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ZIMBABWE

2022 BUDGET STRATEGY PAPER SPEECH

Presented to the Parliament of Zimbabwe

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By

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INTRODUCTION

1. Mr Speaker Sir, I have the pleasure to present to this august House, the 2022 Budget Strategy Paper (BSP) much earlier in the budget formulation process, in order to give ample time for debate among stakeholders, on the priorities for the forthcoming 2022 National Budget.

Summary of the BSP

2. The 2022 Budget Strategy Paper is running under the theme ‘Reinforcing Sustainable Economic Recovery and Resilience’.
3. In line with the theme, the 2022 BSP seeks to support and reinforce ongoing policy measures towards domestic economic recovery and incomes; facilitate economic growth and further expand the country’s productive capacity; accelerate economic transformation as well as build the resilience of the economy against adverse external shocks.
4. Therefore, the priority areas for the forthcoming year 2022 remain largely unchanged from 2021, **but reinforced**, as follows:
 - Inclusive Growth and Macro-Economic stability
 - Developing and Supporting Productive Value Chains

- Optimising Value in our Natural Resources
 - Infrastructure, ICT s and Digital Economy
 - Social Protection, Human Capital Development and Well-being
 - Effective Institution Building & Governance
 - Engagement and Re-engagement/Arrears clearance and debt restructuring.
5. Mr Speaker Sir, the domestic economy is targeted to grow by 5.4% in 2022, anchored on growth in sectors such as mining, manufacturing, electricity generation, among others. This growth target is consistent with the attainment of Vision 2030 of an upper middle-income status by 2030 and SDG targets.
 6. Non-monetisation of fiscal deficits and complementary monetary policy measures will ensure inflation drops towards the SADC macroeconomic convergence benchmark.
 7. Consistent with the targeted GDP growth of 5.4% during 2022, preliminary projections indicate that Government revenues will slightly improve from 16.4% (ZWL\$390.8 billion) of GDP in 2021 to 17.8% (ZWL\$533.2 billion), in 2022.
 8. Similarly, expenditures are expected to increase from 18.2% (ZWL\$421.6 billion) of GDP in 2021 to 19.4%

(ZWL\$579.1 billion) in 2022, in line with the desired sustainable budget deficit of 1.5%.

9. Mr Speaker Sir, the 2022 macro-fiscal framework is not without risks, which could fundamentally change the projections. Some of the potential down side risks include an elevated COVID-19 pandemic both domestically and globally, negative climate shocks such as droughts or floods and the fall in international mineral commodity prices.
10. I, therefore, have the honor to present this BSP before this August House.

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