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ZIMBABWE

THE 2025 NATIONAL BUDGET SPEECH

“Building Resilience for Sustained Economic Transformation”

Presented to the Parliament of Zimbabwe

By

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Promotion**

Harare, 28 November, 2024

MOTION

1. Mr Speaker Sir, subsections (1) and (2) of section 305 of the Constitution as read with subsection (1) of section 28 of the Public Finance Management Act [Chapter 22:19], and paragraph (m) of section 2(1) of the Public Finance Management (General) (Amendment) Regulations, 2021 (No. 1), published in Statutory Instrument 127A of 2021, provides that every year the Minister responsible for finance must present to the National Assembly a statement of the estimated revenues and expenditures of the Government in the next financial year.
2. In compliance with these provisions, Mr Speaker Sir, I therefore, move that leave be granted to present a statement of the estimated revenues and expenditures of the Republic of Zimbabwe for the 2025 Financial Year and to make Provisions for matters ancillary and incidental to this purpose.

INTRODUCTION

3. Mr Speaker Sir, the year 2024 has been an extraordinary year, presenting both challenges and opportunities. The challenges have impacted on the economy, people's lives and progress towards achieving the Nation's Vision 2030 of becoming an upper middle-income society.

4. The economy has, however, shown remarkable resilience, reflecting Government's successful implementation of strategic reforms and policies since 2018, through the Transitional Stabilisation Programme (TSP) and the National Development Strategy 1 (NDS1), which is coming to an end in 2025.
5. However, there is still need to entrench economic resilience, especially against climate change and volatility of commodity prices, hence, the theme of the 2025 National Budget, *"Building Resilience for Sustained Economic Transformation"*.
6. Before I go into the details of the Budget, let me convey my gratitude to His Excellency, the President, Cde, Dr E. D. Mnangagwa for his leadership, guidance and wisdom in the formulation of this Budget.
7. I also want to recognise the valuable inputs from the two Vice Presidents, Hon. Gen. (Rtd). Dr. C. G. D. N. Chiwenga and Hon. Col. (Rtd). K. C. D. Mohadi, as well as colleague Ministers.
8. Mr Speaker Sir, your inputs together with the Parliamentary Portfolio Committee on Budget, Finance and Investment Promotion and other Parliamentary Committees, individual Parliamentarians, Government Departments, industry,

development partners, minors, academia, civil society, bankers, the youths, women and small-scale entrepreneurs, among others, went a long way in shaping this Budget.

9. Please, allow me now to turn to the details of the 2025 National Budget.

ECONOMIC DEVELOPMENTS

10. The subdued global economic performance during 2024, is having a negative impact on the domestic economy, through lower international mineral commodity prices, except for gold, and high borrowing costs.

GLOBAL DEVELOPMENTS

11. Mr Speaker Sir, global economic growth is projected to hold steady at 3.2% in 2024 and 2025, respectively, according to the October 2024 IMF World Economic Outlook projections. This is due to a slowdown in economic activity across advanced economies and emerging markets. **Slide 2**
12. Downside risks such as climate change, volatile global financial markets, escalating conflicts, heightened policy uncertainty, and increased protectionist measures, have the potential to hold back global growth going forward.

Sub-Saharan Africa

13. The Sub-Saharan Africa region, will grow by 3.6% in 2024 and is projected to further grow by 4.2% in 2025, reflecting a bullish outlook for the region.
14. This is largely on account of gradual improvements in supply chains and the recovery from the negative effects of earlier weather shocks. **Slide 3**
15. Mr Speaker Sir, real GDP growth in the Southern African Development Community (SADC), is projected at 2.5% and 3.3% in 2024 and 2025, respectively. **Slide 4**

Global Commodity Prices

16. Despite an anticipated modest decrease in overall commodity prices in 2024 and 2025, commodity prices are projected to stay above pre-pandemic levels, but experiencing a dip in 2025. This reflects enduring supply constraints and demand patterns that have shifted during the post-pandemic recovery. **Slides 5 & 6**

Domestic Economic Developments and Outlook

GDP Growth

17. Mr Speaker Sir, the domestic economy is still projected to record a GDP growth rate of 2% in 2024 on account of the impact of the El Nino induced drought. However, the agriculture sector, which was initially projected to contract by -21%, is, now expected to contract by-15% on account of better than anticipated output on wheat and dairy. **Slide 7**
18. In the outlook, economic growth is now projected at 6% in 2025.
19. The anticipated La-Nina weather phenomenon, usually associated with normal to above-normal rainfall, is going to be the major driver of growth in agriculture and electricity generation.
20. Mr Speaker Sir, the 2025 economic growth projections are underpinned by the following broad assumptions:
 - Normal to above-normal rainfall, which is expected to result in increased agricultural production;
 - Stable exchange rate and low inflation, providing a stable macroeconomic environment and a conducive doing business environment; and
 - Tight fiscal and monetary policies.

21. The attainment of the projected 6% economic growth in 2025, will result in Zimbabwe being one of the fastest growing economies in the region.

Composite Indicator of Economic Activity

22. The Ministry of Finance, Economic Development and Investment Promotion, in collaboration with the Reserve Bank of Zimbabwe has developed a Composite Indicator of Economic Activity (CIEA), to enhance economic monitoring using high frequency data. **Slide 8**
23. The CIEA complements quarterly GDP figures, by providing a comprehensive picture of the country's economic performance frequently, critical for guiding policy decisions.

Foreign Currency Receipts

24. The country's external sector position has remained resilient, as reflected by a notable increase in foreign currency receipts, which rose by 17.9%, to US\$10 billion, during the first nine months of 2024, from US\$8.5 billion received during the same period in 2023. **Slide 9.**

Balance of Payments Developments and Outlook

25. Mr Speaker Sir, preliminary estimates indicate that the current account balance recorded a surplus of US\$227 million in the

first nine months of 2024, a significant improvement from the surplus of US\$59.4 million recorded in the same period last year. **Slide 10**

26. To year end, the current account is projected to record a surplus of US\$150.5 million and further improving to US\$277.4 million in 2025. This is driven mainly by the resilient diaspora remittances inflows and a projected narrower trade deficit. **Slides 11 & 12.**

Inflation Developments

27. Mr Speaker Sir, prices for goods and services have relatively been stable following the introduction of Zimbabwe Gold (ZiG) in April 2024. Month-on-month ZiG inflation declined by -2.4% in May 2024, and averaged 0.0% in the second quarter of the year. **Slide 13**
28. However, inflation pressures emerged in August to October 2024, attributable to a surge in parallel market foreign exchange activities, which worsened adverse inflation expectations.
29. Consequently, the MPC implemented stabilisation measures which included increasing the bank policy rate and standardising statutory reserve requirements for deposits.

30. The MPC also allowed greater exchange rate flexibility and reduced the limit on foreign exchange individuals can take out of the country. The local currency also depreciated, while the amount that can be taken out of the country was also reduced.
31. These measures have had a positive impact, as both the official and parallel exchange rates have stabilised.
32. In 2025, ZiG inflation is expected to remain stable, with an average month-on-month inflation of below 3%, on the back of tight fiscal and monetary policies.

Public Finance Developments and Outlook: 2024

33. Mr Speaker Sir, in terms of the performance during the first nine months of the year, total revenue collections amounted to ZiG62.4 billion, against expenditures of ZiG66.5 billion. **Slides 14, 15 & 16.**
34. Consequently, a budget deficit of ZiG4.1 billion was recorded in the first nine months of the year.
35. Overall budget utilisation by MDAs stood at 76%, as at 30 September 2024. **Slides 17 & 18.**

Fiscal Outlook to Year End

36. Taking into account recent developments in the foreign exchange market and civil service salary reviews, total revenue collections to year end are projected at ZiG110.7 billion (17% of GDP), while expenditures are expected to be at ZiG119.97 billion (18.4% of GDP), resulting in a projected deficit of ZiG9.3 billion (-1.4% of GDP). **Slide 19.**

Public Debt

37. Mr Speaker Sir, the nominal stock of total Public and Publicly Guaranteed (PPG) debt as at end September 2024, amounted to ZiG524 billion, broken down as follows: **Slide 20.**
- External debt ZiG307 billion; and
 - Domestic debt of ZiG218 billion.
38. In real terms, total public debt stood at US\$21.1 billion, as at end September 2024, of which external debt amounted to US\$12.3 billion and domestic debt at US\$8.7 billion. **Slide 21.**

THE 2025 MACROECONOMIC FISCAL FRAMEWORK

39. Mr Speaker Sir, in line with the projected GDP growth of 6%, during 2025, revenue collections are estimated at ZiG270.3 billion (19.6% of GDP), comprising of ZiG218.2 billion tax revenues and ZiG52.1 billion non-tax revenues. **Slide 22**

40. The 2025 fiscal framework, therefore, provides for overall expenditures of ZiG276.4 billion or 20.1% of GDP, with recurrent expenditures of ZiG236.8 billion or 17.2% of GDP and acquisition of financial and non-financial assets (capital expenditure) set at ZiG39.6 or 2.9% of GDP.
41. In US dollar terms, the Fiscal Framework translates to revenues of US\$7.5 billion and expenditures of US\$7.7 billion. **Slide 23**

Vote Allocations

42. During the 2025 National Budget formulation stage, MDAs submitted total bids of over ZiG\$700 billion, against the available budget envelope of ZiG276.4 billion.
43. This is more than double the ceiling of revenue collection capacity of 19.6% of GDP. The available resource envelope was allocated to MDAs as follows. **Slides 24 & 25**

Vote Allocation by Administrative Classification

Vote Appropriations	ZiG M	US\$ M
Office of the President and Cabinet	10 567.6	293.2
Parliament of Zimbabwe	1 753.4	48.7
Public Service, Labour and Social Welfare	10 710.5	297.2
Defence	18 051.6	500.9
Finance, Economic Development and Investment Promotion	9 182.7	254.8
Audit Office	589.2	16.3
Industry and Commerce	550.9	15.3
Lands, Agriculture, Fisheries, Water, and Rural Development	22 935.0	636.4
Mines & Mining Development	664.8	18.4
Environment, Climate and Wildlife	516.8	14.3
Transport and Infrastructural Development	5443.6	151.0
Foreign Affairs and International Trade	3 989.8	110.7
Local Government and Public Works	4 907.8	136.2
Health and Child Care	28 323.6	785.9
Primary and Secondary Education	46 638.0	1 294.1
Higher & Tertiary Education, Science and Technology Development	10 323.8	286.5
Women Affairs, Community, Small and Medium Enterprises Development	1 016.7	28.2
Home Affairs and Cultural Heritage	16 183.4	449.0
Justice, Legal and Parliamentary Affairs	5 644.9	156.6
Information, Publicity and Broadcasting Services	433.1	12.0
Youth Empowerment, Development and Vocational Training	1 018.4	28.3
Energy and Power Development	259.8	7.2
Information Communication Technology and Courier Services	641.4	17.8
National Housing and Social Amenities	696.2	19.3
Veterans of the Liberations Struggle Affairs	807.3	22.4
Tourism & Hospitality Industry	294.6	8.2
Sport, Arts and Recreation	888.4	24.7
Skills Audit and Development	153.2	4.3
Judicial Services Commission	1 284.6	35.6
Public Service Commission	10 724.0	297.6
Council of Chiefs	196.4	5.4
Human Rights Commission	176.3	4.9
National Prosecuting Authority	460.5	12.8
Zimbabwe Anti-Corruption Commission	236.2	6.6
Zimbabwe Electoral Commission	467.4	13.0
Zimbabwe Gender Commission	177.3	4.9
Zimbabwe Land Commission	194.2	5.4
Zimbabwe Media Commission	144.2	4.0
Health Service Commission	164.8	4.6
Attorney General	218.7	6.1
TOTAL	217 630.9	6 038.6
Constitutional & Statutory	64 988.7	1803.2
Total Expenditure & Net Lending	282 619.7	7 841.8

Budget Financing

44. Mr Speaker Sir, the budget deficit of ZiG6.1 billion or 0.4% of GDP for 2025, reflects the need for fiscal consolidation and discipline against a background of high debt servicing obligations amounting to ZiG19.2 billion, which now accounts for 7% of overall Government expenditure outlays. **Slide 26**

Fiscal Risks to the Budget

45. Mr Speaker Sir, the Macro-Fiscal Framework which is guiding the Budget, faces risks, which if not mitigated, will put pressure on public finances, posing serious ramifications on overall macroeconomic stability.
46. Such risks relate to macroeconomic shocks, natural disasters, contingent liabilities, geopolitical tensions, declining commodity prices and expenditure outlays outside the approved budgetary provisions, among others.

THE 2025 NATIONAL BUDGET STRATEGIC PRIORITY AREAS

47. The 2025 National Budget focuses on enhancing macroeconomic stability and significantly improving the doing business environment, as well as delivery of social services, to enhance the human capital base of the country.

Economic Growth and Macro-stability

48. Mr Speaker Sir, under this pillar, the thrust of the Budget is to entrench price and exchange rate stability, as well as the acceptance of ZiG through deployment of the appropriate complementary fiscal and monetary policy tools.
49. On the fiscal front, Government will ensure the alignment of expenditure outlays to available resources, while prioritising development and social expenditures.
50. To complement these fiscal efforts, the monetary authorities will continue to refine the foreign exchange market system and use the monetary policy tools, to anchor price stability.

Supporting Productive Value Chains

Agriculture

51. The agriculture sector is projected to recover from a 15% contraction in 2024, to grow by 12.8% in 2025. **Slides 27, 28 & 29**
52. Interventions in the agriculture sector will be guided by the Agriculture Food Systems and Rural Transformation Strategy and Agriculture Recovery Plan.

53. To support these interventions, ZiG22.9 billion has been set aside for the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development during 2025 to cater for the following:
- Dam construction;
 - Irrigation development;
 - Rural Development 8.0;
 - Contracting and procurement of grain for the Strategic Grain Reserve;
 - National Enhanced Agriculture Productivity Scheme; and
 - Agriculture Productive Social Protection Scheme.

Mining

54. The mining sector is projected to grow by 2.3% in 2024, lower than the initial projection on account of subdued performance in PGMs attributable to low commodity prices. **Slide 30**
55. In 2025, the sector is projected to grow by 5.6%, primarily driven by anticipated growth in PGMs, gold, chrome and diamond outputs. **Slide 31**
56. An amount of ZiG664.8 million has been allocated to the Ministry of Mines and Mining Development, in order to manage the sector and provide a conducive mining environment for mineral exploration and mineral beneficiation.

Manufacturing

57. The manufacturing sector is now projected to grow by 2% in 2024, and is expected to pick up in 2025 by 3.1%, driven by increased agricultural output, which will stimulate agro-processing industries, particularly in the drinks and beverages subsector. **Slides 32 & 33**

58. To support the implementation of Zimbabwe Industrial Reconstruction and Growth Plan (ZIRGP) 2024-2025, ZiG550.9 million is being allocated to the Ministry of Industry and Commerce. This also includes support for Development Finance Fund.

Tourism

59. The tourism industry is projected to grow by 4.3% in 2025, benefiting from enhanced visa facilitation, investments in tourism infrastructure, the hosting of both domestic and international events, as well as tourism product diversification. **Slides 34 & 35**

60. To support the operations of the Ministry of Tourism and Hospitality Industry, an amount of ZiG294.6 million has been set aside to enable them to advance the growth of the sector, as well as establish the country as a tourist destination of choice.

Climate

61. The Zimbabwe's National Climate Change Adaptation Plan (NAP), 2024-2030 paves the way for implementation of suitable adaptation measures, to reduce the country's vulnerability to climate change, in line with the nation's Nationally Determined Contributions (NDCs).

62. Therefore, the 2025 National Budget has set aside ZiG516.8 million for the Ministry of Environment, Climate and Wildlife to implement the following:
 - Hosting COP15 of the Ramsar Convention and SADC Trans-Frontier Conservation Summit;
 - The Presidential Legacy Forests Project;
 - Restoration of wetlands;
 - Facilitate rehabilitation of degraded land in mining areas; and
 - Upgrading of Zimparks infrastructure.

Infrastructure, ICTs and the Digital Economy

63. Mr Speaker Sir, during 2025, outlays under the Public Sector Infrastructure Investment Programme seeks to address infrastructure gaps in support of sustainable economic growth, without putting pressure on stability of the domestic currency.

64. The targeted projects will maximise synergies between sectors, positively impact on productivity, building resilience and allowing the country to seize opportunities and innovate in a rapidly evolving global landscape.

65. Therefore, resources amounting to ZiG58.6 billion will be availed towards infrastructure investment, inclusive of Intergovernmental Fiscal Transfers broken-down as follows:

Slide 36

- Budget revenues of ZiG28.4 billion;
- Development Partner Support of US\$31.9 million (approximately ZiG1.2 billion);
- Loan funding of ZiG1.8 billion; and
- Statutory and Other funding of ZiG27.2 billion.

Transport

66. Logistical services, including a modern railway system, are critical in enhancing domestic, regional and international trade.

Slides 37 & 38

67. In this regard, ZiG5.4 billion has been allocated to the Ministry Transport and Infrastructural Development to support the targeted infrastructure projects.

Water and Sanitation

68. Regarding water provision, interventions are guided by the Integrated Approach to Water Development and the 6.0 Infrastructure Development Model, which seeks to upscale water harvesting programmes and ensuring that citizens derive immediate benefits through the productive use of such investments.
69. Overall support towards dam construction projects amounts to ZiG2 billion. **Slide 39**

Energy

70. The 2025 National Budget has allocated ZiG259.8 million to the Ministry of Energy and Power Development to facilitate investment in power generation, transmission and distribution network, as well as rural electrification. **Slide 40**

Housing Development

71. Mr Speaker Sir, Government's thrust on housing under the National Development Strategy 1 is to ensure citizens' access to affordable and quality housing, both in urban and rural areas given that shelter is a basic human right.

72. To support housing development, rehabilitation and maintenance of existing public facilities, as well as construction of composite buildings and other public offices, the Budget has allocated ZiG696.2 million to the Ministry of National Housing and Social Amenities.

Information Communication and Technology

73. The country has made good progress over the last three years in the deployment of ICT systems, such as the Integrated Electronic Case Management System (IECMS) across several key judicial bodies. **Slide 41**
74. To sustain these achievements, Government has set aside ZiG641.4 million for the Ministry of Information, Communication, Technology, Postal and Courier Services.

Devolution and Decentralisation

75. Through the 2025 National Budget, resources amounting to ZiG13.6 billion have been set aside in fulfilment of Section 301 (3) of the Constitution, which stipulates that not less than five percent of the national revenues raised in any financial year must be allocated to the Provinces and Local Authorities in a particular financial year, under the IFGT. **Slide 42**

Local Governance

76. The 2025 National Budget has set aside ZiG4.9 billion for the Ministry of Local Government and Public Works.
77. This allocation includes resources for the refurbishment and construction of Government buildings and urban renewal, capacitation of Local Authorities, enhance risk and disaster preparedness, as well as alignment of local Government legislation.

Youth, Sport, Arts and Culture

78. The 2025 National Budget will prioritise the development of youths and empowerment programmes by allocating ZiG1.02 billion to the Ministry of Youth Empowerment, Development and Vocational Training through the capitalisation of empowerment institutions as follows:
- Youth Empowerment Bank ZiG77.4 million;
 - National Venture Capital Company of Zimbabwe ZiG108 million; and
 - Small and Medium Enterprise Development Corporation ZiG130 million.
79. In addition, ZiG888.4 million has been allocated to the Ministry of Sports, Recreation, Arts and Culture to support sports, arts and culture sectors.

80. This includes a provision of US\$1 million for the preparations and participation of the Zimbabwe National Football Team (Warriors) for the 2025 African Cup of Nations (AFCON) set for December 2025 in Morocco.
81. This also includes resources for establishing and equipping of two public film studios in Harare and Bulawayo.

Women, Gender Equity, SMEs & Veterans of the Liberation Struggle

Women and Gender Equity & Small and Medium Enterprises

82. To facilitate the empowerment programmes and projects of the marginalised sections of the community, including women and SME, the Budget has made a provision of ZiG1.02 billion for the Ministry of Women Affairs, Community, Small and Medium Enterprises.
83. This support includes capitalisation of the following empowerment institutions:
- Zimbabwe Women Micro Finance Bank ZiG130 million;
 - EmpowerBank ZiG77.4 million;
 - Small and Medium Enterprises Development Corporation ZiG130 million; and
 - National Venture Capital Company of Zimbabwe ZiG108 million.

Veterans of the Liberation Struggle

84. An amount of ZiG807 million has been allocated to the Ministry of Veterans of the Liberation Struggle Affairs to support both monetary and non-monetary initiatives designed to provide for their welfare, promote self-sufficiency and economic independence among veterans and their families.

Human Capital Development, Well-Being & Innovation

Health

85. Priority under the health sector is centred on universal access to health services, through the provision of quality health services inclusive of medicines, manpower and a conducive working environment.
86. In this regard, ZiG28.3 billion has been allocated to the Ministry of Health and Child Care during 2025 targeting the following interventions:
- Operational support towards central, provincial and district hospitals, as well as rural clinics;
 - Renovation and construction of medical facilities, targeting areas with limited access, particularly rural areas;
 - Procurement of modern equipment;

- Enhanced Assisted Medical Treatment Orders (AMTOs); and
- Procurement of medicines and medical supplies.

Education

87. The 2025 National Budget has allocated ZiG46.6 billion and ZiG10.3 billion to the Ministry of Primary and Secondary Education and the Ministry of Higher and Tertiary Education, Science and Technology Development, respectively, covering the following areas:

- Teaching and learning materials ZiG352.9 million;
- Construction, rehabilitation and upgrading of infrastructure ZiG908 million;
- Procurement of equipment and tools of trade ZiG217.5 million;
- Sanitary wear ZiG85 million;
- Capacitation of laboratories ZiG200 million; and
- Supervision and utility vehicles ZiG184.5 million.

Skills Audit and Development

88. The Ministry of Skills Audit and Development has been allocated ZiG153.2 million to identify national skills gaps and formulate the appropriate National Skills Policy and Strategy.

Social Protection

89. A total of ZiG10.7 billion has been set aside for the Ministry of Public Service, Labour and Social Welfare to increase coverage, harmonise, integrate and strengthen social assistance programmes to protect and cushion the vulnerable groups and households in 2025. **Slides 43 & 44**

Effective Institution Building & Governance

Ease of Doing Business Reforms

90. The multiplicity of registration processes, fees and charges by various MDAs, as well as the number of Government agencies at the country's border posts are compromising investment facilitation and the investment environment.
91. Going forward, the Office of the President and Cabinet will spearhead the coordination of all relevant MDAs with a view to streamlining processes and duplications.

Justice Delivery

92. To sustain improvements in access to justice for all citizens, ensuring equality before the law and promoting a fair and just society momentum, an allocation of ZiG5.6 billion has been set aside for the Ministry of Justice, Legal and Parliamentary Affairs to strengthen the judicial system.

Peace and Security

93. Peace and security are fundamental prerequisites for economic transformation of any country. The absence of peace and security hampers the general citizens' ability to engage in productive economic activities and the overall well-being of the populace.
94. The prevailing geopolitical tensions and dynamics necessitate that Government allocates adequate resources to our security services to effectively safeguard the nation's territorial integrity, protect national interests, as well as upholding sovereignty.
95. In this regard, the 2025 National Budget will set aside ZIG38.6 billion to capacitate the country's security institutions.

Image Building, Engagement & Reengagement.

96. Government is forging ahead with the engagement and re-engagement process, to foster meaningful relationships with the global community to promote and facilitate trade, foreign direct investments, diaspora remittances and enhance the nation's international image.
97. In addition, Government is strengthening communication and advocacy on the domestic and international front, in an effort to present accurate and timely information on the country.

98. The 2025 National Budget has set aside ZiG4 billion for the Ministry of Foreign Affairs and International Trade, to spearhead the image building, engagement and re-engagement agenda.
99. In addition, ZiG433.1 million is being allocated to the Ministry of Information, Publicity and Broadcasting Services for the dissemination of information locally and globally, to uphold and promote the country's founding values, identity and interests worldwide.

Oversight Institutions

100. Government recognises the complementarity role played by oversight institutions on the Executive, therefore, the Budget has made provision for their operations, employment costs and capital projects.

Parliament of Zimbabwe

101. The Parliament of Zimbabwe has been allocated ZiG1.8 billion, to cater for the day-to-day operations, Constitutional Development Fund, servicing of vehicle loans for MPs, allowances for MPs and Constituency visits.

Auditor General

102. The 2025 National Budget has set aside ZiG589.2 million for the Auditor General's Office. This will go towards employments costs, tools of trade, rehabilitation and upgrading of their workspace, as well as training and development.

Other Institutions

103. The rest of other independent institutions have been allocated resources as follows:

- Public Service Commission ZiG10.7 billion;
- Judicial Service Commission ZiG1.3 billion;
- Health Service Commission ZiG164.8 million;
- Office of the Attorney General ZiG218.7 million;
- Council of Chiefs ZiG196.4 million;
- Zimbabwe Human Rights Commission ZiG176.3 million;
- National Prosecuting Authority ZiG460.5 million;
- Zimbabwe Anti-Corruption Commission ZiG236.2 million;
- Zimbabwe Electoral Commission ZiG467.4 million;
- Zimbabwe Gender Commission ZiG177.3 million;
- Zimbabwe Land Commission ZiG194.2 million; and
- Zimbabwe Media Commission ZiG144.2 million.

REVENUE MEASURES: SUMMARY

INTRODUCTION

104. Mr Speaker Sir, the revenue measures that I am proposing seek to provide support to the productive sectors, incentivise adoption of environmentally friendly technologies, extend relief to taxpayers, incorporate Micro and Small Enterprises into the tax base, as well as enhancing efficiency in tax administration, thereby promoting taxpayer compliance.

Support To Industry

Suspension of Duty on Imported Public Service Buses

105. Government, in 2022, temporarily suspended customs duty on public service buses imported by approved transport operators. To date, 827 buses have already been imported against a target of 500. ***Slide 46***

106. In view of the substantial benefits that have accrued to approved importers, and the need to redirect resources towards value addition, I propose to terminate the suspension of duty *Facility* on imported buses, with effect from 1 January 2025.

Suspension of Duty on Inputs into Production of Motor Vehicles

107. Mr Speaker Sir, the motor vehicle assembly sub-sector has been identified as a quick-win value chain, mindful of the potential to transform Completely Knocked Down and Semi Knocked Down Kits to Completely Built Units on the local market.
108. In order to support the local assembly of motor vehicles, I propose to wholly suspend customs duty on Semi Knocked Down Kits for a period of 2 years, beginning 1 January 2025.

Support for Film, Television and Content Creators

109. Mr Speaker Sir, Zimbabwe has the potential to become a Global hub for shooting films and generating local content, thereby competing with other leading countries.
110. I, therefore, propose to incentivise film production locally, through a number of tax incentives, in consultation with stakeholders.

Revenue Enhancing Measures

Withholding Tax on Betting

111. Honourable Members would be aware that betting is popular in nature, as indicated by the proliferation of Sports Betting Houses countrywide. ***Slide 47***

112. *Sports Betting Punters*, however, receive income from winnings, which is currently not taxable under *Personal Income Tax*.
113. In order to include Punters in the tax base, I propose to introduce a 10% *Withholding Tax* on gross winnings of Sports Betting Punters, with effect from 1 January 2025.

Tax Relief Measures

Personal Income Tax

Tax-Free Threshold

114. Mr Speaker Sir, current legislation exempts the first US\$100 income earned by employees, hence, any subsequent income is taxed at rates ranging from 20%, up to a marginal income tax rate of 40% for incomes above US\$3 000 per month. **Slide 48**
115. The equivalent exempt portion in local currency and the tax bands thereof have, however, been affected by the recent macroeconomic developments, hence, the need to provide relief to taxpayers.
116. In view of the above, I propose to adjust the local currency *Tax-Free Threshold* to ZiG2 800 per month and accordingly adjust the tax bands as follows, with effect from 1 January 2025:

Proposed Personal Income Tax Rates

Income Level	Tax Rate (%)
0 to 2 800	0
2 801-8 400	20
8 401-28 000	25
28 001-56 000	30
56 001-84 000	35
Above 84 000	40

Beverages Sugar Content Tax

117. Government, in February 2024, introduced a *Special Surtax* of US\$0.001/g on added sugar contained in specified beverages. The tax is applied uniformly on both ready to drink and cordials or concentrated beverages. ***Slide 49***

118. Representations from cordial manufacturers indicate that cordials, due to their concentrated nature, have a higher sugar content, hence, attract a higher effective tax as compared to ready-to-drink beverages. Common practice, however, requires that the tax be based on the sugar content of the diluted product.

119. In order to create a level playing field between *Ready-to-Drink* and cordials, I propose to review the *Special Surtax on Beverages' Sugar Content* on cordials from US\$0.001/g to US\$0.0005/g, with effect from 1 January 2025.

VAT Deferment: Energy Sector

120. Current legislation provides for VAT deferment on capital equipment imported by operators in agriculture, aviation, health, manufacturing and mining sectors, which has assisted operators to manage cashflows after huge capital outlays.
121. I, therefore, propose to extend the *Facility* to the Energy sector, with effect from 1 January 2025.

Support for Climate-Friendly Innovations

Customs Duty on Electric Motor Vehicles

122. Mr Speaker Sir, *Electric Motor Vehicles* attract *Customs Duty* of 40%, whilst electric tractors, attract Duty at 0%. ***Slide 50***
123. Cognisant of the need to promote use of eco-friendly vehicles, which will result in reduced carbon emissions, I propose to reduce *Customs Duty on Electric Motor Vehicles* from 40% to 25%, with effect from 1 January 2025.

Rebate of Duty: Solar Powered Charging Stations

124. In order to incentivise the use of *Electric Vehicles*, I propose to extend a Rebate of Duty on equipment used for setting up *Electrical Vehicle Solar Powered Charging Stations*, imported by approved operators, with effect from 1 January 2025.

Value Added Tax: Liquefied Petroleum Gas

125. In addition, I propose to exempt *Liquefied Petroleum Gas* from *Value Added Tax*, with effect from 1 January 2025, in order to reduce the cost of the product.

Plastic Carrier Bag Tax

126. In order to promote the use of bio-degradable packaging, I propose to introduce a 20% *Plastic Carrier Bag Tax* on the sale value, with effect from 1 January 2025.

CONCLUSION

127. The 2025 National Budget seeks to entrench resilience to shocks, improve the macro-economic environment for the private sector to thrive, creating jobs and widening the revenue base.
128. Critical is creating a conducive environment characterised by price and exchange rate stability and a conducive ease of doing business environment.
129. As we thrive to engender economic resilience, the objective is to promote home grown solutions, through supporting research and development to anchor innovation in order to drive economic transformation towards the attainment of an Upper Middle-Income Society by 2030.
130. Mr Speaker Sir, I finally commend the 2025 National Budget to this August House in compliance with the law and it is accompanied by the following documents:
- The 2025 National Budget Statement;
 - The Estimates of Expenditure (Blue Book);
 - The Finance Bill;
 - The Appropriation Bill;

- Report to Parliament on Public Debt;
- The 2025 Zimbabwe Infrastructure Investment Programme;
- The 2025 Citizen’s Budget; and
- 2025 National Gender Budget Statement.



Hon. Prof. Mthuli Ncube, (M. P)

**Minister of Finance, Economic Development and Investment
Promotion**

28 November 2024

