

AFRICA RISK CONSULTING

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Zimbabwe Summary 11 March 2025

President Emmerson Mnangagwa's regime intensifies efforts to silence dissent, expelling outspoken war veteran and ZANU-PF central committee member Blessed Geza from the ruling party and arresting journalist Blessed Mhlanga for reporting on Geza's criticism of the government. The International Monetary Fund (IMF) says it is working on defining key parameters and modalities for Zimbabwe to return to a Staff Monitored Programme (SMP) which it needs to stabilise the economy and re-engage with the international community. The Reserve Bank of Zimbabwe (central bank) unveils a series of monetary policy measures aimed at stabilising the gold-backed Zimbabwe Gold (ZiG) currency, managing inflationary pressures, and addressing foreign exchange shortages.

Expulsion of ZANU-PF dissident and arrest of journalist signal rising repression

Zimbabwe's political landscape is deteriorating into further turmoil as President **Emmerson Mnangagwa's** (2017-present) regime intensifies efforts to silence dissent. Two pivotal events have dominated recent headlines with the expulsion of outspoken war veteran and **ZANU-PF** central committee member **Blessed Geza** from the ruling party and the arrest of journalist **Blessed Mhlanga** for reporting on Geza's criticism of the government. The recent events appear to underscore a broader campaign to stifle opposition amid growing unrest over corruption, economic collapse, and fears of authoritarian overreach.

ZANU-PF expelled Geza from the party on 6 March, after publicly demanding Mnangagwa's resignation.¹ His criticism centred on allegations of nepotism, economic mismanagement, and plans to extend Mnangagwa's presidency beyond the constitutional two-term limit ending in 2028. ZANU-PF's secretary for legal affairs, **Patrick Chinamasa**, labelled Geza's remarks as "treasonous," claiming they undermined party unity and state authority.² Geza's expulsion was ratified by the politburo following a recommendation from the party's disciplinary committee.

Geza's opposition aligns with broader resistance to Mnangagwa's alleged bid to extend his rule to 2030 through constitutional amendments. Critics argue this move echoes former president **Robert Mugabe's** (1987-2017) authoritarian legacy, violating term limits enshrined in the 2013 constitution. Geza was expelled together with other ZANU-PF members, including members of parliament (MPs) **Benjamin Ganyiwa** and **Godwin Gomwe**, as the party enforces strict discipline to suppress factionalism.³

While Geza's expulsion reflects internal party strife, the arrest Mhlanga on 24 February, highlights the regime's external repression. Mhlanga, a reporter for **Alpha Media Holdings' Heart and Soul TV**, was detained under Zimbabwe's **Cyber and Data Protection Act** for interviewing Geza in November 2024 and January 2025. The charges allege he transmitted "data messages inciting violence" by broadcasting Geza's critiques.⁴

¹ The Herald, 6 Mar 2025

² New Zimbabwe, 6 Mar 2025

³ Harare Post, 6 Mar 2025

⁴ Newsday, 25 Feb 2025

International media rights groups and civil society organisations such as **South Africa-based Centre for Human Rights, Committee to Protect Journalists (CPJ)** and **International Federation of Journalists (IFJ)**, have noted the absurdity of charging Mhlanga instead of Geza, whose remarks were the basis of the alleged crimes.⁵ A **Harare** magistrate denied Mhlanga bail on 28 February, claiming his release would “*jeopardize investigations*” and incite unrest.⁶ His legal team argued this violates constitutional rights to due process. CPJ and IFJ have condemned the arrest as an assault on press freedom, urging Zimbabwe to uphold its commitments to democratic norms.⁷

The twin crackdowns on Geza and Mhlanga reveal a regime increasingly intolerant of scrutiny with Mhlanga’s detention seen as a move to intimidate the media into self-censorship. The expulsion and arrest mark a pivotal moment in Zimbabwe’s political trajectory as the silencing of Geza and Mhlanga epitomises a regime clinging to power through fear and might open pockets of unrest as dissenters unite. Zimbabwe’s human rights record is tainted and clampdowns on dissent further risk isolation of the country.

Zimbabwe’s two-decade-long economic decay—hyperinflation, unemployment, and poverty—has left citizens distressed and Geza’s critiques resonated with disillusioned war veterans and a faction of ZANU-PF loyalists, amplifying fears of a broader revolt.

IMF engages Zimbabwe further on return to SMP

The **International Monetary Fund (IMF)** confirmed it is working on defining the key parameters and modalities for Zimbabwe to return to a **Staff Monitored Programme (SMP)** which it needs to stabilise the economy and re-engage with the international community on the arrears clearance and debt resolution process. An IMF mission visited Harare between 30 January and 13 February, after which it announced it was in discussions for the SMP.⁸ An SMP is an informal agreement between country authorities and the IMF staff to monitor the implementation of the authorities’ economic programs. It does not entail financial assistance.

Zimbabwe requested an SMP in 2023 to support efforts to durably attain macroeconomic stability, building on policy recommendations from the **2024 Article IV** consultation. The SMP’s success could pave the way for debt relief and renewed access to global financial markets, both vital as Zimbabwe is grappling with hyperinflation, currency instability, and \$14 billion in external debt arrears.

In its statement released after the mission visit, the IMF emphasised Zimbabwe’s urgent need for fiscal discipline, structural reforms, and improved governance to restore macroeconomic stability and unlock international financial support. The IMF mission acknowledged Zimbabwe’s “*progress in some reform areas*” but stressed that “*decisive actions are needed to address deep-seated challenges*.”⁹ The IMF stated that discussions to define the key parameters and modalities of the program would focus on four main areas:

- Adjusting the fiscal position to avoid recourse to monetary financing and new areas and building foundations for a durable fiscal consolidation;
- Fiscal risks residing off-budget (including from the operations of the **Mutapa Investment Fund**);
- The effectiveness of the monetary policy framework for the ZiG;
- Reforms to strengthen economic governance.

⁵ Newsday, 3 Mar 2025

⁶ Zimlive, 28 Feb 2025

⁷ Newsday, 5 Mar 2025

⁸ The Herald, 14 Feb 2025

⁹ The Herald, 14 Feb 2015

A SMP offers Zimbabwe a roadmap to stabilise its economy, but success hinges on consistent implementation. While the government has pledged to meet the IMF's conditions, scepticism persists given decades of policy missteps. As the IMF mission concluded, "*Zimbabwe's economic recovery is within reach, but requires unwavering reform discipline and inclusivity.*"

The IMF previously implemented a 15-month SMP in Zimbabwe which concluded in 2016, and another 10-month SMP in 2019.¹⁰ Despite clearing its 15-year outstanding debt arrears with the IMF amounting to \$108m in 2016, Zimbabwe remains ineligible to receive new IMF loans until it clears arrears with other international financial institutions and bilateral creditors.

RBZ tightens policy with focus on zig stability and forex retention

The **Reserve Bank of Zimbabwe (RBZ)** (central bank) has unveiled a series of monetary policy measures aimed at stabilising the gold-backed Zimbabwe Gold (ZiG) currency, managing inflationary pressures, and addressing foreign exchange shortages. These changes come amid ongoing economic challenges, including high inflation, liquidity constraints, and reliance on the **United States (US)** dollar. In a **2025 Monetary Policy Statement (MPS)** unveiled on 6 February, RBZ governor **John Mushayavanhu** maintained the benchmark interest rate at 35%, marking the second consecutive hold since December 2024.¹¹

The decision to hold interest rates reflects a balancing act between curbing inflation - which surged to 10.5% monthly in January 2025 before drastically falling to 0.5% in February - and supporting economic growth.¹² Interest rates remain sharply lower than the 2023 peak of 200%, a reduction initially aimed at stimulating borrowing but later reversed due to currency instability. Mushayavanhu also introduced measures aimed at further stabilising the ZiG currency which continued to face volatility, particularly on the parallel market.

Introduced in April 2024 to replace the hyperinflation-weakened Zimbabwean dollar, the ZiG is backed by a composite basket of foreign currency, gold, and precious metals valued at approximately \$550m as of January 2025. Despite initial optimism, the ZiG has faced significant depreciation pressures. By February 2025, its parallel market value had plummeted to 60% of its original April 2024 rate, while the official rate stabilised at ZiG26.40/\$1 following a 43% devaluation in September 2024.¹³

To bolster confidence, the RBZ introduced a US dollar-denominated deposit facility, allowing exporters to invest surrendered ZiG proceeds (5% of export earnings) and withdraw them at prevailing interbank rates. However, the limited adoption of the ZiG - 80% of transactions remain US dollar-denominated - undermines its utility. In a contentious move aimed at boosting foreign exchange reserves, the RBZ reduced the foreign currency retention threshold for exporters from 75% to 70% effectively forcing exporters to surrender 30% of earnings at the official exchange rate, up from 25% previously.

Exporters, particularly miners, have criticised the policy with the **Chamber of Mines** having advocated for 80–100% retention to offset rising operational costs such as power tariff hikes. While the 2023 policy allowed miners to retain 75%, the latest cut exacerbates profitability challenges, pushing some toward informal forex markets.¹⁴

Simultaneously, the central bank is pressuring the informal sector, estimated to hold \$2.5 billion in cash, to channel transactions through formal banking channels. New licensing rules mandate

¹⁰ Xinhua, 21 Jul 2023

¹¹ Reuters, 6 Feb 2025

¹² The Herald, 27 Feb 2025

¹³ Bloomberg, 13 Feb 2025

¹⁴ Newswire, 6 Feb 2025

businesses to have functional bank accounts and POS systems, aiming to reduce revenue leakages.

While the RBZ projects a 6% GDP growth in 2025, driven by agriculture and improved terms of trade, structural hurdles persist with over 80% of transactions being US dollar-based, weakening demand for the ZiG. On the other hand, scepticism also remains over the ZiG's long-term viability, given past currency failures and fiscal overspending. While the new policy measures may offer short-term relief to authorities, sustainable recovery hinges on deeper structural reforms, debt resolution, and restoring confidence in the ZiG.

Planner

15 Mar 2025 **Harare (Zimbabwe)** **Southern African Development Community (SADC)** and the **European Union (EU)** convene a ministerial partnership dialogue

28 Mar 2025 **Harare (Zimbabwe)** **Reserve Bank of Zimbabwe (RBZ)** (central bank) **Monetary Policy Committee (MPC)** decision

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 Mar 2025 **Harare (Zimbabwe)** *The Zimbabwe Mail*. The **Southern African Development Community (SADC)** and the **European Union (EU)** are set to convene a ministerial partnership dialogue on 15 March in Harare focusing on key areas including peace and security, human and sustainable development, climate change, trade, and investment;

9 Mar 2025 **Washington (United States of America)** *The Sunday Mail*. Energy and power development minister, **July Moyo** says Zimbabwe is ready to welcome investments in coal production from the **United States** after it recently announced a major shift in its energy policy to allow fossil fuel use;

9 Mar 2025 **Harare (Zimbabwe)** *The Sunday Mail*. In a bid to increase gold deliveries in 2025, particularly from artisanal miners, state-owned **Fidelity Gold Refinery (FGR)** has lowered the threshold to qualify for a 5% incentive to 500 grammes from 20kg;

7 Mar 2025 **Moscow (Russia)** *The Herald*. Foreign minister, **Amon Murwira** and his Russian counterpart, **Sergey Lavrov** sign an agreement on countering unilateral sanctions, strengthening their economic and political ties amid growing international restrictions;

7 Mar 2025 **Harare (Zimbabwe)** *The Herald*. President **Emmerson Mnangagwa** meets with a delegation from **India's Vardhaan Lithium** who express interest in investing in Zimbabwe's mineral resources through exploration in the lithium-rich district of **Bikita (Masvingo Province)**;

7 Mar 2025 **Harare (Zimbabwe)** *The Herald*. Zimbabwe is awaiting a decision on its application to join **BRICS**, with foreign minister **Amon Murwira** reaffirming the country's commitment to meeting the necessary requirements for membership;

6 Mar 2025 **Harare (Zimbabwe)** *Newswire*. **RioZim**, once one of Zimbabwe's biggest gold producers, says it is in the final stages of discussions with new investors and lenders paving the way for a change in ownership of operations that were once part of **Australia-**headquartered mining giant **Rio Tinto**;

5 Mar 2025 **Harare (Zimbabwe)** *CNBC Africa*. Agricultural minister **Anxious Masuka** says tobacco sales are expected to increase by 21%, to 280 million kilograms, in 2025 as the country recovers from drought;

3 Mar 2025 **Harare (Zimbabwe)** *Newswire*. **Akribos Wealth Managers**, an asset management firm with ties to local businessman **Kuda Tagwirei**, has made a significant investment in **OK Zimbabwe Limited** making it the tenth-largest shareholder in the supermarket giant, holding a 2% stake;

3 Mar 2025 **Harare (Zimbabwe)** *Zimbabwe Mail*. The **Zimbabwe Exemption Permit Holders Association (Zepha)** urges government to expedite a voluntary repatriation programme, citing increasingly intolerable conditions for many of its members living in **South Africa**;

2 Mar 2025 **Harare (Zimbabwe)** *New Zimbabwe*. Zimbabwe and **Zambia** sign two memoranda of understanding (MoU) on military cooperation and training and a staff exchange programme;

2 Mar 2025 **Harare (Zimbabwe)** *Zimbabwe Mail*. **Zimplats**, a unit of **South Africa's Impala Platinum**, says platinum group metal (PGM) production volumes declined by 15% to 279 890 ounces in the half-year period to 31 December, with the decrease attributed to various production challenges;

28 Feb 2025 **Harare (Zimbabwe)** *Bloomberg*. **Reserve Bank of Zimbabwe (RBZ)** (central bank) governor **John Mushayavanhu** says Zimbabwe has ample dollars to supply demand and assures the country that it does not have a currency “*problem*”;

28 Feb 2025 **Harare (Zimbabwe)** *Newsday*. Miner and crocodile farmer, **Padenga Holdings** has announced that it will list slightly over 253 million new ordinary shares to acquire the remaining 49,9% stake in gold mining company, **Dallaglio Investments Private Limited**;

27 Feb 2025 **Harare (Zimbabwe)** *Miningmx*. **South Africa**-headquartered **Impala Platinum (Implats)** says it would like a meeting with President **Emmerson Mnangagwa** to discuss foreign exchange retention rules that are making it harder for Implats to invest in Zimbabwe;

27 Feb 2025 **Harare (Zimbabwe)** *Newsday*. The **World Bank** says that the finance ministry and the **Reserve Bank of Zimbabwe (RBZ)** (central bank) exchange rate policy distortions cost the market \$4.5 billion between 2020 and 2023;

20 Feb 2025 **Harare (Zimbabwe)** *The East African*. **European Union (EU)** removes **Zimbabwe Defence Industries** from its sanctions list but maintains its arms embargo;

18 Feb 2024 **Harare (Zimbabwe)** *Newsday*. **Environmental Management Agency (EMA)** grants **Australian** energy firm **Invictus Energy Limited** an environmental social impact assessment approval to begin gas production at its **Cabora Bassa Project**;

17 Feb 2025 **Harare (Zimbabwe)** *Moneyweb*. Zimbabwe's largest retailer, **OK Zimbabwe**, calls for government to float the ZiG currency in a bid to offer stability and restore the formal retail sector's competitiveness;

13 Feb 2025 **Harare (Zimbabwe)** *Engineering News*. State-owned **Kuvimba Mining House** CEO **Trevor Barnard** says the company is seeking to raise \$950m to develop lithium, platinum and gold assets;

12 Feb 2025 **Harare (Zimbabwe)** *Newsday*. A parliamentary report shows Zimbabwe's power deficit now sits at 1,560 MW as state-owned power utility **ZESA Holding's** foreign debt obligations continue to grow;

11 Feb 2025 **Harare (Zimbabwe)** *Bloomberg*. Finance minister **Mthuli Ncube** says the country, which has been locked out of global capital markets since 1999 after defaulting on its debt, needs to restructure its \$21 billion debt and regain access to credit lines before it can adopt the ZiG as its sole currency;

9 Feb 2024 **Harare (Zimbabwe)** *Newswire*. President **Emmerson Mnangagwa** says the **United States (US)** is punishing **South Africa** for pursuing its national interests, drawing parallels with Zimbabwe's own long-standing tensions with the US;

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