

October 2015 Zimbabwe Update

Here is a selection of excerpts taken from different news sources on the drought and economic situation in Zimbabwe. Low rain fall affecting both the nation's crops and the generation of hydro-electric power indicates there will be much suffering within the country during the months to come.

Current Economic Outlook in Zimbabwe, especially Bulawayo

The Famine Early Warning System Network (FEWSNET), financed by US AID, has indicated “**Zimbabwe had only grown half the maize it needed to feed the population until the next harvest in 2016.** The International Monetary fund is unable to lend Zimbabwe money, until it repays back its current debts.”(Source: www.telegraph.co.uk)

Zimbabwe is likely to receive less than adequate rainfall in the 2015-2016 year, according to meteorologists. Famers are encouraged to plant short grains and drought resistant crops. ...

The country needs at least two million tons of maize for livestock and human consumption and Government has to facilitate importation of about 800 000 tons with assistance from the private sector this year. (Source: www.allafrica.com)

Economic Impact of Drought

The Zimbabwe government has already been forced to **reduce its 2015 growth projections from 3.2% to 1.5%**, citing underperformance of agriculture, with the tobacco crop missing its targets. (Source: www.theindependent.co.zm)

The drought has even impacted companies that manufacture farm based equipment. The Zimflow firm, an agricultural manufacturing based company (they make tractors and various farm machinery), reported a loss of \$1.85 million, from January-June of 2015, a decrease from the previous

year in which they reported a \$1.73 million gains reported in the same period for 2014. (Source: www.thezimbabwedaily.com)

The International Monetary Fund said, “Economic difficulties have intensified this year. Growth has slowed more than anticipated and we expect it to remain weak in 2015. Despite the favorable impact of lower oil prices, the external position remains precarious and the country in debt distress.” (Source: www.sabc.com)

The biggest threat to economic growth in Zimbabwe for 2015 is: drought. For the 2015-16 farming season, indications are that the rains will be normal to below normal, low commodity prices, the volatility of the strong dollar, **low water levels and the implication for electricity generation at Kariba.** There have been several first hand accounts of people going without electricity for days, in Bulawayo.



Above: Children walk through a devastated maize field. (courtesy of South African Broadcasting Corporation www.sabc.com)