2.9 *URBAN DEVELOPMENT*

During the first five years of independence, the primary objective of the urban development policy was to minimize the rate of rural-to-urban migration through establishment of new urban settlements in the form of growth points and district and rural service centres. This policy would complement the resettlement programme and would result in the improvement of living standards of rural communities. Consequently some 55 growth points/district centres and 450 rural service centres were identified and funds were channelled into these centres for development of the infrastructure.

At the same time, existing urban centres, particularly those with service infrastructure, become focal points for further development. Local authorities were encouraged to attract industry through provision of incentives. A vigorous publicity programme was also undertaken by small local authorities.

In spite of these efforts the urban development programme continued to face problems, including shortage of funds to implement the growth point/service centres strategy. Further, the decline in investment in existing urban centres continued primarily due to the absence of attractive decentralisation incentives from Central Government and continued erosion of the local authority revenue base caused by the closure of some industries and the flight of others to more attractive centres such as Harare.

In order to resolve these problems, the following objectives will be pursued during the Plan period—

(i) Establishment of the Urban Development Corporation which will assist and provide technical assistance to local authorities in urban development;

(ii) Improving local authorities' capacity to implement urban development programmes through acquisition of new construction equipment and refurbishing of existing ones;

(iii) Creation of attractive conditions for industries to operate in growth points;

(iv) Directing more funds to growth points and service centres for infrastructure development in order to create conditions necessary for further investment which would result in additional employment opportunities; and

(v) Encouraging urban local authorities to undertake industrial and commercial projects in order to broaden their revenue base.

In order to attain these objectives, Government will design a new National Urbanisation Policy which takes account of a heirarchy of settlements starting with conslidated villages up to the level of existing cities of Harare and Bulawayo.

It is expected that by the end of the Plan period, the present urbanization level of 22,0 per cent will have increased to 40,0 per cent. and that the concentration of urban population in Harare and Bulawayo will have been reduced, thus leading to an acceptable pattern of population distribution throughout the country.

A National Physical Plan will be prepared which will provide the spartial framework for the economic and social programmes contained in the Five-Year National Development Plan.

2.10 SOCIAL SECURITY AND SOCIAL WELFARE

Government will take various measures to provide social security to its population and increase their welfare. Government plans to introduce a National Security Scheme that would cover initially the workers employed in various sectors of the economy. This scheme will provide both long-term benefits of retirement, survivors and invalidity and some short-term benefits. A programme for establishing occupational health services in industrial and commercial undertakings will be started for monitoring work environments and the status of workers' health. Workers' Compensation Insurance Fund will endeavour to invest in housing.

In the field of social welfare, rehabilitation centres will be expanded. Emphasis will be placed on self-reliance projects. Special attention will also be paid to vocational and technical education for the disabled. Non-governmental organisations will be encouraged to promote vocational training. Corrective centres will be established in the field of social defence. The number of corrective centres for young offenders will also be increased. Drought relief programmes will be continued under public works programme. More orphanages and old-age homes will be built in every province. Laws and regulations will be reviewed to facilitate the employment of the disabled.

2.11 SCIENCE AND TECHNOLOGY

While the long-term development objectives of science and technology as instruments for socio-economic development are to generate employment, raise the living standards of the majority of the people by raising labour productivity, and solve the balance of payments problems, the medium-term objective is to develop and strengthen an endogenous scientific and technological capability, in terms of human resources, institutions, information collection and dissemination. This endogenous scientific and technological capability will constitute the basis for the attainment of long term development objectives of science and technology.

In order to accelerate the development of human resources for science and technology the University of Zimbabwe and technical colleges will increase enrolment of students in the faculties of science and technology during the Plan period. The University of Zimbabwe will increase enrolment by about 18,0 per cent. per annum. The teaching staff will also be increased accordingly.

In the field of information collection and dissemination, the Scientific Council of Zimbabwe and Agritex will intensify their activities. The Council which is an umbrella for all scientific organisations in the country will also engage in the popularisation of science and technology, as well as promoting research in various sectors of the economy.

Part III: SECTORAL DEVELOPMENT

As stated in preceding sections, the strategy for the attainment of Plan objectives includes the development of specific sectors of the economy, particularly agriculture, manufacturing and mining. It is only through expansion of these sectors that the economy can achieve high and sustained growth rates in output, employment and export. The overall development thrust of the Plan and the industrialisation policy in particular, require an integral approach to the development of productive sectors. Therefore, the leading role assigned to the manufacturing sector in this Plan depends to a great extent on the development of the agricultural and mineral raw materials as well as on semi-processed products. It should also be emphasised that successful development of these sectors entails the development of related economic and social infrastructure.

The development trend over the Plan period is summarised in Table XIII below. In order to achieve these growth rates and the necessary structural changes, the amount of investment in fixed capital for the Plan period is $7 126 million, with the productive sectors accounting for 47,0 per cent. of the total.

TABLE XIII

CONSOLIDATED TABLE OF THE FIVE-YEAR PLAN'S MAIN FIGURES BY INDUSTRIAL SECTOR

	GROSS DOMESTIC PRODUCT, factor cost, $ million, constant 1985 prices			EMPLOYMENT, in 000 person			GROSS FIXED CAPITAL FORMATION $ million, constant 1985 prices		PUBLIC SECTOR INVESTMENT PROGRAMME $ million constant 1985 prices	
	Average growth rate 1986–1990	Percentage 1985	Contribution 1990	Average growth 1986–1990	Percentage 1985	Contribution 1990	Total of cumulative investment 1986–1990	Percentage of total	Cumulative 1986/87–1990/91	Percentage of total
1. Agriculture	5,0	15,0	14,9	2,2	25,3	24,7	998	14,0	880	19,5
2. Mining and quarrying	6,5	5,9	6,3	3,0	5,4	5,5	962	13,5	257	5,7
3. Manufacturing	6,5	28,0	29,9	3,0	16,4	16,7	1 390	19,5	415	9,2
(1–3) PRODUCTIVE SECTORS	6,1	48,9	51,1	2,6	47,1	46,9	3 350	47,0	1 552	34,7
4. Electricity and water	6,0	2,9	3,0	2,7	0,7	0,7	581	8,2	541	12,0
5. Construction	5,2	3,7	3,7	2,9	4,4	4,4	185	2,6	76	1,7
6. Distribution, hotels and restaurants	4,5	13,1	12,7	3,6	8,1	8,4	320	4,5	165	3,6
7. Transport and communication	5,0	6,5	6,7	4,1	4,9	5,2	855	12,0	794	17,6
(1–7) MATERIAL PRODUCTION SECTORS	5,7	75,1	77,2	2,8	65,2	65,6	5 291	74,3	3 128	69,3
8. Real estate—housing	3,9	1,0	1,0	2,7*	1,6*	1,5*	1 040*	14,6*	812*	18,0*
9. Education	3,6	6,5	6,1	3,7	8,0	8,3	206	2,9	200	4,4
10. Health	3,6	2,0	1,9	3,9	1,8	1,9	185	2,6	175	3,9
11. Public administration	2,9	6,7	5,8	2,6	8,6	8,5	128	1,8	133	2,9
12. Finance and insurance	5,0	5,2	5,2	2,7*	*	*	142	2,0	46	1,0
13. Other services and unallocable	3,1	7,1	6,5	1,2	14,8	14,2	134	1,8	19	0,5
(8–13) NON-MATERIAL PRODUCTION SECTORS	3,4	28,5	26,5	2,3	34,8	34,4	1 835	25,7	1 385	30,7
TOTAL ECONOMY	5,1	100,0	100,0	2,7	100,0	100,0	7 126	100,0	4 513	100,0
Comments	Bank services charges: 5,0	—3,5	—3,5	* aggregate of two sectors			* includes urban development and general purpose investment by Government		* includes urban development and general purpose investment by Government	

3.1 AGRICULTURE AND RURAL DEVELOPMENT

(a) *Agriculture*

Agriculture, which has been the backbone of the economy in the past will remain the dominant sector in the economy over the Five-Year Plan period. This is borne out by the fact that over 70,0 per cent. of the population lives in rural areas and their main source of livelihood is farming. In addition, the growth of the economy is largely conditioned by the performance of the agricultural sector which, in addition to providing more than 90,0 per cent. of the food requirements of our society, accounts for 41,0 per cent. of total merchandise exports. Therefore, meaningful development must place the agricultural sector in the centre of the development strategy. Because of its dominance in the economy, good performance of the agricultural sector in the 1984/85 season has led to significant economic recovery and this has made it possible for Zimbabwe to weather the effects of the world economic recession and the three-year drought with more vigour than most African countries.

Between 1979/80 and 1984/85, the volume of agricultural production increased at an average annual rate of 4,5 per cent., a rate well above the population growth rate.

Of great significance is the rapid transformation of the rural areas that has been taking place since independence as a result of deliberate orchestrated Government policy. Peasant farmers have been growing in importance in the production of key crops such as maize and cotton which had been the domain of large-scale commercial farmers prior to independence.

Prior to independence, the peasant subsector's delivery of maize to the Grain Marketing Board (G.M.B.) never exceeded 80 000 tonnes per year. In 1985, however, peasant delivery to the G.M.B. accounted for about 45,0 per cent. of total maize delivery to G.M.B. Delivery from communal and resettlement areas for 1985/86 is estimated at 1,7 million tonnes, or 57,0 per cent of total delivery. In 1984/85, small-scale commercial farmers, communal farmers and ARDA produced 150 000 tonnes of cotton, or 47,0 per cent. of total output.

During the Plan period, agricultural output is expected to grow at 5,0 per cent. per year. This is well above the average rate of projected population growth of 2,76 per cent. This level of output will enable the country to increase its export of agricultural products by 6,0 to 7,0 per cent. annually and also to increase the processing of agricultural raw materials.

It is projected that over the Plan period, employment in the sector will increase at an average annual rate of 2,2 per cent. This increase will occur mainly in subsectors using labour-intensive production techniques such as horticulture.

Output in the three subsectors (commercial, small scale and communal) will grow at different rates. In communal and resettlement areas, output is projected to grow at an average rate of 7,0 to 8,0 per cent. per year over the Plan period while output in small scale and large-scale commercial areas is expected to grow at 5,0 to 6,0 per cent. and 3,0 to 4,0 per cent., respectively on the basis of current trend.

Maize output is expected to increase and stabilise at 3,5 million tonnes by 1990 and wheat output is expected to reach 275 000 tonnes in the same year. Of the total maize output of 3,5 million tonnes, approximately 2,4 million tonnes will be produced by communal and resettled farmers, with the remainder produced by commercial farmers. While productivity in communal and resettlement areas will have risen by the end of the Plan period (1,75 tonnes/ha), it will still be far below that of commercial farms (4,75 tonnes/ha).

Because of the drought which caused water shortage for irrigation, wheat production declined to 99 000 tonnes in 1984. In 1985, due to good rainfall, producer price and the re-introduction of the Irrigation Fund, wheat production reached a level of 215 000 tonnes of which about 200 000 tonnes came from the large-scale commercial sector and the remaining 15 000 tonnes from the small scale sector. It is estimated that to attain self-sufficiency, the area under wheat cultivation should be increased from 42 000 ha. to about 55 000 ha. by 1990, while the average yield is assumed to remain at about 5,0 t/ha. The planned level of wheat production will enable the country to eliminate the importation of wheat which in the last two years amounted to over 100 000 tonnes.

There has been insufficient emphasis on irrigation schemes. During the Plan period Government will take measures to promote irrigated cultivation in communal lands. These measures will also change the regulations that now govern the National Irrigation Fund in order to make funds more readily available to peasant farmers.

Cotton production is expected to increase to about 460 000 tonnes by 1990 on an enlarged area of about 275 000 hectares. While the large scale commercial sector is expected to maintain its present level of production and area planted of 170 000 and 75 000 hectares respectively, it is projected that communal farmers, small-scale commercial farmers and ARDA will increase output to about 230 000 tonnes, on an increased area of 200 000 hectares. Indications are that an increased quantity of cotton lint will be used locally in the textile industry. Cotton lint will remain an important export item, accounting for 70,0 per cent. of the total output of cotton.

The world cotton trade is facing a huge surplus from some traditional producers and also from some new exporters. Zimbabwe's main export markets are in Europe where new spinning techniques are developing finer, stronger and longer staples than was previously produced.

Consequently the Cotton Marketing Board and the research institutes will have to be engaged in developments which should enable Zimbabwean farmers to produce the right type of cotton to meet the needs of the customers in the overseas spinning mills.

Zimbabwe's "golden leaf" tobacco, the country's number one earner of foreign currency has a good potential for further explansion. Export of tobacco accounts for one fifth of the country's merchandise exports and generates 50,0 per cent. of Zimbabwean agricultural exports. Not only is the tobacco industry responsible for a large percentage of Zimbabwe's export earnings, but is also provides employment to 90 000 workers. The good prospects for further expansion of Zimbabwe's tobacco production are based on promising forecasts of world market in which Zimbabwe stands firmly as the third largest exporter with a 15,4 per cent. share following the U.S.A. (22,3 per cent.) and Brazil (21,8 per cent.). In addition, the Zimbabwean tobacco production is well organised and is supported by advanced indigenous technology and research. Therefore, the projected annual tobacco output of 150 million kilograms for the next five years is a realistic target provided that the tobacco industry expands the base and the number of growers. In addition, Government will encourage and support new small-scale tobacco growers in communal and resettlement areas. The acute shortage of extension services for tobacco growers will be remedied during the Plan period.

Tea and coffee are increasingly becoming important crops in the agricultural sector. In 1984, combined export of these two crops amounted to $55 million or 3,5 per cent. of the total exports. There is potential for further development of these two crops using local technology and research which makes possible high productivity and competitiveness on the world market. Over 90,0 per cent. of the coffee plantations and about 60,0 per cent. of the tea plantations are irrigated. Both industries are labour-intensive, providing employment for nearly 20 000 people.

The sugar industry which accounts for 3,9 per cent. of thetotal exports will continue to face problems on the world market. Government will continue studies for an expansion of the sugar, based ethanol production which can be used both as a fuel and also as a basic chemical.

Two other crops for which there is room for further expansion are soya-beans and sunflower. Soya-bean is produced mainly by large scale commercial farmers while sunflower is grown mainly in communal areas where it has a promising future because of its resistance to drought and its importance as a cash crop. In order to meet the rapidly growing demand for vegetable oil and the raw material requirements of the stockfeed industry, Government will encourage and support production of these two crops. Zimbabwe has potential for expansion of many other agricultural produce such as sorghum, mhunga, and rapoko which are drought resistant crops.

Horticultural crops account for about 9,0 per cent. of agricultural output. These include mostly fruits and vegetables. During the Plan period, horticulture will be promoted. The strategy is intended both to widen employment opportunities throughout the year and to increase exports. Horticultural production will need back up services such as "green houses", cooling rooms, quarantine and supply of plant materials. The development of horticulture will lead to expansion of packaging, canning and other small scale indutries which will also promote industrial decentralization and expand the material production indnstries of the economy. Horticultural crops such asKiwis, avocadoes, mangoes, paw paws, granadillas, mecadeniam nuts, plums and almonds have great export potential. Mulberry cultivation provides good scope for expansion.

Agricultural diversification of this nature has a number of advantages such as improving the diet of the community, alleviation of transport problems associated with bulky commodities, especially in exporting to distant lands, and provision of full time agricultural employment as well as increasing incomes of the people in communal areas. Diversification of crops will also reduce the undue reliance on traditional crops.

According to the 1982/83 census, the national cattle herd is about 5,6 million. Small-holder farmers, mainly in communal reas, own about 61,0 per cent. of the cattle herd and large scale commercial farmers own 39,0 per cent. The size of the smallholder herd has fluctuated rather dramatically in the past.

It grew from an estimated 1,8 million in 1965 to 3,6 million head in 1977 but declined firstly during the war as a result of tick-borne diseases and again during the ensuing droughts of 1982 and 1983 which resulted in the death of many herd of livestock (of the order of 0,5 million). About 99,0 per cent. of the goat herd and 64,0 per cent. of sheep herd are owned by small-holders. Small-holders also account for about 50,0 per cent. of the national production of poultry and for over 20,0 per cent. of the country's pig production. In view of the fact that most of the small animals are owned by peasant farmers, promotion and expansion of this subsector could form an important part of the strategy for rural development.

Zimbabwe produces about 215 000 tonnes of meat, mostly beef, and 370 million litres of milk, with a combined value of about $420 million. This is almost half of the total agricultural income. Part of the meat production is exported and if Zimbabwe succeeds in exporting the projected 8 100 tonnes of meat ($100 million) to the EEC this would help in establishing the long-term export market and contribute significantly to the country's balance of payments. However, the beef cattle industry is facing problems that could retard the growth of the industry. The breeding herd in the commercial sector declined from about 1 million in 1976/77 to just over 722 000 in 1983. If the current trend of declining production continues, the herd in the commercial subsector could fall to 1,7 million by 1990 compared to 2,9 million and 2,2 million in 1977 and 1980, respectively. In order to boost the industry to its pre-independence level, it will be necessary to increase the breeding herd and the stock herd to 1 million and 2,7 million, respectively, by 1990.

Dairy production, which is dominated by the commercial subsector, had made significant progress. Milk deliveries to the Dairy Marketing Board grew from 98 million to 198 million litres per year between 1968 and 1985. Production trends over the period indicate that growth has been adequate to cater for the population. In the future, producers will have to look at improved, cost-effective methods of milk production which includes greater reliance on home-grown quality stock feed if they are to remain competitive and supply the product at a price within the means of the consumer.

Production of oven-ready boilers in the poultry subsector declined by 924 000 or 13 per cent. in 1984, compared to 1983. This was the first decline in over 10 years and it was a reflection of accummulated problems connected with rising costs and price control.

The export of beef to the E.E.C. could improve the present stagnating demand for poultry products. However, a more flexible price policy is needed in order to stimulate production in the poultry industry. The most important aspect of livestock production which is occupying the mind of Government is the accummulated and continuing deleterious effects of over-stocking and over-grazing in communal lands which are causing severe and potentially irreversible ecological degradation. In addition, high population growth, particularly during the last three decades, has led to more intensive cultivation on lands better suited for grazing or for forestry. It is estimated that about 40,0 per cent. of the communal areas are over-populated while a further 30,0 per cent. are approaching their critical population density. A comprehensive national programme that focuses on these problems will be implemented during the Plan period. Such a programme will include stock control, better land management and de-stocking where necessary

(b) *Rural Development*

In order to promote growth and equitable distribution of income and wealth as well as reduce the gross imbalances between the urban and rural areas on the one hand, and the commercial and peasant sub-sector on the other, Government has put great emphasis on the development of the peasant sub-sector in its post independence development effort.

Resettlement has been identified as one of the major programmes to attain the rural development objective. In this connection, TNDP launched an ambitious programme aimed at resettling about 162 000 peasant families. To date, however, only 36 000 families have been settled on two million hectares of land. The programme was slowed down by a number of factors including drought and financial constraints. In addition, the process of acquiring land for resettlement in large enough blocks has been cumbersome, especially the willing seller/willing buyer method.

The Land Acquisition Act of 1986 will facilitate intensification of the resettlement programme by improving land availability. As a result about 15 000 families will be settled annually during the Plan period and will require substantial amount of physical and financial resources. Provision of back-up services to the resettlement schemes, particularly extension and credit will be increased to ensure that agricultural production is improved. In addition to the translocation resettlement which utilizes purchased former large-scale commercial farms, the re-organization of settlement patterns in the Communal Areas will become part and parcel of the resettlement programme. This entails replanning of land-use patterns in order to attain optimum exploitation of the agricultural resource potential on a sustainable basis and to ensure adequate provision of economic, social and institutional infrastructure. With the two forms of resettlement running concurrently, the internal re-organization will be the basis on which potential settlers for the translocation resettlement mode are identified.

Development of irrigation settlements, reclamation of river catchments, consolidation of villages and block farming will be major strategies in the Communal Area re-organization exercise to be undertaken during the Plan period, with a target of 20 000 families a year.

The planning criteria for resettlements will continue to be reviewed and second stage planning undertaken.

In addition to agricultural based activities, public works schemes that are development oriented such as construction of access roads, bridges, schools, clinics and irrigation schemes will be established as components of an integrated rural development programme. This will require strengthening of the capacity of the District Development Fund to make possible timely execution of projects and maintanance of the planned physical and social infrastructure.

The mechanical tillage programme intended to provide the necessary draft power in cropping regions will be re-organised under DDF to overcome problems associated with centralization which have to date militated against efficient provision of the necessary economic services.

Government will continue to promote and support establishment of co-operatives both in resettlement and Communal Areas.

(c) *Support Services*

The initial task in promoting rural development will be to achieve growth in productivity and output. In order to achieve this, a variety of agricultural support services is required. Prior to independence, the major part of Government's resources was geared to supporting the commercial subsector and only limited assistance was given to communal areas. Since independence, the objective has been to redress this situation. The Agricultural Finance Corporation loans to communal farmers rose from 18 000 worth \$4,18 million in 1980 to 64 000, worth \$30 million in 1985. The resettlement sub-sector which started without support from AFC obtained 19 900 loans worth \$10,2 million in 1984.

The agricultural extension services are primarily oriented towards the small-scale farmer, but the main problem that Agritex now faces is the relatively large number of inexperienced staff at all levels. For this reason, considerable emphasis will be placed on in-service training. The extension worker-to-farmer ratio improved from 1 : 1 000 in 1980 to 1 : 800, in 1985. The Plan target is 1 : 600.

There are now four agricultural training institutes including two colleges, producing 300 graduates per year, excluding the output from 375 rural training centres. Thirteen primary marketing depots, each with a capacity ranging from 50 000 to 70 000 tonnes were established, together with 50 tertiary depots. However, communal and resettlement areas still lack an adequate system for the distribution of agricultural inputs and the marketing of crops. Government will address itself to strengthening the infrastructure.

In order to achieve these goals and targets in agriculture and rural development, an ambitious investment programme is needed, amounting to $998 million, or 14 per cent. of total investment, of which $880 million is P.S.I.P. The main thrust is placed on the agricultural development of communal areas.

The resettlement programme will be intensified and backed by projects for improving the agricultural and rural infrastructure in the resettlement areas.

The private sector is expected to invest about $118 million in agriculture. There is great need to make up for the substantial back-log in demand for new agricultural machinery, implements and spare parts. This will require a larger allocation of import quota and foreign exchange than is currently made available.

3.2 MINING AND QUARRYING

Unlike most sectors, the mining sector is largely owned and controlled by foreign corporations. Estimates put the degree of foreign ownership at 80,0 per cent. In order to accelerate the restructuring of ownership in the sector, Government established the Mining Development Corporation whose primary task is to participate in the development of the mining sector. In addition, Government established the Minerals Marketing Corporation whose primary task is to direct and promote the marketing of minerals abroad.

Rising input costs and low world demand as well as the resulting low prices during the last few years have led to stagnation in mining activity. In 1985, the volume of mining activity was 2,0 to 3,0 per cent. lower than that of five years ago and wage employment in the sector declined by 10 000 workers, from 66 000 in 1980, to 56 000 in 1985. Inspite of the decline in economic activity, the contribution of the mining sector to exports remained high, accounting for more than 25,0 per cent. of the country's merchandise exports. Gold exports alone constitute about 10,0 per cent. of total exports. The other exported minerals include asbestos, nickel, copper, lithium and coal.

In line with the Plan objective of transforming and controlling the economy and economic expansion, Government will embark on the following strategies:

(a) promotion and development of current mining operations in order to maintain or expand production and employment as well as increase exports;

(b) encouragement of exploration by both Government and the private sector, including foreign capital; and

(c) increase of Government participation in the mining sector.

During the Plan period, output in the mining sector is projected to grow at between 6 and 7 per cent. annually, and cumulative investment in fixed capital necessary for this growth rate is estimated at about $962 million. This development programme assumes activation of idle capacity in existing plants and development of new mines.

Public sector investment for the period in the sector is estimated at about $257 million. This increased Government involvement in the sector calls for additional effort in identifying development projects. Employment in the sector is projected to grow at 3,0 per cent. per annum.

Government will support, in a co-ordinated manner, exploration of minerals through ZMDC and will encourage exploration by the private sector and by international partners, singly or on joint-venture basis. The MMC will further develop its operations and its training of personnel in order to attain efficiency and for the planned penetration into international markets. Government will support the training and upgrading of indigenous mining managers and other skilled personnel who will be trained at the University of Zimbabwe, technical colleges and in mining enterprises.

3.3 MANUFACTURING INDUSTRY

The manufacturing industry is the key sector for changing the structure of the Zimbabwean economy and for achieving rapid and sustained overall economic growth and development. The industrialization strategy of the Plan is based on the long-term objective of using locally produced raw materials in production. Government will play an important role in guiding and encouraging the necessary structural changes based on integrated development of the three sectors, namely, manufacturing, agriculture and mining. This policy also requires the development of related economic, social and institutional infrastructure.

Government will increase its participation in the manufacturing industry because it is both the key sector in overall economic development, as well as the decisive sector in the physical restructuring of the economy. In addition, Government intends to control industries which are deemed strategic to socio-economic development. In this connection, priority will be given to the establishment of new industries in the intermediate and capital goods sectors because they are crucial in the establishment of an integrated industrial base.

As the first move, Government will increase its participation in the manufacturing sector by taking equity in joint ventures with local or foreign partners or indirectly through IDC. All public enterprises (agricultural and non-agricultural parastatals) will be encouraged to participate in manufacturing. Local authorities will also be encouraged to participate in the manufacturing sector. The private sector will be encouraged to increase local control in the manufacturing sector. Foreign investment will still be necessary in those sectors where national sources of capital or skill are in short supply. Foreign capital is needed to provide technology which local industry cannot develop on its own, to provide scarce management skills as well as technical know-how and to achieve market access for some of Zimbabwe's manufactured goods and processed commodities. To this end, Government will do everything in its power to tap both domestic and foreign capital in order to raise the level of investment in the manufacturing industry.

The sector is projected to grow at an average annual rate of 6,5 per cent. during the Plan period. The contribution of the sector to GDP will be increased to nearly 30,0 per cent by the end of the Plan period.

Wage employment in the sector is expected to increase from 169 000 workers in 1985, to nearly 200 000 workers by 1990. Future industrial development will require more and more skilled manpower at all levels of operation. The Plan objective of transforming and controlling the economy requires an increased supply of domestic skilled manpower, which will make possible transfer of leading managerial positions by nationals.

In order for the sector to achieve the target growth stated above, it will need investment of about $1 390 million over the Plan period. About 30,0 per cent of this investment will come from P.S.I.P. The private sector is expected to invest about $1 000 million in new industrial projects and in the reconstruction and modernisation of the existing plants.

Industrial exports are expected to increase from $560 million in 1985, to $830 million in 1990, or at an average annual growth rate of 8,2 per cent over the Plan period. Export of capital goods will be promoted to make possible an annual growth rate of 13,0 to 14,0 per cent. This will require a significant increase in funds earmarked for the export credit scheme. The World Bank Export Revolving Fund will, to a considerable extent, ease the foreign exchange constraint facing those industries able to exploit the export markets.

Ferro-alloys as well as iron and steel will remain among the most important industrial exports, accounting for nearly a sixth of total merchandise exports. Although ZISCO will remain among the country's leading exporters, it is planned to reverse the current situation in which only 16,0 per cent. of the steel produced is absorbed by the local market, while the remaining 84,0 per cent. is exported. Government will support a ZISCO programme of modernisation and introduction of new production lines. Government will also monitor closely the co-operation between ZISCO and the capital goods industry, suggesting an increased use of ZISCO products in manufacture of various machinery as well as greater use of these products in the construction of large scale industrial projects. This will allow for the maximisation of both forward and backward linkages in the capital goods sector as local engineering companies provide part of the machinery required for ZISCO's refurbishment and new downstream industries are set up to manufacture steel sheet/plate, stainless steel, tin-plate, special steels, machine tools, etc. Exports of textiles, leather and shoes as well as products of the food processing industry have good potential for expansion. The textiles, clothing and leather goods subsectors will need to be supported by Government in upgrading their technologies and refurbishing their plants to enable them to compete effectively in the markets of industrialized countries.

Import of industrial products account for 95,0 per cent. of planned imports, while agricultural and mining products account for the remaining 5 per cent. Intermediate goods used predominantly by industry constitutes the largest group in the country's imports. This heavy dependence of manufacturing on imported inputs is due to the need to maintain high levels of production and to expand productive capacity in the sector. The import of fuel products and chemicals account for 21,0 per cent. and 17,0 per cent. of total merchandise imports, respectively. The dominant position of these two strategic products in the country's imports is a clear indication that the future policy should concentrate on a substitution of strategic products such as fertilisers based on coal and ethanol based on sugar. The period of the Plan marks the first phase of a conscious plan by the State to develop the chemical industry further in conjunction with local and foreign partners.

The second largest import group consists of capital goods such as machinery, transport and communication equipment, electrical and electronic equipment and instruments, most of which cannot be produced efficiently in the country. This group accounts for over 30,0 per cent. of total merchandise imports. It is estimated that the import of capital goods during the Plan period will amount to about $2 500 million. They will consist of machinery and equipment for new plants and for modernization of existing industries and inputs for the capital goods industry which are vital for the technological advancement of the Zimbabwean economy.

This huge import bill will put additional pressure on the balance of payments and on the financial position of the country. In this connection Government will attempt to solve the problem by imposing upon foreign producers and contractors counter trade and offset programmes. In addition, foreign partners will be required to enter into a production co-operation with local manufacturers. This policy is intended to boost domestic production of capital and intermediate goods and to improve the country's international economic co-operation.

Some subsectors of industry display characteristics of monopolistic and oligopolistic structures., high levels of capacity under-utilization, relatively low levels of efficiency and high dependence on imported inputs. There is also a geographic concentration of such industries. Government will encourage decentralization where such concentration exists, especially in the two main centres of Harare and Bulawayo which account for over 70,0 per cent. of the sector's total production. Institutional and other measures (authorities) will be taken to encourage the establishment of small scale industries (SSI) and industrial co-operatives capable of using locally available raw materials as well as indigenous technology or a diffusion of foreign and local technology. This policy will be implemented through IDC, SEDCO and local authorities. Co-operatives and SSI can play a considerable role in industrialisation particularly as sub contractors of components to large companies and in the production of basic consumer goods. Together with public sector enterprises, especially agricultural parastatals, they are potentially a powerful weapon in promoting a decentralized pattern of ownership and location. SSI will be encouraged through the establishment of industrial estates to achieve multi-purpose objectives of decentralisation of industry, increased local participation and development of entreprenuerial skills, providing competition to existing monopolistic and inefficient producers as well as optimal use of local resources.

The question of the development of technological capability in the country will be addressed during the Plan period. There has been a definite transfer, adaptation, diffusion and anchorage of imported technology through licensing agreements and the activities of subsidiaries and associates of foreign companies. However, most of this technology transfer has focussed on the mechanisms of transfer cost as well as appropriateness of the technology. Under the Plan, emphasis will be laid on the examination of technological processes and changes in the structure of the economy and the mastery and adaptation of imported technology. The proposed Council for Industrial Research, once set up, should assist in the co-ordination of all industrial R & D and in determining how best manufacturing industry can develop an indigenous technological capacity to increase complementarities between local and foreign technologies.

The Council for Industrial Research will also initiate its own research aimed at meeting the changing pattern of demand for industrial products and guiding the technological advancement of the manufacturing industry.

It is Government's policy to improve and maintain the quality of industrial products for both the international and domestic markets through a revamped Standards Association of Central Africa. This will ensure that Zimbabwe's manufactured products remain competitive on export markets and that the local market is protected from inferior imported commodities and those that may create health hazards and risks.

In the development of its manufacturing industry, Zimbabwe will take into account the possibilities of co-operating with PTA and SADCC countries. This would link Zimbabwe's trade with these countries as well as make possible the international division of labour based on comparative advantages.

3.4 ENERGY AND WATER DEVELOPMENT

The amount and type of energy consumed in the process of development constitute one of the key indicators of social and economic advancement and the amount of energy requirements met through local production indicates the degree of self-sufficiency and security in energy supply.

In Zimbabwe, the per capita level of energy consumption is low relative to advanced countries. The problem is not only the low level of energy consumption but also the sources of energy and its distribution among the social classes and economic sectors. Government has identified sectoral objectives for the Plan period, which are intended to transform the energy and water supply sector in conformity with the macro development objectives. These sectoral objectives are:

(i) to achieve, as far as possible, self-sufficiency and security in energy supply, thus reducing the degree of dependence on imported fuels;

(ii) to increase the amount of energy produced from conventional sources such as coal and hydro-power;

(iii) to increase the use of coal and electricity in rural areas, thus raising the quality of life of the rural population, and at the same time reducing the degradation of the environment caused by the destruction of forests; and

(iv) the development of water supplies for rural and urban centres.

One of the primary tasks of the country's development strategy is to increase significantly the use of indigenous energy sources primarily hydro-power and coal.

In addition, Government will start a programme for converting the heating of industrial furnaces from diesel to gas and coal tar fuel derived from local coal. Efficient coal-burning stoves manufactured locally will be introduced in rural households and in rural institutions such as schools and hospitals. In order to reduce the country's dependence on imported fuel, Government intends to increase the percentage of ethanol blend to 20,0 per cent., with the possibility of reaching 25,0 per cent. by 1990. Preparations are underway for expansion of ethanol production in order to achieve the necessary increase. During the Plan period, output of electricity will be increased by about 6,0 per cent. per annum in order to meet growing demand. Hwange Power Station, Stage 2, Phase I with an installed generating capacity of 440 KW, will be commissioned in 1986–87. Another development intended to meet the country's growing electricity requirements is the extension of the Kariba South Power Station through installation of two additional generators of 150 MW each. This project is scheduled for completion in 1990/91. In order to meet the energy needs of the rural population and to bring them into the mainstream of economic development, the power supply industry will continue to intensify the electrification programme which started in 1983/84. In this connection, Government will carry out a study which will provide information for use in the designing of a comprehensive Electricity Distribution Master-Plan which will cover the entire country.

The rural population will continue to depend largely on wood fuel for cooking and lighting throughout the plan period. However, to alleviate the wood shortage problem, Government has devised, modified and perfected a fuel efficient wood-stove. About 60,0 per cent. of all districts are expected to have adopted the stove by 1990. Installation of biogas plants will continue at the rate of three plants per year, allowing one plant per District. By 1990, over 50,0 per cent. of the districts will have at least one biogas plant each.

In the long run, however, the trend will be a gradual movement away from the use of fuel wood to the use of more abundant sources of energy such as coal, solar and electricity. To achieve this, Government will establish an Energy Research Centre which will act as a testing centre for all energy technologies before their use.

During the period 1980 to 1985, Government made major advances in the area of water development. Seven major dams were completed, water supply stations increased from 363 to 425 and over 6 000 boreholes were drilled. During the Plan period, Government will continue to place great emphasis on improving and increasing water supply to rural areas and growth points, with special emphasis on the development of irrigation schemes.

The National Irrigation Fund that was launched in 1985 should facilitate financing of these schemes. Priority in the development of irrigation schemes will be given to projects that have potential for improving the economic base in rural areas and, in particular, in agricultural production. The National Master Plan for Rural Water Supply and Sanitation which will be completed this year will serve as the basis on which the five-year programme for the development of water supply and sanitation in rural areas will be launched.

Investment in electricity and water supply for the Plan period is estimated at $581 million, of which $541 million will be funded through PSIP.

3.5 CONSTRUCTION AND HOUSING

During the first four years of independence, the construction sector experienced a number of problems which reduced investment, employment and output in the sector. These problems were caused by economic recession and drought as well as use of obsolete equipment. The other problem which constrained expansion of the sector even during periods of high rates of overall economic growth is the escalating costs of building materials and labour. Despite efforts to solve the housing problem over the years, the housing backlog in urban areas and rural council authorities had risen to over 240 000 and 26 000, respectively, by 1985. The TNDP had set a target of 115 000 housing units to be constructed over the three-year Plan period, but only 13 500 units were completed.

In order to resolve the problems in the construction and housing sector, the following objectives will be pursued;

(i) reduction in cost of building materials and construction;

(ii) increasing Government participation in the sector;

(iii) improvement of the quality of houses in communal, resettlement, mining and commercial farming areas; and

(iv) modernization of equipment and expansion of productive capacity in the sector.

Attainment of these objectives requires introduction of innovative financing programmes and technologies that can reduce the cost of houses to levels within the reach of the majority of the people. Additional research in building and construction technology is also required. The Plan includes an ambitious development programme for housing which aims at completing 75 000 to 100 000 housing units over the Plan period. The investment programme for the sector which amounts to $1 040 million or 15,0 per cent. of total investment in fixed assets, is the second largest in the Plan. The Public Sector Investment Programme allocation for housing for the five-year period is estimated at $812 million. Government expects a greater contribution by the private sector, particularly in the financing and construction of houses. In this regard Government will create the conditions necessary to induce private sector investment in this field.

Government will vest in the proposed National Housing Corporation the overall responsibility for co-ordinating the financing and construction of houses.

Distributors of building materials will be encouraged to set up outlets in communal areas in order to facilitate construction of better houses through greater availability of materials as well as reduced transport costs. Employers will be encouraged to provide decent accommodation for their workers. Local authorities will commit a greater proportion of their revenues from income generating projects to provision of housing. Building Brigades will be upgraded and building co-operatives will be established to ensure speedier implementation of tasks and a higher quality of output. Introduction of courses in architecture, quantity surveying and valuation at relevant institutions will be encouraged.

The construction sector will be modernized and expanded in order to meet the challenging tasks outlined above. This requires investment in fixed capital amounting to about $185 million. This level of investment should enable the construction sector to grow at an average annual rate of 5,2 per cent., with higher growth rates during the second half of the Plan period. Employment in the sector will grow at the rate of 2,9 per cent. annually. The cumulative investment of the construction and housing subsectors will amount to $1 225 million of which PSIP will be $888 million.

3.6 DISTRIBUTION AND TOURISM

The distribution and tourism sector is the third largest contributor to GDP after manufacturing and agriculture. The sector employed 83 000 people in 1985. Because of its labour-intensive nature, the sector is one of the areas of economic activity which has great potential for generating additional employment opportunities during the Plan period. Since 1980, employment in the sector has increased by about 13 000 workers. The sector is more developed in urban areas, relative to rural areas where the infrastructure is not developed. Capital, Resort centres throughout the country are designed primarily for high income tourists.

In 1980 and 1981, the sector grew by 33,0 per cent and 17,0 per cent, respectively. For most of the Plan period, however, output in the sector declined sharply in line with the economic downswing in the rest of the economy. The favourable agricultural output in 1985 and the overall economic recovery which occurred that year are likely to expand trade and the hotel and restaurant business.

Private ownership dominates the sector. There is, however, Government involvement in the sector, especially in the areas of price and import controls, quality inspection and consumer protection. Government is also involved to a limited extent in the distribution of goods and services through its parastatal agencies, including the Cold Storage Commission and the Dairy Marketing Board. The State Trading Corporation (STC) which was to be established during the TNDP was delayed due to financial constraints. It should become operational during the Plan period.

During the Plan period, Government will increase its participation in the development of the distribution and tourism sector. Infrastructure in rural areas such as roads, bridges, transport, telephone services will be further improved, rural traders will be encouraged to improve their buildings and other facilities.

Government will promote existing consumer co-operatives, small wholesalers and retail enterprises and encourage establishment of new ones, particularly in rural areas and at growth points. Most of the necessary financial support will be made available through SEDCO. Tourism is one of Zimbabwe's fast growing sectors. In 1984 and 1985 tourism grew by 13,0 per cent. and 15,0 per cent. respectively. Government plans to further develop the industry on the basis of the excellent natural resources of the country.

Tourist arrivals are expected to increase by 12,0 per cent. between 1986 and 1987 and by 6,0 per cent. annually for the remainder of the Plan period. These growth rates will be made possible by marketing and planning activities of the Zimbabwe Tourism Development Co-operative. It is Government objective to follow strictly the policy of provincialisation of the ZTDC activities. In line with this policy, the ZTDC plans to establish offices in the coutry's provinces during the Plan period commencing in the 1986/87 financial year.

In planning new facilities, priority will be given to the establishment of tourism complexes, hotels, safari camps and other facilities in the Victoria Falls area which has the greatest potential, especially for international tourism. Additional facilities will be built at Kariba, Nyanga and Great Zimbabwe Ruins. In addition, facilities at the Conference Centre will be augumented.

Large tourism complexes require substantial capital and sophisticated international marketing techniques. Therefore, Government will enter into joint ventures with foreign investors under specified conditions who will provide the necessary capital and international marketing expertise.

Government attaches great importance to the development of domestic tourism which would enable the ordinary citizen to enjoy the beauty of his country and to familiarize himself with the diverse and rich cultures of his country. In this connection, the ZTDC will undertake the development of a wide range of tourist facilities in the country which will cater for the majority of the people. It must be emphasised that expansion of the tourist industry will take into account environmental preservation.

An investment programme amounting to $320 million, or about 5,0 per cent. of total investment is planned for the distribution and tourism sector for the five-year period. A substantial proportion of PSIP allocation for the sector, amounting to $165 million, will be channelled into rural areas for developing the distribution sector and the tourist industry.

Employment in the sector is expected to increase from 83 000 persons in 1985 to about 100 000 persons by 1990. This increase refers to formal employment only.

In addition, the activities of the sector, particularly of the tourist industry, will create significant demand for services of self-employed persons. In this regard, the distribution and tourism sector will play an important role in the employment strategy of the Five-Year Development Plan.

3.7 TRANSPORT AND COMMUNICATIONS

As a landlocked country, Zimbabwe's foreign trade depends on transport routes that pass through neighbouring countries and these routes are expensive and often insecure. The country is active in the SADCC region in all programmes aimed at improving the transport system and reducing dependence on South African routes. Steps will also be taken, with the assistance of relevant international organizations, to remove administrative barriers to the free movement of traffic within the SADCC region, including harmonisation of standards and regulations.

The integration and co-ordination of the different modes of transport in the country will be strengthened through consolidation of the planning and management functions within the Ministries concerned. This will be done through direct Government involvement in the entire road transport industry, and through promotion of transport co-operatives. The objectives of this integration are to secure the most efficient use of each mode of transport and to avoid wasteful competition. As shown by the recently completed National Transport Study, railway transport is the most economic and fuel efficient mode of transport for the long distance movement of bulk goods. Therefore, optimum use of the existing railway system will be encouraged through improved services for such traffic and through correction of present imbalances in user charges between rail and road transport. Electrification of the railway system will be continued and should reduce operating costs as well as reduce dependence on imported fuels.

Adequate roads and transport services in rural areas are a prerequisite to continued economic and social development, especially in communal areas where access to national markets is still difficult. An increasing share of the transport sector budget will be directed to this purpose, including infrastructure development as well as the provision of affordable goods and passenger transport.

The primary road network programme is nearing completion. This will enable Government to intensify construction and improvement of secondary and feeder roads in rural areas in order to complete the integration of rural areas into the national transport system. Steps will be taken to revise the institutional structure for the management, financing, planning, construction and maintenance of local roads in order to make the best use of available equipment and other resources and to take full advantage of the forthcoming amalgamation of Rural and District Coucils. Efforts will also be made to maintain the existing road network in view of the fact that a number of roads are approaching, or have already exceeded, the end of their designed life span.

A national road transport corporation will be formed whose main task is to ensure adequate supply of transport services in rural areas, and to increase Government participation in this important sector. The Road Motor Service which is under N.R.Z., will form the core of this corporation. Studies will be undertaken with a view to expanding the present services to include passenger traffic and other types of goods traffic.

The present permit regulations for road transport will also be reviewed in order to remove regulations which deter efficient operations while increasing emphasis on traffic safety and compliance with existing labour regulations.

The use of imported petrol and diesel fuel is a heavy burden on the economy. Road traffic accounts for 60,0 per cent. of consumption within the transport sector and 50,0 per cent. of total consumption. Government will use tax measures and regulations to promote a more efficient use of the existing vehicle fleet as well as the acquisition of more fuel-efficient vehicles. Improved public transport and improvement in traffic management tools will also be used in order to further reduce fuel consumption.

The cost of traffic accidents in Zimbabwe is estimated at approximately $75 million per year, excluding the suffering and loss of lives. Improvement in this situation is one of the urgent tasks to be undertaken by Government. Studies will be initiated to seek solutions through education, legislation, enforcement of the laws and engineering. A Traffic Safety Authority will be established and will be responsible for the co-ordinating and monitoring of this programme.

Government will ensure that services provided by Air Zimbabwe are efficient and comparable to those of other carriers offering similar services. This calls not only for the modernisation of the airline's fleet but also curtailment of unprofitable routes and the development of new profitable ones. During the Plan period modernization works at Harare and other airports will be undertaken.

The present backlog of plant and equipment requirements for the Departments of Civil Aviation and Meteorological Services will need considerably high expenditure. Priority will therefore be given to the improvement of those aspects which ensure safety in aviation and adequate provision of meteorological information to the public. Efforts will be made to establish a Department of Civil Aviation which has a high degree of accountability. Also Airport Corporation will be established to manage all aspects of airport activities. Government will expand its programme for the dissemination of information in order to reach all parts of the country. This will be done through establishment of communication centres in growth points and urban high density areas.

During the Plan period, P.T.C. will rehabilitate the existing network, modernize its institutional aspects and continue with the expansion of its services in rural areas. A Five-Year Telecommunications Development Programme for 1988–1992 is being prepared by P.T.C.

Z.B.C. will expand and improve the reception of its services, especially in rural areas. This will include construction of transmitters in several parts of the country and erection of new buildings and studios.

Government will also establish External Broadcasting Service to counter hostile propaganda and spread positive information about Zimbabwe.

Investment in the sector for the five year period is estimated at $855 million, $794 million of this amount will be financed through P.S.I.P. Employment is expected to increase from 50 000 in 1985 to 60 000 by 1990.

3.8 HEALTH

Government has accepted the goal of "Health For All by the Year 2000". This entails continued expansion and decentralization of the health care system in order to make health services available to all. The basic approach to the problem is to strengthen health facilities at different levels, that is, at central, provincial, district and village levels. A policy of decentralization and integration is followed thus establishing a national health system.

The strategy followed in implementing this policy is strengthening the infrastructure of the health care delivery system based on primary health care, reorientation of the health manpower (medical and para medical) together with a preferential allocation of resources to health preventive and health promotive activities.

Surveys have shown that people in Zimbabwe suffer particularly from nutritional deficiencies, communicable diseases and from conditions related to pregnancy, child birth and the new born.

Malnutrition is a major health problem more pronounced in communal areas where a large number of children are under-nourished. Infection takes a large toll especially among the younger age groups. Many of the communicable diseases are associated with unsanitary living conditions and lack of protected water supply. Solutions to several of these problems lie partially with health technology and improved living conditions. Government during the Plan period will formulate a food and nutrition policy.

The present population annual growth rate of about 2,84 per cent. is high relative to the growth rate of GDP. This retards efforts at raising the standards of living of the masses. Programmes such as family planning, health education that are underway are intended to reduce population growth in general and to improve the quality of life of mother and child in particular.

Efforts will be made to reduce infant, childhood, prenatal and maternal mortality by 50,0 per cent. each by the end of the Plan period.

Crude birth rate which is 37,9 in 1982–87 is projected to fall to 35,1 in 1987–92 and crude death rate from 11,2 to 9,4 per thousand correspondingly. Total fertility rate was 5,62 in 1982. This is likely to fall to 4,23 by the end of the Plan period. All these improvements are likely to lead to a high life expectancy from 57,4 in 1982 to 61,9 by 1990.

The National Health Policy "Planning For Equity in Health" is the framework within which all health care programmes are conceived. The policy seeks to achieve equality in health status and health care. It advocates adoption of the Primary Health Care (P.H.C.) approach whose key components are appropriateness, affordability and acceptability of the care provided.

Within Government, the relationship between development and health policies, plans and actions will be strictly observed. Government will strengthen its institutional mechanism for integrating development and health planning as well as co-ordinating the work of the agencies responsible for health-related sectors, notably health care, nutrition, water supply and sanitation, housing, agriculture and education.

The P.H.C. approach involves a profound re-orientation of priorities within the entire health service. Priority allocation of resources will be given to providing a "package" of basic promotive, preventive and curative activities, accessible to all the people and closely linked with the actions of the community and health-related agencies. The National Health Services (N.H.S.) will be developed and strengthened at four main levels, namely; primary, secondary, tertiary, and central levels. These four levels of N.H.S. are intended to make the system more efficient in the provision of health care services.

National Health Service Scheme will be of self-financing nature. Its funds will come from compulsory contributions from workers and employers. This will reduce the financial burden on Government budget.

A phased upgrading of the existing hospitals and buildings of 6 new district hospitals over the Plan period is provided for in the Plan. Each of the eight provincial hospitals will also be upgraded. At the centre, various areas of public health administration will be strengthened. In addition to reduction in mortality rates referred to earlier, deliveries attended by trained midwives will be increased from the current level of 66,1 to 100 per cent. Under the national immunization programme the percentage of fully immunised children will be increased from the current 42 per cent. to 100 per cent. by the end of the Plan. All women "at risk" will be covered with adequate antenatal services. The programme will also ensure that all women have access to child spacing and family planning service.

The Plan also aims at reducing the prevalence of malnutrition, especially among children under 5 years, pregnant and lactating mothers.

As regards water and sanitation, the aim is to promote the programme of protected water supply in rural areas and improve rural sanitation through construction of blair latrines. The target in the Plan is to construct 7 000 primary water supply points annually with each point supplying ten latrines. Thus a total of 70 000 blair latrines would have been constructed. This will also lead to environmental improvement in the countryside.

The National Malaria Control Programme envisages a reduction of 80 per cent. in the incidence of malaria throughout the country. Facilities for examination of blood slides will be expanded and also the insecticide spraying programme. Malaria treatment facilities will be available to all people.

Supply of drugs is an important element in improving the health status of the community. By 1990 Zimbabwe will be self sufficient in the manufacturing of the commonly used drugs. The Essential Drugs List of Zimbabwe will be used from now as the basis of all drug supply in the country. By 1987, the National Drug Formulary will be established. To ensure effective distribution of medical drugs, equipment and other supplies provincial medical stores are being built in each province.

A special department of nutrition has been established within the Government to supervise the nutritional status and growth of children. The 1985/90 investment strategy requires a total P.S.I.P. allocation of $175 million for the sector. Employment during the Plan period is projected to increase from 19 000 to 23 000.

3.9 EDUCATION AND MANPOWER DEVELOPMENT

Zimbabwe has made great strides in the field of education since independence. In 1980, education was made free and the earlier inequities in the provision of education services between rural and urban areas, between men and women, have been reduced considerably.

The result has been rapid enrolment at both primary and secondary levels. Enrolment in primary schools increased from 820 000 in 1979 to 2 229 396 in 1985. Secondary school enrolment also increased nearly seven fold during the same period from 66 000 to 497 766. Enrolment in teacher training colleges rose from 3 500 to 15 250. Expansion of the education system which was primarily extension of education services to the formerly neglected communal areas, necessitated an increase in the number of trained teachers.

In addition, informal education (such as correspondence courses and adult literacy programmes) was expanded. This is probably one of the reasons why the adult literate population rose to between 60,0 and 70,0 per cent., a level that is high relative to the other developing countries

Expansion of the secondary school system has made possible the admission of all those who qualify to enter secondary school. There is, however, wastage in the form of drop-outs of those who complete secondary education and are likely to remain unemployed mainly because of lack of growth in employment opportunities and also because holders of secondary school certificate generally lack adequate training in practical subjects. There is, therefore, need for a proper balance between primary and secondary education and also between secondary and vocational education. Government is already at an advanced stage in the design of a policy which would make this approach to secondary education possible. Introduction of such a policy would bring secondary education into harmony with the manpower requirements of the economy and the society.

Efforts will be made to develop curricula that are more responsive to the country's intellectual, political, economic, manpower and cultural needs. This will be assisted by the localisation of the examination. Standardisation of curriculum will be introduced at all levels of the school system in order to establish national criteria. The planned P.S.I.P. for 1986–1990 for the education sector is $200 million which is nearly 4,4 per cent. of total P.S.I.P. The contribution of Central Government to capital expenditure on education will be held in check through greater local participation in the form of labour and provision of other inputs such as for construction of class-rooms, student hostels and staff houses. Wage employment in the sector is expected to increase from 82 000 in 1985 to 97 000 by the end of the Plan period. Government will continue to intensify its efforts in manpower development in order to redress the imbalances of the past and ensure that the development of manpower resources is in line with the establishment of a socialist society. In this connection Government will—

(a) expand the existing institutional training infrastructure and create new institutions to cater for growing needs and to achieve self-reliance;

(b) promote, develop and co-ordinate management training in order to harmonise and rationalise all training in the country and to make the private sector more sensitive to the nation's socialist goals;

(c) ensure greater co-ordination of technical education at secondary and tertiary levels;

(d) increasingly control, co-ordinate and monitor private commercial colleges in order to achieve standardisation and to make them more relevant to the new social order;

(e) aim at maximising the use of resources and avoiding duplication in public sector training through greater co-ordination. Of special importance is the co-ordination between the Ministry of Labour, Manpower Planning and Social Welfare and the Ministry of Education in developing programmes that will enable school leavers to acquire skills.

The National Vocational Training Centre in Harare will be the focal point for training of skilled manpower. The Centre will develop training modules and curricula and will also provide teaching materials. The seven Technical Colleges are being strengthened to enable them to provide more facilities for vocational education.

Plans are to increase enrolment at the colleges from 13 776 in 1985 to 20 000 by 1990. It would also reduce the agony often faced by secondary school graduates in their search for gainful employment.
Government teachers' colleges will be expanded to accommodate 750 resident students. Rural and urban schools will be expanded and improved, including electrification and sanitation. Private registered secondary schools will also be expanded.

The dominant rationale for spending public funds on education is not only to uphold education as a right for everybody but also to develop the requisite manpower for the development of science and technology, overall industrialisation, management and administration. There is, also the aspect of nation building and equalisation of opportunities and incomes. Equally important is the fact that education is a process of socialisation—a process through which children learn norms, culture, values and fundamental ideologies of society.

So far manpower development programmes have covered those in formal employment only inspite of the fact that a vast majority of the labour force is engaged in informal activities. In this connection, manpower training programmes will be extended to cover areas outside urban areas where most of the informal economic activities are undertaken.

3.10 COMMUNITY DEVELOPMENT

Government believes that the welfare of the mass of the people can best be improved if the spirit of community development through collective self-reliance is adhered to and put into practice. In the past, Government has launched various community development programmes in both urban and rural areas with a view to encouraging self-reliance in these communities. Through its large body of grassroots extension workers, Government has motivated and mobilised communities for income generating projects such as handicrafts, uniform/dress making, poultry, gardening and wire making. Some programmes also cover areas such as primary health care, pre-school feeding and education and adult literacy programmes. The communities have also undertaken infrastructural projects such as road/bridge construction, protected wells, Blair toilets, school buildings, clinics, community halls, small dams etc.

Community participation and self-reliance calls for a high degree of mass organisation. Development should be initiated and programmes implemented by the people themselves for meaningful results. To this end, Government has encouraged and promoted the establishment of development committees at village, ward, district and provincial levels.

To consolidate the spirit and practice of community participation, Government will strengthen the organisational planning capacity of these development committees for more effective decision making at grass roots level, strengthen the existing collective self-reliant projects, promote new collective ventures, and organise workshops on project/programme planning and management.

The last five years have seen a rapid increase in the number and activities of non-governmental organisations (N.G.OS.) in rural areas. Their activities have evolved from that of giving assistance or relief handouts to those of self-help projects and this is a positive development. Over the Plan period, however, greater efforts will be made to co-ordinate the activities of the non-governmental organisations as well as integrate their programmes with those of Government. The co-ordination of Government and non-governmental institutions is essential for rational allocation of scarce resources. The roles of the state and that of the community in development are complementary in that full implementation of the Plan calls for the willing co-operation and participation of the people.

In promoting and facilitating community development, Government recognises that women's participation is an essential precondition for its success. The past five years have seen some progress in the advancement of women and their integration into the development process. For instance, women form the majority of participants in all community-based programmes and projects. Women continue to play a leading role in the promotion of primary health care programmes, pre-school education, adult literacy and the training of grass roots leadership. There have been some positive changes in employment opportunities, education, civil affairs and legislation. Government's commitment to equal opportunities and total development of both human and material resources has reduced the cultural and traditional attitudes towards women that have assigned them an inferior role in society.

During the Plan period Government will implement forward-looking strategies of the world Plan of Action of Women. Government will also strengthen women's organisations through legal registration, improvement of banking and credit facilities for women, promotion of appropriate technologies for women and also the formation of a national umbrella body. Government will also promote equal opportunities by abolishing all practices that discriminate against women and intensify education programme on women's rights.

The youth are the future backbone of the national development effort. At the same time, the importance of a disciplined, responsible and loyal youth organisation cannot be over emphasised. Already there is a youth movement with the brigade at its head and training centres where youth are given various skills to enable them to earn a living and participate in national development. In addition, a national Youth Council has been formed to co-ordinate youth activities in the whole country.

Over the Plan period, the primary objective will be the consolidation and further development of the gains already made in the area of youth. More youth skills training centres will be established. Furthermore, there will be established children's palaces at the provincial level.

The establishment of relevant youth projects and co-operatives will be intensified so that productive use can be made of the skills gained from the training centres.

3.11 CULTURE AND SPORTS

In the area of sport, the Sports and Recreation Council has been formed to co-ordinate and restructure all sporting associations in Zimbabwe to remove the imbalance that existed in the past. Going hand in hand with their restructuring will be the construction of sports fields at growth points and at rural service centres on a self help basis. These facilities will provide the necessary venues for sports trials, coaching clinics and competitions that are necessary for sport development.

Provincial and District Sports and Recreation Councils will work hand in hand with Provincial and District Associations in talent identification through trials and competitions.

It is expected that the physical education syllabi for schools, colleges and youth training centres will be synchronised for uniformity of standards of performance. Further training of physical education instructors will be accelerated to meet the increased demand in schools, colleges and youth training centres.

The establishment of a Physical Education and Sports Academy will be pursued in association with the University of Zimbabwe which will be responsible for accrediting our physical education and sport instructors and coaches besides offering refresher courses.

Greater liaison will be made with local authorities and non-governmental insititutions to utilise fully existing physical education and sport facilities.

In the promotion of culture, based upon the principles of democratisation and decentralisation of cultural facilities and services, the establishment of the National Library and Documentation Service has been initiated. Culture Houses, whose components include local museums, galleries, libraries, arts and crafts production and marketing, as well as recreation halls, are being established at district level. District and Provincial Arts Councils represent a new venture as an outreach of the National Arts Council. The teaching of music, drama, dance, art and crafts, as well as behavioural cultural aspects, is to be a crucial undertaking within the school system. There will also be an intensive programme, backed by appropriate institutional facilities, to produce cultural multi-media materials and to train relevant personnel.

In order to democratise the acquisition of artistic skills and access to the arts by the greater masses of the people, facilities for training in and presentation of visual and performing arts will be built, improved or re-oriented. Crafts Centres will also be established to facilitate the improvement of the production and marketing of a rich diversity of crafts.

PART IV: FINANCING THE PLAN

Successful implementation of the overall and sectoral development strategy outlined above is dependent largerly upon the country's ability to mobilise the requisite financial resources for the implementation of the investment plan. It also pre-supposes a strict observance of conditions that will facilitate mobilisation of the required resources.

The major elements of financing programme are summarised as below:

(i) the absolute size of the deficit of the Central Government Budget, which is estimated at $808 million for the fiscal 1985/86 will have to be reduced progressively to about $650 million by 1990/91;

(ii) the total public debt is expected to decline substantially as a percentage of G.D.P., from 64,0 per cent, in 1985, to 55 per,0 cent in 1990. The debt service ratio will be reduced from 182,0 per cent. of total export earnings in 1985 to 18,2 per cent in 1990;

(iii) foreign capital inflows over the Plan period will total $2 852 million (or 40,0 per cent. of gross fixed capital formation) with loans constituting $2 152 million, and the remaining $700 million will be raised through foreign aid and foreign investment; and

(iv) the share of domestic savings in gross fixed capital formation will increase from 55,0 per cent. in 1985 to 65,0 per cent. in 1990 and it will average 60,0 per cent. for the Plan period.

4.1 CENTRAL GOVERNMENT BUDGET

One of the main tasks of Government during the Plan period is to reduce the gap that exists between Government expenditure and revenue. As shown in Table XIV, the revenues of Central Government are expected to grow at an average annual rate of 5,3 per cent., while Government expenditures are projected to grow at an annual rate of 3,2 per cent.

The budget deficit which is estimated at $808 million for fiscal year 1985/86 will be reduced progressively to about $630 million by 1990/91.

This will reduce the budget deficit as a proportion of G.D.P. from 10,3 per cent. in 1985/86 to approximately 6,2 per cent. by 1990/91. Financial analyses have shown that the planned scaling-down of the budget deficit will be a significant contribution to the much needed stabilisation of the country's finances. However, any attempt to reduce the budget deficit further than indicated above would be unrealistic because a slower growth of expenditure would lead to serious problems in the social services sector and in public administration, while an increase in budget revenues would necessitate an unbearable load of taxation on personal consumption and would reduce the funds available for investment earmarked for the expansion of productive sectors.

It is of paramount importance that by 1990/91 the financial gap between government's revenue and recurrent expenditure should be narrowed as indicated above.

It is estimated that in 1990/91 the budget revenue would be sufficient to finance nearly all recurrent expenditure compared to fiscal year 1985/86 where this self-financing ratio stands at only 86,0 per cent. and the remaining 14,0 per cent. is being financed throuhg foreign grants and borrowing from domestic and external sources.

The planned growth of direct taxes on income and profits is based on the anticipated growth of company income, personal income as well as employment, while the projected growth of indirect taxes, including sales tax, customs duties, excise duties is based on expected increases in domestic trade and imports. Government will undertake a study of the existing sales tax and customs and excise duties in order to assess their impact on various incomegroups and also their effect on various economic activities.

The Tax Commission which was established in 1984, with the task of studying and recommending changes in the existing tax system will complete its report in 1986. The findings and recommendations of the Commission should provide a framework for necessary changes in the fiscal system and it will also financial planning in accordance with the objectives of the Five-Year Plan and the long-term socio-economic development of Zimbabwe.

TABLE XIV

CENTRAL GOVERNMENT BUDGET ACCOUNT

(*$ million ,constant* 1986/86 *prices*)

Revenue/Expenditure	Base year 1985/86	Average annual growth per cent.	Terminal year 1990/91
(A) REVENUE:	2 410	5,3	3 119
Direct taxes	1 002	5,7	1 319
Indirect taxes	1 149	5,0	1 466
Other revenue	259	5,2	334
(B) EXPENDITURE:	3 348	3,2	3 919
1. Recurrent	2 804	3,0	3 252
2. Capital	544	4,2	667
2.1. Capital expenditure	344	5,3	445
2.2. Net lending and investment	191	3,0	222
2.3. Short-term loans	9	—	—
(C) DEVELOPMENT GRANTS	130	5,3	170
BUDGET DEFICIT=(A+C)—B	—808	—4,9	—630
Budget deficit as per cent. of GDP at market prices	10,3	—9,7	6,2

4.2 PUBLIC DEBT

The Transitional National Development Plan envisaged that by 1985, the gross public debt would account for 40 per cent. of G.D.P. However, during the past three years, both Central Government and Local Authorities have experienced severe shortfalls in their revenues which were covered by excessive borrowing, thus increasing the percentage of gross public debt to 64,0 per cent. (see Table XV). Government intends to reduce future public borrowing significantly, Accordingly, the total public debt is expected to decline substantially as a percentage of G.D.P. from 64,0 per cent. in 1985, to 55,0 per cent. in 1990. In this financial stabilisation programme however, provision will be made for raising capital for development projects of the Plan.

4.3 EXTERNAL DEBT AND FOREIGN SOURCES OF FINANCE

As can be seen from Table XVI, Zimbabwe's repayment of external debt in 1985 reached $590 million, or 28,4 per cent. of the value of export of goods and services. Interest payments alone accounted for almost half of this amount. Government intends to improve this unhealthy situation and plans to attain a foreign debt service ratio of less than 20,0 per cent by 1990.

Foreign capital inflows over the Plan period are projected to total $2 852 million (or 40,0 per cent. of gross fixed capital formation) with loans consituting $2 152 million, and the remaining $700 million will be raised through foreign aid and foreign investment (see Table XVIII). New loans during the Plan period will be used primarily for the financing of priority development projects, particularly those in the productive sectors and export oriented projects.

Government will also endeavour to increase the inflow of foreign capital into specified or priority sectors of the economy. This should assist in relieving the balance of payment from the pressure of foreign borrowing. It is envisaged that the recovery of the Zimbabwean economy and the potential and good prospects for its further progress will encourage foreign partners to invest, and participate in the development of Zimbabwe. It is expected that during the Plan period foreign investment will amount to $200 million. This estimate surpasses the current inflow of foreign capital to a considerable degree.

TABLE XV

GROSS PUBLIC DEBT OF CENTRAL GOVERNMENT AND LOCAL AUTHORITIES AS AT 30 JUNE

(*in millions of dollars, at constant* 1985 *prices*)

	1985	1990
1 Gross public debt	4 714	5 192
External debt	1 721	1 951
Domestic debt	2 993	3 242
1.1. Central Government debt	4 164	4 542
External borrowings	1 721	1 950
Domestic borrowings	2 443	2 592
1.2. Local authorities (domestic borrowings)	550	650
Gross public debt as per cent. of GDP (at market prices)	64	55

TAOLE XVI

FOREIGN DEBT SERVICES

(*in millions of dollars, at constant* 1985 *prices*)

	1985	1990
1. Total foreign debt services	590	529
1.1. On foreign loans as of June 30, 1985	590	379
1.2. New loans	—	150
2. Export of goods and services	2 075	2 910
Total foreign debt service as per cent. of export of goods and services	28,4	18,2

4.4 FINANCING THE INVESTMENT PROGRAMME

Government plans to increase significantly the mobilisation of domestic savings in order to lessen reliance on foreign borrowing for financing economic development. The proportion of domestic savings in the financing of gross fixed capital formation will increase from about 55,0 per cent. in the base year to about 65,0 per cent. by 1990, and will average 60,0 per cent annually over the Plan period (see Table XVII), with foreign sources providing the remaining 40,0 per cent. This would represent a reversal of past trends which are characterised by heavy reliance on foreign borrowing which has increased the country's indebtedness considerably. However, the planned percentage of foreign sources for the financing of gross fixed capital formation is still relatively high by international standards.

The contribution of domestic savings in the private sector will predominate, but the share of the public sector savings will increase through a more balanced budget of Central Government and also through improved performance of parastatals.

In the public sector it is crucial to maintain a more controlled growth of the Government recurrent expenditure in order to facilitate mobilisation of government funds for planned investment. In addition, it is essential to improve the performance of parastatals in order to reduce their dependence on Government subsidies and Government investment funds. Government has already established a Committee to investigate, operations of parastatals and to recommend changes where necessary.

It is expected that the current economic recovery, aided and influenced by the economic programme of this Plan, will motivate the private sector to increase its investment and co-operate with the public sector in the implementation of priority development projects. Government will implement economic measures in the fields of tax policy, income and wage policies, prices, interest rates, custom duties and import allocation which are necessary to stimulate investment. Incentives will be introduced in order to encourage development in general as well as export oriented projects and projects which aim at substituting imports for local products. In addition, employment generating projects will be given the necessary support, especially those located at growth points and also in neglected areas.

TABLE XVII

FINANCING GROSS FIXED CAPITAL FORMATION (CFGF) 1986–1990
(*cumulative in $ million, 1985 prices*)

Sources of finance	Cumulative 1986–1990	Structure of GFCF %
1. DOMESTIC	4 274	60
1.1. Public sector	1 208	17
1.1.1. Government	700	
1.1.2. Parastatals	508	
1.2. Private sector	3 066	43
1.2.1. Households	600	
1.2.2. Corporate	2 466	
2. FOREIGN*	2 852	40
2.1. Foreign investment	200	3
2.2. Loans	2 152	30
2.2.1. Government	1 060	
2.2.2. Parastatals	792	
2.2.3. Private sector	300	
2.3. Grants	500	7
All sources=GFCF	7 126	100

* Exchange rate Z$1,60 per US$1.

Government and the country's financial sector will encourage savings by individuals. To revitalise investment in housing and lessen the housing backlog, Government will encourage savings for homes and will support individual undertakings for the construction and/or buying of houses and flats.

Financial institutions, private and public, are expected to be responsive to development requirements as laid down in the Plan. These are as follows:

(i) increase availability of financial resources and assistance for increased state involvement in the strategic sectors of the economy;

(ii) mobilisation of financial resources for priority development projects and provision of the necessary financial expertise and assistance to investors;

(iii) increase of the level of domestic shareholding in the financial sector, including shareholding by the state;

(iv) encouragement of the extension of banking services to rural areas, and in particular to co-operatives and small producers; and

(v) assisting local investors and Government in establishing joint ventures with foreign partners.

Government will continue to strengthen the role of ZIMBANK, Z.D.B., A.F.C. and B.C.C.Z. in the realization of development tasks in the Plan.

In order to introduce reforms that will make the financial sector more responsive to the development requirements of the country, Government will commission a study of the sector which will form the basis for designing the necessary reforms.

4.5 FINANCING THE PUBLIC SECTOR INVESTMENT PROGRAMME (P.S.I.P.)

As seen in Table XVIII, the parastatals' share in the overall financing of the P.S.I.P. will average 46,0 per cent. compared to only 28,0 per cent. in the current fiscal year. To some extent this change reflects the activity of new entrants into the sector, but the main contribution is expected to come from an improved performance of parastatals. In addition, it is envisaged that the programmes of parastatals will be more exposed to the domestic and foreign banks in order to mobilise additional capital and also to obtain additional expertise for assessment of projects and their implementation.

TABLE XVIII

FINANCING PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP) 1986/87–1990/91

(cumulative in $ million, at constant 1985 prices)

Sources of finance	Cumulative 1986/87–1990/91	Structure of P.S.I.P. in %
1. GOVERNMENT	2 437	54
1.1. Budgetary contributions	719	16
1.2. Loans	1 218	27
1.2.1. Foreign loans*	1 114	
1.2.2. Domestic loans	104	
1.3. Grants*	500	11
2. PARASTATALS	2 076	46
2.1. Revenue	525	12
2.2. Borrowings	1 551	34
2.2.1. Foreign*	818	
2.2.2. Domestic	733	
All sources = P.S.I.P.	4 513	100

* Exchange rate Z$1,60 per US$1.

As shown in Table XVIII, Government will provide finance for 54,0 per cent. of the planned P.S.I.P., which totals $4 513 million. Two thirds of this amount will be funded through foreign loans and aid. Government plans to fix a certain percentage of its revenue for P.S.I.P. financing in order to stabilise its funding and planning. In the initial years this process will be constrained by the existing wide gap between revenue and recurrent expenditure. The planned reduction of this gap will make possible improvement in the self-financing of P.S.I.P.

The Five-Year Plan will be implemented through annual plans in which the key role will be placed upon the Central Government Budget and the P.S.I.P.

PART V STATISTICAL ANNEX

TABLE 1

TOTAL POPULATION BY SEX, 1982–1992*

(in thousands)

	1982	1985	1987	1990	1992
Male	3 681	4 008	4 239	4 601	4 850
Female	3 836	4 167	4 700	4 768	5 020
TOTAL	7 517	8 175	8 639	9 369	9 870

TABLE 2

ESTIMATED GROWTH OF ZIMBABWE POPULATION*

(Average annual growth rate in %)

	1982–1985	1985–1990	1990–1992
Male	2,88	2,79	2,67
Female	2,80	2,72	2,61
TOTAL	2,84	2,76	2,64

TABLE 3

POPULATION BY BROAD AGE GROUPS, 1982–1992*

(in thousands)

Age group	1982	Per cent.	1985	1990	1992	Per cent.
0–14 years	3 553	47,3	3 745	4 027	4 130	41,8
15–64 years	3 733	49,7	4 197	5 097	5 488	55,6
65+ years	231	3,0	233	245	252	2,6
TOTAL	7 517	100,0	8 175	9 369	9 870	100,0

**Source:* Population Projections, Medium Variant, C.S.O., December, 1985.

TABLE 4

POPULATION DISTRIBUTION BY PROVINCE, 1969 AND 1982 CENSUSES

	Population		Population density Per km²		Per cent. distribution		
	1969	1982	1969	1982	1969	1982	Area/Km²
Zimbabwe (total)	5 099 340	7 546 759	13,0	19,3	100,0	100,0	390 759
Manicaland	766 380	1 099 202	22,0	31,5	15,0	14,6	34 870
Mashonaland Central	375 580	563 407	13,8	20,0	7,4	7,5	27 284
Mashonaland East	879 720	1 495 984	35,3	60,0	17,3	19,8	24 934
Mashonaland West	617 300	858 962	10,2	14,3	12,1	11,4	60 467
Matebeleland North	578 820	885 339	7,9	12,0	11,4	11,7	73 537
Matebeleland South	406 370	519 636	6,1	7,8	8,0	6,7	66 390
Midlands	754 110	1 091 844	12,8	18,5	14,8	14,5	58 967
Masvingo	721 010	1 031 697	16,3	23,3	14,1	13,7	44 310

TABLE 5

EMPLOYEES BY INDUSTRIAL SECTOR 1984–1990

(wage earners only, '000 persons)

Sector	1984	1985	1990	Average increase (%) 1985–1990
Agriculture and Forestry	262	260	290	2,2
Mining and Quarrying	56	56	65	3,0
Manufacturing	167	169	196	3,0
Electricity and Water	7	7	8	2,7
Construction	45	45	52	2,9
Finance and Insurance Real Estate	16	16	18	2,7
Distribution, Hotels and Restuarants	80	83	99	3,6
Transport and Communications	50	50	61	4,1
Public Administration	88	88	100	2,6
Education	82	82	97	3,7
Health	19	19	23	3,9
Domestic Services	99	99	99	0
Other Services	55	55	65	3,4
TOTAL	1 026	1 029	1 173	2,7

TABLE 6

GROSS DOMESTIC PRODUCT AT FACTOR COST, 1985–1990

($ million in 1985 prices)

Sector	1985	1986	1990	Average annual increase (%) 1985–1990	Percentage share in GDP 1985	Percentage share in GDP 1990
Agriculture and Forestry	966	1 014	1 232	5,0	15,0	14,9
Mining and Quarrying	380	404	520	6,5	5,9	6,3
Manufacturing	1 797	1 887	2 462	6,5	28,0	29,9
Electricity and Water	187	198	250	6,0	2,9	3,0
Construction	239	243	307	5,2	3,7	3,7
Finance and Insurance	337	354	431	5,0	5,2	5,2
Real Estate	66	67	79	3,9	1,0	1,0
Distribution, Hotels and Restuarants	840	878	1 047	4,5	13,1	12,7
Transport and Communications	417	438	532	5,0	6,5	6,7
Public Administration	411	419	474	2,9	6,7	5,8
Education	418	430	499	3,6	6,5	6,1
Health	130	134	155	3,6	2,0	1,9
Domestic Services	91	91	91	0,0	1,7	1,1
Other Services	377	385	454	3,8	5,9	5,5
Less imputed bank services charges	—227	—239	—290	5,0	—3,5	—3,5
G.D.P. AT FACTOR COST	6 429	6 703	8 243	5,1	100,0	100,0

TABLE 7

GROSS DOMESTIC PRODUCT AT FACTOR COST 1980–1990
(*$ million in* 1980 *prices*)

Sector	1980	1984	Average annual increase in (%) 1980–1984	1985	1986	1990	Average annual increase in (%) 1985–1990
Agriculture and forestry	458	529	3,7	593	623	757	5,0
Mining and quarrying	285	295	0,9	295	314	404	6,5
Manufacturing	802	811	0,3	847	889	1 160	6,5
Electricity and water	70	70	0,0	74	78	99	6,0
Construction	87	91	1,1	91	93	117	5,2
Finance and insurance	159	194	5,1	202	212	258	5,0
Real estate	43	43	0,0	43	44	52	3,9
Distribution, hotels and restuarants	451	372	4,7	389	407	486	4,5
Transport and communications	211	213	0,2	223	234	285	5,0
Public administration	290	363	5,8	363	370	419	2,9
Education	169	334	18,6	334	344	398	3,6
Health	71	92	6,7	92	95	110	3,6
Domestic services	65	59	2,4	59	59	59	0,0
Other services	173	217	5,8	217	221	261	3,8
Less imputed bank services charge	—108	—124	3,5	—129	—135	—165	5,0
G.D.P. AT FACTOR COST	3 226	3 559	2,5	3 693	3 848	4 699	4,9

TABLE 8

TOTAL SUPPLY AND USE OF RESOURCES 1984–1990
(*$ million,* 1985 *prices*)

Supply/Use	1984	1985	1986	1990	Average annual increase in (%) 1985–1990
1. G.D.P. at factor cost	6 195	6 429	6 703	8 243	5,1
2. Net indirect taxes	907	941	981	1 207	5,1
3. G.D.P. at market prices (1+2)	7 102	7 370	7 684	9 450	5,1
4. Export of goods and services	1 966	2 075	2 188	2 908	7,0
5. Import of goods and services	1 987	2 077	2 170	2 778	6,0
6. Net export of goods and services (4−5)	—21	—2	18	131	
7. Total supply for domestic use (3−6)	7 123	7 372	7 666	9 319	4,8
8. Total consumption	5 612	5 851	6 109	7 356	4,7
(a) Private consumption	4 205	4 384	4 598	5 554	4,9
(b) Public consumption	1 407	1 467	1 511	1 802	4,2
9. Gross capital formation	1 511	1 521	1 557	1 963	5,2
(a) gross fixed capital formation	1 256	1 256	1 281	1 623	5,3
(b) changes in stocks	255	265	276	340	5,1
Total use of reources (8+9)	7 123	7 372	7 666	9 319	4,8
GROSS DOMESTIC SAVINGS (6+9)	1 490	1 519	1 575	2 094	6,6

TABLE 9

EXPORTS BY INDUSTRIAL SECTOR 1985–1990
(*$million*)

Sector		Current prices	1985 prices, Z$1,60/1US$		Average annual increase in (%)
		1984	1985	1990	1985–1990
1.	MERCHANDISE EXPORTS	1 431	1 742	2 479	7,3
1.1.	Agriculture	588	714	982	6,6
1.2.	Mining	385	468	668	7,4
1.3.	Industry	458	560	829	8,2
1.3.1.	Intermediate goods	289	353	516	7,9
1.3.2.	Capital goods	19	25	47	13,5
1.3.3.	Consumer goods	150	182	266	7,9
2.	EXPORT OF SERVICES	279	333	431	5,3
	TOTAL EXPORTS	1 710	2 075	2 910	7,0

TABLE 10

IMPORTS ACCORDING TO INDUSTRIAL SECTOR OF ORIGIN 1985–1990
(*$ million*)

Sector		Current prices	1985 prices, Z$1,60/1US$		Average annual increase in (%)
		1984	1985	1990	1985–1990
1.	MERCHANDISE IMPORTS	1 200	1 443	1 930	6,0
1.1.	Agriculture	95	60	70	3,1
1.2.	Mining	18	20	23	2,8
1.3.	Industry	1 087	1 363	1 837	6,2
1.3.1.	Intermediate goods	586	783	1 091	6,9
1.3.2.	Capital goods	404	465	600	5,2
1.3.3.	Consumer goods	97	115	140	4,0
2.	IMPORT OF SERVICES	528	634	849	6,0
	TOTAL IMPORTS	1 728	2 077	2 779	6,0

TABLE 11

CURRENT BALANCE OF PAYMENTS 1985–1990
(*$ million*)

Components	Current prices	1985 prices, Z$1,60/1US$	
	1984	1985	1990
1. Merchandise exports	1 431	1 742	2 479
2. Merchandise imports	1 200	1 443	1 930
3. Trade balance (1–2)	231	299	547
4. Export of services	279	333	431
5. Import of services	528	634	849
6. Balance of services (4–5)	—249	—301	—418
7. Balance of goods and services (3+6)	—18	—2	131
8. Income payments and private transfers, net	—130	—160	—200
CURRENT BALANCE OF PAYMENTS (7–8)	—148	—162	—69

TABLE 12

CAPITAL FORMATION 1985–1990
(*$ million, 1985 prices*)

	1985	1986	1987	1988	1989	1990	Cumulative 1986–1990
Gross fixed capital formation	1 256	1 281	1 307	1 405	1 510	1 623	7 126
Increase in stocks	265	276	289	305	322	340	1 532
GROSS CAPITAL FORMATION	1 521	1 557	1 596	1 710	1 832	1 963	8 658

TABLE 13

GROSS FIXED CAPITAL FORMATION BY INDUSTRIAL SECTOR, CUMULATIVE 1986–1990
(*$ million, 1985 prices*)

Sector	Five years cumulative 1986–1990	Structure in %
Agriculture and forestry	998	14.0
Mining and quarrying	962	13,5
Manufacturing	1 390	19,5
Electricity and water	581	8,2
Construction	185	2,6
Finance and insurance	142	2,0
Housing*	1 040	14,6
Distribution, hotels and restaurants	320	4,5
Transport and communication	855	12,0
Public administration	128	1,8
Education	206	2,9
Health	185	2,6
Other services and unallocable	134	1,8
TOTAL ECONOMY	7 126	100,0

* Includes urban development and general purpose investment by Government.

TABLE 14

FINANCING GROSS FIXED CAPITAL FORMATION 1986–1990
($ *million* 1985 *prices* o$1,60/1 US$)

Sources of finance	1986	1987	1988	1989	1990	Cumulative 1986–1990	Structure in %
1. DOMESTIC	701	717	855	950	1 051	4 274	60
1.1. Public sector	191	167	230	270	350	1 208	17
1.1.1. Government	111	87	130	150	222	700	
1.1.2. Public corporations	80	80	100	120	128	508	
1.2. Private sector	510	550	625	680	701	3 066	43
1.2.1. Households	100	110	115	130	145	600	
1.2.2. Corporate	410	440	510	550	556	2 466	
2. FOREIGN	580	590	550	560	572	2 852	40
2.1. Foreign investment	10	25	50	50	65	200	3
2.2. Loans	495	485	400	390	382	2 152	30
2.2.1. Government	295	290	180	155	140	1 060	
2.2.2. Parastatals	150	140	160	170	172	792	
2.2.3. Private sector	50	55	60	65	70	300	
2.3. Grants	75	80	100	120	125	500	7
All sources=GFCF	1 281	1 307	405	1 510	1 623	7 126	100

TABLE 15

PUBLIC SECTOR INVESTMENT PROGRAMME BY INDUSTRIAL SECTOR CUMULATIVE 1986/87–1990/91
($ *million*, 1985 *prices*)

Sector	Cumulative 1986/7–1990/1	Structure in %
Agriculture and fishing	880	19,5
Mining and quarrying	257	5,7
Manufacturing	415	9,2
Electricity and water	541	12,0
Construction	76	1,7
Finance and insurance	46	1,0
Housing*	812	18,0
Distribution, hotels and restaurants	165	3,7
Transport and communication	794	17,6
Public administration	133	2,9
Education	200	4,4
Health	175	3,9
Other services and unallocable	19	0,4
TOTAL	4 513	100,0

* Includes general purpose investment by Government and urban development.

TABLE 16

FINANCING PSIP 1986/87–1990/1
($ *million*, 1985 *prices*)

Source of finance	1986/7	Fiscal years 1987/8	1988/9	1989/90	1990/1	Cumulative 1986/7–1990/1	Structure in %
1. GOVERNMENT	463	451	470	500	553	2 437	54
1.1. Budgetary contributions	101	90	130	180	218	719	16
1.2. Loans	285	271	230	210	222	1 218	27
1.2.1. Foreign loans	267	245	205	193	204	1 114	
1.2.2. Domestic loans	18	26	25	17	18	104	
1.3. Grants	77	90	110	110	113	500	11
2. PARASTATALS	336	380	420	460	480	2 076	46
2.1. Revenue	80	90	110	120	125	525	12
2.2. Borrowings	256	290	310	340	355	1 551	34
2.2.1. Foreign	170	160	151	170	167	818	
2.2.2. Domestic	86	130	159	170	188	733	
All sources = PSIP	799	831	890	960	1 033	4 513	100

Table 17

ZIMBABWEAN INPUT/OUTPUT TABLE FOR 1984
($ *million*, 1985 *prices*)

Sector	Agricul-ture	Inter-mediate	Capital	Final	Mining	Other	Inter-mediate demand	Private cons.	Govern-ment cons.	Exports	Invest-ment	Stocks	Final demand	Total demand
Agriculture . .	140	12	0	535	0	0	687	318	26	509	0	—19	834	1 521
Intermediate . .	318	179	251	260	95	90	1 193	55	12	394	0	67	528	1 721
Capital	52	79	12	145	116	60	464	1	2	18	668	—69	620	1 084
Final	12	37	21	467	31	129	697	1 633	236	208	42	78	2 197	2 894
Mining	14	332	18	12	38	16	430	7	2	273	0	46	328	758
Other	30	41	19	193	51	139	473	1 415	914	565	160	79	3 133	3 606
	566	680	321	1 612	331	434	3 944	3 429	1 192	1 967	870	182	7 640	11 584
Imports . . .	0	0	0	14	0	0	14	7	1	0	0	75	83	97
Agriculture														
Intermediate . .	46	256	97	39	32	166	636	18	10	0	0	—12	16	652
Capital	5	10	140	16	2	14	187	6	4	0	200	—12	198	385
Final	2	2	2	80	2	25	113	72	32	0	13	15	132	245
Mining	0	1	0	0	0	0	1	0	0	0	0	0	0	1
Other	34	153	90	80	19	118	494	40	3	0	62	8	113	607
Total imports . .	87	422	329	229	55	323	1 445	143	50	—	275	74	542	1 987
Value added . .	868	619	434	1 053	372	2 849	6 195							6 195
Total inputs . .	1 521	1 721	1 084	2 894	758	3 606	11 584	3 572	1 242	1 967	1 145	256	8 182	

Source: Zimconsult Harare, November 1985.