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The ruling ZANU-PF appoints sanctioned businessman Kudakwashe Tagwirei to its highest decision-making body, the Central Committee, but the move is met with resistance from within, signalling succession battles within the party. The finance ministry and Zimbabwe National Statistics Agency (ZimStat) release different GDP figures in a space of a week, creating confusion for business decision-makers and analysts and reflecting the country's unpredictable economic landscape. International Monetary Fund (IMF) refuses to commit to a Staff-Monitored Programme (SMP) for Zimbabwe until the government implements deeper structural reforms despite observing tangible signs of economic stabilisation. The government gazettes the long-awaited Mines and Minerals Amendment Bill, which is expected to modernise the sector, attract crucial investment, and assert greater state control over the country's vast mineral wealth.

ZANU-PF adds US-sanctioned tycoon to party ranks, cracks from within emerge

The ruling ZANU-PF appointed sanctioned businessman **Kudakwashe Tagwirei** to its highest decision-making body, the **Central Committee**, but the move has been met with resistance from within, signalling succession battles within the party.¹ The Central Committee approved Tagwirei's membership in June following a recommendation from the **Harare Province** executive.

Tagwirei is a former advisor to President **Emmerson Mnangagwa** (2017-present) and has business interests ranging from mining to fuel trading. In 2020, the **United States (US)** sanctioned Tagwirei for alleged corruption.² Mnangagwa and his wife are also under US sanctions over allegations of corruption and human rights abuses. Party officials say Tagwirei is expected to bring financial and organisational support to the party and as a confidant of Mnangagwa, he will also bolster backing for the president, who has faced criticism over his stewardship of the country.

But his co-option into the Central Committee has been met with resistance from some sections within the party and was ejected from his first committee meeting on 3 July, reportedly at the insistence of vice president **Constantino Chiwenga**. While initial reports suggested an outright expulsion, subsequent clarifications from party insiders indicate the situation was more complex, centring on procedural irregularities - Tagwirei's attendance at the high-level gathering was deemed premature as his co-option was still awaiting formal ratification - and underlying power struggles.³

With Mnangagwa in his final term and the succession race heating up, a Central Committee seat is vital for any figure aiming to wield significant influence. However, Tagwirei's bid to join this powerful body is riddled with procedural and political pitfalls, rendering his prospects slim.

First, his eligibility is shaky due to stringent membership requirements. Aspiring Central Committee members must have served ZANU-PF for at least 15 years, including five as a

¹ Newsday, 4 Jul 2025

² Voice of America, 5 Aug 2020

³ The Herald, 4 Jul 2025

provincial executive. Tagwirei, primarily known as a businessman, has little public record of such party tenure, particularly at the provincial level. Without meeting these criteria, his co-option risks being deemed unprocedural, undermining his candidacy from the start.⁴

While reports indicate Tagwirei's ejection was a temporary setback that will be reversed after his formal ratification into the committee, the episode vividly demonstrates that ZANU-PF's succession battle is entering a more volatile phase, possibly pitting Chiwenga against Mnangagwa.

Following the debacle, ZANU-PF dismissed speculation of a rift between Mnangagwa and Chiwenga, affirming that the two leaders remain united by a strong and enduring bond forged over decades of shared struggle and national service. In a statement released on 8 July, ZANU-PF secretary for information and publicity, **Christopher Mutsvangwa**, emphasised that no political force or rumour will divide the two men, whose partnership he described as central to Zimbabwe's ongoing development agenda.⁵

Economy grows after rebasing, but confusion over accuracy of figures emerges

The finance ministry and **Zimbabwe National Statistics Agency (ZimStat)** released different GDP figures in a space of a week, creating confusion for business decision-makers and analysts and reflecting the country's unpredictable economic landscape, characterised by volatile exchange rates and an unstable multi-currency system.

Zimbabwe adopted a multi-currency system in 2009 due to hyperinflation of the Zimbabwean dollar. Initially, it allowed for the use of multiple foreign currencies, with the US dollar being the most prominent. In 2019, the government temporarily banned foreign currencies and reintroduced the Zimbabwean dollar as the sole legal tender. However, this policy was reversed in 2020, and currently, Zimbabwe allows for the use of foreign currencies, with the US dollar being widely used, alongside the Zimbabwean gold (ZiG), introduced in 2024.⁶

On 3 July, state-owned newspaper, **The Herald**, reported that ZimStat had announced that the country's GDP rose by 2.9% to \$45.7 billion in 2024, from \$44.4 billion in 2023.⁷ While ZimStat did not provide direct US dollar figures, The Herald reported it stipulated an exchange rate of ZiG 18/\$1 for converting the GDP at current prices of ZiG 822.94 billion. For 2023, Zimbabwe's local currency-denominated GDP stood at ZiG67.5 billion, which translates to \$44.4 billion using the then-provided exchange rate of ZiG 1,52/\$1.

On 9 July, finance minister **Mthuli Ncube** announced that after a census carried out by ZimStat, the economy is bigger than previously thought with GDP is now estimated at \$44.4 billion, up from the earlier estimate of \$35.2 billion.⁸ Ncube said the revision follows an economic census that captured "a larger number of business entities that have emerged since 2019" - the last time Zimbabwe updated its GDP base year.⁹ This process, known as rebasing, adjusts GDP figures to better reflect the current structure of the economy.

The new figures follow a comprehensive economic census conducted in 2024 and early 2025, which identified a significantly higher number of businesses that have emerged since the last GDP base year revision in 2019. Ncube explained that the rebasing process was necessary to capture the current structure and breadth of Zimbabwe's economy more accurately.

⁴ Zimlive, 8 Jul 2025

⁵ Zimbabwe Mail, 9 Jul 2025

⁶ Reuters, 7 May 2024

⁷ The Herald, 3 Jul 2025

⁸ Newswire, 9 Jul 2025

⁹ Newswire, 9 Jul 2025

In addition to the GDP figures, other economic indicators have also changed due to the rebasing which include:

- Per capita income - the average income per person - would rise to over \$3,000 in 2025 (vs the World Bank's current estimate of \$2,656);
- The debt-to-GDP ratio drops from 60% to 45%, making Zim's huge debt look smaller when compared to the economy.

However, a bigger GDP also means a lower revenue-to-GDP ratio, making the Treasury look even less efficient at collecting revenue. While rebasing does not change people and businesses' income, for the government and investors, it's supposed to offer a more up-to-date picture of the true size of the economy, how it is now structured, and who is now part of it. The update comes after years of mixed signals from government officials, who have given varying GDP figures. The **World Bank** put Zimbabwe's GDP at \$44.1 billion in 2024, while the **International Monetary Fund (IMF)** previously estimated it at \$38 billion.

Although the updated GDP figures may improve Zimbabwe's attractiveness to international lenders and investors, real economic progress will require deeper structural reforms, not just statistical revisions. Zimbabwe's GDP rebasing of the economy is a necessary and welcome statistical modernisation and it provides a far more accurate reflection of the size and structure of the economy, particularly the dominance of the services sector and the rise of ICT. However, this statistical leap forward should not be mistaken for economic recovery. The fundamental challenges plaguing Zimbabwe's economy – inflation, currency instability, low productivity, unemployment, and structural weaknesses – persist unchanged.

IMF sees Zimbabwe's recovery signs but holds firm on reforms before support

Despite observing tangible signs of economic stabilisation in Zimbabwe, the IMF remains unwilling to commit to a crucial **Staff-Monitored Programme (SMP)** until the government implements deeper structural reforms.¹⁰ This stance, which underscores the delicate balance between acknowledging progress and demanding concrete action on long-standing issues, came after an IMF team, led by **Wojciech Maliszewski** visited **Harare** from 4 to 18 June for **Article IV** consultations. During the visit, the team met with Mnangagwa and discussed an SMP, a programme under which Zimbabwe would agree on policy steps that it would implement under IMF's supervision.

The team noted several positive developments including currency stabilisation and strong growth projections. The introduction of the ZiG in April 2024 has shown initial success. Backed by gold and foreign currency reserves, ZiG has brought a period of relative exchange rate stability and significantly reduced month-on-month inflation, down to low single digits in recent months from the hyperinflationary peaks of the past. Reflecting this improved environment, the IMF projects the Zimbabwean economy to grow by 6% in 2025, largely due to projected improvements in agriculture and mining.¹¹

However, the IMF's optimism is heavily tempered by caution. While welcoming the progress, the IMF made it unequivocally clear that these gains are fragile and insufficient to secure an SMP. An SMP is a non-financial agreement where the IMF monitors a country's economic programme, serving as a critical stepping stone towards debt resolution, arrears clearance, and eventually, access to financial support. For Zimbabwe, burdened by approximately \$21.2 billion in debt (over half in arrears), an SMP is essential for unlocking international re-engagement and vital financing.

¹⁰ Newswire, 19 Jun 2025

¹¹ Newswire, 19 Jun 2025

The IMF insists that Zimbabwe must first deliver on several key reforms, including:

- Fiscal discipline - Zimbabwe must close its 2025 financing gap without resorting to money printing or delaying payments, and to control spending through tighter oversight of arrears. The IMF noted the 2026 budget would be critical in showing real fiscal discipline and improved financial management;
- Currency reforms needed – the IMF is calling for a more transparent foreign exchange market and Zimbabwe must shift away from the 70:30 export surrender requirements to directly converting export earnings via banks. The **Reserve Bank of Zimbabwe (RBZ)** (central bank) should limit its interventions to managing volatility, not setting the rate. Over time, the IMF recommended introducing a deposit facility and phasing out direct controls, paving the way for more flexible monetary tools and eventually lifting restrictions on capital flows;
- Tighter oversight of the **Mutapa Investment Fund** - the IMF raised concerns about fiscal risks from state-owned enterprises and the sovereign wealth fund. It called for stronger governance, transparency, and oversight of the Mutapa **Fund**, in line with global best practices.¹²

The IMF's reluctance appears to be a strategic pause, not a rejection of Zimbabwe's efforts, as it recognises the government's stated reform intentions but awaits demonstrable, irreversible action. A credible SMP offers Zimbabwe a chance to break the cycle of instability, attract investment, and harness its significant human and natural resource potential. Failure risks deeper isolation, prolonged economic hardship, and further erosion of living standards. The IMF has previously implemented a 15-month SMP in Zimbabwe, which concluded in 2016, and another one in 2019.¹³

Government gazettes new mining bill overhauling a 60-year legacy

In a significant move poised to reshape the nation's economic backbone, the government on 24 June officially gazetted the long-awaited **Mines and Minerals Amendment Bill**.¹⁴ This landmark legislation would replace the **Mines and Minerals Act of 1961** and aims to modernise the sector, attract crucial investment, and assert greater state control over the country's vast mineral wealth. The bill was first drafted in 2015 but Mnangagwa refused to sign it in 2018, saying parts of it violated property rights. The bill introduces tougher rules on mining titles, seeks to resolve conflict between miners and farmers, adds new social obligations, and reserves small-scale mining for locals.¹⁵ Key changes are outlined below:

- The bill introduces a new cadastre system, a public, electronic mineral rights register, to replace the outdated, opaque, and manual system. This aims to drastically improve transparency, reduce bureaucracy, and combat corruption in the allocation of mining claims;
- The bill seeks to preserve small-scale mining for Zimbabweans and only citizens or permanent residents, or their companies, can hold prospecting rights. A foreigner can get this licence only if they plan to operate at large scale. The bill classes a small-scale miner as someone who has mining locations of not more than 40 hectares, employs less than 50 people, and produces under 1,200 tonnes of ore per year. Foreign investors get special leases for larger operations.

¹² IMF, 18 Jun 2025

¹³ Xinhua, 21 Jul 2023

¹⁴ Mining Zimbabwe, 25 Jun 2025

¹⁵ Newswire, 26 Jun 2025

- Government can declare certain minerals, such as rare earths, as strategic. This means anyone mining these must invest at least \$1 million and must do this in a joint venture with the state.
- Large-scale miners must submit an Environmental Impact Assessment (EIA) for their operations, as has always been the case, and confirms civil penalties for violations. The minister can halt mining operations in cases of environmental emergencies. A key change is that large-scale miners will need a Social Responsibility Certificate (SRC) from a recognised civil society group. It must confirm that a miner has good community engagement, cultural respect, and fair labour practices.
- The bill aims to resolve an old war between farmers versus miners. Under the bill, it is illegal to mine 450 metres near homes, cultivated land, or small plots of under 100 hectares. This aligns with existing laws. To protect their land from miners, farmers can register their land for future farming or grazing. Landholders who lose access to the surface of their land due to mining may receive compensation from the **Mining Industry Environmental Protection Fund (MIEPF)**.
- The bill enforces a stricter 'use it or lose it' policy to prevent people from hoarding mining claims. It proposes a shift from current laws, where paying annual fees is enough to keep mining rights. A miner must now meet three major conditions to preserve title: actively work the mine, submit a 12-month work plan within 30 days of registration, and obtain annual inspection certificates based on progress, EIA compliance, and if large-scale, a SRC. Idle claims can be reported, investigated, and expropriated. Land taken over will be sold to others at a new claims auction. However, miners may retain rights if they provide valid reasons for inactivity or apply for a temporary retention licence.

The gazetting the bill marks a decisive step towards modernising a sector crucial for national recovery. By addressing long-standing investor concerns over ownership and transparency, while simultaneously strengthening state control over strategic assets and environmental safeguards, the government aims to unlock the sector's full potential. If executed well, the bill has the potential to transform Zimbabwe's mining landscape into a more attractive, productive, and responsible engine for sustainable economic growth. The bill must now be debated and passed by parliament, sitting until October, before it becomes law.

Planner

Jul 2025 **Harare (Zimbabwe)** Mid-Term Budget Review

28 Nov 2025 (**South Africa**) Expiry of special residence permits for Zimbabweans living in South Africa

Chronology

9 Jul 2025 **Harare (Zimbabwe)** *Newsday*. State-owned **Fidelity Gold Refinery (FGR)** reports small-scale producers delivered more than 70% of the gold delivered in the first half of the year, with a haul of 14,56 tonnes, attributed to better incentives;

9 Jul 2025 **Harare (Zimbabwe)** *Newsday*. The country's largest beverages manufacturer, **Delta Corporation Limited**, accuses local sugar producers of selling poor-quality sugar that does not meet international standards for beverage manufacturing;

8 Jul 2025 **Harare (Zimbabwe)** *Zimbabwe Mail*. Zimbabwe has emerged as Africa's top producer of blueberries, cementing its position as a key player in the global fruit export market, with blueberry exports increasing by more than 150% between 2020 and 2024;

8 Jul 2025 **Harare (Zimbabwe)** *Newsday*. **Zimbabwe National Chamber of Commerce (ZNCC)** recommends that the **Reserve Bank of Zimbabwe (RBZ)** (central bank) lowers the bank policy rate to 20%, from the current 35%, to help alleviate market credit constraints;

8 Jul 2025 **Harare (Zimbabwe)** *Herald*. **Tobacco Industry and Marketing Board (TIMB)** reports sales have surged by 49.9%, reaching \$1.12 billion, since the start of the 2025 marketing season on 5 March;

7 Jul 2025 **Harare (Zimbabwe)** *Herald*. **Reserve Bank of Zimbabwe** (central bank) reports that gold production rose by 36.4% in the second quarter of 2025 to 11.6 tonnes, largely driven by increased output from small-scale miners;

4 Jul 2025 **Bulawayo (Zimbabwe)** *Zimbabwe Mail*. State-owned power utility **Zesa Holdings**, says power supplies have been restored to most parts of the country following a nationwide power outage affecting **Hwange** and **Kariba** power stations;

3 Jul 2025 **Harare (Zimbabwe)** *Newswire*. **African Development Bank (AfDB)** notes Zimbabwe needs to raise at least \$5 billion a year to transform its economy by 2030, highlighting the country's growing development financing gap;

3 Jul 2025 **Harare (Zimbabwe)** *Herald*. **Reserve Bank of Zimbabwe (RBZ)** (central bank) figures indicate gold exports rose by 24% in the first five months of 2025, reaching \$748m, up from \$599.2m over the same period in 2024;

3 Jul 2025 **Harare (Zimbabwe)** *Newsday*. **African Development Bank (AfDB)** revises Zimbabwe's economic growth rate to 6% this year, up from 5.3% initially forecast after a 12.8% rebound in agriculture;

28 Jun 2025 **Harare (Zimbabwe)** *New Zimbabwe*. **Zimbabwe Statistics Agency (ZimStat)** reports that annual ZiG inflation increased to 92.5% in June, compared to 92.1% in May;

28 Jun 2025 **Harare (Zimbabwe)** *Zimbabwe Mail*. Government takes a significant step toward advancing the country's first major oil and gas development after issuing an updated draft of the **Petroleum Production Sharing Agreement (PPSA)** and confirming its intention to grant national project status to **Australia**-headquartered **Invictus Energy's Cabora Bassa** project;

26 Jun 2025 **Harare (Zimbabwe)** *Herald*. **Zimbabwe National Chamber of Commerce (ZNCC)** praises the government's achievements under the **National Development Strategy 1**, calling it a vital step toward **Vision 2030**;

26 June 2025 **Harare (Zimbabwe)** *Newswire*. **OK Zimbabwe**, the troubled country's top retailer, plans to raise \$20m from shareholders and another \$10.5m from selling some of its properties as part of a comeback plan;

24 Jun 2025 **Harare (Zimbabwe)** *Herald*. **Zimbabwe Revenue Authority (ZIMRA)** sets a 2025 revenue target of \$7.2 billion, supported by economic growth and a range of strategic initiatives including customs automation, tax digitisation, and formalising the informal sector;

22 Jun 2025 **Harare (Zimbabwe)** *Herald*. **Postal & Telecommunications Regulatory Authority of Zimbabwe (POTRAZ)** quarter one report shows that Zimbabwe's telecommunications sector is set for strong growth, driven by increased adoption of emerging technologies like 5G, AI, and machine learning, along with **United States**-headquartered **Starlink** expanding low-cost satellite internet services;

22 Jun 2025 **Harare (Zimbabwe) Herald**. Government begins to implement a **Cabinet** directive to operationalise and revitalise **Community Share Ownership Trusts**, which aim to ensure local communities benefit from natural resource extraction;

19 Jun 2025 **Harare (Zimbabwe) Herald**. **United Kingdom (UK)**-listed **Kavango Resources Plc** makes significant gold discoveries at its **Hillside Project** near **Bulawayo**, identifying 69 gold intersections;

18 Jun 2025 **Harare (Zimbabwe) Herald**. Finance minister **Mthuli Ncube** presents the **National Development Strategy 2 (NDS2)** roadmap, a five-year plan (2026–2030) aimed at achieving Zimbabwe’s **Vision 2030** goal of attaining upper-middle-income status;

16 Jun 2025 **Harare (Zimbabwe) Newswire**. **Zimbabwe Investment and Development Agency (ZIDA)** unveils the **Grievance Response Mechanism (IGRM)**, a new system that gives investors a direct line to resolve problems and requires government agencies to respond faster to investor grievances;

15 Jun 2025 **Harare (Zimbabwe) Zimbabwe Mail**. Zimbabwe is one of 36 countries whose citizens could be banned from travelling to the **United States (US)** over alleged identity documentation fraud and visa violations;

10 Jun 2025 **Harare (Zimbabwe) Reuters**. Mines minister **Winston Chitando** says Zimbabwe will ban the export of lithium concentrates from 2027 as it extends its push for more local processing, after it banned the export of lithium ore in 2022;

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