

**Embassy of India
Harare**

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INTERNAL

ZWG depreciates whilst de-dollarisation plan now in place: - According to the Reserve Bank of Zimbabwe (RBZ) Foreign Exchange Auction, the ZWG depreciated by 0.43% against the US dollar, from ZWG 13.79 per US\$1 in the first week of August, 2024 to ZWG 13.85 per US\$1 in the last week of August, 2024.

The Government reported that it has developed a de-dollarisation roadmap that entails measures to promote the wider use of the country's new currency, Zimbabwe Gold (ZWG).

According to Finance, Economic Development and Investment Promotion Ministry Permanent Secretary Mr. George Guvamatanga, Zimbabwe has seen steady growth in the use of the ZWG in domestic transactions since introducing the currency in April, 2024. He said ZWG now accounted for 39% of domestic transactions, from 30% in April, 2023. The balance, 61% of transactions, continues to be conducted in foreign currency, mainly US\$.

South African financial services firm, Standard Bank Group Limited, reported that it is abandoning hyperinflationary reporting for its local subsidiary, Stanbic Bank Zimbabwe, after adopting US\$ as the entity's reporting currency despite the introduction of the new currency, ZWG.

Sugarcane miller, Hippo Valley Estates Limited, said currency fluctuations between US\$ and ZWG have created problems for the firm as the bulk of its revenue is in local currency at a time when expenditure is foreign currency-denominated.

Month-on-month inflation rate up to 0.16%: - According to the RBZ US\$ month-on-month inflation rate in August, 2024 was 0.16% an increase from a rate of -0.062% in July, 2024. The US\$ annual consumer inflation rate for the month of August, 2024 stood at 3.736% an increase from 3.574% in July, 2024.

The ZWG month-on-month inflation rate in August, 2024 was 98.90% an increase from a rate of 97.50% in July, 2024. The ZWG annual consumer inflation rate for the month of August, 2024 stood at 1.4% an increase from -0.1% in July, 2024.

ZIDA issued 154 investment licences in Q2: - The Zimbabwe Investment and Development Agency (ZIDA) reported that it issued a total of 154 licences during the second quarter of 2024, owing to the increased usage of its online DIY Licensing Portal. The portal allows investors to apply for investment

licences effortlessly through a user-friendly interface, allowing the applicant to manage their investments from anywhere, at any time. The value of the new licences issued was US\$1.8 billion. During the first quarter, the new licences issued was 143, which had a value of US\$622.18 million.

ZCDC targets 5.7m carats by year end: - The Zimbabwe Consolidated Diamond Company (ZCDC) reported that it is targeting to produce 5.7 million carats by end of 2024 and double that amount for 2025, after ramping up production. ZCDC said it has come up with various initiatives to offset the falling diamond prices. Diamond prices are currently depressed on the global market.

Morgan & Co predicts liquidity squeeze on ZSE: - Securities firm, Morgan & Co, predicted a liquidity squeeze on the Zimbabwe Stock Exchange (ZSE) which will affect the trading of shares on the bourse. An immediate effect of increased volatility is that fewer participants are actively buying and selling securities. This lack of activity means that even small trades can lead to significant price fluctuations, making the market more unpredictable and potentially riskier for investors.

Zim least attractive investment destination in Africa: - Zimbabwe was ranked among the worst performers in terms of investment attractiveness in Africa, according to a Rand Merchant Bank (RMB) report. The report deflates government's claims that it has put in place a conducive environment for investors under the "Zimbabwe is open for business" mantra. Zimbabwe ranked last out of the 31 countries in terms of investment attractiveness.

According to the report, Zimbabwe scored poorly across all elements, which include social and human development, economic stability and investment climate, economic performance and potential, and lastly, market accessibility and innovation. Under these elements, Zimbabwe ranked in the 20 to 31 range compared to the other nations assessed.

BILATERAL

Commissioning of Deka Pumping Project: - On 5th August, 2024 the Deka Pumping Project was commissioned by Minister of Energy and Power Development, Hon Edgar Moyo, at Hwange whilst the Government of India was represented at the commissioning ceremony by the Ministry of External Affairs of India, Additional Secretary, Mr. Puneet R. Kundal and Ambassador Vijay Khanduja, along with officials of the Embassy of India, Harare. The project was financed through an Indian Line of Credit (the Indian Exim Bank) of US\$48.1 million.

The main component of the project involved construction of a 42 km long pipeline of 960mm diameter, which is providing water to the Hwange Thermal Power Plant as also Hwange Township and communities and settlements along the way. Zimbabwe is expected to gain an additional 600 megawatts (MW) of electricity at the completion of Hwange's Deka Project. Afcons-Vijeta

was the EPC contractor for the project whilst Wapcos was the Project Management Consultant.

Vice-President of Zimbabwe attends the 19th CII India-Africa Business

Conclave: - On 19th August, 2024 the Vice-President of Zimbabwe, H.E. Dr. C.G.D.N. Chiwenga, arrived in New Delhi, India leading a multi-sectoral Zimbabwean delegation for the 19th CII India-Africa Business Conclave “Creating One Future” which was scheduled from 20th to 22nd August, 2024. H.E. Chiwenga was accompanied by Health and Child Care Minister, Dr. Douglas Mombeshora; Permanent Secretary in the Ministry of Industry and Commerce, Dr. Thomas Utete Wushe; Permanent Secretary for the Ministry of Higher and Tertiary Education, Science and Technology Development, Professor *Fanuel Tagwira*; Chief Executive of Mutapa Investment Fund (MIF), Dr. John Panonetsa Mangudya; Chief Executive of Zimbabwe Investment & Development Agency (ZIDA) Mr. Tafadzwa Chinamo; 12 private sector business representatives and other senior Government officials. Main outcomes of the visit:

- ❖ Vice President of Zimbabwe H.E. Chiwenga showcased Zimbabwe’s investment potential, inviting Indian businesses to explore opportunities in the tourism, ICT, infrastructure development, manufacturing sector including agro-processing, mineral beneficiation, textiles and clothing, leather and leather products, iron and steel, dairy, health care collaborations and pharmaceuticals, plastic waste, tyre and lithium batteries manufacturing.
- ❖ During the Conclave H.E. Chiwenga met with Mauritius Vice President H.E. Marie Boissezon, who offered educational scholarships to chosen Zimbabwean students. They also discussed how to increase economic co-operation between Zimbabwe and Mauritius.
- ❖ State-owned Mutapa Investment Fund (MIF) represented by Chief Executive Officer Dr. John Mangudya discussed with potential investors on several MIF units seeking funding. MIF units include Air Zimbabwe, TelOne, Fidelity Gold Refinery, NetOne, the National Railways of Zimbabwe, National Oil Company of Zimbabwe, the Industrial Development Corporation of Zimbabwe (IDCZ) and the national power utility, Hwange Colliery Company Limited (HCCL). Dr. Mangudya also discussed with officials on:
 - A US\$100 million Memorandum of Understanding signed between the National Railways of Zimbabwe (NRZ) and RITES of India signed in 2023 for the supply of 9 locomotives, 115 wagons and infrastructure rehabilitation topped discussions and is now awaiting financial closure.
 - The ZESA and Jindal MoU for the refurbishment of Hwange Units 1 to 6, which could see up to 800MW added to the national grid.
 - The MoU between Industrial Development Corporation (IDCZ) and Ashok Leyland which was signed in 2022.
 - Also, the IDCZ and Shapoorji Pallongji project was attended to, which is about the production of compound fertilisers from the phosphatic claims at Shawa claims by IDCZ under an Engineering Procurement

and Construction (EPC) model. Dr Mangudya said the contractor that has been identified and approved by IDCZ to carry out this project is Shapoorji Pallongji. An MoU to this effect was signed on 6th January, 2023. The contractor is expected to provide financing under this project and have approached Afreximbank for financial assistance.

- ❖ Indian energy solutions firm, Jakson Group showed interest to expand to Zimbabwe. The company's Chairman and Managing Director, Mr. Sameer Gupta paid a courtesy call on Vice President Dr Constantino Chiwenga and promised to visit Zimbabwe in 3 weeks to explore opportunities in Zimbabwe's power plants, particularly renewables and solar. An MoU is expected to be signed. Jakson is an energy and sustainable solutions company, aiding sustainable development, and electric power generation with a wide range of products and services.
- ❖ Permanent Secretary for Industry and Commerce Dr. Thomas Utete Wushe reported that Indian financial institutions had expressed willingness to extend concessionary loans to the productive sector. He said the Zimbabwean delegation identified a number of operations throughout the value chains who are ready to come and do business in Zimbabwe.

EXTERNAL

136 new vehicles received for improved health services: - Government received 136 utility vehicles from the Global Fund to Fight AIDS, Tuberculosis and Malaria. Speaking during the handover ceremony of the vehicles, Health and Child Care Minister Dr. Douglas Mombeshora said it was government's commitment to expand access to quality healthcare services, particularly to remote and hard-to-reach areas. The United Nations Development Programme (UNDP) believe that Zimbabwe's remote areas will now receive improved health services.

UN culinary skills academy set for Vic Falls: - The United Nations World Tourism Organisation (UNWTO) announced that it will establish an academy in Victoria Falls, Zimbabwe to provide culinary skills training to students from Africa. The academy to be established in Victoria Falls, Zimbabwe's prime tourism destination, would be known as the Africa International Tourism Academy for Culinary Arts.

Cash programme reaches 31,000 women, youths: - The World Food Programme (WFP), in partnership with Dutch Christian Aid, funded by the Swiss Agency for Development and Co-operation, launched an urban cash grants and resilience programme to support vulnerable populations in Bulawayo during the current famine. The programme aims to empower women-headed households and youths to start small-scale businesses.

Zim's US\$3.7bn financing gap derails Vision 2030: - The African Development Bank (AfDB) in its new country focus report titled, Driving Zimbabwe's Transformation: The Reform of the Global Financial Architecture reported that Zimbabwe has an estimated annual financing gap of US\$3.7

billion which will affect the country's target of achieving an upper-middle-income status by 2030. Experts said one of the key challenges in achieving that goal is the country's inability to attract capital because of debt, corruption, inconsistent policies, declining consumer spending and drop in power production, among others. AfDB said substantial financial resources were required for Zimbabwe to achieve meaningful structural transformation.

Govt hires Cameroonian, Spanish engineers: - The Ministry of Energy and Power Development reported that it selected a joint venture of Noubeg Power and ATI Consultores to carry out a wind energy assessment locally costing €1,381,150 (US\$1,508,187.17) to determine its power generation potential. Noubeg Power is a Cameroonian design, consulting and engineering firm that carries out studies and engineering services in the energy sector and more generally in economic and social development. ATI Consultores is a Spanish engineering and architecture company that designs and manages civil, electrical and mechanical construction projects. According to the ministry renewable energy wind energy remained untapped despite a potential to generate 228 megawatts (MW) of power. Zimbabwe has an installed capacity of 2 412MW, but is generating between 1 100MW and 1 400MW against peak demand of more than 2 000MW.

Swedish investors seeking opportunities in Zim: - Finance, Economic and Investment Promotion Minister Professor Mthuli Ncube on 23rd August, 2024 held a meeting with Swedish Ambassador to Zimbabwe H.E. Per Lingarde together with top investors and representatives from Swedish companies operating locally. The meeting, which took place at the Swedish Ambassador's residence in Harare, brought together key players from leading Swedish companies such as Sandvik, Husqvarna, Scania and SKF, among others. The discussions focused on socio-economic development and exploring avenues to enhance bilateral investment. Addressing the attendees, Ncube underscored the investment opportunities available for Swedish investors, particularly in sectors such as mining, manufacturing renewable energy.

Russian firm to train Zim's healthcare personnel: - Russian aviation company, Heli Drive embarked on a project to train 200 personnel for the nation's inaugural air ambulance service. In a statement on 6th August, 2024 CEO of Heli Drive, Mr. Mikhail Ivanov, highlighted the collaborative effort between the two nations.

CBZ gets US\$20m facility from TDB: - The Eastern and Southern African Trade and Development Bank Group (TDB Group) extended a US\$20 million revolving line of credit to CBZ Bank Limited earmarked for on-lending to eligible customers operating in the key export and hard currency sectors. The facility, which was signed by the two parties in Harare on 26th August, 2024 is expected to be used for capital expenditure and working capital needs in a major boost for exporting companies.

CBZ gets US\$15m from Shelter Afrique: - Shelter Afrique Development Bank (ShafDB), a pan-African housing financier, reportedly extended US\$15

million to CBZ Bank to finance the construction of residential housing units and mortgage origination. The pan-African institution is solely dedicated to financing and promoting housing, urban, and related infrastructure development across the African continent. ShafDB operates through a partnership involving 44 African governments, including Zimbabwe, as well as the African Development Bank (AfDB) and the Africa Reinsurance Corporation (Africa-Re).

OK Zimbabwe seeking cheaper supplies from Türkiye, China: - Retailer, OK Zimbabwe, said it is extending its sources of supply to Türkiye and China as it targets cheaper supplies to combat the increase in direct imports from South Africa. For years, South Africa has provided a cheaper option for local consumers to buy groceries as the continued volatility of Zimbabwe's exchange rate has made businesses keep their pricing high for goods and services. OK said the erratic supply of essential products was the biggest challenge in the retailer's supply chain.

Bilateral Trade (Zimbabwe Trade with India)

Period	Export to India (US\$ million)	Import from India (US\$ million)	Total (US\$ million)
2024-2025 (Apr-Aug)	1.25	49.29	50.84

Source: <https://tradestat.commerce.gov.in/eidb/iecnt.asp>

Zimbabwe top items of Export to India 2024-2025 (Apr-June)

HS Code	Commodity	Exports (US\$) million
72	IRON AND STEEL	0.94
32	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERI. DYES, PIGMENTS AND OTHER COLOURING MATTER; PAINTS AND VER; PUTTY AND OTHER MASTICS; INKS.	0.18
8	EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	0.12
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES.	0.01

Source: <https://tradestat.commerce.gov.in/eidb/iecnt.asp>

Zimbabwe top 10 items of Import from India 2024-2025 (Apr-June)

HS Code	Commodity	Imports (US \$ million)
30	PHARMACEUTICAL PRODUCTS	9.82
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF.	4.23
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF.	1.96
10	CEREALS.	1.83
39	PLASTIC AND ARTICLES THEREOF.	1.28
40	RUBBER AND ARTICLES THEREOF.	0.85

85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS.	0.64
33	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS.	0.42
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES.	0.4
90	OPTICAL, PHOTOGRAPHIC CINEMATOGRAPHIC MEASURING, CHECKING PRECISION, MEDICAL OR SURGICAL INST. AND APPARATUS PARTS AND ACCESSORIES THEREOF;	0.39

Source: <https://tradestat.commerce.gov.in/eidb/ecntcom.asp>

External (Zimbabwe Total Global Trade)

Period	Export (US\$ million)	Import (US\$ million)	Total (US\$ million)
Jan 2024 – Mar 2024	1,719.79	2,140.12	3859.91

Source: ZimTrade and Zimstat

Zimbabwe top 10 items of Export to the World (Jan 2024 – Mar 2024)

Commodity	US\$ million
Minerals and Alloys	1,161
Unmanufactured tobacco	413.94
Processed Foods	38.42
Manufactured tobacco	22.54
Cotton	10.68
Hides & Skins	9.12
Horticulture	8.31
Electricity	6.75
Building & constr' materials	6.31
Agric Inputs and Implements	6.17

Source: Zimstat via ZimTrade

Zimbabwe top items of Import from the World (Jan 2024 - Mar 2024)

Commodity	US\$ million
Machinery & Equipment	383.89
Raw Materials	279.58
Fuels & Electricity	247.65
Motor Vehicles & Parts	139.35
Other	1,089.65

Source: Zimstat via ZimTrade

Top 10 countries export (Jan 2024 – Mar 2024)

Countries	US\$ million
South Africa	532.55
UAE	463.36

China	320.2
Mozambique	135.2
Zambia	34.48
Hong Kong	34.38
Unspecified	30.45
Viet Nam	23.15
Indonesia	22,548,914
Other	123,452,016

Source: Zimstat via ZimTrade

Top 10 countries import (Jan 2024 – Mar 2024)

Countries	US\$ million
South Africa	809.01
China	330.63
Bahamas	160.68
Mozambique	79.33
United Arab Emirates	73.24
Bahrain	71.95
Zambia	69.81
Mauritius	56.76
Singapore	44.6
India	37.2

Source: Zimstat via ZimTrade