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INTERNAL

Zimbabwe pays US$10 million interest on IMF loan: - Zimbabwe reportedly paid US$10 million in interest on a US$1 billion IMF loan aimed at supporting the country's recovery from COVID-19. The country's external debt stands at US$12.3 billion. Despite debt challenges, Zimbabwe's horticultural sector has seen growth, with a 34% increase in blueberry exports after the government allocated US$30 million to support the sector.

Govt risks national assets to secure loans: - Zimbabwe's government is facing criticism for repealing a law that protected state-owned enterprises from being used as collateral for loans. Experts warned this could increase the national debt and lead to loss of strategic assets.

ZWG depreciates 0.9% as stakeholders bemoan liquidity crisis: - According to the Reserve Bank of Zimbabwe (RBZ) foreign exchange auction, the ZWG depreciated by 0.9% against the US dollar, from ZWG 25.57per US$1 in the first week of December, 2024 to ZWG 25.80 per US$1 in the last week of December, 2024.

Economic stakeholders in Zimbabwe raised alarm over a deepening liquidity crisis, which is stifling industry growth and discouraging investment. The crisis intensified after the introduction of the ZWG currency in April, 2024, as efforts to stabilize its value led to reduced liquidity.

ZICT boss warns of cryptocurrency scams: - Zimbabwe Information and Communication Technology Chairperson Jacob Mutisi warned that cryptocurrency scams are on the rise, targeting vulnerable Zimbabweans. Despite the RBZ's 2018 ban on cryptocurrencies, many Zimbabweans remain active in the space, with hundreds of thousands of USD invested.

Ironically, the ban may have cost ordinary Zimbabweans a significant opportunity. When the ban was implemented, 1 Bitcoin was worth around $8,800. By 15th December, 2024, its value had peaked to $101,373.53, representing a potential 12-fold increase in investment value. As of the latest update, 1 Bitcoin is worth $93,483.69.

Annual consumer inflation rate down to 2.5%: - According to the RBZ US$ month-on-month inflation rate in December, 2024 was 0.6% an increase from the 0.1% recorded in November, 2024. The US$ annual consumer inflation rate for the month of December, 2024 stood at 2.5% a decrease from 3.3% in November, 2024. The ZWG month-on-month inflation rate in December, 2024 was 3.7% a decrease from a rate of 11.7% in November, 2024.

Inflation to shape interest rate policy: RBZ: - The Reserve Bank of Zimbabwe (RBZ) said the inflation trajectory will continue to guide its interest rate decisions, with the apex bank stressing its commitment to maintaining a positive real interest rate. RBZ Governor Dr John Mushayavanhu said the focus will remain on keeping prices low to guarantee economic stability and growth, while interest rates will be reviewed on a need basis and in line with economic dynamics.

The central bank's Monetary Policy Committee (MPC) left the bank policy rate unchanged at 35 % at its last meeting for the year. Dr Mushayavanhu said the bank would maintain a hawkish monetary policy stance but remain attentive to avoid throttling economic growth.

The Zimbabwe Association of Microfinance Institutions (ZAMFI) warned that high interest rates and statutory reserve requirements threaten the microfinance sector's profitability. ZAMFI said this decision will significantly impact the sector's lending ability and exacerbate the liquidity crisis.

Consumers push for PDL linked tax: - The Consumer Council of Zimbabwe (CCZ) is advocating for the minimum income tax threshold to be pegged to the poverty datum line. This follows the 2025 National Budget, which set the threshold at ZWG2,800, but introduced new taxes without adjusting the tax-free threshold to offset their impact. The CCZ's push aims to alleviate the burden on low-income earners amid daily power cuts, inflation, rising prices, and unemployment.

Regulatory costs choke industry: - The Confederation of Zimbabwe Industries (CZI) revealed that regulatory costs are hindering the manufacturing sector's competitiveness, impacting its ability to compete within the Africa Continental Free Trade Area (AfCFTA). A study done on that by CZI shows that about 18% of overhead costs are regulatory costs. These are just costs to comply with the regulations and it is making it hard for the manufacturing sector to operate properly.

Incentivise informal sector: - The Confederation of Zimbabwe Industries (CZI) urged the government to offer incentives for informal businesses to formalize, rather than imposing taxes. The informal sector contributes significantly to the economy, generating US$14.2 billion annually. However, the government's new tax measures, including taxes on fast food, sports betting, and plastic bags, may drive informal businesses further underground.

Pension funds embrace VFEX as safe haven: - The Insurance and Pensions Commission (IPEC) said the Victoria Falls Stock Exchange (VFEX) enhanced diversification and sustainable value for pension funds by enabling investments in foreign currency-denominated securities.

US$630k unclaimed shares still await owners: - Chengetedzai Depository Company (CDC) announced that it is enhancing its drive to identify and locate the rightful owners of unclaimed shares worth nearly US$630,000 that are currently held in its central securities depository (CSD). A CSD is a digital platform designed to facilitate the efficient paperless clearing, settlement and safe custody of various types of investments, ensuring a streamlined process for both investors and financial institutions. Chengetedzai said it held unclaimed shares valued at US$629,313 and ZWG2,504,180 as of the end of October, 2024.

CBZH secures US$50m line of credit to bolster SMEs: - Financial services giant, CBZ Holdings (CBZH) reportedly secured a US$50 million line of credit from a strategic partner, in a move aimed at bolstering support for corporates and small-to-medium enterprises (SMEs). According to CBZ, the funds were expected to be disbursed before year-end, providing a much-needed injection of capital for businesses.

Time Bank offer: Govt treads with caution: - Zimbabwe's government is cautiously reviewing Time Bank's US$38 billion syndicated loan proposal, seeking further technical assessment. The loan aims to compensate former farm owners and address Zimbabwe's sovereign debt. The Ministry of Finance's public debt management Office Head, Mr. Andrew Bvumbe, emphasized the need for careful evaluation. Given the massive loan amount, the government must ensure the deal is viable and beneficial for the country.

Mining industry calls for new royalty system: - According to the Chamber of Mines Zimbabwe (COMZ), the royalty specifically for platinum, diamond and lithium remained high, impacting negatively on the viability of the sub-sectors. The chamber also contends that a royalty is a direct cost of production, so the higher the figure, the higher the cost structure for mining companies. COMZ suggested a price-linked royalty allowing the Government to maximise revenue collections during price booms while ensuring the viability of producers during periods of depressed prices.

Young Miners Foundation bemoan lack of capital: - Young Miners Foundation reported that capital remains the biggest challenge for young miners in Zimbabwe. Despite small-scale miners contributing 60% of the country's mining activities, they struggle to secure financing from banks or micro financiers. The mining industry identified poor access to capital as a major bottleneck, with many miners relying on internal resources due to limited access to offshore financing.

Low moisture delays planting for 2024/25 cropping season: - The Food and Agriculture Organisation (FAO) warned of potential delays in crop planting in Zimbabwe due to dry soils caused by the 2024 El Nino-induced drought and weak December rainfall. Despite near-normal November rainfall, planting of summer 2025 cereal crops may be delayed, with completion expected by January 2025.

Duty on non-fortified imported sugar brands good for Hippo Valley: - Hippo Valley Estates Limited (Hippo) recorded a 24% revenue growth due to the government reinstating import duty on non-fortified imported sugar brands. The repeal of SI 80/2023 on January 31, 2024, helped the sugar sector recover from a 25% market share loss to cheap imports. With import duties reinstated, customers switched back to local sugar, resulting in a 31,716-tonne recovery in domestic sales.

National Foods to focus on cereals, biscuits and pasta lines: -National Foods Holdings Limited said it will focus on its newly introduced cereal, biscuit and pasta categories in 2025 to drive growth. This strategic focus comes after the company announced that it would delist from the VFEX to streamline its operations and concentrate on long-term strategic objectives. It plans to buy back 20% of its shares of 13,647,198, which on 20th December, 2024 stock price of US$1.7125 translated to US$23.37 million. The delisting and the share buyback required shareholder approval which was unanimously granted on 18th December, 2024. National Foods aims to invest at least US$10 million of its earnings back into the business annually.

Tanganda backpedals on ZSE delisting: - Tanganda Tea Company Limited reported its decision not to delist from the Zimbabwe Stock Exchange (ZSE) to list on the Victoria Falls Stock Exchange (VFEX) as previously considered. Instead, the company will make a secondary listing on VFEX. This decision comes after Tanganda's market capitalization on the ZSE plummeted from US$134.29 million at its listing in February, 2022 to US$35.29 million as of 9th December, 2024, resulting in a near US$100 million loss.

Tongaat to offload Zim operations to Vision owners: - Tongaat Hulett Limited (THL), a South African agriculture and agri-processing firm, is set to sell its Zimbabwe operations as part of a larger deal worth ZAR5.9 billion (US$330.05 million). The buyer is the Vision Group, a South African investment consortium. THL's Zimbabwe operations include Triangle Sugar and a 50.3% stake in Hippo Valley Estates Limited.

Dairibord invests US$2m in Chipinge solar plant: - Dairibord Holdings Limited invested US$2 million in a solar plant project at its Chipinge depot to reduce reliance on the national grid amidst frequent power outages. The project is part of a larger US$3.6 million investment in three one-megawatt solar plants across its facilities. Additionally, Dairibord has implemented transparent roofing to harness natural lighting, aiming to minimize the impact of power outages, which currently consume 60% of production time.

BILATERAL

India's MOSIP to partner Sadc to enhance national identity systems: - India's Modular Open-Source Identity Platform (MOSIP) is seeking to collaborate with the Southern African Development Community (SADC) to enhance national identity systems across the region. MOSIP helps governments develop and implement digital public infrastructure, allowing

them to adopt or upgrade digital ID systems while maintaining control over their digital infrastructure.

This partnership could benefit Zimbabwe, which is working to strengthen its digital infrastructure for economic growth. MOSIP's modular, open-source design prioritizes security, privacy, and user control, enabling countries to build tailored identity systems.

Varun Beverages commissions two new production lines: - Indian owned, PepsiCo's bottler in Zimbabwe, Varun Beverages, reportedly commissioned two new production lines. One line will be used for carbonated soft drinks, with a capacity of 340 bottles per minute. The second line has a capacity of 400 bottles per minute, and will bottle Varun Beverages' own bottled water brand Aqua Clear. The news comes after Varun Beverages' decision to invest $7m to produce the PepsiCo snack brand Simba Munchiez in Zimbabwe and Zambia, and to invest $50m in a new plant in the Democratic Republic of the Congo.

Ambassador's engagements: - On 9th December, 2024 H.E. Ambassador Mr. Bramha Kumar attended the official unveiling of Indian owned Varun Beverages expansion project. President Emerson Dambudzo Mnangagwa officially unveiled the 6th and 7th phases of the Varun Beverages Zimbabwe Expansion Project in Harare, Zimbabwe. The expansion project will add to the 4th and 5th phases of the project which were commissioned in April, 2023, which included a new plastic closure plant and a state of the art warehouse facility. The 6th phase of the project will focus on beverage production, while the 7th phase introduces snack manufacturing, specifically the popular PepsiCo brand, Simba Munchiez.

On 10th December, 2024 Ambassador attended a BRICS (Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran and the United Arab Emirates) meeting at the Ministry of Foreign Affairs and International Trade. Zimbabwe is among a growing number of developing countries seeking to join the BRICS alliance in a bid to diversify economic partnerships and reduce reliance on the US dollar.

On 20th December, 2024 Zimbabwe received 1,000 tonnes of rice from India, with the handover ceremony taking place in Harare. Public Service, Labour and Social Welfare Minister Honourable July Moyo was represented at the event by his deputy, Maruva Mercy Dinha. The rice was handed over by H.E. Ambassador Mr. Bramha Kumar

External

UNDP invests US$60m in solar, irrigation projects: - The United Nations Development Programme (UNDP) revealed that it invested about US$60 million in solar and irrigation projects for the benefit of rural communities to promote a sustainable and eco-friendly approach to rural development. UNDP Resident Representative in Zimbabwe, Mr. Ayodele Odusola said the global

organisation offered support through the Health and Child Care ministry as well as the Energy and Power Development ministry.

He said for 2024, the solar projects had provided 13.6 megawatts (MW) of power, accounting for about 1% of total electricity generated in Zimbabwe and about 35% of power from independent power producers. Currently, Zimbabwe has an energy deficit of between 1,600MW and 1,800MW as climate change and a lack of foreign currency have hampered electricity production from traditional sources.

Revisit export retention threshold: - The UN Development Programme's Resident Representative in Zimbabwe Mr. Ayodele Odusola urged Zimbabwe's government to revisit the central bank's export retention policy, which requires exporters to surrender 25% of their foreign earnings. This policy aims to boost foreign currency resources for national and international obligations, as well as stabilize the volatile Zimbabwe Gold currency. Odusola claims this policy scares away investors.

AfDB left to disburse US$1.52m to Zim arrears clearance: - The African Development Bank (AfDB) said it will disburse US$1.52 million to Zimbabwe as part of its debt management support. This is part of a UA3 million loan approved in 2022. UA stands for Units of Account, the AfDB's reporting currency, similar to the International Monetary Fund's Special Drawing Rights. The project aims to enhance Zimbabwe's debt management and macroeconomic stability, amid a significant public debt stock of US$21.2 billion.

Kavango eyes US$8m for Zim, Botswana operations: - Kavango Resources Plc, a British mining company, announced its plan to raise approximately £6.57 million (US$8.25 million) to develop its gold mines in Zimbabwe and Botswana. The funds will specifically support the Hillside Project and exploration efforts in Zimbabwe and Botswana. Kavango has three gold mining projects in Zimbabwe — the Nara Gold Project, Leopard Project and Hillside Project. The Nara Gold Project covers four historic mines near Bulawayo with a total recorded production of more than 90,000 ounces (oz), while the Leopard Project comprises two groups of claims that have produced 2,000oz. The Hillside Project has 44 gold claims covering 503 hectares within trucking distance of the Nara Project.

Bilateral Trade (Zimbabwe Trade with India)

Period	Export to India (US$ million)	Import from India (US$ million)	Total ((US$ million)
2024-2025 (Apr-Oct)	5.01	80.18	85.19

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

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

HS Code	Commodity	Exports (US$) million
72	IRON AND STEEL	4.11

71	NATURAL OR CULTURED PEARLS,PRECIOUS OR SEMIPRECIOUS STONES,PRE.METALS,CLAD WITH PRE.METAL AND ARTCLS THEREOF;IMIT.JEWLRY;COIN.	0.26
32	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERI. DYES, PIGMENTS AND OTHER COLOURING MATTER; PAINTS AND VER; PUTTY AND OTHER MASTICS; INKS.	0.22
8	EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	0.19
25	SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT.	0.13
9	COFFEE, TEA, MATE AND SPICES.	0.07
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES.	0.01
30	PHARMACEUTICAL PRODUCTS	0.01

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

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

HS Code	Commodity	Imports (US $ million)
30	PHARMACEUTICAL PRODUCTS	38.01
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF.	10.74
10	CEREALS.	4.86
39	PLASTIC AND ARTICLES THEREOF.	3.79
63	OTHER MADE UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	3.69
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF.	3.57
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS,AND PARTS.	3.1
40	RUBBER AND ARTICLES THEREOF.	1.76
90	OPTICAL, PHOTOGRAPHIC CINEMATOGRAPHIC MEASURING, CHECKING PRECISION, MEDICAL OR SURGICAL INST. AND APPARATUS PARTS AND ACCESSORIES THEREOF;	1.68
33	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS.	0.93

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 – Jul 2024	3,888.33	5,166.34	9054.67

Source: ZimTrade and Zimstat

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

Commodity	US$ million
Minerals and Alloys	3,017.98
Unmanufactured tobacco	558.72
Processed Foods	64.18
Manufactured tobacco	53.13
Horticulture	36.08
Agric Inputs and Implements	18.44
Electricity	15.70
Cotton	15.31
Building & construction materials	14.81
Hides & Skins	11.98

Source: Zimstat via ZimTrade

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

Commodity	US$ million
Machinery & Equipment	902.84
Raw Materials	621.86
Fuels & Electricity	614.32
Motor Vehicles & Parts	321.97
Other	2,705.35

Source: Zimstat via ZimTrade

Top 10 countries export (Jan 2024 – Jul 2024)

Countries	US$ million
South Africa	1,287.77
United Arab Emirates	1,207.62
China	457.22
Mozambique	335.58
Zambia	80.75
Belgium	43.70
Viet Nam	42.8
Indonesia	42.76
Netherlands	38.99
Hong Kong	37.38

Source: Zimstat via ZimTrade

Top 10 countries import (Jan 2024 – Jul 2024)

Countries	US$ million
South Africa	2,060.61
China	716.85
Bahamas	407.12
Mozambique	210.79
Bahrain	194.11
Zambia	186.54
United Arab Emirates	147.63
Singapore	134.6
Mauritius	99.52
India	97.39

Source: Zimstat via ZimTrade