PARLIAMENT OF ZIMBABWE

Tuesday, 18th August, 2026

The National Assembly met at a Quarter-past Two o'clock p.m.

PRAYERS

(THE HON. SPEAKER *in the Chair*)

ANNOUNCEMENT BY THE HON. SPEAKER

PETITION RECEIVED FROM ESTHER SHARARA, SUSAN CHAVANI AND THE DRIVERS' ASSOCIATION OF ZIMBABWE

THE. HON. SPEAKER: I have to inform the House that Parliament received the following petitions: First, it is a petition from Esther Sharara, beseeching Parliament to convene a collaborative legislative review on the current landscape of middle women's health care infrastructure, utilising emerging regional data, domestic research and lived citizens' testimonies to make national readiness and identify integration opportunities across all the provinces. The petition has since been referred to the Portfolio Committee on Health and Child Care.

Second, a petition from Susan Chavani on behalf of the councillors from Gokwe-Kabuyuni Constituency, beseeching Parliament to direct the Ministry of Transport and Infrastructural Development to execute an immediate emergency rehabilitation programme on the Gokwe-Chitekete Road, with particular emphasis on the Masakaza to Ninyuka section ahead of the rain season, and to direct the immediate reconstruction of the collapsed bridge at the 100 kilometre peg. The petition has since been referred to the Portfolio Committee on Transport and Infrastructural Development.

Third, a petition from the Drivers' Association of Zimbabwe, beseeching Parliament to enact legislation that professionalises the driving occupation and to transform it into a profession with a professional association which will be mandated by law to set entry educational qualifications. The petition has since been referred to the Portfolio Committee on Transport and Infrastructural Development.

HALF-DAY WORKSHOP ON THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA ON THE CONSERVATION AND SUSTAINABLE USE OF MARINE

BIOLOGICAL DIVERSITY OF AREAS BEYOND NATIONAL JURISDICTION AND THE CONVENTION ON THE INTERNATIONAL MANGROVE CENTRE

THE. HON. SPEAKER: I also wish to inform the House that there will be a sensitisation Workshop on Thursday, 20th August 2026, for all Members of Parliament on the following agreements, namely the United Nations Convention on the Law of the Sea, on the Conservation and Sustainable Use of Marine Biological Diversity of Areas Beyond National Jurisdiction and then the second one will be on the International Mangrove Centre. All Honourable Members are invited.

APPOINTMENT OF SENATORS

THE. HON. SPEAKER: The next announcement; pursuant to Section 120 (1) (e) of the Constitution of Zimbabwe, as amended, which provides for the appointment of ten senators by His Excellency the President, chosen for their professional skills and other competencies, after consultation with the National Assembly, I have to inform the House that His Excellency the President is desirous of appointing the following as senators:

1. Jabulani Sibanda. This is not in order of precedence; it is just numerical.
2. Mary Mliswa
3. Nokuthula Matsikenyere
4. Kudakwashe Tagwirei
5. Godwills Masimirembwa
6. Lucy Chitaga
7. Gen. Gibson Mashingaidze
8. Makhosini Hlongwane
9. Brilliant Dube and
10. Iren Mutumbwa.

Recommendations put and agreed to.

HON. CHIDUWA: On a point of national interest regarding the sterling performance of the Zimbabwe Stock Market.

Hon. Speaker, I rise to take the floor on a point of national interest regarding Zimbabwe taking the top spot in Africa as the best-performing stock market in 2026. The Zimbabwe Stock Exchange (ZSE) closed July 2026 as the continent’s leader in USD terms, surpassing Nigeria and other major performers after months of sustained upward momentum. Real-time African market data shows that the ZSE delivered an impressive 68.5% year-to-date return in US dollar terms up to 31 July 2026, a performance that signals rising confidence in our economy.

This is not only a financial headline, Hon. Speaker, but also a sign of renewed investor confidence and growing market credibility. The market responded positively to stability, predictability and confidence.

What is driving this sterling rally is a combination of macroeconomic stability and renewed investor confidence coming from a more conducive policy environment. With easing inflation and a more predictable monetary framework, local and regional investors are increasingly willing to commit resources to Zimbabwe's listed equities. This is a clear indication that when stability improves, capital markets respond positively, strengthening the savings-to-investment channel of our economy. What this development means for the Zimbabwean economy is employment creation and the mobilisation of capital for growth.

Hon. Speaker, it is also critical to note that Zimbabwe is pursuing inclusion in the Morgan Stanley Capital International Index (MSCI) which would open the door for deeper global portfolio inflows. Global index inclusion would attract more international portfolio investment, improve liquidity and market depth, strengthen Zimbabwe's reputation in global capital markets and accelerate integration with global investors and pension funds.

As Zimbabwe positions itself for global recognition, the Executive must continue to support reforms that protect investors and enhance the integrity and efficiency of our securities market. Fiscal and monetary authorities should continue to promote the competitiveness of the ZSE by the removal of 1% Capital Gains tax on the ZSE.

Mr. Speaker, beyond performance, Zimbabwe is also advancing financial inclusion through innovation, the Zimbabwe Entrepreneurship Exchange (ZEEX) launched in July 2026. ZEEX is a regulated digital platform enabling SMEs and start-ups to raise capital without relying solely on traditional bank collateral.

I, therefore, commend the Executive and urge the relevant authorities to intensify support for ZEEX, strengthen investor confidence and accelerate efforts to deepen and expand capital markets for national development. The capital and money markets serve as the primary engines for financing major projects. Hon. Speaker, the continued strength and performance of the Zimbabwe Stock Exchange is a strong signal that investors respond positively to stability, credibility and viable instruments.

As I conclude, Hon Speaker, if we are to translate this confidence into tangible national development outcomes, we must ensure that Zimbabwe's capital and money markets, especially the bond market, are deepened so that they can become reliable channels for fundraising, liquidity management and fiscal financing.

The ZSE's performance, together with initiatives like ZEEX, signals that Zimbabwe is moving toward a stronger, more inclusive financial system.

HON. CUMANZALA: On a point of national interest concerning the catastrophic DDF disaster in Lake Kariba in which scores of Zimbabweans travelling from Kariba towards the Chalala and surrounding Zambezi Valley communities have lost their lives.

At this moment, if permissible Hon. Speaker, I would like this House to observe a minute of silence.

THE HON. SPEAKER: Perhaps you can conclude your statement and thereafter, we may rise to observe a minute of silence for the deceased.

HON. CUMANZALA: As of today, the death toll has risen to 92 people with recovery operations continuing. Reports also indicate that the vessel was carrying as many as 169 passengers despite an authorised capacity of approximately 90 passengers.

Survivors further reported that passengers pleaded with the captain to make a U-turn after the passengers noticed that water was flowing into the vessel. These allegations, Hon Speaker, must be urgently investigated.

This is not simply a ferry accident; it is a national tragedy rooted in decades of neglect and inadequate infrastructure and marginalisation of the Zambezi Valley communities.

Mr. Speaker Sir, such disasters are not new to Government. For decades, the Zambezi Valley communities have been raising concerns about unsafe and inadequate transport infrastructure in the region. The traditional leaders and Members of Parliament in this august House from the particular region, have repeatedly spoken about these issues, the pleas have been ignored and warnings of the passengers in the vessel were not acted upon.

Indeed, Mr. Speaker, we have questions to ask. How many more lives must be lost before these cries are taken seriously? There is no doubt poor road infrastructure is at the heart of this tragedy. We have previously raised the issue of poor transport infrastructure in this House. The Kariba District profile confirms that Kariba rural is among the least developed districts in Zimbabwe, with poor roads linking Siakobvu, Mola and Chalala and long distances that force reliance on water transport.

Mr. Speaker Sir, water transport is not the problem but the problem is its use as the only viable option. No community in independent Zimbabwe should be forced into dangerous transport. We are not opposed to water transport but where it is the only option, then Government must ensure strict safety regulations and the enforcement of rules and procedures. A vessel authorised to carry 90 passengers must not carry more than 169 passengers. Our people are citizens of this country. They are not cargo.

The historical context of this tragedy cannot be ignored. Lake Kariba displaced about 57 000 Tongas in the 1950s. This was done by the colonial Government then. These people lost their land, their livelihoods and their heritage. Today, their descendants still depend on the same lake for survival. Nearly 70 years later, they remain without infrastructure that should have followed them, at least at Independence.

Mr. Speaker Sir, the independence of the Zambezi Valley people means integration with the rest of the country. Since 1980, expectations from these communities have been very clear. They needed roads, bridges and services to connect all communities. Yet the Zambezi Valley communities remain isolated to date. We must still ask questions and indeed, we shall continue asking questions. Why are they cut off from basic national infrastructure?

We need a Zambezi Valley transport corridor. The Government must move beyond piecemeal projects and develop a Zambezi Valley transport corridor linking Mbire, Kariba, Siakobvu, Binga and beyond. They should unlock agriculture, tourism, trade and services. What is needed is actualisation and implementation, not promises anymore.

Accountability for the first ferry disaster is something we need to tackle. The Government must urgently clarify the number of people on board, vessel capacity and certification, maintenance and inspection records and whether it was really ready to be on the water on that particular day. The Government should launch an independent investigation into this tragedy and if possible, should involve Parliament. The Government should suspend unsafe DDF vessels to avoid more disasters and if possible, procure safe modern ferries.

In addition, the Government should rehabilitate key Zambezi Valley roads which will help to decongest water transport. To this extent, there is a need to develop an integrated transportation plan and establish a permanent Lake Kariba Emergency Response System.

I think it is also high time Government recognises that the Tonga people are very religious and there are certain rituals which they used to conduct which are not being conducted at the lake or close to the lake to date and whether this can be allowed to continue because people are now scattered. They need facilitation to come together and do those rituals.

Mr. Speaker Sir, the people of the Zambezi Valley want justice, safety, inclusion, roads, safe transport and equal development. Let this be the last tragedy born out of neglect. We urge Parliament to treat this disaster as a national wake-up call on infrastructure failure and marginalisation. I submit this matter as of urgent national interest.

THE HON. SPEAKER: May we rise to observe a minute of silence.

All Hon. Members observed a minute of silence.

THE HON. SPEAKER: I was talking to the Minister of Transport and Infrastructural Development a few days ago after the accident. I think there is a meeting of minds that an enquiry should be launched into the circumstances surrounding this tragedy and we shall wait to hear from the Minister of Transport and Infrastructural Development in due course, after the necessary consultations have taken place in Government.

HON. KANUPULA: I rise on a point of national interest pertaining to the unfortunate demolition of St. Martin's houses by City of Harare. The demolitions were carried without a court order and it is a direct violation of the Constitution of Zimbabwe. Mr. Speaker Sir, what worsens the situation is that the City of Harare is said to have received the land intrinsic value from the affected residents when they intended to demolish their structures.

Mr. Speaker, Harare City Council has approved St. Martin's Housing project and servicing was underway. It is my humble prayer that the Hon. Minister of Local Government and Public Works considers issuing a moratorium to suspend further demolitions in Harare pending a comprehensive audit and verification exercise of all affected areas.

Secondly, that an investigation be undertaken by the responsible authorities to establish the circumstances surrounding the allocation of land and the affected areas and to determine the roles of all stakeholders involved.

Thirdly, that the findings and recommendations of the Commission of Enquiry into the sale of State land in and around affected areas be tabled before this House at the earliest opportunity to guide policy and the regularisation efforts. It is my considered view that while the need for proper urban development is acknowledged, such processes must be undertaken in a human, consultative and lawful manner that upholds the rights and dignity of every citizen. I so submit Mr. Speaker.

THE HON. SPEAKER: Thank you very much Hon. Kanupula. We will advise the Hon. Minister of Local Government and Public Works to act as requested.

HON. TOGAREPI: Thank you Mr. Speaker. Mine is a national interest in recognition of our Speaker who was recognised through an election at Pan-African Parliament. Maybe to give Members of Parliament some background to this, the President of Pan-African Parliament in consultations with Speakers, the African Speakers throughout the continent, proposed that there be a Bureau of the Conference of Speakers at Pan-African Parliament, people who will then be responsible for coordinating all the Speakers of the continent as they come and do their work at Pan-African Parliament.

It was then agreed that there be an election among the Speakers to get a Bureau where there will be a President of that Bureau, a Vice President and a rapporteur. We were there as witnesses and obviously, I was seated close to the Speaker. He actually proposed someone else to take that position but you could hear from Speakers in the House saying, no, no one else, it should be the Speaker of Zimbabwe. Then obviously, the Speakers from the SADC region came when the Speaker was about to say, no, not me and they came in their numbers to say, you are not doing it for yourself, you are doing it because we have confidence in you.

I was shocked and it was across the continent because there were many other speakers who may have wanted to land that position. So, they went out to their caucus to do the elections and it came as was proposed by members of SADC and many other regions who had insisted that nobody else except the Speaker of Zimbabwe. I want to say this is serious confidence that was shown to the Speaker and the people of Zimbabwe. I do not think it is not without a serious check of the capacity of somebody, the ability of the people of Zimbabwe to lead in such institutions. So, I want to say to this House, we are led by a capable Speaker – [HON. MEMBERS: *Hear, hear.*] - A capable Speaker who was recognised by the whole of Africa that he can lead, not only our Parliament but the whole continent. So, Mr. Speaker, I stand here to say congratulations and together with progressive MPs, we are proud of you, very proud of our Speaker. Thank you, Mr. Speaker, – [HON. MEMBERS: *Hear, hear.*] -

THE HON. SPEAKER: As the Government Chief Whip has stated, the accolade belongs to all of us. It is this Parliament, through its challenges and successes, that one learns to try their best and what the Government Chief Whip forgot was that after that election, I was then baptised with a new nomenclature and that was – [AN HON. MEMBER: *Sekuru Speaker.*] – not *sekuru* Speaker. The nomenclature title was the Dean of African Speakers – [HON. MEMBERS: *Hear, hear.*] - In the diplomatic area, it really means that one has got to speak on behalf of the Speakers of Parliaments of Africa in a manner that is very representative and also indicating foresight as to where the parliamentary processes from African parliaments must go. So, thank you very much.

***HON. CHIGUMBU:** I would like to complement you Hon. Speaker and we appreciate that you were given that honour. I request that they should look even from this end so that that experience cascades down this side – [*Laughter.*] Thank you, Hon. Speaker.

THE HON. SPEAKER: We have noted your contribution Honourable.

MOTION

2026 MID-TERM FISCAL POLICY REVIEW STATEMENT

First Order read: Adjourned debate on motion on the 2026 Mid-Term Budget and Economic Review Statement.

Question again proposed.

HON. DHLIWAYO: Thank you, Mr. Speaker. I noticed that the Minister of Finance, Economic Development and Investment Promotion is not in the House and there is no official from the Ministry. Should we proceed?

THE HON. SPEAKER: You may proceed because you will be recorded in the *Hansard*.

HON. DHLIWAYO: Thank you Mr. Speaker. On 30th July, 2026, the Minister of Finance, Economic Development and Investment Promotion, Hon. Prof. M. Ncube, presented the Mid-Term Fiscal Review in line with Section 298 of the Constitution as read together with Section 7 of the Public Finance Management Regulations of 2019. The review reflected on the economy's macroeconomic performance during the first half of the year in line with the NDS2, set priorities and the 2026 National Budget, which came into effect on 1st January. The Hon. Minister went on to echo his expectations for the remainder of the year in tandem with the

2026 National Budget targets. While the economy experienced its fair share of threats from geopolitical changes, particularly the Middle East conflict, the economy was quite resilient in withstanding the global pressure, especially the rise in fuel prices. The fuel-led downward review by the Minister of Finance, Economic Development and Investment Promotion implementation of the ease of doing business reforms and import substitution through value addition were among the major cost-push containment measures. This consequently resulted in amplified price stability. Thus, for the first half of the year, the year-on-year inflation rate averaged 4.4%. The stability is a result of the continued tight monetary policy stance and the complementary fiscal cliff.

On a separate note, the foreign exchange market registered relative stability with the ZiG per USD exchange rate reportedly averaging ZiG 25.8 per USD for the first half of the year. The Committee observed a closing gap between the parallel market exchange rate and the official exchange rate. This is indeed a welcome development and such efforts must be enhanced to eliminate the parallel market.

Economic growth prospects for the remainder of the year remained on course, with the first quarter expanding by more than 6%. This shows that our country's economic growth rate target of 5% is within range. The Committee applauded the Ministry for staying on course, ensuring that we continue enjoying stability across all fronts.

Despite the global shocks, export receipts growth of 47.8% to 10.7 billion for the period January to June 2026, compared to 7.3 billion received during the same period last year, is a strong indicator of economic resilience. The growth resulted in a current account surplus of more than USD 600 million. While the international reserves grew to 1.6 billion, we expect an updated figure from the upcoming Monetary Policy Review to be presented this week. Efforts to grow our import cover to three months must be enhanced. Indeed, Zimbabwe is an awakening giant on the African continent poised to achieve an Upper-Middle-Income by 2030.

Allow me Mr. Speaker, to move on to the expenditure review. The 2026 National Budget appropriated ZiG290.9 billion in total expenditure, of which ZiG249.8 billion was allocated to recurrent expenditure and ZiG 41.1 billion to capital expenditure, including inter-governmental fiscal transfers. In the first six months of 2026, total expenditure amounted to 1.3.6 billion; thus, 42.5% of the national budget was disbursed in the first half of the year, slightly below the target of 1.7.7 billion. This reflects an expenditure execution rate of approximately 96.8% of the planned spending for the period. Notwithstanding variations in budget utilisation across votes, the Government maintained fiscal discipline in terms of managing the deficit. This may have contributed to the cash surplus recorded during the period, supporting efforts to reduce our public debt and settle arrears to service our providers.

While the Committee commends the Ministry for the fiscal discipline which is critical in maintaining macroeconomic stability, the Committee appreciates the need to strike a balance between fiscal tightness and the critical social needs across other MDAs. The country has not fared very well on the social protection needs front, among others, with the Ministry of Public Service and Social Welfare receiving less than 10% of its allocated budget. Parliament also received less than 15% of its allocation in the first half. While a total expenditure percentage of 42.5% is fairly good fiscal discipline considering the period in question, the disbursement matrix remains a concern. Some MDAs have already exhausted their allocation while some are below 20%. This may call for a revisit to our budgeting process, linking it to the historical trends so that our national budget speaks to the disbursement matrix. Of the total expenditure during the first half of the year, 76% was recurrent expenditure while the remainder, 24% was capital expenditure. This reflects the continued priority given to financing the day-to-day operations of Government. Albeit necessary for maintaining public service delivery, efforts must be made to further enhance the capital investment share of aggregate expenditure in order to achieve an upper-middle-income society by 2030. The Committee observed that while employment costs remain the largest expenditure category at 54.8 billion, Treasury managed to contain the cost below a target of 65.6 billion, translating it to 44.3% of total expenditure against an annual target of 52.9%.

Let me now come to devolution and inter-governmental fiscal transfers. The inter-governmental transfers to provincial councils and local authorities were less than 1% of the total revenue collected during the first six months of 2026, representing the smallest expenditure category. Whilst there is traction on disbursement of devolution funds, the disbursement falls short of the requirements of Section 301 of the Constitution, which stipulates that at least 5% of national revenue be allocated to provinces and local authorities. Low expenditure on inter-government fiscal transfers constrain the capacity of local authorities to provide water and sanitation services, waste management and other infrastructure priorities. The Committee recommended the Ministry to comply with the constitutional obligations, paying particular attention to section 264 (e) of the Constitution on equitable sharing of local and national resources in line with the President’s mantra of leaving no one and no place behind.

Coming on to the social services, a total of ZiG 27.2 billion was utilised towards the provision of social services against a target of ZiG 45.6 billion. The resources went towards the following sectors: health, education and social protection. The provision of social services got impetus from development partner support amounting to ZiG 109.8million which went towards the social sectors during the first six months of the year.

Moving on to the Basic Education Assistance Module (BEAM), a total of ZiG 85 billion was utilised under the BEAM programme against an approved budget target of ZiG5.582million, translating into a budget band rate of only 1.5%. This implies that schools, particularly in rural areas where enrolments are dominated by BEAM supported learners remain constrained to provide learning materials. As a result, provision of education services remains partially vulnerable. ZIMSEC utilised ZiG 10 million against an approved budget of ZiG 1.40 billion translating into a utilisation rate of less than 10%. Whilst the amount disbursed indicates a positive state in the desired direction, there is need to accelerate disbursements to ensure that ZIMSEC can effectively deliver on its mandate. It is therefore important that Parliament prioritises BEAM and ZIMSEC in the second half of the year.

Coming to the war veterans welfare approved budget, it stands at ZiG 1.1 billion. The cumulative budget utilisation for the period January to June 2026 amounted to ZiG 262.8 million resulting in a band rate of 22%. This level of expenditure is significantly below the expected mid-point of the financial year, suggesting slow implementation of planned programmes and delays in funding of welfare programmes and benefits intended to improve the livelihoods of welfare trends. If the trend persists, there is a risk that the vote may not fully achieve its annual target or effectively address the welfare needs of the beneficiaries. A total of ZiG205 million was utilised towards education, medical and funeral assistance programmes during the first six months of the year against an annual target of ZiG708 million, representing a 29% utilisation rate. This utilisation may hinder access to essential services and welfare eligibility of beneficiaries.

Coming on to women, gender equity and SMEs, the Ministry of Women Affairs, Community, Small and Medium Enterprises spent 25% of its approved budget while the Zimbabwe Gender Commission recorded an even lower utilisation rate of only 16%. Such levels of budget execution tend to delay implementation of programmes aimed at women's economic empowerment, gender mainstreaming, community development and the promotion and protection of gender equality. Treasury also disbursed ZiG75 million to SMEs development corporation, SMEDCORP against an approved budget of ZiG152.3 million, resulting in a utilisation rate of approximately 50%. This is commendable considering that a greater percentage of gross domestic product is coming from the informal sector. This will stimulate productivity thereby enhancing inclusive development.

The Hon. Minister of Finance also revealed that he channeled some funds towards supporting the returnees in response to the recent anti-immigrant protests in South Africa. Government allocated ZiG4.8 million to facilitate the safe return and humanitarian support of affected Zimbabweans beyond immediate assistance. Government is implementing a returnee re-integration and economic empowerment programme to harness the skills and experience of returnees for national development. The programme includes skills profiling and registration…

THE HON. SPEAKER: Order, the Hon. Member there, you are not allowed to take calls inside the Chamber. If you have an urgent call, please you can just walk out and receive the call but not from within the Chamber. Thank you.

HON. DHLIWAYO: The returnee Re-integration and Economic Empowerment Programme presents an opportunity for Zimbabwe to transform a humanitarian challenge into a development opportunity by leveraging the skills, experience and entrepreneurial capabilities of returning citizens. The establishment of a skills data base and the implementation of the Zimbabwe Global Skills Partnership Programme are positive steps towards addressing skills mismatches and strengthening labour market planning. In addition, are target support of returnees through access to finance, business incubation and agricultural value chains which have the potential to stimulate enterprise development, increase productivity and create employment. This is a welcome development.

Moving on to the revenue performance, in his mid-term fiscal review, the Hon Minister of Finance, Hon. Prof Ncube revealed that between January and June 2026, cumulative revenue collections amounted to ZiG137.8 billion exceeding the target of ZiG124.4 billion by 10.8%. The surplus was utilised to reduce public debt and clear arrears owed to service providers thereby demonstrating sound cash management and efforts to strengthen fiscal sustainability. If this trend is sustained, Government is well positioned to meet or potentially exceed the approved annual revenue target of ZiG287.6 billion and the projected revenue to GDP ratio of 16.9%. The stronger than expected revenue collections could provide additional fiscal space to finance priority programmes, settle outstanding arrears, redeem public debt and also respond to unforeseen expenditure pressures without borrowing. This is a welcome development, considering that a number of donors are withdrawing.

The Committee is however, concerned that the major tax performers remain personal income tax, VAT and corporate income tax despite the fact that a relatively greater share of GDP is coming from the hard to tax sector or the informal sector. The Committee recommends that there must be further research and engagement with the informal sector so as to improve the revenue productivity within this particular sector. Allow me Hon. Speaker Sir, to thank you.

HON. MUSHORIWA: Thank you for giving me the opportunity to debate the Mid-Term Review Statement presented by the Hon. Minister of Finance. The Hon. Minister informed us that the Government revenue reached USD5.3 billion during the first half of the year exceeding the target. He also projected economic growth of around 8.3 percent and attributed this to lower-than-budgeted expenditure to fiscal discipline. Yet outside this House, millions of Zimbabweans are asking one simple question. If the economy is growing by 8.3 percent, where is that growth? Economic growth should not only exist in Treasury statements but must also be visible on the grounds.

Today, our hospitals remain underfunded. Essential medicines is in short supply. Health workers continue to work under difficult conditions. Schools struggle with inadequate resources while many vulnerable learners continue to suffer because …

THE HON. SPEAKER: Order, Hon. Mushoriwa. There is an Hon. Member there who is upstanding. We cannot have two Members of the House standing at the same time. Please! Sorry Hon. Mushoriwa, you may proceed.

HON. MUSHORIWA: Communities continue to endure poor safety delivery and roads. The question is, if our GDP is growing so impressively, why are the social indicators not improving at the same pace? The Minister also informed us that the Government collected more revenue than anticipated. Yet the same Minister in the same statement admitted that most ministries failed to receive even half of the approved budget allocation. This is the contradiction that Treasury must explain.

We passed the Appropriation Bill in this House but the subsequent disbursements by Treasury bears little correlation to the allocation that Parliament approved. Some MDAs have received their budget allocation by mid-year, while others have received as little as 5% of what Parliament appropriated. Vote 1, for instance, the Office of the President and Cabinet has utilised 143% of its annual budget allocation by 30 June 2026. If that rate was to continue, OPC would be heading towards spending approximately three times its annual allocation by year-end.

During the budget presentation in November, I argued to the Ministry of Finance to say, just allocate sufficient resources to the OPC rather than to have the OPC year-in, year-out, having over-expenditure. From 2019, they have been having continuous year-in, year-out. If you look at the other institutions like Parliament, by 30 June, we have only utilised 19% of our annual allocation. The Auditor General is at 14%. Ministry of Health is at 33%. Primary and Secondary Education is at 35%. These figures expose the selective budget implementation rather than faithful implementation of Parliament's Appropriation Act.

In other words, the Treasury is rewriting the Appropriation Act through cash disbursements. Parliament approved the budget. Treasury must implement that budget, not replace Parliament's decision through administrative cash releases. A budget approved by Parliament should remain the Government's budget. It should not become the Ministry of Finance's budget. It is our budget. As Parliament, we are the owners of the purse. We cannot then have our powers usurped through administrative cash releases.

One of the major issues that is also arising is that we had post this statement by the Hon. Minister. The Office of the President and Cabinet had come out explaining that the higher money on OPC was money that was spent on other MDAs or on other ministries, which raises two questions; whether the Ministry of Finance failed to properly allocate the funds to the relevant ministries or we have a problem where monies which are meant for ministries are being channelled through the OPC. The question is why, when we do have ministries with their own ministers and also their own accounting officers. I think it is important and prudent that the Hon. Minister needs to make sure that if the money that was meant for the Ministry of Health, they should actually go through the Ministry of Health so that we do not create an impression that the OPC budget is ballooning when in actual fact it is the Ministry of Health.

We also need to understand the rationale of putting the money through OPC when it is supposed to just go, for instance, to the

Ministry of Health because the Minister of Health, the Permanent Secretary who is the accounting officer are all appointees of the President. The Minister celebrated expenditure below target but underspending in a critical ministry is not necessarily an achievement. It can be evidence that Government is failing to implement this budget. When hospitals spend less because the State had not released the funds, that is not efficient. When schools failed to implement programmes because Treasury has withheld resources, that is not fiscal prudence. When the Parliament and the Audit General cannot adequately perform their constitutional mandates because of inadequate funding, that is not responsible financial management. It is a weakening of constitutional accountability.

If Government collects more revenue than expected but simultaneously fails to fund critical public services, the question is not whether Government has money. The question is how Government chooses to put the money. I want to move to say that if you analyse the revenue according to the Minister, the Minister advised that VAT contributed 28% of total revenue, making the Government the single largest source of income. That statistics deserve closer scrutiny. VAT is paid largely by ordinary Zimbabweans. Every single day when they buy food, transport, clothing, airtime and other basic necessities, in other words, the ordinary citizen is carrying a significant part of Government's revenue performance. The people have done their part. They have paid their taxes. Government has collected those taxes. The question is whether Government has delivered equivalent value back to those taxpayers.

More importantly, exceeding revenue target is not evidence of economic success. If additional revenue is being generated primarily through consumptive taxes such as VAT, it means Government has become more effective at tax consumption. It does not necessarily mean that production is funded, industry is growing and investment is increasing or that household incomes are improving. It should produce a robust economy with more jobs, stronger industry, better hospitals, better schools and improved infrastructure but judging by the condition of our public services, those benefits remain difficult to see.

On the question of debt, the Minister informed us that public debt has increased from ZiG567 billion to ZiG581 billion, equivalent to approximately USD21.7, of which 53% is external debt and 47% is domestic debt. Government in the period under review, paid only USD170 million towards debt servicing during the first half of the year. While the effort to honour debt obligation is welcome, the reality is that our debt stock continues to grow. A growing debt burden reduces fiscal space and leaves fewer resources for health, education, agriculture, water, sanitation and infrastructure. The obvious question therefore becomes, if the economy is supposed to be growing by 8.3%, why is public debt continuing to rise? Growth must translate into stronger public finances, not a growing debt burden alongside deteriorating public services. You may be aware that the Minister of Finance, Economic Development and Investment Promotion finally gazetted the Condonation Bill for 2019 to 2023. The shocking aspect is that from 2015 up to 2023, the Ministry of Finance has spent closer to USD17 billion outside the approval of this Parliament. We, as Parliament, the owners of the purse, they go and spend money, USD17 billion and do not come to us for condonation.

It so happened that even in 2019 to 2023, when the Hon. Minister was telling Zimbabwe in Parliament that we have had a surplus, the true position is that we were continuously having over-expenditure and they were being done outside the parliamentary scrutiny. The worst aspect which we need as Parliament to talk about is the question of the Minister of Finance, Economic Development and Investment Promotion, coming after 30 June during the mid-term review. He will tell you that no, the resources are sufficient, there is no need for a supplementary budget. Supplementary budgets are provided for under Chapter 17 of our Constitution so that where there is a need for more resources, this House can allocate.

What does the Minister do? He does not come with the supplementary budget but then goes and spends behind our back. Mr. Speaker, it is not good, not only to Parliament, but also to the public finance management system in our country. Parliament should never be seen as a rubber stamping House. We need to ensure that because we represent democratic citizens, the people of Zimbabwe have got confidence that when they send us here, whatever we pass as Parliament, at least they should be courteous where money is short, the Minister of Finance, Economic Development and Investment Promotion should come back to the House and ask Parliament to give him extra money rather than for them to continuously spend the money outside our purview.

Zimbabwe does not have a shortage of development strategies. We have Vision 2030, we have the National Development Strategy 2, we have the Annual National Budget, we have sector strategies. The problem in Zimbabwe is implementation. National Development Strategy 2 speaks to economic transformation, industrialisation, employment creation, improve the social safety, infrastructure development and inclusive growth. However, development strategies do not transform people's lives by themselves. Money must follow policies, budgets must follow priorities and expenditure must follow parliamentary authorisation. You cannot achieve NDS2 objectives when the Ministry responsible for delivering those objectives receives only 30%, 35% or 40% of their budget while selected votes exceed their annual allocation halfway through the year. That is not development planning, Mr Speaker. That is development by discretion.

If you look at our GDP, numbers alone do not build nations. Citizens judge us, not by GDP projection, but by lived experience. They judge Government by whether medicines are available. They judge us by whether businesses have reliable electricity and whether communities have access to clean water. That is the real report card that citizens want. The people of Zimbabwe do not live inside GDP statistics. They live in hospitals without medicines. They drive on roads full of potholes. They send their children to under-resourced schools. The figures presented by the Hon. Minister leave us with one unavoidable conclusion. Zimbabwe does not have a revenue crisis.

Government has exceeded its revenue target. Zimbabwe does not have a planning crisis. We have the NDS2 and other papers that I have mentioned. Zimbabwe has an implementation crisis, a prioritisation crisis and above all, an accountability crisis. Treasury has collected the money that Parliament approved in the budget, yet our social infrastructure remains down. The Auditor General’s Office and especially Parliament, are underfunded. National Development Strategy 2 was never intended to produce impressive macroeconomic statistics while leaving citizens without adequate healthcare, quality education and reliable public service. Development must be measured not only by GDP growth but by improvement in people's lives. The Minister has presented an economy that is booming on spreadsheets while citizens experience an economy that is struggling in their homes. The true measure of economic success is not the growth rate only but the quality of life experienced outside it.

Finally, history will not judge us as a Government by the size of revenue that we corrected nor by the GDP growth. History will judge us by whether that revenue transformed the lives of ordinary Zimbabweans in Dzivarasekwa, Tsholotsho and Kariba. When Treasury spends outside parliamentary authorisation, when Appropriation Acts are effectively valid through selective displacements and when Parliament is repeatedly asked to condone expenditure after the fact, we must ask ourselves, is the Parliament still exercising the power of the purse or are we merely being asked to legitimise decisions already made elsewhere? On that test, the 2026 mid-term review leaves far more questions than answers. I thank you Mr. Speaker Sir.

HON. CHIDUWA: Thank you Mr. Speaker Sir. I rise to debate the mid-term budget and economic review which was presented by the Honourable Minister of Finance, Economic Development and Investment Promotion and to support the report as presented by the Chairperson of the Portfolio Committee on Finance and Budget. What is very critical is to ensure from the onset if what was done by the Hon. Minister was legal. I would want to point out that the presentation by the Hon. Minister was in line with the laws of this country. He managed to present the mid-term review in terms of the budget process calendar. The Hon. Minister also was in line with Statutory Instruments 135 of the Public Finance General Regulations of 2019, where he laid down the required documentation when he was presenting the mid-term economic review. The Hon. Minister presented the 2026 Mid-Term Budget Economic Review Statement, he presented the 2027 Budget

Strategy Paper, he presented the 2026 Mid-Term Budget and Economic Review Statement, the Citizens Document, the Public Debt Bulletin, the Report to Parliament on Public Debt and the Structured Dialogue on Arrears Clearance and Debt Resolution Process and all this is in line with our expectations as Parliament, ensuring that the Hon. Minister is accountable to Parliament. The presentation by the Minister, the review, is not merely a financial accounting of the first half of the year. It is a policy update that connects macroeconomic management to budget execution and to the transformative agenda we have as a country, guided by Vision 2030. Mr. Speaker, let me transition to macroeconomic performance and budget credibility as presented by the Hon. Minister.

The Hon. Minister reported that GDP growth in 2026 is projected to be a moderate 5% after a strong showing of 8.3% growth in 2025. Given the headwinds we have faced as a country, it was commendable that we achieved 8.3% growth. - [HON. MEMBERS: *Hear, hear*.]- However, what is there on the ground to show that there is development that is taking place? I think you may not need any indicators. When you are moving around, you can see that there is a housing construction boom. Everywhere you are going, there is development that is taking place in terms of housing. We can also see that in terms of the major arteries, the roads that we have as a country, you connect Plumtree to Mutare, Chirundu to Beitbridge and Beitbridge to Victoria Falls. These are the major arteries that we have as our roads.

If you go there on the ground, there is construction that is happening on each of these roads. I am sure when one is calculating economic activity, construction goes in there with its own percentage and shows that there is something that is happening. When we are done with the major arteries, then we go to the other feeder roads and then to value addition. Value addition is an economic activity that goes into our GDP growth. What is happening on the ground? If all goes well, given the reports that we are getting under the Industry and Commerce Portfolio Committee, by next year we should be self-sufficient in cement production.

Moreover, by next year we should be self-sufficient in cement production. If you look at what is happening in beverages, we are doing a lot. Look at steel production. We used to import billets from South Africa, but now, if you look at ArcelorMittal, the major producer of steel in South Africa, they have retrenched around 5 000 workers because of the competition that is coming from Zimbabwean steel. Again, this shows that there is something that is happening on the ground.

You look at the production of tiles. At the moment, Zimbabwean tiles have flooded the Zambian market and the South African market. Again, this is production which is happening in Zimbabwe and is going into GDP figures. As a country, we have also taken clear steps in terms of defining who we are regarding our resources and minerals. The banning of the exportation of raw materials, especially raw minerals, is also adding to our GDP. Let us see what is happening in Arcadia, Manhize, Bikita Minerals and Bravura. All these are adding to our GDP.

Furthermore, we also witnessed the high production volumes in gold and platinum. All these also add to our GDP. Moreover, there is also the issue of rising consumer activities. We used to see our shelves full of imported products, but if we go there, according to the statistics that we have, at least 85% of the products that are on our shelves in supermarkets are produced locally. Again, it shows that there is a lot of economic activity that is adding to our GDP.

So, Mr. Speaker, let me move to the issue of the presentation by the Hon. Minister, showing that there is a favourable macroeconomic environment which has got low and stable inflation and exchange rate stability. What the business community wants is a stable macroeconomic environment. Just last week, when I was in my constituency, I asked the ordinary members if they knew the name of our RBZ Governor and literally all of them did not know him. The moment you reach a stage when people do not know the name of the Governor, shows that there is stability. The moment they know the name of the Governor, it means there is something wrong. I asked them and some of them were saying Gono and I said okay. They do not know the name of the current Governor. It shows that there is stability. Whenever there is stability, it allows businesses to plan. What is then very critical is that it aligns with…

***HON. HAMAUSWA**: On a point of order. Mr. Speaker Sir, the money that I am holding here was signed by Dr. Mushayavanhu

So, I think that is a statement which is about over-excitement. It does not really show a good picture. Does the Hon. Member mean that our money is no longer popular since our children do not know the money that we have which is signed clearly by the Governor here?

THE HON. SPEAKER: Why do you not wait for your contribution to counter whatever has been stated?

HON. HAMAUSWA: Noted Mr. Speaker Sir.

THE HON. SPEAKER: Yes, when people use currency, they do not look at the signature. They just buy, tender the currency. They do not look at the signature, including the popular American dollar. You ask people what the signature there is, they will not tell you. What they can tell you is that it buys, that is all. Hon. Chiduwa, please proceed.

HON. CHIDUWA: Thank you Mr. Speaker Sir. I wanted to say that low and stable inflation and exchange rate stability are in line with what I presented earlier on under the point of national interest, where I said the low exchange rate is now conducive for us as Zimbabwe to have a vibrant money and capital market. This is why you see that in my presentation, I mentioned that Zimbabwe is now the top performer in terms of market capitalisation in USD terms. The Zimbabwe Stock Exchange is now the best in Zimbabwe, above Nigeria and other performers. So, this is in sync with the low inflation rate and the stable exchange rate.

The Hon. Minister also presented that the country remains among top performers in budget transparency. These are not the figures that are calculated by Zimbabwe. These indicators are calculated by the World Bank. On top is Benin, followed by South Africa, then Zimbabwe with 52 percent and we are number three. This is showing budget transparency. I am saying this is a plus not only for the Ministry, but for all of us, because even what we do as Parliament also feeds into the open budget cycle. This is very important. What is probably needed where we did not perform well is on citizen engagement, where we got 27 %. I am saying, as a way forward, we need to improve on engaging citizens.

Then the other issue, the Hon. Minister clearly stated that macroeconomic stability is foundational. It must be managed by credible budget execution. The projected revenue, he said, is 288 billion and expenditure is 290.9 billion. What I wanted to applaud the Minister for, is his commitment to remain within the budget as set out in the macroeconomic framework.

I think it is important that, yes, we may have challenges in raising the revenue that we need, but let us continue to remain within the framework as projected. If we are projecting that our expenditure is going to be 290.9 billion, let us remain within that framework. The Hon. Minister is committed to this august House that it will remain within the 290.9 billion expenditures.

The other issue is on social services, where up to the mid-term, which is the first six months, Health has been allocated ZiG 9.5 billion, Education 16.9 billion and Social protection 832 million. On Health, the Hon. Minister indicated that 27.3 million was spent from sugar tax collections towards the procurement of two high-level radiotherapy machines and two low-energy machines for the Parirenyatwa Group of Hospitals and Mpilo General Hospital.

I want to applaud the Minister for using the sugar tax revenue for its intended purpose. However, what we are looking at, Hon.

Minister, on this one is that cancer is now a pandemic in areas where we come from. I am not sure if it is only where I come from, in Zaka, but the reports that we are getting from our constituency members, are that cancer is now everywhere. We must not only focus on Parirenyatwa and Mpilo hospitals, but also to make sure that these cancer machines are also devolved to district hospitals. This aligns very well with our NDS2 and Vision 2030 if we look at the thematic and the priority areas.

Then on Education, I want to applaud the Minister for the total release of 16.9 billion. What I wanted to mention is the 3.3 billion released under the Ministry of Higher Education. We have got the Education 5.0 framework, which is focusing on innovation, industrialisation and human capital development. What is coming out of our tertiary institutions are innovations that require our support. There is a need for us to expedite the local content strategy and promote the procurement of local innovations by our tertiary institutions. This is supposed to be part of the releases because I can see that the 3.3 billion which was released covered salaries and other services, but there is need for us to make sure that the innovations from the local institutions are supported.

Then on Social Protection, I think this is where we have got a big problem. The disbursement is 832 million up to June 2026, but the BEAM Programme has got huge arrears. I understand that on the presentation that you made, several grey areas require attention. There is a need to re-look at the beneficiaries but at the moment, we have got schools whose BEAM disbursements are in arrears dating back as far as 2021. This would need to be cleared to make sure that our schools on the ground do not suffer.

Then on Infrastructure Development, 3.9 billion was released towards transport. Transport is a big enabler. I have already spoken about this. The Bulawayo to Victoria Falls Road, 57.2 kilometres done out of the 440 and we are saying this is an enabler. The Harare to Kanyemba, 18.3 kilometres done, dualisation of Harare-Mazowe, and all these are direct resources that are going towards road construction. I want to applaud the Hon. Minister for going an extra mile to ensure that the growth enablers are well funded.

There is also the issue of water and sanitation. In the rural areas, what we need is an environment that allows our communities to thrive. One such is where water is provided. The reports clearly indicated that 526 boreholes were drilled in the first half of the year, which makes a cumulative drilling of 5 395 boreholes countrywide. We need more of this. There is need for the capacitation of ZINWA so that we have got more drilling rigs. However, for us, what we want is our communities to be given an opportunity under the VBUs to convert water so that it becomes school fees, school uniforms and pens. This is what we need in our rural areas.

On ICT, I may want to use an example of my constituency. I have got 47 primary and secondary schools and all the 47 schools are on Starlink, this is a huge development for us. Even some teachers who were considering transferring are saying there is now no need because of the benefits of Starlink I am saying this is an area where we are improving our rural schools to have exposure to digital programmes.

Then on housing, I am happy with the progress that has been made on the construction and upgrading of facilities. Also, on energy and electrification. I would want to comment that, as a committee, we went to Hwange. At that time when we went there, they had gone for six months without any power outages, generation and transmission. So, any load shedding which is happening, it is because of distribution problems. At the moment, we have got enough electricity and this is a plus for us. The investment in Hwange 7 and 8 is a plus for us. This is going to assist us, and there is also Treasury support to that effect.

Then on debt management, yes, it increased from 580.9 billion, which is USD21.7 billion as at the end of June to 566.8 billion. There are also reported external debt service payments of 170 million as at June 2026. Hon. Minister, if I go to the ordinary person.

THE TEMPORARY SPEAKER: Order Hon. Chiduwa. According to the Standing Order, it says that every Member desiring to speak must rise in his or her place and must address himself or herself to the Chair. So, do not address the Minister directly, address the Chair. You may continue.

HON. CHIDUWA: Well, noted Hon. Speaker. One area where we are suffering as a country is where the private sector is not in a position to access external lines of credit and the major reason that has been given is high country risk and it is emanating from our failure to clear our arrears.

The Hon. Minister has identified that there is need for us as a country to show commitment towards the clearing of those arrears. This is why we have got a debt resolution strategy to make sure that we clear our outstanding arrears. I am happy that the Hon. Minister has shown commitment by those stock deployments of 170 million. This is going to open up the lines of credit for our private sector which will then assist in the development agenda that we are following as a country.

Then on the preparations for 2026-2027 farming season, Mr. Speaker, if you look at our past maybe three, four budgets, the Hon. Minister has always spoken of resilience. There was a time I implored the Hon. Minister that our budget should always be a VUCA budget. A VUCA budget is a budget that considers that as a country we always have got an element of vulnerability. There are issues that we are not aware of, where we have got huge uncertainties.

Complex issues and ambiguous issues. I have seen that under the 2026 farming season; the Hon Minister has identified issues that are going to anchor our preparation for agriculture. The Hon. Minister clearly identified that there is a need for an enhanced strategic grain reserve. There is a need for accelerated climate smart production, integrated financing architecture, livestock drought mitigation, enhanced imports and coordination on early warning systems and capacity. This approach Hon. Speaker, strengthens our food security, our rural livelihoods and resilience.

I can see that from the submission by the Hon. Minister, preparing for the likely El Nino conditions, he budgeted for a VUCA environment and I would want to commend him for that.

THE TEMPORARY SPEAKER: You are left with three minutes Hon. Chiduwa.

HON. CHIDUWA: Mr. Speaker Sir, in conclusion, the mid-term budget and the economic review, provide an integrated approach for macro stability enabling growth. It provides an approach that is very critical for infrastructure and energy enabling productive investments. It also provides a foundational base for social services protection and sustained inclusion.

With those remarks, I support the motion as presented by the Hon. Minister. He managed to provide the mid-term review with clarity, coherence and evidence-based nature that will allow us to see where we are going. Going forward, we would want to continue to implore the Hon. Minister to continue to release the budget in line with the appropriations as done by Parliament. I so submit.

HON. MATEWU: Thank you Mr. Speaker Sir. I rise today to give my voice to the mid-term budget review as presented by the Minister of Finance, Economic Development and Investment Promotion, Hon. Prof. Mthuli Ncube.

Firstly, I want to thank him for doing so in terms of Section 298 (1) (a) of the Constitution and also in terms of SI 127 (a) of 2021, for carrying out his constitutional obligation. While the Treasury presents figures reflecting macro-level stability, our primary role and our primary duty in this august House and particularly through oversight, is to examine how these numbers are translated into actual public value, financial compliance and the day-to-day wellbeing of the people that we so represent in this House.

I take a very keen interest in public finance management and as we always say in the Public Accounts Committee, that a budget is only as effective as its execution in adherence to the Public Finance Management Act, official discipline is not merely about balancing line items on paper. It requires strict adherence to procurement rules, timely disbursement of funds and complete transparency.

Hon. Mushoriwa did mention about the fact that whilst there was an increase in the gross domestic product, but that did not translate to the monies that were actually given to very critical ministries and Government agencies to carry out their mandates. When ministries experience delays in releases, Mr. Speaker Sir, of their allocated funds, value is eroded by inflation and the vital projects start to stall. I urge the Hon. Minister to ensure that the mid-term realignments are accompanied by rigorous compliance, minimising unbudgeted expenditure and ensuring that every single dollar voted for by this Parliament is accounted for transparently.

Mr. Speaker Sir, bringing this debate on ground to my constituency of Marondera Central, our residents, local businesses and hard-working families continue to navigate severe cost of living pressures. Macroeconomic indicators must reflect the realities of the local shop owner, the commuter and the household managing daily expenses. One has to go and buy bread in the morning, one has to go and buy eggs, fuel, all those things must be reflected in a growing economy by the continued and the use of and adherence to the prices.

I also want to turn Mr. Speaker Sir, to urban constituencies like Marondera. They require urgent targeted capital support to rehabilitate water treatment facilities and reticulation networks. A mid-term review Mr. Speaker Sir, must directly address the basic service delivery bottlenecks that we continue to face in our constituencies and especially in the urban areas where our reticulation plants, our water treatment plants were built in the

1970s during the Smith era and today they continue to dilapidate, which is causing water shortages across most urban constituencies.

Mr. Speaker, our clinics and primary schools face ongoing operational constraints, budget disbursements to local authorities and social service sectors must be expedited to cushion our communities against these service disruptions. Sustainable revenue collection relies on a thriving formal economy. Tax measures should encourage industrial growth and support macro, small and medium enterprises rather than adding administrative burden to already compliant taxpayers. This has been a complaint by many companies, they continue to be burdened by ZIMRA and so forth, yet they are compliant while you have many companies in the informal sector that are not compliant with the law. Those who are actually compliant face rigorous checks and measures from the authorities. That must stop, Mr. Speaker Sir, because they are the ones adding to the Consolidated Revenue Fund...

Hon. Members having made noise.

THE TEMPORARY SPEAKER (HON. J. TSHUMA): Order, order! What is happening over there? No, we cannot have that. Let us respect Parliament. You may continue.

HON. MATEWU: Thank you Mr. Speaker Sir. Expanding the tax base must be balanced with policies that protect formal enterprise and attract investments to even small towns like Marondera. We must be seeing in Marondera, the boom that is happening in the GDP and the continued expansion of revenue in Government.

I also want to talk about something very important. Our civil servants, our public servants, including teachers and healthcare workers serving in our schools and hospitals, require predictable remuneration and a living wage that is standard. If we are growing the GDP and the economy is growing, that must also reflect in the wages and salaries of our civil servants who look after the public purse for us. Protecting the purchasing power of our workforce is therefore, essential to maintaining productivity and delivery of quality public services.

As I conclude, Mr. Speaker Sir, fiscal policy must combine financial integrity with practical empathy. What do I mean? It means that we must ensure that we nip corruption in the bud. We must ensure that those who are getting public funds are the ones who are meant to get those public funds. It means we must comply with the law. We must comply with the Public Finance Management Act. We must comply with things like IPSAS in our Local Government, in the ministries themselves and in all public entities. That is financial integrity, ensuring that those who are getting the money are the ones who are supposed to get that money. In that way, we will curb corruption which has been a scourge in the public sector. We must balance that with practical empathy. What do I mean? Practical empathy, when we have disasters like the one that happened in Kariba, may their dear souls continue to rest in peace, we must be seen as a Government that supports such people who are in their direst of times. Government must come in. That extra money that we got in those first six months must also find its way to those communities, to assist them in their hour of need. That is what we call practical empathy which we expect from the Government.

To conclude, Mr. Speaker Sir, as Parliament, we will continue to exercise our oversight mandate to ensure strict accountability for every public cent. I can assure you that in the Public Accounts Committee, we will be coming very hard on those who abuse the public purse. I, therefore, call upon the Minister of Finance to prioritise immediate releases for critical social infrastructure, support local authorities and align our official framework with the daily needs of all Zimbabweans, not just a few. I thank you.

HON. MUROMBEDZI: Thank you very much Mr. Speaker Sir, for allowing me to add my voice to this debate. These statements that we are debating are not merely physical statements. They are instruments of accountability, transparency and vision. They tell us where we stand as a nation, what progress we have made and what challenges lie ahead as we march towards the National Development Strategy 2 Concept Note and the Vision 2030. It is our duty to interrogate not only the numbers, but the lived realities behind them. The mid-term review showed that

Zimbabwe's economy has remained resilient in the face of global shocks. Despite the Middle East conflict, rising energy prices and supply chain disruptions, our economy registered positive GDP growth of 6.8 in the first half of 2026, supported by strong agriculture and mining output as was highlighted by the Hon. Minister. This resilience is commendable, but resilience must not be mistaken for invincibility. The looming El Niño-induced drought in 2026-2027 poses a real threat to agriculture and food security. Government must move beyond rhetoric and accelerate irrigation development and climate adaptation measures. Otherwise, this resilience will remain a statistic, not a lived reality for our rural households.

Mr. Speaker Sir, I want to move on to revenue mobilisation and fiscal discipline. Government revenue collection exceeded expectations, as we heard from the Hon. Minister. Value-added tax contributed the largest share, 28%, followed by personal and corporate income taxes. Yet, we must ask, is this revenue being used equitably? Heavy reliance on consumption taxes risks burdening ordinary citizens disproportionately, while corruption and inefficiency erode the benefits. The 2027 Budget Strategy Paper speaks of fiscal discipline. However, discipline must be seen in action, not in the glossy reports. Citizens demand accountability, not slogans.

Mr. Speaker, I want to jump on to Government spending and service delivery. Expenditure stood at ZiG123.6 billion, with allocations to health, education and agriculture. Achievements include rehabilitated roads, expanded ICT fiber and social protection for vulnerable households. The question remains, are these achievements reaching the people who need them most? Medicine remains scarce in rural clinics, schools lack resources, social protection is patchy and roads remain in bad shape such as the Harare-Chirundu Road, Mhondoro-Skyline Road and the Karoi-Binga Road, to mention a few. The citizen budget reminds us of value for money, yet citizens still ask, where is value when services remain broken when roads remain unfixed, when citizens are dangerously overloaded on our waterways in Kariba?

Mr. Speaker Sir, I want to jump on to public debt and sustainability. Public debt rose to ZiG580.9 billion by March 2026.

Debt can be a tool for development, but it is also a burden. Between January and June, the Government disbursed USD170 million in external debt service payments. Debt must finance productive infrastructure, not recurrent consumption. Otherwise, future generations will inherit liabilities without assets. We insist on transparency in debt contracting and utilisation. Mr. Speaker, secrecy breeds mistrust and mistrust undermines stability.

I want to quickly jump on to investment, ease of doing business and human realities. The foreign currency receipts surged by 47.8% in the first half of 2026, driven by exports, remittances and private sector loans. Investor confidence is rising, supported by reforms such as reduced licencing fees and streamlined permits. Yet, while the mid-term review records progress and the 2027 Budget Strategy Paper sets ambitious priorities, these frameworks must be interrogated against the painful realities of the Lake Kariba disaster. That tragedy which claimed lives and disrupted transport across the lake, exposed the fragility of rural livelihoods in Kariba where families depend on ferries for trade, access to markets, schooling and health services. For these citizens, Vision 2030 is not measured in GDP growth figures, but in whether ferries are safe, whether their children can cross the lake to attend school and whether clinics are well-equipped for pregnant mothers and whether roads are passable even in the rainy season. This Budget Strategy Paper, Mr. Speaker, with its emphasis on infrastructure development, social protection and climate resilience, must therefore be operationalised with urgency. Anything less is a betrayal of the rural poor who stand in the frontline of both economic transformation and vulnerability.

Mr. Speaker, I want to just look ahead to Vision 2030. The remainder of the 2026 and 2027 Budget Strategy Paper sets clear priorities. Macroeconomic stability through fiscal prudence and low inflation, inclusive growth by empowering SMEs and supporting job creation, infrastructure expansion and transport, energy, ICT and housing, resilience building against climate shocks and food insecurity. These priorities are sound, but execution is everything. Parliament must play its oversight role robustly, ensuring that promises translate into action. Vision 2030 will not be achieved by rhetoric, but by disciplined policy execution, accountability and citizen participation.

In conclusion, Mr. Speaker, the mid-term review of the citizens' budget and the 2027 Budget Strategy Paper which was presented here by the Hon. Minister, present a story of progress, resilience and ambition, but they also highlight vulnerabilities. Climate shocks, debt pressures, governance gaps and tragedies such as the Lake Kariba ferry disaster, that reminds us of the human cost of policy failure. Mr. Speaker, the Government must be held accountable…

HON. TOGAREPI: On a point of order. Mr. Speaker, the Kariba disaster is a pain to every Zimbabwean, including all of us here in Parliament, but surely overplaying the record does not show whether it is a policy issue or it is an event that happened, an unfortunate event.

So, people may not take that to be political grandstanding using an unfortunate situation. We are debating the budget. I mean, we need to stick to that, not to an unfortunate, painful event that affected our people. We cannot raise our political profile by playing with people's lives.

THE TEMPORARY SPEAKER: Thank you Hon. Government Chief Whip. Hon. Members, I need us to be conscious of the effects of the tragedy that befell us as a nation in Kariba. We shall not, therefore, be seen to want to use it for any other purpose other than what it is meant to be looked at as it is a tragedy and let us not use that. Families are still grieving. They have not even finished looking for other missing people that have perished there. So let us be sensitive on that.

Hon. Murombedzi you may go ahead, but please be guided.

HON. MUROMBEDZI: Thank you Mr. Speaker Sir. I just want to clarify why I am saying it is a policy failure. This area has no roads. There are no roads. I travelled there several times. There are no roads. People opted for the ferry because there are no buses that go to the area.

THE TEMPORARY SPEAKER: Order, order, order! Hon. Murombedzi, it is not an issue of policy. It is an issue of administrative blunders that have happened. As I said, let us be guided accordingly and please put your debate in the manner that you are doing, without touching on sensitive issues. It is not necessary.

HON. MUROMBEDZI: Thank you so much Mr. Speaker. I just want to …

HON. MAKUMIRE: On a point of privilege Mr. Speaker. My point of privilege is on sensitive issues, issues that affect our people. The Kariba tragedy has no other platform to be discussed than in this House. Allow the Hon. Member to debate this. - [HON. TOGAREPI: *Mr. Speaker, by definition, that is not a point of privilege.*] -

THE TEMPORARY SPEAKER: Order! Government Chief Whip. Just finish up. Order, Hon. Hamauswa. I had given the floor to Hon. Makumire.

HON. MAKUMIRE: Mr. Speaker, I was saying there is no other platform that these issues can be raised. It is very important that these issues are being discussed when the Minister of Finance, Economic Development and Investment Promotion is in this House.

He is the one responsible for the disbursement of funds that must rehabilitate roads in Kariba, Mola and Siakobvu. He must hear about these issues in this House, not through social media. Thank you very much.

THE TEMPORARY SPEAKER: Thank you Hon. Makumire. As I said, it is not a policy issue. Policies are there. It is an operational issue that the Speaker spoke about. Hon. Cumanzala here rose on a point of national interest, highlighting that issue - [HON. MADZIVANYIKA: *Inaudible interjection.*] –

THE TEMPORARY SPEAKER: Hon. Madzivanyika, when I am speaking and you speak as well, we are going to have crossroads here. It should not be like that. I give you a platform if you want to speak. I just gave Hon. Makumire that platform. So, allow me to finish off with Hon. Makumire's point of privilege. So, as I said, Hon. Makumire, it is an operational issue. Policies are there and we stand guided by them. But if operational issues are a problem, they are a problem to all of us. That is why the speaker here highlighted that the Minister of Transport and Infrastructural Development is going to conduct an enquiry so that we get to the bottom of this whole issue. As I said, it is a tragedy. All I was asking from Hon. Murombedzi is that let us not sensitise something. The nation is still in mourning. Relatives are still in mourning. Let us just tread carefully there.

HON. MUROMBEDZI: Thank you Mr. Speaker Sir. Allow me to continue. Mr. Speaker, it is not enough to balance books while our boats sink in Kariba. It is not enough to boast of GDP growth when rural communities lack roads. This debate must sharpen our collective resolve to demand efficiency, transparency and inclusivity.

We need to ensure that every policy, every dollar and every reform moves Zimbabwe closer to the prosperous, empowered, upper-middle-income society envisioned under our National Development Strategy 2 (NDS2), not just for the elite but for the ordinary citizens of Kariba rural, Mhondoro, Nyabira and every rural community across our nation. I humbly submit.

HON. MAKUMIRE: Mr. Speaker Sir, I do not think I am ready to debate this because of some announcements that have been made in this House. They broke my heart. So, maybe I will debate this on Thursday. Thank you very much.

THE TEMPORARY SPEAKER: All right then, we move on.

^^**HON. MUSHIPE:** I rise to speak briefly as many points have already been made before I was given the chance to contribute. Before taking up more time, I would like to begin by thanking Hon. Minister Prof. Mthuli Ncube for presenting the fiscal policy. As I review the documents he has brought to this esteemed House, I am filled with optimism when considering the state of our currency here in Zimbabwe.

In previous years here in Zimbabwe, we often faced uncertainty regarding the stability of our currency. However, I am pleased to report that our currency is now stable, and we have achieved a single-digit inflation rate. As people receive their salaries and consider their purchasing options, there is a positive alignment between income and expenditure.

When we examine inflation trends internationally, we see that ongoing conflicts can contribute to currency instability. Fortunately, our country has remained relatively unaffected by these external wars. Additionally, if we look at the prices of fuel and oil, we find that our nation is maintaining a commendable level of stability.

In previous years, we struggled with fiscal discipline. However, when we examine our currency today, we can see that it is quite stable. People can shop freely without the fear that prices will rise unexpectedly. They are confident that the amount of money they hold today will retain its value tomorrow.

Regarding budget transparency, Hon. Chiduwa highlighted that organisations such as the World Bank monitor inflation and related factors. This indicates that we have successfully participated in a staff-monitored programme for ten months, demonstrating our compliance with the IMF's requirements. There is nothing hidden; everything is transparent and we applaud him for this commitment. We fully support these efforts as they are crucial for advancing our development.

Additionally, there have been changes to business taxes which were previously collected in halves since the beginning of the year. For instance, the road access fee that was charged at the borders has now been eliminated. Instead, people are now paying toll fees. The road access fee was necessary when there were no toll gates but with their implementation, it is no longer required. The toll gates effectively cover the costs previously associated with the road access fee.

As we discuss the increase in GDP, it is important to note that this growth is linked to the stability of our currency. With inflation now under control, businesses are poised to expand. The adjustments in business taxes will facilitate smoother operations for businesses, reducing their expenses and allowing for greater productivity.

In conclusion, as a youth, I want to express my appreciation for the inclusion of youth initiatives in the 2027 Budget Strategy Paper. I noticed that the Hon. Minister has not overlooked the importance of empowering young people through various projects outlined in the budget. We urge the Hon. Minister to ensure that these initiatives move forward so that the youth are not left behind.

The success of these programmes is crucial as the funding will empower young individuals, enabling them to contribute to the economy through taxes and increased spending. This, in turn, will benefit our nation as a whole, allowing for greater resources to support our hospitals and other essential services.

We are building our country brick by brick. As the year is not yet over, let us give the Hon. Minister the time he needs to carry out his work. When we reconvene in November to discuss the progress, we hope to see the outcomes of his efforts and the mid-term fiscal policy review. We fully support his initiatives and look forward to the positive developments that will arise from them. Thank you.

HON. MADZIVANYIKA: Thank you Mr. Speaker Sir. I will look at this Mid-Term Fiscal Review Statement in two parts: the good and what I think is the negative. So, I will start with the negative in the interest of time so that the Minister will comprehend what we are saying.

Mr. Speaker, it is important to recognise that whenever Parliament appropriates funds, it is not merely a procedural act; it sends a clear signal and establishes limits on how the Treasury is to allocate its expenditures. As we approach the end of the first half of the year, we have observed significant budget overruns, particularly in the case of the Office of the President and Cabinet (OPC).

To illustrate the issue, the Office of the President and Cabinet (OPC) has exceeded its authorised budget by a staggering 43%. Parliament initially allocated 12 billion to OPC, yet the Minister has spent 17 billion within the same half-year period. This alarming trend suggests that as we approach the end of the fiscal year, there is a growing propensity for overspending in this area. Such behaviour is not only troubling but also constitutes a violation of the law. We must address these discrepancies to ensure accountability and adherence to our financial regulations. We must address this overspending to uphold the integrity of our financial governance.

Mr. Speaker, the law is unequivocal in Section 305 (5). When expenditures are incurred without prior appropriation, the Minister is required to seek a supplementary budget for any additional spending needs. However, we have observed this concerning trend within the Ministry of Transport and Infrastructural Development and loan repayments. For instance, loans are being repaid at a staggering 44% above what Parliament approved.

This situation conveys a troubling message to the people of Zimbabwe: it implies that social welfare is not a priority. Moreover, it undermines the authority of Parliament itself, suggesting that it can be disregarded at will. The implications of these actions are clear, Mr. Speaker Sir. It signals a disregard for legislative oversight and accountability, which is detrimental to our democratic principles. We must address this issue to restore faith in our governance and uphold the rule of law.

If there was a necessity for increased expenditure, the Minister should have returned to Parliament to request a supplementary appropriation for the Office of the President and Cabinet (OPC) and the Ministry of Transport and Infrastructural Development. By failing to do so, these actions are not only contrary to the established budgetary process but also constitute an *ultra vires* act against the Constitution of our nation and the Public Finance Management Act.

We must adhere to these legal frameworks to ensure transparency and accountability in our financial governance. The Minister's oversight in this matter undermines the legislative authority of

Parliament and sets a concerning precedent for future fiscal management.

This behaviour directly undermines the integrity of the budget. The credibility of a budget hinges on the Ministry of Finance, Economic Development and Investment Promotion's ability to ensure that expenditures align with Parliamentary approvals. This principle is fundamental to maintaining trust in our financial systems. When spending occurs outside of these approved parameters, it not only discredits the budget but also erodes public confidence in our fiscal governance. We must uphold these standards to preserve the accountability and effectiveness of our budgeting process.

Mr. Speaker, let us consider the possibility that the Hon. Minister of Finance has utilised funds from the unallocated reserve. This year, we allocated ZiG13.9 billion for a contingency allocation which is held within the Ministry of Finance, Economic Development and Investment Promotion's budget. If this is indeed the case, it implies that halfway through the fiscal year, the Ministry of Finance, Economic Development and Investment Promotion has withdrawn five billion from the unallocated reserve to support the Office of the President and Cabinet (OPC). Additionally, another five billion has been allocated from this reserve for loan repayments, along with half a billion directed towards the Ministry of Transport and Infrastructural Development.

Such reallocations raise significant concerns about transparency and adherence to budgetary processes. We must maintain strict oversight of these funds to ensure they are used appropriately and in accordance with Parliamentary approvals.

Collectively, if you add the five billion from OPC, five billion from repayment of loans and 0.5 billion from the Ministry of Transport and Infrastructural Development, you get around ZiG10.5 billion. So, out of what was the contingency reserve or the contingency vote of about 13.9 billion, we have already used 10.5 billion. It is not sustainable Mr. Speaker.

Remember Mr. Speaker, there is a proper procedure for the use of this unallocated reserve fund. It cannot just be spent unilaterally. There is a procedure; there are circumstances. Look at this Kariba debacle. It is a clear example of something that you cannot predict as Parliament. So, when these events happen, this is where we need to see this unallocated reserve fund being applied to, but alas, we have seen a 100-dollar note being given to those individuals or those family members, which is very debatable.

Mr. Speaker, let me now shift to the issue of infrastructure development. We are told that there are various infrastructure projects. Let me give examples of dams. There are nine or ten dams which are on the cards. Examples are Gwayi-Shangani, Kunzvi, Vungu, Zimunya, Tuli, Semwa, Defe, Bindura and many more. These dams Hon. Speaker, yes, they are long-term projects, but in every successful budget, they are actually recorded. Why not have two projects we can finance within three or four years and finish them? Imagine the Gwayi-Shangani; since I was very young, I was always told of this Gwayi-Shangani. I do not think this is encouraging. We need to change the manner in which we approach these projects.

Mr. Speaker, I would like to address the issue of devolution. The principle is straightforward: 5% of our total collections must be allocated to devolution. In the first half of this year, we collected

ZiG137.8 billion. By simple calculation, 5% of that amounts to ZiG6.89 billion. However, we have disbursed less than one billion, which means we have allocated a mere 0.1% of what we have collected.

This situation clearly illustrates that we have failed to fulfil our constitutional obligation to allocate the mandated 5% to devolution. Despite the explicit requirements outlined in our national Constitution and under the scrutiny of Parliament, we find ourselves in a troubling position. I question the purpose of this House when our laws are being so blatantly disregarded in our presence.

The role of Parliament is to enact and uphold laws, yet we are witnessing a significant shortfall in compliance. While some may argue that compliance can be achieved by the end of the year, this is not acceptable, Mr. Speaker Sir. Compliance should occur continuously, alongside ongoing development efforts. We must adhere to this principle to ensure that devolution is effectively supported and that our communities benefit from the resources they are entitled to.

Mr. Speaker Sir, I seek clarification on a concerning matter regarding our public debt. As of the end of 2025, when the 2026 budget was announced in November, our total public debt stood at USD23 355 000 000. To date, we are told that our debt has decreased to 21.69 billion at the end of the first half of this year, indicating a repayment of approximately two billion.

However, it is important to note that these repayments largely consist of amounts related to Bilateral Investment Promotion and Protection Agreements (BIPAs) and token payments rather than substantial reductions in our overall debt.

This raises significant questions about the integrity of the reported debt figures. A thorough examination is necessary. To further emphasise this issue, I would like to remind the House that during the presentation of the National Budget last November, the Hon. Minister of Finance informed us of the Expenditure Arrears Clearance Strategy for 2026-2028. This strategy indicated that the Government of Zimbabwe owes approximately USD 1.7 billion to contractors, a debt that had not yet been validated at that time.

Given this context, I would expect our total debt to be around 25 to 26 billion dollars. The current figure is misleading. If we consider the 23 billion from last year and add the 1.7 billion that was previously unvalidated, we must also account for repayments made, including those for BIPPAs and token payments. The arithmetic does not add up and thus, these debt figures need to be revisited. They lack integrity and do not accurately reflect our financial obligations.

Mr. Speaker Sir, let me go on to another issue, which is to do with the pension funds. From the Budget Statement, the Hon. Minister indicated that there are 971 pension fund companies. Of those 971 pension fund companies, 483 are non-active. So, if they are not active, what measure has been taken by the Hon. Minister to ensure that pensioners are protected? It worries me, Mr. Speaker, that half of our pension companies are inactive. It defies logic.

Not only that, there is a provision for the prescribed asset status where the Government seeks to take capital from pension funds to use on its prescribed assets. In that case, it appears that there is low uptake because what is authorised by the Government is that 20% of resources owned by these pension companies must go to prescribed assets but if there is an uptake of around 9% or so, it means that the pension companies are not willing to participate in these programmes? So, the question then becomes, are these prescribed assets, adjusted inflation returns or adjusted risk returns, positive to the extent that they benefit the pensioners? Maybe that is the reason why there is low uptake from the pension funds.

Mr. Speaker, let me address another issue, which is the issue of monetary developments. It is a common cause that the Ministry of Finance, Economic Development and Investment Promotion, through the RBZ, since the introduction of the ZiG, has intervened in the willing buyer, willing seller.

HON. TOGAREPI: Mr. Speaker, we were following the Hon. Member's debate but there is something we missed that we request he repeats regarding prescribed assets and why there is low uptake. He mentioned something and we lost it. If he can assist us.

THE TEMPORARY SPEAKER: Hon. Madzivanyika, would you mind coming back on that statement so that maybe the Hon. Minister can also take note?

HON. MADZIVANYIKA: Thank you Mr. Speaker. My comment on the prescribed assets was that, at law or moral suasion, the Ministry of Finance, Economic Development and Investment Promotion requests 20% of all pension fund companies to be invested in what we call prescribed assets or Government vital projects. So, what we are seeing on the ground is that the pension companies are complying with the level of 9% out of 20%. What it means is that there is low uptake by these pension fund companies. My question to the Minister was, why do we have this low uptake? Is it because the inflation-adjusted returns as well as the risk returns that are derived from these prescribed asset projects are positive to benefit the pensioners, to make it profitable for them to support those projects? If it is not, then no one will put this capital into the mouth of a crocodile.

Let me turn to another issue of monetary development or monetary stability. Generally, the exchange rate and inflation rate have been stable, which must be commended. We have to give credit where it is due. However, I am a bit concerned about the level of interference by the RBZ in the willing buyer, willing seller. From 2024 up to date, for a period of about two years, the RBZ intervened in the willing buyer, willing seller to the tune of USD2.3 billion but Mr. Speaker, also note that for the same period, we managed to generate reserves to the tune of 1.6 billion. Yes, I am aware that it is the fundamental role of the RBZ to intervene in the market to encourage stability but I am looking at the absolute amount of money that is being spent by the RBZ to encourage stability, USD2.4 billion, yet our reserves are 1.6 billion. It tells a different story in the sense that if this happens now when we are at 20% worth of ZiG, in terms of ZiG current stock and 80% USD, what will happen when we are at 70% ZiG and 30% USD? What will be the architecture in that case? I just wanted clarity in that regard.

I am also concerned about the monetary side, that 40% of bank profits are coming from commissions and fees instead of lending. The fundamental income generation for banks must be lending. When we are in a fully-fledged intermediation spectacle, we must see income coming largely from lending rather than from fees and commissions. So, 48% is too much of a figure coming from lending and commissions.

Let me talk about the issue of the 5% projected growth in terms of GDP. Yes, while it might seem achievable, I have a challenge. I have pockets of fear that are arising from the possible effects of El -Nino. Mr. Speaker, you are aware that the Zimbabwe Livelihoods Assessment Committee (ZimLAC) assessment has not been concluded for Zimbabwe and we are not aware of the extent to which we need to fund a full-deficit programme. So, in that case, it might be too premature to go with the 5%. I think it is not prudent to go with the 5% projection under the circumstances.

Not only that Mr. Speaker, our GDP relies heavily on stochastic variables such as the gold price which can fluctuate. It also reflects largely on agriculture, tobacco, dairy and maize production which are also affected by stochastic exogenous factors. So, to project 5% growth under the circumstances is a bit outrageous but it is supposed to be achieved.

There is the Gross National Income (GNI) which has reached about USD3 203 towards a target of USD4 600. Since it is in line with achieving an upper middle-income status by 2028, it is commendable. However, Mr. Speaker, as I said before, it is good to have a high GNI per capita but that must be supported by corresponding social services that are given to our people. I can give you an example of health. The Hon. Minister indicated that 27 million of the sugar tax was due to buy four cancer machines. However, I wish to call the attention of the Hon. Minister to this one. Hon. Minister, each machine costs 500 000 at maximum, including duty and also freight charges but we are seeing the Government spending 27 million for four cancer machines. That is outrageous, Hon. Minister. That is totally out of this world.

I wish to encourage the Hon. Minister to go and try to look at this issue. How can four cancer machines cost 27 million? That is fraud. It must be followed up. We cannot have four cancer machines costing 27 million. That is not possible at all. I want to bet my last dollar that our money has been stolen on this one. Please conduct investigations and prosecute the people involved. I thank you Mr. Speaker.

HON. KAITANO: I thank you Mr. Speaker for the opportunity to share my views on the Mid-Term Budget presentation by the Minister of Finance, Economic Development and Investment Promotion. By and large and overally, the performance of the economy of Zimbabwe has been improving. There is nothing that happens without a force behind it. This improvement is never accidental. There are people behind the scenes that are busy thinking, formulating, modelling formulas and models that will produce results for the betterment of the people of Zimbabwe. From the TSP to NDS 1 and now NDS 2 Mr. Speaker Sir, the animal that is called inflation has been by and large tamed in Zimbabwe.

The Government of Zimbabwe, led by His Excellency Dr. E. D. Mnangagwa proposed and took some action to tame rampant inflation that had bedeviled our country for a long time. In the Minister's report, he advised us that inflation is hovering around 4.4%, which has been unheard of in this country for the past two decades. The Government of the Republic of Zimbabwe must be commended for purposefully engineering this control of rampant increase in prices of goods and services.

Mr. Speaker, in the report, we also had the Minister of Finance, Economic Development and Investment Promotion advising us that about ZiG205 million was paid towards the education, medical services and funeral assistance of war veterans. In my previous debate here, we had raised concerns about the non-disbursement of these funds. Two or three weeks down the line, we were happy to hear that we indeed have a listening Government. When the people of Zimbabwe speak, the Government listens. I personally do acknowledge that running a budget in this kind of environment where the country is not able to borrow cheaper finances from the international finance houses, is not an easy thing. However, for the Government of Zimbabwe to be able to respond to the needs of its people, I personally give enough respect for that.

I was also pleased to hear, Mr. Speaker, about the El Nino proofing measures that the Government has put in place in order to ameliorate the negative impacts of drought in this country. I was made to understand that there are six pillars that the Government of the Republic has put in place to deal or to reduce the negative impacts of El Nino and climate change in general. When a Government has strategies in place to take care of day-to-day business of its people, that is highly commendable.

Madam Speaker, my understanding shows me that Zimbabwe has got five regions and the impact of this El Nino in Zimbabwe is going to affect these five regions differently. I want to urge the Minister of Finance, Economic Development and Investment Promotion in the climate proofing, in the El Nino proofing strategies that are in place, I would want to bring to the attention of the Minister of Treasury to also look at the mitigatory measures differently from each region. Regions 4 and 5, Madam Speaker, are generally going to be hit harder than other regions. I am urging the Minister of Finance, Economic Development and Investment Promotion to closely look at those districts in Regions 4 and 5, districts like Mudzi, UMP, Rushinga, Mt. Darwin, Mwenezi and many others.

In terms of investment into El Nino proofing, there has to be huge investments in these districts than those are, for example, in Regions 2 and 3. If boreholes are going to be drilled, I would want to urge the Treasury to give more boreholes to Mudzi District because naturally, it is going to be hardest hit by El Nino. If it is about building more dams, Madam Speaker, it must be tailor-made, especially to those districts that are heavily hit by not just this El Nino forecasted to be coming, but going forward because these districts have always struggled with harvesting water.

Madam Speaker, I would also want to commend the Government of the Republic of Zimbabwe for a purposeful and directed investment towards mining in this country. Since the advent of the Second Republic, we have had His Excellency, the President of this country, talking about having a USD12 billion mining sector. I am glad to see that, that policy direction given by His Excellency has even gone beyond the USD12 billion mining sector. It has become bigger. Indeed, we have also heard in the report of the Hon. Minister of Finance, Economic Development and

Investment Promotion that in 2025, the mining sector grew by 10.4%. It is highly commendable.

Indeed, Madam Speaker, we have seen miners, even in the constituencies in my district of Mudzi, we have seen miners. They are coming, new mines and old mines being revived. That is very commendable. I want to urge the Minister of Finance, Economic Development and Investment Promotion to also look at ways and strategies that will help our own people to fully participate in mining. In Mudzi District, by and large, people that come for mining there are bigger mining establishments. Our people are only involved as workers but not owners of these mining ventures.

In his report, the Minister of Finance, Economic Development and Investment Promotion, there is a statement that he said and I am going to read it. He said ‘there is a need to accelerate the implementation of policy reforms and strategies in the medium term to ensure Vision 2030 attainment’. I like that. He is cognisant of the fact that there is a need for more policies and strategies that should help us accelerate the attainment of Vision 2030, where the country is going to achieve a high middle-income status. Madam Speaker, if our people are also owners of these mines, I believe it will help in the acceleration of the achievement of Vision 2030. The gross national income increased by 84% from USD1 700 to USD3 200 in 2025. However, there is continued hammering of the GDP figure by Members of Parliament. I do not know why. The medicines in hospitals that Hon. Members are talking about came from economic activity happening in this country, which is GDP. There is nothing wrong with GDP or the GDP figure and the increase in GDP of five point something percent. There is nothing wrong about that because these results and the results we are looking at are coming from those figures.

THE TEMPORARY SPEAKER (HON. MUGOMO): Order Hon. Kaitano, you are left with five minutes

HON. KAITANO: Thank you Madam Speaker. Indeed, I for one want to hear how our economy is growing, first and foremost, before we speak of anything else. I want to understand whether we are growing, whether the economic activity happening within the borders of Zimbabwe is increasing. If it is increasing, it is a good sign that we are going somewhere as a country and we want to hear that. I want to encourage the Hon. Minister of Finance to continue giving us those figures because we want them. They show us that we are moving up as a country; we are going somewhere. There is increased economic activity in the country shown by the increment in GDP growth. Having said that, I would also want, in the future, the Minister of Finance to also share with us the Gini coefficient: how is this income being distributed in the country? The last I saw was the 2019 figure, which is still behind, of the Gini coefficient, which is 0.5. It reflects an uneven distribution of income on the higher side. The level of unevenness is higher. I, therefore, encourage the Minister of Finance to continue with the social safety programmes. That will indeed help in the distribution of income. If BEAM is fully and timeously paid, that should help our people. If medical services are at the very minimum, that should help our people as a form of income distribution.

As I conclude, I am so excited that the economy of Zimbabwe is growing and I want to applaud, not just His Excellency but also his team of Cabinet Ministers. You look at them, everybody is running around doing something, contributing to this GDP growth.

Therefore, I really want to commend the work that the Government of Zimbabwe is doing in improving the livelihoods of our people by proper allocation of resources to all sectors of the economy.

HON. KANGAUSARU: Thank you Madam Speaker, and greetings from Hurungwe. I rise to support the 2026 Mid-Term Budget and Economic Review. A Mid-Term Review is not simply an opportunity to report what Government has collected and spent. It is an opportunity to ask whether the economic policies adopted at the beginning of the year are producing stability, growth and transformation that Zimbabwe requires.

The Second Republic has made important progress in stabilising the micro-economy. The task now is to convert that stability into productive investment, industrialisation and inclusive prosperity. The first achievement is micro-economic stability. Inflation which had reached 95.8% in July 2025 declined to 15% by December 2025 and averaged 4.2% during the first seven months of 2026. At the same time, the economy is projected to grow by 5% in 2026, following growth of 8.3% in 2025. These are important gains. Low and predictable inflation improves household purchasing power, giving businesses greater certainty over costs and allowing investors to make longer-term decisions. In other words, micro-economic stability reduces the risk premium attached to economic activities. I, therefore, commend the Second Republic for maintaining the policy discipline necessary to achieve stabilisation.

However, we simply understand that stability is a means, not an end. The real economic question is whether this stability now supports a sustainable increase in production and productivity. The projected 5% growth rate is encouraging and the composition of that growth gives us a further reason for optimism. Agriculture is projected to grow by 6.9%, mining by 5.6% and manufacturing by 5.2%. Manufacturing capacity utilisation is projected to rise by 63.5% while gold production is expected to increase to 55.6 tonnes. The mining sector, particularly lithium production, is significant; export earnings increased by 229.8%. That is to say, 782.2 million during the first half of 2026, these figures demonstrate the potential of our productive services but as an economist, I would caution that GDP growth alone does not tell us whether an economy is being transformed. Growth driven by commodity prices or favourable weather conditions can be critical. What we need is increasingly productivity-driven growth. Growth arising from manufacturing, technology, infrastructure, skills and value addition. This is why the Government's thrust towards beneficiation and value addition under NDS2 is so important.

The question should no longer be simply how much gold or lithium we export. We must ask how much of the value chain are we retaining in Zimbabwe? How many local industries are being created? How many jobs are being generated? How many technologies are being transferred? This is how we move from an economy that exports commodities to an economy that creates and retains value. Madam Speaker, fiscal performance has also been encouraging. The 2026 Budget projected revenue of ZiG288 billion against expenditure of ZiG290.9 billion, resulting in a projected deficit of only ZiG3.2 billion.

During the first six months, Government collected 137.8 billion ZiG against expenditure of 123.6 billion. This demonstrates stronger revenue mobilisation and expenditure discipline. Importantly, the resources were directed towards debt servicing and the clearance of arrears to service providers.

That is economically significant because Government arrears do not remain a Government problem. When suppliers and contractors are not paid, liquidity is removed from the private sector, investment is delayed and businesses struggle to meet their own obligations. Therefore, clearing arrears helps restore confidence and liquidity in the productive economy. At the same time, we must continue broadening the revenue base. VAT contributed 28.3% of revenue collection followed by personal income tax at 16.6%, corporate income tax at 13.8% and excise duty at 8.5%. The long-term answer is not simply to increase the tax burden on existing tax payers but to expand the number of productive tax payers through formalisation, digitilisation, improved compliance and economic growth. Put simply Madam Speaker, a growing productive economy creates a strong and more sustainable fiscal base.

The inflation performance deserves particular recognition. The ZiG inflation average at 4.4% between January and June 2026 stood at 3.2% in July. However, we must remain vigilant. Broad money increased by 30.6% while reserve money expanded by approximately 20%. This does not mean that monetary expansion is automatically inflationary. The key question is whether the expansion of liquidity is supporting real production and investment. If credit is financing agriculture, manufacturing, mining, construction and SMEs, it can support economic growth. However, if liquidity expands significantly faster than the productive capacity of the economy, inflationary and exchange rate pressure can eventually return. Therefore, our objective must be to maintain price stability while expanding productive credit. Zimbabwe needs affordable capital to expand its productive sectors. The challenge is ensuring that financial resources are channelled towards activities that increase the country's capacity to produce.

Public debt remains the major structural constraint that we must continue addressing. Public and publicly guaranteed debt stood at ZiG 580.9 billion, equivalent to USD21.7 billion at the end of June 2026 up from ZiG566.8 billion at the end of 2025. Government paid USD170 million towards external debt service and ZiG15.3 billion towards domestic debt service during the first half of the year. The economic issue here is fiscal space. When a large proportion of public resources is committed to debt obligations, fewer resources are available for infrastructure, health, education and productive investment. That is why Government's continued engagement through the Staff Monitored Programme (SMP) and the Structured Debt Resolution Process is so important. The review reports that Zimbabwe met all but one of the quantitative targets in the first quarter of SMP review.

In conclusion, debt resolution should therefore not be reviewed merely as an exercise to satisfy creditors. It is an exercise in reclaiming fiscal space for development. The ultimate objective is to reduce the debt overhang, restore access to concessional financing and create greater room for public investment. That will strengthen the foundations for long-term growth.

Madam Speaker Ma'am, the mid-term review demonstrated that Zimbabwe has made significant progress in moving from macro-economic instability towards stability. Inflation has fallen, growth remains strong, revenue mobilisation has improved and exports are increasing. Manufacturing capacity is recovering, energy availability has improved, investment in human capital continues while Government is pursuing the difficult process of debt resolution. These achievements deserve recognition but the next phase must be about converting stability into transformation. We must protect the inflation gains, broaden the tax base, expand the productive credit, accelerate beneficiation, build climate resilience, resolve the debt hangover and above all, we must encourage and ensure that growth translates into jobs, higher income and improved living standards.

The review indicates that the GNI per capita increased from approximately USD1.700 in 2021 to USD3.200 in 2025, demonstrating significant progress towards Vision 2030 while also highlighting the need to accelerate further reforms. The economic task before us is therefore straight forward. We need to stabilise, produce, transform and prosper. We have made significant progress in stabilisation. The task is now to accelerate production and the transformation so that the stability we have achieved becomes the foundation for the prosperous and empowered upper middle-income society envisioned under Vision 2030. I thank you. *Twalumba*.

THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENTAND INVESTMENT PROMOTION (HON. PROF. NCUBE): Thank you Madam Speaker Ma'am. I thank the Chair of the Committee on Budget and Finance and all the Hon. Members for their comments, input and observations which are very helpful in our budgetary implementation processing, policy management overall.

Let me start with the report from the Chair that was presented by Hon. Dhliwayo, the Chair of the Budget and Finance Committee. The report observes the state of the global economy with growth simulation under pressure because of the pressures arising from the war in the Middle East and other geo-political tensions. We also recognise the resilience of our economy as explained in my statement where we expect growth to be 5% this year even in the face of additional pressures coming from climate shocks like the El Nino phenomena. The report also commends the statement for recognising the macro-economic stability and for supporting the macro-economic stability that we are seeing in terms of low inflation, stable inflation but also a stable exchange rate as well as the general increase in reserves which have gone almost half way towards the target of three months of import cover.

When it comes to budget expenditure, the report recognises the good work that is being done, for instance, we spent 42.5% of the budget just below target of 50% but it is about right time of the year. The first quarter is always very slow and then we pick up speed in the second quarter. So, 42.5% is not a bad figure. The Committee however, rightly pointed out an issue which I agree with, which is the issue around social spending, that our social expenditure, especially social protection problems such as BEAM, we need to do more going forward in the second half to catch up with our targets of supporting our vulnerable citizens. I agree with the report and will endeavour to do so and improve on disbursements.

Another issue that the report has highlighted in this expenditure performance is on devolution funding. I can assure you that the Chair of the Committee and colleagues, all of the Members in this august House, that will again increase releases towards devolution funding as well as the Constituency Development Funds (CDF). We are aware of the complementarity between those two that they do end up supporting projects on the ground in the various constituencies of various corners of the country. The report does take note of the disbursements we have done towards the welfare of the war veterans of liberation struggle. I think an issue that comes up is that of the children of war veterans who need support through the BEAM Programme will accelerate disbursements towards that need.

The report also highlights an important issue when it comes to supporting our small to medium scale enterprises. The report commends the work we have done, supporting the various financial institutions. If you look at SMEDCO which received ZiG75 million, SMEDCO has done a lot in supporting our small to medium scale enterprises. There is a lot more if I can add. Now, we have the National Venture Fund which is also supporting our small to medium scale enterprises (SMEs). Some of the companies that are supported by the Industrial Development Fund, some of them sit in the medium scale company's category.

We turn to an issue that is raised in the report regarding support to returnees which again the report commends Government for responding appropriately. We have allocated USD4.8 million so far spent on the endeavour to support returning citizens. The report highlights that there is a need perhaps to harness the potential from these returnees around skills and deployment and other such resources that they possess. Skills are the big one. Some of them are business people. That is why we have allowed for them to bring through the borders, their equipment for their businesses. Bring that in duty free and be able to restart some of the businesses. I have directed the National Venture Fund to locate those who are interested in going into entrepreneurship and support them and provide them with resources to restart their operations. It will be doing the same thing to financial institutions such as SMEDCO, Women's Bank and the Youth Bank.

On revenue performance, again the report from the Chair of the Committee recognises the slight over-performance in revenue mobilisation by as much as 10.8% of target. We have worked very hard to implement the policies and revenue measures that Parliament approved last year and in the previous years. Last year, we all have the issue of debt that we continue to service. So, some of this revenue performance, if not all of it, has gone towards servicing debt.

The report also from the Committee raises the issue of informality. That we need to make more effort to collect more from the informal sector. We will say that the informal sector is only informal to ZIMRA but half the time it is formal to local authorities, our city council. So, what is needed is that sharing of data, that collaboration between local authorities and ZIMRA. Once that data is shared, it is easier to insist that before you renew your operating licence, your vendor licence, please take care of this presumptive tax that you should be paying. Once we fix that gap between ZIMRA and local authorities, a good part of the informality will be dealt with. Not all of it, but we will make every effort to improve collections from the informal sector. These are some of the issues that were raised in the report from the Budget and Finance Committee.

Let me turn to the interventions by Hon. Mushoriwa who highlighted that there is a case of expenditure in some of the MDAs. I think you mentioned OPC specifically. We have an expenditure of over 100%, 143% to be precise. We are wondering if then we are living within the limits of what Parliament has prescribed and so forth. If I may allay his fears, I did actually issue a public statement on this which is there for everyone to see. I am sure he has seen it, where I have explained that this had to do with just an administrative delay, in the sense that some of the national projects that are being implemented which are of serious national importance are being contracted or administered through the Office of the President and Cabinet which then supervises the various MDAs or ministries.

What happens is that once we go over the second quarter, the third quarter, these are allocated to the appropriate MDAs. So, you will see going forward that this is not an issue at all. It will dissipate once the allocations are done. You can imagine an institution such as Rural Development Agency (RIDA) which is the old DDF which sits at OPC, it does undertake infrastructure development. I am just using them as an example. We have got a Presidential Borehole Drilling Programme which has really gone a long way in ameliorating the water shortages in some of our communities out there. So, some of these projects are critical projects. They are managed nationally because of their strategic importance but they do get allocated to the various MDAs. So, the issue of over-expenditure will dissipate. It is just a mere administrative delay in reconciliations.

Hon. Mushoriwa also mentioned the need maybe for a supplementary budget. I still insist, we do not need it. We have enough resources. We are still living within our means. There is no need to worry at all.

On the issue of GDP, maybe we should not focus on GDP. GDP is a very important figure because it is a summary of how an economy is doing, how it is growing and there are so many things that it tells you. GDP is not measured top-down. It is measured bottom-up. At the end of the day, we are measuring the microeconomic activity in an economy and aggregating that to come up with one summary overall figure. So, it is not some figure plugged out of the air. It is a summary of the economy itself. Therefore, you need it to describe how it is doing. It gives you very useful frameworks for you to then begin to say how much revenue you can raise from the economy to support public programmes. So, without that GDP figure and its growth rate, you are unable to plan for the next year for anything going forward. It is very important for planning going forward.

On the issue of social services, again you have to say if GDP growth is so much or the size of the GDP is so much and we are able to raise so much revenue, how much of that should go towards the social sector? All those are parts of GDP and we need that metric to tell you how to distribute those resources. If I can quickly say that if you look at the budget for education, for health and include the budget for the programmes because that is productive social protection in a way, you easily see that just over 40% of the budget that we are talking about was spent on social service on the social sector, therefore, facilitating income redistribution across our economy.

Let me turn to issues raised by Hon. Chiduwa. He basically started off by saying he is a member of the Budget and Finance Committee. He stood by the report of the Committee. However, I still want to highlight some of the issues that he presented. Basically, emphasising the point that the Mid-Term Budget Statement is not just about budget expenditure, reporting on growth performance and so forth. It is also an update on policies. It is a policy update to double-check if our policies are working or not or we need new policies, we need to update policies. All of that should be pronounced in this kind of Mid-Term Review Statement.

Coming back to the economic update and GDP, he did double drown on that. Last year, we recorded a growth rate of 8.3% of GDP growth. This GDP growth is also visible when you travel around. You see this GDP growth in the housing development across our country. You see it in road construction. Also, it is coming increasingly from value addition. We have been insisting on value addition in the mining sector and agro-processing. All of this is adding to GDP. We now have a robust steel industry. The cement production is going to be increasing. I tell you, in the next three years, fertiliser production will also come up. Gold output is up. We have import substitution happening before our eyes. If you go to our shelves, if you have more than 50% of the goods on our shelves being made locally, that is import substitution. That is value addition and that is GDP growth right in front of you. His presentation also commended the stability that we see.

Also, basically, that this stability augurs well for the growth and deepening of capital markets and money markets. This is a very important statement that Hon. Chiduwa made. Now, I even have been pushing Treasury and the Reserve Bank to see the development of what you call a yield curve, which is the trend in interest rates as you increase maturity going forward, maturity of various instruments. This is critical in developing or redeveloping, for instance, of our mortgage market. Now, banks can begin to lend long term. I begin to see some of the banks even begin to lend for car finance up to five years. It is because of the stability.

We are able to deepen both money and capital markets. It is also surprising that the Zimbabwe Stock Exchange was best performing in Africa with almost 70% return followed by Nigeria and others. On budget transparency, where we are rated number three in Africa, after South Africa and Benin, again, we do not measure ourselves. Other people measure us. Other institutions measure us. It is all very objective and very transparent. Parliament itself should really pat itself on the shoulder for a job well done because it is, after all, Parliament that works with the Executive in the budgetary process.

I agree with Hon. Chiduwa, his observation that we need to do more in terms of public consultations. In fact, it is really in the post-budget consultations. Pre-budget consultations, I think we do a fairly commendable job, but post-budget and during budget implementation, we need to improve and we are on to it, I can assure you.

Then on expenditure, let me highlight the health sector where the issue of cancer machines was highlighted. Again, here we have been focused on spending the sugar content tax and beverages on acquiring cancer machines, drugs and other diagnostic machines. In fact, it is not just the treatment machines, those radiation machines, but it is also the other diagnostic machines as well that are included in that Bill of 27.3 million, including some drugs.

Then on social protection, I have mentioned the issue of BEAM, where again we will seek to do more. Hon. Chiduwa mentioned this. Then on the issue of infrastructure, he expressed his satisfaction with how we have supported the transport sector, which is an enabler, roads are an enabler and also the water sector.

Then an issue on infrastructure investment is ICT connectivity. Just rolling out those Starlinks in the rural schools is improving the quality of education, access to information for our children. Some of them are even preferring to transfer schools just because their current school does not have any Starlink connectivity.

Then turning to an area of public debt, it is necessary that we really should clear the debt and I agree with Hon. Chiduwa that to again double our efforts in doing so. The current Staff Monitored Programme which is underway is part of that process so that we can get to a decision-making point and clear the areas for the IFRs, which is the World Bank and the AFDB. If all goes well, this time next year we should have cleared those areas of the preferred creditors and I thank him for highlighting that point. We will continue with the token of payments that we are making. The response to El Nino, indeed he used the phrase, there must be a *vuka* element in the budget. He used to say that to me when he was my deputy a few years back and I agree with him. That is why our theme for next year for the Budget Strategy Paper is focusing on resilience and responding to the climate shocks, El Nino shocks as well as the global shocks. We will make sure that the budget reflects this.

I now turn to the contribution by Hon. Matewu, who said that the Mid-Term Budget was presented within the law and he mentioned a very important point that some of the economic figures we present must translate to public value. Then he also made contributions on his thoughts around the concept of GDP, how this ought to be translated to social services and so forth. That is the point, that you tax GDP, you tax economic activity as represented by GDP and that is what we have done through the policies implemented through this Parliament and we use this to support social services, social spending, which currently is about 42% of our budget. We are in line with that kind of thinking.

He talked about minimising our budget for expenditure. We agree with him that we should always resist pressures to spend outside what is approved. He also talked about the need to, again increase our efforts, improve our efforts in taxing the informal sector, which I have already highlighted in my prior response, and then support for civil service salaries. We have done that. We did a job evaluation, and we will adjust the salaries in line with that job evaluation. The budget should remain within the dictates of the Public Finance Management Act, the IPSAS rules. I agree with him. We always endeavour to remain within these rules.

Let me turn to Hon. Murombezi who highlighted that the economy indeed has remained resilient. GDP growth was 6.8% in the first quarter but then highlighted that El Nino is posing challenges going forward. It is. That is why we have got this six-pillar response programme, which hinges on agro-ecological tailoring through the *Pfumvudza/Intwasa* Programme. It is supporting access fertilizer imports, removing duty on that. It also hinges on accessing insurance. In fact, this afternoon, the Cabinet approved us to proceed to sovereign insurance to deal with the El Nino issue. We will be doing so. Typically, in a bad year, this insurance is used to disperse cash transfers to about 22 of the worst affected districts. We look forward to concluding that. Our six-pillar programme also talks about investment in irrigation and generally monitoring the weather, using all our systems to monitor the weather, to make use of our early warning systems that we can prepare accordingly.

Hon. Murombedzi also mentioned that the budget should be focused on roads and on social services. That is exactly what it is doing. We are aligned in that the budget for 2027 must focus on social service provision. It does that. That is what we will do. We have time to do further consultations. We will do a retreat as usual in October. In November, we will present the budget and debate it accordingly.

I then turn to Hon. Makumire. He said he will deal with his comments later. I turn to Hon. Mushipe, who again applauded the written Budget Statement, the state of macroeconomic stability, currency stability, price stability, general fiscal discipline, and even the budget transparency ranking number three in Africa. He commended the work we have done in reducing the cost of doing business, for example, the removal of the road access fee at borders replaced by normal toll fees. We have been doing all of this. I can assure him that we will continue now to implement the SIs that govern these reductions so that they are forcefully implemented through the law.

He highlighted an important point that sometimes when you see this kind of GDP growth, 8.3% last year, 5% this year, currency stability and macroeconomic stability also have something to do with it. You cannot invest in an unstable environment, either as a local investor or as a foreign investor. So, an investment drives GDP. You cannot save in an environment of instability and that also goes towards GDP. Your consumption patterns are disrupted when you have instability and consumption is part of how we measure

GDP. So, a GDP increase is also explained by macroeconomic currency and price stability. I agree with his comments and observation on that.

On the BSP, he correctly observes that, I think it is page 27 or so, where we mentioned the support for the youth, especially youth empowerment programmes. I can assure you that we make every effort to follow through on this commitment and allocate the budget towards supporting projects for the youth.

Let me turn to Hon. Madzivanyika who had premised his comments on negative aspects and positive aspects, but that is okay. His first negative aspect was on the budget overruns by some MDAs. I would have already responded to this, that this is just an administrative delay in the proper allocation of these expenditures. They will go to the various ministries in the third quarter. That process has already started to make sure that they go to the appropriate areas and you will not have these large figures above 100% showing.

Turning to the issue of dams, he mentioned an important point. There are so many dams that we have on the list that we are supporting this year. Why do we not just choose two and focus on those? However, that is exactly what we have done. If you look at that list, the dams that are really being funded aggressively are Gwayi-Shangani Dam and the Kunzvi Dam. Gwayi- Shangani Dam to support the Greenbelt all the way to Bulawayo, as well as the Kunzvi Dam to support Harare Water Supply. That has been the focus and that is what we have pronounced. You will see that both of those are at over 70% completion, while the rest that are on the list that we started years back are sitting at 30%, 20%, which just shows you that they are not the primary focus this year. It is those first two I mentioned that are the focus. So, I agree with him and that is exactly what we are doing.

In the area of devolution, we have commented on this. I can assure him that we will improve disbursements going forward on devolution funding. He also mentioned an important point about domestic debt and the validation of domestic debt. We are indeed validating this debt because some of these contracts have been inflated. We are negotiating to bring them back to the right size to make sure the Government does not overpay.

Part of the validation process involves negotiations here and there. I can assure Hon. Madzivanyika that we always make every effort to manage our debt. I think that he will notice that our Debt-to-GDP ratio is not running away at all. Now we are down to about 42% of GDP. He also made an important point regarding our pension funds, that 50% of them are inactive. I can assure him that I have asked IPEC to look into this issue. They are looking into it to make sure that it is dealt with. They are the delegated regulator delegated to inform me. They are dealing with that matter. Let me report on it, maybe in the next budget in November or prior to that, I will be able to give an update.

On the issue of prescribed assets, on progress on that, pension funds and institutions are at 9%, well below target. This is also correct. Let me explain that prescribed assets are not necessarily Government projects. These are projects out there. Most of the time, it is entrepreneurs. Ninety-nine per cent of the time, it is entrepreneurs who are driving these projects. They also apply to us, but we feel that these are important, transformative projects that are developmental and that will create jobs and so forth. So, we support them and give them this prescribed asset status so that our pension funds and institutions can follow up and invest in them.

His concern is that 9% is rather low. I also agree with him that it is low and should improve. What is happening is that I feel that the supply of requests for prescribed asset status is rather low. Last time I was speaking to a few business people. They did not even understand what it meant. I said, look, once you have that prescribed asset status, it makes it easier for pension funds to fund your projects. They said, okay, is that what it means? I said, that is what it means. So, just knowledge and information out there is critical for us to disseminate to the public and to the investor community. I think we will see an increased demand for this status.

It is not about returns at all, I can assure Hon. Madzivanyika. Most of these projects are very good projects, mainly in the solar energy space, with very good returns in solar energy. That is not the issue. It is about information. I think that is the biggest problem. The positive thing is that Hon. Madzivanyika is happy with the macroeconomic stability. That has a positive point, but he seems to have some concerns about interventions like the monetary authority and so forth. It is the job of the monetary authority to keep some order in any market, it is normal. I can assure him that if you consider the current reserves, gold in the main converted to USD, if you just take that and convert it to ZiG, you find that it far outweighs the amount of ZiG in circulation. So, he should not worry about whether this could cause challenges for the currency or not. There is no problem there at all. Part of this intervention in terms of the sale of USD in the market supports the market. The market needs the USD for importation purposes. This is proper Monetary Sector Management by the Central Bank.

Now, turning to the issue of cancer machine acquisitions, he made certain observations. I will use a different word, value for money, that perhaps in terms of the pricing, there may not have been value for money and I should check that. If he has some information, I will encourage him to give it to me directly and then I can investigate appropriately. You never know, maybe he has information - why not? I should be happy to receive it as Minister of Finance and check accordingly. I can assure you, we subject the procurement process to value for money considerations.

It is not just the cancer machines that have been bought. There is additional diagnostic equipment and some drugs and so forth. If you have any information on lack of value for money, I am happy to receive it and consider it.

Now, taking into consideration the comments by Hon. Kaitano, I thank him for his comments. He basically commended the state of the economy. The economy is doing well. He said something; this I have to appreciate. He said that there are people behind this progress on the economy who sit, thinking they are planning, they came up with the TSP and NDS1 and NDS2, they have models, they are simulating; that is exactly what we do. I encourage my staff and the Treasury and Reserve Bank to do more of it.

As I speak, we will develop a mathematical model of the whole economy. We can simulate any fiscal policy through that model. Hopefully one day, for those Members of Parliament who feel sufficiently strong, mathematically and econometrically, I will take you through these models. You will definitely enjoy them in terms of their capability.

Hon. Kaitano did mention some aspects of stability, like low inflation averaging 4.2% between January and June and obviously commending the progress here. The support for war veterans release was timely because there have been some concerns that there were some delays and we did release ZiG250 million promptly to clear our obligations to support our war veterans. He also acknowledged the constraints we face as a Government, being unable to access global capital easily, including commercial capital for the private sector in terms of credit lines. Even within these kinds of constraints, we can find our way and we are able to pay for services and meet some of the public obligations.

Then on the El Niño Response Programme, again he commended the programme, the six-pillar programme which I have described in my earlier response. He made a very important observation that we should do further agro-ecological tailoring of the response programme. So, Regions 4 and 5, for example, should be more focused there, whether it is with the *Pfumvudza/Intwasa* Programme with more irrigation and drilling; we should do more in the affected areas, Regions 4 and 5. I agree with him, that is exactly how this works. I can assure you that when it comes to insurance, you will find that we tend to pay the sovereign insurance in terms of cash transfers in Regions 4 and 5, in the main, the 22 or so districts in those kinds of areas.

On the mining sector contribution, again we have made progress, which Hon. Kaitano highlighted and the value addition aspect that goes with it is particularly commendable. He did mention that we need more locals to be involved in mining and I agree. When I was in the private sector, I did go into it in a big way. There we now need to work hard. We need some serious indigenous miners coming out of our various corners of the country in areas where you have got some of these endowments. It is very important that they do so.

We, as Government, always stand ready with various schemes to support any new entrants into the sector, among other sectors of course. So, we are very happy to engage Hon. Kaitano if he has got specific projects or he knows entrepreneurs who need support in the mining sector to see how we as Government can support them as they go ahead with this.

Let me hasten to say that one of the useful aspects, or let me say one of the opportunities arising out of the Victoria Falls Stock Exchange which is a hard-currency stock exchange, is that you can now launch junior mining houses. You can also launch mining cash shells. So, what you do here is, you have got a piece of ground, you think there is something on that piece of ground, maybe it is gold or platinum, a bit of crude verification, you can credibly go to the market and raise money, even if it is USD5 million. Out of that, create a cash shell before you even start mining a single ounce of gold. So, we have some of these platforms and we are happy to discuss with any Hon. Members on both sides of the aisle, should they need support with those kinds of structures.

Hon. Kaitano mentioned a very important point, I was going to forget that we need to start publicising the Gini coefficient. This is a measure of inequality. The 2019 figure here is correct, it was about 0.5. When the Gini coefficient is close to one, that is a danger point. It means that almost one person owns everything. He or she typically says he may own all the GDP in the economy. If the Gini coefficient is closer to zero, then there is a much more even distribution of income. So, Zimbabwe is in the middle. We are neither too bad nor too fair enough in terms of our income distribution, equitable enough. I can assure you that going forward, we will publicise this Gini coefficient and show an improvement. It should be lower than 0.5, that is always the best place to be. It is very difficult to get it to levels of 0.2, 0.3. It is tough. However, the budgetary process supports the redistribution process by focusing on social safety nets and the social sectors.

Finally, Hon. Kangausaru, who again commended the performance of the economy and strong GDP. He mentions an important point, which is that transformation that does not come from an increase in GDP because that could be driven by commodity prices. Transformation comes from productivity improvements in productivity, where a unit of labour begins to produce more than it did previously. I agree with him. Our promotion of value addition is also part of that process of increasing productivity. So, we have a better quality of GDP growth, which can be better still supported by redistribution mechanisms to improve or to deal with inequality.

He also mentioned that we should remain vigilant on inflation so that any liquidity growth does not lead to excess demand that pushes up prices wantonly, that any excess liquidity must go towards the productive sector because once liquidity and money supply is productive, it ceases to be an issue. If it is not, then it is spent on expenditure, which may then put pressure on prices.

Lastly l want to highlight that he mentioned about dealing with the issue of debt overhang through the debt resolution process. I can assure him that we are working hard on this issue and we are confident that one day, in the not-so-distant future, this will be resolved.

I thank the Hon. Members and the Chairperson of the Budget and Finance Committee for these comments. I hope my responses have gone a long way in contributing to the debate but also in responding to their queries. Therefore, I place this statement once again before this august House and urge that it be adopted.

Motion that this House takes note of the 2026 Mid-Term Budget and Economic Review Statement and the 2027 Budget Strategy Paper, put and agreed to.

THE TEMPORARY SPEAKER: Hon. Minister, I would like to thank you for comprehensively addressing every point that was raised in this august House. You did justice. Thank you Hon. Minister.

On the motion of **THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION (HON. PROF. M. NCUBE***), the House adjourned at Eight Minutes past Six o'clock p.m.*