



Table of Contents

1. Overview of the Economy.....	1
1.1.Domestic Economy.....	1
1.1.1. COVID-19 Pandemic in Zimbabwe.....	2
1.2.Global Economy.....	2
1.2.1. COVID-19 Pandemic Around the Globe.....	3
2. Inflation.....	3
3. Foreign Currency Market.....	4
4. Various Sectors of the Economy.....	8
4.1.Manufacturing Sector.....	8
4.1.1. New Highlights.....	8
4.2.Mining Sector.....	8
4.2.1. New Highlights.....	9
4.3.Agricultural Sector.....	9
4.3.1. New Highlights.....	10
5. Labour Market.....	10
5.1.Labour Force Participation Rate (LFPR).....	10
5.2.Employment to Population Ratio (EPR).....	10
5.3.Distribution of Employed Persons by Industry.....	11
5.4.Distribution of Employed Persons by Occupation.....	11
5.5.Distribution of Employed Persons by Highest Level of Education.....	11
5.6.Informal Economy.....	12

1. Overview of the Economy

1.1.Domestic Economy

Despite the fact that Zimbabwe is facing an economic crisis fueled by the COVID-19 pandemic, especially the current third wave and worsened by the recent Statutory Instrument 127 of 2021 (SI 127-2021) announced by the government in late May. Nevertheless, the economy is heading towards a recovery, mostly supported by a recovery of the agriculture sector characterized by a bumper harvest and also due to implementation of a rule-based monetary policy, although there is high uncertainty on the likely strength of recovery and the extent of downside risks on both the global and local level. The COVID-19 pandemic continues to negatively affect economic activity in the country, limiting employment growth and improvement in living standards. However, the government continues to roll-out the nationwide COVID-19 vaccination programme whose uptake is quite high. SI 127-2021 entails civil penalties for all economic agents that override the Banking and Use Promotion Act (24:24) and the Foreign Exchange Act (22:05). The newly gazetted statutory instrument implies that businesses that do not accept Zimbabwe dollars (ZW\$) at the official exchange rate for goods and services priced in United States dollars (USD) may face a maximum of fine of ZW\$50 000. This is tantamount to re-introduction of sector-wide price controls last seen in the period 2007/8 in the country. Just like what happened during the 2007/8 period, the current price controls will lead to lower market supply, severe shortages and strengthening of the black market as economic agents attempt to overcome rising shortages by paying above the market

prices. SI 127-2021 is not economically justifiable in the sense that not everyone or every business can easily access forex on the RBZ auction system. After all, the Zimbabwe dollar is currently overvalued on the auction market, hence its heightened depreciation in alternative markets. Currently, parallel rates range between ZW\$130 and ZW\$140 to US\$1. With the official exchange rate at ZW\$84.7, parallel market premiums have now increased beyond 50%. This implies that it is now 50% more expensive to buy US\$1 on the black market relative to the official market. SI 127-2021 is a threat to business continuity and consumer livelihoods at large, as it has resulted in to price increases. Despite the economic hurdles posed by the pandemic and the country's "command economics", the Reserve Bank of Zimbabwe (RBZ) still believes that the anticipated economic growth of 7.4% in 2021 is attainable, anchored, mostly on fiscal sustainability, good agricultural sector performance, price and financial system stability. The central bank also projects that annual inflation will fall below 10% by end of 2021.

Below is a summary of economic growth forecasts for Zimbabwe:

Table 1: Economic growth forecasts for Zimbabwe

Authority/Year	2020	2021	2022
World Bank	-10%	2.9%	-
International Monetary Fund (IMF)	-8%	3.1%	-
Ministry of Finance & Economic Development	-4.1%	7.4%	5.4%
African Development Bank	-10%	4.2%	-

Takeaway: the government's growth projections are not realistic especially given the current third COVID-19 wave, the new imported B.1.617.2 variant, and the current prices controls in the form of SI 127-2021. Government's immediate policy priorities should be biased towards liquidity management (in line with central bank's contractionary monetary policy approach) to stabilize exchange rates (for example, through trading non-negotiable certificates of deposits, as well as increasing the cash reserve ratio (CRR)), controlling the spread of COVID-19, as well as ensuring adequate and widespread COVID-19 vaccine deployment.

1.1.1. COVID-19 Pandemic in Zimbabwe

Zimbabwe's COVID-19 situation report by the Ministry of Health and Child Care (MoHCC) as of 30 June 2021 indicated that there were 49,864 cumulative cases, 1,789 total deaths, 39,121 total recovered cases; with a recovery rate of 78%. From February 2021 up to 30 June 2021; 777,161 people have received their first dose of the COVID-19 vaccines while 555,277 people have received their second doses. It is important to note that Zimbabwe continues to lead all mainland southern Africa when it comes to procuring and administering vaccines.

1.2.Global Economy

The World Bank is optimistic that the global economy will expand by approximately 4% in 2021, making a return to growth, following a 4.3% contraction in 2020. Below is a summary of economic growth forecasts for economies around the globe:

Table 2: Economic growth forecasts for economies around the globe

Economy/Year	2020	2021
United States of America (USA)	-3.6%	3.5%
Eurozone	-7.4%	3.6%
Japan	-5.3%	2.5%

China	-2%	7.9%
Emerging market & developing economies, including China	-2.6%	5%
Emerging market & developing economies, excluding China	-5%	3.4%
Low income economies	-0.9%	3.3%

Source: World Bank (2021)

As shown in table 2 above, in 2021, China is projected to experience the highest growth rebound of approximately 8%, following a 2% contraction in 2020. According to the UNCTAD, world trade's recovery from the COVID-19 pandemic reached a record high in the 1st quarter of 2021, increasing by an estimated 10% year-on-year. This rebound has been mostly driven by exports from East Asian Economies, specifically China, while other developing regions and countries including Russia have experienced trade recovery more slowly. This rebound is likely to continue into the 2nd quarter of the year, with combined value of goods and services reaching nearly \$6.6 trillion. Also, worthy to note on the global scenario is that prices of key raw materials for crude oil shot up by more than 100% in the global market. This implies that edible oils producers will need more foreign currency to maintain current production levels and meet demand. The surge in prices on the global market also shades more light on the sharp increase in the prices of cooking oil on the domestic market.

1.2.1. COVID-19 Pandemic Around the Globe

With over 180 million cases of COVID-19, the whole world continues to face the unprecedented health crisis. Leading five countries in terms of COVID-19 cases remain being the United States of America (USA), India, Brazil, France and Russia. However, various vaccination programmes continue being rolled out across the globe with Africa lagging behind.

Takeaway: It is important to note that vaccine development, investment, deployment and uptake around the globe is key to sustaining recovery of the global economy.

2. Inflation

Table 3: Inflation rates

Month-Year	Monthly Inflation Rate	Annual Inflation Rate
May 2020	15.1%	785.5%
June 2020	31.7%	737.3%
July 2020	35.5%	837.5%
August 2020	8.4%	761%
September 2020	3.8%	659.4%
October 2020	4.4%	471.3%
November 2020	3.2%	401.7%
December 2020	4.2%	348.6%
January 2021	5.4%	362.6%
February 2021	3.5%	321.6%
March 2021	2.3%	240.6%
April 2021	1.6%	194.1%
May 2021	2.5%	161.9%
June 2021	3.88%	106.64%

Source: RBZ (2021)

Zimbabwe's annual rate of inflation for the month of June 2021 dropped by approximately 55.3% to 106.64% from 162%. Since July 2020, annual inflation rate has been falling in the country, indicating the central bank's commitment to sustaining the disinflationary path. The RBZ has projected that year-on-year inflation will decline to less than 55% by December 2021. The disinflationary trend is attributed to the introduction of a foreign exchange auction trading system in June 2020, which has played a pivotal role in restoring stability in the foreign exchange market. Table 3, also shows that monthly inflation has been generally declining over the period May 2020 to May 2021. However, the month of June, just like the month of May 2021; witnessed a slight increase in month-on-month inflation from 2.5% in May 2021 to 3.88%. This marginal increase of approximately 1.34% may have been triggered by the fluctuating exchange rate in alternative markets amid SI 127-2021. Parallel markets remain the basis of price determination for goods and services across the country.

Takeaway: annual inflation rate is likely to remain on a generally downwards trajectory given the central bank's conservative monetary policy stance.

3. Foreign Currency Market

During the month of June 2021, the USD gained against 7 out of 18 currencies in the basket under consideration. The USD gained the most against the South African rand (4.52%), followed by the Norwegian krone (3.12%), Swedish krone (2.86%), Canadian dollar, Swiss franc (2.46%), Japanese yen (0.89%) and the Zimbabwean dollar (0.82%). However, the USD lost value against the rest of the currencies in the basket under consideration, losing the most against the Botswana pula by approximately 3.07%. Table 4 below is a summary of the June 2021 exchange rate analysis:

Table 4: Exchange rate analysis

Currency/USD	1 June 2021	30 June 2021	Change (%)
Zimbabwean dollar	85.9968	86.7048	0.82
ZAR-South African rand	13.7237	14.3439	4.52
GBP-British pound	1.4224	1.3850	-2.63
JPY-Japanese yen	109.54	110.51	0.89
BWP-Botswana pula	0.0946	0.0917	-3.07
CHF-Swiss franc	0.8995	0.9215	2.46
AUD-Australian dollar	0.7743	0.7523	-2.84
NOK-Norwegian krone	8.3015	8.5607	3.12
SEK-Swedish krone	8.2925	8.5301	2.86
CAD-Canadian dollar	1.2054	1.2390	2.79
EUR	1.2220	1.1900	-2.62

CNY-Chinese yuan	6.3733	6.4575	1.32
INR-Indian rupee	72.7300	74.2800	2.13
BRL-Brazilian real	5.2194	4.9576	-5.02
RUB-Russian rubble	73.3343	72.8192	-0.7
FRF-French franc	7.4372	7.4372	0
HKD-Hong Kong dollar	7.7595	7.7654	0.08
ARS-Argentine Peso	94.7280	95.7300	1.02

Source of data: RBZ (2021)

The table below shows the daily midpoint rates of the Zimbabwe dollar/USD exchange rate for the month of June 2021. The Zimbabwe dollar lost value by an overall margin of 0.76% against the USD, marked increase from last month's 0.26%. The Zimbabwe dollar remains overvalued in the auction market; this is the reason why it is always depreciating in alternative markets.

Table 5: Zimbabwe/USD exchange rate for June 2021

Date - June 2021	Midpoint Rate (Zimbabwe dollar/USD)- June 2021
1	84.72590
2	84.76530
3	84.76530
4	84.76530
7	84.76530
8	84.76530
9	85.07240
10	85.07240
11	85.07240
14	85.07240
15	85.07240
16	85.24550
17	85.24550
18	85.24550
21	85.24550
22	85.24550
23	85.36640
24	85.36640
25	85.36640
28	85.36640
29	85.36640
30	85.36640

Source of data: RBZ (2021)

RBZ Foreign Currency Auction Market

The auction market resumed on the 12th of January 2021. So far, the USD has gained 5.62% against the Zimbabwean dollar, from 82.0914 as at 12 January 2021 to 86.7048 as at 30 June 2021.

Foreign exchange auction for 1st of week of June 2021Table 6: Foreign exchange auction for 1st of week of June 2021:

PURPOSE	AMOUNT ALLOTTED SME AUCTION	AMOUNT ALLOTTED MAIN AUCTION
Raw Materials	1,540,214.62	14,686,352.08
Machinery and Equipment	1,232,531.29	5,717,615.44
Consumables (Incl. Spares, Tyres, Electricals, etc)	1,353,400.14	2,554,971.41
Services (Loans, Education, Dividends, Disinvestments, etc)	535,324.58	2,439,667.98
Retail and Distribution (Incl. Food, Beverages, etc)	510,574.99	2,344,239.90
Fuel, Electricity and Gas	252,729.41	1,034,163.66
Pharmaceuticals and Chemicals	286,669.03	3,521,696.55
Paper and Packaging	228,267.34	300,527.75
TOTAL	5,939,711.40	32,599,234.77
GRANDTOTALAWARDED	38,538,946.17	

On the 1st week of June 2021, US\$38, 538, 946.17 was allocated to various sectors of the economy. As shown in table 6 above, most the funds were allocated towards machinery and equipment for SMEs while most of the funds were directed towards raw materials for the rest of economy. In the same week, the Zimbabwean dollar marginally lost value as it moved from US\$1: \$84.7259ZWL to US\$1:\$84.7653ZWL.

Foreign exchange auction for 2nd week of June 2021Table 7: Foreign exchange auction for 2nd week of June 2021:

PURPOSE	AMOUNT ALLOTTED SME AUCTION	AMOUNT ALLOTTED MAIN AUCTION
Raw Materials	1,440,671.24	12,477,275.80
Machinery and Equipment	1,263,600.99	5,397,735.31
Consumables(Incl. Spares, Tyres, Electricals, etc)	1,249,897.05	2,809,858.37
Services (Loans, Education, Dividends, Disinvestments, etc)	334,590.26	1,643,774.83
Retail and Distribution (Incl. Food, Beverages, etc)	379,823.92	2,395,425.74
Fuel, Electricity and Gas	151,893.86	1,445,678.49

Pharmaceuticals and Chemicals	315,431.81	2,640,395.96
Paper and Packaging	176,545.92	695,780.67
TOTAL	5,312,455.05	29,505,925.17
GRANDTOTALAWARDED	34,818,380.22	

On the 2nd week of June 2021, US\$34, 818, 380.22 was allocated to various sectors of the economy. As shown in table 7 above, most the funds were allocated towards machinery and equipment for SMEs while most of the funds were directed towards raw materials for the rest of economy.

Foreign exchange auction for 3rd week of June 2021

Table 8: Foreign exchange auction for 3rd week of June 2021:

PURPOSE	AMOUNT ALLOTTED SME AUCTION	AMOUNT ALLOTTED MAIN AUCTION
Raw Materials	1,909,453.06	14,483,454.34
Machinery and Equipment	1,975,881.39	8,283,239.11
Consumables (Incl. Spares, Tyres, Electricals, etc)	1,937,073.90	2,568,998.59
Services (Loans, Education, Dividends, Disinvestments, etc)	509,698.84	1,863,690.12
Retail and Distribution (Incl. Food, Beverages, etc)	689,849.28	3,469,710.01
Fuel, Electricity and Gas	156,771.88	1,317,791.03
Pharmaceuticals and Chemicals	344,133.59	3,814,738.43
Paper and Packaging	283,086.56	1,151,027.28
TOTAL	7,805,948.50	36,952,648.91
GRAND TOTAL AWARDED	44,758,597.41	

On the 3rd week of June 2021, US\$44,758,597.41 was allocated to various sectors of the economy. As shown in table 8 above, most the funds were allocated towards machinery and equipment for SMEs while most of the funds were directed towards raw materials for the rest of economy.

Foreign exchange auction for 4th week of June 2021

Table 9: Foreign exchange auction for 4th week of June 2021:

PURPOSE	AMOUNT ALLOTTED SME AUCTION	AMOUNT ALLOTTED MAIN AUCTION
Raw Materials	1,844,866.44	14,488,442.38
Machinery and Equipment	1,983,854.14	8,093,703.75
Consumables (Incl. Spares, Tyres, Electricals, etc)	2,053,997.77	3,906,651.15
Services (Loans, Education, Dividends, Disinvestments, etc)	631,633.35	2,303,990.07

Retail and Distribution (Incl. Food, Beverages, etc)	580,585.47	3,446,719.93
Fuel, Electricity and Gas	117,050.01	2,182,124.53
Pharmaceuticals and Chemicals	397,982.97	3,616,210.02
Paper and Packaging	324,265.16	941,285.86
TOTAL	7,934,235.31	38,979,127.69
GRAND TOTAL AWARDED	46,913,363.00	

In the 4th week of June 2021, US\$46,913,363.00 was allocated to various sectors of the economy. As shown in table 9 above, most the funds were allocated towards machinery and equipment for SMEs. Within the main auction, most of the funds were directed towards raw materials.

For the month of June 2021, US\$165,029,286.80 was accumulatively allocated to various sectors of the economy with the bulk of funds being committed towards machinery and equipment as well as raw materials.

Takeaway: There is no doubt, the auction system is playing a critical role in stabilizing the financial system and therefore, the central bank should continue with the conservative monetary policy stance and supporting the foreign exchange auction system. However, parallel, or alternative market rates remain a cause for concern as they are now hovering between ZW\$130 and ZW\$145 against the official rate. This is, however, an indication that the auction foreign exchange market still has a long way to go in terms of meeting the requirements of economic agents in the country. In the short run, local currency is likely to weaken further, due to pressure coming from alternative markets, the increased demand for foreign currency and the panic shock induced by SI 127-2021.

4. Various Sectors of the Economy

4.1. Manufacturing Sector

Employing at least 80,000 workers and contributing between 9% and 11% of exports and 12% to 14% of the country's GDP, the manufacturing sector remains one of the most strategic sectors in Zimbabwe. The sector's capacity utilization improved by 11% to 47% in 2020 from 36.4% in 2019. In 2021, capacity utilization is projected to rise to 61% on the back of a good agricultural season, COVID-19 vaccination programme, availability and access to foreign currency as well as improvements in electricity supply.

4.1.1. New Highlights

- ✓ Exports of processed foods increased by 18%. Under National Development Strategy 1 (NDS1), this upward trajectory is expected to continue.
- ✓ South African vehicle manufacturer expected to open plant in the country on the 1st of July 2021. This will go a long way in terms of job creation and stimulating economic growth.

4.2. Mining Sector

The sector is on track to achieve its target of generating US\$12 billion annual revenue by 2023. Under the US\$12 billion mining roadmap, gold is projected to contribute US\$4 billion, platinum US\$3 billion, while chrome, iron, steel, diamonds, and coal are expected to rake in US\$1 billion. Lithium is projected to bring-in US\$500 million while other minerals will contribute US\$1.5 billion. In the diamond mining sector, 3 million carats are expected to be produced in 2021. Various thermal power projects are reportedly in various stages of development within the coal and hydrocarbons sector. Companies within the chrome, nickel

and steel sector are set to expand their capacities in 2021. Jinan Corporation, for instance, has reportedly started expanding its smelting capacity. Companies such as Zimplats, Unki and Mimosa are expanding their operations with new projects reportedly in various stages of development.

4.2.1. New Highlights

- ✓ Removal of a clause (section 36) in the Finance Act (No. 2) of 2020 that was thought of as a re-introduction of the 51/49 shareholding structure in favor of indigenous entities.
- ✓ Nickel now the top forex earner, followed by gold and tobacco. ZimStats notes that the metal brought-in US\$985 million, tantamount to 22.4% of Zimbabwe's 2020 forex receipts.
- ✓ "use it or lose it" policy implemented by government with the aim of allocating mines to other companies willing to start production immediately.

4.3. Agriculture Sector

The Ministry of Agriculture, Fisheries, Water and Rural Resettlement's agriculture and food systems transformation strategy is set to achieve:

- ✓ 100% food security by 2022
- ✓ 100% increase in household income by 2024
- ✓ 40% increase in value addition by 2024
- ✓ Create 1 million jobs by 2030
- ✓ Boost exports by 60% before 2030
- ✓ 80% import substitution by 2024

Various programmes are already operational in order to enhance food security in the country and these include:

- ✓ Pfumvudza
- ✓ Accelerated Irrigation Rehabilitation
- ✓ Farm Mechanization (Belarus; John Deere)
- ✓ Local manufacture of farm implements
- ✓ More Food Africa
- ✓ Soil and Water Conservation

In the 2020/21 farming season, crop hectareage increased for crops such as maize, sorghum, soya beans, cotton and tobacco as shown below:

Table 10: Crop hectareage

Crop	Area planted during the 2019/20 season	Area planted during the 2020/21 season	% Change
Maize	1,549,324	1,821,030	17.5%
Sorghum	305,865	322,274	5.4%
Soya beans	33,599	79,359	136.2%
Cotton	304,703	382,157	25.4%
Tobacco	100,426	107,558	7.1%
Millet	166,429	160,144	-3.8%
Sunflower	24,595	15,843	-35.6%
Sesame	11,534	10,279	-10.9%

Source: Ministry of Agriculture, Fisheries, Water and Rural Resettlement (2021)

4.3.1. New Highlights

- ✓ Promulgation of Statutory Instrument (SI) 184 of 2021, which is expected to operationalize the much-awaited agriculture commodities exchange, the Zimbabwe Mercantile Exchange (ZMX).
- ✓ Granadilla producer started exporting first fruits to the United Kingdom (UK), setting pace on the horticultural sector.
- ✓ Government is set invest US\$4 billion under the Presidential Inputs Scheme for grain production.
- ✓ Tobacco and cotton marketing seasons in full swing; at least 138.43 million kgs of tobacco worth at least US\$374.99 million have been sold so far at auction and contract floors in the country since the selling season opened. The 2021 Cotton Marketing Season commenced on May 2018, with a producer price of ZW\$85 per kg.
- ✓ Promulgation of SI 2021-97 – Grain Marketing (Control of Sale of Soya Beans). Under this new law, farmers should not store or transport above 100kgs of soya beans without permission from the Grain Marketing Board (GMB).

5. Labour Market

The Labour Force Framework (LFF) developed by ZimStats in 2019 shows the following key statistics concerning the architecture of the labour market in Zimbabwe:

- ✓ Total population – 14,215,809
- ✓ Below 15 years – 16,114,294 (43%)
- ✓ 15 years and above – 8,101,515 (57%)
- ✓ Outside labour force – 4,638,003 (57%)
- ✓ Potential labour force – 2,291,623 (49%)
- ✓ Unemployed – 566,449 (16%)
- ✓ Youth (15-24 years) unemployment – 27%
- ✓ Youth (15-35 years) unemployment – 21%
- ✓ Employed – 2,897,064 (84%)

Unemployment, according to ZimStats, is the proportion of persons of working age who are without work, available for work and are actively seeking work. As indicated by the LFF, unemployment in Zimbabwe stands at 16%. However, a health economy should have an unemployment rate of about 5%. Zimbabwe's unemployment rate is an indication of underlying problematic macroeconomic fundamentals as well as the COVID-19 pandemic. Youth unemployment 27% for youths aged 15-35 years. Countries with highest youth unemployment in Africa are Namibia (39.5%) and Botswana (37.3%).

5.1. Labour Force Participation Rate (LFPR)

- ✓ Male LFPR – 53%
- ✓ Female LFPR – 34%

Takeaway: Economic policies that increase unemployment rates such as heavy labour market regulation lead to a decrease in labour force participation.

5.2. Employment to Population Ratio (EPR)

- ✓ National EPR – 36%
- ✓ Male EPR – 44%
- ✓ Female EPR – 29%

Zimbabwe's EPR is 36%. This low EPR means that an important proportion of the population in the working age is unemployed, which is also reflected in the country's lower GDP per capita. It also indicates that, in this country, many people are struggling economically. This

also means that Zimbabwe's ability to create jobs is still comprised. A good EPR should be at least 70% while an EPR of less than 50% is deemed low.

5.3. Distribution of Employed Persons by Industry

Table 11: Employment by industry

Industry	Distribution
Accommodation and food service	1.4%
Administrative and support service	1.7%
Human health and social work	2%
Public administration and defense	2.4%
Other services	2.5%
Transportation and storage	2.9%
Other industrial sectors	3.3%
Construction	3.6%
Household activity	5.7%
Education	6.8%
Mining and quarrying	7.2%
Manufacturing	7.5%
Retail trade	17%
Agriculture, forestry and fishing	36%

Source: ZimStats (2019)

As shown in table 11, most people, that is, 36%; are employed in the agriculture, forestry and fishing industry. The accommodation and food services industry only employs 1.4%.

5.4. Distribution of Employed Persons by Occupation

Table 12: Employment by occupation

Occupation	Distribution
Elementary occupations	29.4%
Skilled, agricultural, forestry and fishing	19.9%
Service and sales workers	17.7%
Craft and related trades	9.5%
Plant and machine	9.1%
Professionals	8.2%
Technicians	2.7%
Managers	1.9%
Clerical support workers	1.6%
Armed forces occupations	0.2%

Source: ZimStats (2019)

Most people (29.4%) are employed in elementary occupations. The occupation with the lowest employees is the armed forces occupation.

5.5. Distribution of Employed Persons by Highest Level of Education

Table 13: Employment by education level

Level of education	Distribution
--------------------	--------------

ECE	0%
Primary	25.3%
Vocational – national	0.3%
Lower secondary	54.3%
Upper secondary	2.8%
Vocational - certificate	2%
Vocational - apprenticeship	3.5%
Tertiary - short cycle	3.3%
Tertiary - higher national	5.3%
Masters / Medical Doctors	1.2%
Ph.D	0%
No education	1.7%
Level not known	0

Source: ZimStats (2019)

Most people (54.3%) in Zimbabwe's labour market hold a lower secondary qualification. About 1.7% have no education.

5.6. Informal Economy

According to ZimStats, the informal economy in Zimbabwe is categorized into informal sector and informal employment. Informal sector refers to an establishment not registered with the registrar of companies. However, enterprises involved in agricultural activities are not considered as in the informal sector. Informal employment includes own account workers, employers in their own informal sector enterprises, members of informal producers' cooperatives as well as paid employees not entitled to pension funds by employer, paid annual leave, paid sick leave and written contract with employer. 34% of all employed persons are in the informal sector while 76% are informally employed. This implies that the informal economy in the country has become significant and can no longer be undermined as it now contributes to at least 48% of GDP and an estimated 42% of the total national employment.