

Monthly Economic Update February 2025

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1. Economic Performance

a) Domestic Economy

Zimbabwe's economy is set for strong growth, with the World Bank projecting a 6% GDP expansion in 2025 and the AfDB forecasting 5.3%. This growth is driven by a post-drought recovery, increased investment and export growth. The Government is prioritizing agriculture, with the Pfumvudza/Intwasa programme and irrigation infrastructure investments expected to boost food security. Industrial growth is also a key focus, supported by a retooling programme and an industry support fund to enhance local production and reduce import dependence. Inflation is expected to moderate to 10%, according to the World Bank, reflecting a tightened monetary stance and exchange rate stability.

However, Zimbabwe's economic outlook faces headwinds, including low foreign currency inflows due to the withdrawal of foreign assistance, particularly from the U.S., which could contribute to exchange rate pressures. Commodity prices are projected to remain low, except for gold, potentially affecting foreign currency inflows for the mining sector. Additionally, the rapid growth of informalization is expected to persist, posing serious challenges to economic stability. The table below outlines Zimbabwe's economic growth forecasts:

Zimbabwe Economic Growth Forecasts (%)			
Year	2023	2024	2025
World Bank (Jan 2025)	4.5	3.3	6.0
GOZ (Nov 2024)	5.5	2.0	6.0
IMF (Oct 2024)	5.3	2.0	6.0

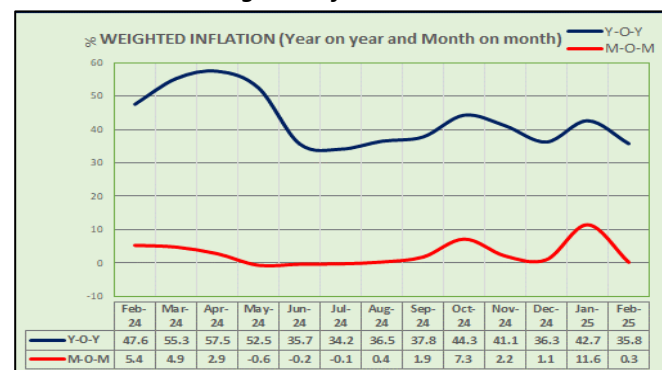
2. Inflation

Zimbabwe's inflation profile for February 2025 largely showed some decline, following a January 2025 spike in all forms of inflation measures. However, USD inflation remained relatively high. The inflation profile is linked to multiple factors, including tight monetary policy being pursued by the RBZ. Below is a brief outline of the inflation metrics, as published during the month under review.

a. Weighted Inflation

Weighted inflation, which aggregates prices denominated in both foreign and local currencies, decreased on a year-on-year basis from 42.7% in January 2025 to 35.8% in February 2025. The month-on-month weighted inflation rate also dropped sharply, falling to 0.3% in February 2025, a notable decline of 11.3 percentage points from the 11.6% registered in January 2025. This decline was primarily driven by the Food and Non-Alcoholic Beverages category, which recorded a 0.4% change, significantly lower than the 13.2% change recorded in January 2025. The following graph illustrates the trend in Zimbabwe's weighted inflation.

Weighted Inflation Trend



Source: ZIMSTATS & RBZ –February 2025

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The RBZ forecasts that inflation will continue to decline, with the weighted monthly inflation rate averaging 3% or less in 2025. The RBZ also expects the weighted annual inflation rate to end the year between 20% and 30%, supported by stable exchange rates and tight monetary policies. Meanwhile, barring significant alterations, our 3-month econometric forecasts for cumulative weighted inflation are outlined below:

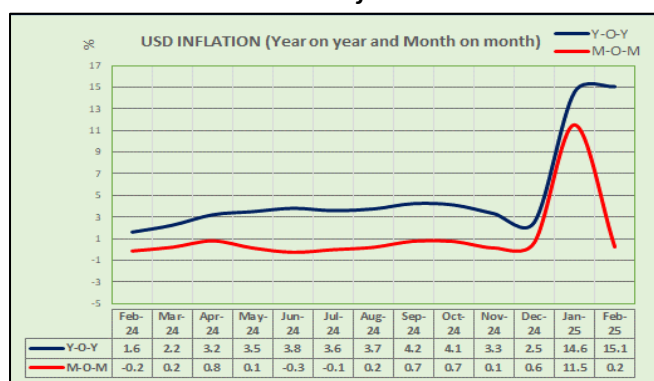
3 Month Inflation Forecasts (%)		
Month	Y-O-Y	M-O-M
Mar-25	35.3	4.5
Apr-25	36.2	3.6
May-25	42.9	4.3

Source: ZB Financial Holdings –February 2025

b. USD Inflation

The year-on-year USD inflation rate for February 2025, as measured by the all-items USD Consumer Price Index (CPI), was 15.1%, marking a significant increase of 0.5 percentage points from 14.6% in January 2025. However, on a month-on-month basis, the USD inflation rate declined by 11.3 percentage points to 0.2% in February 2025. Notably, within the USD CPI, the Food and Non-Alcoholic Beverages category recorded a 0.2% increase during this period, reflecting rising costs for essential goods. The following graph illustrates the current trend of USD inflation in Zimbabwe

Zimbabwe USD Inflation Trend

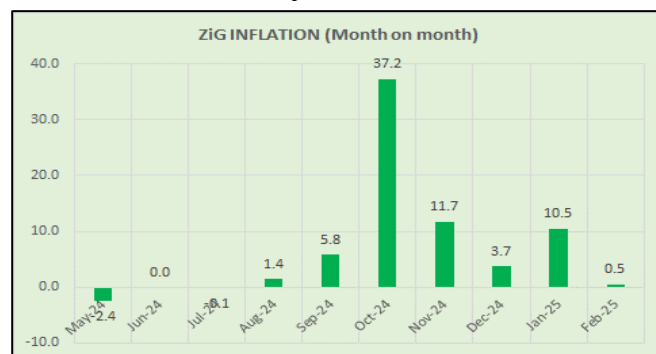


Source: ZIMSTATS & RBZ –February 2025

c. ZiG Inflation Rate

The month-on-month ZiG inflation rate for February 2025 declined to 0.5%, representing a significant decrease of 10 percentage points from 10.5% recorded in January 2025. The following graph illustrates the current trend of ZiG inflation in Zimbabwe.

ZiG Inflation Trend



Source: ZIMSTATS & RBZ –February 2025

3. Poverty Datum Line

The Total Consumption Poverty Line (TCPL), which represents the minimum income required to cover essential living expenses, increased by 0.6% in February 2025, rising from ZiG1,255.78 in January 2025 to ZiG1,263.86. This increase is relatively small compared to the 8.6% rise recorded in January 2025, indicating a modest increase in the cost of living. For a family of six, the TCPL for February 2025 was reported at ZiG7,583.16.

Similarly, the Food Poverty Datum Line (FPDL), which measures the minimum expenditure needed to meet the daily caloric requirement of 2,100 calories, rose by 0.8%, from ZiG861.14 in January 2025 to ZiG868.16 in February 2025. For a family of six, the FPDL amounts to ZiG5,208.96, illustrating that approximately 69% of household income is now allocated to basic food needs. The table below presents the monthly changes in TCPL and FPDL over the past five months.

Month	TCPL	% Change	PDL	% Change
Oct-24	976.40	43.2	666.49	49.2
Nov-24	1,110.72	13.8	770.84	15.7
Dec-24	1,156.67	4.1	805.95	4.6
Jan-25	1,255.78	8.6	861.14	6.8
Feb-25	1,263.86	0.6	868.16	0.8

Source: ZIMSTATS – February 2025

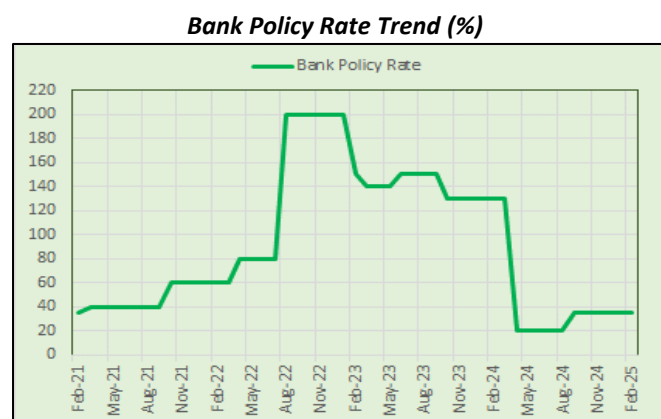
4. Financial Sector

a) Interest Rates

The RBZ's 2025 Monetary Policy Statement announced on February 6, 2025, included the following measures regarding interest rates;

- To maintain the bank policy rate at 35%.
- To increase Interest rates on ZiG deposits from 3.5% to 5% for savings deposits and from 5% to 7.5% for time deposits.
- To increase USD deposits rates from 1% to 2.5% for savings deposits and from 2.5% to 4% for time deposits.
- To maintain the statutory reserve requirements for demand and call deposits for both local and foreign currency at 30%.
- To maintain the statutory reserve requirements for savings and time deposits for both local and foreign currency at 15%.

The graph below shows the interest rate trend for the period February 2021 to February 2025.



As of 20 February 2025, the weekly average minimum lending rates in ZiG were recorded at 42.67% for individuals and 40.37% for corporates. On the other hand, average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 3.65%, 5.69% and 5.99%, respectively. The table below illustrates the trend in average minimum lending rates and average deposit rates denominated in ZiG.

Average lending and Deposit Rates (ZiG)

LOCAL CURRENCY (ZiG)					
Lending Rates (%)			Deposit Rates (%)		
Week Ending	Commercial Banks (<i>minimums</i>)				
	Individuals Clients	Corporate Clients	Savings	1-Month	3-Months
31-Jan-25	41.82	40.13	3.54	5.38	5.67
7-Feb-25	42.91	40.43	3.78	5.79	6.09
14-Feb-25	42.98	40.45	3.56	5.93	6.23
20-Feb-25	42.95	40.45	3.72	5.66	5.95
Average	42.67	40.37	3.65	5.69	5.99

Source: RBZ – February 2025

In US Dollar terms, the most recent weekly average minimum lending rates stood at 12.83% for individuals and 10.86% for corporates whilst the latest average minimum deposit rates for savings, 1-month and 3-month deposits were recorded at 1.40%, 3.52% and 4.16%, respectively. The table below illustrates the trend in average minimum lending rates and average deposits rate denominated in US\$.

Average lending and Deposit Rates (USD)

FOREIGN CURRENCY (USD)					
Lending Rates (%)			Deposit Rates (%)		
Week Ending	Commercial Banks (<i>minimums</i>)				
	Individuals Clients	Corporate Clients	Savings	1-Month	3-Months
31-Jan-25	12.82	10.74	1.35	3.31	3.99
7-Feb-25	12.79	10.85	1.39	3.64	4.21
14-Feb-25	12.87	10.9	1.39	3.64	4.29
20-Feb-25	12.82	10.93	1.47	3.50	4.16
Average	12.83	10.86	1.40	3.52	4.16

Source: RBZ – February 2025

b) Foreign Currency Market

Based on monthly average exchange rates, the U.S. dollar depreciated against 15 out of the 18 currencies in our analysis basket. The most notable depreciation occurred against the Russian Rubble, where the USD lost 9.74%. In contrast, the U.S. dollar strengthened against the other 3 currencies, with the most appreciation against the Argentine peso (1.56%). The table below provides a comprehensive breakdown of the monthly average exchange rates for all 18 currencies.

Exchange rate analysis (Monthly Averages)

Exchange Rate Analysis (Monthly Averages)			
Currency/US\$	Jan-25	Feb-25	Change (%)
Argentine Peso	1040.46457	1056.720731	1.56
Australian Dollar	1.606886	1.587388	-1.21
Botswana Pula	13.951455	13.8738	-0.56
Brazilian Real	6.046939	5.764762	-4.67
British Pound	0.809756	0.798448	-1.40
Canadian Dollar	1.439938	1.430603	-0.65
Chinese Yuan Renminbi	7.301138	7.269065	-0.44
Euro	0.966388	0.960447	-0.61
Hong Kong Dollar	7.784617	7.783309	-0.02
Indian Rupee	86.229681	86.96069	0.85
Japanese Yen	156.689613	151.855409	-3.09
Norwegian Krone	11.349802	11.20273	-1.30
Russian Ruble	103.222659	93.1735	-9.74
South African Rand	18.736799	18.488217	-1.33
Swedish Krona	11.093836	10.822757	-2.44
Swiss Franc	0.909966	0.904212	-0.63
South Korean Won	1454.51879	1445.511795	-0.62
Zimbabwean Gold	26.1336	26.43940714	1.17

Source : x-rates.com ; RBZ © ZB Financial holdings

However, an analysis of the opening and month-end periods shows that the USD depreciated against 13 currencies in our basket while appreciating against the other 5. The most significant depreciation was against the Russian Ruble, where the USD fell by 10.94%. The table below provides a detailed breakdown of the month-end exchange rate analysis for all 18 currencies.

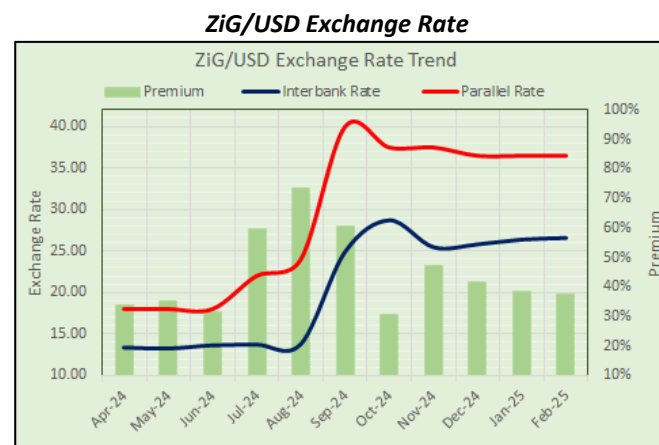
Exchange Rate Analysis (End Period)

Exchange Rate Analysis(end period)			
Currency/US\$	3-Feb-25	28-Feb-25	Change (%)
Argentine Peso	1053.13156	1062.4118	0.88
Australian Dollar	1.618797	1.61033	-0.52
Botswana Pula	14.023345	13.797463	-1.61
Brazilian Real	5.83296	5.883941	0.87
British Pound	0.807158	0.794385	-1.58
Canadian Dollar	1.46008	1.443406	-1.14
Chinese Yuan Renminbi	7.250523	7.283005	0.45
Euro	0.972952	0.961443	-1.18
Hong Kong Dollar	7.793101	7.777586	-0.20
Indian Rupee	86.982476	87.415251	0.50
Japanese Yen	154.698996	150.634674	-2.63
Norwegian Krone	11.41964	11.243968	-1.52
Russian Ruble	99.757806	89.381017	-10.40
South African Rand	18.803416	18.601016	-1.08
South Korean Won	1461.61578	1459.29546	-0.16
Swedish Krona	11.15313	10.725931	-3.83
Swiss Franc	0.913767	0.901968	-1.29
Zimbabwean Gold	26.3813	26.5615	0.68

Source: x-rates; RBZ © ZB Financial holdings

c) Zimbabwe Gold Exchange Rate

In February 2025, the ZiG depreciated for the third consecutive month by 0.74% against the USD on the interbank market, weakening from ZiG26.37 per 1 USD on 31 January 2025 to ZiG26.56 per 1 USD by 28 February 2025. However, on the parallel market, the ZiG remained stable at an average of ZiG36.50 per 1 USD over the same period. This divergence between the two markets resulted in a significant reduction in the exchange rate premium, narrowing from 38% in January 2025 to 37% in February 2025. The following graph illustrates these trends from April 2024 to February 2025.



Source: RBZ & ZB Financial Holdings – February 2024

Consistent with expectations, the Central Bank continues to implement a tight monetary policy to safeguard exchange rate and inflation stability, as highlighted in the 2025 monetary policy statement. However, the withdrawal of foreign assistance, particularly from the U.S., could exert pressure on the exchange rate by reducing foreign currency inflows, potentially leading to some degree of exchange rate volatility.

d) Equities Markets & Corporate Briefs

In February 2025, the Zimbabwe Stock Exchange (ZSE) experienced a significant increase compared to January 2025, with market capitalization in local currency (Zig) rising by 5.3%, from ZiG58,848.17 million to ZiG61,984.24 million. Similarly, in USD terms, market capitalization increased by 4.6%, from US\$2,232.01 million to US\$2,334.42 million. The All-Share Index also rose by 4.3%, from 195.57 points to 204.06 points during the same period.

In contrast, the Victoria Falls Stock Exchange (VFEX) saw a decline in market capitalization, which fell from US\$1,259.66 million to US\$1,220.06 million between January 2025 and

February 2025. However, the All-Share Index increased by 3%, from 103.02 points to 106.11 points. The following table highlights the monthly performance of both markets over the past five months.

ZSE and VFEX Market Performance Indicators

Date	ZSE Market Summary			VFEX Market Summary	
	All Share	Mkt Cap ZWG mil	Mkt Cap US\$ mil	All Share	Mkt Cap US\$ mil
Feb-25	204.06	61,984.24	2,334.42	106.11	1,220,060
Jan-25	195.57	58,848.17	2,232.01	103.02	1,259,660
Dec-24	217.58	65,105.25	2,524.74	104.09	989,270
Nov-24	265.10	79,841.29	3,137.02	102.19	956,730
Oct-24	289.14	87,336.43	3,045.18	102.68	966,240

Source: ZSE & VFEX – February 2025

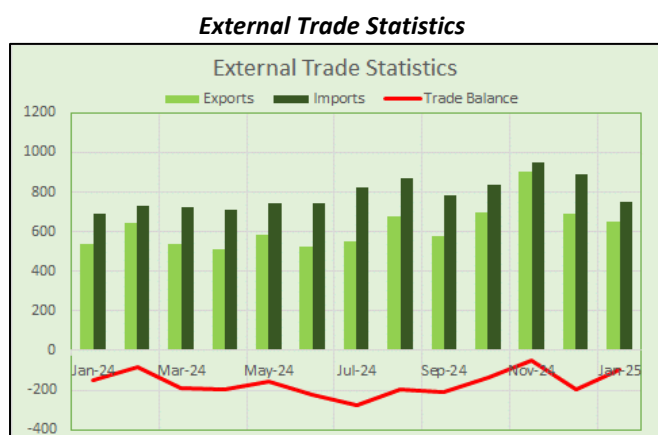
Zimbabwe's stock market outlook for 2025 is mixed. Information Technology and Consumer Staples stocks are expected to drive growth due to their strong cash flows and market dominance. However, tight liquidity and economic underperformance have weakened investor activity. The US foreign aid freeze could further strain liquidity and impact both the ZSE and VFEX. Market recovery depends on policy interventions by Government to ease liquidity constraints and stabilize the economy. A selective investment approach focused on fundamentally strong companies is advisable amid ongoing uncertainties.

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5. Various Sectors of the Economy

a) External Sector

According to ZIMSTAT, Zimbabwe's export value in January 2025 was recorded at US\$652.0 million, reflecting a 5.8% decrease from the US\$692.4 million recorded in December 2024. Meanwhile, imports for the same period stood at US\$748.8 million, marking a 15.8% decrease from US\$889.3 million in the previous month. On a yearly basis, Zimbabwe's import bill increased by 3.1% to US\$9.5 billion in 2024, up from US\$9.2 billion in 2023. This is largely due to increased grain imports following the El Niño-induced drought that severely impacted the 2023-24 agricultural season. Despite the decline in both exports and imports in January 2025, the trade deficit narrowed to US\$96.8 million, representing a 50.8% decrease compared to the US\$196.9 million deficit in December 2024. The graph below illustrates trends in external trade statistics since January 2024.



Source: ZIMSTATS – February 2025

Zimbabwe's external trade dynamics in January 2025 highlight the country's continued reliance on exporting primarily semi-manufactured gold, tobacco and nickel mattes, which dominate the export basket. According to ZIMSTAT, semi-manufactured gold accounted for 44.7% of total exports, followed by tobacco at 18.2% and nickel mattes at 9.3%.

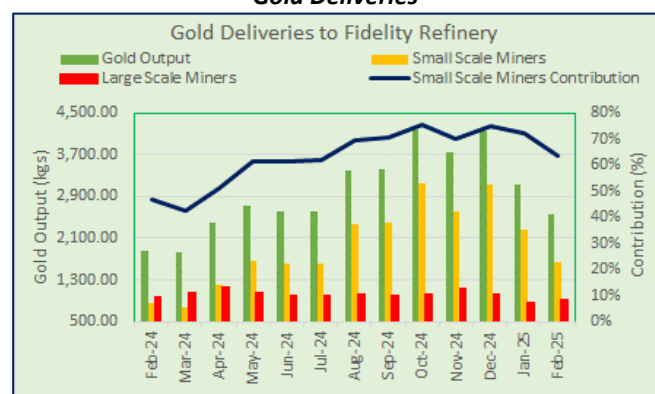
b) Mining Sector

Zimbabwe's mining sector remains a key driver of economic growth, contributing over 70% of foreign exchange inflows. In 2024, mineral exports increased by 7.8% to US\$5.9 billion, despite low global commodity prices. Small-scale miners aim to raise gold production to 40 tonnes in 2025, up from 36.48 tonnes in 2024. Platinum remains the largest revenue contributor, alongside diamonds, lithium, chrome and coal. Although global metal prices fell by 7% in late 2024,

Zimbabwe's mining sector shows resilience. The sector's continued growth, particularly in gold and key minerals, is vital for the country's economy amid fluctuating global commodity prices.

Meanwhile, gold deliveries to Fidelity Gold Refinery decreased by 18% in February 2025, from 3,134.35 kgs in January 2025 to 2,568.25 kgs, mainly as a result of a 28% decrease in small-scale miners' output. Small-scale miners accounted for approximately 64% of total deliveries in February 2025, down from 72% recorded in the previous month. The graph below summarizes the activity in gold production.

Gold Deliveries



Source: FGR – February 2025

News and Highlights in the Mining Sector.

- Implants invested US\$850 million of its US\$1.157 billion capital expenditure program. Key projects include the Mopani Mine Development (US\$386 million), Smelter Expansion (US\$544 million) and a 35MW Solar Plant (US\$37 million).
- Unki Mine's PGM production fell by 2% in Q4:2024 to 60,300 ounces, mainly due to power outages disrupting operations. The decline highlights Zimbabwe's ongoing electricity challenges, impacting mining productivity.
- Kalimba Mining announced plans to raise US\$950 million to fund its expansion projects. The funds will be used to increase its mining capacity, enhance exploration and invest in new technology. The company aims to boost its output particularly in gold, platinum and other minerals.
- Freda Mining plans to begin the installation of a 6MW solar power system by June 2025, which is expected to cover 40% of its energy needs. This

initiative is part of their strategy to reduce energy costs and reliance on the national grid.

c) Agriculture Sector

Zimbabwe's agriculture sector is off to a strong start, driven by a thriving tobacco industry, increased cereal production targets and favourable rainfall. The 2025 tobacco marketing season began on March 5, with an expected yield of 280 million kg. Tobacco farmers are set to receive 70% of their sales in USD and 30% in local currency.

The 2024/2025 Summer Season Plan is centred on boosting cereal production to 3.2 million metric tonnes, with maize and traditional grain planting increasing by 8.1% compared to last season. However, an African armyworm outbreak threatens crops across all provinces in the country. In response, the Government has dispatched chemicals to combat the infestation. Despite these challenges, Zimbabwe's agricultural sector remains poised for growth and economic stability.

News Highlights in the Agriculture Sector.

- Zimbabwe is set to benefit from a US\$76 million investment in agricultural research and capacity development through an Africa-Australia partnership for climate-responsive agriculture. The program, led by the Australian Centre for International Agricultural Research (ACIAR), aims to enhance climate resilience and combat food insecurity.
- Zimbabwe's agriculture sector received a major boost with the importation of 35,300 metric tonnes of ammonium nitrate (AN) fertiliser, supplementing 7,000 metric tonnes that was in the country.
- The Cotton Company of Zimbabwe (COTTOCO) aims to produce 60,000 tonnes of cotton from 120,000 hectares during the 2024/5 season. This initiative is part of its strategy to revitalize the cotton industry. Distribution of essential inputs to farmers started during the month under review, with expectations to surpass the 60,000-tonne target.
- Zimbabwe's macadamia exports surged 53%, from 5.24 million kgs in 2023 to 8.02 million kg in 2024, with revenue rising by 29% to US\$8.75 million. However, prices dropped by 63% from US\$2.91/kg in 2020 to US\$1.09/kg in 2024, with farmers struggling at times.
- The national cattle herd grew by 0.4%, from 5,718,523 in 2023 to 5,741,399 in 2024. During the same period, the national dairy herd increased by 8.7%, from 60,398 to 65,659. This resulted in a 15%

increase in raw milk production, reaching 11,699,440 litres.

d) Energy Sector

Zimbabwe has seen a significant increase in electricity generation during the month under review, with overall production rising by an average of 20.9% compared to the previous month. This increase was primarily driven by a 25% rise in the average maximum generation capacity at Hwange Power Station and a 23% increase from IPPs. Additionally, power generation at Kariba Power Station is improving as water levels steadily increasing with the rainy season. Specifically, with an installed capacity of 1,050 MW, Kariba operated at around 18% capacity, an improvement from the 17% recorded in the previous month due to limited water availability. Zimbabwe's total power supply rose to an average of 1,299 MW, enhancing energy availability. The country's peak power demand is currently estimated at 1,900 MW, and Zimbabwe is generating around 68% of its peak energy demand, which has led to power imports and rationing.

Average Maximum Electricity (MW)

Average Maximum Supply (MW)	Jan-25	Feb-25	Change
Hwange	833	1,042	25.0%
Kariba	182	185	1.4%
IPPS	59	73	23.0%
Total	1,075	1,299	20.9%

Source: ZPC – February 2025

Going forward, the country's electricity supply situation is set to worsen in March 2025 after ZESA Holdings announced scheduled maintenance for Hwange Power Station Units 7 and 6 from March 2 to May 14, 2025.

News Highlights in the Energy Sector

- Surrey Group is investing in a 1.8MW solar project near Marondera to counter frequent power cuts affecting its beef and chicken abattoirs. The project, implemented in three phases, will enhance operational efficiency and feed excess power into the national grid.
- During the month under review, Iscor's Colcom Foods secured a license to build a 1MW solar power plant at its Workington plant in Harare to mitigate power cuts and lower energy costs.
- Zimbabwe's liquefied petroleum gas (LPG) consumption increased by 17.14% over the past three years, rising from 59.989 million kg in 2022 to 77.437 million kg in 2024, driven by electricity shortages.
- About 75 megawatts (MW) of net-metered solar power are now feeding into the national grid, with

the Government aiming to increase the amount by encouraging more individuals and companies to ramp up investments in solar energy production and adopt net metering.

e) Manufacturing Sector

The manufacturing sector has been grappling with several challenges, including currency policies, competition from the informal market and a lack of investment. Formal retailers price their goods in both local and foreign currencies, while informal traders predominantly deal in foreign currency, making manufacturers more inclined to sell to informal buyers, which harms formal businesses. A survey in Harare revealed that informal traders stockpile goods and offer lower prices due to tax and rental exemptions, further undermining formal businesses. To raise industrial capacity utilization to 75% by December 2025, at least US\$2.5 billion in investment is required, highlighting the need for strategic interventions and policies to stabilize and grow the sector.

News Highlights in the Manufacturing Sector

- The ground-breaking ceremony of a US\$3.6 billion industrial park in Beitbridge took place during the month under review, covering 5,100 hectares within a Special Economic Zone. The park will feature a coking plant, a ferro-chrome smelting plant and a 1,200MW power plant. The first phase involves a US\$237 million investment over two years, creating 400 jobs initially, with projections to exceed 2,000. The project is expected to take 12 years to complete.

f) Property Sector

The real estate sector is currently facing a severe capital shortage due to rising costs and tightening credit conditions, which are making it difficult for investors to secure funding for new projects. Despite these challenges, the sector performed strongly in the fourth quarter of 2024, with an estimated US\$2 billion in investments, accounting for 43.6% of the total projected investment for the period, according to the Zimbabwe Investment Development Agency. This highlights the sector's resilience, though it still faces significant headwinds in securing financing, suggesting a need for innovative solutions to sustain growth and attract future investment.

News Highlights in the Property Sector

- HomeLink Properties made significant progress on its US\$30 million housing project. HomeLink Estates Phase 1 is 40% complete, with key developments including 35% completion of roadworks and 64% of

the water reticulation system in place. HomeLink is also expanding with projects like HomeLink Park in Bulawayo, HomeLink Heights in Harare, and a new Bushmeat Housing Project near Masvingo. Future developments include a large project in Chinhoyi.

- Construction of the US\$100 million Darexaban Southern Africa Regional Office and Trade Centre in Harare is expected to be completed by September 2025. The project, which began in 2021 is expected to feature office spaces, a hotel, conference centre, trade hubs and shopping malls.
- Masvingo City is set to begin developing a new 24-hectare CBD in August 2025 to ease congestion and meet commercial demand. The project, part of a 20-year master plan, includes shopping malls and a hotel. Infrastructure designs are being finalized, with stand sales expected to start soon.

g) Tourism Sector

The tourism sector saw a surge in arrivals during the 2024 festive season, particularly at Victoria Falls, Zambezi National Park and Hwange National Park. Over 30,000 visitors explored these sites, with international visitors to the Victoria Falls rainforest increasing from 4,000 in 2023 to 5,000 in 2024. Domestic tourism saw a slight decline, from 7,000 to 6,000 visitors in the same period. The sector's recovery is supported by improved marketing, infrastructure investments and rising confidence among both international and local travellers. This positive trend indicates continued growth and optimism for Zimbabwe's tourism industry.

News Highlights in the Tourism Sector

- Victoria Falls hotels experienced a slight decline in occupancy levels during the 2024 festive season, with average occupancy falling to 62%, compared to 65% during the 2023 festive season.
- KLM Royal Dutch Airlines is expected to cease its freight operations to Harare starting April 2025, citing operational challenges related to the service.
- The Rainbow Tourism Group completed the refurbishment of the A 'Zambezi River Lodge and the Victoria Falls Rainbow Hotel, bringing its total investment in hotel renovations to US\$26 million over the past five years.
- African Sun Limited is selling the Great Zimbabwe Hotel and associated business for US\$4.2 million to the Madame Family Trust, as part of a capital-raising strategy to fund refurbishments of other properties. The sale includes US\$3.2 million for the land and US\$1 million for the hotel assets. The transaction is set to be completed by April 1, 2025.

6. Regional Economies

According to the World Bank, Sub-Saharan Africa's growth is expected to rise to 4.1% in 2025, driven by industrial-commodity exporters. However, high government debt and elevated interest rates are limiting fiscal space, leading to consolidation efforts despite significant financing needs. While growth is projected to improve, per capita income gains are expected to remain insufficient to significantly reduce extreme poverty. Risks to this outlook include weaker global growth, a slowdown in China, geopolitical instability, persistently high interest rates and more frequent adverse weather events. The following table shows Sub-Saharan Africa's economic growth forecast:

Sub-Saharan Africa Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	3.2	4.1	4.3
IMF (Jan 2025)	3.8	4.2	4.2

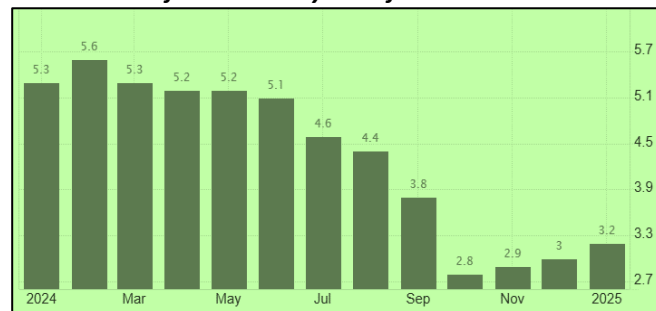
a) South Africa

South Africa's economy grew by 0.6% in the fourth quarter of 2024, recovering from a 0.1% contraction in the third quarter. Growth was driven by agriculture, finance and trade. Agriculture saw a significant rebound of 17.2%, boosting GDP by 0.4 percentage points, largely due to increased production of field crops and animal products. Meanwhile, South Africa's real GDP is projected to grow by 1.8% in 2025, reflecting positive revision of 0.5%, according to the World Bank. The following table shows South Africa's economic growth forecast:

South Africa Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	0.8	1.8	1.9
IMF (Jan 2025)	0.8	1.5	1.6

Meanwhile, South Africa's inflation rate rose for the third consecutive month to 3.2% in January 2025, the highest level in four months. However, it remains well below the South African Reserve Bank's preferred midpoint target of 4.5%. The main drivers of the increase were food & non-alcoholic beverages, housing & utilities and restaurants & hotels. On a monthly basis, consumer prices increased by 0.3%, following a 0.1% rise in the previous month. The graph that follows illustrates the country's inflation trend.

South Africa Year on year Inflation Rate Trend



Source: Statistics South Africa – February 2025

On the interest rate front, the South African Reserve Bank cut its key interest rate by 25 basis points to 7.50% during its meeting on January 30th, 2025, marking the third consecutive reduction.

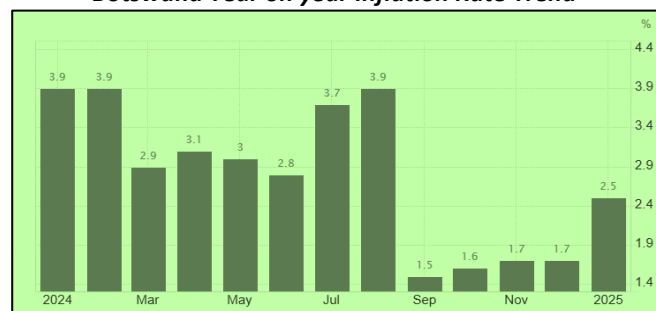
b) Botswana

Botswana's economy is projected to grow by 3.3% in 2025, following a contraction of 3.1% in 2024. This recovery is expected to be driven by a rebound in the global diamond market, though the country continues to face challenges due to its reliance on diamond exports. The government aims to reduce the budget deficit, which is forecasted to decrease from 9% of GDP in 2024/2025 to 7.56% in 2025/26. The following table shows Botswana's economic growth forecast:

Botswana Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	1.0	5.3	4.9
Move (Jan 2025)	-3.1	3.3	-
IMF (Oct 2024)	1.0	5.2	4.0

The annual inflation rate in Botswana accelerated to 2.5% in January 2025, up from 1.7% in each of the previous two months. On a monthly basis, consumer prices rose by 0.5% in January 2025, following a 0.1% increase in the previous month. The graph that follows illustrates the country's inflation trend.

Botswana Year on year Inflation Rate Trend



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Source: Central Statistics Office Botswana – February 2025

In light of the favourable inflation profile, the Central Bank of Botswana decided to hold its benchmark interest rate steady at 1.90% for the third consecutive meeting on February 20, 2025. The MPC forecasts inflation to remain low in the medium term, averaging 3.9% in 2025 and 5% in 2026.

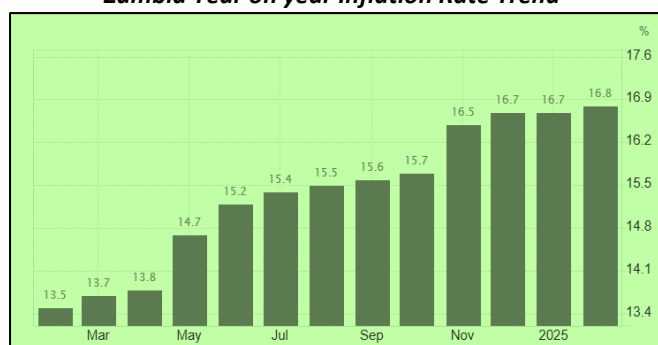
c) Zambia

Zambia is relying on mining, particularly copper, for economic recovery after a severe drought. Copper production rose to over 770,000 tons in 2024 from 698,000 tons in 2023, with targets of 1 million tons by 2026 and 3 million in the long term. Growth is expected to reach 6.6% in 2025, though the 2024 forecast was lowered to 1.2% from 2.3%. Zambia has restructured 90% of its external debt and is negotiating the remainder with China. The following table displays Zambia's economic growth projections:

Zambia Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	1.2	6.2	6.6
IMF (Nov 2024)	1.2	6.2	-
Move (Jan 2025)	1.2	6.6	-

Meanwhile, Zambia's annual inflation rate reached 16.8% in February 2025, slightly up from 16.7% in January 2025, as the domestic currency remained weak due to the ongoing challenges of a prolonged drought. On a monthly basis, consumer prices rose by 2.4% in February 2025, accelerating from 2.1% in January 2025. The graph that follows illustrates Zambia's inflation trend.

Zambia Year on year Inflation Rate Trend



Source: Central Statistics of Zambia – February 2025

The Central Bank of Zambia raised its benchmark interest rate by another 50 basis points to 14.5% during its regular meeting on February 12, 2025, marking the second consecutive rate hike. The decision aimed to counter

persistent inflationary pressures and bring inflation back within its target band.

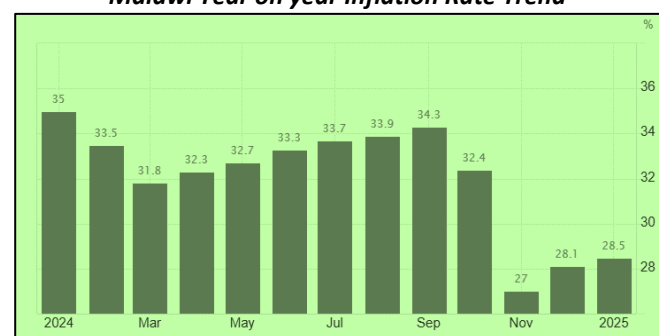
d) Malawi

Malawi's Government revised its 2025 economic growth forecast down to 3.2% from 4.0%, citing persistent inflation and foreign exchange shortages. Growth in 2024 was estimated at 1.8%, impacted by a severe drought that weakened agricultural output. Inflation profile is on the upside driven by forex shortages that disrupted fuel and fertilizer imports. The budget deficit is projected at 9.5% of GDP, while public debt stands at 86% of GDP. Debt restructuring efforts are ongoing to ease forex pressures and create fiscal space. The following table displays Malawi's economic growth projections:

Malawi Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	1.8	4.2	3.3
IMF (Oct 2024)	1.8	4.0	4.6
Move (Jan 2025)	1.8	3.2	-

On the inflation front, Malawi's annual inflation rate rose to 28.5% in January 2025, up from 28.1% in December 2024, marking the highest rate in three months. The increase was primarily driven by rising food costs, particularly maize and its products. On a monthly basis, consumer prices jumped by 4.7% in January 2025, following a 4.5% increase in December 2024. The graph that follows illustrates Malawi's inflation trend.

Malawi Year on year Inflation Rate Trend



Source: Reserve Bank of Malawi – February 2025

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7. International Economies

According to the World Bank, global growth is projected to remain at 2.7% in 2025, indicating a low-growth phase hindered by policy uncertainty, trade tensions, inflation, geopolitical risks and climate-related disasters. The World Bank also projects that emerging markets and developing economies (EMDEs), which drive 60% of global growth, are facing slower income convergence with advanced economies, limiting economic progress. The following table displays global's economic growth projections:

Global Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	2.7	2.7	2.7
IMF (Jan 2025)	3.2	3.3	3.3

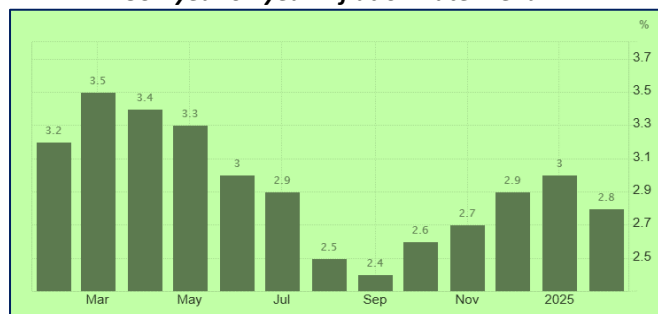
a) United States of America

The U.S. economy slowed in the fourth quarter of 2024, growing at an annualized rate of 2.3%, down from 3.1% in the previous quarter. Growth in early 2025 appears to have further cooled due to cold weather, tariffs raising prices and federal spending cuts. Meanwhile, the World Bank projects that the U.S. economy will grow by 2.3% in 2025, a 0.5 percentage point upward revision from the previous forecast. Economic risks include tariffs, weaker job growth and reduced federal spending. The following table shows USA economic growth projections:

USA Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	2.8	2.3	2.0
IMF (Jan 2025)	2.8	2.7	2.1

The annual inflation rate in the U.S. eased to 2.8% in February 2025, down from 3% in January 2025. On a monthly basis, the CPI rose by 0.2%, down from January's 0.5% increase, which was the highest monthly inflation rate since August 2023. The graph that follows illustrates USA's inflation trend.

USA year on year Inflation Rate Trend



Source: U.S. Bureau of Labor Statistics – February 2024

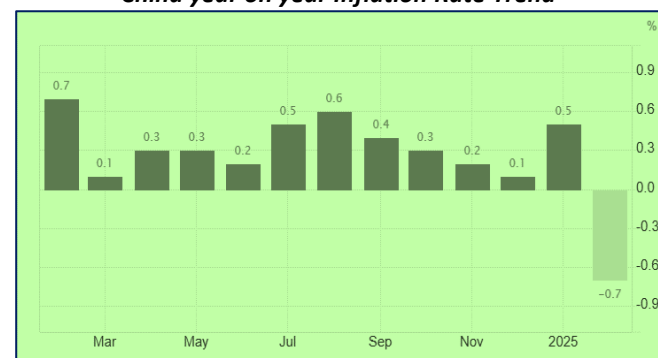
b) China

China aims for around 5% economic growth in 2025, backed by increased fiscal stimulus, including a larger budget deficit and expanded special treasury bonds. However, challenges persist, including weak domestic consumption, a struggling property sector and escalating trade tensions with the U.S. While exports remain a key driver, rising tariffs and global trade shifts pose risks. Meanwhile, the World Bank projects that China will grow by 4.5% in 2025, a 0.4 percentage point upward revision from previous estimates. The following table displays China's economic growth projections:

China Economic Growth Forecasts (%)			
Year	2024	2025	2026
World Bank (Jan 2025)	4.9	4.5	4.0
IMF (Jan 2025)	4.8	4.6	4.5

In February 2025, China's annual inflation dropped by 0.7%, reversing a 0.5% rise in the previous month. This marked the first instance of consumer deflation since January 2024, driven by fading seasonal demand following the Spring Festival in late January 2025. On a monthly basis, the CPI fell by 0.2%, shifting from January's 0.7% rise and marking the first drop since November 2023. The graph that follows illustrates China's inflation trend.

China year on year Inflation Rate Trend

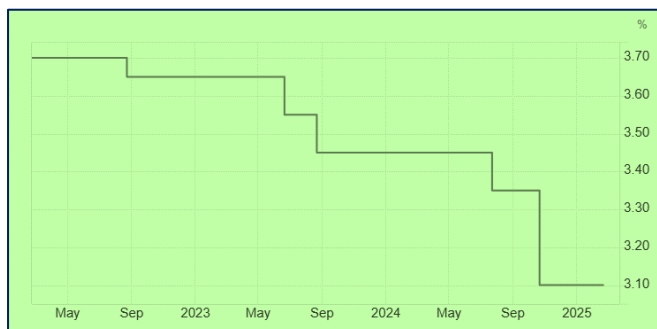


Source: National Bureau of Statistics of China– February 2025

Meanwhile, the People's Bank of China kept its key lending rates unchanged for the fourth consecutive month in February 2025. The one-year loan prime rate (LPR), a benchmark for most corporate and household loans, was maintained at 3.1%, while the five-year LPR, a reference for property mortgages, remained at 3.6%. The decision came amid yuan fluctuations and U.S. President Donald Trump's aggressive trade policy aimed at boosting the U.S. economy through import taxes. The graph that follows illustrates the country's benchmark interest rate trend.

China Benchmark Interest Rate Trend

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Source: Bank of China– February 2025

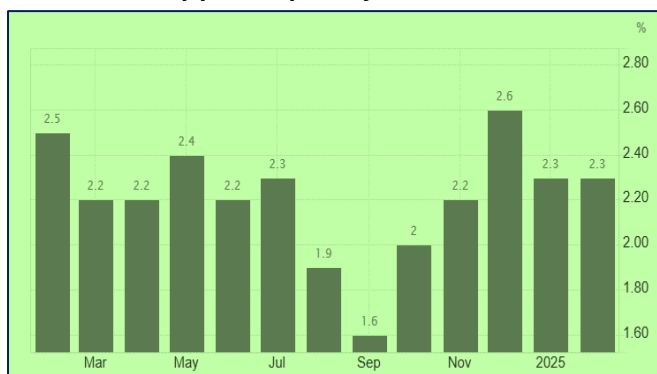
c) Germany

Germany's economic outlook remains uncertain despite a rise in industrial output in January 2025. Exports dropped by 2.5% compared to December 2024, while imports increased by 1.2%. The country continues to struggle, having contracted for two consecutive years. A new government plans to boost investment and revise borrowing rules to support growth amid geopolitical risks, including potential U.S. tariffs. Meanwhile, the IMF projects that GDP will grow by 0.3% in 2025, signifying a 0.5 percentage point decrease from its previous estimates. The following table shows Germany economic growth projections:

Germany Economic Growth Forecasts (%)			
Year	2024	2025	2026
IMF (Jan 2025)	-0.2	0.3	1.1
BMI (Jan 2025)	0.2	0.3	0.8

In February 2025, Germany's annual inflation remained at 2.3%, unchanged from the previous month. On a monthly basis, consumer prices rose by 0.4% in February 2025, following a 0.2% decrease in January 2025. The graph that follows illustrates Germany's inflation trend.

Germany year on year Inflation Rate Trend



Source: Federal Statistics Office – February 2025

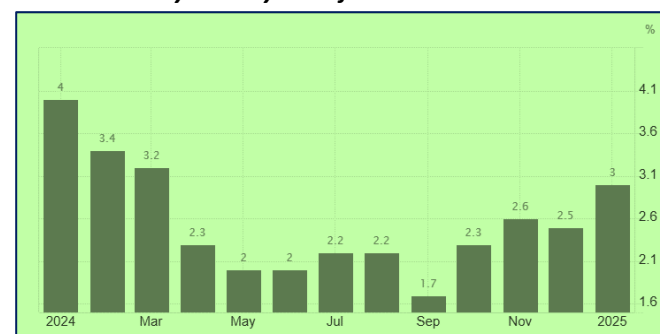
d) United Kingdom

The UK economy saw modest growth in the final quarter of 2024, with GDP increasing by 0.1%, following no growth in the previous quarter. Meanwhile, the IMF raised its forecast for UK GDP growth in 2025 by 0.1 percentage point, from 1.5% to 1.6%, boosted by an increase in public spending. The following table shows economic growth forecasts for the UK:

UK Economic Growth Forecasts (%)			
Year	2024	2025	2026
BOE (Aug 2024)	1.25	1.0	
IMF (Jan 2025)	0.9	1.6	1.5

The annual inflation rate in the UK accelerated sharply to 3% in January 2025, the highest since March 2024, up from 2.5% in the previous month. On a monthly basis, the CPI declined by 0.1%, less than the forecasted 0.3% drop from the previous month. The graph that follows illustrates the country's inflation trend.

UK year on year Inflation Rate Trend



Source: Office for National Statistics – February 2025

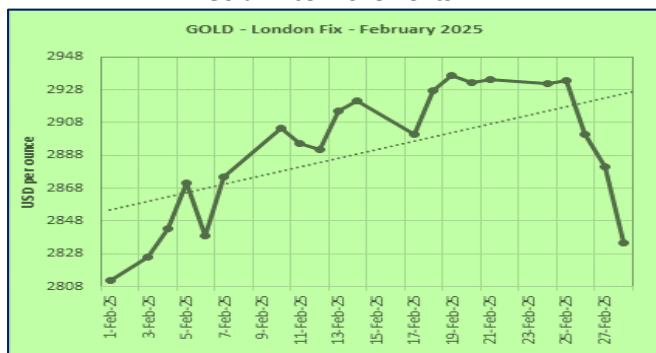
8. Commodities Markets

Commodity Average Prices	Jan 2025	Jan 2025	Percentage Change (%)
	Price (US\$)	Price (US\$)	
Gold (oz)	2,705.64	2,892.10	6.9
Platinum (oz)	947.87	980.32	3.4
Silver (oz)	30.35	32.27	6.3
Oil (barrel)	78.00	74.77	-4.2

a) Gold

In February 2025, gold prices followed an overall trend, with a sharp decline toward the end of the month. Meanwhile, the monthly average price of gold increased significantly by 6.9%, rising from \$2,705.64/oz in January 2025 to \$2,892.10/oz in February 2025. The following graph depicts daily gold price trend for the month under review.

Gold Price Movements

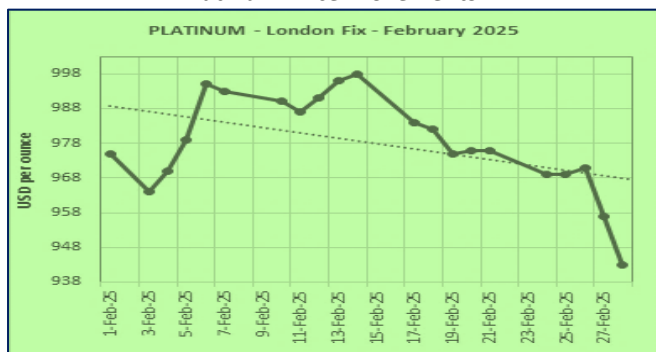


Source: KITCO – February 2025

b) Platinum

In the platinum market, prices exhibited a downward trend, closing the month at US\$943/oz. However, on a monthly average basis, platinum prices rose by 3.4%, from US\$947.87/oz in January 2025 to US\$980.32/oz in February 2025. The following graph depicts the trend of daily platinum prices during the month under review.

Platinum Price Movements

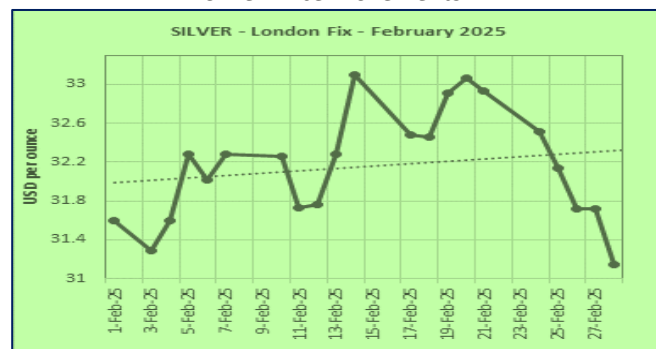


Source: KITCO – February 2025

c) Silver

Silver prices exhibited a sideways trend with fluctuations, closing the month on a low. On a monthly average basis, the price rose by 6.3% from US\$30.35/oz to US\$32.27/oz. The following graph depicts daily silver price trend for the month under review.

Silver Price Movements

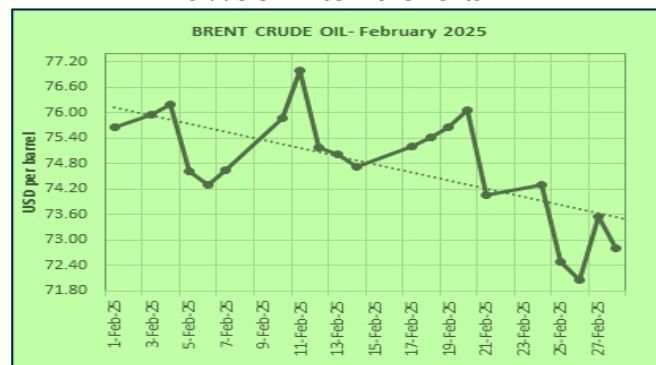


Source: KITCO – February 2025

d) Crude Oil

Crude oil prices followed a downward trend during the month under review. The average monthly price of crude oil fell by 4.2% from US\$78.00/barrel in January 2025 to US\$74.77/barrel in February 2025. The following graph depicts daily crude oil price trend for the month under review.

Crude Oil Price Movements



Source: Oil Price.com – February 2025

According to the Oil Market Report, global oil demand is set to grow by 1.1 million barrels per day in 2025, led by China, India and emerging Asia, while OECD demand declines. Supply is projected to rise by 1.6 million barrels per day, mainly from non-OPEC+ producers. Geopolitical tensions, US sanctions and trade concerns impact prices, but market resilience remains strong amid uncertainties.

END

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