that the value added calculated for quarters with no harvest should be recorded as work in progress. In this regard the reported turnover of agriculture inputs was used as a proxy for agriculture work in progress.