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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE: SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Assistance to Zimbabwe

Report of the Secretary-General

1. In its resolution 36/223 of 17 December 1981, the General Assembly requested the Secretary-General, inter alia, to continue his efforts to mobilize resources for an effective programme of financial, technical and material assistance to Zimbabwe, to keep the situation in Zimbabwe under constant review, and to arrange for a review of the progress made in organizing and implementing the special economic assistance programme for that country in time for the matter to be considered by the Assembly at its thirty-seventh session.
2. The Secretary-General arranged for a mission to visit Zimbabwe in August 1982 to review, in consultation with the Government, the economic situation of the country, the progress made in implementing the special economic assistance programme and the needs for reconstruction and development. The report of the mission, which is annexed hereto, describes the economic and financial situation of the country as well as the requirements for international assistance.
3. In paragraph 4 of resolution 36/223, the General Assembly invited a number of specialized agencies and other organizations of the United Nations system to bring to the attention of their governing bodies the urgent and special needs of Zimbabwe and to report the decisions of those bodies to the Secretary-General by 15 July 1982. The responses of the agencies and organizations will be reproduced in a report of the Secretary-General covering Zimbabwe and other countries for which the Assembly has requested the Secretary-General to organize special economic assistance programmes (A/37/140).

ANNEX

Report of the review mission to Zimbabwe

(22-27 August 1982)

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I. INTRODUCTION

1. On 17 December 1981, the General Assembly adopted resolution 36/223 on assistance to Zimbabwe in which, inter alia, it requested the Secretary-General to arrange for a review of the progress made in organizing and implementing the special economic assistance programme for that country in time for the matter to be considered by the General Assembly at its thirty-seventh session.
2. The Secretary-General arranged for a mission to visit Zimbabwe from 22 to 27 August 1982 to consult with the Government on the economic situation, the progress made in implementing the special economic assistance programme and the needs for reconstruction and development. The mission was led by the Joint Co-ordinator of Special Economic Assistance Programmes in the Office for Special Political Questions.
3. The mission had meetings with the Deputy Minister of Finance and with senior officials from ministries and departments, including the Permanent Secretaries in the Ministries of Finance, Economic Planning and Development, Trade and Commerce, Agriculture, and Industry and Energy Development.
4. The mission wishes to record its appreciation of the assistance it received from the Government of Zimbabwe. It also wishes to acknowledge the contribution of the Resident Representative of the United Nations Development Programme (UNDP) and other representatives of the United Nations system in Zimbabwe.

II. ECONOMIC SITUATION

1. General

5. The previous report of the Secretary-General (A/36/271 and Corr.1) analysed the state of the economy of Zimbabwe as of mid-1981 and summarized economic developments since independence in April 1980.
6. At the end of 1981, the population of Zimbabwe was estimated at 7,730,000. In 1979, it was estimated that 55 per cent of the population was aged 15 or under and that 80 per cent lived in the rural areas.
7. Between 1975 and 1978, as a result of the war and international isolation, the gross domestic product (GDP) per capita fell by some 20 per cent, and gross fixed capital formation by 50 per cent. By 1979, GDP per capita was at the 1965 level, but in that year a recovery began which continued strongly in 1980. GDP in 1981 continued to expand at a satisfactory rate, by 12 per cent in real terms and by 8 per cent on a per capita basis. However, in 1981, the availability of foreign exchange emerged as a major constraint on growth. Table 1 shows the development of GDP in recent years.

Table 1. Gross domestic product (at factor cost)

	1978	1979	1980	1981
GDP at current prices (millions of Zimbabwean dollars) a/ (Percentage growth)	2,236 (7%)	2,608 (17%)	3,316 (27%)	4,147 (25%)
GDP at constant 1969 prices (millions of Zimbabwean dollars) (Percentage growth)	1,170 (-2%)	1,188 (2%)	1,322 (11%)	1,483 (12%)
GDP per capita at current prices (Zimbabwean dollars)	319	360	443	536
GDP per capita at constant 1969 prices (Zimbabwean dollars) (Percentage growth)	167 (-5%)	164 (-2%)	177 (8%)	192 (8%)

Source: Monthly Digest of Statistics, June 1982.

a/ \$1 = \$Zim 0.75.

8. In 1982, real GDP is expected to grow by some 6 to 8 per cent over-all, but agricultural output is likely to decline and mining output and prices are also falling. The Government expects to publish shortly a three-year transitional development plan for the years 1982/83 to 1984/85, which will have as a goal an average rate of growth of real GDP of 8 per cent per annum for those years.

9. The structure of GDP in 1981, compared to 1978, is shown in table 2.

10. Agriculture and manufacturing have increased their combined share of GDP by one fifth (to over 40 per cent) in the four-year period 1978-1981, and the share of education rose by almost two thirds (to 6 per cent). The major relative reductions were in public administration (largely the result of the cessation of hostilities), mining and quarrying (as a consequence of falling commodity prices, which has placed many mines in serious financial difficulties this year), transport and communications (with the re-opening of normal external trade routes), and in domestic and other services.

Table 2. Structure of the gross domestic product
(Millions of Zimbabwean dollars)

Sector	1978	(Percentage)	1981	(Percentage)
Agriculture and forestry	305	13.6	738	17.8
Mining and quarrying	158	7.1	217	5.2
Manufacturing	514	23.0	1,098	26.4
Electricity and water	64	2.9	88	2.1
Construction	68	3.0	126	3.0
Financial and insurance	109	4.9	189	4.6
Real estate	45	2.0	47	1.1
Distribution, hotels, restaurants	296	13.2	620	15.0
Transport and communications	191	8.5	262	6.3
Public administration	241	10.8	352	8.5
Education	86	3.8	253	6.1
Health	54	2.4	63	1.5
Domestic services	54	2.4	74	1.8
Other services	120	5.4	159	3.8
<u>less imputed banking charges</u>	<u>-69</u>	<u>-3.1</u>	<u>-139</u>	<u>-3.3</u>
Total	<u>2,236</u>	<u>100</u>	<u>4,147</u>	<u>100</u>

11. Gross fixed capital formation has recently increased from 14.2 per cent of GDP (at market prices) in 1978 and 14 per cent in 1980, to 15.6 per cent in 1981. The increase resulted largely from reconstruction and rehabilitation activities in rural areas; the manufacturing sector has not seen any significant capacity increase and this does not augur well in the face of rising disposable incomes and the need to expand exports. The breakdown of expenditure on GDP in 1978 and 1981 is given in table 3.

Table 3. Expenditure on GDP (at market prices)
(Millions of Zimbabwean dollars)

	1978	(Percentage)	1981	(Percentage)
Private consumption	1,381	59.0	2,979	65.8
Private non-profit-making bodies	34	1.5	57	1.3
Government expenditure	454	19.4	797	17.6
Gross fixed capital formation	333	14.2	706	15.6
Increase in stocks	56	2.4	305	6.7
Net exports of goods and services	<u>81</u>	<u>3.5</u>	<u>-316</u>	<u>-7.0</u>
GDP	<u>2,339</u>	<u>100.0</u>	<u>4,528</u>	<u>100.0</u>

Source: Monthly Digest of Statistics, June 1982.

12. The agricultural sector is discussed in section III below. As concerns manufacturing, table 4 shows the development of production indices since the base year 1964.

13. Much of the manufacturing sector is based on domestic resources, and the three groupings - foodstuffs, drink and tobacco, and metals and metal products - together contribute about half of total industrial value-added and provide about 50 per cent of industrial employment.

14. While the volume of output of the manufacturing sector rose by 10 per cent in 1981, no growth is evident in 1982 on the basis of the figures for the first four months, and a marginal decline is expected for 1982 as a whole. However, within the sector, the output of foodstuffs, textiles and transport equipment is increasing noticeably; while declines are apparent in wood and furniture, metal

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Table 4. Indices of volume of production in the manufacturing sector

	All manufacturing	Food-stuffs	Drink and tobacco	Textiles	Clothing and foot-wear	Wood and furniture	Paper, printing and publishing	Chemicals and petroleum	Non-metallic minerals	Metals and metal products	Transport equipment	Other
1964	100	100	100	100	100	100	100	100	100	100	100	100
1978	183	235	160	253	125	142	162	193	155	241	84	191
1979	202	252	166	274	139	177	182	199	194	277	96	206
1980	232	268	197	320	164	223	212	240	226	308	118	269
1981	255	293	183	363	211	237	242	279	272	324	159	248
1981 (Jan.-Apr.)	239	281	169	304	186	238	226	266	251	315	133	241
1982 (Jan.-Apr.)	239	317	163	344	172	197	231	268	242	296	166	198

Source: Monthly Digest of Statistics, June 1982.

products and the miscellaneous category. The inflation rate of 14 to 16 per cent in 1981 is unlikely to decline in 1982 in the face of continuing buoyancy in consumer demand.

15. The increasingly difficult foreign exchange situation is having an adverse impact on the well-developed and diversified manufacturing sector, which is highly dependent on essential imported inputs and spare parts, and on imported capital equipment for plant replacement and expansion. Restrictions on imports for this sector have a depressing effect on employment and output, and increase inflationary pressures. While an effective foreign exchange allocation system is in place, co-ordinated by the Ministry of Trade and Commerce, this cannot overcome the depressing effects of the cut, by 12 to 17 per cent, in the quarterly allocations during the first nine months of 1982 compared to the previous year (in the first half of 1982 this was partially offset by commodity aid programmes, but the levels of these are not being maintained in the second half of the year). A decline in output can be foreseen in 1983. Export incentives are built into the foreign exchange allocation system, and most foreign commodity aid programmes are integrated into it. It is a reflection of the relatively developed manufacturing sector that food and consumer products account for a very small portion of total imports.

16. A Small Enterprises Development Corporation is being formed, which will assist in financing and training small businessmen, including those in the rural areas where normal trading activities were dislocated during the war.

17. In view of the large amounts of foreign exchange needed to pursue Zimbabwe's post-independence development programmes, particularly in the rural areas, any significant delays in the delivery of international assistance pledged for development projects will necessitate the diversion of other foreign exchange resources to fill the resulting gap, and this will inevitably give rise to even greater shortages of foreign exchange for the normal operations of the manufacturing sector.

18. Employment generation continues to be of concern: while the labour force increased by some 90,000 persons in 1981, new employment was available to only 30,000, and in 1982 the number of job openings is expected to be well below this figure.

2. Balance of payments

19. The adverse developments in the balance of payments in 1981, and the continuation of this trend in 1982, represent an emergent and difficult constraint on development. The development of the balance-of-payments situation in recent years is shown in table 5.

20. In 1981, the trade balance moved into deficit for the first time since 1975 (figures are not available for earlier years). The 25 per cent increase in imports in 1981 included development-oriented imports financed by external assistance. This component of imports is expected to increase further in 1982. The low growth

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Table 5. Balance of payments
(Millions of Zimbabwean dollars)

	<u>1979</u>	<u>1980</u>	<u>1981</u> (provisional)
Exports	734	929	1,002
Imports	<u>595</u>	<u>844</u>	<u>1,059</u>
<u>Trade balance</u>	+ <u>139</u>	+ <u>85</u>	- <u>58</u>
Services (net)	- 159	- 187	- 280
Transfers (net)	- 63	- 50	- 102
<u>Current account balance</u>	- <u>82</u>	- <u>152</u>	- <u>439</u>
Long-term capital	- 28	- 67	+ 62
(official)	(- 28)	(- 68)	(+ 68)
(private)	(nil)	(+ 1)	(- 6)
Short-term capital	- 18	+ 23	+ 72
<u>Capital account balance</u>	- <u>46</u>	- <u>44</u>	+ <u>134</u>
<u>Over-all balance</u>	- <u>128</u>	- <u>196</u>	- <u>306</u>
Gold monetization	+ 3	+ 38	+ 15
Changes in valuation of gold and foreign assets	+ 1	+ 13	- 28
Use of International Monetary Fund (IMF) resources	-	-	+ 31
Borrowings	+ 120	+ 25	+ 218
Errors and omissions	+ 90	+ 107	+ 86
Changes in reserves (- increase; + decrease)	- 85	+ 13	- 16

Source: Government of Zimbabwe.

in exports - actually a drop of 5 per cent in volume terms - in part reflects the transportation bottlenecks in 1981. On the other hand, the terms of trade improved both in 1980 and 1981, largely as a result of exchange rate movements (especially against the falling South African currency). While the transportation constraint on exports greatly eased in 1982, export performance is likely to remain sluggish this year in view of the continuing poor performance of the world economy and the consequently depressed prices of many of Zimbabwe's commodity exports. While exports were stockpiled in 1981 for want of transport capacity, some stockpiling is taking place in 1982 because of low export prices.

21. A second World Bank import-support programme is now under negotiation to ensure an adequate supply of imports for export-oriented industries. Export incentives are given to the manufacturing sector, and export promotion activities are being given increasing attention.

22. The values of Zimbabwe's principal exports are given in table 6.

23. Other agricultural exports include barley, legumes, hides and skins, maize seed, ground-nuts, vegetable oil, and wattle extract. Other mineral products include magnesite, lithium, tungsten, tantalite, silver, platinum, cement, pig-iron and gemstones. Other manufactures include leather goods, sleepers and lumber products, pharmaceuticals, soap, tyres and tubes, paper products, yarns and thread, textiles, domestic hardware and sanitary ware, travel goods and plastics. The range of Zimbabwe's exports augurs well for its potential role in the recently inaugurated eastern, central and southern African Preferential Trading Area (PTA).

24. The external public debt rose from \$Zim 353 million at the end of 1979 to \$Zim 514 million at the end of 1981 and \$Zim 679 million in mid-1982, in part owing to large-scale infrastructure projects being undertaken (e.g., electricity generation, railway electrification). While debt servicing will place a significant strain on the balance of payments in the short term (\$Zim 41 million in fiscal year 1981/82), no great difficulty is foreseen for foreign debt management in the medium term.

3. Government budget

25. The budget out-turn in the last four years, and the proposed budget for fiscal year 1983/84, is shown in table 7.

26. The current balance has continuously improved since independence, and a recurrent surplus is expected to be achieved in 1982/83, in line with government policy. External grants of \$Zim 63 million are expected in the current fiscal year. Significant increases in the rates of personal and corporate tax, sales tax, excise tax, and import tax and import surcharge were introduced in 1982. Altogether, these tax measures are expected to raise an additional \$Zim 235 million. In the recurrent budget \$Zim 408 million (22 per cent) will be spent on education, defence will absorb \$Zim 291 million (16 per cent) and debt servicing will take \$Zim 191 million (10 per cent). Three quarters of the public debt is domestically held.

Table 6. Principal exports
(Millions of Zimbabwean dollars)

Product	1980	1981
<u>Agricultural products</u>		
Tobacco	122.8	224.4
Cotton	58.1	61.2
Sugar	47.4	54.8
Meat	18.6	8.6
Maize	7.4	34.7
Animal feed	6.8	7.9
Coffee	6.9	9.9
Tea	6.2	5.9
<u>Mineral-based products</u>		
Gold	115.2	63.9
Ferro-alloys	88.1	79.5
Asbestos	80.1	75.9
Steel	67.2	41.8
Nickel	52.7	46.8
Coal and coke	10.3	10.3
Tin	8.6	8.3
Metal wire	5.5	5.9
<u>Manufactured products</u>		
Machinery and equipment	16.7	19.2
Clothing	17.1	17.6
Furniture and fixtures	4.7	5.3
Footwear	5.1	6.1

Source: Monthly Digest of Statistics, June 1982.

Table 7. Government budget a/
(Millions of Zimbabwean dollars)

	Year ended 30 June				
	1979	1980	1981	1982	1983 (projected)
Current revenue	593	689	963	1,374	1,959
(Taxes)	(475)	(562)	(778)	(1,220)	(1,728)
(Other income)	(105)	(114)	(173)	(137)	(157)
(External grants)	-	-	-	(5)	(63)
(Loan recoveries)	(13)	(13)	(12)	(12)	(11)
Current expenditure	806	971	1,137	1,449	1,848
Current balance	- 213	- 282	- 174	- 75	+ 111
Capital expenditures	76	92	157	243	701
Basic deficit	- 289	- 374	- 331 <u>b/</u>	- 318	- 590
Financed by:					
External reconstruction loans	-	-	8	10	14
External development loans	-	-	1	5	220 <u>c/</u>
Other borrowing (net)	289	374	273 <u>d/</u>	303	356

a/ Excluding rolling-over of government debt (directly and through sinking funds).

b/ Not including \$Zim 49 million in previously blocked funds ceded to Zimbabwe.

c/ Of which \$Zim 154 million in soft loans under the Zimbabwe Conference on Reconstruction and Development (ZIMCORD).

d/ Borrowing requirement reduced by \$Zim 49 million due receipt of previously blocked funds.

27. Capital expenditures are projected to rise sharply in the current fiscal year, to \$Zim 701 million or 27.5 per cent of total expenditures, compared to 14.4 per cent in 1981/82. Much of this will be financed by soft loans under ZIMCORD. The capital budget includes \$Zim 50 million for emergency loans to the financially troubled mining industry.

4. Zimbabwe Conference on Reconstruction and Development (ZIMCORD)

28. In March 1981, the Government convened the Zimbabwe Conference on Reconstruction and Development (ZIMCORD), at which it brought to the attention of the international community Zimbabwe's reconstruction and development needs. The reconstruction phase is now almost completed.

29. In the previous report of the Secretary-General, it was reported that ZIMCORD could be considered to have been a major success. Pledges made in response to ZIMCORD amounted to \$Zim 1.3 billion (see A/36/271 and Corr.1, table 9). The Government informed the mission that some \$Zim 1.8 billion is now expected under the ZIMCORD programme. As indicated in paragraphs 33 to 35 below, \$Zim 1,060 million of the \$Zim 1,800 million is expected to be utilized during the period of the Three-Year Plan, 1982/83-1984/85.

30. At the end of 1981, \$Zim 80 million of external assistance for the reconstruction programme had been spent. Table 8 shows the fields of expenditure.

31. As of mid-1982, a total of \$Zim 576 million of the ZIMCORD pledges had been firmly committed to identified projects, or already spent. While this rate of commitment is felt to be satisfactory, it is extremely important that donors make every effort to commit outstanding amounts and to move from commitment to disbursement as rapidly as possible.

32. Table 9 shows the amounts, by donor, and also the outstanding amounts yet to be committed by these donors (10 donors with announced pledges but without any funds as yet committed are excluded).

5. Public Sector Investment Programme

33. The Government expects to publish shortly the Three-year Transitional Development Plan 1982/83-1984/85 which will provide the framework within which socio-economic development programmes will be implemented during that period. The Plan will, in particular, embody the Public Sector Investment Programme (PSIP) for those years. In fiscal year 1982/83, PSIP expenditures of at least \$Zim 1,019 million are projected, of which the Government will contribute \$Zim 456 million, statutory bodies and local authorities \$Zim 365 million, and external donors at least \$Zim 200 million (more of circumstances permit) under ZIMCORD. \$Zim 316 million (31 per cent) will go to agriculture and rural development; \$Zim 222 million (22 per cent) to transport and communications; \$Zim 198 million (19 per cent) to the expansion of social services, housing and

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Table 8. ZIMCORD expenditures in 1981
(Millions of Zimbabwean dollars)

Sector	Amount
A. <u>Agriculture and rural development</u>	
1. District Development Fund (roads, bridges, water supplies, dipping services, livestock, marketing, fencing, machinery and vehicles, training)	21.5
2. Ministry of Lands, Resettlement and Rural Development (assistance to growers, irrigation works, tillage, land purchase, training)	16.0
3. Ministry of Agriculture (foot-and-mouth disease control)	0.7
4. Central Mechanical Equipment Department (tillage, irrigation, foot-and-mouth disease control)	0.9
B. <u>Social sectors</u>	
1. Department of Social Services (emergency food, shelter, basic needs packages, transport of displaced persons, social services and contingencies)	17.5
2. Ministry of Health (hospitals, clinics, supplemental feeding, malaria control)	1.9
3. Division of District Administration (council schools, refugee schools)	17.2
4. Ministry of Education and Culture (schools, school farms, refugee children)	1.3
5. Ministry of Works (hospitals, clinics, schools, government housing)	2.7
6. Ministry of Local Government and Housing (purchase of land)	<u>0.2</u>
Total	<u>79.9</u>

Table 9. Implementation status of selected ZIMCORD pledges
(Thousands of Zimbabwean dollars)

Donor	Committed or spent as of mid-1982	Balance to be programmed
Australia	1 217	15 883
Belgium	1 970	4 030
Canada	23 011	9 989
China	17 300	-
Finland	3 079	1 921
France	70 255	-
Germany, Federal Republic of	34 507	22 493
Italy	4 720	23 000
Kuwait	32 400	5 600
Netherlands	8 602	799
New Zealand	164	-
Nigeria	9 460	1 940
Norway	7 700	3 400
Saudi Arabia	35 000	-
Sweden	22 672	26 900
Switzerland	16 400	200
United Kingdom of Great Britain and Northern Ireland	83 292	81 708
United States of America	54 772	146 299
Yugoslavia	2 100	-
African Development Bank	6 000	35 000
Arab Bank for Economic Development in Africa	6 200	29 700
European Economic Community	34 400	85 200
Organization of Petroleum Exporting Countries	7 200	-
World Bank	82 178	247 822

related infrastructures; \$Zim 176 million (17 per cent) to energy and water development; and \$Zim 107 million (11 per cent) to administrative services, including defence.

34. The Three-year Plan will be based on a total investment of some \$Zim 6.1 billion at current prices (assuming an inflation rate of 15 per cent per annum), or \$Zim 5.9 billion, excluding increases in stocks. It is anticipated that about 60 per cent of this investment will take place in the public sector under PSIP, to which ZIMCORD funds are expected to contribute \$Zim 1,060 million.

35. As yet no significant inflow of private investment has materialized since independence. In view of the large role expected to be played by private investment in the Three-year Plan, much of which it is hoped will come from abroad, the Government intends to assemble into one document all relevant constitutional provisions and legislation affecting foreign investment, as a guide to potential investors. In this connexion, new foreign investors will also be able to draw on the long experience of the already large and well-entrenched private sector in Zimbabwe.

6. Manpower

36. The staffing of the public service is emerging as a critical problem in Zimbabwe, and could become a constraint on the country's absorptive capacity for utilizing ZIMCORD pledges. Following independence, many civil servants left the country, and resignations have continued in 1982 although the present tendency is to switch to the private sector and remain in Zimbabwe. Among the groups in short supply are staff for technical colleges and vocational schools and trainers of Zimbabwean instructors for these schools; school teachers; medical personnel (there is a critical shortage of anaesthetists); architects, quantity surveyors and civil engineers; computer programmers and technicians; accountants; electrical engineers and technicians for the power industry; trainers of extension workers for the resettlement programme; hydrological engineers and technicians; and ground staff for civil aviation.

37. The Government recently undertook a review to identify the vacant posts for which no suitable Zimbabwean or resident of Zimbabwe is available, and has authorized external recruitment for these posts as a short-term measure, while recognizing that in the medium and long term intensified training is the only viable solution. Table 10 summarizes the situation as of June 1982, based on information provided by the Public Service Commission. The list is wide-ranging but not exhaustive.

38. The Government is anxious to discuss with donors the possibility of topping-up schemes (basic Zimbabwean public service salary topped-up by the donor Government to provide an attractive over-all salary) for their nationals to serve on fixed-term contracts in Zimbabwe. The Government would also welcome additional support through normal technical co-operation and volunteer programmes. External support in providing manpower is also important because of the foreign exchange

Table 10. Public-sector vacancies for external recruitment1. Ministry of Finance

- (a) Customs and Excise: 6 training officers
4 tariff value officers
2 excise officers
8 examining officers
- (b) Department of Taxes: 23 senior assessors/assessors
7 investigation officers

2. Ministry of Agriculture

- (a) Department of Research: 3 research officers (agronomy)
1 research officer (coffee)
2 research officers (botany)
- (b) Department of Agricultural, Technical and Extension Services: 4 agricultural engineers
2 extension specialists (irrigation)
2 extension specialists (horticulture)
- (c) Department of Veterinary Services: 3 public health veterinarians
2 veterinary officers
2 veterinary research officers
2 glossinologists

3. Ministry of Lands, Resettlement and Rural Development

- (a) Department of Survey: 2 cartographers
2 topographers
4 surveyors
1 chief trigonometrical surveyor
2 photogrammetrists
- (b) Department of Water Development: 25 civil engineers
20 civil engineering technicians

4. Ministry of Water Resources and Development

- 6 civil engineers (level III)
11 civil engineers (level IV)
17 civil engineers (level V)
3 technicians (level I)
10 technicians (level II)
30 technicians (level III, IV, V)

5. Ministry of Local Government and Town Planning

- 3 architects
4 civil engineers

Table 10 (continued)

6. Ministry of Construction

8 architects
5 quantity surveyors
3 electrical engineers
2 civil engineers
3 structural engineers
1 research officer
47 technicians/higher technicians

7. Ministry of Mines

2 mining engineers
3 regional mining engineers
2 mining ventilation engineers
5 coal geologists

8. Ministry of Roads and Road Traffic

19 vehicle inspectors
8 civil engineers

9. Ministry of Health

1 orthopaedic technician
1 dental technician
4 medical officers (health)
7 pathologists
1 obstetrician/gynaecologist
1 surgeon
4 anaesthetists
2 paediatricians
4 radiologists
5 psychiatrists
1 ophthalmologist
1 physician specialist
1 child welfare specialist
1 malariologist
72 government medical officers
1 senior dental officer
2 dental officers
1 senior physicist
1 physicist
9 pharmacists
2 senior radiographers
2 senior physiotherapists

Table 10 (continued)

		10 physiotherapists
		1 senior occupational therapist
		1 occupational therapist
		1 air pollution control officer
		2 chief laboratory technicians
10.	<u>Ministry of National Supplies</u>	
	(a) Central Mechanical Equipment Department:	35 diesel fitters
		20 motor mechanics
		10 auto electricians
	(b) Department of Printing and Stationery:	2 compositors
		1 letter-press machine operator
		2 linotype operators
		2 monotype operators
		3 lithograph machine operators
		1 phototypesetter
		1 printing engineer
		1 printing electrician
11.	<u>Ministry of Transport</u>	
	(a) Department of Civil Aviation:	1 aeronautical information officer
		2 operations officers
		8 fire officers
		41 air traffic controllers
		18 telecommunications engineers/technicians
	(b) Department of Meteorological Services:	5 meteorological officers
12.	<u>Ministry of Manpower Planning and Development</u>	
	<u>Number of lecturers</u>	<u>Discipline</u>
	18	Business
	17	Civil engineering and mining
	17	Electrical engineering
	26	Mechanical engineering
	3	Printing and graphic arts
	6	Science and technology
	1	Hotel catering
13.	<u>Ministry of Education and Culture</u>	
		500 secondary school teachers

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constraint which limits the aggregate of non-nationals' remittances that can be accommodated, and which, indeed, may place a ceiling on the number of expatriates that can be recruited. Meanwhile, the Government is undertaking extensive recruitment efforts through direct advertising in selected countries.

7. Transport situation

39. The serious difficulties which were experienced on Zimbabwe's external transport routes in 1981 were described in the previous report of the Secretary-General (A/36/271 and Corr.1, paras. 30-33). By mid-1982 many of the immediate problems had greatly eased.

40. The National Railways of Zimbabwe (NRZ) is now able to carry all the traffic on offer. With funding from Kuwait, the United States Agency for International Development (USAID) and the Canadian International Development Agency (CIDA), 71 new diesel-electric locomotives are being imported from the United States of America and Canada during 1982, and 32 diesel-electrics are being reconditioned and re-engined. All leased diesel-electric locomotives have been now returned. Seventy-six steam locomotives have been rehabilitated. Technical personnel for railway operations have been obtained from India and Pakistan. The only real difficulty at present is a shortage of artisans in the mechanical workshops; however, locomotive availability has increased to 70 to 75 per cent, compared to 50 to 60 per cent a year ago. \$Zim 145 million is being spent in the current fiscal year on rehabilitating the railway workshops, of which \$Zim 65 million is externally financed.

41. Problems have arisen from armed attacks on the railway lines to Beira and Maputo. The Chicualacuala-Maputo sector was out of operation for 31 days between the beginning of June and mid-August 1982, and when open it is limited to daylight operations. As a result, some Maputo trains have had to be diverted through South Africa. In mid-August, 1500 NRZ wagons were tied up at Chicualacuala, and 500 on the Beira line, representing about 17 per cent of the NRZ wagon fleet.

42. The first stage of electrification of NRZ lines will be commissioned in mid-1983. Thirty electric locomotives are now under construction, and it is hoped to later convert 30 diesel-electrics to electric.

43. The oil pipeline from Beira to Mutare began pumping refined petroleum products in June 1982. It has also been subject to interruptions by armed attacks inside Mozambique. A study is under way on rehabilitating the Feruka refinery at Mutare, which would require technical modifications before being recommissioned.

44. Donor support for the Central Mechanical Equipment Department (CMED), which controls the entire public sector vehicle fleet (numbering 8,000) and earth-moving and related equipment (2,500 units), increased significantly in the last year. Aid was received from Canada, the United States of America, Japan, France, Italy, the Federal Republic of Germany, Netherlands, Kuwait, Yugoslavia, and the European Economic Community (EEC). The World Bank is also providing funds.

45. The total aid received has, however, fallen far short of the urgent replacement requirements of the aged fleet, and the need for assistance is all the more urgent as CMED is now heavily contributing to the implementation of the government programmes for rural settlement and rehabilitation. Fifty-five per cent of the CMED fleet remains overdue for replacement, at a cost of up to \$Zim 40 million. The loss of a large number of artisans renders the task of maintaining the old equipment more difficult, and has also caused reductions in training programmes for apprentices. Some donors and manufacturers are also assisting with training, but the over-all impact of these schemes is modest since they only relate to equipment provided under aid programmes.

46. High priority is given to the construction of rural trunk roads to isolated communal areas, and for the expansion of local roads to cater for agricultural, mining, industrial and commercial development projects. The 1982/1983 budget contains \$Zim 32 million for such roads.

8. Regional development

47. Zimbabwe is a member of the Southern Africa Development Co-ordination Conference (SADCC), comprising Angola, Botswana (seat of the SADCC secretariat), Lesotho, Malawi, Mozambique, Swaziland, the United Republic of Tanzania, Zambia and Zimbabwe. Within SADCC, Zimbabwe has special responsibility for the development of a regional food security plan. Several food security studies are at present under way, and projects are expected to be presented later this year for funding under the aegis of SADCC. It is clear that Zimbabwe can exercise a leading role in providing regional food security.

48. Zimbabwe's sophisticated economy, which includes the production of capital goods, and its geographically central role in the region's transportation routes, clearly makes Zimbabwe's economic stability and development important - indeed critical - to many of its neighbouring countries. External assistance to Zimbabwe is therefore also support for the development of the independent countries of southern Africa as a whole.

III. AGRICULTURE AND LIVESTOCK

1. General

49. The main features of agriculture in Zimbabwe were described in some detail in previous reports of the Secretary-General (S/14121, annex, sect. V and A/36/271 and Corr.1, paras. 35-45).

50. Approximately 70 per cent of the population of Zimbabwe earns its livelihood from agriculture. The agricultural sector has significant forward linkages with the manufacturing sector and, on average, accounts for more than 40 per cent of merchandise exports. The agricultural sector contributes some 17 per cent of GDP and provides one third of the total formal wage employment.

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51. Zimbabwe is self-sufficient in most of its food requirements, and, in normal years, has an exportable surplus of maize. The total maize crop in 1981 was estimated at nearly 3 million tonnes, of which over 300,000 tonnes was exported to the neighbouring countries of Kenya, Malawi, Mozambique, the United Republic of Tanzania, Zaire and Zambia.

52. Zimbabwe is also self-sufficient in its meat requirements and, with an estimated production of 100,000 tonnes, has some surplus available for export. In the years prior to independence, the cattle population of the country suffered substantial losses; the commercial cattle herd in 1981 was estimated at about 2.3 million and the herd in the communal areas (the former tribal trust lands) at some 2 million to 2.5 million. The Government undertook restoration of essential services and disease control measures in 1981/82 at a cost of \$Zim 3.3 million.

2. Rural development

53. The rural development programme presented at ZIMCORD aimed at a 12 per cent rate of growth annually in the agricultural sector in real terms, compared to 8 per cent for over-all GDP, over a three-year period. Land settlement was given high priority and some 162,000 landless families from the former tribal trust lands were to be settled on some 2 million hectares of vacant and under-utilized land, to be purchased from the present holders. In the current fiscal year \$Zim 76.7 million has been allocated for rural resettlement.

54. The Government has planned improvement of the infrastructure, the provision of increased agricultural inputs and the promotion of better agricultural techniques. The Government estimates that altogether \$ZIM 782.5 million will be needed for these purposes over the three years. In addition, the Government had formulated a number of projects for commercial agriculture at an estimated cost of some \$Zim 84.5 million. International assistance was requested for both schemes (see A/36/271 and Corr.1, paras. 41-45 and tables 4 and 5).

55. The response of the international community to the appeal for assistance has been encouraging, and the three-year rural development programme is under implementation. In addition, in September 1982, the International Development Association (IDA) approved a credit of \$30.4 million to finance seasonal farm supplies and equipment for small farms.

3. Agriculture and livestock in 1981

56. Agricultural and livestock production rose considerably during 1981 and total sales to the marketing boards amounted to a record \$Zim 706.2 million compared with \$Zim 487.9 million in 1980 - an increase of 45 per cent. Crop sales accounted for \$Zim 581.8 million or 82.4 per cent of this total (see table 11).

Table 11. Crop sales, 1981
(Millions of Zimbabwean dollars)

Crop	Value
Maize	239.4
Tobacco	127.0
Sugar-cane	78.4
Cotton	76.3
Wheat	33.4
Coffee	8.0
Other crops	<u>19.3</u>
Total	<u>581.8</u>

57. The national livestock herd in the commercial sector increased by about 75,000 head in 1981 and the value of cattle slaughtered increased by 2 per cent to \$ZIM 83 million. The small increase was due to a policy aimed at building up the national herd. The Government plans to export beef and EEC has agreed to import 8,100 tonnes a year.

58. The area under sugar-cane cultivation was increased in 1981, partly for the production of ethanol to reduce dependence on imported petroleum. As a result of Zimbabwe's accession on 1 March 1982 to Lomé II (signed by the African, Caribbean and Pacific Group and EEC in October 1979), Zimbabwe has a sugar quota of 25,000 tonnes for export to EEC.

4. Drought

59. Drought struck southern Zimbabwe late in 1981 and spread to Matabeleland Province and parts of Victoria, Midlands and Manicaland Provinces. An estimated 15 million hectares or approximately 37 per cent of the country was affected. According to a Government report, 600 sites are without water and almost 3 million people are affected. The drought has affected crops as well as livestock. The level of agricultural production in the 1981/82 season is likely to be 10 to 15 per cent lower in real terms than the record levels achieved in the previous year. The maize crop has been most seriously affected and sales to the Agricultural Marketing Board are expected to fall substantially from the level of

2.1 million tonnes reached in 1980/81. It is forecast that, as against a production of 3 million tonnes of maize in 1981, only 1,614,000 tonnes will be harvested in 1982. However, the domestic supply situation for 1982/83 remains favourable owing to a large carry-over from 1981/82, and a sizeable quantity is therefore still available for export. The maize situation, at the end of June 1982, was estimated to be as follows (in tonnes):

<u>Available</u>		<u>Disposal</u>	
Stock	1,200,000	Local sales	850,000
Intake (1982)	<u>1,000,000</u>	Reserve holding	500,000
		For export	<u>850,000</u>
Total	<u>2,200,000</u>		<u>2,200,000</u>

60. The production of wheat is expected to fall from 195,000 tonnes in 1981 to some 180,000 tonnes in the current year. With annual national wheat consumption at 250,000 tonnes, the resulting deficit of 70,000 tonnes will have to be met through imports.

61. The drought has also depleted the grazing and water supplies for 1.4 million head of cattle (over 50 per cent of the cattle population in the communal non-commercial sector). This has widespread consequences for the economy of these regions as livestock raising is the major agricultural activity in these areas. In April 1982, in order to limit mortality and morbidity, the Government launched a livestock purchasing programme with an initial target of 200,000 head. By the middle of August, however, only 63,000 head had been purchased, mainly because of the reluctance of owners to part with their cattle. It is estimated that the loss of cattle in the communal sector due to the drought will be between 50,000 to 60,000 head.

62. The District Development Fund (DDF) has a budget of over \$Zim 42 million of which \$Zim 22 million is earmarked for reconstruction work, \$Zim 7 million for new development work and \$Zim 13 million for maintenance. With its 1,900 transport units, DDF is engaged in the building of roads, bridges, dams and boreholes and the construction of dip tanks and sale pens. In total, 80 sale pens, 5,270 boreholes, 169 dams, 12 piped water schemes, 14,248 kilometres of roads, 3,206 culverts/inverts, 289 bridges or causeways and 2,911 dips had been reconstructed or were under construction throughout the country by March 1982.

63. A drought committee has been established to deal with the drought situation. DDF, which will play an important role in drought relief, is in urgent need of additional funds to provide more water supplies, including extraction of water from river beds. The Government is implementing a water distribution programme in the worst affected areas. Also, subsistence allocations have to be made available for the rural poor whose employment opportunities have diminished as the over-all

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situation has deteriorated. In June 1982, the Government estimated that it would have to allocate an additional \$Zim 10 million for drought relief work.

64. In April 1982, the Government of Zimbabwe issued an appeal for assistance for cattle drought relief measures totalling over \$Zim 55 million. The following assistance was provided in response to this appeal:

France	1,500 tonnes of wheat
Japan	Support for transport valued at \$Zim 1.0 million
Sweden	Transport equipment valued at 2.5 million Swedish crowns
EEC	(i) Transport costs for feeding programme valued at ECU 720,000
	(ii) Project support for water from river beds valued at ECU 280,000

65. In order to encourage and increase agricultural production, the Government has also increased basic producer prices of six of the eight controlled commodities for the 1982/83 season (see table 12). (The price of maize remained unchanged at \$Zim 120 a tonne and that of sorghum at \$Zim 115 a tonne.)

Table 12. Increase in producer prices

(\$Zim per tonne)

Key: ... = not available

Crop	1981/82 price	1982/83 price	Percentage increase (approximate)
Wheat	165	190	15
Soya beans	170	200	17
Ground-nuts	420	450	7
Cotton seed	400	515	28
Milk	230	290	26
Beef	22

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5. Maize surplus

66. As mentioned earlier, Zimbabwe will have an estimated 850,000 tonnes of maize available for export during the year. Apart from commercial exports to neighbouring countries, the details of which were not available at the time of the mission's visit to Zimbabwe, the World Food Programme (WFP) has undertaken the purchase of maize in Zimbabwe, with funding from bilateral and multilateral sources, for export to other African countries as food aid. Between June 1981 and the beginning of August 1982 it had shipped a total of over 197,000 tonnes to Angola, Benin, Kenya, Mali, Mozambique, the Niger, Senegal, Somalia, the United Republic of Tanzania and Zambia (see table 13).

Table 13. WFP export of maize from Zimbabwe
(June 1981-July 1982)

Destination	Quantity	Funding
	(tonnes)	
Angola	1,000	Belgium
	9,432	Norway
	9,300	Switzerland
	<u>3,708</u>	WFP
Total	<u>23,440</u>	
Benin	<u>900</u>	WFP
Kenya	3,500	Netherlands
	<u>2,500</u>	WFP
Total	<u>6,000</u>	
Mali	<u>3,400</u>	WFP
Mozambique	8,000	Austria
	17,475	Denmark
	2,276	Italy
	9,400	Sweden
	1,000	Switzerland
	5,000	United Kingdom
	<u>11,780</u>	WFP
Total	<u>54,931</u>	

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Table 13 (continued)

Destination	Quantity	Funding
	(tonnes)	
Niger	11,425	Norway
	<u>1,575</u>	WFP
Total	<u>13,000</u>	
Senegal	<u>400</u>	WFP
Somalia	2,083	Algeria
	1,156	Finland
	1,861	Norway
	<u>1,900</u>	WFP
Total	<u>7,000</u>	
United Republic of Tanzania	4,000	Belgium
	6,000	Germany, Federal
	4,485	Republic of
	8,100	Japan
	17,000	Netherlands
	24,600	Sweden
	<u>11,715</u>	EEC
Total	<u>75,900</u>	WFP
Zambia	2,850	Denmark
	7,000	United Kingdom
	<u>2,850</u>	WFP
Total	<u>12,700</u>	
Grand Total	<u>197,671</u>	

6. Funding of maize exports

67. Despite the drought this year, maize available for export is likely to increase in future. Besides meeting the food requirements of the neighbouring countries, the export of maize by Zimbabwe could serve as a major earner of foreign exchange and provide a steady source of funds for urgent development projects.

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68. Many neighbouring and other countries of Africa are facing serious food deficits; some of them suffer from structural food deficits making it necessary to rely on food imports on a long-term basis. However, almost all of these countries are at present facing balance-of-payments difficulties and find themselves unable to finance their food imports.

69. Zimbabwe, due to its own difficult balance-of-payments situation, is not in a position to export its maize on long-term credits or with deferred payments. At the same time, storing the surplus maize is costly and ties up resources that could be available to fund Zimbabwe's development.

70. The purchase of maize in Zimbabwe for export to a number of countries by WFP, on behalf of bilateral donors and for its own food assistance programmes, has helped considerably. However, most of the exportable surplus still requires disposal.

71. It would be extremely helpful if the donor community could develop an integrated programme for the export of surplus maize from Zimbabwe. Such a programme might include the following measures:

(a) Provide bilateral food aid to African countries as a matter of policy through the procurement of maize from Zimbabwe;

(b) Make food aid grants, as far as possible, in cash, both for bilateral assistance and assistance through WFP or other multilateral agencies, in order to facilitate the purchase of maize in Zimbabwe;

(c) Extend soft loans, credit facilities and deferred payment arrangements, as appropriate, to countries which import maize from Zimbabwe;

(d) Extend payment guarantees to Zimbabwe for maize exported to African countries on a bilateral basis;

(e) Grant soft loans to Zimbabwe against expected foreign exchange earnings from maize exports.

72. Such a programme could do much to deal with future food grain deficits of many African countries while helping Zimbabwe to take advantage of its comparative advantage as a maize supplier.
