

PROJECTED INCOME AND EXPENDITURE ACCOUNTS

	1982/83	1983/84	1984/85	1985/86	1986/87
<u>OPERATING INCOME</u>					
Grants - Trust	68 198	91 459	94 325	90 000	90 000
Application Fees	2 820	3 290	2 343	2 100	2 080
Raising Fees	7 080	7 539	5 491	5 615	7 100
Interest received	3 040	5 838	6 277	5 365	5 500
Sale of Government Stock	-	-	-	-	-
Other sources	1 320	-	-	37 938	-
Totals	82 458	108 125	108 436	143 314	2 000
<u>EXPENDITURE</u>					
Bonus	-	-	6 353	7 249	9 619
Accounting Advisory Fees	-	1 250	-	-	-
Accountancy Fees	1 120	1 700	2 663	-	-
Audit Fees	1 013	2 187	2 300	5 255	5 198
Bank Charges	175	228	285	213	234
General Expenses	2 290	788	1 776	-	-
Investigations	13 832	16 218	23 507	23 240	24 539
Manpower Levy	-	-	848	880	1 417
Medical Aid	-	-	945	2 478	4 534
Motor Vehicle	-	997	4 515	2 665	2 440
Pension	-	-	6 128	6 500	6 095
Postages and Stationery	1 749	1 950	2 656	1 253	1 679
Professional Service	-	2 950	3 965	-	2 000
Salaries	29 021	43 081	85 349	90 265	99 191
Totals	49 200	71 359	143 937	144 935	15
Excess Funds (Trust)	33 258	36 766	35 504	1 662	5
Funding Required					

\* Figure has been revised because of sale of Government Stock

\*\* Increase in Grant - 850 000.

MINISTER'S NOTES - ESTIMATES OF EXPENDITURE 1986/87

SUB-HEAD A : SALARIES, WAGES AND ALLOWANCES

A.1 Salaries and Wages - \$3 637 000

Provision for salaries for the Minister, Deputy Minister, the Secretary for Finance, Economic Planning and Development and other officers and employees.

A.2 Allowances - \$260 000

Minister of Finance, Economic Planning and Development

(i) Housing allowances	24 000
(ii) Cabinet Minister's allowance	6 000

Secretary

(i) Representation allowance	600
(ii) Entertainment allowance	2 400

Acting allowance	7 500
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Annual Bonus	215 204
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Cycle allowance	600
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Ministers' Private Secretaries allowance	720
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Minister's Drivers allowance	2 976
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A.3 Cash-in-lieu of leave - \$87 000

Summary

Salaries and wages

Minister of Finance, Economic Planning and Development	36 000
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Deputy Minister	29 484
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Secretary and other officers and employees	3 571 516
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Allowances	260 000
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Cash-in-lieu of leave	87 000
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	3 984 000
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Less savings on establishment	50 000
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	3 934 000
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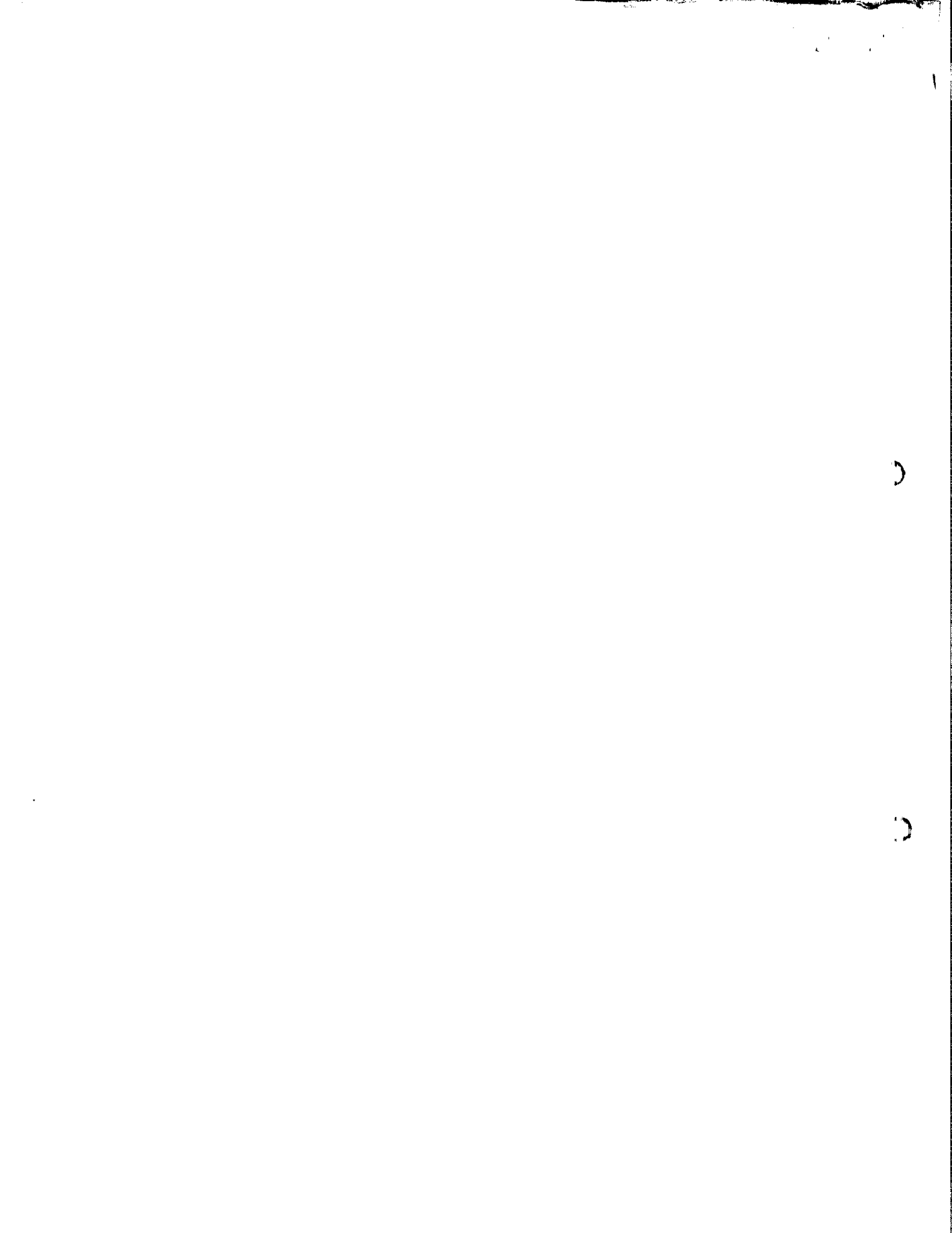
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SUB-HEAD B : SUBSISTENCE AND TRANSPORT

B.1	<u>Fares</u>	80 000
1	To cover commitments of Minister, Deputy Minister, Secretary and officials to meetings of ACP, ECA, EEC, EEC, OAU, OPEC, PTA, SALCC, UNCTAD, WORLD BANK, ADB, JOINT COMMISSIONS. Also local visits to urban and rural areas.	
B.2	<u>Official travel in private vehicles.</u>	4 000
	To cover payments to staff authorised to use their private vehicles to attend meetings and for research purposes. Staff are required to familiarise themselves with various areas as part of their official training.	
B.3	<u>Subsistence</u>	73 000
	Required for payments of allowances to staff involved in the activities described under items B.1 and B.2 above.	
B.4	<u>Vehicle Hire</u>	65 000
	To cover hire charges in respect of the Minister and Deputy Minister's vehicles, vehicle hire on overseas trips, vehicle hire for official use and vehicle hire for visiting delegations.	

SUB-HEAD C : INCIDENTAL EXPENSES

C.1	<u>Bank Charges</u>	4 500
	Cost of reimbursing external Missions floating advance accounts and Treasury.	
C.2	<u>Books and periodicals</u>	2 500
	Cost of newspapers, books, periodicals, publications and Government Gazettes.	
C.3	<u>Conferences</u>	100 000
	To cover the cost of Conferences hosted by the Ministry and held within the country throughout the year.	



- C.4 Entertainment 10 000  
To cover costs of entertaining delegates visiting this country to discuss financial matters or attend meetings on financial or economic issues hosted by this Ministry. Also visitors who are interested in providing financial aid and assistance.
- C.5 Extraneous professional services 50 000  
Provision to obtain professional advice on fiscal and monetary matters.
- C.6 Maintenance and modification of office equipment 2 500  
Accounting and adding machines. Calculators, copiers, shredder and typewriters.
- C.7 Medical expenses 500  
To meet the cost of medical examination fees for new recruits.
- C.8 Office and miscellaneous 10 000  
This provision covers the following items:  
Actuarial fees  
Cleansing service and materials  
Commission on travellers cheques  
Fiscal and Income Tax Appeals Court  
Meetings/Conferences  
Minor maintenance  
Orderlies and drivers' uniforms  
Official visitors teas  
Miscellaneous items e.g. excess  
baggage charges, foreign currency returned.
- C.9 Personal Accident Insurance Premium 70 000  
The premium is in respect of a Personal Accident Insurance Policy for the period 1 July 1986 to 30th June 1987. The policy insures the risks of accidental

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death and permanent or temporary total disablement for certain designated persons.

The scales of compensation vary between the different categories of persons. The insurance is automatic and no prior notification of any journey or particular duty is required in order to secure entitlement to compensation within the limits of this insurance for the persons therein described.

It should be noted that in terms of the policy the Government is the insured which means that any payments made by the insurer to the Government. Government, however reserves the right to determine in each case the amount or extent of the benefit that should be passed on to the individual concerned. The persons designated in the policy and the limitations of the insurance are as follows:-

The President

All Cabinet Ministers and  
Deputy Ministers

The Speaker of Parliament

The President of the Senate

All Members of the House of  
Assembly and Senate, other  
than Ministers and Deputy  
Ministers

The spouse of any person listed  
above

Whilst travelling in connection  
with and/or engaged upon duties  
and affairs arising directly from  
their parliamentary office.

Whilst actually engaged upon and,  
travelling by any mode of transport  
indirect connection with duties  
arising solely from his/her wife  
/husband's appointment or office  
as described.

C.9

Post Office Savings Certificate service

15 000

To cover the agency fees due to Posts  
and Telecommunications Corporation for  
administering the savings certificate  
service for Government.



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C.10	<u>Post and Telecommunication services</u>	100 000
	Provision to cover the cost of telephone calls, rentals of telephones and post boxes, telegrams and external postage.	
C.11	<u>Printing and Stationery</u>	100 000
	To cover the cost of stationery and other printing services provided by the Department of Printing and Stationery.	
C.12	<u>Training courses</u>	5 000
	To cover the cost of training courses for staff.	

SUB-HEAD D : UNALLOCATED RESERVE

D.1	<u>Contingency Reserve</u>	5 000 000
	To provide for critical shortage areas in the Budget including shortfalls in respect of the Non-Aligned Summit Meeting. Transfers to appropriate votes will be effected only at the discretion of the Minister of Finance, Economic Planning and Development.	

SUB-HEAD E : COMMISSIONS

E.1.	<u>Joint Commissions</u>	100 000
	To cover the cost of Commissions which meet alternate years on each others territory. Joint Commissions serve the purpose of enhancing trade in general and co-operation in specified fields, to the mutual benefit of both parties.	

SUB-HEAD F : GRANTS AND CONTINGENCIES

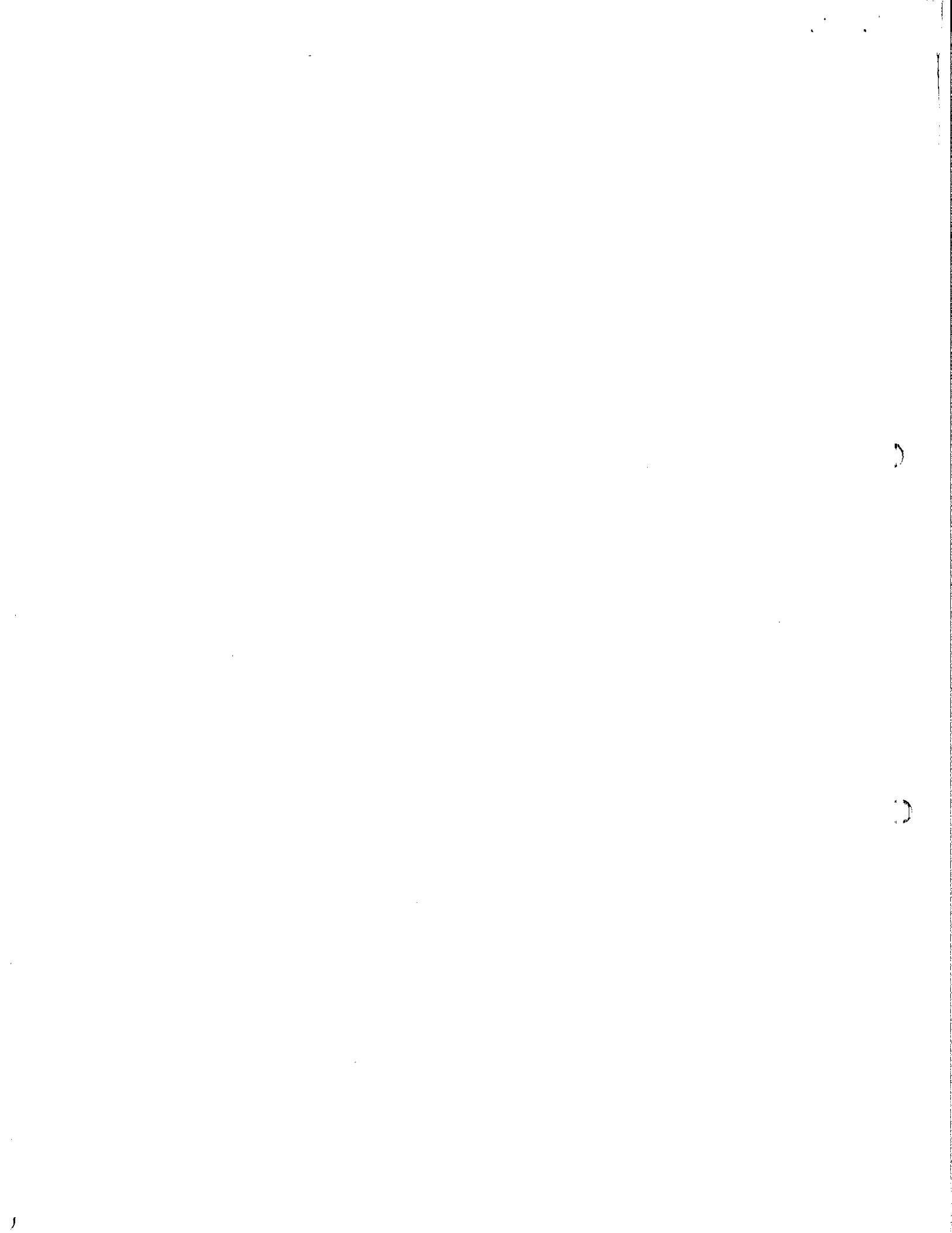
F.1	<u>FEBCO (PVT) LTD</u>	22 979 000
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The main objective of FEBCO is to facilitate credit to small emergent businessmen by issuing guarantees of 65% of any loans granted by the 4 Commercial banks, namely, the Standard Bank Limited, Barclays Bank Zimbabwe Limited, Grindlays Bank Limited and Zimbank Limited.

Attached are the Projected Income and Expenditure Accounts The figures reflected for the years 1982 to 1986 are actual. The 1987 figures are projected on the assumption that the average percentage changes in the 1982 to 1986 accounts will continue.

There was a 16% decrease in the number of applications in 1982/83 followed by another decrease in 1983/84 of 28% and subsequently 10% decrease in 1984/85 mainly due to:

- (a) strained relations between FEBCO and bank managers
- (b) lack of permanent staff in Bulawayo



A programme has been planned to improve on the above with an anticipation that the applications will increase by 700 this year.

The improvement programme includes such activities as:-

- (a) engaging a firm of legal practitioners to assist in cases where it is uneconomical for the FEBCO staff to try and recover amounts outstanding on any loan accounts.
- (b) Running the Bulawayo office on a full-time basis.
- (c) Promotion of the services to potential investors and to bankers.
- (d) Employing a full-time staff member in Bulawayo would not only reduce the transport and investigations expenses but also boost the number of applications and hence increase the income.

Although the projected budget submitted by FEBCO was for \$140 000, the Ministry could allocate no more than \$90 000 for 1986/87.

F.2 Miscellaneous Contingencies 500 000

Miscellaneous contingencies are designed primarily for ex-gratia payments in cases where the law does not permit Government to effect refunds of monies through any other channel in cases where good reason exists that a refund should be made. This normally occurs in the case of Customs duties where peculiar circumstances arise which cannot be catered for under normal circumstances.

F.3 Payments to exporters 21 800 000

\$21 800 000 has been set aside to provide incentives to exporters, particularly those who are able to increase their foreign earnings.

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For 1985/86 \$18 million was set aside for the Export Incentive Scheme. However, due to the increasing utilisation of the scheme by exporters a supplementary allocation of \$2 million was made available during the Supplementary Estimates earlier this year.

Under the scheme an exporter is granted a tax free basic rate of 9% of export value once payment has been received. Payment is made in local currency.

Assessment of the scheme's operations is presently being studied but the current scheme demands that exports should have a local content of 25% and be manufactured locally in order to claim from the incentive scheme.

Details can be summarised as follows:-

	\$ M
Actual payments up to January, 1986	18.53
(The arrear payments for May and June of the previous financial year were paid in the 1985/86 fiscal year).	
Estimated payment from February to June	2.00
Estimated payment to date	<u><u>+\$20.53</u></u>

The estimated number of registered exporters is 1 200. This figure is increasing daily and to cater for the demand the allocation for 1986/87 has been increased to \$21 800

F.4

Zimbabwe Development Corporation

589 000

Due to the fact that the Board of Directors have not yet been appointed, the Zimbabwe Development Corporation has not yet been operative during the 1985/86 fiscal year. Arrangements to recruit Senior Personnel are now well underway, and it is expected that appointments should be made before the end of 1986. Once the Senior Personnel have been appointed the first couple of months will be

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devoted to administrative arrangements to get the Corporation operative. Subsequently it is expected that the Corporation will be involved in undertaking projects.

There are a number of participation projects which are presently under discussion and negotiation. Some of these deals could be finalised during the first half of the 1986/87 fiscal year.

Although it is still not clear, how much responsibility the ZDC will have for the participation projects, it is proposed that the investment funds for the ZDC be allocated together with the funds for Government participation.

SUB-HEAD G : FURNITURE AND EQUIPMENT

G.1 Accounting machines 13 000

This amount is meant to cater for the replacement of worn out accounting and receipting machines in the various revenue collecting Government Departments.

G.2 Furniture and office Equipment 94 000

Provision is intended to meet the furniture and office equipment requirements for the Ministry.

Summary

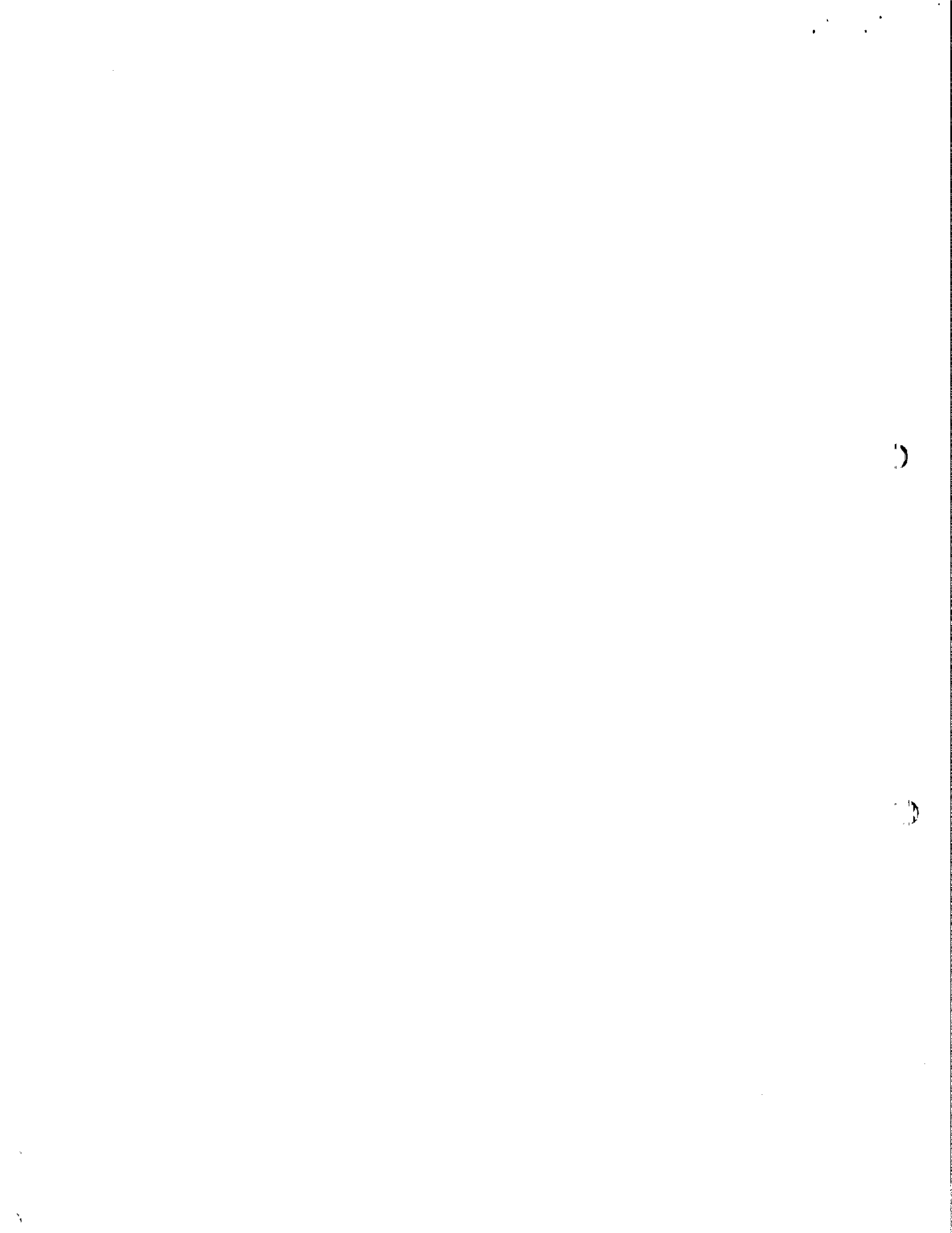
Accounting machines	13 000
Furniture and Office equipment	<u>94 000</u>
TOTAL	<u>107 000</u>

SUB-HEAD H : INVESTMENTS

Private Sector participation 15 451 000

The Investment provision has been made to enable Government to participate in the corporate





business sector. The amount of 15 451 000 should go along some way towards allowing Government an influential voice in the development of this sector of the economy, thus ensuring that the aims of the nation, of a more egalitarian society are fulfilled.

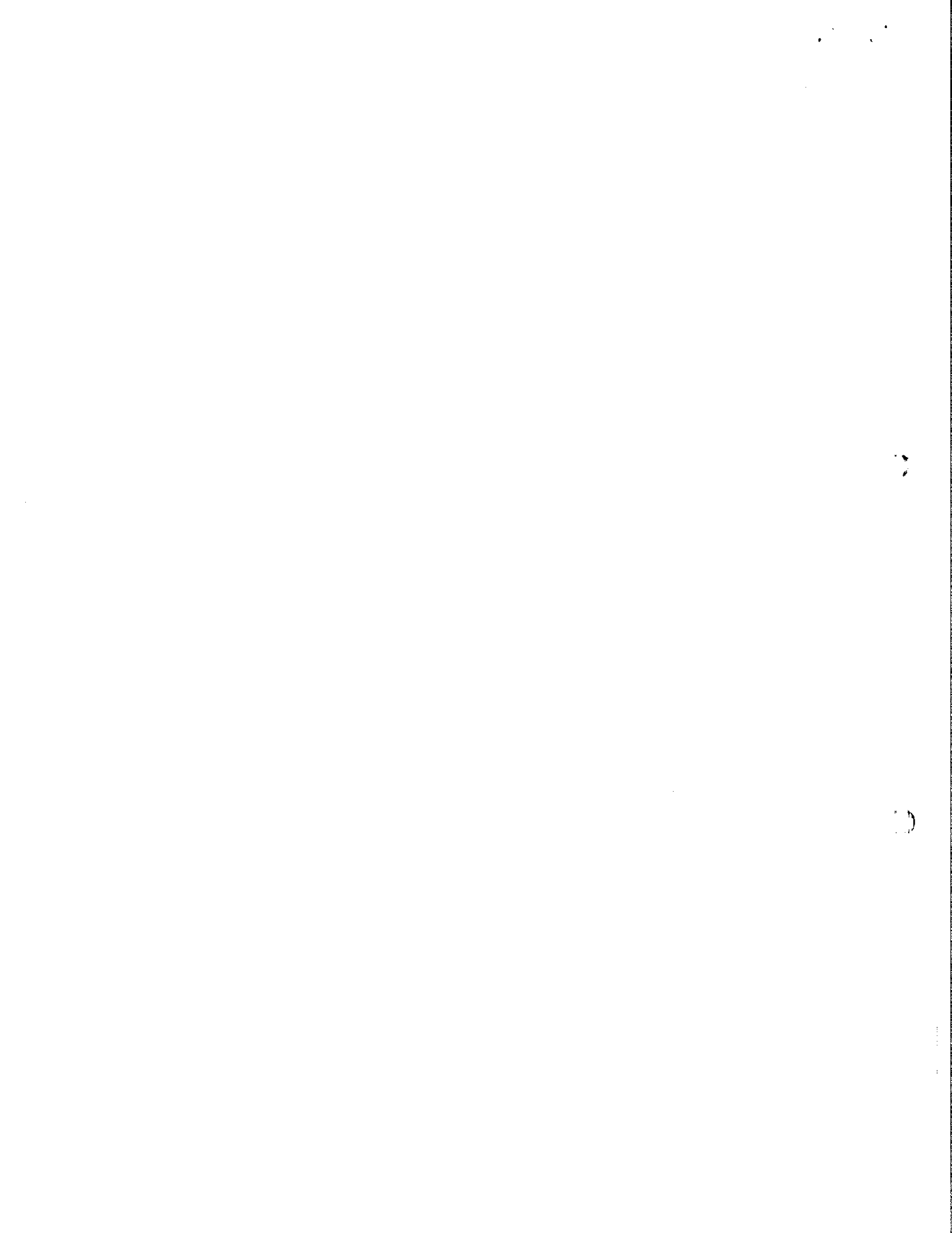
The provision of \$15 451 is disbursed as follows;

MTD Mangula	\$ 241 000
Zimbabwe Development Bank	\$ 3 000 000
Zimbabwe Development Corporation	\$ 5 000 000
United Bus Company	\$ 5 000 000
Trade Fair	\$ 210 000
CAFS	\$ 2 000 000
TOTAL	<u>\$15 451 000</u>

SUB-HEAD J: LOANS

J.1 Mining and Manufacturing Industries 11 000 000

Because of the severe difficulties being experienced by the industrial sector, notably mining, under the present domestic and world economic conditions Government considers it prudent to support this sector by providing guarantees to firms which have access to commercial lending sources and to compliment this with direct lending on appropriate terms. Each case is considered on its merits and the situation reviewed in the light of the circumstances prevailing at any one time. It is hoped that this will be a short term measure which will enable companies to take advantage of the upturn in the world economic climate as soon as this materialises.



The provision of \$11 million is as follows;

Mining and manufacturing	\$ 4 000 000
Zimbabwe Iron and Steel Company	\$ 4 000 000
Tanzania Line of Credit	\$ 3 000 000
TOTAL	<u>\$11 000 000</u>

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