

**BUSINESS TENDENCY SURVEY  
SERVICES SECTOR  
3<sup>rd</sup> QUARTER 2024 REPORT**

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**For more information contact:**

Zimbabwe National Statistics Agency  
P.O. Box CY 342  
Causeway, Harare  
Zimbabwe  
Telephone: 263-242-706681/8 or 263-242-703971/7  
Website: [www.zimstat.co.zw](http://www.zimstat.co.zw)

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**List of Acronyms**

BTS	Business Tendency Survey
pp	percentage points
&	and

## 1 Introduction

This report presents results of the 3<sup>rd</sup> Quarter 2024 Services Sector Business Tendency Survey (BTS) for the following:

- a) Construction
- b) Transportation and Storage
- c) Wholesale and Retail Trade: Repair of Motor Vehicles and Motorcycles
- d) Financial and Insurance Activities
- e) Accommodation and Food Services

Indicators produced from the BTS are key in monitoring the current business situation and short-term developments in the mentioned sectors.

The results are based on views of senior executives in the respective sectors pertaining to general business situation, financial situation, access to credit, technical capacity, employment, selling prices, volume of orders and main challenges experienced. The survey is undertaken on a quarterly basis, focusing on **415** establishments. For the 3<sup>rd</sup> quarter of 2024, the response rate was **53 percent**.

Key indicators derived from the survey comprise the Business Confidence Index and Balance of Opinion or Net Balance.

Confidence indices were compiled using an average of the balances of opinion on questions relating to present business situation, current level of total order books, current level of stock, employment in next three months, and business situation in the next three months. Positive values of the indicator reflect optimism towards the business conditions while negative values imply pessimism and zero reflects perception of no change in business situation.

Balance of opinion is the difference between the proportion of positive responses and that of negative responses. Values of the indicator range from -100, when all responses are negative to +100, when all responses are positive. The survey was guided by the United Nations Handbook on Economic Tendency Surveys as well as the Organization for Economic Co-operation and Development (OECD) Handbook on Business Tendency Surveys.

## 2 Survey Findings

### 2.1 Summary

Confidence indices of all the sectors decreased during 3<sup>rd</sup> Quarter 2024 when compared to 2<sup>nd</sup> quarter 2024.

Respondents in *Accommodation and Food Services, Transportation and Storage and Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* sectors cited **competition** as the major limiting factor for business expansion, those in the Construction sector cited **cost of materials** while those in *Financial and Insurance Activities* pointed to the **cost of finance**.

### 2.2 Business Situation

In 3<sup>rd</sup> quarter 2024, proportions of respondents who considered the general business climate as *satisfactory* were below **50** percent for the surveyed sectors except the *Financial and Insurance Activities* sector which recorded **62.5** percent, Figure 2.1.

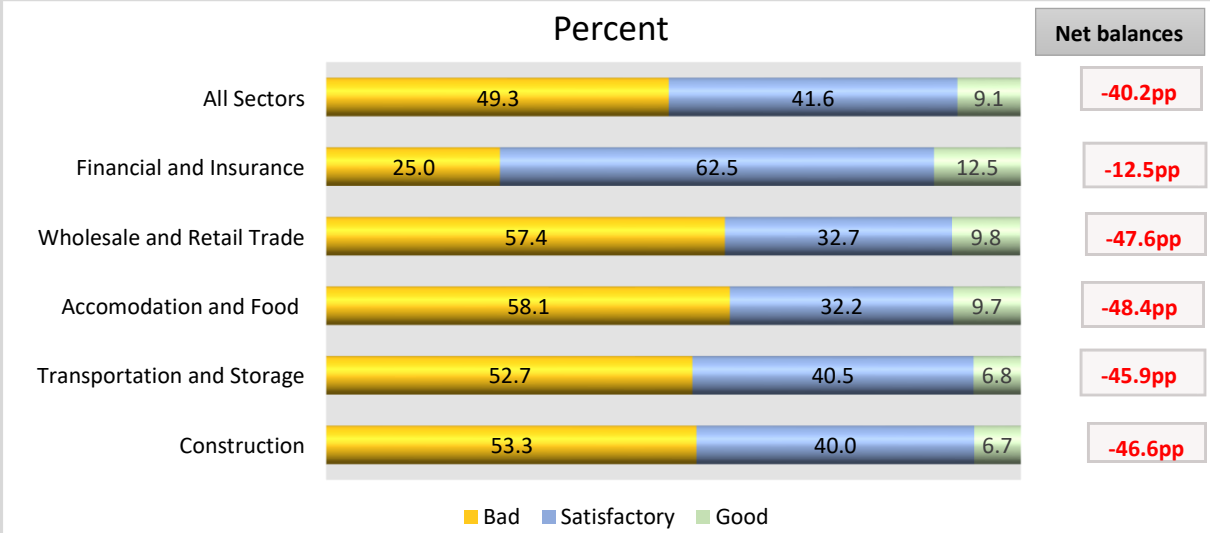


Figure 2.1: Opinion towards general business climate, 3<sup>rd</sup> Quarter 2024

### 2.3 Financial Situation

Overall, **47.7** percent of respondents considered the financial situation as *satisfactory* during 3<sup>rd</sup> quarter 2024. The proportions of respondents who shared the same sentiments ranged from **33.6** percent in *Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* Sector to **70.8** percent in *Financial and Insurance Activities* Sector, Figure 2.2.

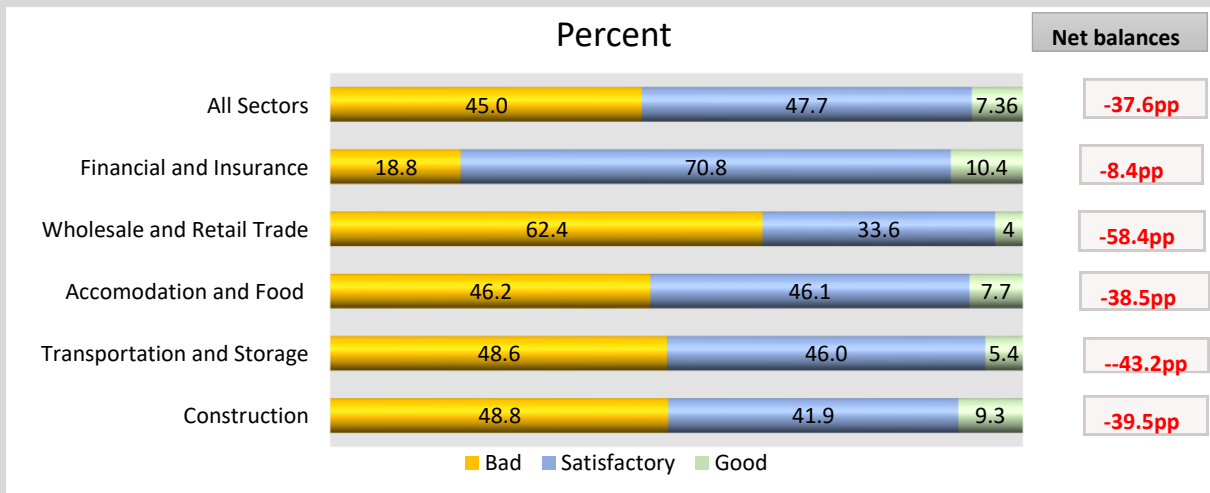


Figure 2.2: Opinion towards the current financial situation, 3<sup>rd</sup> Quarter 2024

## 2.4 Level of Stocks for the Wholesale and Retail Sector

Excluding normal seasonal variations, **51.3** percent of respondents in the *Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* sector considered their establishments' current stock levels to be *below normal* during the 3<sup>rd</sup> quarter of 2024, Figure 2.3.

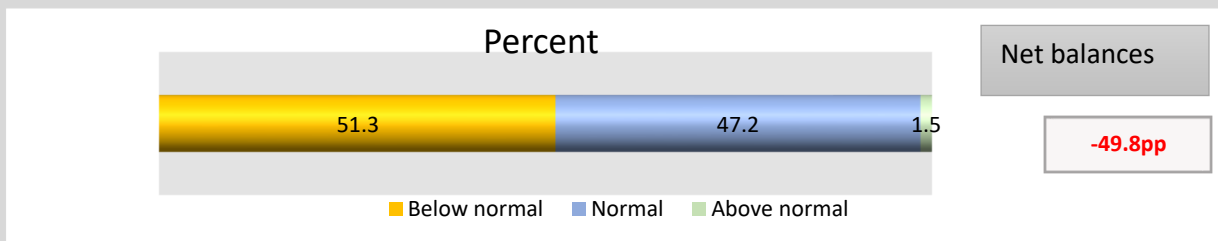


Figure 2.3: Opinion towards current stock levels in volume terms for Wholesale and Retail Sector, 3<sup>rd</sup> Quarter 2024

## 2.5 Level of Total Order Books for the Construction Sector

Excluding normal seasonal variations, **52.1** percent of respondents in the *Construction* Sector considered their companies' level of total order books to be *normal* during the 3<sup>rd</sup> quarter of 2024, Figure 2.4.

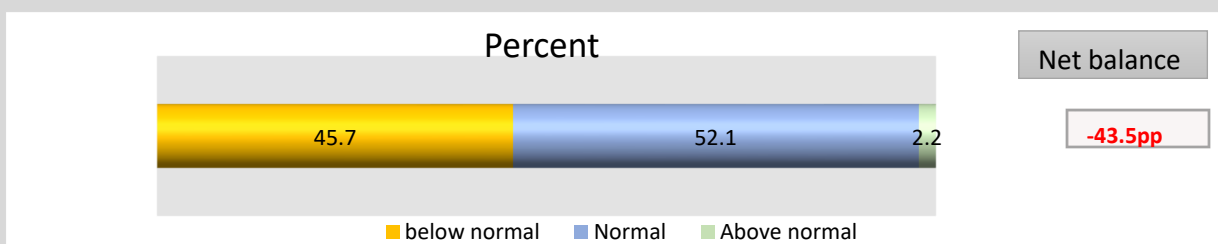


Figure 2.4: Opinion towards Current Level of Total Order Books for Construction Sector, 3<sup>rd</sup> Quarter 2024

### 2.6 Access to Bank Credit

Proportions of respondents who perceived access to bank credit as being *difficult* were at least 50 percent in all the five sectors under consideration, Figure 2.5.

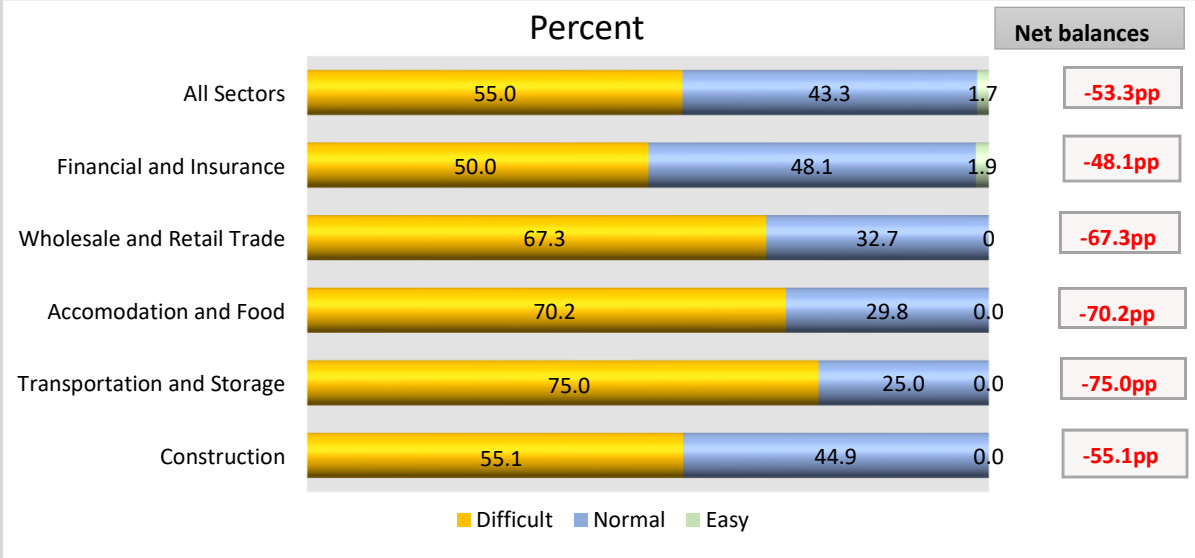


Figure 2.5: Opinion towards access to credit, 3<sup>rd</sup> Quarter 2024

### 2.7 Technical Capacity for Construction Sector

Excluding normal seasonal variations, 57.4 percent of respondents in the *Construction* Sector considered their companies' technical capacity to be *below normal* during the 3<sup>rd</sup> quarter of 2024, Figure 2.6.

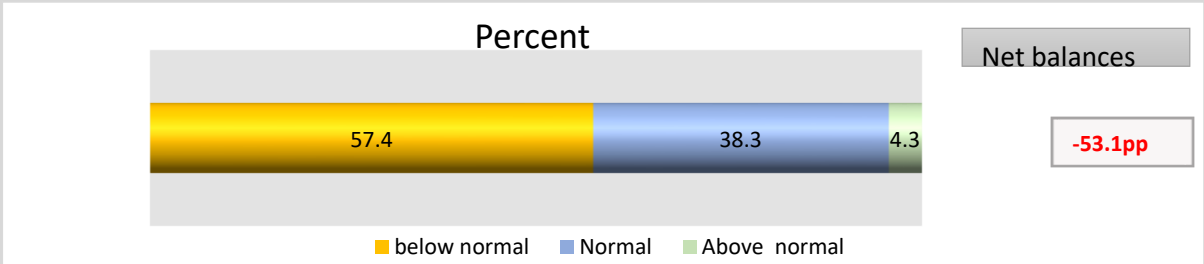


Figure 2.6: Opinion towards technical capacity for Construction Sector, 3<sup>rd</sup> Quarter 2024

### 2.8 Volume of Demand

Excluding normal seasonal changes, 31.4 percent of establishments in the *Financial and Insurance Activities* Sector, 26.7 percent in *Transportation and Storage* Sector and 21.0 percent in *Accommodation and Food Services* Sector, viewed the volume of demand as having remained unchanged during the 3<sup>rd</sup> quarter of 2024, when compared to the preceding quarter, Figure 2.7.



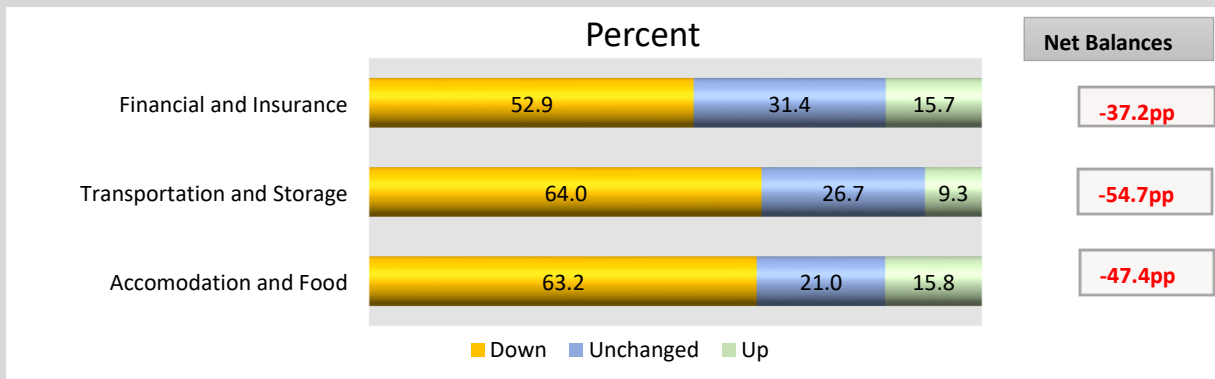


Figure 2.7: Opinion towards volume of demand for 3<sup>rd</sup> Quarter 2024, compared to 2<sup>nd</sup> Quarter 2024

## 2.9 Changes in Employment Levels

In all sectors, about **60** percent of the respondents regarded the number of persons employed by their establishments as having remained *unchanged* during the quarter under review, Figure 2.8.

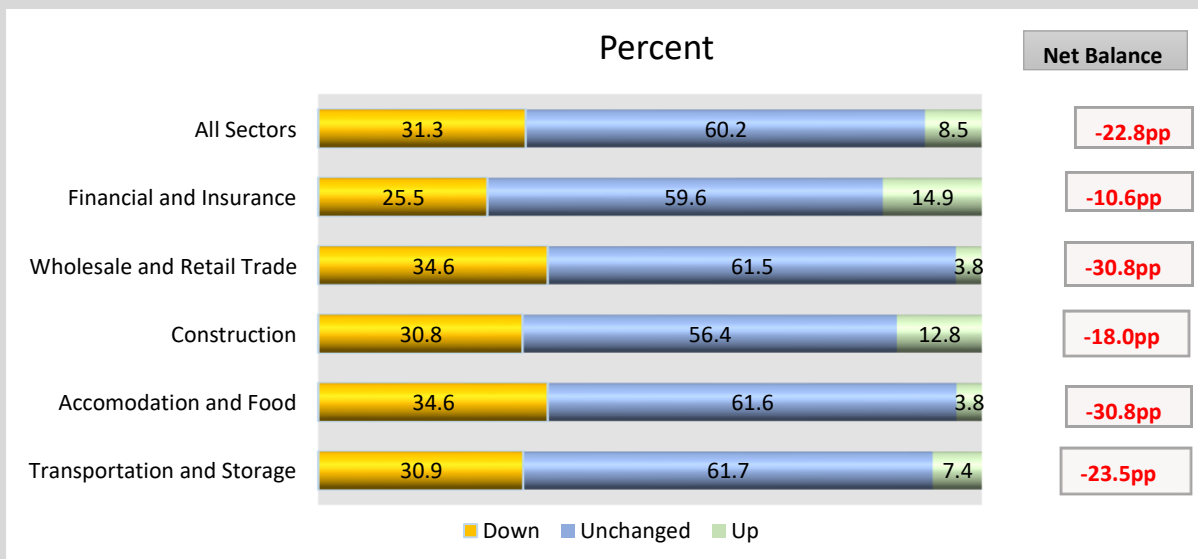


Figure 2.8: Opinion towards changes in employment levels in 3<sup>rd</sup> Quarter 2024, compared to 2<sup>nd</sup> Quarter 2024

## 2.10 Expected Future Business Situation

Overall, **51.3** percent of respondents anticipated an improvement in the business situation during the 4<sup>th</sup> quarter of 2024 when compared to 3<sup>rd</sup> quarter 2024. The proportions of respondents having these sentiments ranged from **42.1** percent in *Transportation and Storage* Sector, to **62.7** percent in *Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* Sector. Figure 2.9

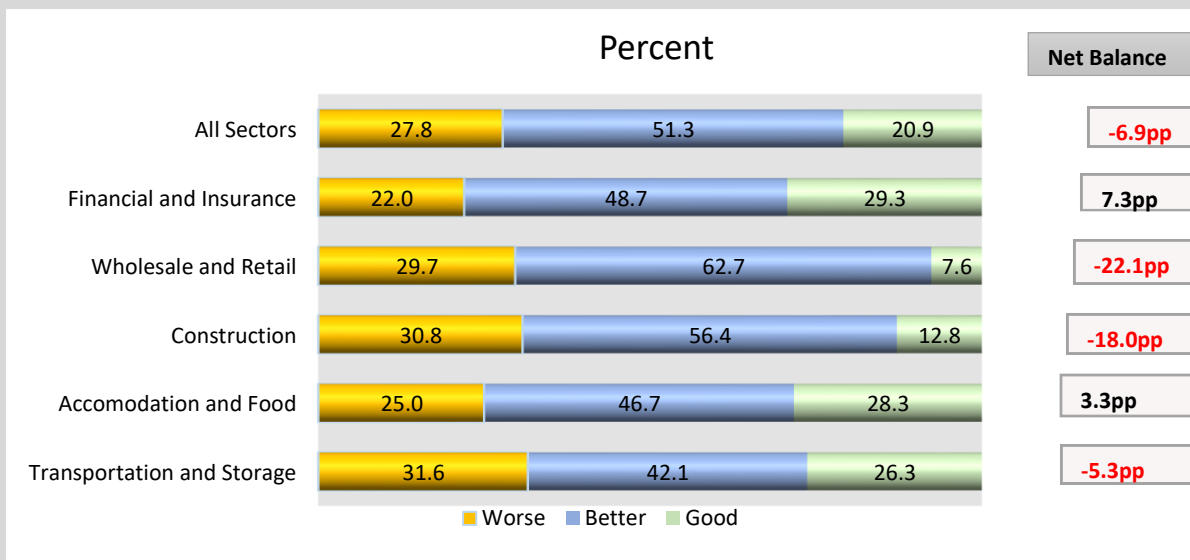


Figure 2.9: Expectations towards the general business situation during 4<sup>th</sup> Quarter 2024

### 2.11 Expected Employment Level

Except for the *Construction* Sector, which recorded **40.0** percent, the proportions of establishments that anticipated the number of their employees to remain *unchanged* during the 4<sup>th</sup> quarter of 2024, were above **67** percent, Figure 2.10

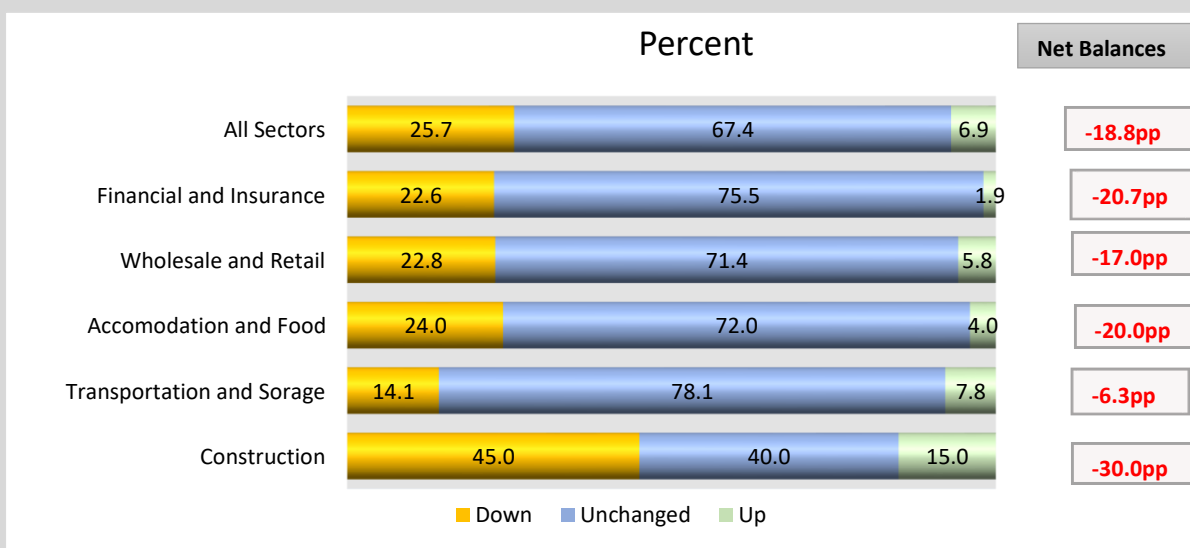


Figure 2.10: Expectations towards the employment levels during 4<sup>th</sup> Quarter 2024

### 2.12 Expectations towards Volume of Demand

The perceptions of **52.4** percent of respondents in the *Financial and Insurance* Sector, was that the volume of demand would *remain unchanged* during the 4<sup>th</sup> quarter of 2024, in comparison to the preceding quarter. In *Accommodation and Food Services* and

*Transportation and Storage* sectors, the proportions of respondents sharing the same sentiments were **26.1** percent and **27.1** percent, respectively. Figure 2.11

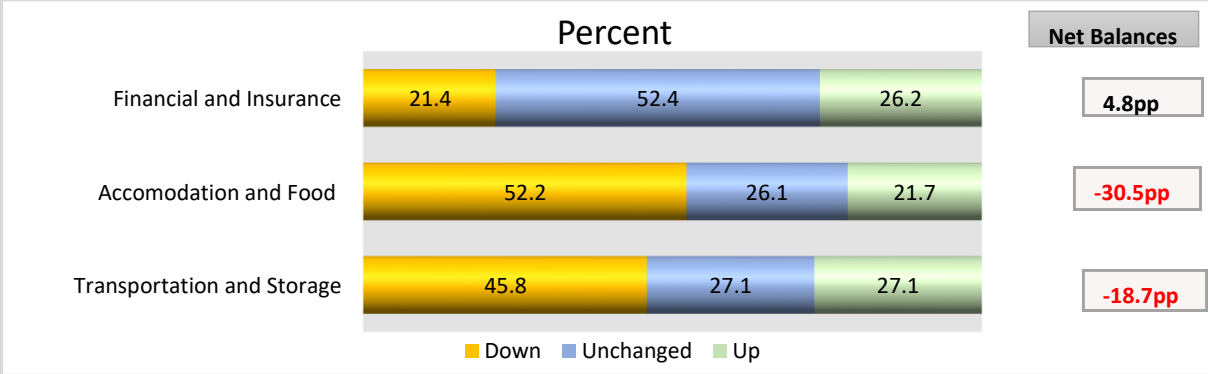


Figure 2.11: Expectations towards volume of demand during 4<sup>th</sup> Quarter 2024

**2.13 Expectations towards Volume of Orders (Contracts) in Construction Sector**

In the *Construction* Sector, **62.5** percent of respondents anticipated volume of orders to remain *unchanged* during the 4<sup>th</sup> quarter of 2024, Figure 2.12.

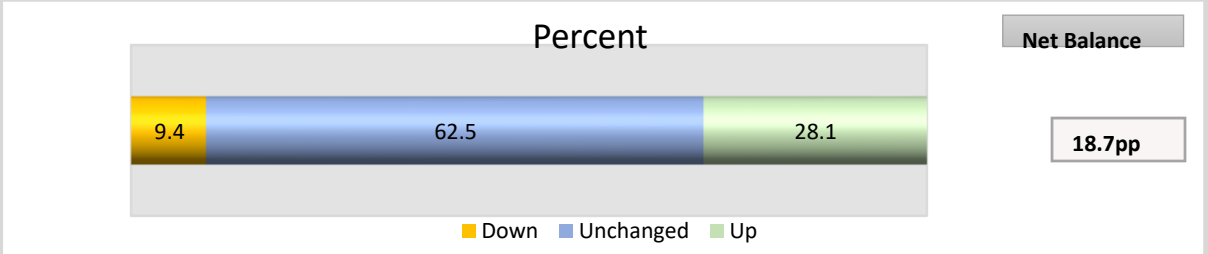


Figure 2.12: Expectations towards orders placed by suppliers during 4<sup>th</sup> Quarter 2024 (*Construction Sector*)

**2.14 Expectations towards Average Selling Price**

In the *Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* sector, **62.5** percent of respondents expected average selling prices to remain unchanged, while **55.6** percent in *Construction* shared this sentiment. Figure 2.13

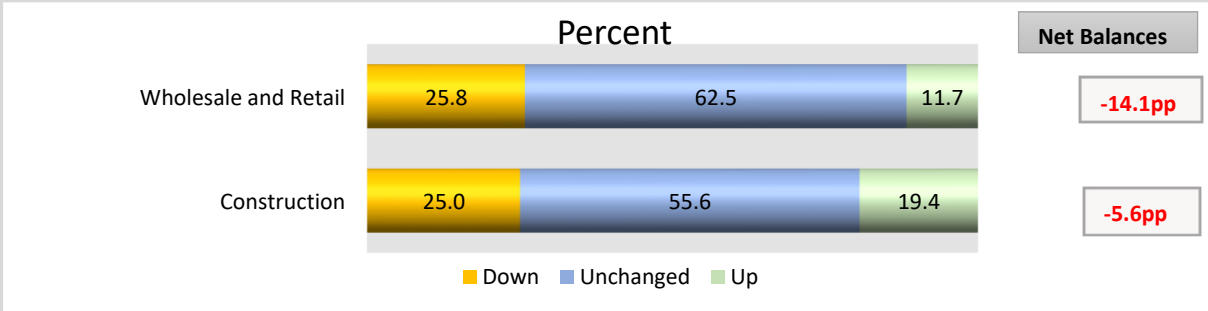
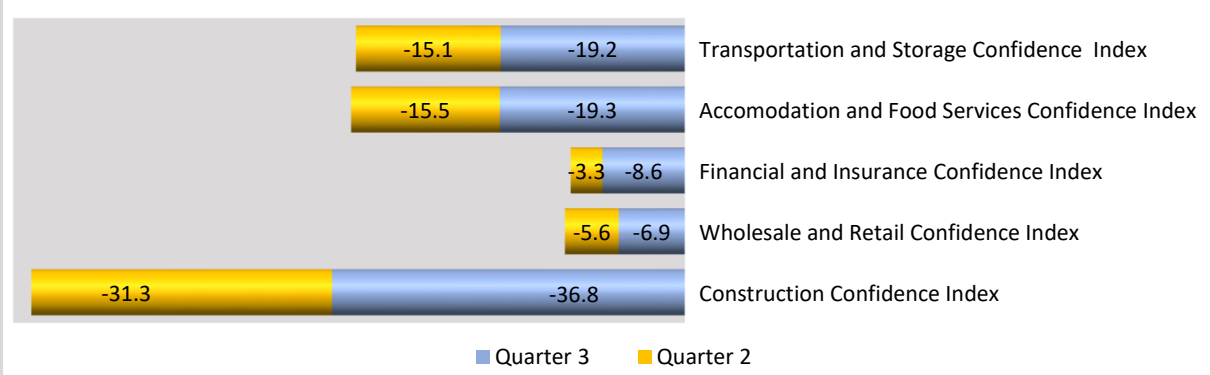


Figure 2.13: Expectations towards Average Selling Price during 4<sup>th</sup> Quarter 2024 (*Wholesale & Retail Trade and Construction Sectors*)

**2.15 Business Confidence Indices<sup>1</sup>**

Business confidence indices of all the sectors decreased during 3<sup>rd</sup> quarter 2024 as compared to 2<sup>nd</sup> quarter 2024. For the Financial and Insurance Sector, the index dropped from **-3.3** recorded during the preceding quarter to **-8.6**. Figure 2.14.



**Figure 2.14: Business Confidence Indices for the Surveyed Sectors**

**2.16 Constraints to Business Expansion**

While respondents in *Accommodation and Food Services, Transportation and Storage and Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* cited **competition** as the major limiting factor for business expansion, those in *Construction and Financial and Insurance* Sectors cited **cost of materials** and **cost of finance** respectively.

<sup>1</sup> Confidence indices were compiled using average of the balances of opinion for questions relating to; present business situation, business situation in the next three months; the present level of total order books and employment in next three months (Construction confidence index); employment in next three months, present business situation and the business situation in the next three months (Other services Confidence indices. Positive values of the index reflect optimism towards the business situation while negative values imply pessimism. A value of zero implies same situation expected in the next quarter as prevailed in the previous quarter