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AFRICA RISK CONSULTING

Zimbabwe Monthly Briefing August 2026

Zimbabwe Summary 11 August 2026

A month after President Emmerson Mnangagwa (2017-present) signed Constitutional Amendment No. 3 into law, Zimbabweans appear to have moved on quickly from one of the most consequential changes to the political system since independence. Finance minister Mthuli Ncube presents the Mid-Term Budget Review, depicting an economy that appears considerably more stable than it has been for much of the past decade but still requires stronger reforms to consolidate economic gains. The International Monetary Fund (IMF) urges Zimbabwe to use its improving fiscal position to prepare for the looming El Niño-induced drought. Zimbabwe engages France and the United Kingdom to take a leading role in efforts to resolve the country's external debt arrears while Treasury works domestically to restructure government obligations and reduce the pressure of debt repayments on the budget.

Constitution amendment faces little resistance among Zimbabweans

A month after President **Emmerson Mnangagwa** (2017-present) signed **Constitutional Amendment No. 3** into law, Zimbabweans appear to have moved on quickly from one of the most consequential changes to its political system since independence. The amendment extends Mnangagwa's tenure from 2028 to 2030, extends presidential and parliamentary terms from five to seven years and replaces the direct election of the president by voters with a system under which parliament chooses the head of state.

Opposition parties and civil society have argued that the changes undermine democratic accountability and effectively allow Mnangagwa, now 83, to remain in office for another two years. However, the nationwide shutdown and protests that opposition parties and civil society groups had threatened on 2 August failed to generate widespread disruption, while businesses reopened and traffic returned to the streets. Even with a heavy police presence, the capital gradually resumed normal operations. Opposition parties have rather opted to challenge the amendment in the constitutional court.

Mnangagwa has described the passage of Amendment No. 3 as evidence that Zimbabwe's democracy is "*maturing*", attributing its adoption to peace, unity and national cohesion. Zimbabwe's ruling **ZANU-PF** has governed continuously since independence in 1980, and beneath the appearance of political normality, the constitutional change could represent a profound restructuring of power. The removal of a direct presidential contest further reduces the role of voters in determining who occupies the country's most powerful political office. It also shifts greater power towards parliament and, by extension, towards the political party capable of controlling it.

Political analyst **Stephen Chan** has described it as the beginning of an "*authoritarian party state and an oligarchic party state*", arguing that a wealthy business elite has become increasingly influential within ZANU-PF. A group of politically connected businessmen who have provided financial support to the ruling party and politicians widely drove and supported the constitutional changes. Against this background, the 2 August lack of events may actually reflect limited capacity to mobilise, the state's ability to contain protest, and political fatigue after years of economic and political crisis.

Going forward, it appears Zimbabwe has turned into a political system in which ZANU-PF's dominance becomes increasingly institutionalised, presidential power becomes less directly accountable to voters, and a small group of politically connected elites gains greater influence over the direction of the state.

Budget review shows economy stabilising but reforms needed to strengthen gains

Finance minister **Mthuli Ncube** presented the **Mid-Term Budget and Economic Review** on 30 July, depicting an economy that appears considerably more stable than it has been for much of the past decade but still requires stronger reforms to consolidate economic gains.

The strongest gains have been on the macroeconomic front. Inflation averaged 4.2% during the first half of 2026, marking a significant improvement from Zimbabwe's history of severe price instability. The exchange rate has also become more stable, while fiscal discipline has been maintained and the current account remains in a surplus of $616.3m. The government expects the economy to expand by 5% this year, following growth of 8.3% in 2025.

Other indicators point in the same direction, as foreign currency earnings have strengthened, exports are expanding, and foreign direct investment rose from $597m in 2024 to $965m in 2025. Manufacturing is projected to grow by 5.2% this year, while agriculture is expected to expand by 6.9%. Mining remains a major source of growth and foreign exchange, with lithium exports reportedly increasing by almost 230% during the first half of 2026, earning $782.2m.

However, macroeconomic stability is only the first stage of economic development, as while the country made meaningful progress in restoring macroeconomic stability, the harder task is now converting that stability into higher productivity, industrialisation and sustainable improvements in living standards. Government needs to transform increased production and mineral revenues into a more diversified and productive economy.

Rising lithium and other mineral exports are generating foreign exchange, but the government's strategic objective is to move beyond extraction and basic beneficiation towards deeper value chains, including mineral processing, battery chemicals, manufacturing and mining-related technology.

Zimbabwe is therefore aiming to move from a stabilisation agenda to a productivity agenda and has targeted investing in reliable power and transport infrastructure, strengthening vocational and Science, Technology, Engineering, and Math (STEM) education, expanding access to long-term industrial finance and accelerating digital infrastructure and technological adoption.

...as IMF urges $275m buffer against looming drought

The **International Monetary Fund (IMF)** has urged Zimbabwe to use its improving fiscal position to prepare for another major economic shock, the expected **El Niño**-induced drought, advising the country to save part of its stronger-than-expected revenue collections rather than spend the entire windfall.

The warning came in the IMF's first review of Zimbabwe's 10-month **Staff-Monitored Programme**, published on 27 July, which found that fiscal performance through March was stronger than expected, supported by robust revenue collection and conservative budget execution. The country recorded a $371m primary cash surplus in the first quarter, about $320m above the programme target, while revenue collections exceeded expectations by approximately $560m.

The IMF now projects Zimbabwe's 2026 revenue at $10.3 billion, equivalent to about 16% of GDP, but rather than using the additional revenue to expand spending, the IMF wants the government to maintain expenditure within the approved budget and build a fiscal buffer of at least $275m.

The IMF is concerned that a potentially strong El Niño event in late 2026 and early 2027 could severely affect agricultural production, food availability and economic growth. Such a shock would simultaneously reduce government revenues while forcing the state to spend more on grain imports and support for vulnerable households. Building the $275m buffer would give the country room to respond quickly to food shortages without accumulating new arrears or diverting money from priority social programmes.

The recommendation also highlights a broader dilemma facing Zimbabwe. The government's improved fiscal position reflects stronger economic activity, higher VAT and customs collections, increased personal income tax and improvements in tax administration, but the IMF cautions that stronger revenues should not automatically translate into higher expenditure.

At the same time, Zimbabwe must improve the quality of its spending. The country missed its protected social and priority spending target by $84m in the first quarter, affecting programmes including the **Basic Education Assistance Module** and agricultural support.

Zimbabwe turns to France and UK to unlock debt resolution

Zimbabwe is pursuing a two-track strategy to escape its debt crisis, as it engages **France** and the **United Kingdom (UK)** to take a leading role in efforts to resolve the country's external debt arrears while **Treasury** works domestically to restructure government obligations and reduce the pressure of debt repayments on the budget. Zimbabwe has been shut out of conventional international financing since accumulating large external arrears and defaulting in 1999. Restoring relations with official creditors is central to its efforts to regain access to concessional funding and eventually international capital markets.

France and the UK have agreed to co-chair a new **Debt Consultative Group (DCG)** under the country's **Structured Dialogue Platform**, a development expected to accelerate engagement with international creditors and support efforts to restore access to concessional finance. France and the UK's involvement also provides an important bridge between Zimbabwe and its **Western** creditors. The process involves the **Paris Club** and other official creditors, with Zimbabwe seeking a comprehensive restructuring that can ultimately support the clearance of arrears owed to institutions including the **World Bank**, **African Development Bank (AfDB)** and **European Investment Bank (EIB)**.

Zimbabwe's total public and publicly guaranteed debt rose modestly to $21.8 billion at the end of 2025 from $21.5 billion a year earlier, and the country plans to resolve approximately $2.7 billion in external arrears targeted under the current debt resolution framework.

A domestic restructuring effort is accompanying the external debt process as Treasury is seeking to lengthen the maturity profile of government debt and reduce the concentration of repayments falling due over the short term. Treasury has also indicated that the government is moving away from the practice of borrowing to finance routine budget expenditure, marking an important shift after years in which fiscal pressures and limited access to external financing encouraged greater reliance on domestic borrowing.

Zimbabwe's challenge is to ensure that debt restructuring is accompanied by sustained fiscal discipline as the IMF's recent assessment of the country's SMP has highlighted improvements in fiscal performance, but creditors will ultimately want evidence that these reforms can be maintained.

France's ambassador to Zimbabwe, **Paul-Bertrand Barets**, said he was looking forward to co-chairing, alongside the UK Ambassador and the Zimbabwean authorities. The involvement of

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France and the UK also represents an important diplomatic opportunity for Zimbabwe. If the process produces a credible arrears-clearance agreement, Zimbabwe could move closer to ending its financial isolation.

Planner

Sep 2026 **Harare (Zimbabwe) Reserve Bank of Zimbabwe (RBZ)** (central bank) **Monetary Policy Committee (MPC)** decision

Nov 2026 **Harare (Zimbabwe)** 2027 national budget presented

28 May 2027 **(South Africa)** Expiry of special residence permits for **Zimbabweans** living in South Africa

Chronology

10 Aug 2026 **Harare (Zimbabwe)** *Reuters.* **Jersey**-headquartered **Caledonia Mining,** which operates **Blanket** mine in Zimbabwe, reports a 16% increase in second-quarter profit after higher gold prices helped offset lower grades and output;

10 Aug 2026 **Harare (Zimbabwe)** *Herald.* Treasury secretary **George Guvamatanga** says the government will no longer borrow to finance budget support or consumption, with all future loans set to be channelled exclusively towards revenue-generating infrastructure projects capable of repaying themselves;

7 Aug 2026 **Harare (Zimbabwe)** *Newzwire.* **Victoria Falls Stock Exchange** CEO **Justin Bgoni** says the **United States (US)** dollar-denominated stock exchange plans to increase its market value by 25% over the next year to $5 billion as it rolls out new products, including a venture board to help junior mining and exploration companies raise capital;

4 Aug 2026 **Harare (Zimbabwe)** *Zimlive.* **United Kingdom (UK)** names career diplomat **Gill Lever,** who was deputy ambassador to **Nigeria**, as its new ambassador to Zimbabwe, replacing **Peter Vowles**, who moves in the opposite direction to become high commissioner to Nigeria;

4 Aug 2026 **Matabeleland (Zimbabwe)** *Chronicle.* **United Kingdom**-headquartered **Kavango Resources** commences commissioning of its newly installed 50-tonne-per-day processing plant at the **Hillside Gold Project**, marking the transition from mine development to operational testing;

4 Aug 2026, **Harare (Zimbabwe)** *Zimbabwe Mail.* The **African Development Bank (AfDB)** says Zimbabwe's strong gold sector and diversified mineral resource base are expected to cushion the economy against the global economic fallout from the escalating conflict in the **Middle East**;

3 Aug 2026 **Harare (Zimbabwe)** *Zimbabwe Mail.* Zimbabwe's foreign currency receipts increase sharply during the first six months of 2026 by 47.8% to $10.72 billion compared to the same period in 2025, highlighting stronger export performance, resilient diaspora inflows and a significant recovery in foreign direct investment (FDI);

3 Aug 2026 **Harare (Zimbabwe)** *Herald.* **South African** headquartered clothing retailer, **Edgars Stores Limited**, has resolved to voluntarily delist from the **Victoria Falls Stock Exchange (VFEX),** barely two years after joining the foreign currency-denominated bourse;

2 Aug 2026 **Harare (Zimbabwe)** *Al Jazeera*. Harare remains largely calm despite a nationwide shutdown call against Zimbabwe's recent constitutional amendments, with a heavy police presence deterring protests while businesses gradually re-open;

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2 Aug 2026 **Harare (Zimbabwe)** *Zimbabwe Mail.* State-owned airline **Air Zimbabwe** reschedules one of its newly reinstated **Harare–London Gatwick (United Kingdom)** services after an operational delay;

1 Aug 2026 **Harare (Zimbabwe)** *Zimlive.* Treasury has moved to defend the **Office of the President and Cabinet (OPC)** after its 2026 mid-term budget and economic review statement showed the office had spent 143% of its full-year allocation by the end of June, insisting the figure does not reflect OPC's own operational spending or a budget overrun;

31 Jul 2026 **Harare (Zimbabwe)** *Herald*. **Chamber of Mines of Zimbabwe** president **Fungai Makoni** says the mining industry is projected to grow by an average of 10% in 2026, with mineral exports expected to rise to $11 billion from $8.5 billion last year, driven by increased production and firm global commodity prices;

31 Jul 2026 **Harare (Zimbabwe)** *Newzwire.* Zimbabwe significantly lowers regulatory barriers to private electricity generation by removing licensing requirements for commercial power plants with a generating capacity of up to 10 MW, while also exempting companies generating electricity solely for their own consumption from obtaining generation licences;

30 Jul 2026 **Harare (Zimbabwe)** *Newzwire.* Leading mobile financial services platform, **EcoCash**, launches a new app allowing Zimbabweans abroad to pay a wide range of local expenses, including school fees, electricity bills, airtime and data purchases, media subscriptions, merchant payments and other household obligations;

30 Jul 2026 **Harare (Zimbabwe)** *Newsday.* Zimbabwe's largest beverages manufacturer, **Delta Corporation**, registers a 23% growth in revenue and a 14% rise in volumes for the three months ended 30 June, after higher consumer spending, improved liquidity and stronger demand across its alcoholic and non-alcoholic beverage portfolio lifted sales;

27 Jul 2026 **Harare (Zimbabwe)** *Zimbabwe Mail*. The ZiG-denominated inflation rate continues its downward trajectory in July, easing to 3.2% from 4,.% in June, reinforcing signs that the local currency is gaining greater price stability amid ongoing monetary policy efforts to anchor inflation expectations;

25 Jul 2026 **Harare (Zimbabwe)** *Herald*. **Hwange Colliery Company Limited (HCCL)** commissions its rehabilitated $8m coke oven battery with an initial production capacity of 18,000 tonnes of metallurgical coke per month, marking the resumption of coke production for the first time since 2014;

24 Jul 2026 **Harare (Zimbabwe)** *Mining Zimbabwe.* Local financial institutions commit $125m in syndicated financing to support the expansion of state-owned **Mutapa Gold Resources**, marking one of the largest locally arranged mining funding packages in the country's history;

23 Jul 2026 **Harare (Zimbabwe)** *Zimlive.* State-controlled **Mutapa Energy Resources (MER)** confirms a 39.9 million-tonne lithium resource at **Sandawana Mine**, with the estimate covering only 30% of the company's 3,800-hectare mining claim;

23 Jul 2026 **Harare (Zimbabwe)** *Zimlive.* State-owned **National Railways of Zimbabwe (NRZ)** says it has partnered with **Beitbridge Bulawayo Railway (BBR)** to send the first 1,000 metric tonnes of lithium concentrate from **China**-headquartered **Tsingshan Holding Group**'s **Gwanda Lithium Mine** to **Maputo** port in **Mozambique** by rail, expanding logistics options for the battery mineral;

17 Jul 2026 **Harare (Zimbabwe)** *Zimbabwe Mail.* **RZM Murowa**, operator of the **Murowa Diamonds** mine in **Zvishavane**, is placed under voluntary corporate rescue, invoking a

statutory moratorium that freezes all pending litigation, asset attachments and debt executions against the diamond miner;

15 Jul 2026 **Harare (Zimbabwe)** *Newsday.* **Chinese**-backed **Shuntai Cement** launches a new 6,000 tonnes per day integrated cement plant that will commence commercial operations in September 2026, following a $200m investment in the plant as well as a 50MW solar power plant to provide clean energy for the factory;

13 Jul 2026 **Harare (Zimbabwe)** *Zimbabwe Mail.* Food and beverage manufacturer, **Dairibord Holdings Limited,** announces that shareholders controlling more than 51% of the company's issued ordinary shares have entered negotiations with an unnamed third party for the potential sale of a controlling stake;

11 Jul 2026 **Harare (Zimbabwe)** *Africanews*. Hundreds of undocumented migrants are returning from **South Africa** to Zimbabwe following a wave of anti-migrant protests, while South African authorities warn that weak border security along the **Limpopo River** continues to enable irregular crossings;

About Africa Risk Consulting:

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