

## AFRICA RISK CONSULTING

### Zimbabwe Briefing May 2025

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#### Zimbabwe Summary 9 May 2025

*Political tensions remain heightened in Zimbabwe, with a fresh push to oust President Emmerson Mnangagwa (2017-present), centred around an alleged \$1.9 billion scandal at Kuvimba Mining House. The African Development Bank (AfDB) says Zimbabwe is seeking \$2.6 billion in bridge financing to clear arrears with international creditors, but a controversial new law seen by critics as a threat to civil society is a risk to debt lifeline talks. Zimbabwe records steel exports for the first time in nearly two decades following the collapse of state-owned Ziscosteel in 2008, with the Chinese-built Manhize steel plant shipping over 75,000 tonnes in the first quarter of 2025.*

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#### Political tensions remain elevated as push to oust Mnangagwa continues

Zimbabwe's political landscape is gripped by turmoil as a bitter succession battle within the ruling Zanu-PF party intersects with a high-stakes impeachment campaign led by war veterans against President **Emmerson Mnangagwa** (2017-present). At the heart of the latest push to remove Mnangagwa from power lies a \$1.9 billion corruption scandal involving the alleged overvaluation of state-linked mining assets, alongside a crackdown on dissent exemplified by the prolonged detention and eventual release of journalist **Blessed Mhlanga**.

The **Zimbabwe National Liberation War Veterans Association**, once a steadfast ally of Zanu-PF, has taken the extraordinary step of demanding the impeachment of six senior officials, including finance minister **Mthuli Ncube** and former **Reserve Bank of Zimbabwe (RBZ)** (central bank) governor **John Mangudya**. The group accuses them of orchestrating a scheme to fraudulently inflate the value of **Kuvimba Mining House** from \$1.5 billion in 2023 to \$5.4 billion in 2024. This manipulation allegedly enabled the misappropriation of \$1.9 billion in state funds.<sup>1</sup>

The government recently issued **Treasury Bills** worth \$1.9 billion to buy a 35% stake in Kuvimba from **Pfimbi Resources**, a shadowy entity linked to Mnangagwa's ally, **Kuda Tagwirei**. The government already owns a 65% stake in Kuvimba, and questions are being asked why the cash-strapped government would use taxpayers' funds to buy out a private entity when there are significant funding gaps in sectors such as health and education.

Speaking at a press conference, war veteran leader **Blessed Geza** – dubbed “*Bombshell*” for his fiery rhetoric – declared the scandal a “*national betrayal*,” vowing to hold the government accountable through constitutional means. The impeachment motion, now backed by civil society and opposition groups, marks a historic shift in Zimbabwean politics, with liberation-era figures turning against a regime they once bolstered.

Blessed Geza has emerged as a central figure in the anti-Mnangagwa movement, leveraging his status as a war veteran and former Zanu-PF central committee member to galvanise dissent. He has repeatedly accused Mnangagwa of enabling corruption, concentrating power within his family, and betraying the ideals of Zimbabwe's liberation struggle. Geza's calls for nationwide

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<sup>1</sup> Zimbabwe Mail, 5 May 2025

stay-aways and protests – though met with limited public turnout – have intensified pressure on the president.<sup>2</sup>

The tensions are exacerbated by a factional rift within Zanu-PF. One camp, including Geza, supports vice president **Constantino Chiwenga** – a former army chief instrumental in Mnangagwa’s 2017 rise to power – while another seeks to extend Mnangagwa’s term beyond 2028 under the “*2030 Agenda*”. Despite Mnangagwa’s public denials, his allies have pushed for constitutional amendments to legitimise a third term, drawing condemnation from religious leaders and civil society.

The political upheaval has been accompanied by a clampdown on media freedom. Mhlanga, arrested in February after his outlet **HSTV** aired Geza’s calls for Mnangagwa’s resignation, was finally granted bail on 6 May after 72 days in detention. Prosecutors accused Mhlanga of inciting violence, but the **High Court** dismissed claims he posed a flight risk, ordering him to surrender his passport and report weekly to police.<sup>3</sup>

Mhlanga’s case has drawn international outcry, with human rights groups condemning Zimbabwe’s use of draconian laws to silence critics. His release offers scant relief in a climate where dissent is increasingly criminalised, as seen in the arrests of nearly 100 protesters during March’s stay-away demonstrations.

Zimbabwe’s political instability compounds severe economic challenges, including hyperinflation, currency volatility and widespread poverty. While the government touts a projected 6% growth rate for 2025, driven by mining and agriculture, businesses continue to shutter, and public trust in institutions erodes. Despite mounting pressure, President Mnangagwa has remained defiant, repeatedly dismissing critics as agents of regime change and insisting that Zimbabwe is on the path to recovery under his leadership.

Speaking during a party event on 8 May, ZANU-PF spokesperson **Christopher Mutsvangwa** issued a stern warning to critics of Mnangagwa, declaring that their days are numbered as the ruling party moves to consolidate its power.<sup>4</sup> Mutsvangwa’s remarks are seen as an attempt to reassert party discipline and send a clear message to dissenting voices – both inside and outside ZANU PF – that open criticism of Mnangagwa will not be tolerated. Whether these tensions will culminate in meaningful accountability or further entrench Mnangagwa’s grip remains uncertain.

### **New PVO Act threatens Zimbabwe’s appeal for \$2.6 billion debt lifeline**

The **African Development Bank (AfDB)** says Zimbabwe is seeking \$2.6 billion in bridge financing to clear arrears with international creditors, but a controversial new law seen by critics as a threat to civil society is a risk to debt lifeline talks. A roundtable on Zimbabwe’s arrears clearance and debt resolution was held on the sidelines of the recently held **International Monetary Fund (IMF)** and **World Bank** Spring meetings in **Washington (United States)**. It was chaired by outgoing AfDB President **Akinwumi Adesina**, who is leading Zimbabwe’s debt resolution process. At the meeting, Adesina said Zimbabwe has made “*a lot of progress, against all odds,*” and said the request for bridging finance could be considered by the end of the year. However, Adesina says that progress may be hurt by concern over Zimbabwe’s recently enacted **Private Voluntary Organisations (PVO) Amendment Bill**.<sup>5</sup>

<sup>2</sup> BBC, 31 Mar 2025

<sup>3</sup> Newsday, 6 May 2025

<sup>4</sup> Zimbabwe Mail, 9 May 2025

<sup>5</sup> Newswire, 24 Apr 2025

Signed into law on 11 April, the **PVO Amendment Act** grants the government sweeping powers to monitor NGOs, suspend their leadership, and scrutinise funding sources.<sup>6</sup> Officials argue it prevents money laundering and ensures security and accountability, but critics – including the **European Union (EU)** and **Human Rights Watch** – contend that it stifles dissent and violates democratic norms. The EU swiftly suspended €20m (\$22.5m) in governance funding, citing the law’s erosion of civic space, a key precondition for debt talks.

Zimbabwe owes foreign creditors \$21 billion, with arrears making up a significant portion. These arrears prevent the country from accessing low-cost loans from institutions like the World Bank and AfDB – credit that other countries rely on for large-scale infrastructure projects such as roads and rail. The \$2.6 billion bridging finance would be a temporary loan for Zimbabwe to pay off its overdue debts to international lenders and regain access to affordable loans, as well as a proposed IMF **Staff Monitored Programme (SMP)** aimed at restoring creditor trust.

Also in attendance at the roundtable were IMF African Department director **Abebe Selassie**, World Bank vice president for **Eastern and Southern Africa, Ndiamé Diop**, and representatives from **France**, the **United Kingdom**, **Germany**, the **Netherlands**, and the **Southern African Development Community (SADC)**.

The government’s crackdown alarms Western creditors, who view civil society engagement and political reforms as integral to debt sustainability. With Zimbabwe ranking 158th in corruption perceptions,<sup>7</sup> the PVO Act exacerbates governance concerns, slashing the likelihood of Western bridge financing. EU Ambassador to Zimbabwe, **Jobst von Kirchmann**, stated that the law undermines Zimbabwe’s commitments under the ongoing debt resolution process, particularly concerning the expansion of civic space.

*“Several years ago, the Government of Zimbabwe initiated a commendable arrears clearance and debt resolution process. It is disappointing to see that Zimbabwe has not upheld its own commitments under this process, particularly regarding the expansion of civic space.”<sup>8</sup>*

### **Zimbabwe’s steel industry returning to life**

After decades of stagnation following the collapse of state-owned **Ziscosteel** in 2008, Zimbabwe’s steel industry is coming back to life, driven by a \$1.5-billion steel plant built by **China-based Dinson Iron and Steel Company (DISCO)**. Zimbabwe’s latest mineral sales report for the first quarter of 2025 by the **Minerals Marketing Corporation of Zimbabwe (MMCZ)**, which markets the country’s minerals outside of gold, shows that Zimbabwe exported 76,163 tonnes of steel, contributing to mineral exports for the first time in close to two decades.<sup>9</sup> The megaproject, spearheaded by DISCO’s parent company, **Tsingshan Holding Group**, marks a turning point for Zimbabwe’s economy, reducing reliance on imports and positioning the nation as a regional steel exporter.

Zimbabwe’s steel sector once thrived under **Ziscosteel**, a state-owned giant that collapsed amid mismanagement and corruption in 2008. The shutdown forced the country to spend over \$1 billion annually on steel imports, draining foreign reserves and stifling industrial growth.

<sup>6</sup> Bloomberg, 14 Apr 2025

<sup>7</sup> Transparency International [Corruption Perceptions Index 2024](#)

<sup>8</sup> Zimbabwe Now, 4 May 2025

<sup>9</sup> Newswire.,16 Apr 2025

Situated in **Manhize**, 190 km south of the capital, **Harare**, the facility is reported to be Africa's largest integrated steelworks, producing pig iron, billets and steel bars.<sup>10</sup> The company currently produces up to 300 tonnes of deformed bars daily, sold to local customers and the export market. It plans to ramp up output to 600,000 tonnes per year under its first phase and up to 5 million tonnes by its final phase, rivalling global production hubs.

Production began in June 2024, utilising Zimbabwe's vast iron ore, chrome, and coal reserves, projected to last a century, and by May 2025, the plant commenced manufacturing reinforced steel bars (rebars), critical for infrastructure projects. Future plans include pipes, bolts and wire rods.

The plant has allowed Zimbabwe to reduce imports, which peaked at \$1 billion annually, and has contributed to job creation, with this phase creating 2,000 jobs and a projected 10,000 roles at full capacity. DISCO's surplus production will target SADC markets, with the **Engineering, Iron, and Steel Association of Zimbabwe (EISAZ)** aiming for \$6 billion in annual exports.

To support domestic production, the government in early May introduced new restrictions on the importation of certain steel products, requiring importers to obtain licences before bringing them into the country.<sup>11</sup> The changes, outlined in **Statutory Instrument 46 of 2025**, officially titled the **Control of Goods (Open General Import Licence) (Amendment) Notice, 2025 (No. 17)**, which was gazetted by the ministry of industry and commerce, amend long-standing regulations first issued in 1974 by adding several steel categories to the list of goods that can no longer be imported freely.

Despite its promise, the Manhize project faces hurdles, among them environmental and social concerns. Villagers near Manhize allege land displacement without fair compensation and cite dust pollution from mining activities.<sup>12</sup> DISCO has pledged \$200 monthly stipends for displaced families and is constructing relocation housing. The plant has also drawn scrutiny over Chinese dominance in Zimbabwe's critical minerals sector, with critics accusing **Beijing** of "*colonial-style*" exploitation.

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<sup>10</sup> Zimbabwe Mail, 27 May 2024

<sup>11</sup> Zimbabwe Mail, 2 May 2025

<sup>12</sup> News Hub Zimbabwe, 3 Oct 2024

## Planner

20-22 May 2025 **Harare (Zimbabwe)** European Union-Zimbabwe Business Forum

27 Jun 2025 **Harare (Zimbabwe)** Monetary Policy Committee (MPC) meeting

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 May 2025 **Harare (Zimbabwe) *Newsday***. Mines and mining development minister **Winston Chitando** says illicit activities and gold smuggling remain major concerns for Zimbabwe's gold sector, with the criminal trade potentially eroding 40% gains in gold revenues;

8 May 2025 **Harare (Zimbabwe) *Newsday***. The mines and mining development ministry is stepping up its review of exclusive prospecting orders (EPOs) to tighten control over underutilised mineral claims and curb speculative land holding in mineral-rich provinces;

6 May 2025 **Harare (Zimbabwe) *Herald***. Zimbabwe has established a carbon market authority, a pivotal body mandated to regulate and facilitate carbon trading activities in the country, estimated to have generated \$204.34m in carbon credits;

5 May 2025 **Harare (Zimbabwe) *Herald***. Industry and commerce minister **Nqobizitha Mangaliso Ndlovu** highlights at the **Zimbabwe International Trade Fair** that rural industrialisation is a strategic imperative, aligned with President **Emmerson Mnangagwa's** vision for transforming rural communities and curbing rural-urban migration;

5 May 2025 **Harare (Zimbabwe) *Newswire***. **United Kingdom**-listed **Premier African Minerals** is pursuing a lithium concentrate supply deal from its **Zulu** lithium mine in Zimbabwe, with **Switzerland**-based commodities giant **Glencore**, as it seeks to clear debt from an inconclusive offtake agreement;

5 May 2025 **Harare (Zimbabwe) *Zimbabwe Mail***. The government has blocked over 4,000 local nurses from taking up jobs in the **United Kingdom**, citing the need to protect the country's fragile public healthcare system, which continues to grapple with staff shortages;

5 May 2025 **Harare (Zimbabwe) *Zimbabwe Mail***. The **Zimbabwe Electricity Supply Authority (ZESA)** announces a major fault at the **Hwange Power Station** that has crippled electricity generation, forcing the company to implement increased load shedding across all consumer categories;

2 May 2025 **Harare (Zimbabwe) *Bloomberg***. **Zambia** and Zimbabwe are ramping up efforts to secure investment for the long-delayed \$5 billion **Batoka Gorge** hydropower project, as they revive a plan to source water from the **Democratic Republic of the Congo**;

29 Apr 2025 **Harare (Zimbabwe) *Newswire***. Zimbabwe expects a sharp rebound in maize production this year, forecasting a harvest of 2.3 million tonnes – recovering from last year's devastating drought, the worst in 40 years, which slashed output by over 70%;

27 Apr 2025 **Harare (Zimbabwe) *Bloomberg***. Zimbabwe restarts minting of gold coins in an effort to back local currency as bullion prices soar to record highs;

25 Apr 2025 **Harare (Zimbabwe) *CNBC Africa***. **Zimbabwe National Statistics Agency** reports annual inflation reached 85.7% in local currency terms in April;

25 Apr 2025 **Harare (Zimbabwe)** *Newswire*. **United Kingdom**-based **Vast Resources** receives a long-awaited parcel of diamonds – 129,400 carats – that had been held by the **Reserve Bank of Zimbabwe** (central bank) since 2010;

24 Apr 2025 **Harare (Zimbabwe)** *Herald*. **Pavel Marynichev**, CEO of sanctioned **Russian** miner **Alrosa**, visits President **Emmerson Mnangagwa** and promises to double the company's investment in its diamond exploration in the country;

22 Apr 2025 **Harare (Zimbabwe)** *IOL*. Police say they will be providing a maximum-security presence following calls for a national stay-away by expelled **Zanu-PF** member **Blessed Geza**;

22 Apr 2025 **Harare (Zimbabwe)** *Newsday*. **Reserve Bank of Zimbabwe** (central bank) reports that Zimbabwe earned \$396m from gold exports in the first quarter of 2025, a 30% increase compared to \$303m during the same period last year, as gold miners enjoy a boost from soaring global gold prices, helping to offset rising operational costs and the effects of government's hostile foreign currency policies;

22 Apr 2025 **Harare (Zimbabwe)** *Newsday*. The **World Bank** says that macroeconomic vulnerabilities and a challenging business environment continue to raise the cost of doing business in Zimbabwe and slow the pace of structural transformation;

16 Apr 2025 **Harare (Zimbabwe)** *Business Day*. **Competition and Tariff Commission** approves the sale of **South Africa**-headquartered **Tongaat Hulett** to **Vision Consortium**, which had to obtain R2 billion (\$105.92m) to settle Tongaat Hulett's debt ahead of approval;

15 Apr 2025 **Harare (Zimbabwe)** *Newswire*. **Jersey**-based **Caledonia Mining** announces a new first-quarter production record of 18,671 ounces at its flagship **Blanket Mine**, beating the 17,050 ounces produced in the first quarter of 2024 and exceeding the previous first-quarter record of 18,515 ounces set in 2022;

13 Apr 2025 **Harare (Zimbabwe)** *The Zimbabwe Mail*. **European Union (EU)** suspends its planned funding for Zimbabwe's good governance initiatives after President **Emmerson Mnangagwa** signed the controversial **Private Voluntary Organisations (PVO) Amendment Bill** into law which introduced changes to Zimbabwe's regulatory frameworks for civic and non-governmental organisations;

11 Apr 2025 **Harare (Zimbabwe)** *Newswire*. State-owned **Zimbabwe Mining Development Corporation (ZMDC)** is trying to protect assets that risk being seized because the country failed to honour a \$93m debt incurred when it lost an international arbitration case over cancelled nickel and platinum ventures;

10 Apr 2025 **Harare (Zimbabwe)** *IOL*. Government begins disbursing \$3.1m in payments to farmers who lost land during the land reform programme under former president **Robert Mugabe**;

10 Apr 2025 **Harare (Zimbabwe)** *Bloomberg*. **Reserve Bank of Zimbabwe (RBZ)** (central bank) governor **John Mushayavanhu** reports that the RBZ collected \$215m from exporters in the first quarter of 2025 after ordering them to surrender almost a third of the foreign currency they earn to the central bank in exchange for ZiG to improve liquidity on the interbank market;

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