

THE WAVERLEY SERIES

ZIMBABWE

An Insight of Investment, Trade and Economy

September 2026

For Advisory & Partnership

LORD WAVERLEY

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ZIMBABWE — AT A GLANCE

Capital	Harare
Population	≈ 17.3–17.7 million
Real GDP growth	Estimates for 2025 vary substantially by source, ranging from roughly 6.0% to 7.5%, up from 1.7-2.0% in 2024, led by an agricultural rebound and higher global mining prices; 2026 projections range from around 4.3% to 5.0% depending on the source
Inflation	Fell into single digits in early 2026, the first time since 1997, a genuinely historic macroeconomic milestone; the IMF projects an average of around 8.0% for 2026
Currency	Zimbabwe Gold (ZiG), holding relatively stable at roughly 26-27 per US dollar through 2026, though a parallel-market premium of about 20% persists and the Reserve Bank's own August 2026 assessment put mono-currency readiness at just 50.1%
Public debt	Estimates range from roughly 44.7% to 51.1% of GDP depending on methodology and whether external arrears are included; arrears-clearance talks continue without a verified agreement as of September 2026
Foreign reserves	Risen to a range of roughly USD 950 million to 1.7 billion depending on the measurement date, an improving trend
Unemployment and poverty	Unemployment at 20.4% (27.9% among youth); poverty at 40%; informality affecting 58.5% of workers
Key sectors	Agriculture, mining (gold, lithium, platinum group metals), and tourism (5.7% of GDP, roughly USD 1.2 billion in annual foreign currency receipts)
Governing framework	President Emmerson Mnangagwa (ZANU-PF), in power since the 2017 military removal of Robert Mugabe; re-elected in 2023 in a vote disputed by observers; signed a constitutional amendment on 7 July 2026 extending his term to 2030, lengthening future presidential and parliamentary terms from five to seven years, and replacing direct popular presidential elections with selection by parliament

Zimbabwe's economy has reached a genuine historic milestone: inflation fell into single digits in early 2026 for the first time since 1997. This progress unfolds alongside one of the country's most consequential political transformations in over a decade. On 7 July 2026, President Emmerson Mnangagwa signed a constitutional amendment extending his own term to 2030, lengthening future presidential and parliamentary terms from five to seven years, and eliminating direct popular election of the president in favour of parliamentary selection, changes opposition figures, constitutional lawyers, and even some ZANU-PF-aligned war veterans argue required a national referendum. Investors should weigh Zimbabwe's genuine, historic macroeconomic stabilisation directly against this fundamental restructuring of its political system.

1. INVESTMENT & FDI

A new World Bank report frames Zimbabwe's macroeconomic stabilisation as a genuine opportunity to accelerate job creation, even as FDI remains directed primarily toward extractive sectors.

The World Bank launched its Zimbabwe Growth and Jobs Report on 4 September 2026, titled 'Zimbabwe Must Leverage Macroeconomic Stability to Accelerate Growth and Create 230,000 New Jobs by 2040,' noting that fiscal and monetary discipline brought local currency inflation into single digits for the first time since 1997. The report identifies the central task now as ensuring this stability translates into more and better economic opportunities, specifically calling for addressing infrastructure bottlenecks in power, transport and irrigation, establishing a more predictable business-investment environment, and de-risking and attracting additional private investment. Separately, foreign direct investment inflows are projected to reach \$1.5 billion in 2026, targeting mining concessions, agricultural processing facilities and manufacturing operations, a substantial increase from historical levels.

- **A genuine, historic macroeconomic achievement as the reform foundation:** single-digit inflation for the first time since 1997 represents a real, quantified milestone that the World Bank's own report treats as the necessary precondition for its broader job-creation ambitions.
- **A specific, quantified job-creation target:** the World Bank's 230,000 new jobs by 2040 goal provides a concrete benchmark against which Zimbabwe's success in converting macroeconomic stability into broader economic opportunity can be measured.
- **FDI still concentrated in extractive and processing sectors:** the projected \$1.5 billion in 2026 inflows targeting mining, agricultural processing and manufacturing indicates that international investor interest remains substantially anchored in Zimbabwe's traditional resource-based strengths.
- **A World Bank engagement still constrained by arrears status:** the Bank's own engagement remains limited to technical assistance given Zimbabwe's unresolved external arrears, with successful structural reform implementation identified as the key to unlocking concessional funding lines and external long-term investment.

2. TRADE & BUSINESS

A tourism-sector investment surge and rising mineral exports are strengthening Zimbabwe's external position, even as genuine de-dollarisation progress remains limited.

Tourism investment surged 229% to \$132.3 million in the first half of 2026, up from \$40.2 million in the same period of 2025, in a sector contributing 5.7% of GDP and generating roughly \$1.2 billion in annual foreign currency receipts. The current account surplus reached 4.1% of GDP, supported by remittances, lower imports and mineral exports, while the ZiG currency held relatively stable near 26-27 per US dollar through 2026. However, the Reserve Bank's own assessment, reported on 25 August 2026, put mono-currency readiness at just 50.1%, meaning dollar pricing continues to dominate roughly half the economy or more, with a parallel-market premium of about 20% persisting and US-dollar inflation holding around 3.1% within the dollarised portion of the economy.

- **A genuinely strong tourism investment surge:** the 229% increase in tourism-sector investment represents a substantial, verifiable vote of confidence in one of Zimbabwe's most visible economic sectors, independent of the broader currency and de-dollarisation questions.
- **Real currency stability on its own narrow terms:** the ZiG's relatively steady trading range through 2026 represents a genuine improvement over Zimbabwe's historical currency volatility, even as this stability has not yet translated into broad displacement of dollar usage.

- **Limited progress on de-dollarisation specifically:** the Reserve Bank's own 50.1% mono-currency readiness figure represents an honest, official acknowledgment that the goal of greater local-currency usage remains substantially unmet, a distinction investors should note separately from the currency's headline stability.

3. MAJOR ECONOMIC DEVELOPMENTS

A historic drop in inflation to single digits coincides with one of Zimbabwe's most consequential political transformations in over a decade.

Zimbabwe's ruling ZANU-PF party resolved at its October 2025 annual conference in Mutare to fast-track constitutional changes extending President Mnangagwa's term to 2030, a plan known internally as 'Resolution Number One' or the 'ED 2030' campaign. Cabinet approved the draft legislation in February 2026, including a provision replacing direct popular presidential elections with selection by parliament. The National Assembly passed the bill 216 to 42 on 18 June 2026, and the Senate followed 75 to 4 on 24 June, comfortably exceeding the two-thirds threshold required for constitutional amendments; President Mnangagwa signed the Constitution of Zimbabwe Amendment (No. 3) Act into law on 7 July 2026, extending his term to 2030, lengthening future presidential and parliamentary terms from five to seven years, postponing the next general election from 2028 to 2030, and eliminating direct presidential elections in favour of parliamentary selection. The changes drew sharp criticism from opposition figures including Nelson Chamisa and Tendai Biti, constitutional lawyers, civil society organisations, and even some liberation war veterans and church leaders who had publicly urged Mnangagwa to step down in 2028 as originally scheduled; legal scholars specifically contend that term extensions benefiting a sitting president require a national referendum under the constitution, a step that was not taken. Mnangagwa, 83, came to power after the military ousted Robert Mugabe in 2017, and his 2023 re-election was itself disputed by international observers.

- **A fundamental restructuring of Zimbabwe's political system:** the elimination of direct popular presidential elections in favour of parliamentary selection represents a change of first-order constitutional significance, removing what critics describe as citizens' last direct check over the presidency.
- **A supermajority process bypassing the referendum legal scholars say was required:** the amendment's passage through comfortable parliamentary and Senate majorities, rather than the national referendum that legal experts argue the constitution requires for changes benefiting a sitting president, represents a specific, contested procedural question with direct implications for the amendment's long-term legitimacy.
- **Opposition spanning well beyond conventional political rivals:** criticism from liberation war veterans and church leaders, groups not traditionally aligned with Zimbabwe's opposition, indicates the term-extension push has generated concern extending beyond ZANU-PF's usual political opponents.
- **A genuinely historic inflation milestone achieved in parallel:** single-digit inflation for the first time since 1997 represents real, substantive economic progress occurring simultaneously with, but analytically distinct from, the political changes described above.
- **Persistent structural social challenges:** poverty at 40%, unemployment at 20.4% (27.9% among youth), and informality affecting 58.5% of workers together indicate that macroeconomic stabilisation has not yet translated into broad-based improvements in ordinary living standards.

4. MAJOR PROJECTS & INFRASTRUCTURE

The World Bank's own diagnostic identifies power, transport and irrigation infrastructure as the binding constraints Zimbabwe must address to convert macroeconomic stability into broader economic opportunity.

- **Power, transport and irrigation bottlenecks:** specifically identified in the World Bank's September 2026 Growth and Jobs Report as the priority infrastructure gaps standing between current macroeconomic stability and broader job creation.
- **Domestic lithium refining ambitions:** Zimbabwe continues pushing to refine more of its own lithium domestically, reflecting a broader value-addition and beneficiation strategy for its mineral sector specifically.
- **Regional tourism infrastructure development:** the decision to host the Sanganaï/Hlanganani Tourism Trade Fair in Masvingo Province for the first time, under the government's devolution strategy, reflects a deliberate effort to spread tourism-sector investment and infrastructure attention beyond Zimbabwe's traditional hubs.

5. CONFERENCES, FORUMS & EXHIBITIONS

The 19th Sanganaï/Hlanganani Tourism Trade Fair headlined this month's investment-promotion calendar, alongside a domestic exporters' seminar.

- **19th Sanganaï/Hlanganani Dzimbahwe World Tourism Expo:** held in Masvingo from 9-12 September 2026 and officially opened by President Mnangagwa, this marked the first time the premium travel event was hosted in Masvingo Province, with particular emphasis on adventure tourism and investment opportunities alongside the Great Zimbabwe World Heritage Site.
- **POSB Exporters Seminar:** the People's Own Savings Bank's third annual seminar reflects continued, if smaller-scale, domestic institutional support for export-sector development.

6. BUSINESS & INVESTMENT EVENTS

President Mnangagwa's direct remarks at the tourism trade fair emphasised the sector's surging investment while calling for deeper value chains.

- **Presidential remarks at the tourism expo opening:** Mnangagwa directly highlighted the 229% tourism investment surge and called for stronger value chains to ensure Zimbabwe derives maximum benefit from the sector, framing the country as consolidating its position as a must-visit destination 'despite various global realities.'

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Continued IMF staff-level engagement and unresolved arrears clearance talks define Zimbabwe's most consequential current multilateral financial relationships.

- **IMF:** continued engagement through staff reviews, focused on fiscal discipline, exchange-rate stability and monetary restraint, with the most recent Article IV consultation completed in August 2025, represents Zimbabwe's most substantive current multilateral policy dialogue.
- **World Bank:** engagement remains limited to technical assistance given Zimbabwe's arrears status, with the September 2026 Growth and Jobs Report representing the Bank's most substantive recent analytical contribution.
- **External creditors:** arrears-clearance talks continue without a verified agreement as of September 2026, though improved reserves and mining revenue are reported to be giving Zimbabwe more negotiating room than in prior years.

- **European Union and United States:** both continue providing food aid on humanitarian grounds, representing a modest but continued relationship distinct from the broader sanctions-era estrangement in Zimbabwe's Western relations.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

The World Bank's own diagnostic explicitly calls for a more predictable business environment as essential to converting macroeconomic stability into broader private-sector-led job creation.

The World Bank's Growth and Jobs Report explicitly identifies establishing a more predictable environment for business investment as a precondition for translating Zimbabwe's macroeconomic stability into the 230,000 new jobs targeted by 2040. This ambition rests on a genuinely sound financial-sector foundation: a capital adequacy ratio of 26.7% and non-performing loans at just 3.5%, according to AfDB data, indicating that Zimbabwe's banking sector itself is not the primary constraint on private-sector credit access.

- **A specific, sourced call for business-climate predictability:** the World Bank's explicit identification of predictability, rather than capital availability alone, as the key private-sector constraint suggests that regulatory and policy consistency, not financial-sector weakness, represents the more binding near-term obstacle.
- **A genuinely sound banking-sector foundation:** the strong capital adequacy ratio and low non-performing loan level indicate that Zimbabwe's financial institutions are well-positioned to support expanded private-sector lending once broader business-climate conditions improve.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Tourism, mining concessions, agricultural processing, and lithium beneficiation define Zimbabwe's most actively promoted new investment channels.

- **Tourism sector expansion:** the continued investment surge, alongside the specific call for stronger value-chain development, represents an actively growing and actively promoted investment opportunity.
- **Mining concessions:** specifically identified among the sectors targeted by this year's projected \$1.5 billion in FDI inflows.
- **Agricultural processing facilities:** similarly identified as a specific FDI target sector for 2026.
- **Domestic lithium beneficiation:** Zimbabwe's push to refine more of its own lithium represents a specific, value-addition-focused investment opportunity within its broader mining sector.

SUMMARY ASSESSMENT

Zimbabwe's economy has reached a genuine historic milestone: inflation fell into single digits in early 2026 for the first time since 1997, and the World Bank has responded with a substantive new diagnostic identifying a credible path to 230,000 new jobs by 2040 if the country addresses its infrastructure bottlenecks and business-climate predictability. Tourism investment surged 229% in the first half of 2026, and mining-driven FDI is projected to reach \$1.5 billion this year.

This genuine economic progress unfolds alongside one of Zimbabwe's most consequential political transformations in over a decade. On 7 July 2026, President Mnangagwa signed a constitutional amendment

extending his own term to 2030, lengthening future terms from five to seven years, and eliminating direct popular election of the president in favour of parliamentary selection, changes passed through a parliamentary supermajority rather than the national referendum legal scholars argue was constitutionally required, and condemned by opposition figures, civil society, and even some ZANU-PF-aligned war veterans.

Investors should weigh Zimbabwe's genuine, historic macroeconomic stabilisation directly against this fundamental restructuring of the country's political system, and should note that unresolved external arrears and only 50% mono-currency readiness mean the ZiG's stability, while real, remains a work in progress rather than a fully secured achievement.