

BUSINESS TENDENCY SURVEY REPORT

for

MANUFACTURING AND MINING SECTORS



3rd QUARTER 2024

**MANUFACTURING AND MINING SECTORS BUSINESS TENDENCY SURVEY:
3rd QUARTER 2024 REPORT**

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
Email: pr@zimstat.co.zw
Website: www.zimstat.co.zw

Table of Contents

Table of Contents.....	iii
List of Acronyms.....	v
Executive Summary.....	vi
1. Introduction.....	1
2. Results.....	2
2.1 Capacity Utilization for Manufacturing Sector	2
2.2 Capacity Utilization for Mining Sector	4
2.3 General Business Climate.....	4
2.4 Production Level	5
2.5 Total Employment.....	8
2.6 Order Books	10
2.7 Stocks of Finished Goods and Raw Materials	11
2.8 Change in Selling Prices.....	14
2.9 Supplier Delivery Time	14
2.10 Purchasing Managers' Index (PMI) for Manufacturing Sector	16
2.11 Manufacturing Confidence Index	16
2.12 Mining Confidence Index	17
2.13 Factors Affecting Production	17

List of Tables

Table 2.1: Comparison of balance of opinion for general business climate during 3rd quarter 2024	5
Table 2.2: Balance of opinion for production level during 3rd quarter 2024	7
Table 2.3: Balance of opinion towards change in total employment during 3rd Quarter 2024	9
Table 2.4: Balances of opinion towards level of order books in 3rd quarter 2024.....	11
Table 2.5: Balances of opinion towards stock of finished products in 3rd quarter 2024	12
Table 2.6: Balances of opinion towards stock of raw materials in 3rd quarter 2024	13
Table 2.7: Balance of opinion for supplier delivery time during 3rd quarter 2024	15

List of Figures

Figure 2.1: Capacity utilization in the manufacturing sector, 3 rd quarter 2024.....	2
Figure 2.2:Capacity utilization for large companies in the manufacturing sector, 3 rd quarter 2024	3
Figure 2.3:Capacity utilization for small and medium companies in the manufacturing sector, 3 rd quarter 2024.....	3
Figure 2.4: Capacity utilization for the mining sector, 3 rd quarter 2024.	4
Figure 2.5: Sentiments towards general business climate in the manufacturing sector, 3 rd quarter 2024.....	4
Figure 2.6: Sentiments towards general business climate in the mining sector, 3 rd quarter 2024	5
Figure 2.7: Sentiments towards production level in the manufacturing sector, 3 rd quarter 2024.....	6
Figure 2.8: Sentiments towards production level in the mining sector, 3 rd quarter 2024	6
Figure 2.9: Views towards production level in 4 th quarter 2024	7
Figure 2.10: Views towards production level in 4 th quarter 2024	8
Figure 2.11: Sentiments towards employment during 3 rd quarter 2024.....	8
Figure 2.12: Sentiments towards employment during 3 rd quarter 2024.....	9
Figure 2.13: Perceptions towards change in total employment in 4 th quarter 2024	10
Figure 2.14:Sentiments towards level of total order books in 3 rd quarter 2024	10
Figure 2.15:Sentiments towards the level of order books in 3 rd quarter 2024	11
Figure 2.16:Sentiments towards stocks of finished products in 3 rd quarter 2024.....	12
Figure 2.17: Sentiments towards stock of raw materials in 3 rd quarter 2024	13
Figure 2.18: Sentiments towards change in selling prices during the 4 th quarter 2024.....	14
Figure 2.19:Sentiments towards supplier delivery time during 3 rd quarter 2024	15
Figure 2.20: Purchasing Manager’s Index for Manufacturing Sector, 1 st quarter 2021 to 3 rd quarter 2024.....	16
Figure 2.21:Manufacturing Confidence Index, 1 st quarter 2021 to 3 rd quarter 2024.....	16
Figure 2.22:Mining Confidence Index, 1 st quarter 2021 to 3 rd quarter 2024.....	17

List of Acronyms

BTS	Business Tendency Survey
MCI	Manufacturing Confidence Index
PMI	Purchasing Managers’ Index
pp	Percentage points

Executive Summary

The Business Tendency Survey is conducted with the objective of producing indicators for use in monitoring current business situation and short-term developments in the manufacturing and mining sectors.

Views on business performance during third quarter 2024 and expectations for the third quarter 2024 were obtained from respondents of 327 manufacturing companies and 82 mining companies. The response rates were 45.4 percent for manufacturing sector and 64.0 percent for mining sector giving a combined response rate of 51.7 percent.

Key indicators produced from the survey include Capacity Utilization, Purchasing Managers' Index (PMI), Manufacturing Confidence Index and Mining Confidence Index. Values of the Purchasing Managers Index (PMI) range from 0 to 100, with those above 50 reflecting an expansion in the sector and those below 50 signifying a contraction. The further away from 50 the greater the level of change.

A positive value of the confidence index reflects optimism towards the business conditions while a negative value implies pessimism and zero implies no change expected in the business situation.

Capacity Utilization

Third quarter 2024 capacity utilization for large manufacturing companies was 57.5 percent, down from the second quarter value of 60.8 percent (**Figure 2.2**). For small and medium companies in the sector, capacity utilization for third quarter 2024 was at 45.4 percent (**Figure 2.3**). Combined third quarter 2024 capacity utilization for the manufacturing sector was 47.1 percent, down from 48.4 percent in the second quarter 2024. (**Figure 2.1**)

Manufacturing Confidence Index

The Manufacturing Confidence Index decreased from 3.1 in second quarter to 2.1 in third quarter 2024.

Mining Confidence Index

The Mining Confidence Index decreased to 7.3 in third quarter 2024, from 12.9 recorded in the second quarter 2024.

Manufacturing Sector's Purchasing Managers' Index (PMI)

The Purchasing Managers' Index (PMI) for third quarter 2024 was 35.0, reflecting a 0.8-point decrease from the second quarter value of 35.8.

Main Factors affecting production

Three major constraints to production cited by respondents in manufacturing and mining sectors were:

- cash flow difficulties,
- shortages of electricity and
- uncertainty towards the economic environment.

1. Introduction

This report presents results of the Business Tendency Survey (BTS) conducted for the manufacturing and mining sectors covering the period July-September 2024. The survey objective is to produce indicators for use in monitoring current business situation and short-term developments in manufacturing and mining sectors.

Views on business performance during third quarter 2024 and expectations for the third quarter 2024 were obtained from respondents of 327 manufacturing companies and 82 mining companies, constituting response rates of 45.4 percent and 64.0 percent, respectively. The combined response rate was 51.7 percent.

Confidence indices are compiled using an average of the balances of questions relating to production expectations, total order books and stocks of finished goods. A positive value of the confidence indicator reflects optimism towards the business conditions while a negative value implies pessimism and zero implies same situation expected in the next quarter compared to the previous quarter.

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.

Methodological guidelines used in undertaking the survey were obtained from the United Nations Handbook on Economic Tendency Surveys as well as the Organization for Economic Co-operation and Development Handbook on Business Tendency Surveys.

2. Results

2.1 Capacity Utilization for Manufacturing Sector

Third quarter 2024 capacity utilization for large manufacturing companies was 57.5 percent, down from the second quarter value of 60.8 percent (**Figure 2.2**). For small and medium companies in the sector, capacity utilization for third quarter 2024 was at 45.4 percent (**Figure 2.3**). Combined third quarter 2024 capacity utilization for the manufacturing sector was 47.1 percent, down from 48.4 percent in the second quarter 2024. (**Figure 2.1**)

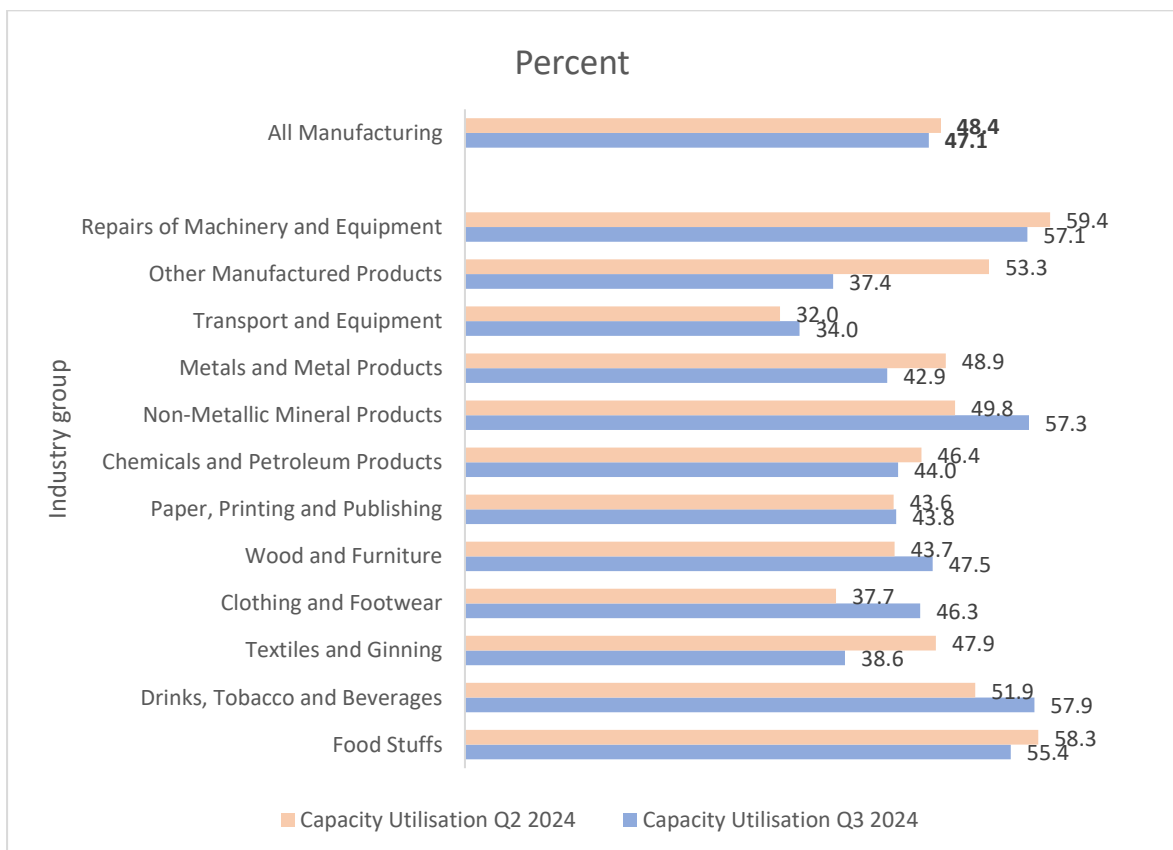


Figure 2.1: Capacity utilization in the manufacturing sector, 3rd quarter 2024

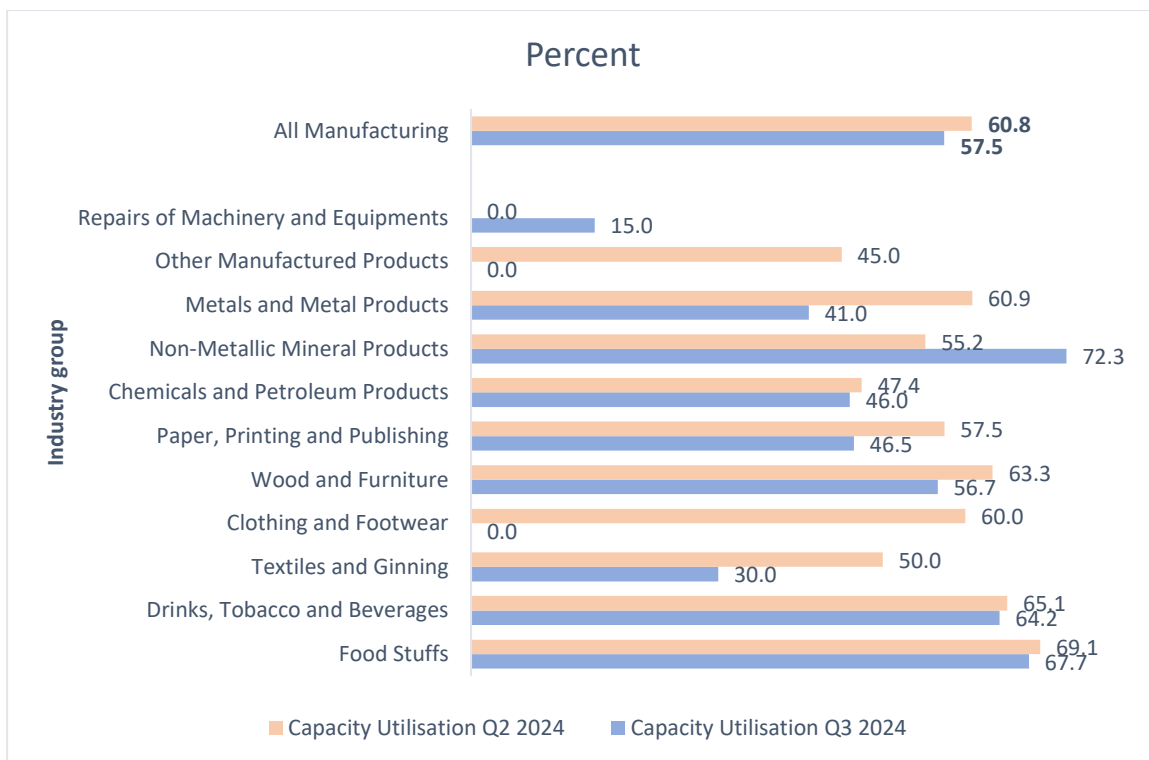


Figure 2.2:Capacity utilization for large companies in the manufacturing sector, 3rd quarter 2024

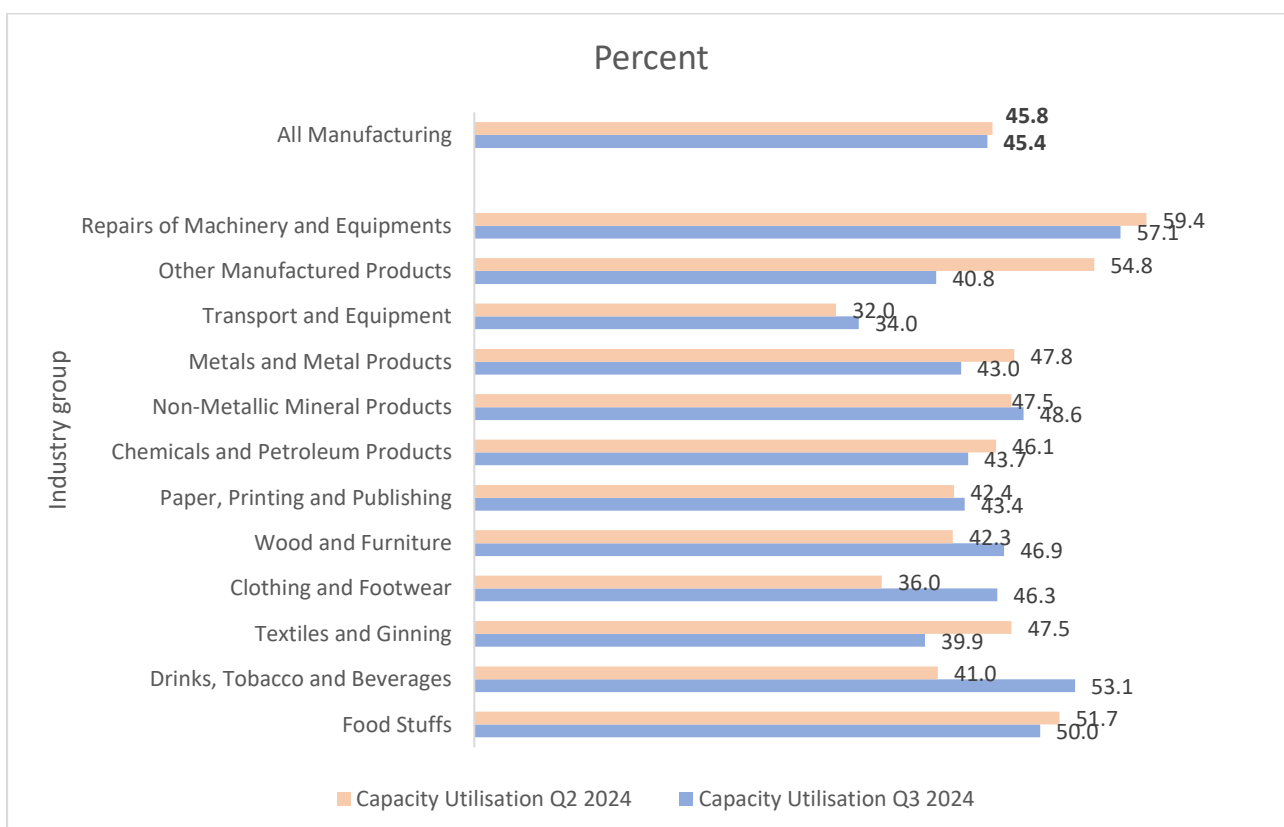


Figure 2.3:Capacity utilization for small and medium companies in the manufacturing sector, 3rd quarter 2024

2.2 Capacity Utilization for Mining Sector

For the mining sector, capacity utilization was 52.7 percent, a decrease from 57.5 percent recorded in second quarter 2024. **(Figure 2.4)**

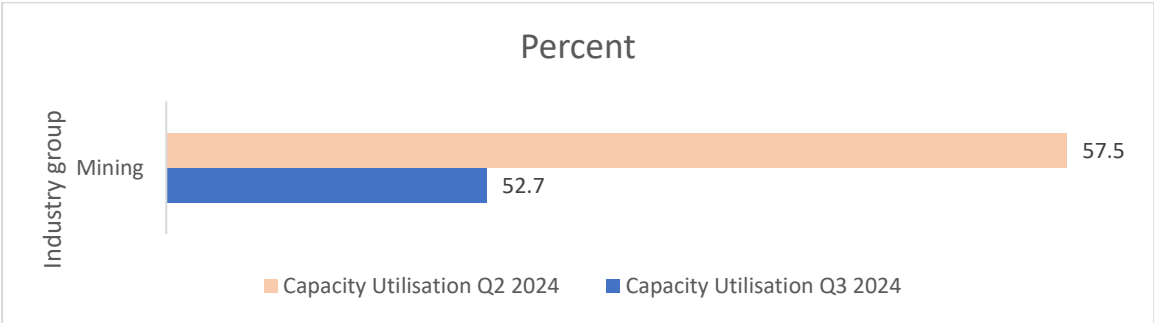


Figure 2.4: Capacity utilization for the mining sector, 3rd quarter 2024.

2.3 General Business Climate

In the manufacturing sector, 21.1 percent of the respondents showed more optimism towards the general business climate for third quarter 2024. **(Figure 2.5)**

In the mining sector, 23.2 percent were of the same view. **(Figure 2.6)**

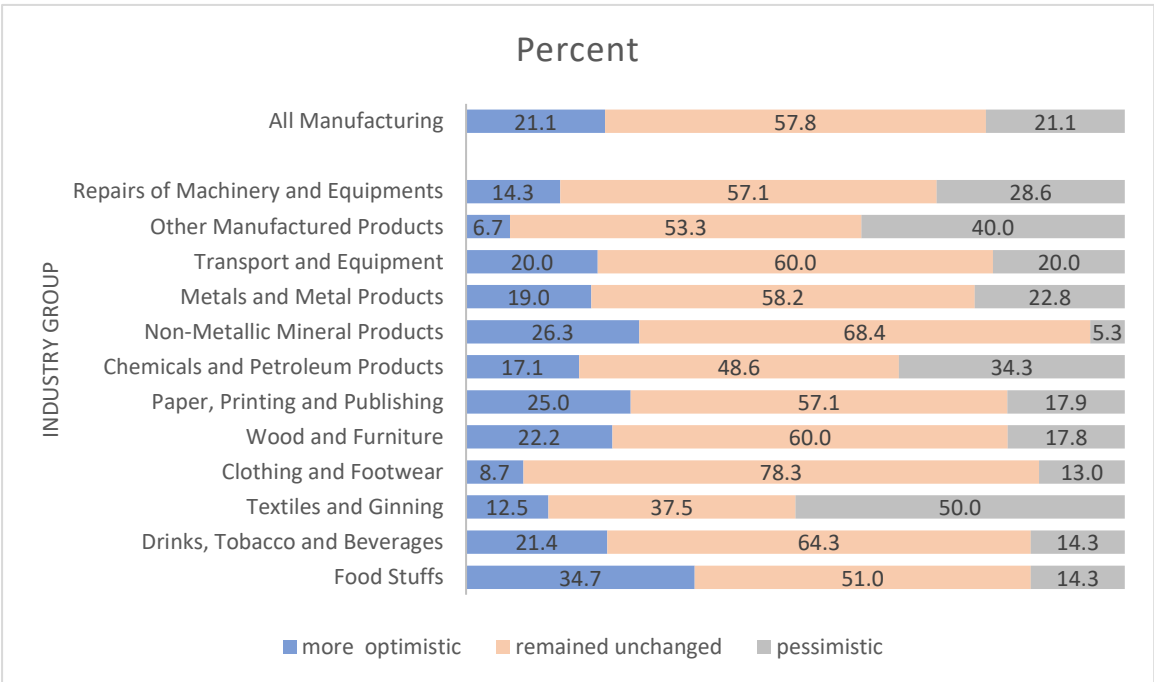


Figure 2.5: Sentiments towards general business climate in the manufacturing sector, 3rd quarter 2024

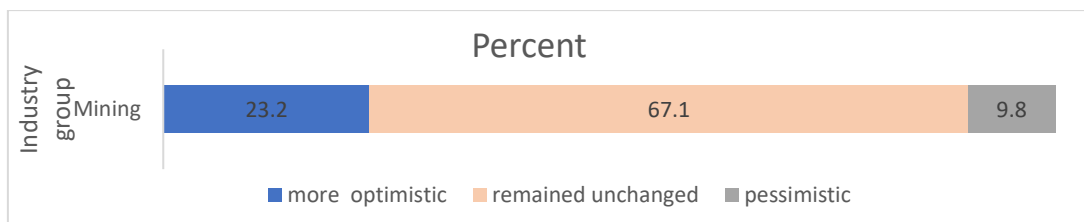


Figure 2.6: Sentiments towards general business climate in the mining sector, 3rd quarter 2024

Overall balance of opinion¹ for general business climate in the manufacturing sector was 0.0 percentage points (pp), up from -1.3 pp in second quarter. **(Table 2.1).**

Table 2.1: Comparison of balance of opinion for general business climate during 3rd quarter 2024

Industry Group	2 nd Quarter 2024 Balance of Opinion	3 rd Quarter 2024 Balance of Opinion
Food Stuffs	3.6	20.4
Drinks, Tobacco and Beverages	5.0	7.1
Textiles and Ginning	0.0	-37.5
Clothing and Footwear	-17.2	-4.3
Wood and Furniture	0.0	4.4
Paper, Printing and Publishing	11.1	7.1
Chemicals and Petroleum Products	-12.8	-17.1
Non-Metallic Minerals Products	10.0	21.1
Metals and Metal Products	-2.4	-3.8
Transport and Equipment	0.0	0.0
Other Manufactured Products	-10.5	-33.3
Repairs of Machinery and Equipment	22.2	-14.3
Manufacturing Sector	-1.3	0.0
Mining Sector	8.8	13.4

2.4 Production Level

About 41 percent of respondents in the manufacturing sector viewed production levels over the third quarter 2024 as having remained unchanged, while 18 percent were of the opinion that the levels had increased. **(Figure 2.7)**

¹ Balance of opinion is the difference between the proportion of positive responses and that of negative responses. Values of the indicator range from minus 100pp, when all responses are negative to plus 100pp, when all responses are positive. A net balance of zero percentage points implies proportions of positive responses were the same as proportions of negative responses.

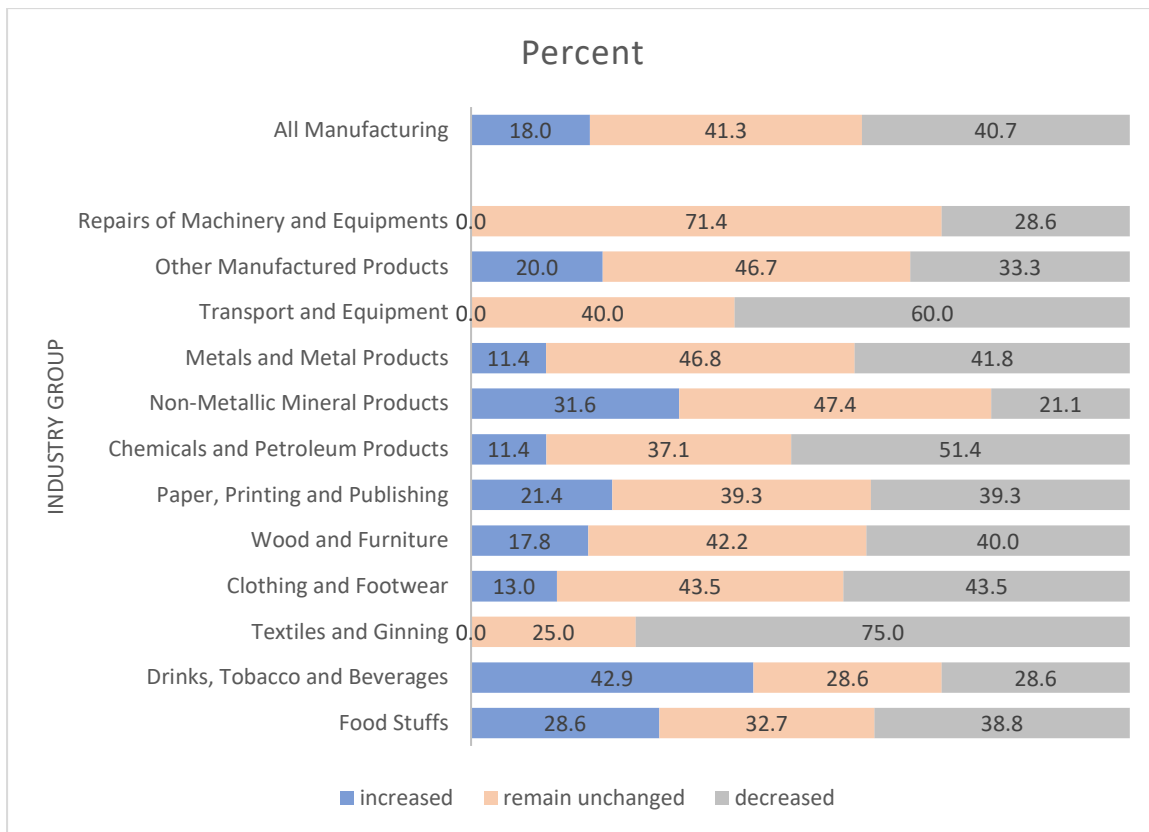


Figure 2.7: Sentiments towards production level in the manufacturing sector, 3rd quarter 2024

For the mining sector, 61 percent of the respondents perceived that production levels had remained the same over third quarter 2024. **(Figure 2.8)**

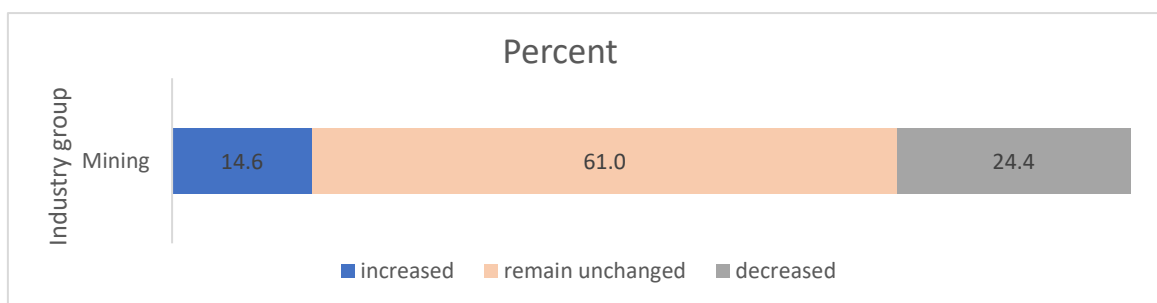


Figure 2.8: Sentiments towards production level in the mining sector, 3rd quarter 2024

Balance of opinion for change in production levels during the third quarter 2024 was -22.6pp for the manufacturing sector and -9.8pp for the mining sector. The Textiles and Ginning sub-sector balance of opinion decreased from -28.6pp to -75.0pp in the third quarter 2024. Mining decreased from -6.3pp in the second quarter to -9.8 in third quarter 2024. **(Table 2.2)**

Table 2.2: Balance of opinion for production level during 3rd quarter 2024

Industry Group	2 nd Quarter 2024 Balance of Opinion	3 rd Quarter 2024 Balance of Opinion
Food Stuffs	0.0	-10.2
Drinks, Tobacco and Beverages	-10.0	14.3
Textiles and Ginning	-28.6	-75.0
Clothing and Footwear	-34.5	-30.4
Wood and Furniture	-12.8	-22.2
Paper, Printing and Publishing	-7.4	-17.9
Chemicals and Petroleum Products	-44.7	-40.0
Non-Metallic Minerals Products	10.0	10.5
Metals and Metal Products	-20.5	-30.4
Transport and Equipment	-25.0	-60.0
Other Manufactured Products	-42.1	-13.3
Repairs of Machinery and Equipment	11.1	-28.6
Manufacturing Sector	-18.0	-22.6

Mining Sector	-6.3	-9.8
----------------------	-------------	-------------

About 33 percent of respondents in the manufacturing sector were expecting an increase in production levels during the 4th quarter 2024. The transport and equipment sub-sector (100%), had the perception that the production level will decrease over the fourth quarter of 2024. **(Figure 2.9)**

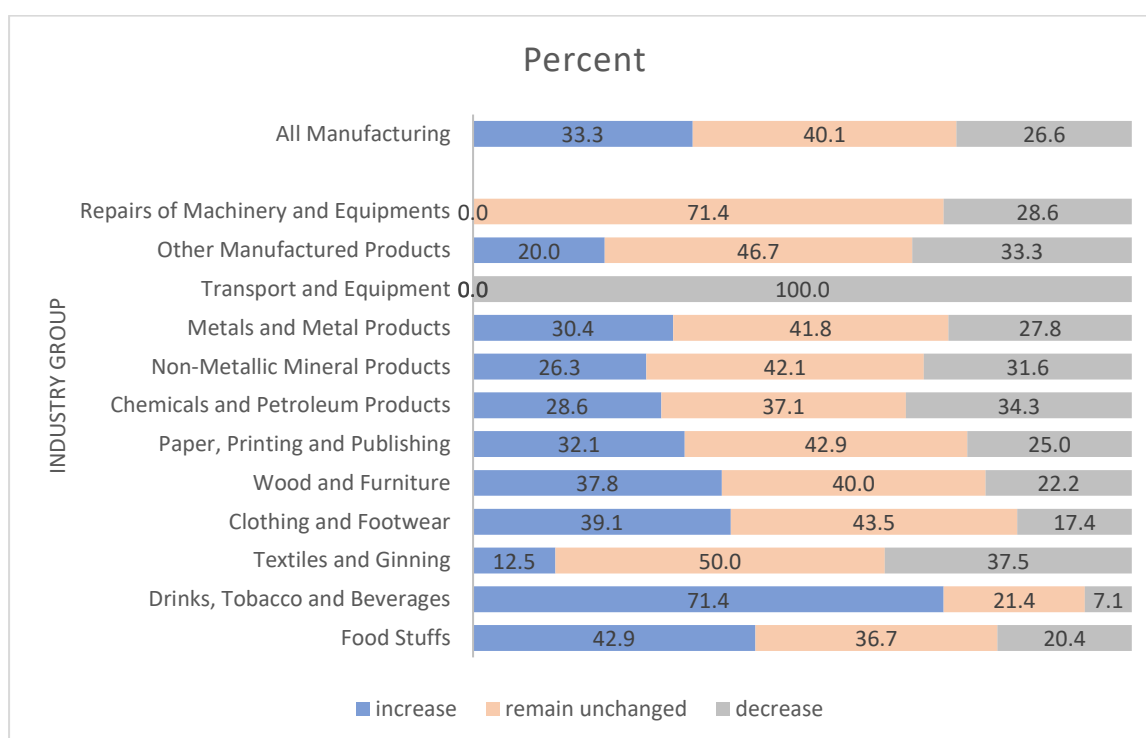


Figure 2.9: Views towards production level in 4th quarter 2024

In the mining sector, 35.4 percent of respondents are expecting an increase in production levels during the fourth quarter 2024. **(Figure 2.10)**

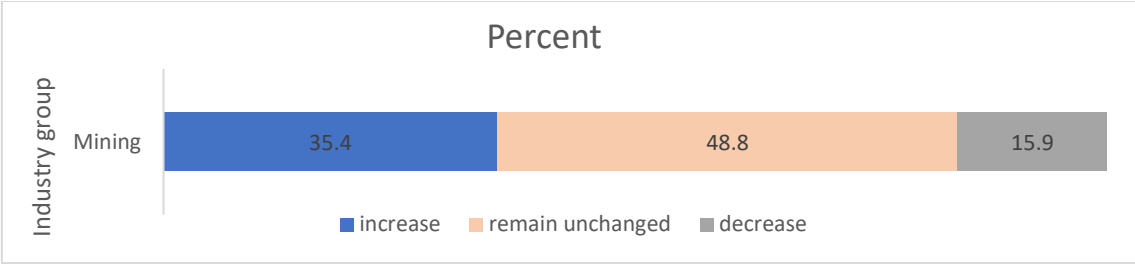


Figure 2.10: Views towards production level in 4th quarter 2024

2.5 Total Employment

Excluding seasonal variations, more than 60 percent of respondents in the manufacturing and mining sectors, reported their firms’ total employment as having remained unchanged during third quarter 2024. **(Figure 2.11)**

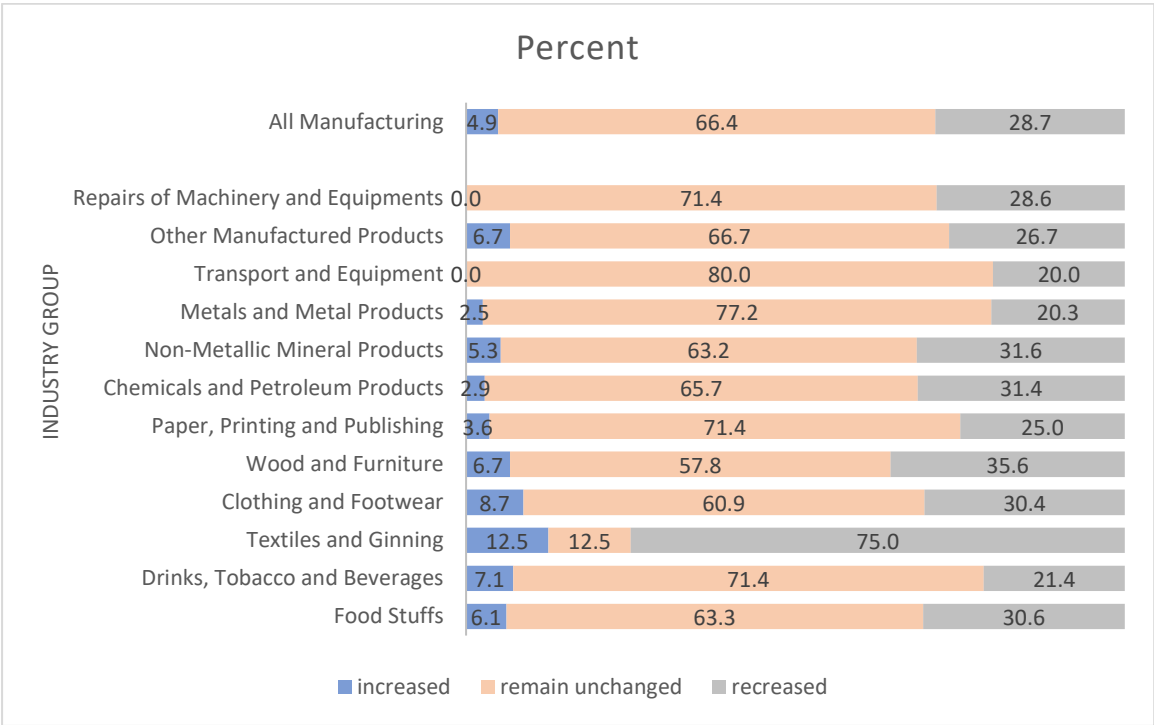


Figure 2.11: Sentiments towards employment during 3rd quarter 2024

Mining had more than 70 percent of the respondents citing that the employment level remained the same in third quarter 2024. **(Figure 2.12)**

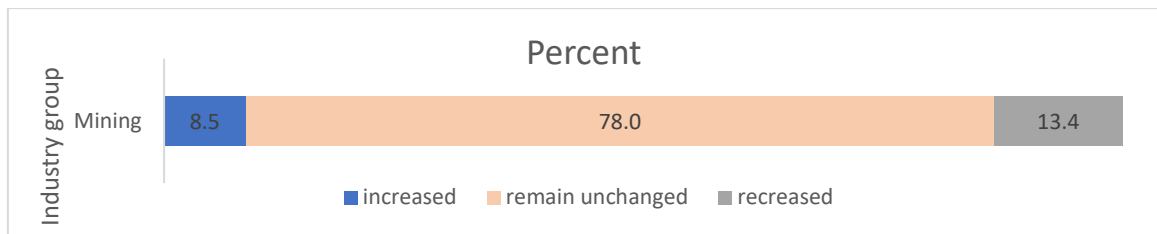


Figure 2.12: Sentiments towards employment during 3rd quarter 2024

As shown in **Table 2.3**, the third quarter 2024 balances of opinion for total employment for manufacturing and mining sectors were -23.9pp and -4.9pp, respectively.

Table 2.3: Balance of opinion towards change in total employment during 3rd Quarter 2024

Industry Group	2 nd Quarter 2024 Balance of Opinion	3 rd Quarter 2024 Balance of Opinion
Food Stuffs	-7.1	-24.5
Drinks, Tobacco and Beverages	-10.0	-14.3
Textiles and Ginning	-42.9	-62.5
Clothing and Footwear	-34.5	-21.7
Wood and Furniture	-12.8	-28.9
Paper, Printing and Publishing	-14.8	-21.4
Chemicals and Petroleum Products	-27.7	-28.6
Non-Metallic Minerals Products	-25.0	-26.3
Metals and Metal Products	-15.7	-17.7
Transport and Equipment	-50.0	-20.0
Other Manufactured Products	-21.1	-20.0
Repairs of Machinery and Equipment	0.0	-28.6
Manufacturing Sector	-18.3	-23.9
Mining Sector	-8.8	-4.9

Both manufacturing and mining sectors had more than 60 percent of the respondents reporting that they were anticipating that the employment level will remain the same in the fourth quarter 2024. (**Figure 2.13**)

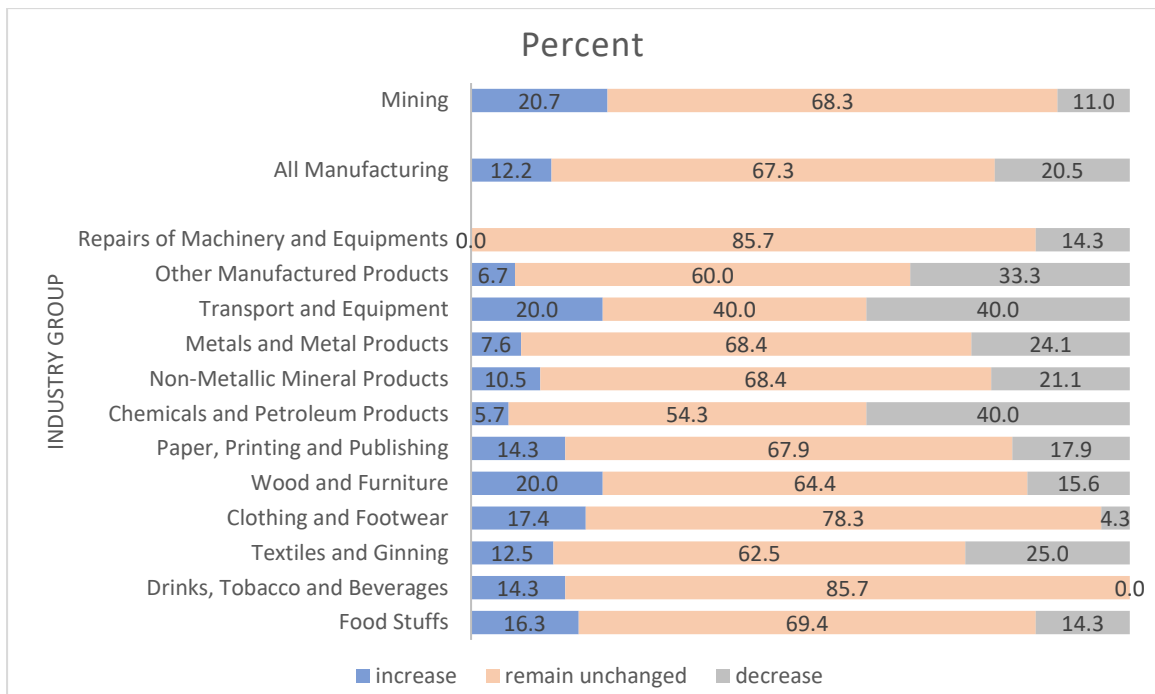


Figure 2.13: Perceptions towards change in total employment in 4th quarter 2024

2.6 Order Books

Regarding the level of total order books during 3rd quarter 2024, about 47 percent of the respondents in the manufacturing sector had the sentiment that they were normal for the season. **(Figure 2.14)**

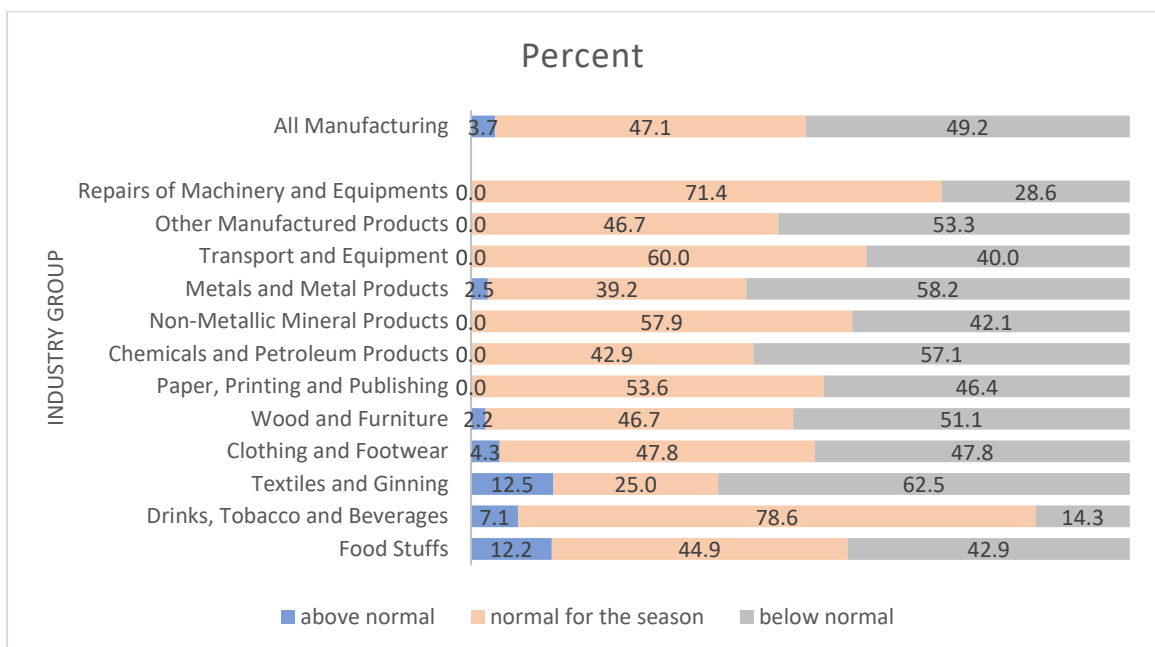


Figure 2.14: Sentiments towards level of total order books in 3rd quarter 2024

About 70 percent of respondents in the mining sector perceived the level of total order books as normal for the season. **(Figure 2.15)**

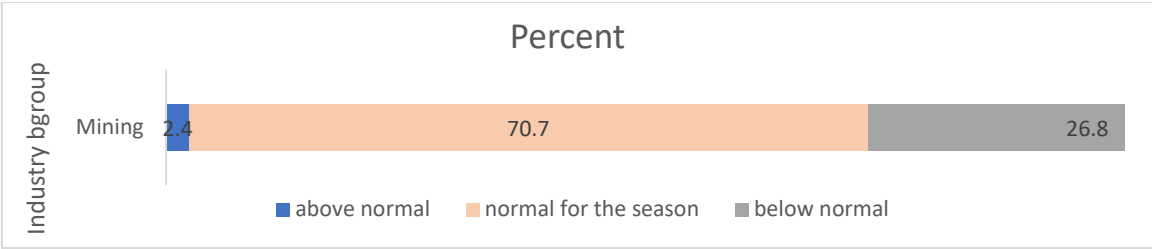


Figure 2.15: Sentiments towards the level of order books in 3rd quarter 2024

Table 2.4 shows that both the manufacturing and mining sectors recorded negative net balances with respect to level of order books during 3rd quarter 2024.

Table 2.4: Balances of opinion towards level of order books in 3rd quarter 2024

Industry Group	2nd Quarter 2024 Balance of Opinion	3rd Quarter 2024 Balance of Opinion
Food Stuffs	-33.9	-30.6
Drinks, Tobacco and Beverages	-20.0	-7.1
Textiles and Ginning	-71.4	-50.0
Clothing and Footwear	-69.0	-43.5
Wood and Furniture	-48.9	-48.9
Paper, Printing and Publishing	-48.1	-46.4
Chemicals and Petroleum Products	-53.2	-57.1
Non-Metallic Minerals Products	-45.0	-42.1
Metals and Metal Products	-41.0	-55.7
Transport and Equipment	-62.5	-40.0
Other Manufactured Products	-52.6	-53.3
Repairs of Machinery and Equipment	-66.7	-28.6
Manufacturing Sector	- 46.5	-45.6
Mining Sector	-26.3	-24.4

2.7 Stocks of Finished Goods and Raw Materials

With regards to sentiments towards stocks of finished products in 3rd quarter 2024, about 6 percent of the respondents in the manufacturing sector and 4.9 percent in the mining sector, considered them to be above normal for the season. **(Figure 2.16)**

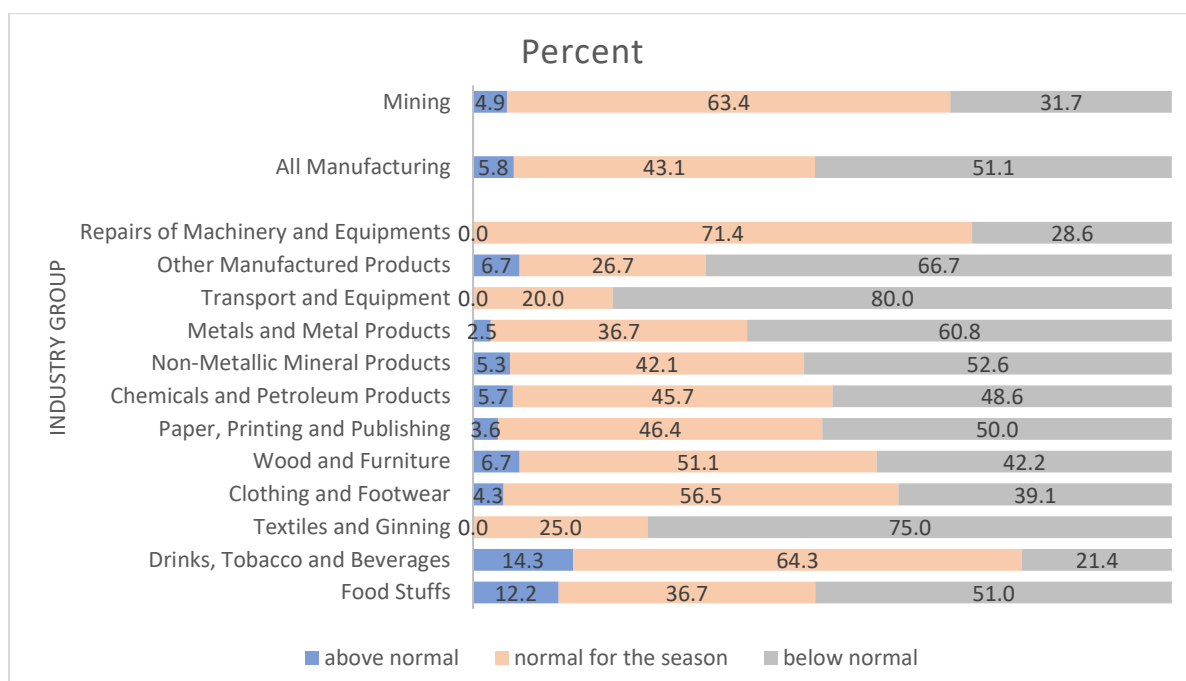


Figure 2.16: Sentiments towards stocks of finished products in 3rd quarter 2024

All industry groups in the manufacturing sector show negative net balances for 3rd quarter 2024. Mining sector net balances increased from -31.3 pp to -26.8 pp in the third quarter 2024. **(Table 2.5)**

Table 2.5: Balances of opinion towards stock of finished products in 3rd quarter 2024

Industry Group	2 nd Quarter 2024 Balance of Opinion	3 rd Quarter 2024 Balance of Opinion
Food Stuffs	-26.8	-38.8
Drinks, Tobacco and Beverages	5.0	-7.1
Textiles and Ginning	-71.4	-75.0
Clothing and Footwear	-48.3	-34.8
Wood and Furniture	-38.3	-35.6
Paper, Printing and Publishing	-48.1	-46.4
Chemicals and Petroleum Products	-53.2	-42.9
Non-Metallic Minerals Products	-40.0	-47.4
Metals and Metal Products	-36.1	-58.2
Transport and Equipment	-75.0	-80.0
Other Manufactured Products	-36.8	-60.0
Repairs of Machinery and Equipment	-44.4	-28.6
Manufacturing Sector	-38.7	-45.3
Mining Sector	-31.3	-26.8

Proportions of respondents who viewed their third quarter 2024 stocks of raw materials as being normal for the season were 42.8 percent for manufacturing sector and 56.1 percent for mining sector. **(Figure 2.17)**

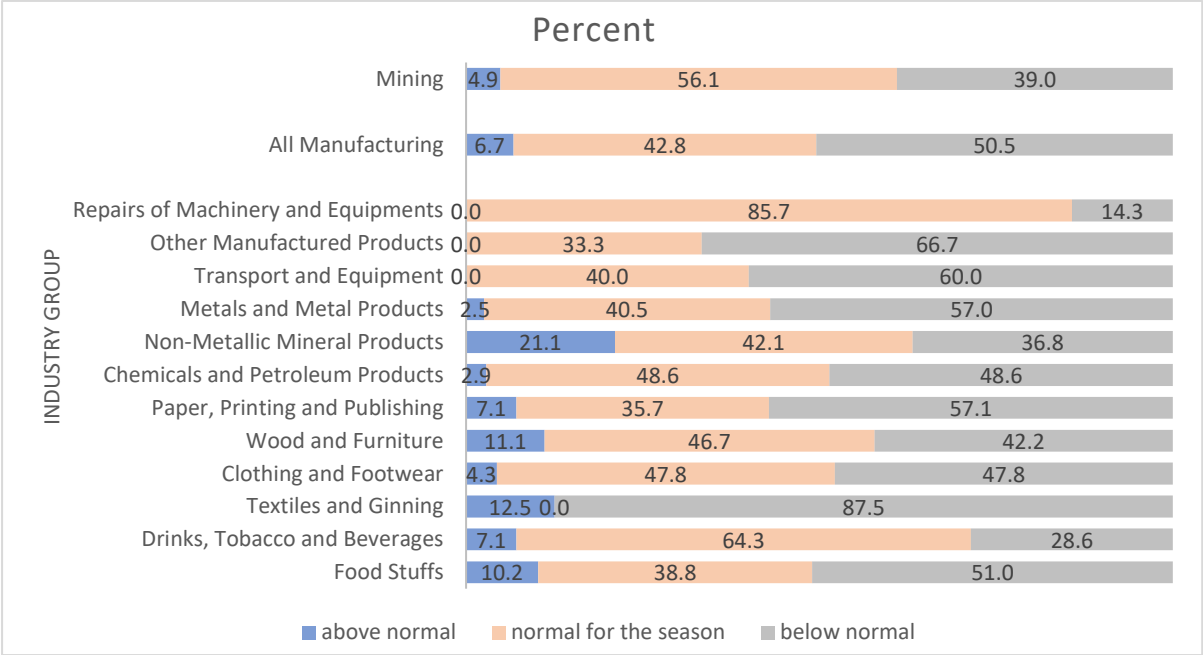


Figure 2.17: Sentiments towards stock of raw materials in 3rd quarter 2024

Third quarter balances of opinion for stocks of raw materials were -43.7pp for the manufacturing sector and -34.1 pp for the mining sector. **(Table 2.6)**

Table 2.6: Balances of opinion towards stock of raw materials in 3rd quarter 2024

Industry Group	2 nd Quarter 2024 Balance of Opinion	3 rd Quarter 2024 Balance of Opinion
Food Stuffs	-35.7	-40.8
Drinks, Tobacco and Beverages	-30.0	-21.4
Textiles and Ginning	-57.1	-75.0
Clothing and Footwear	-44.8	-43.5
Wood and Furniture	-38.3	-31.1
Paper, Printing and Publishing	-44.4	-50.0
Chemicals and Petroleum Products	-59.6	-45.7
Non-Metallic Minerals Products	-45.0	-15.8
Metals and Metal Products	-37.3	-54.4
Transport and Equipment	-75.0	-60.0
Other Manufactured Products	-52.6	-66.7
Repairs of Machinery and Equipment	-44.4	-14.3
Manufacturing Sector	-43.3	-43.7
Mining Sector	-28.8	-34.1

2.8 Change in Selling Prices

The outlook for changes in selling prices in United States Dollars towards 4th quarter 2024, was such that 68.6 percent of respondents in the manufacturing and 36.6 percent in the mining sector, were anticipating prices to remain unchanged. **(Figure 2.18)**

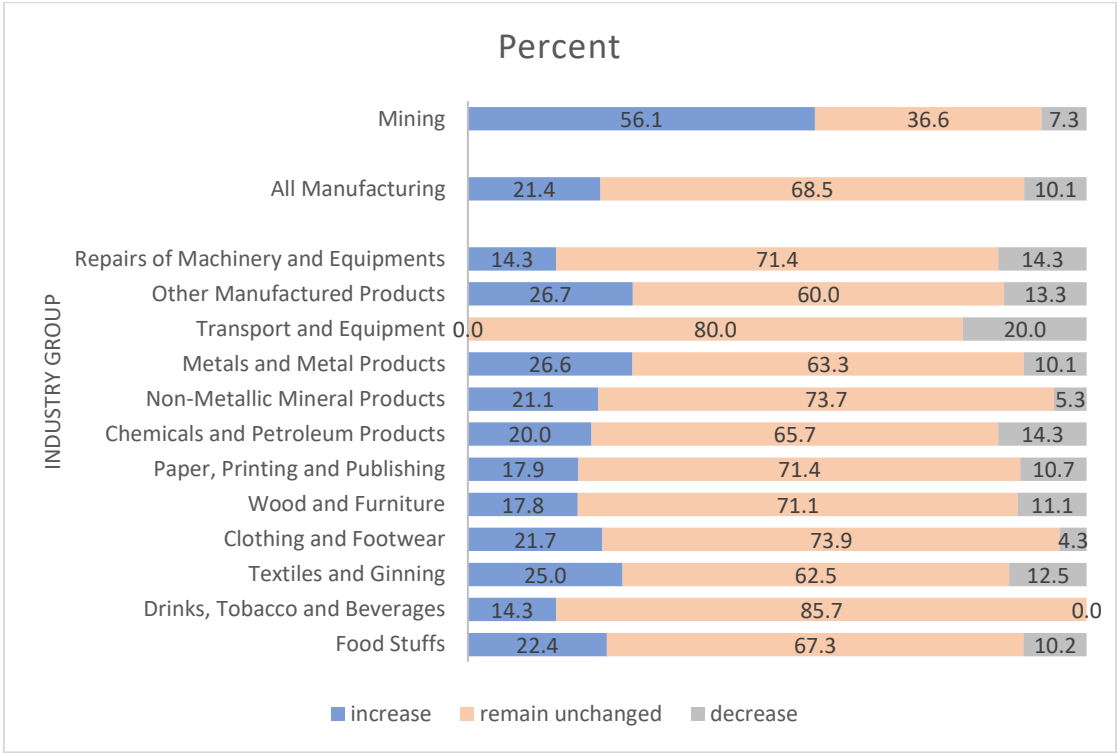


Figure 2.18: Sentiments towards change in selling prices during the 4th quarter 2024

Mining sector respondents are anticipating positive net balances in relation to expectations towards changes in selling prices for the fourth quarter 2024.

2.9 Supplier Delivery Time

In terms of supplier delivery time, 11.9 percent of the manufacturing sector’s respondents and 20.7 percent of the mining sector, viewed the turnaround time in third quarter 2024 as having been faster than was in the second quarter. **(Figure 2.19)**

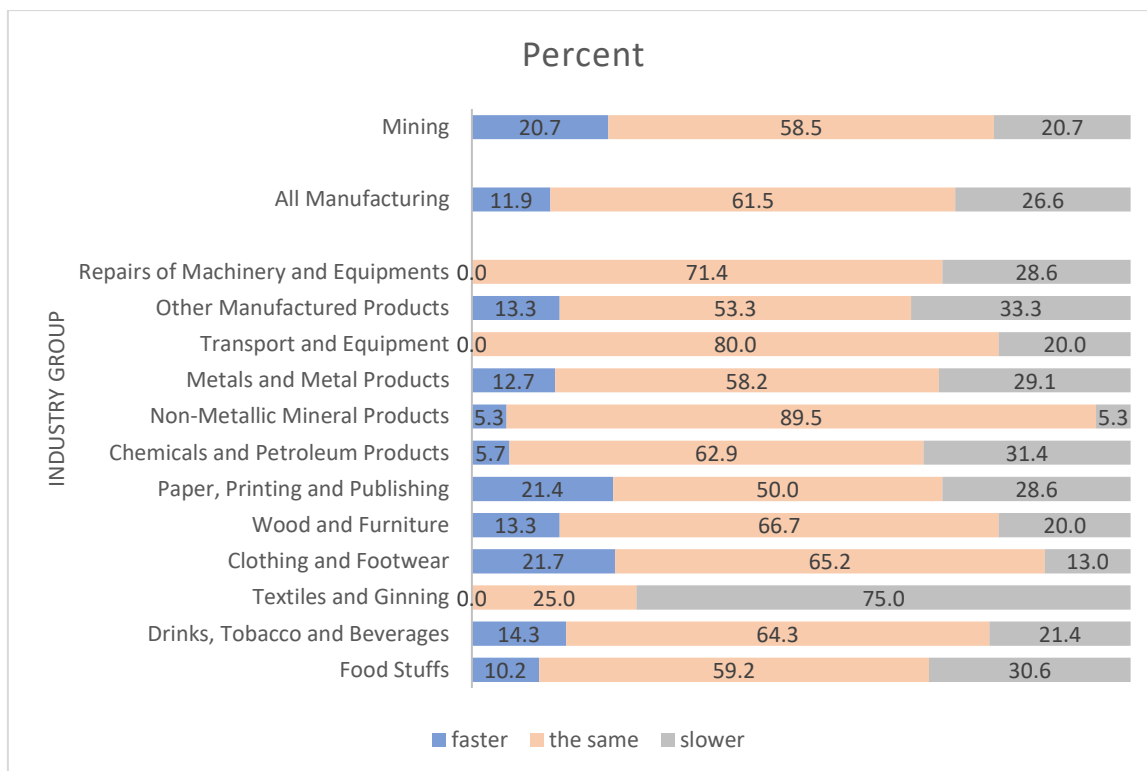


Figure 2.19: Sentiments towards supplier delivery time during 3rd quarter 2024

Manufacturing sector recorded a negative balance of opinions of -14.7pp for the third quarter 2024. Mining had a net balance of 0.0pp, down from 3.8 in the second quarter 2024. (Table 2.7)

Table 2.7: Balance of opinion for supplier delivery time during 3rd quarter 2024

Industry Group	2 nd Quarter 2024 Balance of Opinion	3 rd Quarter 2024 Balance of Opinion
Food Stuffs	-25.0	-20.4
Drinks, Tobacco and Beverages	-15.0	-7.1
Textiles and Ginning	-28.6	-75.0
Clothing and Footwear	-31.0	8.7
Wood and Furniture	-19.1	-6.7
Paper, Printing and Publishing	14.8	-7.1
Chemicals and Petroleum Products	-27.7	-25.7
Non-Metallic Minerals Products	-10.0	0.0
Metals and Metal Products	-9.6	-16.5
Transport and Equipment	-37.5	-20.0
Other Manufactured Products	0.0	-20.0
Repairs of Machinery and Equipment	-11.1	-28.6
Manufacturing Sector	-16.1	-14.7
Mining Sector	3.8	0.0

2.10 Purchasing Managers' Index (PMI) for Manufacturing Sector

The Purchasing Managers' Index (PMI) for third quarter 2024 was 35.0, reflecting a 0.8-point decrease from the second quarter value of 35.8. (Figure 2.20)



Figure 2.20: Purchasing Manager's Index for Manufacturing Sector, 1st quarter 2021 to 3rd quarter 2024

2.11 Manufacturing Confidence Index

The Manufacturing Confidence Index decreased from 3.1 in the second quarter to 2.1 in third quarter 2024. (Figure 2.21)



Figure 2.21: Manufacturing Confidence Index, 1st quarter 2021 to 3rd quarter 2024

2.12 Mining Confidence Index

The Mining Confidence Index decreased to 7.3 in third quarter 2024, from 12.9 recorded in the second quarter 2024. **(Figure 2.22)**

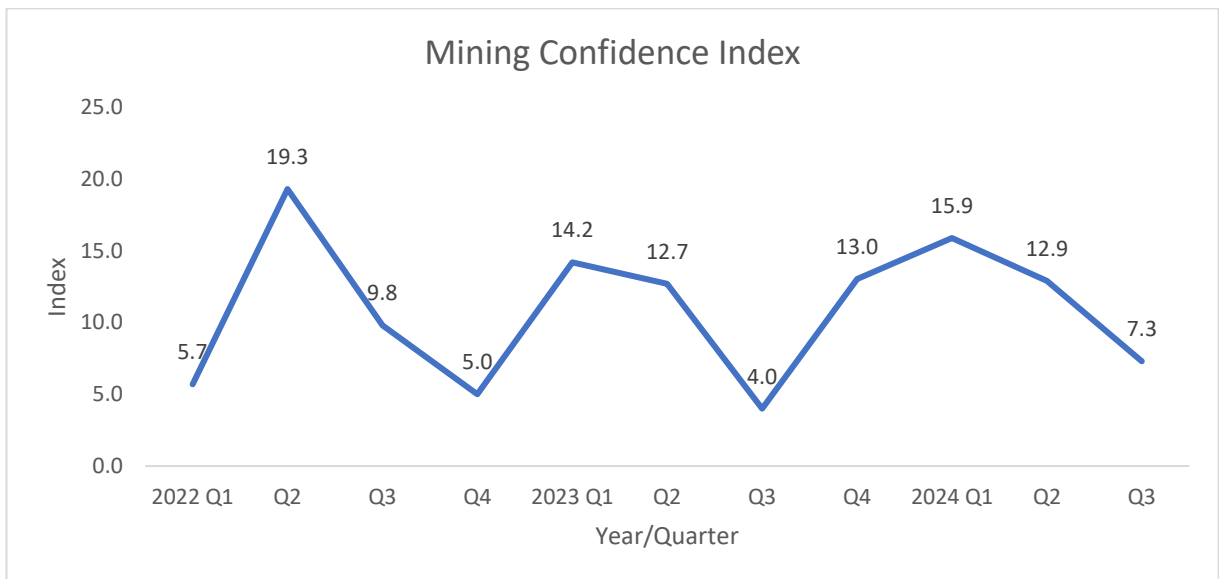


Figure 2.22: Mining Confidence Index, 1st quarter 2021 to 3rd quarter 2024

2.13 Factors Affecting Production

Three major constraints to production cited by respondents in manufacturing and mining sectors were:

- cash flow difficulties,
- shortages of electricity and
- uncertainty towards the economic environment.

