Twitter Thread by Tinashe M



Tinashe M
@baba_nyenyedzi

1/ 2017 vs 2020 Economics

Whatever the many reasons for the coup. The aftermath has been an economic disaster. This is instructive, since Mugabe was a monumental failure in Economics.

I wish to stick to economic facts &figures. I restrict myself exclusively to GOZ & RBZ stats

2/
To be fair to Mnangagwa, as President he is fed a lot of misinformation & politically convenient gibberish by those closest to him & security clusters bent on personal enrichment than national well being.

I say this, because some of the issues are too simple to understand.

3/
Mnangagwa can never commit harakiri (Japanese suicide by cutting one's belly) if facts & figures were honestly presented to him. Yet we saw Mugabe commit harakiri. He died a sad death while his lieutenants are now in power. Where the lieutenants honest to Mugabe...

4/
Chinamasa was Mugabe's finance Minister. Was he frank & honest? If so why would he benefit from Mugabe's ouster? The same is true of Mugabe's bureaucracy. Most benefitted from the coup. So we ask if they were honest with him during his reign?

ED suffers the same problem

5/
On Wallstreet, CEO's are not protected from their critics & independent research. Often they rely entirely on this research & seek it out in developing their strategy.

Once, Patterson Timba kicked out an analyst from his investor briefing. Forgetting strategy is in critique

6/
Zimbabwe's economy is not etched in Agriculture. Agriculture only contributes 9% to GDP in a good year. Yet every year it gets a disproportionate share of resources.

Just writing this, many will defend Agriculture. Yet facts & figures tell us otherwise.

7/
Resources are scarce & competing. By directing them to areas of little utility like agriculture , we take away from other fast growing industries in the economy with much greater impact.

Mining contributes 6% to GDP. One is forgiven for not knowing this.

8/
Infact Wholesale & retail trade contributes double agriculture at 19% of our GDP. It is followed by manufacturing & education. All above agriculture (#4)

Yet in policy, like 2% Mthuli tax affects the biggest GDP contributors. Moreso, the thin margins in these sectors.

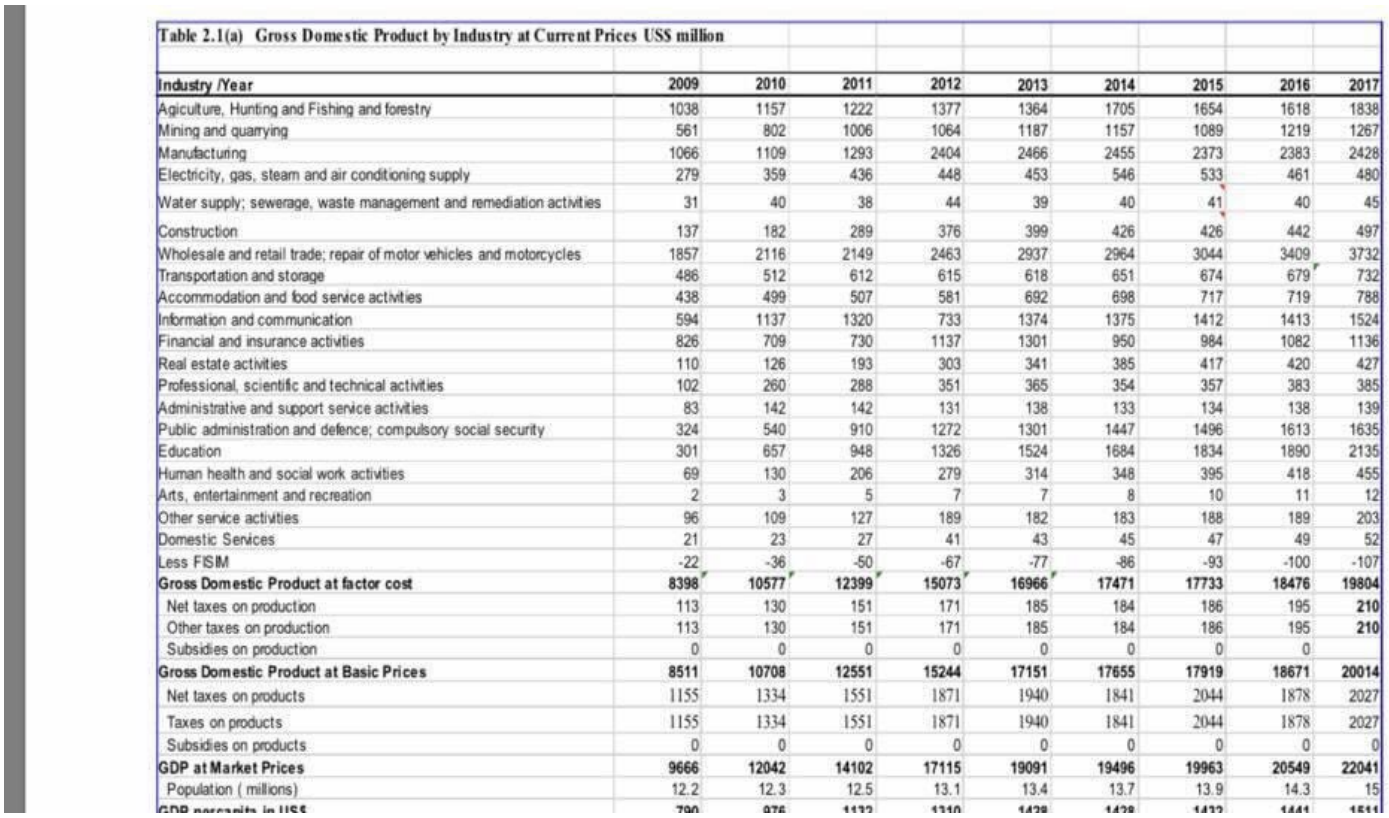


Table 2.1(a) Gross Domestic Product by Industry at Current Prices US$ million

Industry /Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agiculture, Hunting and Fishing and forestry	1038	1157	1222	1377	1364	1705	1654	1618	1838
Mining and quarrying	561	802	1006	1064	1187	1157	1089	1219	1267
Manufacturing	1066	1109	1293	2404	2466	2455	2373	2383	2428
Electricity, gas, steam and air conditioning supply	279	359	436	448	453	546	533	461	480
Water supply; sewerage, waste management and remediation activities	31	40	38	44	39	40	41	40	45
Construction	137	182	289	376	399	426	426	442	497
Wholesale and retail trade; repair of motor vehicles and motorcycles	1857	2116	2149	2463	2937	2964	3044	3409	3732
Transportation and storage	486	512	612	615	618	651	674	679	732
Accommodation and food service activities	438	499	507	581	692	698	717	719	788
Information and communication	594	1137	1320	733	1374	1375	1412	1413	1524
Financial and insurance activities	826	709	730	1137	1301	950	984	1082	1136
Real estate activities	110	126	193	303	341	385	417	420	427
Professional, scientific and technical activities	102	260	288	351	365	354	357	383	385
Administrative and support service activities	83	142	142	131	138	133	134	138	139
Public administration and defence; compulsory social security	324	540	910	1272	1301	1447	1496	1613	1635
Education	301	657	948	1326	1524	1684	1834	1890	2135
Human health and social work activities	69	130	206	279	314	348	395	418	455
Arts, entertainment and recreation	2	3	5	7	7	8	10	11	12
Other service activities	96	109	127	189	182	183	188	189	203
Domestic Services	21	23	27	41	43	45	47	49	52
Less FISIM	-22	-36	-50	-67	-77	-86	-93	-100	-107
Gross Domestic Product at factor cost	**8398**	**10577**	**12399**	**15073**	**16966**	**17471**	**17733**	**18476**	**19804**
Net taxes on production	113	130	151	171	185	184	186	195	**210**
Other taxes on production	113	130	151	171	185	184	186	195	**210**
Subsidies on production	0	0	0	0	0	0	0	0	
Gross Domestic Product at Basic Prices	**8511**	**10708**	**12551**	**15244**	**17151**	**17655**	**17919**	**18671**	**20014**
Net taxes on products	1155	1334	1551	1871	1940	1841	2044	1878	2027
Taxes on products	1155	1334	1551	1871	1940	1841	2044	1878	2027
Subsidies on products	0	0	0	0	0	0	0	0	0
GDP at Market Prices	**9666**	**12042**	**14102**	**17115**	**19091**	**19496**	**19963**	**20549**	**22041**
Population (millions)	12.2	12.3	12.5	13.1	13.4	13.7	13.9	14.3	15
GDP per capita in US$	790	976	1132	1310	1428	1428	1432	1441	1511

9/
In 10 years ICT output has grown 3X. It's contribution could be the highest in 5 years if GOZ policies did not inhibit its growth. Already the restrictions on Mobile money Transfers & 2% will severely impact growth.

Why would GOZ jeopardize ICT growth consciously?

10/
The answer we find in politics. Agriculture is supported because of its politics & not economics.

There is a disconnect between politics & economics. Bad economics doesn't result in change of politics. The economy has no lever in power. As we shall see with coup economics

11/
Broad Economic indicators

2017 vs 2020

GDP 19.8bn 18.2bn
GDP gwth 4.7%. -7%
Inflation 3% 402%
M-o-M 0.74% 3.15%
Exchange rate. 1.9 115
Wage avg. 290 165

12/

Broad Monetary aggregates

2017 vs 2020
FX rate 1.9 115
M1 (bn) 6.5 145
M3 (bn) 8 153
Deficit(bn) 2.7 5
RBZ debt(USD)
869m 5bn

13/
ZSE Market capitalization

2017. vs. 2020
ZWL $ 10.8bn. 180bn
USD $ 5.7bn. 1.6bn

14/

Broad External Finances

2017 vs 2020
External debt 7bn. 8bn
FDI 692m 250m
Current a/c -1.4%. 6.3%
(as% ofGDP)
Capital a/c(US$) 286m -500m

15/

Salient points;

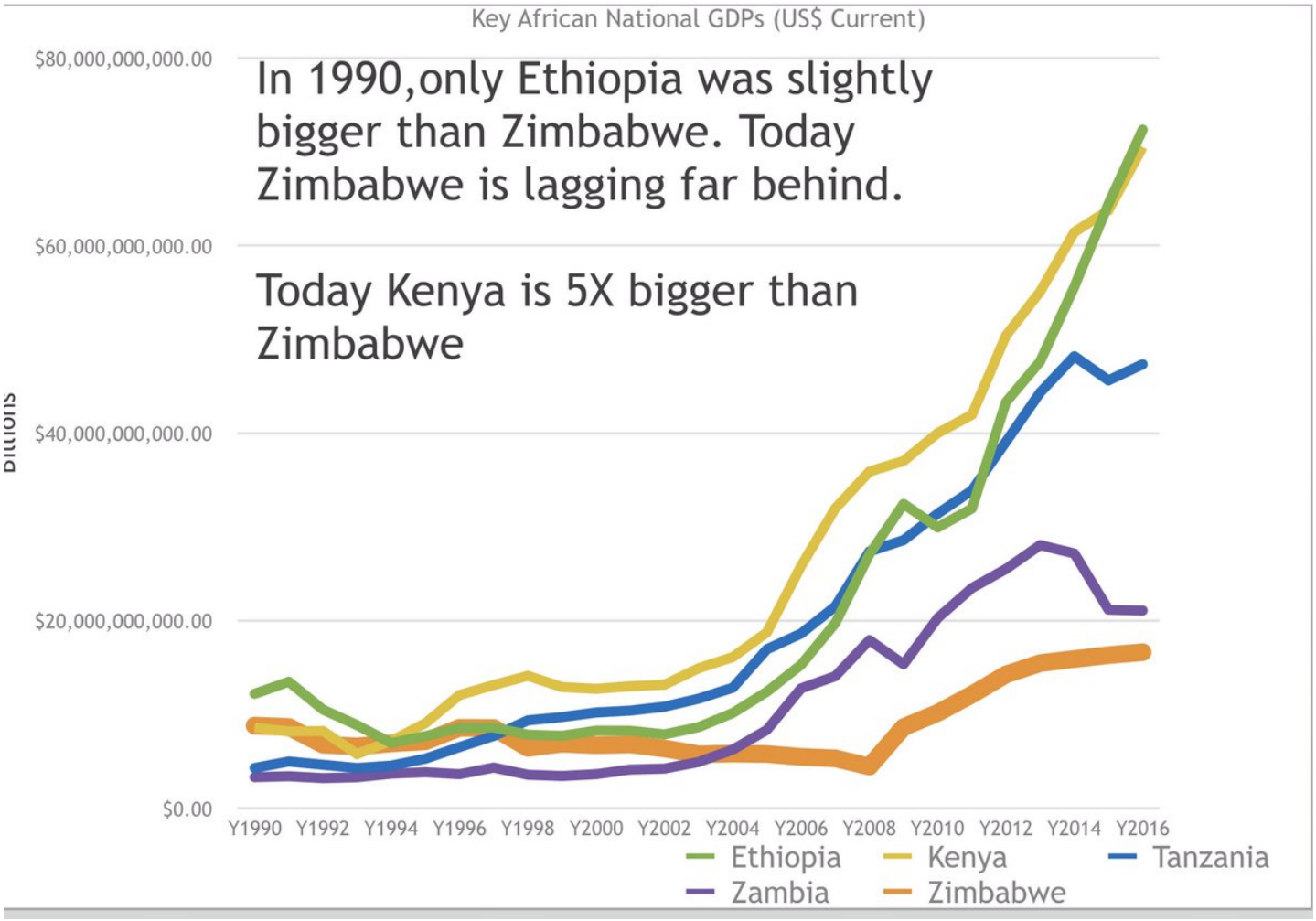
(1) In 2017 Zim was headed in the wrong direction. In 2020, the destruction is worse.

(2) Wholesale & retail trade is propelled principally by Diasporian remittances. The 5m or so Zimboes living abroad are now the anchor of the economy.

16/

(3) In SA & Bots Agriculture contributes less than 4% to GDP. So people should not be surprised.

(4) In 1990 Zim was bigger than Kenya. 30yrs later Kenya is 5X bigger than Zim, a lot more using market rates. What did Kenya do right?



(17)

Instead of comparing ourselves to Kenya & South Africa, Zim finds company in much smaller economies like Rwanda, Malawi & Mozambique.

Yet the smaller economies are growing while Zim declines further.

18/

There is a disconnect between politics & economics in Zimbabwe. Like Mugabe, ED is working hard to destroy the economy. He gets information & strategy from those that directly benefit from the disaster. As a successful farmer himself his equally blinded of the reality in ICT

19/
The purpose of this thread is for the public to engage the facts. Mugabe left RBZ with less than a billion in foreign debt. It’s now $5bn.

All Listed firms have a market cap of $1.6bn. Once upon a time that was just Delta.

We must reflect on this.

THE END