REVENUE PERFORMANCE REPORT FOR THE
QUARTER ENDED 31 MARCH 2018

Mrs W. Bonyongwe
ZIMRA Board Chairman
Preamble

The year started on a high note with great anticipation of an improvement in the operating economic environment. Although many of the legacy issues are still manifest, the country is no longer isolated. The new Government is seriously engaging both local and international investors particularly for infrastructural development. The highlight of the re-engagement was Zimbabwe’s attendance of the World Economic Forum in Davos, Switzerland for the first time. Zimbabwe has also received a lot of foreign delegations from both the East and the West, and in turn the Government dispatched numerous investment missions to various countries under the mantra “Zimbabwe is open for business.” This is set to boost economic growth and development and subsequently revenue generation throughout the year.

The economic growth is expected to be higher this year. The Gross Domestic Product (GDP) is projected to grow by 4.5%\(^1\) in 2018 up from 3.7% for 2017. The growth drivers will be largely the Agriculture, Energy and Mining sectors. In Agriculture tobacco production is expected to increase by 5.5% to 200 million kilograms this year. However, there are serious environmental issues to be tackled urgently in the curing process, which stand to negate the economic benefits of this growth. The Government should earnestly address these concerns.

Inflation

The inflation rate increased from 3.46% in December 2017 to 3.52% in January 2018 before dropping to 2.98%\(^2\) in February 2018. The drop in February 2018 was compelled by food price deflation, which was pushed down by the reduction in fuel prices as Government intervened to curb the upward spiral of prices. Furthermore, Zimbabwe’s foreign currency premiums dropped from an average of 60% to about 25% as a result of improved exports, diaspora remittances and foreign direct investment\(^3\). However, for sustainable inflation control production has to rise for both the export and local markets.

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\(^1\)2018 National Budget Statement
\(^2\)Inflation Update (Equity Axis: 19 March 2018)
\(^3\)http://equityaxis.net/2018/03/22/zimbabwe-nostro-premiums-drop-rbz/
The Financial Sector

In our June 2017 Revenue Performance Review we submitted that “It is the Revenue Authority’s view that because of globalization and the anti-money laundering laws currently in place worldwide, the Reserve Bank of Zimbabwe can and should trace, follow and bring back what was irregularly externalized through the banking system”. We, therefore, applaud Government for finally making efforts to do so.

Government published the list of corporates and individuals who externalised funds on 19 March 2018. A total of US$1.42 billion was reported to have been externalised. Out of this, US$591.1 million was repatriated under the amnesty in terms of SI 145 of 2017 whilst US$826 million is still outstanding. Despite the controversy, the authorities should earnestly follow the footsteps of that money be it illicit transfers or un-acquitted CD1 or CD3 forms. Building our economy requires a paradigm shift from the self-centred and greedy behaviour of the past to doing the right thing at the right time.

ZIMRA Thrust and Focus

This is the last Performance Review Report before the tenure of the ZIMRA Board expires in June and hence it will cover the vision of the Board, some of the achievements and challenges.

The Revenue Board appointed a substantive Commissioner General, Ms Faith Mazani, on 1 February 2018. She is a highly experienced tax and revenue professional with extensive international exposure in domestic taxes and customs administration. She brings with her a rich wealth of specialities that span from revenue administration reform and modernisation, tax policy development, strategy implementation, project management to training and capacity building. Most of the key positions are now filled with substantive holders or have been advertised. These appointments are expected to bring stability, enhance efficiency and vibrancy to the operations of the Authority. It is also a new era for ZIMRA which is now expected to finalise the robust revenue enhancement strategies, automation and the fight against corruption. Since 2016 and through the guidance of the Board, ZIMRA has achieved the following steps to increase revenue collection:

- Risk-based audits and investigations as well as close monitoring and follow-ups of outstanding payments.
- Increased use of technology to plug revenue leakages and bring in efficiencies. This includes:
  - Electronic Cargo Tracking System—More seals are being procured to ensure 100% electronic tracking of all transit cargo in the medium to long term;
o **Fiscalisation**- where the Authority has taken the onus to sell fiscal devices to its valued clients at reasonable prices and ensured that the old gadgets are connected to ZIMRA servers;

o **ASYCUDA system upgrade**- The Authority is currently in the process of upgrading the system to a higher version and to this end, three top-of-the-range servers have been acquired. These have replaced the obsolete servers that were hosting the system. The upgrade is expected to be completed by June 2018. This should put an end to the systems crash experienced previously especially in December 2017.

o **E-services**- The e-services platform has not been performing optimally causing inconveniences to our clients particularly on e-filing and getting tax clearance certificates. ZIMRA hired ICT experts to find a lasting solution to this matter. The problem was successfully diagnosed, it emanates from pre-mature launching of the system, and currently the ZIMRA technical team and the system vendors are seized with resolving the challenges effectively in the short term.

- Increased stakeholder engagement which included:
  - Sector specific taxpayer education campaigns and audits
  - New registrations especially for SMEs
  - Partnerships with other stakeholders to educate taxpayers

- Implementation of anti-corruption initiatives such as the whistle-blower facility, the hotline, lifestyle audits for ZIMRA employees and Taxpayers among other initiatives.

- Beitbridge border post infrastructural projects have commenced after the Ministry of Finance and Economic Development availed funding. The focus is on, among other things, introducing a queue management system and improving the infrastructure at the border post. Works in this regard have commenced. This will go a long way in bringing efficiency in the collection of duties and taxes at the border post. More infrastructural projects are being undertaken in other border posts, with the limited resources available.

The granting of the tax amnesty to allow taxpayers to regularise their tax affairs by 30 June 2018 is another key development which is anticipated to go a long way in reducing non-compliance, reduce the debt level and subsequently enhance revenue collections in the future.
Revenue Performance

Gross and net collections for the first quarter of 2018 surpassed the set targets and also improved from last year’s collections for the same period. Gross collections were 8.1% above the target of US$1.029 billion, with collections amounting to US$1.113 billion. This trend is expected to accelerate in Q2, 2018 due to the new Commissioner General and her team as indicated above but also due to the enhanced effective use of automation going forward. After deducting total refunds of US$55.19 million for the quarter, net collections stood at US$1.058 billion, which translates, to 2.74% above the expected US$1.029 billion. Refunds for the quarter consisted of VAT Refunds (US$54.25 million), Customs Duty Refunds (US$0.139 million) as well as Rummage and other refunds (US$0.80 million). The issue of refunds has been of concern to the Board from the onset and I am glad to report that an extensive investigation of the refunds was done and the final report is expected soon.

Net revenue collections therefore, improved by 27.97% from the US$826.63 million that was realised during the first quarter of 2017. Major contributors to revenue were Excise Duty (21%), Net VAT on Local Sales (19%) and Individuals (18%). The positive revenue performance is attributed to the Authority’s efforts in revenue enhancing projects and debt follow-up, a resolute stance on corruption as well as the increased use of electronic and mobile money in transacting.

Despite the positive performance, high debt continues to downplay the Authority’s efforts to enhance revenue collections. The year started with debt amounting to US$3.93 billion, increasing during the first quarter of 2018 by US$284.17 million (7.21%) to US$4.227 billion at end of quarter. High level discussions are going on for public enterprises debt and for set-offs where Government owes the private sector. It should also be pointed out that given the prevailing high level of non-compliance and increased audits by ZIMRA, the debt is likely to increase. Taxpayers should take hid of the Amnesty because then they will not pay the penalty and the interest component as per legislation.

Gross and net revenue collections for the quarter were above last year’s levels for the same period, an indication of an improving operating environment for business and effective enforcement. Figure 1 below compares revenue performance for the first quarter of 2018 against 2017.
Figure 1: Q1 2017/2018 Revenue Comparison

<table>
<thead>
<tr>
<th></th>
<th>Target (US$ Millions)</th>
<th>Gross Collections (US$ Millions)</th>
<th>Net Collections (US$ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q1 2018</strong></td>
<td>1,029.62</td>
<td>1,113.01</td>
<td>1,057.82</td>
</tr>
<tr>
<td><strong>Q1 2017</strong></td>
<td>812.94</td>
<td>862.47</td>
<td>826.63</td>
</tr>
</tbody>
</table>
Table 1 below shows revenue performance per revenue head for the first quarter of 2018.

**Table 1: Q1 2018 Collections vs Targets**

<table>
<thead>
<tr>
<th>TAX HEAD</th>
<th>TARGET Q1 2018 US$</th>
<th>ACTUALS Q1 2018 US$</th>
<th>ACTUALS Q1 2017 US$</th>
<th>VARIANCE FROM TARGET US$</th>
<th>% VARIANCE FROM TARGET</th>
<th>GROWTH FROM Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Tax</td>
<td>208,209,000.00</td>
<td>193,705,621.45</td>
<td>165,833,145.17</td>
<td>-14,503,378.55</td>
<td>-6.97%</td>
<td>16.81%</td>
</tr>
<tr>
<td>Company Tax</td>
<td>98,000,000.00</td>
<td>128,553,888.48</td>
<td>92,639,217.07</td>
<td>30,553,888.48</td>
<td>31.18%</td>
<td>38.77%</td>
</tr>
<tr>
<td>Net VAT on Local Sales</td>
<td>234,900,000.00</td>
<td>211,445,831.52</td>
<td>185,362,544.76</td>
<td>-23,454,168.48</td>
<td>-9.98%</td>
<td>14.07%</td>
</tr>
<tr>
<td>VAT on Imports</td>
<td>100,600,000.00</td>
<td>123,139,688.00</td>
<td>85,545,300.98</td>
<td>22,594,388.02</td>
<td>26.41%</td>
<td>43.95%</td>
</tr>
<tr>
<td>Net Customs Duty</td>
<td>88,780,000.00</td>
<td>90,275,037.97</td>
<td>66,041,936.92</td>
<td>1,495,037.97</td>
<td>1.68%</td>
<td>36.69%</td>
</tr>
<tr>
<td>Excise Duty</td>
<td>198,321,100.00</td>
<td>233,318,820.87</td>
<td>150,288,308.04</td>
<td>34,997,512.83</td>
<td>22.65%</td>
<td>55.25%</td>
</tr>
<tr>
<td>Carbon Tax</td>
<td>8,830,000.00</td>
<td>10,657,831.29</td>
<td>7,341,675.42</td>
<td>3,316,155.87</td>
<td>40.70%</td>
<td>45.17%</td>
</tr>
<tr>
<td>Mining Royalties</td>
<td>21,500,000.00</td>
<td>19,150,324.28</td>
<td>16,392,354.46</td>
<td>-2,757,969.82</td>
<td>-10.93%</td>
<td>16.82%</td>
</tr>
<tr>
<td>DFIR</td>
<td>14,110,000.00</td>
<td>18,723,127.14</td>
<td>13,276,044.92</td>
<td>5,447,082.22</td>
<td>32.69%</td>
<td>41.03%</td>
</tr>
<tr>
<td>WHT on Contracts</td>
<td>35,843,082.24</td>
<td>44,757,254.14</td>
<td>20,542,029.43</td>
<td>22,215,224.71</td>
<td>24.87%</td>
<td>117.88%</td>
</tr>
<tr>
<td>Other Taxes:</td>
<td>20,530,917.76</td>
<td>17,568,523.50</td>
<td>13,773,313.52</td>
<td>-3,592,490.24</td>
<td>-14.43%</td>
<td>27.55%</td>
</tr>
<tr>
<td>CGT &amp; CGT WHT</td>
<td>6,670,000.00</td>
<td>6,664,405.50</td>
<td>5,419,955.16</td>
<td>-5,594.50</td>
<td>-0.08%</td>
<td>22.96%</td>
</tr>
<tr>
<td>Tobacco Levy</td>
<td>3,254,000.00</td>
<td>176,083.90</td>
<td>765,745.69</td>
<td>-3,077,916.10</td>
<td>-94.59%</td>
<td>-77.00%</td>
</tr>
<tr>
<td>Other Indirect Taxes</td>
<td>10,606,917.76</td>
<td>10,728,034.10</td>
<td>7,587,612.67</td>
<td>121,116.43</td>
<td>1.14%</td>
<td>41.39%</td>
</tr>
<tr>
<td>Net Non-Tax Revenue</td>
<td>-33,478,861.49</td>
<td>9,594,850.26</td>
<td>-33,478,861.49</td>
<td>-4.89%</td>
<td>-448.93%</td>
<td>27.97%</td>
</tr>
<tr>
<td><strong>NET REVENUE</strong></td>
<td>1,029,624,100.00</td>
<td>1,057,817,087.15</td>
<td>826,630,720.95</td>
<td>28,192,987.15</td>
<td>2.74%</td>
<td>27.97%</td>
</tr>
<tr>
<td><strong>GROSS REVENUE</strong></td>
<td>1,029,624,100.00</td>
<td>1,113,005,841.24</td>
<td>862,472,988.17</td>
<td>83,381,741.24</td>
<td>8.10%</td>
<td>29.05%</td>
</tr>
</tbody>
</table>

Despite the positive overall performance, revenue heads such as Individuals, Net VAT on Local Sales, Mining Royalties, Capital Gains Tax (CGT) and CGT Withholding as well as Tobacco Levy performed below expectations. The net VAT on local sales in particular is a cause for concern and ZIMRA is putting in strategies to plug these leakages.
Q1 2018 Revenue Collections and Targets

Figure 2: Q1 2018 Revenue Collections against Targets

<table>
<thead>
<tr>
<th>Component</th>
<th>Target Q1 2018</th>
<th>Actuals Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Tax</td>
<td>208.21</td>
<td>193.71</td>
</tr>
<tr>
<td>Company Tax</td>
<td>98.00</td>
<td>128.55</td>
</tr>
<tr>
<td>Net VAT on Local Sales</td>
<td>234.90</td>
<td>211.45</td>
</tr>
<tr>
<td>VAT on Imports</td>
<td>100.60</td>
<td>123.14</td>
</tr>
<tr>
<td>Net Customs Duty</td>
<td>88.78</td>
<td>90.28</td>
</tr>
<tr>
<td>Excise Duty</td>
<td>198.32</td>
<td>233.32</td>
</tr>
<tr>
<td>Carbon Tax</td>
<td>8.83</td>
<td>10.66</td>
</tr>
<tr>
<td>Mining Royalties</td>
<td>21.50</td>
<td>19.15</td>
</tr>
<tr>
<td>DFIR</td>
<td>14.11</td>
<td>18.72</td>
</tr>
<tr>
<td>WHT on Contracts</td>
<td>35.84</td>
<td>44.78</td>
</tr>
<tr>
<td>Other Taxes:</td>
<td>20.53</td>
<td>17.57</td>
</tr>
</tbody>
</table>

Amount in US$ millions
Q1 2017 and 2018 Net Revenue Collections Comparison

The following bar graph shows a comparison of revenue collections for the first quarter of 2017 and 2018, and the 2018 targets per revenue head.

All revenue heads showed an improved performance from the same period last year with significant increased growth recorded on Withholding Tax on Contracts (117.88%), Excise Duty (55.25%), Carbon Tax (45.17%) and VAT on Imports (43.95%). The intensive implementation of revenue enhancement measures by the Authority, including the increased use of technology ensured stable revenue inflows and reduced revenue leakages.
Analysis of the Performance of Specific Revenue Heads

**Individual Tax**
Revenue collections from individuals were **93.03%** of the targeted **US$208.21 million**, with collections amounting to **US$193.71 million**. Although the revenue head missed the target, revenue collections grew by **16.81%** from the **US$165.83 million** that was realised during the same period last year. Debt under this revenue head increased by **3.25%** from **US$824.11 million** at the beginning of the year to **US$850.88 million** as at end of March 2018.

The performance of the revenue head was negatively affected by salary cuts, retrenchments and irregular salary payments by some companies. Non-compliance as evidenced by high debt also negatively impacted on the performance of the revenue head.

**Corporate Income Tax (Companies)**
The revenue head recorded a positive performance during the quarter with collections of **US$128.55 million** against the targeted **US$98.00 million**. This translates to **31.18%** above the target. In comparison
with the same period last year where **US$92.64 million** was collected, revenue collections grew by **38.77%**.

On the other hand, debt increased by **7.46%** from **US$1.463 billion** at the beginning of the year to **US$1.572 billion** at the end of the quarter.

The positive performance is attributed to improved profitability by some companies as well as the increased electronic and mobile financial transactions, which are traceable for tax audit purposes.

**VAT on Local sales**
Gross VAT on Local Sales amounted to **US$265.70 million** against a targeted **US$234.90 million**, resulting in a positive variance of **13.11%**. After deducting VAT Refunds of **US$54.25 million**, net collections stood at **US$211.45 million**. This translates to **90.02%** of the targeted **US$234.90 million**. Net revenue collections grew by **14.07%** from last year’s collection of **US$185.36 million**. VAT Withholding tax, which was introduced in April 2017, enhanced revenue this year with collections of **US$29.51 million** during the quarter. On the other hand, VAT on Local Sales debt closed the quarter at **US$1.352 billion**, a **4.23%** increase from **US$1.297 billion** at the beginning of the year.

The improved revenue performance from last year is attributed to increased usage of plastic money and the Tax Management System initiative, which improved compliance. Refunds however negatively affected the performance of the revenue head during the quarter. It has been indicated above that an investigation of the refunds is ongoing. It is unfortunate that the withholding tax level on VAT has been reduced following complaints from industry, but the reality is Government is refunding money which has not been collected. This is reflected in the level of VAT debt. That money belongs to Government and there should be no incidence of debt at all. This shows **$1.3 billion** tax delinquency.

**VAT on Imports**
Revenue collections from VAT on Imports were **US$123.14 million**, which is **22.41%** above the target of **US$100.60 million**. A **43.95%** growth in revenue collections was recorded during the quarter in comparison with **US$85.55 million** that was collected during the same period last year. Improved foreign currency availability, which enabled the importation of VAT paying goods, enhanced the performance of the revenue head.

**Customs Duty**
Gross collections for the quarter, inclusive of duty refunds of **US$0.139 million**, were **US$90.41 million** against a target of **US$88.78 million**. Net collections amounted to **US$90.28 million** against a similar target resulting in a positive variance of **1.68%**. A **36.69%** growth in revenue collections was recorded during the quarter from the **US$66.04 million** that was realised during the same period last year. On the other hand,
customs debt increased by 1.87% from US$82.23 million at the beginning of the quarter to US$83.76 million as at end of March 2018.

The positive performance of the revenue head is attributed to improved foreign currency availability, which enhanced the importation of duty paying goods. The measures being taken on ASYCUDA and on curbing corruption at the borders should also reduce the leakages going forward and other things remaining equal this tax head should perform a lot more better.

**Excise Duty**

Excise Duty revenue for the quarter was US$233.32 million against a target of US$198.32 million, giving a positive variance of 17.65%. Revenue collections increased by 55.25% from the US$150.29 million that was collected during the first quarter of 2017. Major contributors to Excise Duty revenue were Fuel, Airtime and Beer, which contributed 71.41%, 13.68% and 8.48% respectively. The remainder of the revenue was realised from tobacco, wines and spirits, second-hand motor vehicles and electric lamps.

The good performance is remarkable given the reduction in excise on fuel during the quarter. This is an indication of the success of the Electronic Cargo Tracking System and its positive impact on revenue. Going forward this is expected to increase as the number of seals improve and the Authority achieves 100% sealing of all risk cargo.

The improvement in disposable incomes also resulted in increased consumption of excisable goods leading to a positive performance during the quarter.

**Withholding Tax on Contracts**

The revenue head surpassed the target of US$35.84 million by 24.87% with revenue collections of US$44.76 million. Revenue collections also grew by 117.88% from the same period last year where US$20.54 million was collected. The performance of the revenue head is attributed to increased business activities in the economy particularly the mega infrastructural development projects expected later this year.

**Carbon Tax**

Revenue collections from Carbon Tax were US$10.66 million, which is 20.70% above the targeted US$8.83 million. A 45.17% growth in revenue collections was recorded from the US$7.34 million that was collected during the first quarter of 2017. The positive performance of the revenue head is attributed to the
increased importation of fuel as a result of the reduction in Excise Duty rates on fuel and availability of foreign currency.

**Mining Royalties**
Revenue collections under this revenue head amounted to **US$19.15 million**, which was **89.07%** of the targeted **US$21.50 million**. On the other hand, revenue collections went up by **16.82%** from the **US$16.39 million** that was realised during the same period last year. The subdued performance of the revenue head is attributed to fluctuating global prices of minerals as well as improved production levels from last year.

**Dividends, Fees, Interest & Remittances (DFIR)**
Revenue collections from DFIR for the quarter amounted to **US$18.72 million** translating to **32.69%** above the targeted **US$14.11 million**. During the same period last year, **US$13.28 million** was collected resulting in a **41.03%** growth in revenue this year. Highest contributors to the revenue head were Non-Residents Tax on Fees and Non-Residents Shareholders Tax, which contributed **62.36%** and **17.69%** respectively. Improvements in investment levels and profitability as well as continuous engagement of foreign experts positively impacted on the performance of the revenue head.

**Other Taxes**
This cluster of revenue heads comprises of Capital Gains Tax and Capital Gains Withholding Tax, Tobacco Levy and Other Indirect Taxes (Stamp Duty, Intermediate Money Transfer Tax, Presumptive Tax and ATM Levy). Revenue collections during the period under review were **US$17.57 million**, which translates to **85.57%** of the targeted **US$20.53 million**. Revenue collections increased by **27.55%** from the same period last year where **US$13.77 million** was realised. Although the target was missed, there has been an improvement in mortgage funding and intermediate money transfers in the economy.

**CONCLUSION**
The positive revenue performance for **Q1, 2018** is good, and has a very optimistic trajectory for 2018. When the current ZIMRA Board was appointed, the Minister tasked us with 3 major goals namely: to complete fiscalisation and accelerate the automation process, to fight corruption and to increase the tax base. As we approach the end of our term of office, it is important that we review the performance of the Board against these goals. However, it is pertinent to firstly consider the challenges which the Board faced
during its tenure. The first one being that the Board did not anticipate the management shake-up which then ensued. The shake-up caused a major shock to the organisation, but the investigations and audits which followed were God sent because they revealed issues which the Board would not ordinarily have uncovered. Without, those audits and investigations, corruption could have long collapsed ZIMRA. You will recall when the Board was appointed ZIMRA was struggling to meet its revenue targets and at some point Government was failing to pay the salaries for civil servants. As we end the term, targets are being met and more importantly the stage is set for a further increase in tax revenues.

The second challenge was the level of avarice in our society. Avarice is one of the 7 deadly sins compiled by Pope Gregory around year 600. Wikipedia defines avarice as, “… an inordinate or insatiable longing for unneeded excess especially wealth, status, and power”. I believe this is the root of corruption in Zimbabwe.

Automation and Fiscalisation

ICT is the driver of revenue collection and it is necessary that ZIMRA gets the adequate resources to complete its processes. The Authority will continue to implement planned revenue enhancing measures using robust ICT systems and building enabling infrastructure for revenue collection as it joins the nation in fighting corruption.

The current Fiscalisation has been completed but many people do not have the gadgets and those with them are complaining of high costs of fiscal gadgets and their maintenance. Consequently due to these problems and to take advantage of the technological advancement, ZIMRA is pursuing more modern systems of obtaining data from the taxpayers. It is expected that by June 2018 the pilot studies will be completed. In the meantime those with gadgets have to fully utilise them.

During the tenure of the Board the Electronic Cargo system was inaugurated. This had been on the drawing board for several years and being shelved because management had initially budgeted it for over $20 million later reduced to $10 million. ZIMRA implemented it for $3 million and when all the seals and extra equipment is purchased it will still be under $5 million. But the impact to revenue is huge.

I indicated above that the ZIMRA technical team, system vendors and some external experts are working on both ASYCUDA and SAP to improve efficiency and speed.

Fighting Corruption
I was fortunate to meet Clare Akamanzi of Rwanda during her visit to Zimbabwe and it was a pleasure to listen to a success economic story from Africa for a change. She talked about Rwanda’s commitment to transparency and the use of automation to fight corruption. She said Rwanda has a complete zero tolerance to corruption irrespective of the status of the offender. She said even the high and mighty do fall when found on the wrong side of the law. I hope this is one leaf Zimbabwe will borrow from Rwanda. Clare spoke of the use of Hotlines to combat corruption. Incidentally, this is one of the major weapons the ZIMRA Board used in Zimbabwe. Our INDEPENDENT HOTLINE was a major source of information which fed into the investigations. We were all shocked by the level of accuracy of the information and are forever grateful to those who supplied and continue to supply information. Initially, the fight against corruption was going on well, but currently it has turned rough, as those who are feeling the heat are fighting back so hard. We hope the authorities will see through it. Due to the fight against corruption, the revenues have been going up, and could double by year end. It is my hope that this trend is not derailed because of avarice.

**Increasing the Tax base**

An increase in the tax base is a function of Automation and the Fight against corruption. But the Authority will also continue with its thrust towards active stakeholder engagement, education and building winning partnerships in revenue mobilisation to increase voluntary compliance.

**Gratitude**

As we finish the Board’s term of office, I would like to extend my sincere gratitude to the Minister of Finance and Economic Development, Hon. Patrick Chinamasa, for unwavering support to the Board. May God bless you Sir. My gratitude also goes to the Permanent Secretary, Mr Willard Manungo, Ministry of Finance and Economic Development staff and indeed the entire Government of Zimbabwe for the continued support given to the ZIMRA Board and the Authority during the quarter.

My gratitude also goes to my colleagues on the Board, without whose support and input our positive performance would not have been possible. The unwavering attitude of the Board against corruption, resistance to external pressure, desire for continuous improvement has remained resolute and their loyalty to Zimbabwe is remarkable. I thank you for remaining my dependable pillars of strength. I could
not have chosen a better team myself even if I had the opportunity to do so. It was a privilege working with professionals like you.

To our ever faithful and supportive taxpayers, I say thank you for your continued diligence in submitting your returns and declarations together with the requisite payments in spite of the challenges you face in the operating environment. The critical role you play in sustaining our economy should be an example to those in the community that have remained non-compliant. I humbly encourage you therefore to continue to build and dignify our economy and the country Zimbabwe by paying your taxes in full and on time. Our offices remain open for dialogue with you, especially as we increase efforts to forge strong partnerships with all stakeholders.

I would also like to thank the Commissioner for Customs and Excise, Mr Happias Kuzvinzwa, who held the Acting Commissioner General’s position from May 2016 up to the time he handed over to Ms Faith Mazani on 1 February 2018. It was not an easy road but I hope you will work amicably with the Commissioner General to build a strong team ZIMRA.

To the rest of ZIMRA Management and Staff, I say thank you especially to those of you who have worked honestly and tirelessly to sustain Zimbabwe despite the operating environmental challenges faced by our clients and yourself. I have often said to you we can do more, well we have, but I still say we can do even more. Well done for a sterling performance and I dare you to double the revenue by year end. Yes it can be done.

My expressions of gratitude would not be sufficient and complete without acknowledging the power of God Almighty, whose Grace to me and my colleagues enabled us to serve Zimbabwe in this humbling capacity. In my first Performance Review in 2015 I implored God as in Psalm 127, “Unless the Lord builds the house, the builders build in vain”. Well God has been faithful to us as He is always to His people. To the Commissioner General and her team, my advice would be in the book of Nehemiah 6: 1 -9. Never allow yourselves to be distracted by Sanballat and Tobiah. Keep on working. Keep on building.

I thank you.

Mrs. W Bonyongwe

ZIMRA Board Chairman