Quarterly Gross Domestic Product (GDP) Estimates For Quarter 2 of 2025

27 August, 2025

Introduction

This release provides Quarterly Gross Domestic Product (QGDP) estimates for the second quarter of 2025. Quarterly estimates of GDP are a high frequency indicator of economic activity which provides the impetus for timely policy interventions. The quarterly estimates are informed by leading, coincident and lagging indicators of economic activity. Indicators are derived from a wide range of sources, including survey data, administrative data as well as indices computed by ZIMSTAT.

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. International best practices require a minimum of 5 years for a series to be deseasonalised, hence the series compiled is not deseasonalised.

Quarterly GDP Estimates at Current Prices Q1 and Q2 2025

The quarterly GDP figure for the second quarter of 2025 was ZWG 378.9 billion up from ZWG 334.7 billion reported in the first quarter of 2025.
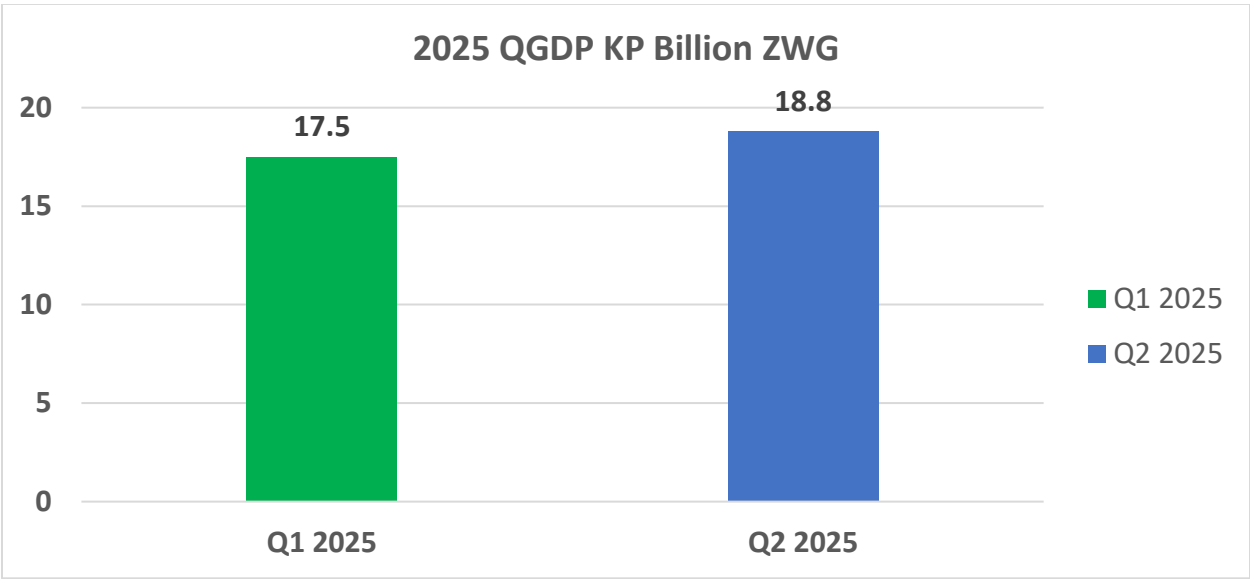
Figure 1. Quarterly GDP Estimates at Current Prices Q1 and Q2 2025
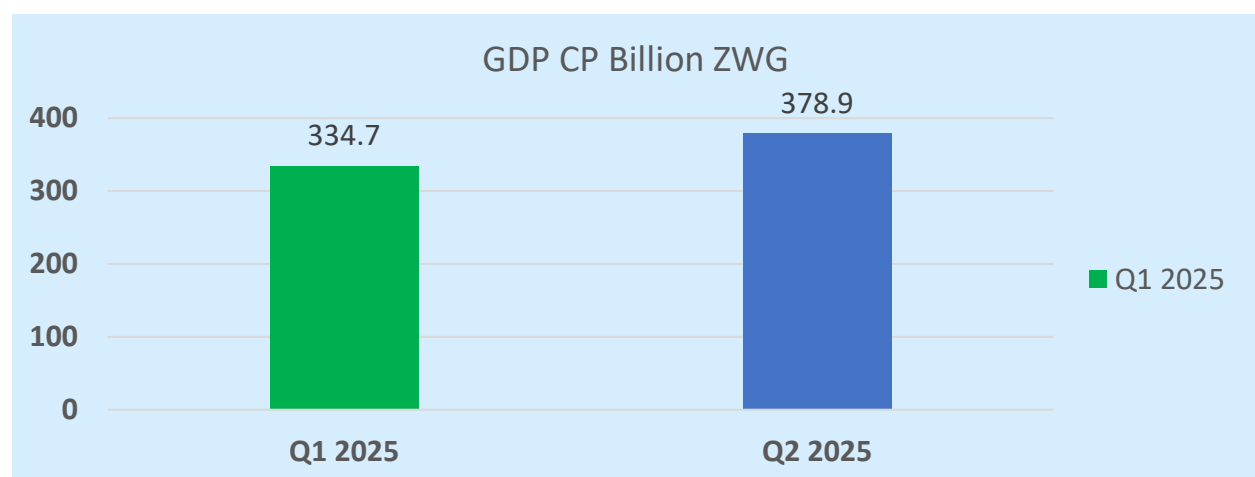
Quarterly GDP Estimates at Constant Prices (2023=100)

The quarterly GDP figure for the second quarter of 2025 was ZWG 18.8 billion up from ZWG 17.5 billion reported in the first quarter of 2025.
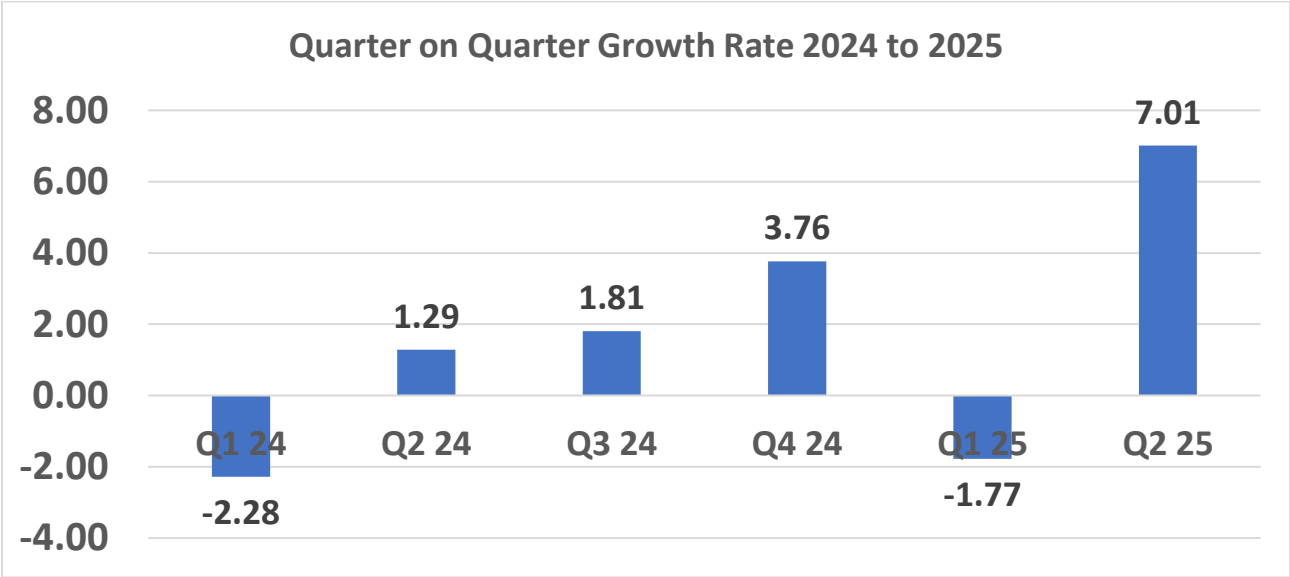
Figure 2. Quarterly GDP Estimates at Constant Prices (2023=100)

Quarterly Real Growth Rate

The quarter-to-quarter growth rate assesses the change in gross value added between consecutive quarters. The GDP growth rate for the second quarter of 2025 is estimated at **7.01%** up from a growth rate of **-1.77%** in Q1 2025, see Figure 3.
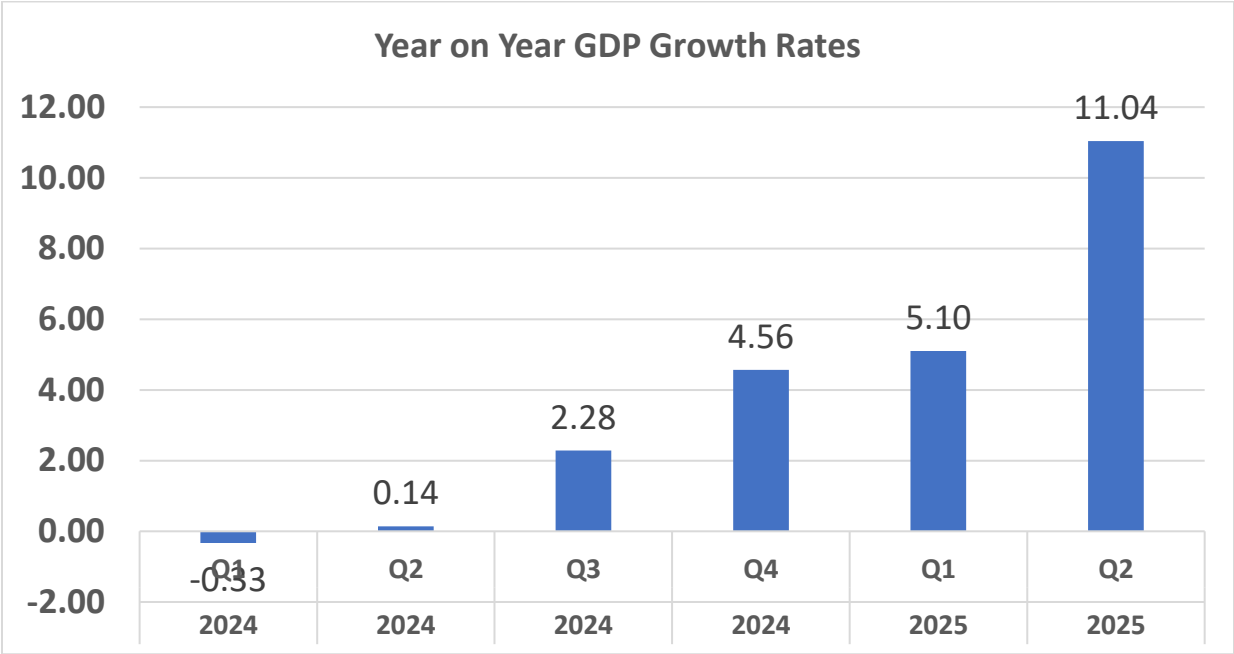
Figure *3*: GDP Growth Rates at Constant Prices (%)

Quarter on Quarter Growth Rate 2024 to 2025

Quarter	Value
Q1 24	-2.28
Q2 24	1.29
Q3 24	1.81
Q4 24	3.76
Q1 25	-1.77
Q2 25	7.01

Annual Quarterly Growth Rates

The year-on-year quarterly growth rate compares the value added of a particular quarter to the value added of the same quarter in the previous year. This metric indicates the growth or decline of the economy over a one-year period. During the second Quarter of 2025, the year on year GDP growth rate rose from 5.10% in the Q1 2025 to 11.04% in Q2, 2025.
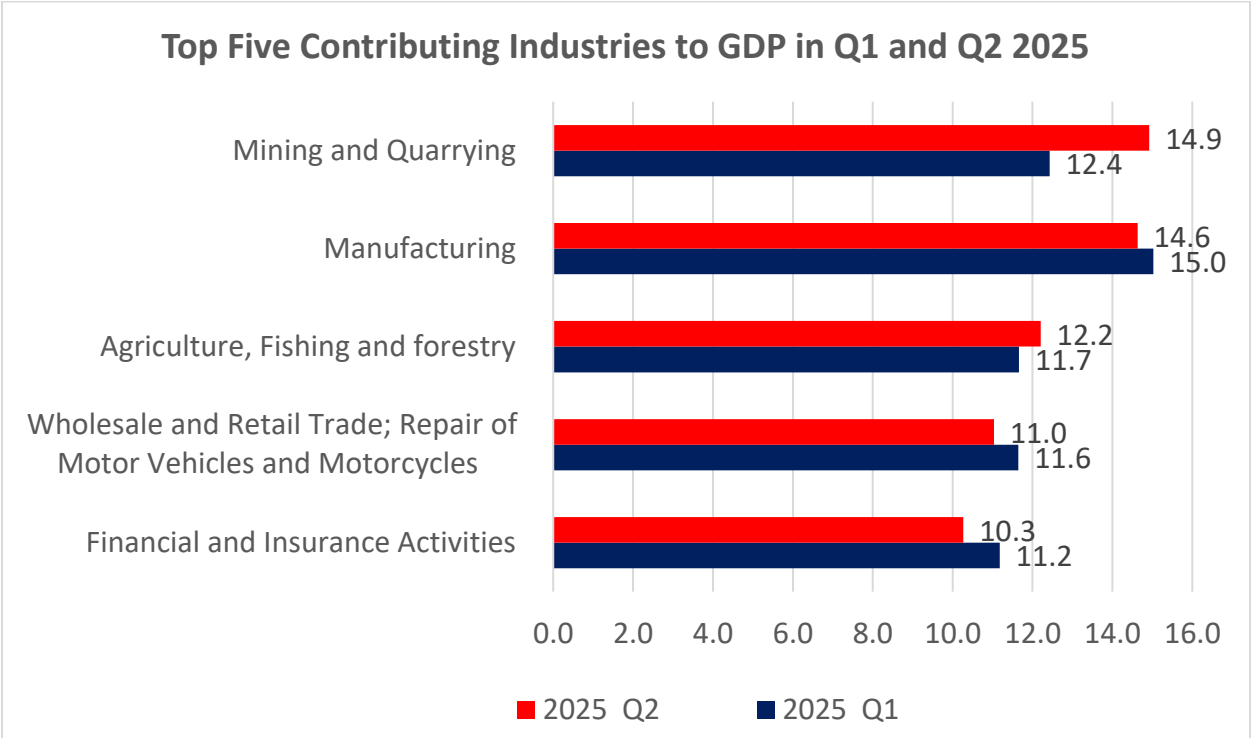
Figure 4: GDP Growth Rates at Constant Prices (%)

Year on Year GDP Growth Rates

Quarter	Growth Rate
Q1 2024	-0.33
Q2 2024	0.14
Q3 2024	2.28
Q4 2024	4.56
Q1 2025	5.10
Q2 2025	11.04

Industry Contributions to the 2025 Q2 GDP

During the second Quarter of 2025, the top 5 contributing industries in terms of value added were:

- Mining & quarrying: **14.9%**

- Manufacturing: **14.6%**

- Agriculture: **12.2%**

- Wholesale and retail Trade **11.0%**

- Finance and Insurance **10.3%**

Figure 5: Industry Contributions to the 2025 Q2 GDP

Top Five Contributing Industries to GDP in Q1 and Q2 2025

Industry	2025 Q2	2025 Q1
Mining and Quarrying	14.9	12.4
Manufacturing	14.6	15.0
Agriculture, Fishing and forestry	12.2	11.7
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	11.0	11.6
Financial and Insurance Activities	10.3	11.2

Axis: 0.0 2.0 4.0 6.0 8.0 10.0 12.0 14.0 16.0

■ 2025 Q2   ■ 2025 Q1

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. 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 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 monthly or 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 the basic 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 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 characteristically 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.

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) 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.

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 in measuring transport value added where a weighted index of cargo and passenger transportation is applied).

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.