



NATIONAL COMPETITIVENESS COMMISSION

"Enabling Zimbabwe's Global Competitiveness"

ANNUAL REPORT 2022



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Commissions Profile

The National Competitiveness Commission [NCC] is a statutory body established by an act of Parliament -Chapter 24:36] and falls under the purview of the Ministry of Industry and Commerce (MoiC). It is led by Board members/Commissioners who provide oversight of the Commission’s activities.

Our Services

Domestic Competitiveness Department Mandate	International Competitiveness Department Mandate	Research & Policy Analysis Department Mandate
Provide evidence-based analysis of the supply and demand on all sectors of the economy and recommend interventions for enhanced productivity and competitiveness.	Analyze the country’s global competitiveness performance through, engagements and partnerships with international competitiveness institutions.	Provide evidence-based research, policy, and regulatory analysis to advise on measures to enhance national productivity and global competitiveness.

Mandate

The mandate of the Commission is to enable the creation of a competitive Environment for Zimbabwean Business.

Mission And Vision

Vision

A leading catalyst for improving Zimbabwe’s global competitiveness by 2030.

Mission

To provide evidence-based policy advice and recommendations for creating and maintaining an enabling environment that enhances industry productivity and competitiveness of Zimbabwean goods and services in domestic and global markets.



Core Values

Our renowned coaching programs will allow you to:

- *Diligence* - Applying earnest thoroughness and persistence to our work.
- *Integrity* - Honest, open, and fair, observe equality and moral principles during the discharge of duties.
- *Professionalism* - Committed to proficiency, reliability, and excellence.
- *Innovativeness* - Continuously explore new possibilities and better ways of working smarter and more efficiently.
- *Teamwork* - Valuing a united family and treating one another with respect.
- *Ubuntu* - Valuing a united family and treating one another with respect.

Our background

Being a public entity under the Ministry of Industry and Commerce, the NCC focuses on the following priorities.

- Facilitate the creation of a conducive business environment.
- Promote national productivity and competitiveness.
- Promote and strengthen value chains development through value addition and beneficiation.
- Promote ease of doing business reforms

Chairman's Statement

Overview:

I am pleased to present the National Competitiveness Commission Annual Report and Financial Statements for the year ending 31 December 2022.

Although the Covid 19 pandemic has subsided, the macroeconomic challenges characterized by exchange rate volatility eroded the Commission's annual budget, thereby negatively affecting some of the Commission's programs.

Notwithstanding the above, the Commission remained resilient and became innovative in delivering its mandate.

The Commission successfully launched the 2021 Zimbabwe Competitiveness Report (ZCR) and developed the 2022 ZCR, in line with its mandate to produce annually benchmarked reports.

Furthermore, to improve regulatory burden costs that negatively affect competitiveness, the Commission initiated processes towards the establishment and institutionalization of the Regulatory Impact Assessment.

Continuous engagements, partnerships, and coalitions with national, regional, and international stakeholders, on competitiveness programs was also a major priority in 2022.

Financial Overview:

The NCC is according to its Act of Parliament is funded by the Standards Development Fund and was allocated an operational budget of ZW\$793 677 870 and managed to leverage on built



Figure 1 Mr. Charles Msipa

partnerships to mobilize ZW\$54 014 998 from Development Partners, revenue from contract customers and the amortization of deferred income, translating to 94% and 4%, respectively.

To avert the negative impact of the inflationary shocks that were experienced beginning April to September 2022, the Commission streamlined and reprioritized its expenditure on competitiveness programs. The Commission was classified as a going concern and that it has adequate resources to continue operating into the foreseeable future.

Despite this innovation, the Commission, however, failed to procure the budgeted operational vehicles, since the supplier requested NCC to provide foreign currency for payment of customs duty and VAT. Resultantly, the Commission ended the year with cash and cash equivalents of ZW\$14 803 564.

Appreciation:

On behalf of the Board, I wish to express my sincere gratitude and appreciation to our valued stakeholders for their confidence in us, which was deservedly rewarded over time. I would also like to extend my gratitude to the NCC Board of Commissioners, employees, management, and executive team for their passion, commitment, and dedication to achieving a high-performance culture and ensuring the Commission continues to grow.



Mr. Charles Msipa

Acting National Competitiveness Commission Chairperson

Executive Director's Statement

During the year 2022, the Commission continued with the drive to ensure that the country's competitiveness, both on the domestic and international front is enhanced. This was premised on fostering Strategic Partnerships, Policy Analysis, Value Chains Competitiveness Analysis and creating platforms for Competitiveness Dialogue.

The Commission engaged partners hence MOUs were signed with the World Economic Forum (WEF) and International Trade Centre (ITC). Furthermore, the Commission maintained its membership under the Global Federation of Competitiveness Councils (GFCC), hence continued to participate in GFCC's Monthly Calls that discuss topical competitiveness issues.

The Commission launched and disseminated the 2021 Zimbabwe Competitiveness Report (ZCR) in August 2022. Furthermore, the Commission produced the 2022 ZCR, which analyzed and benchmarked the country's performance on identified indicators in areas that included macroeconomic stability, innovation, Information and Communication Technology, financing infrastructure development, and institutional & regulatory frameworks.

Analysis of the macroeconomic environment and provision of policy advice and appropriate recommendations to enhance national productivity and competitiveness, was also prioritized.

In line with the National Development Strategy 1 objective of the need to promote local production and domesticate value chains to reduce the import bill, ensure food security, improve product standards & quality and job creation, the Commission conducted comprehensive value chains analysis over the year. The Sugar and the Fertilizer Value Chains Competitiveness Reports, which provided evidence-based recommendations, were launched.



Figure 2 Mr. Phillip Phiri

Furthermore, the Commission continued to provide platforms for dialogue, through seminars and workshops, between the Government, private sector, labor, academia, and non-state actors on competitiveness issues.

However, it is worth noting that the Commission's operations and programmes were impacted by limited funding, which resulted in non-implementation of some Competitiveness Programs. As a result, the Commission has not been able to cover a wide spectrum of the country, on issues which relate to competitiveness, in line with the devolution agenda.



Mr. Phillip Phiri

Executive Director - National Competitiveness Commission

Corporate Information:

Country of Incorporation and Domicile	Zimbabwe
Core Business	The Commission is mandated to facilitate the creation of a competitive environment for Zimbabwean business, both in the domestic regional, and global markets thereby directly contributing to the achievement of the Nation’s Vision 2030 “Towards a Prosperous and Empowered Upper Middle-Income Society by 2030”.
Board of Commissioners	Mr. Murwira E Ms. Nyagura E Mr. Msipa C Ms. Ruparanganda E Mr. Psillos D Mr. Mujajati C Dr. Chigumira G Mrs. Mutaviri T Dr. Ndhlukula D
Board Committees	<p><i>Human Resources and Administration Committee</i></p> <p>Mr. Murwira E – Chairperson Ms. Nyagura E – Member Mr. C. Msipa- Member Ms. Ruparanganda E- Member</p> <p><i>Finance Committee</i></p> <p>Mr. Psillos D- Chairperson Mr. Mujajati C -Member</p>

	<p>Dr. Chigumira G- Member</p> <p><i>Audit Committee</i></p> <p>Mrs. Mutaviri T - Chairperson</p> <p>Dr. Ndhlukula D - Member</p> <p>Mr. Murwira E – Member</p> <p><i>Risk Management Committee</i></p> <p>Ms. Nyagura E -Chairperson</p> <p>Mr. Psillos D - Member</p> <p>Ms. Ruparanganda E – Member</p> <p><i>Competitiveness Committee</i></p> <p>Dr. Chigumira G -Chairperson</p> <p>Mr. Mujajati C - Member</p> <p>Dr. Ndhlukula D -Member</p> <p>Mr. Msipa C – Member</p>
Contact Details	<p>Number 1 Adylinn Road, Agriculture House Corner Marlborough Drive & Adylinn Road Marlborough, Harare</p> <p>+263 242 300764</p> <p>Email: info@ncc.co.zw</p> <p>Website: https://www.ncc-zim.co.zw Twitter: @ncczimbabwe</p> <p>Facebook: National Competitiveness Commission</p>
Auditors	Auditor General



Board Of Commissioners



Figure 3 Mr. Charles Msipa

Charles Msipa has nearly 30 years experience in diverse roles and geographies in the business sector spanning Zimbabwe, Zambia, Malawi, and USA. Having trained and worked in the legal field as an associate attorney at a Harare law firm, Charles joined The Coca-Cola Company (TCCC) in 1992 and worked on a variety of assignments, within the Central Africa Region, in Zimbabwe, Zambia and Malawi as well as Coca-Cola North America's north-east region. Thereafter, he joined Schweppes Zimbabwe Limited as Sales and Marketing Director in 2005 and was appointed Managing Director a year later in 2006.

Charles serves as a board member and Acting Chairman of National Competitiveness Commission (NCC). He is the former President of the Confederation of Zimbabwe Industries (CZI) and serves on the CZI National Council.

He also chairs the Business Council for Sustainable Development Zimbabwe (BCSDZ). He serves on the Board of Directors of various private and non-profit corporations.

Mr. Murwira



Figure 4 Mr. Edwin Murwira

Mr. Murwira is an HR Professional who holds a BA in Administration Degree (Industrial Psychology) from Unisa. Mr. Murwira has been a Group Human Resources Director for CFI Holdings (Pvt) Ltd.

He was also the Group Human Resources Executive for SMM Holdings (Pvt) Ltd and Managing Director of MIDSEC (an SMM Subsidiary).

Mr. Murwira has also served as a Human Resources Director at Turnall Fibre Cement & A A Mines.

He has sat on multiple Boards, served as the Chairman for ZimPro for 10 years, as Board Chairman for Helpage Zimbabwe for 6 years and as Board member for 25 years, Board member for Dore and Pitt (Pvt) Ltd, Chairperson for Zimbabwe Older Persons and Employer Representative at Chamber of Mines and EMCOZ (Employers' Confederation of Zimbabwe).

Ms. Ellen Ruparanganda



Figure 5 Ms. Ellen Ruparanganda

Ms. Ruparanganda is an Economist by profession and has extensive experience in Business. Over the years she has worked as a Chief Economist for the Ministry of Economic Development, and she went on to be the Acting Deputy Director at the same Institute. Additionally, she joined the Competition and Tariff Commission as an Assistant Director and is currently serving as the Director to date.

Ms. Ruparanganda successfully hosted the first International World Competition Day in Zimbabwe in 2017. She is also a member of numerous Institutes to mention a few- member of the National Development Plan Formulation team, member of the MDG Review Committee, member of Domestic Resource Mobilization and Investment Promotion Committee under NEDPP, member of the External Payments Committee responsible for allocating foreign currency for national strategic imports and member to the Government Tender Board.

Mr. Demetri Psillos



Figure 6 Mr. Demetri Psillos

Mr. Psillos studied BA in Mathematics at Oxford University. He went on to be a General Manager at Crystal Candy in Harare. He further became a consultant for Prudential Assurance in London.

Mr. Psillos has worked as a Financial Analyst at Morgan Stanley International in London. He has also served on several Boards for example, he has sat as the Chairman of the Economics and Banking Committee for the Confederation of Zimbabwe Industries from 2003 to the present.

Mr. Psillos is also a Director of ZAMCO, a special-purpose vehicle established by the Reserve Bank of Zimbabwe.

Mr. Charles Mujajati

Mr. Charles Mujajati is an Economist by profession holding a M.Sc. in Economics. He is currently the Director of Economic Planning and Modelling in the Ministry of Finance and Economic Development. Mr. Mujajati also serves as the Chairperson of the Macroeconomic Working Group and a Board member of the Consumer Council of Zimbabwe.

He has worked as part of the technical team that crafted the Transitional Stabilization Program (TSP) in December 2020. Mr. Mujajati has also worked in research for the Global Development Network (GDN) on Zimbabwe in their global research project “Understating Reforms.”

Dr. Gibson Chigumira



Figure 7 Dr. Gibson Chigumira

Dr. Chigumira has extensive experience in research, including coordinating research studies, editing publications, and developing databases, having been at the helm of the institution since it started operating in 2004.

Dr. G. Chigumira has also done work in his capacity for civil society organizations such as NANGO and Action AID and ZIMCOD; UNESCO; UNIDO; SAPES Trust; Trades and Development Studies Center; TN Financial Services, among others.

He has extensive teaching and research experience in economics, after having been a lecturer at the University of Zimbabwe for more than 12 years before he was appointed Executive Director at ZEPARU. He has also taught and supervised students in the MBA and Strategic Management programs run by ZOU, Solusi University, and the University of Derby under the Zimbabwe Institute of Management.

He has also worked as a Consultant for the African Capacity Building Foundation (ACBF). Dr. Chigumira was also actively involved in the team that developed the Medium-Term Plan (MTP) 2011- 2015.

Mrs. Tracey Mutaviri

Mrs. Mutaviri is currently the General Manager of Zimbabwe Sugar Sales, a division of Tongaat Hulett Zimbabwe. She has also served as the Marketing Director at Dairibord Holdings Limited, served as a Business Development Executive at PD Industries, and served as the Executive Dean Faculty of Commerce at the University of Zimbabwe.

Mrs. Mutaviri has also been part of professional board membership to mention a few- Non-Executive Director on the Central Africa Building, member of the Council for Chinhoyi University

of Technology, Advisory Committee member of Jesuit Development Office for Zimbabwe and Mozambique, and Board member for the SOS Childrens Villages Zimbabwe.

Dr. Divine Ndhlukula



Figure 8 Dr. Divine Ndhlukula

Dr. Ndhlukula was named by Forbes magazine among the most Influential Women in Africa and was Forbes Woman of the Year 2019. She is also the founder and Managing Director of DDNS Security Operations (Pvt) Ltd the holding Company under which Securico Security Services falls. She is also the founder of the Mentorship in Practice program an offshoot of the Women in Enterprise Conference and Awards platform.

In Agriculture, she founded the Zvikomborero Farms an integrated agriculture Company involved in livestock that has scaled up to become one of the best centers of livestock in the country.

She also served on multiple boards for example being the President of ZNCC, Past President and Trustee of the Professional Executives and Businesswomen Forum, Founding Trustee of the African Woman Entrepreneurs Program, Past Chairperson of the Joint Suppliers, and Producers Committee for the Chamber of Mines and a Board Member of the Harare Sunshine Holdings.



Figure 9 Ms. Elizabeth Nyagura

Ms. Elizabeth Nyagura

Ms. Elizabeth Nyagura holds a Master in Intellectual Property, a master's in business administration and is also an Associate member of the Corporate Governance Institute. She is currently the Registrar of Deeds in the Deeds, Companies, and Intellectual Property Office. She has in- depth knowledge and experience in the registration and protection of proprietary rights in land, formal business organizations and intellectual

property.

She is a member of the National Taskforce for the Presidential Title Deed and Regularization of Informal Settlements Program. She co-chairs the National Real Estate Day Committee and represents Zimbabwe in various committees of the African Regional Intellectual Property Organization.

Executive Management



Figure 10 Mr. Phillip Phiri

Executive Director: - Mr. Phillip Phiri

Phillip Phiri is a seasoned visionary leader and strategist with extensive experience in international trade and competitiveness both in the private and public sectors. He has management experience in operations of international brands (KFC and SPAR) and large corporate companies in the FMCG and Manufacturing sectors in Zimbabwe where he held senior positions.

He also has wide experience in corporate governance and management of public entities and dealing with Government process through his role as former Director of Operations at Zim Trade and currently as Executive Director of the National Competitiveness Commission. He has done private consultancy for several SMEs and start-ups in the manufacturing and FMCGs sector, in the areas of strategic planning, domestic, export sales & marketing and business development. He is a holder of a Bachelor of Commerce Degree in Marketing and master's in business administration among other business leadership certifications, he is also a certified Marketing Practitioner. He is currently a Doctorate in Strategic Management Candidate at Chinhoyi University of Technology.



***Director: Competitiveness - Mr. Brighton
Shayanewako***

Mr. Brighton Shayanewako is an Economist by profession and has extensive experience in public sector, diversified into Government and Central Bank, including consultancy and training. He is the current Director Competitiveness with the National Competitiveness Commission, since 2021.

Over the years he has worked as a Deputy Director for the Ministry of Finance and Economic Development. He was part of the technical Team that crafted National Budgets, Development Cooperation Policy as well as Development Cooperation Procedure Manual for Zimbabwe.

He was also a member of the external development resource mobilization (loans/grants) Team, as well as the Focal Person for the Global Partnership for Effective Development Cooperation for sustainable development in the implementation of Sustainable Development Goals (SDGs). He also worked for the Reserve Bank of Zimbabwe as Head Economist up to 2010.

Human Resources and Administration Manager – Mr. Shadreck Muchena



Figure 11 Mr. Shadreck Muchena

Mr. Shadreck Muchena is the National Competitiveness Commission's Human Resources & Administration Manager and oversees all human resources and administration matters for the organization. He has over 15 years of Human Resource Management expertise. He has a Master of Science Degree in Human Resources Management (GZU), for which he received a University Book Prize

in 2017, as well as a bachelor's degree in human resources management (ZOU) and a Diploma in Personnel Management (IPMZ).

He is an Associate Member of the Zimbabwe Institute of People Management and is currently pursuing a master's degree in business administration. He enjoys watching and playing soccer, as well as conducting studies on human resource issues.

FINANCE MANAGER – Mr. Ephriam Kufahakurambwi



Figure 12 Mr. Ephriam Kufahakurambwi

Mr. Ephriam Kufahakurambwi is a Certified Chartered Accountant (CCA) with experience in Audit, Accounting, Finance, and Administration, with a demonstrated history of working in the government, parastatal, and fund administration. He has close to three [3] years of external audit experience and ten [10] years of Accounting and Finance experience.

Additionally, he is a registered ACCA practical experience reviewer (PER) for ACCA affiliates for admission into membership and has guided and

reviewed six ACCA members to date, mentored two ACCA students on their Oxford Brookes University (OBU) Research and Analysis Projects (RAP) as a final task to be awarded the BSc (Hon) in Applied Accountancy degree. Mr. Ephriam Kufahakurambwi has planned, supervised, and led the computerization (designing and implementation) of the accounting system of the Ministry of Mines and Mining Development Head Office, Mining Industry Loan Fund (MILF) and Special Gold Unity Fund to begin using pastel accounting package in 2014 and I did the same at NCC.

He has audited The Zimbabwe Revenue Authority (ZIMRA), National Social Security Authority (NSSA), Zimbabwe Parks and National Wildlife Authority (ZIMPARKS), Minerals Marketing Corporation of Zimbabwe (MMCZ), Small and Medium Enterprise Development Corporation (SMEDCO).

Operations: Competitiveness

1. Introduction

The year 2022 was characterized by macroeconomic challenges characterized by exchange rate volatility, thereby causing inflation that undermined the Commission's annual budget. This was exacerbated by limited funding for operations and programs resulting in the non-implementation of Competitiveness Programs, high staff turnover, and delayed recruitment of key personnel.

Furthermore, the Commission was faced with a serious shortage of office space and, a lack of operational vehicles resulting in hiring to carry out its activities. Despite the above challenges, the Commission managed to carry out the following activities.

2. Competitiveness Division Report

Below is a summary of competitiveness programs that were undertaken in 2022:
Contribution to Policy Formulation and Implementation

Analysis of the macroeconomic environment and provision of policy advice and appropriate recommendations to enhance national productivity and competitiveness, was prioritized during the year.

3. Zimbabwe Competitiveness Reports

In line with the function to produce an annual benchmarked report on national competitiveness, the Commission launched and disseminated the 2021 Zimbabwe Competitiveness Report (ZCR) in August 2022. The 2021 ZCR advised fiscal and monetary policy measures pronounced in 2022, particularly on exchange rate and inflation developments. Out of nine (9) recommendations in the 2021 ZCR, five (5) were adopted to address macroeconomic imbalances and stabilize the economy.

Furthermore, the Commission produced the 2022 ZCR, which analyzed and benchmarked the country's performance on identified indicators in areas that included

macroeconomic stability, innovation, Information and Communication Technology, financing infrastructure development, and institutional & regulatory frameworks.

The Report, however, could not be officially launched due to financial constraints, hence it was only published on the website.

Key recommendations of the Report include the following: -

- Consider adoption of a market-determined pricing regime (exchange rate and prices of goods and services).
- Maintain ongoing macroeconomic stabilization policies to build public confidence with the financial system.
- Resuscitate rail infrastructure to minimize reliance on transporting goods via road network.
- Reduce fees and levies to cost recovery levels commensurate to service delivery in line with comparator countries and make the products competitive.
- Fully automate and upgrade the online system to ensure that the license and permit approval process takes less than 3 days and curb human interface, thereby reducing time and cost. This requires continued stakeholder dialogue.

4. Competitiveness Bulletins

The Commission published Competitiveness Bulletins, which provided an analysis of various factors impeding competitiveness in Zimbabwe as well as providing appropriate recommendations.

The Bulletins recommended the following, among others: -

- Investment in ICT infrastructure development and industry to adapt to innovation and application of new technology in production.
- Adoption of Regulatory Impact Assessment (RIA) as a tool to improve regulatory business environment.

- Private sector urged to take advantage of the current policies being implemented for the industry to realize the full benefits of the AfCFTA Agreement.
- Continued investment in rehabilitation, upgrading and construction of new roads.

Pursuing other financing options such as loan financing and PPPs in resuscitating rail and air infrastructure and services.

5. Value Chains Competitiveness Analysis

In line with the National Development Strategy 1 objective of the need to promote local production and domesticate value chains to reduce the import bill, ensure food security and job creation, the Commission conducted value chains analysis over the year. The Sugar and the Fertilizer Value Chains Competitiveness Reports, which provided evidence-based recommendations were launched.

6. Sugar and Fertilizer Value Chains:

The Commission launched the Sugar and the Fertilizer Value Chains Competitiveness Reports, which benefitted from international benchmarking with top Sugar and Fertilizer producing countries, namely, Brazil and Nigeria.

Of critical importance, eight (8) out of fifteen (15) recommendations for the Sugar value chain were adopted, including the need for the amendment of the Sugar Production Control Act of 1964, to reflect current developments in the sugar industry.

The Commission also benefited from continued quarterly sugar discussions recommendations implementation, which are led by the Minister of Lands, Agriculture, Fisheries, Water and Rural Development (MoLAFWRD).

In addition, the Commission is working with the respective Competitiveness Labs for the value chains to keep track of implementation of recommendations and emerging issues.

It was noted, from continuous engagements, that the Sugar Sector is facing several challenges, related to production inefficiencies and high-cost drivers, among others. To this end, the Commission is facilitating Sugar players partnerships with Brazil counterparts, with the ultimate objective of learning from international best practice to enhance production efficiency.

7. Leather Value Chain:

The NCC produced a draft Leather Value Chain Competitiveness Report, which benefitted from international benchmarking with Africa top leather producing countries, Kenya, and Ethiopia.

Preliminary findings showed that there is limited coordination in sector, hence operationalization of the Zimbabwe Leather Development Council (ZLDC) should be prioritized. ZLDC will assist in Research & Development, collection and dissemination of statistics and information relating to the sector.

The ZLDC is also expected to work with the Commission in coming up with strategies to enhance competitiveness in the leather industry.

8. Regulatory and Impact Assessment

During the year, the Commission started the process of developing a Regulatory Impact Assessment (RIA) framework with support from the Technical Assistance to the Zimbabwe Economic Partnership Agreement (TAZEPA) funded by the European Union (EU). The goal of implementing RIA is to improve the country's business regulatory environment.

Given that RIA is a new concept in the country, the training successfully capacitated the Commission staff and relevant stakeholders. In addition, the project also assessed Zimbabwe's state of preparedness for the development and implementation of the RIA framework.

To buttress the work being done and learn from international best practice, the Commission also undertook a benchmarking visit to Kenya, wherein engagements with the Kenya Law Development Commission was done. Lessons learnt from the Kenya benchmarking visit, particularly on the set up within the Government system, advised the RIA institutionalization for Zimbabwe.

9. Strategic Partnerships

Strengthening partnerships and collaboration with Global Partners was prioritized, hence the Commission signed MoUs with the World Economic Forum (WEF) and International Trade Centre (ITC) for conducting international competitiveness surveys, which will assist in improving national competitiveness.

The partnerships led to benchmarking techniques, procedures, regulations, and policies, as well as reforms undertaken in the respective countries to enhance national and sectoral competitiveness in Zimbabwe. The lessons learnt have strengthened the commission's capacity to deliver on its mandate on the area of improving productivity and competitiveness.

International Competitiveness Surveys in Collaboration with Global Partners

10. Executive Opinion Survey

Following the discontinuation of the country's ranking under the Global Competitiveness Index (GCI) in 2019, the Commission signed a Framework for Cooperation with the World Economic Forum (WEF) in April 2022. The Framework appointed the Commission as its Partner Institute, to conduct Executive Opinion Surveys (EOS), which will enable the country to be ranked under GCI.

The NCC subsequently carried out an Executive Opinion Survey (EOS), with 106 respondents completing the survey against a target of 80. The EOS conducted in 2022 will also lead to the production of Markets of Tomorrow Report and the Global Risk Reports early 2023.

11. Small and Medium Enterprise Competitiveness Survey

The NCC commenced the Small and Medium Enterprises Competitiveness Survey (SMECS) in December 2022, after an MOU was signed with the International Trade Centre (ITC) in May 2022. The ITC provided financial and technical support, which saw the NCC staff undergoing training on administering the survey.

The SMECS targeted SMEs in three sectors (3), namely, agriculture, manufacturing, and services across all the country's ten (10) provinces.

The Commission commenced the survey in mid-December 2022 and is expected to be completed in 2023. The Survey is expected to highlight competitiveness gaps within the SMEs sector and will inform policy interventions.

12. Export Competitiveness Survey

The NCC in conjunction with Zim Trade, and funded by the EU under the TAZEPA Programme, engaged a consultant to undertake the National Export Competitiveness Survey, starting from October 2022 and targeted to be completed by January 2023. The consultant produced an Inception Report, which was validated by stakeholders in 2022.

The general objective of the survey is to design an export competitiveness enhancement strategy to stimulate export development in Zimbabwe.

13. Global Federation of Competitiveness Council

The Commission, as a member of the Global Federation of Competitiveness Council (GFCC), participated in GFCC's Monthly Calls that discuss topical global competitiveness issues such as innovation, green energy, resilience, and climate change, among others. Resultantly, the 2022 ZCR contained a chapter on innovation as a way of improving productivity and competitiveness.

Furthermore, the NCC also participated in the 9th Brazilian Industry Innovation Summit held under the auspices of the GFCC and CNI of Brazil (industry apex body) in March

2022. In addition, the Commission, alongside the Ministry of Industry and Commerce, participated in the GFCC 2022 Annual Meeting and Global Innovation Summit (GIS) that was held in Greece in conjunction with the Delphi Forum and Compete Greece, from 14 to 18 November 2022. These meetings are critical, as they inform the work of the Commission towards advisory services to Government in enhancing of competitiveness as well as coming up with strategies of the same.

In the same vein, the Commission made a presentation on ‘Strengthening Trust and Social Capital to Build Competitiveness’, and ‘Building Competitiveness: From Local to Global’, during the GIS. This was critical in enhancing the visibility of the Commission globally, as well as availing opportunities for future partnerships with similar institutions in other countries.

14. Enhancement of Competitiveness Dialogue

In 2022, seminars and meetings were held to deliberate on strategies to enhance the country’s global competitiveness, in line with the Commission’s function of promoting dialogue, raise awareness on competitiveness, and strengthen stakeholder relations. The following competitiveness seminars were held in 2022.

“Adapting to the Digital Transformation Era under Covid-19 induced Environment for Enhanced Competitiveness” physical seminar that was held in Harare. Key recommendations from the seminar included the need leverage on digital transformation to enhance digital trade policies, especially in the wake of the Africa Continental Free Trade Area (AfCFTA).

“Private Sector Perspective on Competitiveness” Virtual Seminar, which identified policy gaps crowding out national competitiveness from the private sector’s perspective. The seminar proffered recommendations, which are in line with the Commission’s mandate, including the need for competitiveness interventions at firm, sectoral and macroeconomic levels to enhance the country’s competitiveness.

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“Sugar Value Chain Virtual Competitiveness Seminar with Sugarcane out-growers,” which provided insights on the emerging issues in the sector. The seminar unpacked productivity challenges faced by out-growers and progress on Sugar Value Chain Competitiveness Report recommendations implementation.

Going forward, the Commission will continue engaging relevant stakeholders to ensure that Zimbabwe’s competitiveness.

Information And Communication Technologies:

Introduction:

The NCC has digitalized its support services to increase operational efficiency and improved significantly wide stakeholder communications. Below are the highlights of the major achievements and setbacks.

Achievements:

1. Live Website Creation

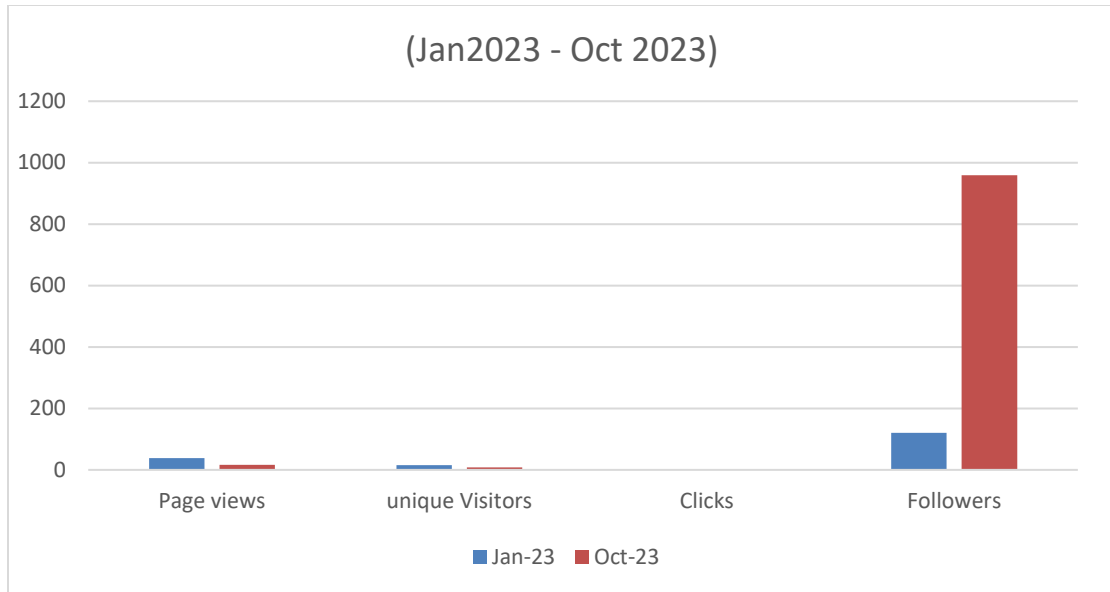
One of our major accomplishments during the year 2022 was the successful creation of a live website which is accessible at www.ncc-zim.co.zw. The website as a platform allows individuals and stakeholder Organizations to access information about our services and updates.

2. Networking Transfer

We successfully transferred networking responsibilities to other offices within the Organization. This decentralization has improved efficiency and allowed better coordination among different departments.

3. Social and Website Engagements

Our social media presence and website engagements have registered significant growth throughout the year. We have actively engaged with our audience through LinkedIn, Facebook, and the former Twitter handle which has now been rebranded to X. This results in increased brand visibility and customer satisfaction.



4. *ICT Support:*

We provided comprehensive ICT support to our staff members, ensuring that they have access to the necessary tools and resources for their work. This support has enhanced productivity and streamlined operations within the organization.

5. *In-house Application Development:*

Our team has been working diligently on developing the Asset Management System, which will cater to specific organizational needs. This application aims to improve internal processes and enhance overall efficiency.

What We Want to Achieve:

- **Firewall Implementation:** One of our primary goals for the upcoming year is to implement a robust security system such as SOPHOS. This will enhance network security, protect sensitive data, and mitigate potential cyber threats.
- **Antivirus Acquisition:** To further strengthen our cybersecurity measures, we aim to acquire a reliable antivirus software solution. This investment will ensure that our systems are protected against malware, viruses, and other malicious attacks.

Challenges:

- *Budget Constraints:*

Adequate funding is required to subscribe to a security system like SOPHOS and purchase reliable antivirus software. Securing adequate funding is important to invest in technology and effectively address cybersecurity requirements.

Conclusion:

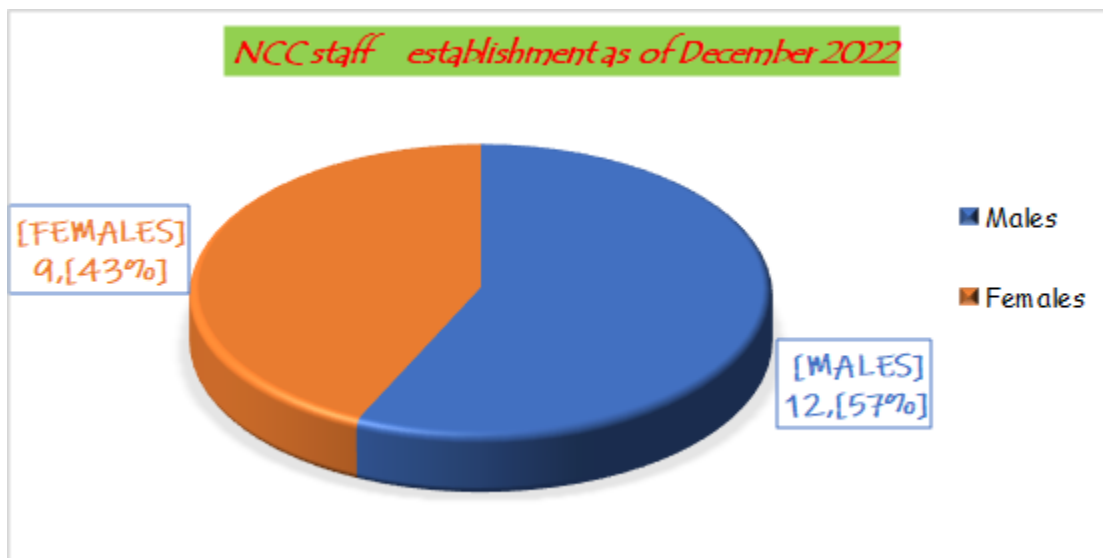
Despite the challenges faced, the NCC has made significant progress in various areas throughout 2022. Our achievements include the successful creation of a live website, networking transfer, improved social and website engagements, ICT support for staff members, and ongoing development of in-house applications.

Looking ahead, we aim to implement a robust security system, acquire reliable antivirus software, and continue developing more in-house applications. However, inadequate funding is a major constraint that results in the shortage of operating tools that remain obstacles for NCC to achieve its goals effectively.

With continued dedication and strategic planning, the Commission is highly confident that it will overcome these challenges and continue its growth trajectory.

Human Resources & Administration

As at 31 December 2022, the total number of National Competitiveness staff members was 23, total numbers grew by a 9.5% increase compared with December 2021. Of the total, the percentage of staff members employed at each of the divisions of the organization between December 2021 and December 2022 changed as follows: the percentage of staff employed in administration increased from 38.1% from December 2021 to 43.5% in December 2022; the percentage of staff employed in the operations (competitiveness) division decreased from 61.9% from December 2021 to 56.5% in December 2022; and at country offices the percentage decreased to 43.2%, from 44.3% in December 2020 (Fig. 2).



The relative increase in the proportion of positions in the administration after the recruitment of IT Officer and Accountant.

National Competitiveness Commission staff compliment as of December 2022.

During the period NCC had a ratio of employees was 43% female and 57% male. The staff compliment was at 23 out of the full possible complement of 29 representing a 79% fill rate. Key positions yet to be filled are the Director of Finance and Administration and Cost accountant among others.

Staff turnover

Five (5) employees, principally from the support staff, left NCC during the year 2022, representing a 22% staff turnover rate. This was primarily due to low salaries that were uncompetitive in the job market as supported by the outcome from the exit interviews.

Staff Training and Development

NCC benefitted from 2 training and development programs particularly to capacitate its technical team.

The team received some training in administration of competitiveness surveys from the International Trade Centre SMEs Academy and World Economic Forum. The staff were certified after successfully completing the training.

Leadership Training

Staff also underwent training on Regulatory Impact Assessment which was facilitated by an Expert from Indonesia and funded by the EU- TAZEPA program.

NCC Management was scheduled to attend leadership Development Programs (WJ Reddin 3-Dimension Managerial Effectiveness Seminar) which did not materialize due to lack of adequate funds, the training was postponed to 2023.

<i>Training Program</i>	<i>Training Institute</i>	<i>Training Date</i>	<i>Targeted Participants</i>	<i>Training Objectives</i>
SMEs	International	1-14	Economist	To enable
Competitiveness	Trade	December		enumerators to
Survey	Centre	2022		collect data for
				the SMEs
				survey.
Regulatory Impact Assessment	GFA Consultancy Germany	1- 9 Septembe r2022	Economist	To enable Economist to draft the RIA
(RIA)				Handbook &
				RIA concepts.
Special Session: Administering the SME Competitiveness Survey	International Trade Centre (ITC) SME Trade Academy	6 – 12 June 2022	5 Economist	To administer the SME Competitiveness Survey
World Economic Forum (WEF)	Qualtrics Survey Manual for Partner	19 April 2022	3 Economist	To understand the Qualtrics concepts.
	Institutes			

Performance Management

Performance management at NCC is carried out as guided by the Integrated Results Based Management System used by the whole of Government. Performance management is essential to building the workforce of excellence required to achieve the ambitious goals set out in NDS1, Zimbabwe Industrial Policy and the NCC strategic plan 2021-2025 and annual work plans. Effective performance management is based on a strong performance culture and a healthy workplace ecosystem, supported by individual and management capabilities and accountability.



NCC carries out quarterly reviews on performance contracts of its senior staff and annual workplans of each individual staff member. These are used in performance review and appraisal of all staff members. NCC received an overall rating of 4.805 out of a possible six (6) points from the IRBM Evaluations carried out by an independent consultancy Best Practice. Despite having budgetary limitations, the organization operated as expected, according to the information.

Staff health and well-being

The health and well-being of the workforce underpins the Organization's ability to achieve its strategic goals and are essential components of organizational success. Recognizing that healthy organizations achieve more, NCC is aligning its health and well-being strategy with its new operating model at all levels of the Organization to ensure a healthy work environment for all. To achieve a healthy working environment, NCC ensures all its staff are on medical aid and that the work environment is safe and staff nutrition is prioritized through provision of adequate office supplies such as clean water and teas.

Financial Statements

All communication should be addressed to:

The Auditor-General
P. O. Box CY 143, Causeway, Harare
Telephone 263-242-793611/3/4
Telegrams: AUDITOR
E-mail: oagzimbabwe263@gmail.com
Website: www.auditorgeneral.gov.zw



OFFICE OF THE AUDITOR-GENERAL
5th Floor, Burroughs House,
48 George Silundika Avenue,
Harare

Ref: SB81

**REPORT OF THE AUDITOR GENERAL
TO
THE MINISTER OF INDUSTRY AND COMMERCE
AND
THE BOARD OF DIRECTORS**

**IN RESPECT OF THE FINANCIAL STATEMENTS OF THE
NATIONAL COMPETITIVENESS COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of National Competitiveness Commission as set out on pages 5 to 26, which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Competitiveness Commission as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of National Competitiveness Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

NATIONAL COMPETITIVENESS COMMISSION
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

I draw attention to Note 19 to the financial statements which indicates that the Commission is in a net current liability of ZWL116,4 million as at December 31, 2022. These conditions indicate the existence of a material uncertainty that may cast significant doubt into the Commission's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. Except for the matter described in the material uncertainty related to going concern section of my report. I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Commissioners are responsible for the Other Information. The Other Information comprises all the information in the Commission's 2022 annual report other than the financial statements and my auditor's report thereon ("the Other Information").

My opinion on the Commission's financial statements does not cover the Other Information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Commission's financial statements, my responsibility is to read the other information and, in doing so, consider whether the Other Information is materially inconsistent with the Commission's financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Commission's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in a manner required by the National Competitiveness Commission Act [Chapter 14:36] and Public Finance Management Act [Chapter 22:19] and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

NATIONAL COMPETITIVENESS COMMISSION

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

NATIONAL COMPETITIVENESS COMMISSION
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the National Competitiveness Commission Act [Chapter 14:36], Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

08 August, 2023.



R. KUJINGA,
ACTING AUDITOR – GENERAL.

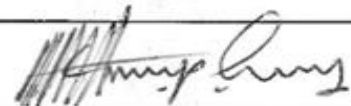
NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF FINANCIAL POSITION

as at December 31, 2022

	Note	Inflation adjusted		Historical cost	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
ASSETS					
Non-current assets		1 625 847 289	112 716 986	483 883 122	33 546 722
Property, plant and equipment	4	122 448 053	106 619 318	36 442 873	31 731 940
Right of use asset	5	1 503 399 236	6 097 668	447 440 249	1 814 782
Current assets		31 361 618	148 538 364	22 937 924	44 207 846
Prepayments	6	11 993 056	16 541 876	3 569 362	4 923 177
Inventory	7	4 564 998	6 130 925	4 564 998	1 824 680
Cash and cash equivalents	8	14 803 564	125 865 563	14 803 564	37 459 989
Total assets		1 657 208 907	261 255 350	506 821 046	77 754 568
RESERVES AND LIABILITIES					
Reserves		884 412 398	144 146 755	(244 775 712)	42 900 820
Non distributed reserve		34 427	34 427	10 246	10 246
Revaluation surplus		20 842 748	20 842 748	6 203 199	6 203 199
Accumulated fund		863 535 223	123 269 580	(250 989 157)	36 687 375
Non-current liabilities		624 963 501	88 390 052	603 763 749	26 306 562
Lease liability	5.1	571 227 115	-	571 227 115	-
Deferred income	10	53 736 386	88 390 052	32 536 634	26 306 562
Current liabilities		147 833 008	28 718 543	147 833 009	8 547 186
Trade and other payables	11	85 630 328	10 319 348	85 630 328	3 071 235
Provisions	12	21 678 815	6 739 750	21 678 816	2 005 878
Lease liability	5.1	40 523 865	11 659 445	40 523 865	3 470 073
Total reserves and liabilities		1 657 208 907	261 255 350	506 821 046	77 754 568

04/08/2023.




E. Kufahakurambwi,
RPAcc, CCA, BSc (Hon) in Applied
Accounting,
(FINANCE MANAGER).

04/07/2023.

P. Phiri,
(EXECUTIVE DIRECTOR).

4/8/2023.



C. Msipa,
(ACTING BOARD CHAIRMAN).

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2022

	Note	Inflation adjusted		Historical cost	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
INCOME		847 692 868	319 728 306	315 194 457	95 157 234
Government grant	13	793 677 870	318 571 680	287 680 000	94 813 000
Other income	14	54 014 998	1 156 626	27 514 457	344 234
EXPENDITURE		(1 487 487 424)	(196 296 875)	(602 870 989)	(58 421 690)
Administration costs	15	(884 363 200)	(100 309 154)	(318 573 957)	(29 853 915)
Employment costs	16	(803 124 224)	(95 987 721)	(284 297 032)	(28 567 775)
Net monetary gain		1 380 060 199	-	-	-
Surplus/(deficit) for the year		740 265 643	123 431 431	(287 676 532)	36 735 544
Other comprehensive income					
Revaluation surplus	4	-	20 842 748	-	6 203 199
Total comprehensive income/(deficit)		740 265 643	144 274 179	(287 676 532)	42 938 743

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2022

	Inflation adjusted			Total ZWL
	Non distributable reserve	Revaluation reserve	Accumulated fund	
	ZWL	ZWL	ZWL	
Opening balance as at January 1, 2021	34 427	-	(161 851)	(127 425)
Surplus for the year	-	-	123 431 431	123 431 431
Revaluation surplus	-	20 842 748	-	20 842 748
Closing balance as at December 31, 2021	34 427	20 842 748	123 269 580	144 146 755
Opening balance as at January 1, 2022	34 427	20 842 748	123 269 580	144 146 755
Surplus for the year	-	-	740 265 643	740 265 643
Closing balance as at December 31, 2022	34 427	20 842 748	863 535 223	884 412 398

	Historical cost			Total ZWL
	Non distributable reserve	Revaluation reserve	Accumulated fund	
	ZWL	ZWL	ZWL	
Opening balance as at January 1, 2021	10 246	-	(48 170)	(37 924)
Surplus for the year	-	-	36 735 545	36 735 545
Revaluation surplus	-	6 203 199	-	6 203 199
Closing balance as at December 31, 2021	10 246	6 203 199	36 687 375	42 900 820
Opening Balance as at January 1, 2022	10 246	6 203 199	36 687 375	42 900 820
Deficit for the year	-	-	(287 676 532)	(287 676 532)
Closing balance as at December 31, 2022	10 246	6 203 199	(250 989 157)	(244 775 712)

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF CASHFLOWS

as at December 31, 2022

	Note	Inflation adjusted		Historical cost	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash (outflow)/inflow from operating activities		(99 883 730)	122 828 613	(17 087 791)	36 556 135
Cash generated from operations		(196 248 521)	130 748 632	(117 933 319)	38 913 283
Surplus /deficit for the year		740 265 845	144 274 179	(287 676 532)	36 735 545
Adjustments for:		(936 514 164)	(13 525 547)	169 743 213	2 177 738
Depreciation - property plant and equipment	4	43 229 914	115 698	12 866 046	34 434
Depreciation - right of use asset	5	375 849 809	6 097 668	111 960 062	1 814 782
Amortisation of deferred income	10	(36 667 431)	(115 698)	(10 912 929)	(34 434)
Finance cost		187 924 904	1 219 532	55 930 031	362 956
Effects of changes in monetary value		(1 506 851 361)	(20 842 747)	-	-
Working capital changes		96 384 791	(7 920 019)	100 845 527	(2 357 149)
Increase in trade and other payables	11	75 310 980	7 945 027	82 559 093	2 364 591
Increase in provisions	12	14 939 065	6 563 599	19 672 938	1 953 452
Decrease /(increase) in inventory	7	1565 927	(6 130 925)	(2 740 318)	(1 824 680)
Increase /(decrease) in prepayments	6	4 548 820	(16 297 720)	1 393 815	(4 850 512)
Cash flows from investing activities					
Acquisition of property and equipment	4	(7 019 961)	-	(2 089 271)	-
Cash flows from financing activities					
Lease liability paid	5.1	(4 158 318)	(535 745)	(3 479 982)	(159 448)
Increase /(decrease) in cash and cash equivalents during the year		(111 061 999)	122 292 868	(22 656 426)	36 396 687
Cash and cash equivalents at the beginning of the year		125 865 563	3 572 695	37 469 989	1 063 302
Cash and cash equivalents at the end of the year	8	14 803 564	125 865 563	14 803 564	37 459 989

NATIONAL COMPETITIVENESS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

1. NATURE OF BUSINESS

The Commission was established in terms of the National Competitiveness Commission Act [Chapter 14:36]. Its core function is to enable a competitive environment for Zimbabwean businesses through the development, coordination, and implementation of key policy improvements. The Commission's domicile is at number 1 Adylinn road, Agriculture house, Malborough, Harare.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements for the year ended December 31, 2022 have been prepared with the aim to comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

2.2. Basis of measurement

The Public Accountants and Auditors Board (PAAB) advised that the country had met all conditions of a hyperinflationary economy effective from July 1, 2019. The comparative figures have been adjusted to take this into account. The Zimbabwe Consumer Price Indices (CPIs) presented below, as compiled by the Zimbabwe Central Statistical Office (CSO), and the conversion factors derived therefrom, have been applied in adjusting the historical financial statement figures as required per International Accounting Standard (IAS) 29, "Financial Reporting in Hyperinflationary Economies". The indices and conversion factors used to restate the accompanying financial statements as at December 31, 2021 are given below:

Dates	Indices	Conversion factors
December 31, 2021	3 977.5	1.00
December 31, 2022	13 349.43	3.36

Monthly 2022 CPI index conversion factors

Month	CPI Index	Month	CPI Index
Janaury	1.05	July	2.75
February	1.13	August	3.09
March	1.20	September	3.20
April	1.38	October	3.30
May	1.67	November	3.36
June	2.19	December	3.36

NATIONAL COMPETITIVENESS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

The financial statements are based on the statutory records that are maintained under the historical cost convention and modified to reflect the general purchasing power for fair presentation with the International Accounting Standard (IAS) 29 - "Financial Reporting in Hyperinflationary Economies", this historical cost information has been restated for changes in the general purchasing power of the Zimbabwean dollar (ZWL) and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statements represent the principal financial statements of the Commission. The historical cost financial statements have been presented as supplementary information to the inflation adjusted financial statements.

2.3. Inflation adjustment factors

The financial statements are based on the statutory records that are maintained under the historical cost convention. For the purpose of fair presentation in accordance with the International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies", this historical cost information has been restated for changes in the general purchasing power of the Zimbabwean dollar (ZWL) and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statements represent the principal financial statements of the Commission. The historical cost financial statements have been presented as supplementary information to the inflation adjusted financial statements.

2.4. Functional and presentation currency

These financial statements are presented in Zimbabwean Dollar (ZWL) which is the official functional currency during the reporting period. All the financial information presented has been rounded to the nearest dollar.

The financial statements are presented in Zimbabwean dollars("ZWL") in order to comply with laws and regulations particularly Statutory Instrument 33 of 2019 (SI33) and after taking into account guidance on the matter by the Public Accountants and Auditors Board (PAAB) issued on March 21, 2019.

2.5. Going Concern

The Commission is satisfied that it is operating on a going concern basis and has adequate resources to continue in operational existence for the foreseeable future.

2.6. Critical accounting judgments, assumptions and estimates

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions

NATIONAL COMPETITIVENESS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.6.1. Impairment and provisioning policies

At each statement of financial position date, the Commission reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognised in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.6.2. Useful lives and residual values of property, plant and equipment

The Commission assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.2 and changes to useful lives have been considered necessary during the year. Management has set residual values for all classes of property, plant and equipment at zero.

2.6.3. Fair value measurement

The Commission has a number of accounting policies and disclosures that require the measurement of fair values for financial and non-financial assets and liabilities at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market or most advantageous market at the statement of financial position date before deduction of transaction costs.

The Commission uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to determine fair value. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

NATIONAL COMPETITIVENESS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2022

2.7. New and revised International Financial Reporting Standards (IFRS)

2.7.1. Applicable new and revised standards and interpretations effective for annual periods beginning on or after January 1, 2022

i. IAS 16 - "Property, plant and equipment" effective January 1, 2022

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

ii. IAS 37- "Provisions, contingent liabilities and contingent assets", effective January 1, 2022

The International Accounting Standards Board (IASB) has published 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

The changes in Onerous Contracts — cost of fulfilling a contract (amendments to IAS 37) specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

2.7.2. Applicable new and revised standards and interpretations effective for annual periods beginning on or after January 1, 2023

i. IAS 1 - "Presentation of financial statements", effective January 1, 2023

The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

ii. IAS 8 – "Accounting policies, changes in accounting estimates and errors", effective January 1, 2023

The International Accounting Standards Board (IASB) has published 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

NATIONAL COMPETITIVENESS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

iii. **Amendment to IFRS 16 - "Leases", effective January 1, 2024**

The International Accounting Standards Board (IASB) has issued 'Lease liability in a sale and lease back (amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Lease liability in a sale and lease back (amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a lease back in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

While the November 2020 Exposure Draft had proposed that a seller-lessee initially measures the right-of-use asset and lease liability arising from a leaseback using the present value of expected lease payments at the commencement date, the final amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

These amendments had no impact on the financial statements of the Commission.

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3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous year.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment is initially recognised at cost net of accumulated depreciation and accumulated impairment losses, if any. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate major components of property, plant and equipment.

A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation loss is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being disposed is transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or loss when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss section of the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

3.1.2 Depreciation

Depreciation, which is calculated on the straight line basis, is provided to write off the cost less the estimated residual value of fixed assets over their estimated useful lives. The Commission assesses useful life and residual values of property, plant and equipment each year taking into account past experiences and technological changes. No changes to these useful lives have been considered necessary for all other items of property, plant and equipment. Management has set residual values for all classes of property, plant and equipment as zero.

The rates that were applied per annum are as follows:

Fixtures and Fittings	10%
Motor Vehicles	20%
Computer and Printers	20%

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All items of property, plant and equipment are maintained at cost and there were no revaluations that took place in 2022.

Where the items of property, plant and equipment are revalued, depreciation is based on the gross replacement cost. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. The depreciation methods, useful lives and residual values of assets are reviewed and adjusted, if appropriate, at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, depreciation will cease to be charged on the asset until its residual value subsequently decreases to an amount below its carrying amount.

3.1.3 Revaluation of property, plant and equipment

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

The Commission reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The following factors are considered in estimating the useful life of an asset:

- Expected usage of the asset,
- Expected physical wear and tear which depends on how the asset is going to be used,
- Management also uses experience with the usage of the asset,
- Fair value measurements and valuation processes.

Any revaluation increase arising on the revaluation of property, plant and equipment is recognized in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in statement of profit and loss and other comprehensive income, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property, plant and equipment is recognized in profit and loss to the extent that it exceeds the balance, if any, held in asset revaluation reserve relating to previous revaluation of the asset. Depreciation on revalued assets is recognized in profit and loss.

3.2 Leases

The Commission leases offices at 1 Adylinn road, Agriculture House, Malborough, Harare which is being accounted in accordance with IFRS 16 – "Leases".

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3.2.1 Identifying a lease

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Commission assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Commission
- the Commission has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Commission has the right to direct the use of the identified asset throughout the period of use. The Commission assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

3.2.2 Measurement and recognition of leases as a lessee

At lease commencement date, the Commission recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Commission, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Commission depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Commission also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Commission measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Commission's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

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When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Commission has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

3.3 Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories. Net realizable value is the estimated selling price less selling expenses. The Commission maintains fuel coupons as inventory, where coupons are procured and stored for operational use.

3.4 Revenue, grants and donations

Revenue, grants and donations are recognised as income during the year in which it is received. The Commission receives annual grants from treasury and the Standards Development Fund (SDF), while revenue is generated by advertising for Government agencies, state owned companies and business membership organisations.

3.4.1 Revenue from contracts with customers

The Commission recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To recognize revenue from contracts with customers under IFRS 15, the Commission applies the following five steps:

- Identifying the contract.
- Identifying the performance obligations in the contract.
- Determining the transaction price.
- Allocating the transaction price to performance obligations in the contract.
- Recognizing revenue in accordance with performance.

Commission generates revenue through advertising for other stakeholders in its Zimbabwe Competitiveness report (ZCR) and the Value Chain reports (CVR). Advertising revenue is recognised at a point in time.

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3.4.2 Government grants

Government grants are recognised as income during the year in which it is received. The Commission receives grants for its operations and capital expenditure from treasury and the Standards Development Fund (SDF).

Grants are recognized when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the the Commission.
- The amount of the revenue can be measured reliably, and

Government grants are recognized when there is reasonable assurance that: The Commission will comply with the conditions attached to them; and the grants will be received as support to the entity. Government grants are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognized as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by reducing the grant in arriving at the carrying amount of the assets.

3.4.3 Donations

Donations are recognised as income during the year in which they are received. They are recognized as income when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.
- The amount of the revenue can be measured reliably.

If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced, and revenue recognized as the conditions are satisfied.

3.5 Financial instruments

Financial instruments are contracts that give rise to financial assets or financial liabilities. Financial assets and financial liabilities are recognized on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument. These instruments are generally carried at their estimated carrying values.

Non-derivative financial instruments carried in the statement of financial position comprise: cash and cash equivalents, trade and other receivables, trade and other payables. These instruments are recognized initially at fair value plus any directly attributable transaction costs.

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3.5.1 Financial assets

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits (funds on placement) with maturities of three months or less from acquisition date that are subject to insignificant risk of changes in fair value, and are used by the Commission in the management of its short-term commitments.

ii. Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses. A provision for impairment of trade receivables is established when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the trade receivables are impaired. When a trade receivable is uncollectible, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited against the trade receivables impairment provision in profit or loss.

3.5.2 Impairment

A financial asset not classified at fair value through profit and loss is measured at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss events had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by the debtor, restructuring of an amount due to the Commission on terms that the Commission would not consider otherwise, indications that a debtor will enter bankruptcy, changes in the payment status, and disappearance of an active market for a security.

3.6 Financial liabilities

Liabilities and provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events and a reliable estimate to the amount of such obligation can be made. Obligations payable at the demand of the creditor or within one year of the reporting date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the reporting date are treated as non-current liabilities in the statement of financial position.

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The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Commission. Software acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset is reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern or consumption of amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense is recognised in the statement of comprehensive income.

Amortisation is recognised in the statement of comprehensive income on straight line basis over the useful life of the software.

3.8 Employment benefits

Employee benefits are all forms of consideration given in exchange for services rendered by employees or for the termination of employment. The Commission recruited 95% of its current staff in 2021 including its management. The Commission established a defined contribution pension scheme with First Mutual Life in September 2021. The classification, recognition and measurement of employee benefits is as follows;

3.8.1 Short term employee benefits

Short term employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The Commission's short-term employee benefits comprise remuneration in the form of salaries, wages, bonuses, employee entitlement to leave pay and medical aid. The undiscounted amount of all short term employee benefits expected to be paid in exchange for service rendered is

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recognised as an expense or as part of the cost of an asset during the period in which the employee rendered the related service.

3.8.2 Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short term employee benefits) that are payable after the completion of employment. Post-employment benefits comprise retirement benefits that are provided for Commission employees by the National Social Security Authority (NSSA), and any pension fund is administered by or on behalf of the Commission. Payments to these pension schemes are recognised as an expense when they fall due, which is when the employee renders the service. Under these contribution schemes, the Commission pays fixed contributions and has no legal or constructive obligation to pay further amounts.

3.8.3 Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employee's employment as a result of either the Commission's decision to terminate an employee's employment before the normal retirement date (or contractual date) or an employee's decision to accept voluntary redundancy in exchange of those benefits. The Commission recognises termination benefits as a liability and an expense at the earlier of when the offer of termination cannot be withdrawn or when the related restructuring costs are recognised under IAS 37- "Provisions, contingent liabilities and Contingent Assets".

Termination benefits are measured according to the terms of the termination contract. Where termination benefits are due more than 12 months after the reporting date, the present value of the benefits shall be determined. The discount rate used to calculate the present value shall be determined by reference to market yields on high quality corporate bonds at the end of the reporting period.

3.9 Taxation

The Commission is exempted from corporate tax obligations in terms of the National Competitiveness Commission Act [Chapter 14:36].

3.10 Risk management policy

The commission established risk management policy to identify and analyze the risks faced by the entity to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policy and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities. Management carries out risk assessments and decide migratory plans which are reviewed and approved by the Board every quarter.

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4 Property, plant and equipment	Inflation adjusted				
	Printers and computers	Furniture, fittings and equipment	Vehicle, plant and mobile equipment	2022	2021
	ZWL	ZWL	ZWL	ZWL	ZWL
Opening carrying amount	12 540 108	4 832 906	89 246 304	106 619 318	601 947
Gross carrying amounts	12 540 108	4 832 906	89 246 304	106 619 318	754 377
Accumulated depreciation	-	-	-	-	(152 430)
Additions	39 738 668	19 319 983	-	59 058 651	85 290 320
Revaluation surplus	-	-	-	-	20 842 748
Depreciation charge for the year	(16 388 633)	(2 972 513)	(23 868 768)	(43 229 914)	(115 698)
Closing carrying amount	35 890 141	21 180 376	65 377 536	122 448 053	106 619 318
Gross carrying amounts	52 278 776	24 152 890	89 246 304	165 677 970	106 619 318
Accumulated depreciation	(16 388 635)	(2 972 514)	(23 868 768)	(43 229 917)	-
<hr/>					
Property, plant and equipment					
	Historical cost				
	Printers and computers	Furniture, fittings and equipment	Vehicle, plant and mobile equipment	2022	2021
	ZWL	ZWL	ZWL	ZWL	ZWL
Opening carrying amount	3 732 175	1 438 365	26 561 400	31 731 940	179 151
Gross carrying amounts	3 732 175	1 438 365	26 561 400	31 731 940	224 517
Accumulated depreciation	-	-	-	-	(45 366)
Additions	11 826 984	5 749 995	-	17 576 979	25 349 590
Revaluation surplus	-	-	-	-	6 203 199
Depreciation charge for the year	(4 877 569)	(884 677)	(7 103 800)	(12 866 046)	(34 434)
Closing carrying amount	10 681 590	6 303 683	19 457 600	36 442 873	31 731 940
Gross carrying amounts	15 559 160	7 188 360	26 561 400	49 308 920	31 731 940
Accumulated depreciation	(4 877 570)	(884 677)	(7 103 800)	(12 866 047)	-

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for the year ended December 31, 2022

	Inflation adjusted		Historical cost	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
6 Prepayments				
Rainbow towers	-	1 780 801	-	530 000
Print Flow	-	14 761 075	-	4 393 177
First Mutual Health	11 018 656	-	3 279 362	-
CUT Hotel	974 400	-	290 000	-
	<u>11 993 056</u>	<u>16 541 876</u>	<u>3 569 362</u>	<u>4 923 177</u>
7 Inventory				
Inventory	4 564 998	6 515 309	4 564 998	1 939 080
Missing fuel coupons	-	(384 384)	-	(114 400)
	<u>4 564 998</u>	<u>6 130 925</u>	<u>4 564 998</u>	<u>1 824 680</u>
8 Cash and cash equivalents				
CBZ Bank local account	14 803 564	125 865 563	14 803 564	37 459 989
	<u>14 803 564</u>	<u>125 865 563</u>	<u>14 803 564</u>	<u>37 459 989</u>
10 Deferred income				
Opening balance as at January 1, 2022	32 536 634	266 713	26 227 184	79 379
Additions	57 867 183	88 239 036	17 222 376	26 261 618
Amortization for the year	(36 667 431)	(115 698)	(10 912 926)	(34 434)
Closing balance as at December 31, 2022	<u>53 736 386</u>	<u>88 390 052</u>	<u>32 536 634</u>	<u>26 227 184</u>
11 Trade and other payables				
Telephone bills payables	60 850	-	60 850	-
Internet services payables	1 420 736	55 677	1 420 736	16 571
Payroll services payables	358 027	-	358 027	-
Tax payables	32 372 857	3 815 218	32 372 857	1 135 482
Conference fee payables	216 000	-	216 000	-
Senior management payables	15 011 565	-	15 011 565	-
Staff payables	33 694 772	-	33 694 772	-
Commissioners Board fees payables	2 495 520	2 208 427	2 495 520	657 270
Office rentals payables	-	544 026	-	161 913
Audit fees payables	-	3 696 000	-	1 100 000
	<u>85 630 328</u>	<u>10 319 348</u>	<u>85 630 328</u>	<u>3 071 235</u>
12 Provisions				
Provision for leave pay	21 678 815	6 739 750	21 678 816	2 005 878
	<u>21 678 815</u>	<u>6 739 750</u>	<u>21 678 816</u>	<u>2 005 878</u>
13 Government grant				
Treasury	29 371 759	6 720 000	15 680 000	2 000 000
Standard Development Fund	764 306 111	310 632 000	272 000 000	92 450 000
Salary grant	-	1219 680	-	363 000
	<u>793 677 870</u>	<u>318 571 680</u>	<u>287 680 000</u>	<u>94 813 000</u>
14 Other income				
Interest income	940 494	77 381	434 229	23 030
Revenue from contracts with customers	1 650 186	963 547	1 410 415	286 770
Development Partners	14 756 887	-	14 756 887	-
Amortisation of deferred income	36 667 431	115 698	10 912 926	34 434
	<u>54 014 998</u>	<u>1156 626</u>	<u>27 514 457</u>	<u>344 234</u>

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for the year ended December 31, 2022

	Inflation adjusted		Historical cost	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
15 Administration expenses				
Board fees and allowances	18 721 933	6 896 817	7 888 642	2 052 624
Communication supplies and services	22 915 908	12 995 516	9 598 632	3 867 713
Hospitality	-	157 382	-	46 840
Medical supplies	913 356	698 477	324 900	207 880
Office supplies and services	22 066 803	1 058 084	13 197 010	314 906
Rentals and hiring services	22 356 673	13 478 868	8 778 315	4 011 568
Training and development	37 933	1 593 409	30 000	474 229
Institutional provisions	28 399 948	5 301 485	9 856 240	1 577 823
Domestic travel expenses	34 650 171	17 727 158	26 511 630	5 275 940
Conferencing	860 691	1 578 138	822 542	469 684
Software	3 336 221	1 305 636	1 110 705	388 582
Association subscriptions	-	1 575 269	-	468 830
Foreign Travel expenses	49 483 622	-	25 993 289	-
Financial transactions	20 105 188	4 084 853	8 890 312	1 215 730
Fumigation	-	17 640	-	5 250
External auditors	80 811	3 716 563	36 900	1 106 120
Finance cost (lease)	187 924 904	1 219 532	55 930 031	362 956
Maintenance of technical and office equipment	-	61 528	-	18 312
Maintenance of mobile and office equipment	19 159 995	8 526 057	8 048 677	2 537 517
Fuels, oils and lubricants	33 254 930	11 314 837	16 460 906	3 367 511
Tyres and batteries	-	404 151	-	120 283
Interbank transfers	1 014 589	-	369 117	-
Fuel coupons loss	-	384 385	-	114 400
Depreciation property, plant and equipment	43 229 914	115 698	12 866 046	34 434
Depreciation right of use asset	375 848 809	6 097 669	111 880 062	1 814 782
	884 363 200	100 309 154	318 573 957	29 853 915
16 Employment costs				
Salaries	534 399 170	74 986 167	233 363 093	22 317 312
Bonus	28 109 755	5 467 449	26 109 755	1 627 217
Other allowances	42 615 299	15 534 105	24 824 184	4 623 246
	603 124 224	95 987 721	284 297 032	28 567 775
17 Related party transactions				
The salaries, allowances and fees incurred during the year were:				
17.1 Board of commissioners (non-executives)				
Chairman Board fees	2 053 061	756 309	865 074	225 092
Members Board fees	9 262 894	3 412 278	3 902 997	1 015 559
Chairman allowances	1 094 559	403 217	461 201	120 005
Members allowances	6 311 420	2 325 012	2 659 369	691 968
Board fees and allowances	18 721 933	6 896 817	7 888 642	2 052 624
17.2 Key management personnel				
Salaries and wages				
Executive management	204 551 947	26 965 396	94 691 938	8 025 416
Staff members	355 956 978	53 488 220	164 780 911	15 919 113
	560 508 925	80 453 616	259 472 848	23 944 529
Other allowances				
Executive management	10 606 903	3 952 592	6 178 713	1 176 367
Staff members	32 008 396	11 581 513	18 645 471	3 446 879
	42 615 299	15 534 105	24 824 184	4 623 246
Total employment cost	603 124 224	95 987 721	284 297 032	28 567 775

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for the year ended December 31, 2022

18 Pension arrangements

18.1 Pension fund

The Commission established a defined contribution pension plan with First Mutual Life in September 2021 where staff members contribute 6.5% and the Commission contributes 12.9%. The contribution for the year is as follows:

	Inflation adjusted		Historical cost	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Pension contributions	29 729 263	5 483 278	11 253 688	1 631 928

18.2 National Social Security Authority (NSSA)

The National Social Security Authority was introduced on 1st October 1994 and with effect from that date all employees are members of the scheme, to which both the company and its employees contribute as follows:

Employees: 4.5% of the monthly basic salary

Company: 4.5% of the monthly basic salary

The Commission began contributing to NSSA in April 2021 and the contributions for the year are as follows:

	Inflation adjusted		Historical cost	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
NSSA contributions	13 112 094	1 192 614	4 739 011	354 945

19 Going concern

The current liabilities stood at ZW\$147.8 million while the current assets were valued at ZW\$31.3 million which translated to the current ratio of 0.21. Of the current liabilities outstanding obligations for suppliers of goods and services was ZW\$2 million, while provisions for leave days and lease liability was valued at ZW\$62.2 million. The remaining ZW\$81.1 million was employment costs for staff and senior management after the approval for salary increase which was applied in July 2022 was received on December 18, 2022, when there was no longer adequate time to apply for the capital expenditure virement which required to be supported by the approved salaries increase letter, thus payments could not be made in the 2022 financial period. The Treasury and the Ministry of Industry and Commerce's through the Standards Development Fund (SDF) continues to fund the Commission through its annual budget as indicated in the National Competitiveness Commission Act [Chapter 14:36].

The Commission is grant funded annually through the Standard Development Fund (SDF). The Management has assessed the ability of the Commission to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

20 Subsequent event

The Commission received a directive in March 2023 to absorb 10 former National Income and Pricing Commission (NIPC) employees by April 1, 2023. Commission management managed to absorb 4 employees into its structures while other six [6] who had no qualifications matching to the vacant posts were retrenched. The agreed total retrenchment package of ZW\$18,1 million was approved and paid on June 28, 2023.



NATIONAL COMPETITIVENESS COMMISSION

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