NATIONAL REPORT FOR ZIMBABWE - 1988

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Statistical and Financial Information

(1) Foreign Exchange Rates

Middle rates for Zimbabwe Dollar for spot transactions.

	US$	UK Sterling
End of 1987	0.6013	0.3234
End of 1988	0.5147	0.2874

(Source: Reserve Bank of Zimbabwe.)

(2) Consumer Price Index

The Percentage increase in the all items consumer price index during 1988 (Dec 1987 - Dec 1988) was as follows:

Higher income urban families	7.56%
Lower income urban families	8.16%

(Source: Central Statistical office.)

(3) Prices and Wage Control

Prices and wages have been subject to Government control for some years although at time of writing (June 1989) Government has stated it's intention to introduce changes in policy. The proposed changes arise in the light of new investment guidelines announced in May 1989, aimed at increasing investment and creating more jobs.

No statistics have been published about recent trends in national average wages.

(4) Redemption Yields on Government Stocks as at 31 December 1988

There were no changes to the yield curve on Government stocks during 1988. Percentage yields per annum for different periods to maturity are shown below.

Period to maturity (years)	1	5	10	15	20	30
Yield (%	9.70	11.30	12.70	13.60	14.00	14.50

(Source: Reserve Bank of Zimbabwe.)

Proposed National Social Security Scheme

(5) A National Social Security Scheme has been under consideration by Government for several years. A draft Bill was circulated for comment in 1988. The draft Bill provided for generous earnings related benefits based on earnings related contributions. The scheme was to be mandatory for all individuals in gainful employment.

(6) Much concern was expressed by the private sector about both the pace of development and the extent of the proposed scheme.

(7) A Bill has now been presented to Parliament entitled "The National Social Security Authority Bill, 1989". The Bill merely provides enabling legislation for the establishment of a social security scheme or schemes for the provision of benefits for employees. The Bill establishes the National Social Security Authority for the purpose of operating any scheme and the National Social Security Board for the management of the Authority. Details of the schemes to be established are to be tabled at a later date.

(8) Under the original proposals circulated in 1988 it seemed likely that occupational pension schemes would be discontinued or severely curtailed if a National scheme was introduced in the form envisaged. Discussions are still in progress and it remains to be seen how Government intends to proceed.

Pension and Provident Fund Regulations

(9) New draft regulations are under discussion which evidence recent changes in practice. The draft regulations provide also for some protection of benefits under Occupational Pension Schemes for members who leave service after a specified number of years.

Life Assurance Regulations

(10) The Insurance Regulations 1989 have been introduced under the Insurance Act 1987. Although the Commissioner of Insurance raised the question of the need for a statutory basis of reserving for life offices, there is no such requirement in the Regulations.

June 1989