

**PRESENTATION OF QUARTERLY GROSS DOMESTIC PRODUCT
(GDP) AT CONSTANT PRICES FOR THIRD QUARTER, 2024**

27 DECEMBER 2024

Introduction

This release provides Constant Prices Quarterly Gross Domestic Product (QGDP) estimates from the first to the third quarters of 2024. Quarterly GDP figures are a high frequency indicator of economic activity which provides the impetus for timely policy interventions. The quarterly GDP figures are informed by leading, coincident and lagging indicators of economic activity. Indicators are derived from a wide range of sources, including survey data, administrative data as well as indices computed by ZIMSTAT.

Methodology

The compilation of quarterly GDP follows definitions and conceptual frameworks as well as accounts and accounting identities of the 2008 Systems of National Accounts (SNA). The production approach to GDP was used in the estimation of the constant quarterly GDP.

The compiled estimates are subject to revisions as more complete data is made available. International best practices require a minimum of 5 years for a series to be deseasonalised, hence the series compiled is not deseasonalised.

QUARTER 2 AND QUARTER 3 GDP AT CONSTANT PRICES

The total GDP for the third quarter 2024 stood at **ZWG105.1** compared to ZWG 102.3 ZWG billion in the second quarter 2024. This resulted in a quarter to quarter growth rate of 2.37% from Q2 2024 to Q3 2024.

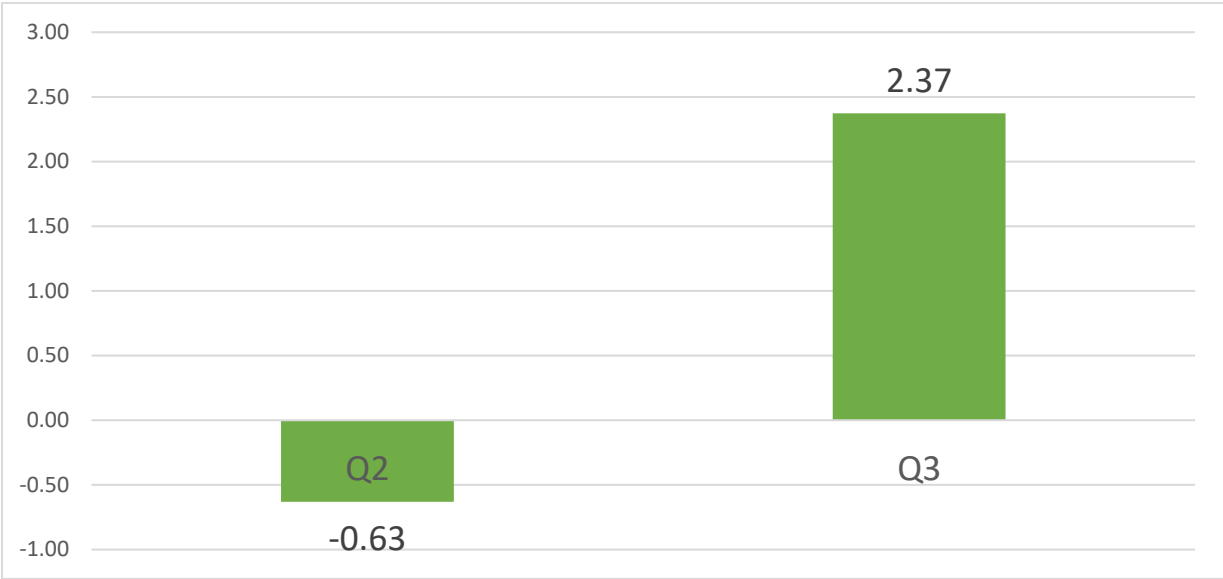
Table 1: Quarterly Gross Domestic Product at Constant Prices (2024Q1=100) by Industry in ZWG (Billions)

Industry	2024 Q1	2024 Q2	2024 Q3
Agriculture, Fishing and forestry	13,092,956,268.57	10,158,245,647.45	9,534,198,892.24
Mining and Quarrying	13,766,300,487.92	14,963,702,780.36	15,918,400,374.73
Manufacturing	12,982,912,393.66	13,087,748,165.17	13,139,048,987.52
Electricity, Gas, Steam and Air Conditioning Supply	3,620,827,862.27	3,497,871,078.90	4,274,503,813.27
Water Supply; Sewerage, Waste Management and Remediation Activities	198,223,494.63	184,004,644.44	202,288,479.28
Construction	3,239,347,123.04	3,370,602,688.51	2,993,052,953.16
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	17,893,797,480.96	18,567,327,437.52	18,938,673,986.27
Transportation and Storage	1,720,533,299.57	2,134,926,510.88	2,031,551,315.46
Accommodation and Food Service Activities	1,689,525,895.75	1,565,338,553.00	1,862,163,091.00
Information and Communication	7,868,232,482.76	7,742,445,123.22	8,240,752,067.75
Financial and Insurance Activities	7,302,326,815.25	7,612,981,665.20	7,867,833,009.31
Real Estate Activities	2,775,052,686.75	2,830,553,740.49	2,901,317,584.00
Professional, Scientific and Technical Activities	979,535,676.16	978,122,116.29	986,298,094.56
Administrative and support service activities	1,056,664,543.50	1,016,069,480.06	999,078,969.46
Public Administration and Defence; Compulsory Social Security	2,430,956,590.01	2,379,990,158.66	2,412,779,105.12
Education	2,897,709,755.58	2,844,925,442.14	2,912,665,634.48
Human Health and Social Work Activities	2,529,014,312.97	2,530,222,185.71	2,569,368,356.80
Arts, Entertainment and Recreation	495,585,525.19	494,746,938.03	494,377,578.43
Other Services	1,455,355,999.08	1,463,387,525.39	1,469,812,637.99
Activities of Households as Employers Producing Activities of Households	132,016,744.37	130,780,167.90	133,806,394.31
GDP basic price	98,126,875,437.98	97,553,992,049.31	99,881,971,325.14
Net taxes on products	5,164,909,592.37	5,085,721,868.84	5,192,232,350.13
Taxes on products	5,298,438,667.66	5,234,206,200.56	5,338,890,324.57
Subsidies	133,529,075.29	148,484,331.72	146,657,974.44
GDP at market price	103,291,785,030.36	102,639,713,918.15	105,074,203,675.27

Quarterly Real Growth Rate Q2 to Q3, 2024

The quarter-to-quarter growth rate assesses the change in gross value added between consecutive quarters. The GDP growth rate for the third quarter of 2024 was 2.37% compared to -0.63% in the second quarter 2024.

Figure 1: GDP Growth Rates at Constant Prices



GDP growth rates by Industry Q1 to Q3, 2024

In the third quarter of 2024, Electricity recorded the highest growth rate of 22.2 percent, followed by accommodation and food services 19.0 percent and water supply, 9.9 percent.

Table 2. Quarter to Quarter Gross Domestic Product Growth Rate at Constant Prices (2024Q1=100) by industry

Industry	2024 Q1	2024 Q2	2024 Q3
Agriculture, Fishing and forestry	-	-22.4	-6.1
Mining and Quarrying	-	8.7	6.4
Manufacturing	-	0.8	0.4
Electricity, Gas, Steam and Air Conditioning Supply	-	-3.4	22.2
Water Supply; Sewerage, Waste Management and Remediation Activities	-	-7.2	9.9
Construction	-	4.1	-11.2
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	-	3.8	2.0
Transportation and Storage	-	24.1	-4.8
Accommodation and Food Service Activities	-	-7.4	19.0
Information and Communication	-	-1.6	6.4
Financial and Insurance Activities	-	4.3	3.3
Real Estate Activities	-	2.0	2.5
Professional, Scientific and Technical Activities	-	-0.1	0.8
Administrative and support service activities	-	-3.8	-1.7
Public Administration and Defence; Compulsory Social Security	-	-2.1	1.4
Education	-	-1.8	2.4
Human Health and Social Work Activities	-	0.05	1.5
Arts, Entertainment and Recreation	-	-0.2	-0.1
Other Services	-	0.6	0.4
Activities of Households as Employers Producing Activities of Households fo	-	-0.9	2.3
GDP basic price	-	-0.6	2.4
Net taxes on products	-	-1.5	2.1
Taxes on products	-	-1.2	2.0
Subsidies	-	11.2	-1.2
GDP at market price	-	-0.63	2.37

CONTRIBUTIONS TO GDP

In Q3, 2024, Wholesale & Retail Trade, Mining and Manufacturing were the largest industries contributing, 18.02%, 15.15% and 12.50% to GDP respectively.

The largest contributors to GDP in Q2, 2024, were Wholesale & Retail Trade (18.09%) followed by Mining (14.58%), and Manufacturing (12.75%).

Table 3. Percentage Contribution: Quarterly Gross Domestic Product at Constant Prices by Industry (2024Q1=100)

Industry	2024	2024	2024
	Q1	Q2	Q3
Agriculture, Fishing and forestry	12.68	9.90	9.07
Mining and Quarrying	13.33	14.58	15.15
Manufacturing	12.57	12.75	12.50
Electricity, Gas, Steam and Air Conditioning Supply	3.51	3.41	4.07
Water Supply; Sewerage, Waste Management and Remediation Activities	0.19	0.18	0.19
Construction	3.14	3.28	2.85
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	17.32	18.09	18.02
Transportation and Storage	1.67	2.08	1.93
Accommodation and Food Service Activities	1.64	1.53	1.77
Information and Communication	7.62	7.54	7.84
Financial and Insurance Activities	7.07	7.42	7.49
Real Estate Activities	2.69	2.76	2.76
Professional, Scientific and Technical Activities	0.95	0.95	0.94
Administrative and support service activities	1.02	0.99	0.95
Public Administration and Defence; Compulsory Social Security	2.35	2.32	2.30
Education	2.81	2.77	2.77
Human Health and Social Work Activities	2.45	2.47	2.45
Arts, Entertainment and Recreation	0.48	0.48	0.47
Other Services	1.41	1.43	1.40
Activities of Households as Employers Producing Activities of Households	0.13	0.13	0.13
GDP basic price	95.00	95.05	95.06
Net taxes on products	5.00	4.95	4.94
Taxes on products	5.13	5.10	5.08
Subsidies	0.13	0.14	0.14
GDP at market price	100.00	100.00	100.00

ANNEX

Concepts, definitions and role of QNA

Quarterly National Accounts (QNA) is an integrated and consistent system of macroeconomic accounts designed to describe the entire system of production on a quarterly basis. It provides a picture of current economic developments that is timelier and more frequent than provided by Annual National Accounts (ANA). Therefore, the QNA serve as a framework for assessing, analyzing, and monitoring current economic developments.

QNA adopts the same concepts, definitions and structure as ANA. In principle QNA covers the entire sequence of accounts and balance sheets as reflected in the 2008 SNA. However, it is usually less complete than ANA because of constraints relating to time, resources and data availability. Specifically, QNA provides useful information for:

- Early identification of changes in trend;
- Timely implementation of economic policies;
- Better forecasts, including early estimates of annual accounts;
- Framework for business cycle analysis.

The basic requirement in compilation of QNA is to publish quarterly GDP with a maximum time lag of 90 days. The level of compilation adopted by any country is usually determined by availability of resources and data.

Conceptual links between Quarterly and Annual Accounts

The main difference between QNA and ANA is the reference period, that is, three months for QNA and twelve months for ANA. Whereas both the QNA and ANA are based on the same concepts and definitions, quarterly data provide explicit information about short-term movements in the series while annual data determine the overall level and long-term movements.

Ideally QNA should be consistent with ANA, that is, the sum of GDP for the four quarters should be equal to the annual estimates. This condition unlikely to hold in most cases, mainly because the ANA and QNA are based on different data sources. To circumvent this problem, the QNA data is aligned with the annual data through a process known as "benchmarking". Benchmarking process increases the accuracy of quarterly time series by incorporating the usually more accurate annual information into the quarterly estimates. The general objective

of benchmarking is to preserve as much as possible the short-term movements in the source data under the restrictions provided by the annual data.

Data sources: Quarterly GDP are based on survey data collected by ZIMSTAT and administrative data from various sources. VAT data was extensively used to estimate activities of industries where regular surveys were not done. The VAT data provide estimates of turnover by economic activity.

Compilation procedures

Due to resource constraints and scarcity of short-term indicators, only Quarterly Value Added (QVA) by activity at constant prices is compiled using the production approach. The calculation of value added using the production approach is ideally derived as output at basic prices less intermediate consumption. But most of the indicators available are on output; therefore, the estimates of quarterly value added by industry are compiled by extrapolating value added with the relevant indicators. The underlying assumption employed is that the ratio of intermediate consumption to output is constant. QGDP at constant prices is finally derived as sum of values added at basic prices plus taxes less subsidies on products.

Indicators are used to track changes over time. These are series of numbers which are presented as index numbers in the estimation process. Index numbers are necessary when weighting indicators (in cases where two or more indicators are used for a given industry for example in measuring transport value added where a weighted index of cargo and passenger transportation is applied).

Measurement of crop output on a quarterly basis, however, presents special difficulties. Crop harvests are largely confined to a single quarter of the year though the production process occurs on a continuous basis throughout the year. The 2008 SNA recommends that crop output should be distributed among quarters in proportion to the costs incurred in each quarter and that the value added calculated for quarters with no harvest should be recorded as work in progress. In this regard the reported turnover of agriculture inputs was used as a proxy for agriculture work in progress.