

AFRICA RISK CONSULTING

Zimbabwe Monthly Briefing April 2025

Zimbabwe Summary 9 April 2025

While a planned mass protest to oust him failed, President Emmerson Mnangagwa (2017-present) still faces the most significant challenge to his presidency with plans afoot to impeach him in parliament. Since its launch in April 2024, Zimbabwe's gold-backed currency, the ZiG, has faced significant challenges, including rapid devaluation, low public adoption, and persistent reliance on the United States (US) dollar. Mnangagwa announces he will suspend tariffs on goods imported from the US in an attempt to build a "positive relationship" with President Donald Trump's (2025-present) administration.

Political turmoil as push to oust Mnangagwa continues

President **Emmerson Mnangagwa** (2017-present), who rose to power in 2017 following a military coup that ousted former president **Robert Mugabe** (1987-2017), is facing the most significant challenge to his presidency as a coalition of war veterans, opposition factions, and frustrated citizens are mobilising to force his resignation. The coalition has cited constitutional violations, economic collapse, and alleged corruption as its reasons for wanting Mnangagwa out. At the centre of this is war veteran and former ruling **ZANU-PF** stalwart **Blessed Geza**, whose calls for protests and impeachment have intensified tensions in the country.

Geza, whom the ZANU-PF expelled in March 2025, faces charges of undermining presidential authority for his fiery rhetoric and impeachment calls. Geza accuses Mnangagwa of enriching his family through gold smuggling and "surrendering power" to his wife, **Auxillia**, who faces **United States (US)** sanctions for corruption.¹ However, Geza struggles for legitimacy as critics argue he represents the same corrupt establishment, but his message resonates amid economic despair.

Geza and allied war veterans orchestrated a nationwide protest on 31 March, dubbed the 'M31 Revolution', with protestors demanding Mnangagwa's resignation over his alleged bid to extend his presidency beyond the constitutional two-term limit, which ends in 2028.² Despite heavy police deployment and roadblocks, the protest morphed into a de facto stay-away, with businesses shuttered, schools closed, and streets emptied across **Harare** and **Bulawayo**. While only a handful of demonstrators braved tear gas and arrests, the economic paralysis signalled widespread discontent.³ The low turnout underscored public fear of reprisals but also highlighted Mnangagwa's weakening grip. Geza, broadcasting from hiding, accused citizens of being cowards, but political analyst **Ibbo Mandaza** described the shutdown as a "massive political statement" against Mnangagwa's authoritarianism.⁴

Mnangagwa's pre-emptive dismissal of security chiefs, including army commander, Lieutenant General **Anselem Sanyatwe**, a few days before the planned protest, exposed his anxiety over a potential coup.⁵ Sanyatwe, a key figure in the 2017 Mugabe ousting and considered an ally of vice president **Constantino Chiwenga**, was replaced by Major General **Emmanuel Matatu** in a

¹ BBC, 12 Mar 2025

² BBC, 31 Mar 2025

³ Bloomberg, 31 Mar 2025

⁴ AOL, 1 Apr 2025

⁵ Newsday, 25 Mar 2025

move seen as a purge of Chiwenga loyalists. Similar dismissals of police and intelligence heads in recent months could also be viewed as further consolidation of Mnangagwa's control, aiming to neutralise threats from within ZANU-PF and the military.

Notably, Chiwenga is now seen as Mnangagwa's rival. Geza's faction openly backs Chiwenga for the presidency, accusing Mnangagwa of reneging on a promise to hand over power. While Chiwenga remains publicly silent, his tacit support for the protests suggests a deepening rift within the ruling party.

The crisis stems from ZANU-PF's controversial 2030 Agenda, a December 2024 resolution to extend Mnangagwa's term. Constitutional experts assert that such a move requires a referendum—a risky prospect given Mnangagwa's plummeting popularity – while opposition leaders warn that amending term limits would entrench authoritarianism, echoing Mugabe's 37-year rule. Mnangagwa has denied seeking a third term, but his inaction to quash the agenda continues to fuel suspicion.⁶ The US Treasury's sanctions on Mnangagwa and his associates for corruption and human rights abuses further isolate his regime, though regional bodies like the **Southern African Development Community (SADC)** remain passive.

Zimbabwe's turmoil reflects a broader struggle between democratic norms and autocratic endurance. While the 31 March protests lacked the momentum of the 2017 coup, the shutdown and Geza's defiance reveal a populace increasingly unwilling to tolerate misrule. Following the failure of the mass protest, Geza says he is now moving to impeach Mnangagwa through a parliamentary process, a move that might have thin prospects of success given ZANU-PF's majority in both houses of parliament.⁷ However, Mnangagwa is also reportedly under intense pressure from his inner circle to remove Chiwenga, a move could exacerbate political tensions even more and spark turmoil.⁸

ZiG: a year of struggle against devaluation and distrust

Since its launch in April 2024, Zimbabwe's gold-backed currency, the ZiG, has faced significant challenges, including rapid devaluation, low public adoption, and persistent reliance on the US dollar. Designed to stabilise an economy plagued by decades of hyperinflation and currency collapses, the ZiG's first year has instead exposed deep-rooted structural issues and a crisis of confidence. Key factors driving its depreciation include the dominance of the US dollar and the country's monetary policies.⁹

Pegged at 13.56 ZiG/\$1 at launch on 8 April 2024, the ZiG's initial promise of stability quickly unravelled with the currency lost nearly 60% of its value on the black market by September 2024, trading at 30 ZiG/\$1 by October 2024. The **Reserve Bank of Zimbabwe (RBZ)** (central bank) officially devalued the ZiG by 43% in late September, aligning it with the parallel market rate of 24.4 ZiG/\$1, but this failed to curb further declines.¹⁰

In the past two years, RBZ has adopted a very tight monetary policy which at one point saw interest rates pegged at 200%, dampening appetite for the local currency.¹¹ With US dollar usage at around 80% of local transactions, the ZiG is being used to settle mostly minor transactions including utility and tax payments and a portion of civil servant wages. The currency cannot be used to pay for essentials including fuel, rent and medicines. The highest denomination ZiG banknote is worth about \$7.50 — enough to buy six loaves of bread. Despite

⁶ VOA, 17 Feb 2025

⁷ The Herald, 7 Apr 2025

⁸ Zimbabwe Mail, 7 Apr 2025

⁹ Newswire, 7 Apr 2025

¹⁰ Reuters, 27 Sept 2024

¹¹ Reuters, 4 Dec 2024

being backed by more than \$550m in gold and cash reserves, used as a selling point to win public trust, its limited use in greater areas of the economy makes differences with its failed predecessors seem “*cosmetic*”.¹²

While authorities claim the currency is gold-backed, the bullion has surged 30% since April last year and yet the local currency has weakened. However, policymakers and government had said they do not plan to loosen the tight monetary stance or ditch the ZiG. On 28 March, the central bank kept the key rate at 35% and added that it would remain vigilant to any emerging risks to inflation and exchange rate stability.

Key drivers of depreciation include:

- Insufficient gold reserves: Despite central bank governor **John Mushayavanhu**’s claims that gold and foreign currency reserves backing the currency have risen more than two-fold since its introduction a year ago to \$629m, experts argue these reserves were inadequate to support the currency’s value, especially as global gold prices fluctuated;
- Foreign currency shortages: Businesses and citizens turned to the black market due to limited access to US dollars through formal channels, exacerbating exchange rate disparities;
- Policy inconsistency: The government’s abrupt shift from a multicurrency system to ZiG, coupled with reactive devaluations, eroded trust in monetary management;
- Informal sector resistance: Approximately 80% of Zimbabwe’s economy operates informally, where traders reject ZiG due to volatility and prefer the US dollar’s stability;
- Government hypocrisy: While mandating ZiG for tax payments, state agencies like the **Grain Marketing Board** paid farmers in US dollars, undermining confidence in the local currency.
- Practical limitations: ZiG cannot be used for critical imports such as fuel or international trade, forcing businesses to rely on dollars.¹³

The ZiG’s first year underscores a systemic failure to address Zimbabwe’s economic fundamentals. While gold backing offers theoretical stability, distrust in governance, dollarization, and policy missteps have rendered the currency ineffective.

Mnangagwa in strategic move to mend ties with US amid global tariff war

Mnangagwa on 5 April announced he would suspend tariffs on goods imported from the US in an attempt to build a “*positive relationship*” with US President **Donald Trump**’s (2025-present) administration, just days after Trump imposed an 18% tariff on Zimbabwean exports to the US.¹⁴

On 3 April, Trump announced a 10% baseline tariff on most imports and country-specific reciprocal rates going up to as much as 50% for some countries. For Zimbabwe, the 18% tariff—set to take effect on 9 April—was calculated based on a 2024 bilateral trade deficit of \$24.1m, with Zimbabwe exporting \$67.8m worth of goods, primarily tobacco, sugar, and minerals, to the US and importing \$43.8m from the US.¹⁵

Mnangagwa, who is currently under US sanctions for human rights abuses and corruption, said the move is intended to facilitate the expansion of US imports within the Zimbabwean market, while simultaneously promoting the growth of Zimbabwean exports destined for the US.¹⁶ He also added that the Zimbabwe remains committed to equitable trade and avoiding adversarial relationships. However, critics argue the move disproportionately benefits the US given the

¹² Bloomberg, 7 Apr 2025

¹³ Bloomberg, 7 Apr 2025

¹⁴ Bloomberg, 6 Apr 2025

¹⁵ BBC, 6 Apr 2025

¹⁶ Newsday, 7 Apr 2025

lopsided trade dynamics noting that Zimbabwe's limited exports to the US mean the economic gains for Harare would be negligible, while US businesses gain tariff-free access to a struggling economy.

The US and Zimbabwe have shared contentious ties since the early 2000s when Mugabe's land reforms triggered sanctions over human rights abuses and democratic backsliding. Though former US president **Joe Biden's** (2021-2024) administration lifted broad sanctions in 2024, targeted measures against Mnangagwa and senior officials remain, citing corruption and repression.¹⁷

While Mnangagwa's announcement is seen as a move to curry favour with the Trump administration it risks alienating his SADC allies, as he currently chairs the 16-nation bloc. Prioritising bilateral engagement with the US over regional solidarity could undermine SADC's collective bargaining power.

Zimbabwe's trade with the US remains marginal, dwarfed by partnerships with **China, South Africa**, and the **United Arab Emirates**, the latter now Zimbabwe largest trading partner with \$2 billion worth of trade in 2024.¹⁸ The suspension of tariffs may signal Zimbabwe's desperation to reintegrate into Western markets, but scepticism abounds. With Zimbabwe excluded from the **African Growth and Opportunity Act (AGOA)**, which grants preferential access to the US market, the long-term viability of this strategy is questionable.

Given Zimbabwe's minimal trade footprint in the US and its reliance on non-Western allies, the move appears symbolic at best or even a high-stakes gamble to curry favour with Trump's administration, possibly aiming for sanctions relief or geopolitical leverage.

Planner

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

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

7 Apr 2025 **Harare (Zimbabwe) Newsday** Journalist **Blessed Mhlanga**, who is being accused of allegedly transmitting data that is likely to incite public violence, has been denied bail extending his stay in jail to over a month;

6 Apr 2025 **Harare (Zimbabwe) Newsday**. President **Emmerson Mnangagwa** announces he will suspend tariffs on goods imported from the **United States (US)** in response to US President **Donald Trump's** administration's 18% import tariffs on Zimbabwe;

4 Apr 2025 **Harare (Zimbabwe) Zimbabwe Mail**. Industry and commerce and the transport and infrastructural development ministry urge foreign investors operating in the haulage and logistics sector to comply with new regulations introduced under the **Finance Act, 2024** which reserved the industry to citizens;

2 Apr 2025 **Harare (Zimbabwe) Newsday**. **Masimba Holdings Limited**, one of the largest construction companies in the country, says the ongoing liquidity crunch has constrained the firm's ability to execute its order book during the financial year ended 31 December 2024;

¹⁷ AP News, 4 Mar 2024

¹⁸ Arabian Post, 5 Feb 2025

- 2 Apr 2025 **Harare (Zimbabwe)** *Zimbabwe Mail*. President **Emmerson Mnangagwa** removes **Sithembiso Gile Gladys Nyoni** from her position as environment, climate and wildlife minister with immediate effect without giving any reasons;
- 1 Apr 2025 **Harare (Zimbabwe)** *Newswire*. High court grants **Zimasco (Pvt) Ltd** an interdict barring lawyer **Wilson Manase** from holding himself out as the company's corporate rescue practitioner putting on hold what the firm says is an attempt by a businessman **Shepard Tundiya** to seize control of the mining company;
- 1 Apr 2025 **Harare (Zimbabwe)** *Al Jazeera*. Police report they have arrested 95 people on charges of promoting violence for taking part in demonstrations on Monday;
- 31 Mar 2025 **Harare (Zimbabwe)** *Newswire*. **Jersey-based Caledonia Mining** posts an 86% jump in gross profit to a record S\$77m in 2024, driven by a combination of stronger gold prices, increased production, and improved cost control;
- 28 Mar 2025 **Harare (Zimbabwe)** *Bulawayo24*. President **Emmerson Mnangagwa** appoints Lieutenant General **Emmanuel Matatu** as **Zimbabwe National Army (ZNA)** commander;
- 28 Mar 2025 **Harare (Zimbabwe)** *Newsday*. The **United States (US)** dollar annual inflation rate continued to remain elevated at 15% for March, as exchange rate volatility continues to keep businesses pricing their goods and services to preserve value;
- 27 Mar 2025 **Harare (Zimbabwe)** *New Zimbabwe*. Police issue a two-month ban on carrying weapons in Harare CBD ahead of planned protests on 31 March;
- 27 Mar 2025 **Harare (Zimbabwe)** *Newswire*. **CBZ**, the country's largest bank, says it will take its first steps to expand outside Zimbabwe by the end of the year with its first target being **South Africa**, while also eyeing **Botswana** and other markets beyond **Africa**;
- 25 Mar 2025 **Harare (Zimbabwe)** *AP News*. President **Emmerson Mnangagwa** replaces sports minister **Kirsty Coventry** – who has been elected **International Olympic Committee** president – with **Zimbabwe National Army** commander, General **Anselem Sanyatwe**, considered a downgrade for Sanyatwe with rumours that he is refusing the position;
- 24 Mar 2025 **Harare (Zimbabwe)** *Newsday*. **Jersey-domiciled miner Caledonia Mining** delays publishing its 2024 financial statement over auditor's concerns on its accounting treatment of deferred tax dating back to 2019;
- 23 Mar 2025 **Harare (Zimbabwe)** *The Sunday Mail*. Finance minister **Mthuli Ncube** says Zimbabwe is in talks with seven potential sponsors, including countries, multilateral financial institutions and private financiers, to help clear its arrears with international creditors;
- 23 Mar 2025 **Harare (Zimbabwe)** *Newswire*. Local chrome miner, **Zimasco (Pvt) Ltd** goes to court to block what it says are attempts by a **Kwekwe-based businessman Shepard Tundiya**, through his company **Avim Investments**, to seize control of the mining company;
- 18 Mar 2025 **Harare (Zimbabwe)** *Newswire*. State-owned **Kuvimba Mining House** expects to produce 3,600kg of gold in the financial year ending March, a 12.5% increase from the previous year as it plans to invest \$38m into its largest operation, **Freda Rebecca**;
- 10 Mar 2025 **Harare (Zimbabwe)** *Newswire*. Agriculture, renewable energy, and mining will be on the table when the **European Union (EU)** brings a delegation of European businesses to Zimbabwe in May, the first time the EU has hosted such a tour, with 250 businesses from Zimbabwe and **Europe** expected to attend;

8 Mar 2025 **Harare (Zimbabwe)** *Zim Live*. Energy and power development minister **July Moyo** asks the **United States (US)** government to allow its private sector to invest directly in Zimbabwe.

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