

Surge in Zim retail imports triggers concern

Zimbabwe's central bank has called on government to halt what it called "deindustrialisation through over-reliance on imports of finished goods" after the distribution and retail sector accounted for the biggest jump in imports by value during the half year to June.

By [Dumisani Ndlela](#) 11 Aug 2010

The jump in imports by the sector was spurred largely by a struggling manufacturing sector still battling low capacity utilisation levels.

Latest statistics from the Reserve Bank of Zimbabwe indicate that import payments for the distribution and retail sector surged by 630%, from US\$23.3 million during the half year to June 2009 to US\$170.3 million during the same period in 2010.

Sector import bills

The manufacturing sector's import bill increased by 44% to US\$100.6 million, while the services sector's bill decreased by 15% to US\$245.7 million.

Although the services sector showed a decline in 2010 compared to 2009, the sector still accounted for over 40% of the country's total import bill.

This was largely due to the boom in the mobile communications subsector which resulted in increased import of capital equipment and other consumables.

The total import bill amounted to US\$947 million, up 47% from US\$645.8 during the comparable period in 2009.

Manufacturing sector inadequate

"The increase in imports was largely attributable to increased importation of consumption goods by the retail and distribution sector. This indicates that the country is still reliant on imported goods as capacity utilisation in the manufacturing sector has not reached levels that will result in import substitution," said Reserve Bank of Zimbabwe governor Gideon Gono.

He urged government to put in place policies to halt "deindustrialisation through over-reliance on imports of finished goods while helping local industries to boost capacity utilisations.

Policies to halt deindustrialisation

Such measures have previously included import bans on selected products, such as a recent ban on the import of poultry products that has currently resulted in a shortage of chickens in Zimbabwe.

Retailers have indicated that they will continue to rely on imports due to lack of capacity within the local manufacturing sector.

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on ndlela@yahoo.co.uk.
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