

Monthly Economic Update March 2025

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1. Economic Performance

a) Domestic Economy

Zimbabwe's economy is showing tentative signs of recovery after the severe El Niño-induced drought, supported by disciplined monetary policy and robust remittance inflows. Additionally, the Reserve Bank of Zimbabwe's (RBZ) tight monetary stance has been instrumental in curbing inflation and stabilizing the exchange rate, providing a firmer foundation for growth. Meanwhile, remittances—now accounting for 17% of total foreign currency receipts—continue to bolster key sectors like trade, services, and construction, acting as a critical economic lifeline. Moreover, Zimbabwe's economic diplomacy-driven re-engagement strategy is showing early success, highlighted by the recent U.S. import tariff suspension—a critical breakthrough in the nation's reintegration into the global economy. This policy shift could unlock new trade and investment opportunities, particularly if paired with deeper structural reforms.

However, despite these positive developments, significant risks remain. Civil unrest and policy unpredictability continue to deter investment, while informal economic activities and tentative currency instability undermine long-term growth prospects. The agriculture sector, though recovering, remains vulnerable to climate shocks, and the manufacturing base is still too weak to drive sustained industrialization. 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

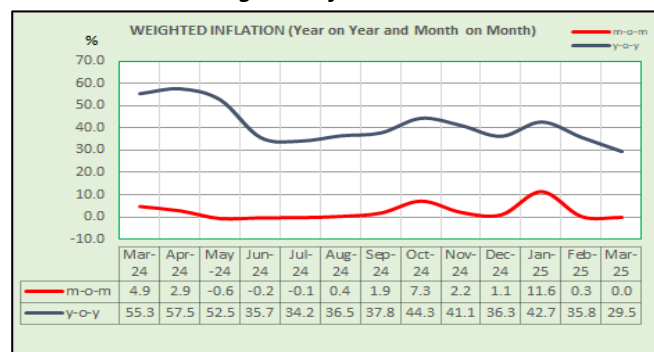
2. Inflation

For the second consecutive month, inflation has cooled, indicating the strengthening impact of the stringent monetary policy, accompanied by the dissipating adverse effects of the drought. Below is a brief outline of the inflation metrics, including the weighted inflation rate, USD inflation rate, and Zig inflation rate, as published during the month under review.

a. Weighted Inflation

Weighted inflation—which aggregates prices in both foreign and local currencies—declined year-on-year from 35.8% in February 2025 to 29.5% in March 2025. Month-on-month, the rate also fell to 0.0% in March 2025 from 0.3% the previous month. Within the weighted inflation CPI, the sharpest declines were seen in Recreation and culture (-0.3%) and Restaurants and hotels (-0.2%), while Food and non-alcoholic beverages—typically the most volatile category—remained stable. The improved inflation outlook can largely be attributed to the stabilization in the exchange rate.

Weighted Inflation Trend



Source: ZIMSTATS & RBZ –March 2025

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Meanwhile, barring significant alterations, our 3-month econometric forecasts for weighted inflation are outlined below:

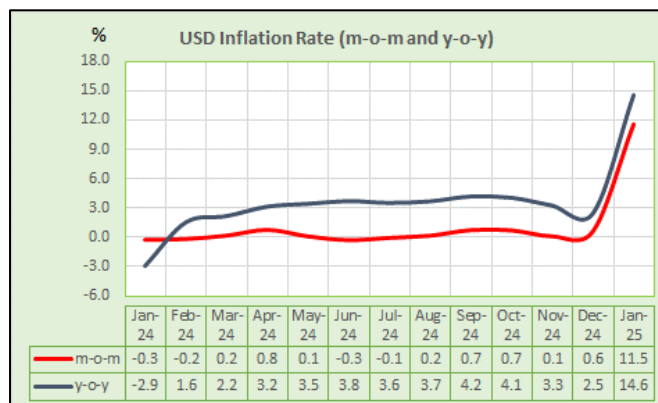
3 Month Weighted Inflation Forecasts (%)		
Month	Y-O-Y	M-O-M
Apr-25	32.5	5.3
May-25	37.7	3.4
June-25	42.0	2.9

Source: ZB Financial Holdings –March 2025

b. USD Inflation

The year-on-year USD inflation rate—measured by the all-items USD Consumer Price Index (CPI)—edged down slightly to 15.0% in March 2025, a marginal 0.1 percentage point drop from the previous month. Similarly, month-on-month inflation declined by 0.1 percentage points to 0.1%, down from 0.2% in February. Despite these modest declines, USD inflation remains stubbornly high, reflecting deep-seated structural challenges—including currency volatility and heavy reliance on imports. The following graph illustrates the current trend of USD inflation in Zimbabwe.

Zimbabwe USD Inflation Trend



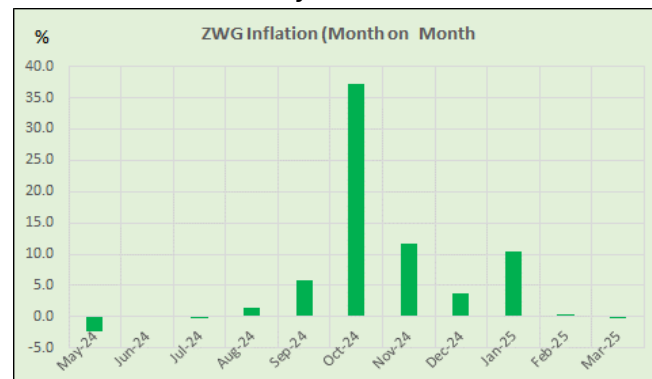
Source: ZIMSTATS & RBZ - March 2025

c. ZiG Inflation Rate

The month-on-month ZiG inflation rate fell sharply to -0.1% in March 2025—a notable 0.6 percentage point drop from February's 0.5%. This marked deceleration reflects exchange rate stabilisation, the continuation of the tight monetary policy coupled with easing drought pressures. The ZiG's gradual adoption (now accounting for an estimated 35% of all national transactions) has helped anchor price stability by reducing USD demand, while the waning impact of the El Niño-induced drought has softened previously elevated food and agricultural prices, further easing inflationary pressures.

The following graph illustrates the current trend of ZiG inflation.

ZiG Inflation Trend



Source: ZIMSTATS & RBZ –March 2025

3. Poverty Datum Line

The Total Consumption Poverty Line (TCPL), which represents the minimum income required to cover essential living expenses, decreased by 0.3% in March 2025, dropping from ZiG1,263.86 in February 2025 to ZiG1,260.52. For a standard family of six, the TCPL for March 2025 stood at ZiG7,563.12.

The Food Poverty Datum Line (FPDL)—representing the minimum cost to meet daily nutritional needs (2,100 calories)—fell 0.5% month-on-month to ZiG864.20 in March 2025 from ZiG868.16 in February 2025. For a typical six-member household, this translates to ZiG5,185.20, constituting 69% of the average household's monthly total costs.

Month	TCPL (ZiG)	% change	FPDL (ZiG)	% change
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
Mar-25	1,260.52	-0.3	864.2	-0.5

Source: ZIMSTATS – March 2025

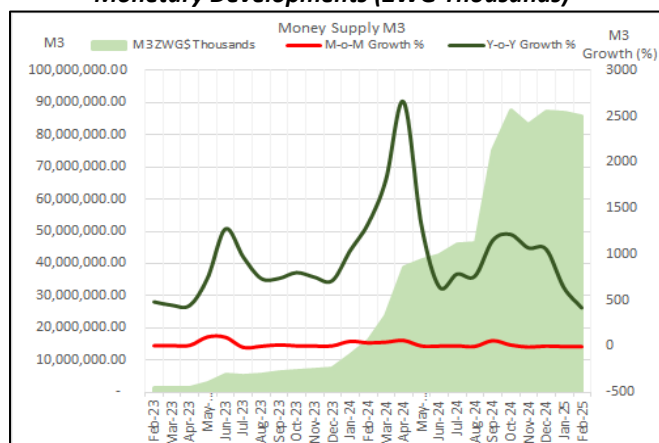
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4. Financial Sector

a) Money Supply

According to the latest RBZ data, Broad Money (M3) contracted on a month-on-month basis by 1.7% from ZiG87.1 billion in January 2025 to ZiG85.6 billion by the end of February 2025. This represents a sharper decline compared to the 0.3% decrease recorded in the previous month. Year-on-year, M3 growth slowed significantly to 426.9% in February 2025, down from January's 644.3% surge. The graph below illustrates these monetary trends from February 2023 to February 2025.

Monetary Developments (ZWG Thousands)



Source: RBZ – March 2025

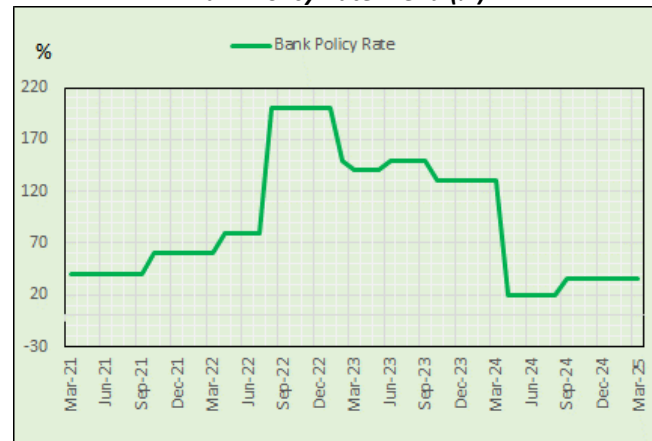
b) Interest Rates

The RBZ's March 2025 Monetary Policy Committee Statement included the following measures regarding interest rates.

1. Maintaining the bank policy rate at 35%.
2. To maintain the statutory reserve requirements for demand and call deposits for both local and foreign currency at 30%.
3. To maintain the statutory reserve requirements for savings and time deposits for both local and foreign currency at 15%.
4. Continuation of the intraday facility and the Targeted Finance Facility (TFF) to ensure adequate liquidity in the economy in a well-sequenced and mutually reinforcing manner

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

Bank Policy Rate Trend (%)



Source: RBZ – March 2025

As of 28 March 2025, the weekly average minimum lending rates in ZiG were recorded at 42.37% for individuals and 40.44% for corporates. On the other hand, average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 3.81%, 5.66%, and 5.95%, 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) Interest Rates (Minimums)					
Week Ending	Lending Rates (%)		Deposit Rates (%)		
	Individual Clients	Corporate Clients	Savings	1-Month	3-Months
7-Mar-25	42.42	40.42	3.81	5.66	5.95
14-Mar-25	42.39	40.45	3.81	5.66	5.95
21-Mar-25	42.34	40.45	3.81	5.66	5.95
28-Mar-25	42.33	40.42	3.81	5.66	5.95
Average	42.37	40.44	3.81	5.66	5.95

Source: RBZ – March 2025

In US Dollar terms, the most recent weekly average minimum lending rates stood at 12.90% for individuals and 10.92% for corporates, whilst the latest average minimum deposit rates for savings, 1-month, and 3-month deposits were recorded at 1.68%, 3.61%, and 4.27%, respectively. The table below illustrates the trend in average minimum lending rates and average deposit rates denominated in US\$.

Average Lending and Deposit Rates (USD)

Foreign Currency (USD) Interest Rates (Minimums)					
Week Ending	Lending Rates (%)		Deposit Rates (%)		
	Individual Clients	Corporate Clients	Savings	1-Month	3-Months
7-Mar-25	12.9	10.86	1.69	3.5	4.16
14-Mar-25	12.9	10.91	1.67	3.5	4.16
21-Mar-25	12.9	10.93	1.67	3.72	4.38
28-Mar-25	12.91	10.99	1.67	3.72	4.38
Average	12.90	10.92	1.68	3.61	4.27

Source: RBZ – March 2025

c) Foreign Currency Market

In March 2025, the U.S. dollar weakened against 12 of the 18 currencies in our analysis basket based on monthly average exchange rates. Mirroring February's trend, the most significant depreciation occurred against the Russian Ruble, where the USD lost by 7.24%. Conversely, the dollar gained strength against the remaining six currencies, with its strongest appreciation being a 0.88% gain against the Argentine Peso. 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 Average)			
Currency/US\$	Feb-25	Mar-25	Change (%)
Argentine Peso	1056.72073	1066.068174	0.88
Australian Dollar	1.587388	1.588621	0.08
Botswana Pula	13.8738	13.656929	-1.56
Brazilian Real	5.764762	5.766114	0.02
British Pound	0.798448	0.775864	-2.83
Canadian Dollar	1.430603	1.436007	0.38
Chinese Yuan Renminb	7.269065	7.251022	-0.25
Euro	0.960447	0.926906	-3.49
Hong Kong Dollar	7.783309	7.77424	-0.12
Indian Rupee	86.96069	86.619276	-0.39
Japanese Yen	151.855409	149.175548	-1.76
Norwegian Krone	11.20273	10.725555	-4.26
Russian Ruble	93.1735	86.430629	-7.24
South African Rand	18.488217	18.304688	-0.99
South Korean Won	10.822757	10.182579	-5.92
Swedish Krona	0.904212	0.884884	-2.14
Swiss Franc	1445.5118	1457.653065	0.84
Zimbabwean dollar	26.4394071	26.67422903	0.89

Source: X-Rates; © ZB Financial holdings

However, a closer examination of opening and month-end exchange rates reveals that the USD weakened against 13 currencies in our basket while gaining against 5 others. The most notable decline was against the Russian Ruble, with the dollar falling 5.64%. The table below provides a detailed

breakdown of the month-end exchange rate analysis for all 18 currencies.

Exchange Rate Analysis (End Period)

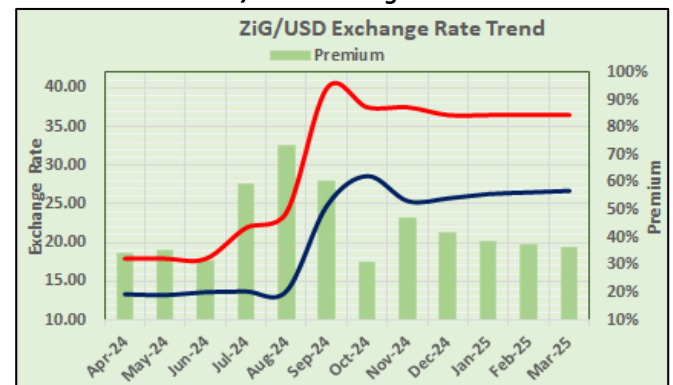
Exchange Rate Analysis(end period)			
Currency/US\$	3-Mar-25	31-Mar-25	Change (%)
Argentine Peso	1063.646667	1073.119054	0.89
Australian Dollar	1.600653	1.60383	0.20
Botswana Pula	13.850345	13.710151	-1.01
Brazilian Real	5.962622	5.740349	-3.73
British Pound	0.786847	0.775629	-1.43
Canadian Dollar	1.440103	1.437881	-0.15
Chinese Yuan Renminbi	7.281186	7.260636	-0.28
Euro	0.952676	0.926368	-2.76
Hong Kong Dollar	7.775875	7.779875	0.05
Indian Rupee	87.261178	85.458461	-2.07
Japanese Yen	150.185374	149.909338	-0.18
Norwegian Krone	11.158062	10.533619	-5.60
Russian Ruble	89.693521	84.630864	-5.64
South African Rand	18.585971	18.389373	-1.06
South Korean Won	1457.209032	1474.589137	1.19
Swedish Krona	10.528647	10.056547	-4.48
Swiss Franc	0.897281	0.884509	-1.42
Zimbabwe Gold	26.583	26.7654	0.69

Source: X-Rates; © ZB Financial holdings

d) Zimbabwe Gold Exchange Rate

In February 2025, the ZiG depreciated for the fourth consecutive month by 0.77% against the USD on the interbank market, weakening from ZiG26.56 per 1 USD on 28 February 2025 to ZiG16.77 per 1 USD by 31 March 2025. However, on the parallel market, the ZiG remained stable at an average of ZiG36.50 per USD 1 over the same period. This divergence between the two markets resulted in a 1 percentage point reduction in the exchange rate premium, narrowing from 37% in February 2025 to 36% in March 2025. The following graph illustrates these trends from April 2024 to February 2025.

ZiG/USD Exchange Rate



Source: RBZ & ZB Financial Holdings – March 2025

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The Central Bank continues to pursue its tight monetary policy stance, prioritizing exchange rate and inflation stability. Concurrently, foreign reserve accumulation efforts remain robust, with reserves exceeding US\$600 million as of April 30, 2025 – sufficient to cover 100% of ZiG-denominated bank deposits as per RBZ disclosures.

e) Equities Markets & Corporate Briefs

The Zimbabwe Stock Exchange (ZSE) saw modest gains in March 2025, with local currency market capitalization rising 0.9% month-on-month to ZWG62.53 billion, from ZWG61.98 billion and USD-denominated capitalization edging up 0.1% to US\$2.34 billion from US\$2.33 billion. The All-Share Index closed at 205.25 points, a 0.6% increase from February's 204.06 points, reflecting broad-based but tempered growth across the market.

Meanwhile, the Victoria Falls Stock Exchange (VFEX) posted solid gains in March 2025, with market capitalization rising 4% month-on-month to US1.27 billion, from US1.22 billion and the All-Share Index advancing 4.0% to 110.32 points from 106.11. This parallel improvement in both valuation metrics suggests balanced, liquidity-supported growth across the dollar-denominated bourse. 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 (ZiGmil)	Mkt Cap (US\$ mil)	All Share	Mkt Cap US\$'000
Mar-25	205.25	62,534.69	2,336.40	110.32	1,268,970
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

Source: ZSE & VFEX – March 2025

Looking ahead to April 2025, trading activity is expected to receive dual support from sustained institutional participation and anticipated dividend reinvestment programs stemming from December 2024 year-end results. Blue-chip companies declaring above-inflation yields should particularly catalyse this momentum, while technical indicators suggest current stability may establish a new support level for the quarter.

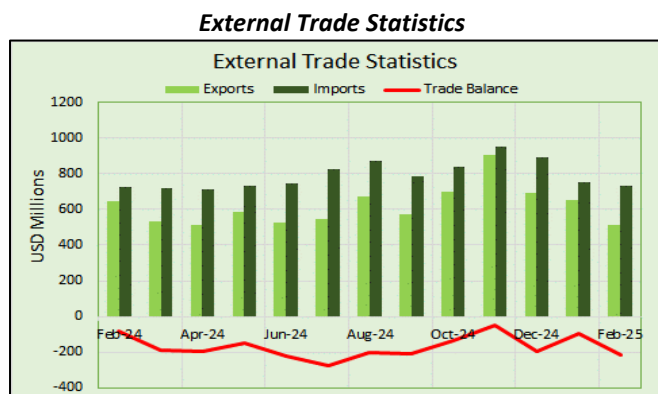
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5. Various Sectors of the Economy

a) External Sector

The most recent data from Zimsat depict that Zimbabwe's merchandise exports fell sharply to US\$512.6 million in February 2025, marking a 21.4% decline from US\$652.00 million recorded the previous month. This decline was primarily driven by weakening commodity prices and reduced volumes across three key export pillars: gold, tobacco, and platinum group metals. Moreover, the downturn reflects both seasonal factors in agricultural shipments and ongoing challenges in mineral sector productivity, compounded by softening global prices for PGMs.

Meanwhile, Zimbabwe's import bill moderated slightly to US\$730.3 million, representing a 2.5% decline from US\$749.2 million recorded the previous month. This contraction in imports, combined with the sharper 21.4% decline in exports, widened the monthly trade deficit by 124% to US\$217.7 million from US\$97.2 million in January 2025 - the largest gap since December 2023. The deteriorating trade position reflects both weakening external demand for the country's key commodity exports and only marginal reductions in import volumes, suggesting the prevalence of structural imbalances, which will likely persist in the near term. The graph below illustrates trends in external trade statistics since February 2024.



Source: ZIMSTATS – March 2025

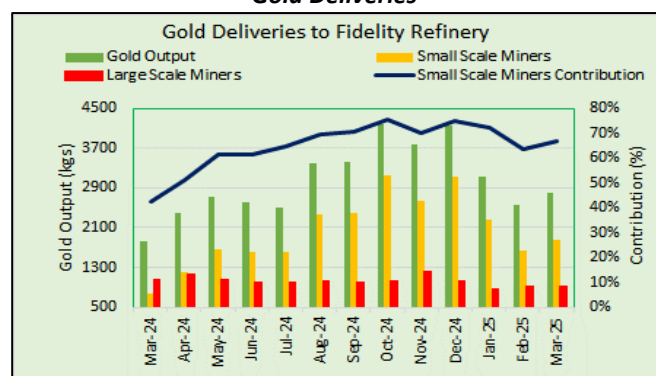
b) Mining Sector

The mining sector is poised for a rebound despite economic challenges. According to 2025 projections by the Chamber of Mines Zimbabwe, the industry's output is forecasted to grow by a weighted average of about 7%, with mineral revenues rising by roughly 10% to around US\$6 billion, up from US\$5.5 billion in 2024. This anticipated growth will be fuelled mainly by continued expansion efforts and an expected uptick in commodity prices next year. Gold production is projected to

climb by 9%, reaching approximately 41 tonnes, while platinum output is expected to grow by 4%, and diamond production could see a 10% increase.

Meanwhile, gold deliveries to Fidelity Gold Refinery increased by 8.8% in March 2025, from 2,568.25 kgs in February 2025 to 2,793.81 kgs. Small-scale miners accounted for approximately 67% of total deliveries in February 2025, up from 64% recorded in the previous month, while large-scale miners accounted for the remainder. The graph below summarizes the activity in gold production.

Gold Deliveries



Source: FGR – March 2025

News and Highlights in the Mining Sector.

- Unki Mine, Zimbabwe's third-largest platinum group metals (PGM) producer, is expected to invest US\$700,000 in 2025 split as US\$500,000 for open-pit expansion operations and US\$200,000 for solar infrastructure. The investment aims to increase output by 1% while enhancing energy resilience and operational efficiency, reinforcing the mine's commitment to sustainable production growth amid rising global PGM demand.
- Zimbabwe's chrome output is forecast to increase by 8% from 2.5 million tonnes in 2024 to 2.7 million tonnes in 2025, driven by ZimAlloys' operational revival under Kuvimba Mining House. The company's ongoing refurbishment of its high-carbon ferrochrome plant in Gweru is expected to bolster production, underscoring a broader resurgence in the country's chrome sector.
- Zimbabwe's platinum sector is poised for growth in 2025, with output projected to rise to 19.6 tonnes (from 18.9 tonnes in 2024) and palladium production increasing 3% to 16 tonnes, despite weak global prices (Chamber of Mines). Major

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producers (Zimplats, Mimosa, and Unki) will operate at full capacity, ensuring a stable supply. Supporting this expansion is the US\$190 million spending by Zimplats to upgrade its Base Metal Refinery (2025–2028), while Mimosa is investing 2.1 million in tailings storage to extend mine life.

- Zimbabwe International Coking Corporation is investing over US\$20 million to build a state-of-the-art coke oven battery in Hwange, expected to be completed by December 2025. The facility will feature two plants, each with a 50,000-tonne monthly capacity, collectively producing 100,000 tonnes of coke to boost Zimbabwe's mineral beneficiation and steel industry.

c) Agriculture Sector

Zimbabwe's agriculture sector is poised for a robust recovery buoyed by increased activity across key sub-sectors signalling a promising turnaround. The grain sub-sector, a critical component for food security, is projected to see a dramatic rebound, with production targets set at 3.2 million tonnes for the 2024/2025 summer cropping season—a substantial increase from the 744,000 tonnes harvested in the previous drought-stricken season. This anticipated recovery aligns with the United Nations World Food Programme's (WFP) forecast of improved food security in 2025.

Meanwhile, cash crops are also on an upward trajectory. Cotton production has expanded significantly, with planted area surging by 40% to 203,875 hectares, up from 145,265 hectares the previous season. Similarly, tobacco farming continues to thrive, with 127,000 growers registered for the 2024/25 season, marking a 10% increase from the prior year.

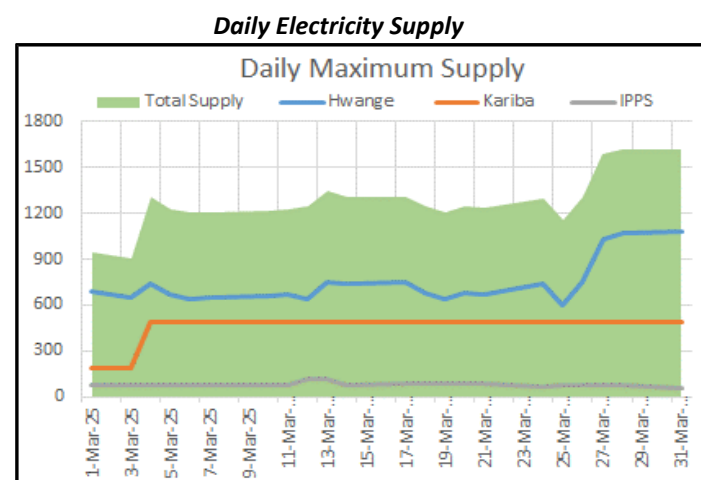
News Highlights in the Agriculture Sector.

- The Zimbabwe Association of Dairy Farmers (ZADF) predicts a 15% increase in milk production this year, fuelled by a growing cattle herd and strategic investments in the sector. Last year, milk production rose by 15%, reaching 114.69 million litres, up from 99.82 million litres in 2023. However, it fell short of the annual target of 300,560 litres due to a difficult operating environment.
- The government has allocated US\$3.1 million to compensate the initial group of 378 processed farms, designated for former farm owners (FFOs) who were affected by the accelerated land reform initiative in 2001. So far, the Land Compensation Committee has approved pay-outs for 740 farms.

- Zimbabwe and China will co-host their first tobacco expo in September 2025 to share knowledge, demonstrate innovations, and develop solutions for enhancing Zimbabwe's tobacco sector—from farming to manufacturing. This follows a recent agreement between Zimbabwe's Tobacco Industry and Marketing Board and the AEA Association, supporting the country's strategy to boost local processing and cut raw tobacco exports

d) Energy Sector

Zimbabwe experienced a marginal decline in electricity generation in March, with overall output decreasing by approximately 2% compared to the previous month. This reduction was largely attributed to a 30% drop in average maximum generation capacity at Hwange Power Station, where some units were offline for routine maintenance. Conversely, Kariba Power Station recorded a 147% surge in electricity generation, with average daily output rising from 185 MW in February 2025 to 458 MW in March 2025. Additionally, Independent Power Producers (IPPs) saw an increase in production, climbing from a daily average of 73MW to 81MW over the same period. The graph below shows the daily trends in electricity for the reviewed month.



Going forward, electricity shortages are expected to persist in the near term until routine maintenance at Hwange Power Station is completed, currently projected for May 14, 2025

News Highlights in the Energy Sector

- Zimbabwe has introduced its first Renewable Energy Certificates (RECs) platform to boost clean energy investments and cut fossil fuel dependence. Led by the government in collaboration with the Africa Institute for Carbon Trading and Sustainability (AICTS) and Silver Carbon, the

initiative aims to raise renewable energy's share in the national grid to 26.5% by 2030.

- Zimbabwe will launch large-scale solar panel and lithium battery production, boosting local-international university-industry partnerships for tech transfer. This follows a deal with the International Solar Alliance to establish a Solar Technology Application Resource Centre (STAR-C) at Chinhoyi University, advancing solar research, innovation, and renewable energy growth.
- Around 75 MW of net-metered solar power is currently supplied to the grid, with the Government pushing for further expansion by incentivizing solar investments and net metering. Under Statutory Instrument 38 of 2022, grid-connected solar users can offset their ZESA bills with energy credits. Households get 0.8 kWh credit per kWh exported, while industries receive 0.85 kWh. The program promotes renewable energy, improves energy security, and cuts import dependence.

e) Manufacturing Sector

The manufacturing sector is showing resilience in the face of many obstacles hindering growth. According to the recent statistics from ZimStat, the domestic manufacturing industry experienced an increase in output in the final quarter of 2024, expanding by 10.13%. The agency noted that the food and beverage sectors rebounded, recovering from previous declines caused by nationwide food insecurities. Despite the tough competition from informal traders (Mabhero), the textiles sub-sector had an output index of 90.38 in the fourth quarter of 2024, up from 62.13 in the same quarter of 2023, showing a 45.47 percent year-on-year increase.

News Highlights in the Manufacturing Sector

- A new multimillion-dollar tobacco waste processing plant in Harare, supported by an Indian investor, aims to boost Zimbabwe's economy and increase farmers' income. Operated by African Extracts Private Limited, it is Africa's first and the world's third such facility, specializing in nicotine extraction, with others located in India and China. TIMB acting CEO Emmanuel Matsvaire highlighted its role in enhancing tobacco value addition, currently at 10%, aligning with the government's goal to raise it to 30%.

f) Property Sector

The surge in diaspora spending, alongside government policy reforms and infrastructure development, has fuelled a thriving property market, attracting affluent buyers and

global investors. Zimbabwe's real estate sector is projected to reach US\$124.75 billion in 2025, with residential property dominating at US\$85.35 billion, according to Chas Everitt International, one of South Africa's top five property investment firms. A notable trend is the subdivision of commercial properties into smaller, high-density units due to rising commercial space costs. This has spurred rapid mall development, particularly in major cities like Harare and Bulawayo.

News Highlights in the Property Sector

- Chas Everitt International Property Group is establishing a new office in Harare, Zimbabwe, to tap into the expanding luxury real estate market, which is drawing wealthy buyers and investors. The decision to enter the southern African market was driven by the country's consistent economic recovery in recent years, along with growth in key industries such as mining, tourism, and agriculture.

g) Tourism Sector

Zimbabwe's tourism sector continues to demonstrate steady growth, with rising investments and an expanding contribution to the national economy. The industry is gradually diversifying its offerings—from wildlife safaris and cultural heritage to adventure tourism and ecotourism—aligning with global travel trends and catering to a broader range of visitors. However, the sector's evolution remains slow, hindered by inadequate digital marketing strategies and limited global outreach. While destinations like Victoria Falls, Great Zimbabwe, and Hwange National Park remain key attractions, Zimbabwe must leverage digital platforms more effectively to attract international tourists and compete with regional rivals like South Africa and Botswana.

News Highlights in the Tourism Sector

- Fastjet Zimbabwe has launched a new Harare-Lusaka route, starting April 9, 2025. Flights will operate three times weekly on Mondays, Wednesdays, and Fridays, departing Harare at 6:00 am and arriving in Lusaka at 6:55 am. Return flights will leave Lusaka at 7:25 am, landing in Harare at 8:20 am. This is Fastjet's third regional route, alongside Johannesburg and Nelspruit in South Africa, and complements its domestic Bulawayo-Harare and Harare-Victoria Falls services.

6. Regional Economies

Sub-Saharan Africa faces heightened economic vulnerability amid global trade tensions, with reduced U.S. aid and potential capital flight threatening macroeconomic stability across the region. As currencies risk depreciation and inflation surges, commodity-dependent nations must confront their structural weaknesses—particularly reliance on volatile exports and imported essentials. However, this crisis could spur critical reforms, from accelerating AfCFTA implementation to developing regional value chains, though competition for dwindling FDI remains a key constraint. The region's ability to leverage this pressure for diversification—particularly in agri-processing and light manufacturing—will determine whether it emerges more resilient or falls further behind in the shifting global economic order. The following table shows Sub-Saharan Africa's economic growth forecast as expected by different influential institutions.

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

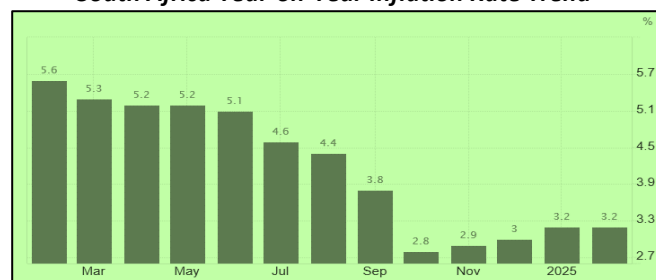
South Africa is now on a determined mission to address headwinds that have been holding the economy back, spearheaded by Operation Vulindlela. It is implementing crucial reforms to revitalize the electricity sector by enabling private-sector participation in generation and overhauling the logistics sector through private investment in freight rail and port operations. However, while these measures mark significant progress, they alone cannot achieve the productivity gains needed for sustained high growth, according to the IMF. The government must simultaneously improve the business climate, intensify anti-corruption efforts, and address other structural barriers to unlock the economy's full potential. 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, the latest available data show that South Africa's annual inflation rate maintained its 3.2% level in February 2025, reflecting offsetting price trends across key sectors. Food inflation accelerated, particularly for unprocessed foods, fruits, nuts, and vegetables, while housing and utilities saw modest price relief. These increases were counterbalanced by a significant slowdown in personal

care services inflation and persistent transport deflation, as fuel prices continued their downward trend. On a monthly basis, consumer prices surged 0.9% - the sharpest increase in twelve months - marking a substantial rise from 0.3% growth in January 2025. The graph that follows illustrates the country's inflation trend.

South Africa Year-on-Year Inflation Rate Trend



Source: Statistics South Africa – March 2025

The South African Monetary Policy Committee opted to hold the repo rate steady at 7.5%, marking a continued pause in the tightening cycle. This decision reflects the central bank's balanced approach amid persistent economic vulnerabilities, with policymakers emphasizing the need to maintain stability in an uncertain environment.

b) Botswana

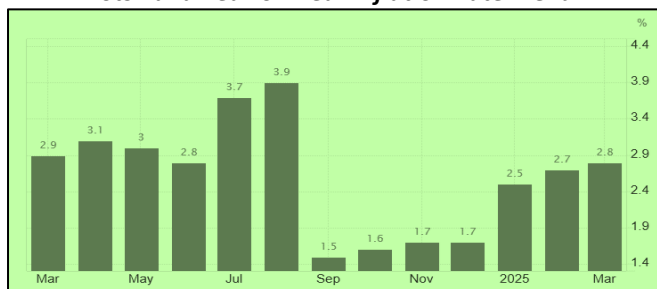
Botswana's economic stability faces mounting risks as its overreliance on diamond mining—contributing 70% of GDP—leaves it vulnerable to shifting global demand. The rise of lab-grown diamonds has exacerbated pressure on the sector, with declining prices and market share threatening the country's primary revenue source. This underscores the urgent need for structural reforms to diversify into sectors like tourism, renewable energy, and manufacturing. While the Ministry of Finance projects a rebound in diamond demand, betting on a cyclical recovery is risky without parallel efforts to reduce dependence on the sector. Recent initiatives, such as incentives for agro-processing and special economic zones, show promise but require scaled-up investment and execution. The path forward hinges on balancing short-term mineral-driven growth with long-term diversification to insulate the economy from external shocks. Without swift action, Botswana's economic resilience could erode further. 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
MoF (Feb 2025)	-3.1	3.3	-
MoF (Feb 2025)	-3.1	3.3	-

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Botswana's annual inflation rate rose marginally to 2.8% in March 2025, a 0.1 percentage point increase from February's 2.7%, with the Food and Non-Alcoholic Beverages category (contributing +0.9%) and Miscellaneous Goods & Services group (adding +0.7%) serving as the primary drivers of this inflationary pressure, reflecting sustained cost increases in essential consumer segments. The graph that follows illustrates the country's inflation trend.

Botswana Year-on-Year Inflation Rate Trend



Source: Central Statistics Office, Botswana – March 2025

c) Zambia

Zambia's economy continues to demonstrate remarkable resilience, underpinned by strong performance across both emerging and traditional sectors. The information and communication sector has emerged as a standout growth engine, surging by 27.4% year-on-year in Q4 2024 and contributing 3.9 percentage points to GDP growth, according to the Zambia Statistics Agency. This digital boom complements steady contributions from the mining and agricultural sectors, which remain vital pillars of economic activity. The outlook is further bolstered by deepening international partnerships, particularly with China. Key collaborative projects include the construction of three new milling plants to strengthen food security and a feasibility study for 300 solar-powered water systems to address critical water shortages. The following table displays Zambia's economic growth projections:

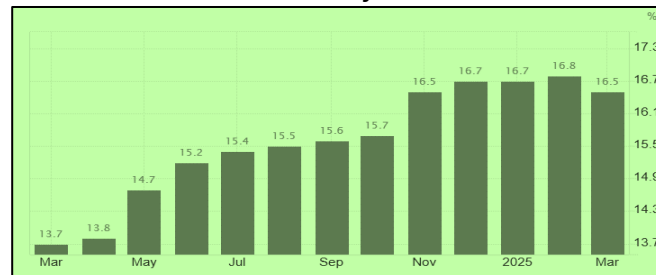
Zambia Economic Growth Forecasts (%)

Year	2024	2025	2026
World Bank (Jan 2025)	1.2	6.2	6.6
Move (Jan 2025)	1.2	6.6	-

Meanwhile, Zambia's annual inflation rate declined slightly to 16.5% in March 2025, edging down from February's 16.8% peak—the highest level since November 2021. This marks the first deceleration in nearly two years (since June 2023), attributed to improved agricultural conditions that tempered food price rises. However, non-food inflation climbed to 13.2%, reflecting persistent broader price pressures. Month-on-month, consumer price increases

slowed significantly to 1.0% compared to February's 2.4% surge. The graph that follows illustrates Zambia's inflation trend.

Zambia Year-on-Year Inflation Rate Trend



Source: Central Statistics of Zambia – March 2025

d) Malawi

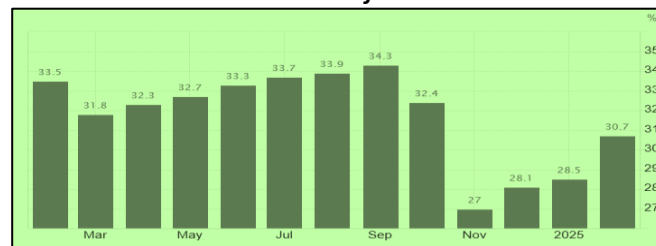
Malawi's economy remains mired in a severe crisis. The country faces a perfect storm of macroeconomic instability characterized by currency depreciation, untamed inflation, dwindling foreign exchange reserves, and the economy has become increasingly dependent on donor support. These pressures have forced the Ministry of Finance to revise 2025 growth projections downward from 4.0% to just 3.2%, reflecting constrained economic activity. The government's recovery plan focuses on revitalizing dollar-generating sectors, particularly agriculture, tourism, and mining. 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
Move (Jan 2025)	1.8	3.2	-
MoF (Feb 2025)	1.8	3.2	-

On the inflation front, the latest statistics from the National Statistical Office of Malawi show that Malawi's annual inflation rate rose to 30.7% in February 2025, up from 28.5% in January 2025, marking the highest level in four months. The increase was driven primarily by surging food prices, with food inflation jumping to 38.5% from 36% the previous month. The graph that follows illustrates Malawi's inflation trend.

Malawi Year-on-Year Inflation Rate Trend



Source: Reserve Bank of Malawi – March 2025

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7. International Economies

The global economy faces mounting turbulence as the U.S.'s sweeping import tariffs trigger widespread retaliatory measures, disrupting trade flows and financial markets. Stock volatility has surged to multi-year highs, particularly battering U.S. tech and manufacturing sectors, while global foreign direct investment projections for 2025 have been slashed. Developing nations confront a dual crisis as the withdrawal of USAID from many countries leaves a multi-billion-dollar annual funding gap in critical health and poverty programs. With many financial authorities' warnings of a potential global GDP contraction and the EU preparing countermeasures, the world edges closer to a full-blown trade war recession that could erase recent economic gains. The following table displays global 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

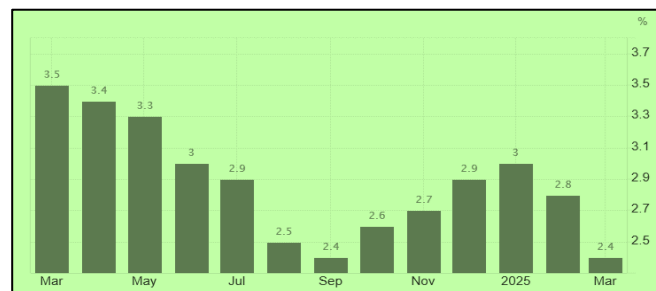
The new Trump administration has introduced numerous policy changes with significant economic implications, the most notable being shifts in government operations and trade restrictions from a macroeconomic standpoint. These developments have heightened economic uncertainty, dampening consumer sentiment—particularly regarding inflation stability following the imposition of widespread import tariffs. Nevertheless, short-term gains in consumer spending are anticipated, supported by rising household incomes, increased capacity for debt accumulation, and resilient demand for services (which are less tariff-sensitive). Against this backdrop, the table below presents U.S. economic growth projections from various institutions.

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 U.S. annual inflation rate continued its downward trend, declining to 2.4% in March 2025. Sharp drops in gasoline and fuel oil prices, alongside a surge in natural gas costs, contributed to the slowdown. Inflation also eased for shelter, used vehicles, and transportation, while new vehicle prices remained stable. In contrast, food inflation picked up pace. On a monthly basis, core CPI rose just 0.1%, falling short of the anticipated 0.3% increase. The graph that follows illustrates USA's inflation trend.

USA year on year Inflation Rate Trend

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Source: U.S. Bureau of Labor Statistics – March 2025

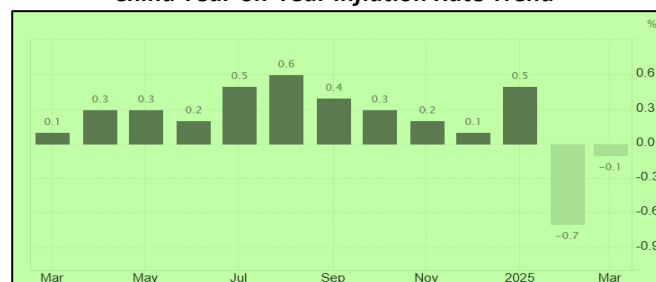
b) China

China's economic trajectory in 2025 remains heavily tied to the escalating U.S. tariffs, which threaten to undermine its otherwise resilient growth momentum. While Beijing maintains confidence in its ability to meet long-term targets, the immediate outlook has darkened, with exports expected to weaken and domestic demand failing to pick up sufficiently. As a result, major financial institutions have revised their 2025 GDP growth forecasts downward, anticipating a miss on China's official 5% target. However, the Chinese government is countering these headwinds with aggressive fiscal stimulus, which should provide some offsetting support. Additionally, a weaker yuan and strategic shifts in supply chains may help mitigate some trade-related losses. 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 March 2025, China's consumer prices dipped by 0.1% year-on-year, with the ongoing U.S. trade dispute posing risks of further deflationary pressure. Non-food prices edged up 0.2%, with gains in housing, healthcare, and education offsetting continued drops in transport costs. However, month-on-month CPI fell 0.4%, accelerating from February's 0.2% decline and extending the contraction for a second consecutive month.

China Year-on-Year Inflation Rate Trend

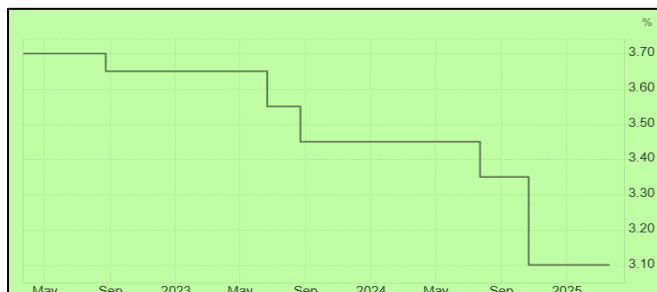


Source: National Bureau of Statistics of China– March 2025

Meanwhile, the People's Bank of China (PBoC) maintained its key lending rates unchanged for the fifth consecutive month

in March, in line with market expectations. The graph that follows illustrates the country's benchmark interest rate trend.

China Benchmark Interest Rate Trend



Source: Bank of China – March 2025

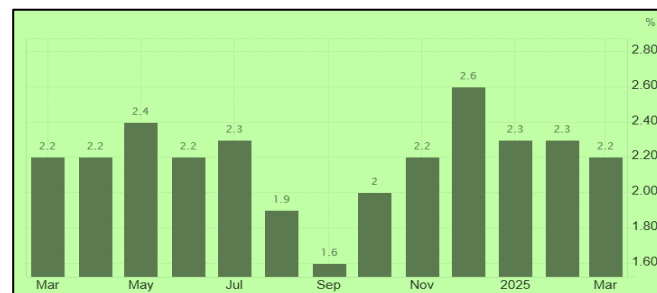
c) Germany

After two consecutive years of economic stagnation and contraction, Germany—Europe's largest economy—faces fresh headwinds from the U.S.'s expansive new tariffs, which threaten its export-reliant industrial base. The tariffs, targeting key sectors like automotive and machinery, risk exacerbating Germany's recent struggles with weak demand, high energy costs, and supply chain fragility. However, a potential turning point may be on the horizon. After months of political uncertainty, the expected formation of a new coalition government could provide much-needed stability and policy direction. Markets are cautiously optimistic that the incoming administration will prioritize fiscal stimulus, targeted industrial support, and energy cost relief to revive growth. The following table shows Germany's economic growth projections:

Germany Economic Growth Forecasts (%)			
Year	2024	2025	2026
IMF (Jan 2025)	-0.2	0.3	1.1
BMI (Mar 2025)	0.2	0.6	1.2

Germany's annual inflation rate edged down to 2.2% in March 2025 from February's 2.3%. The moderation reflected two key trends: a notable deceleration in services inflation and steeper drops in energy prices, particularly for motor fuels, solid fuels, and heating oil. However, food prices bucked the trend, with inflation accelerating to 3.0% from 2.4% previously. On a monthly basis, consumer prices rose by 0.3% in March, following a slightly stronger 0.4% increase in February 2025. The graph that follows illustrates Germany's inflation trend.

Germany Year-on-Year Inflation Rate Trend



Source: Federal Statistics Office – March 2025

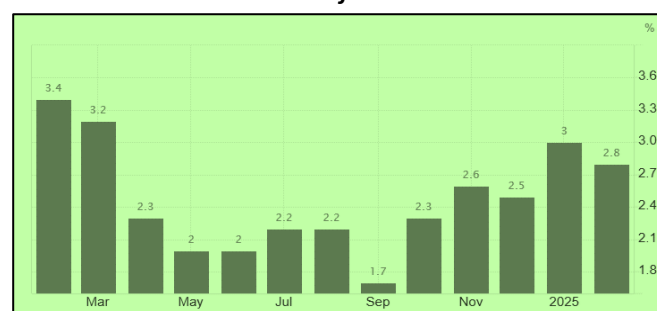
d) United Kingdom

The UK economy posted encouraging growth of 0.1% and 0.5% in January and February 2025, respectively. This recovery has been broadly based, with even the long-struggling manufacturing sector showing signs of revival. Government stimulus measures, particularly in housebuilding, have provided strong support to the construction industry and boosted overall economic activity. However, significant headwinds remain. Recent council tax hikes, soaring utility bills, and £25 billion in planned tax increases threaten to constrain consumer spending power. The economy also faces external pressures from the U.S. tariff regime, which could significantly impact growth prospects unless the UK government successfully negotiates favourable terms as planned by the government. The following table shows economic growth forecasts for the UK:

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

The UK's annual inflation rate declined to 2.8% in February 2025, down from 3% the previous month, according to recent data. The slowdown was primarily driven by falling prices in clothing, recreation, culture, and housing/utilities. On a monthly basis, consumer prices rose 0.4%, recovering from January's 0.1%. The graph that follows illustrates the country's inflation trend.

UK Year-on-Year Inflation Rate Trend



Source: Office for National Statistics – March 2025

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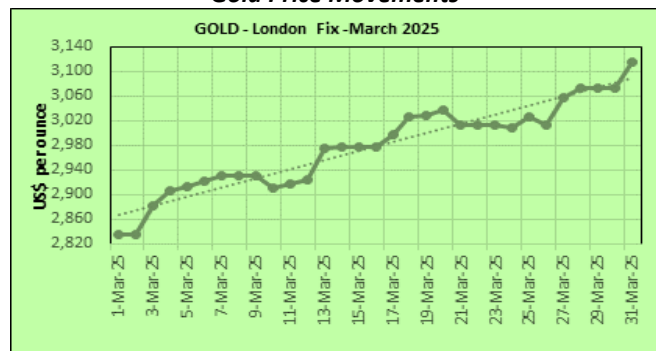
8. Commodities Markets

Commodity Average Prices	Feb 2025	Mar 2025	Percentage Change (%)
	Price (US\$)	Price (US\$)	
Gold (oz)	2,892.10	2977.63	3.0
Platinum (oz)	980.32	977.77	-0.3
Silver (oz)	32.27	33.13	2.7
Oil (barrel)	74.77	71.63	-4.2

a) Gold

Gold prices commenced the reviewed month at a low of US\$2834.55/oz and rose gradually to close the month at a peak of US\$3,115.10. On a monthly average basis, the price of gold rose by 3% from US\$2,892.10/oz recorded in February 2025 to US\$2,977.63 in March 2025. The following graph depicts the daily gold price trend for the month under review.

Gold Price Movements

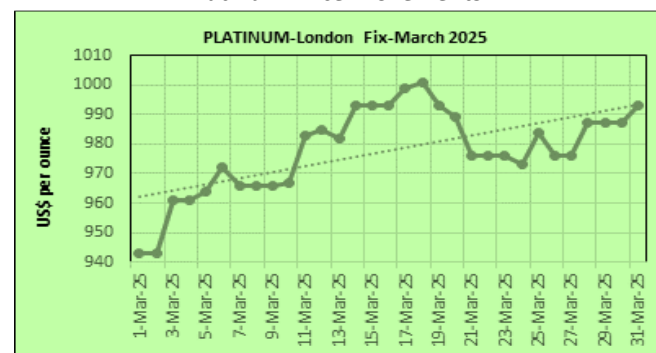


Source: KITCO – March 2025

b) Platinum

In March 2025, platinum prices opened at a monthly low of US\$943/oz, rose to a peak of US\$ 1,001/oz mid-month, and then declined to close the month at US\$993/oz. On average, the price for March 2025 decreased by 0.3% from US\$980.32/oz in February 2025 to US\$977.77/oz. The following graph depicts the trend of daily platinum prices during the month under review.

Platinum Price Movements

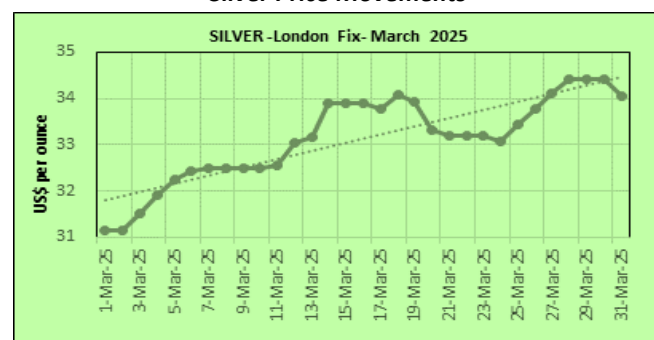


Source: KITCO – March 2025

c) Silver

Silver prices exhibited an upward trend, opening March 2025 at a low of US\$31.14/oz, rose gradually to a peak of US\$34.40 towards the end of the month, and eventually closed at US\$34.06/oz. On a monthly average basis, the price rose by 2.7% from US\$32.27/oz to US\$33.13/oz. The following graph depicts the daily silver price trend for the month under review

Silver Price Movements

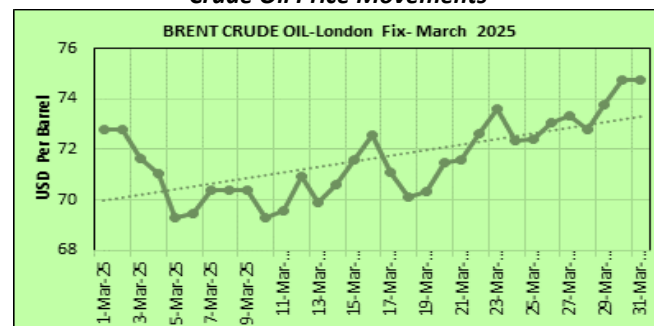


Source: KITCO – March 2025

d) Crude Oil

Crude oil prices followed an upward trend during the month under review. They recorded a low of US\$69.28/barrel before peaking and closing the month at US\$74.77/barrel. For the second month in a row, the average monthly price of crude oil fell by 4.2% from US\$74.77/barrel in February 2025 to US\$71.63/barrel in March 2025. The following graph depicts the daily crude oil price trend for the month under review.

Crude Oil Price Movements



Source: Oil Price.com – March 2025

Oil prices declined during the reviewed month due to increased global supply, which rose by 590 kb/d to 103.6 mb/d in March—up 910 kb/d year-on-year, with non-OPEC+ producers driving most of the monthly and annual gains. Escalating trade tensions and expectations of higher OPEC+ output are likely to keep oil prices subdued in the near term.

END

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