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July 2026
Economic Snapshot

07 August 2026

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July 2026 Economic Snapshot

- *Global growth is projected at 3.0% in 2026 and 3.4% in 2027, with the Middle East energy shock partly offset by technology- and AI-led investment.*
- *Sub-Saharan Africa is projected to expand by 4.3% in 2026, while SADC growth is estimated at 2.9%.*
- *Zimbabwe's 2026 real GDP growth forecast remains at 5.0%, supported by mining, agriculture, manufacturing, electricity and infrastructure activity.*
- *Annual ZiG inflation fell to 3.2% in July 2026, while the interbank exchange rate averaged ZiG25.8/US$ during January-July 2026.*
- *The first-half fiscal position recorded a ZiG14.2 billion surplus, with no supplementary budget and no new mid-term fiscal measures.*
- *Mineral export receipts exceeded US$4 billion in the first half, supported by high prices despite mixed production performance.*
- *June exports rose to US$1.4 billion and imports reached US$1.2 billion, producing a US$239.6 million trade surplus.*
- *The ZSE All Share Index gained 73% in the first half, while the VFEX All Share Index rose 49%.*

1. Global Economic Review & Outlook

The global economy remained resilient through July 2026, but performance was uneven. The IMF projects global growth at 3.0% in 2026 and 3.4% in 2027, below the 3.5% average recorded in 2024–2025. The Middle East conflict weakened growth prospects for energy-importing and vulnerable economies, while accelerated investment and demand linked to artificial intelligence, supported countries integrated into technology value chains. Global headline inflation is projected to rise from 4.1% in 2025 to 4.7% in 2026 before easing to 3.9% in 2027, signalling that the disinflation process has stalled. Risks remain tilted to the downside through renewed conflict, supply-chain disruption, trade fragmentation, commodity-price volatility and potential financial-market re-pricing. For Zimbabwe, the principal transmission channels are fuel and fertiliser costs, mineral prices, trading-partner demand, remittances, freight costs and external financing conditions.

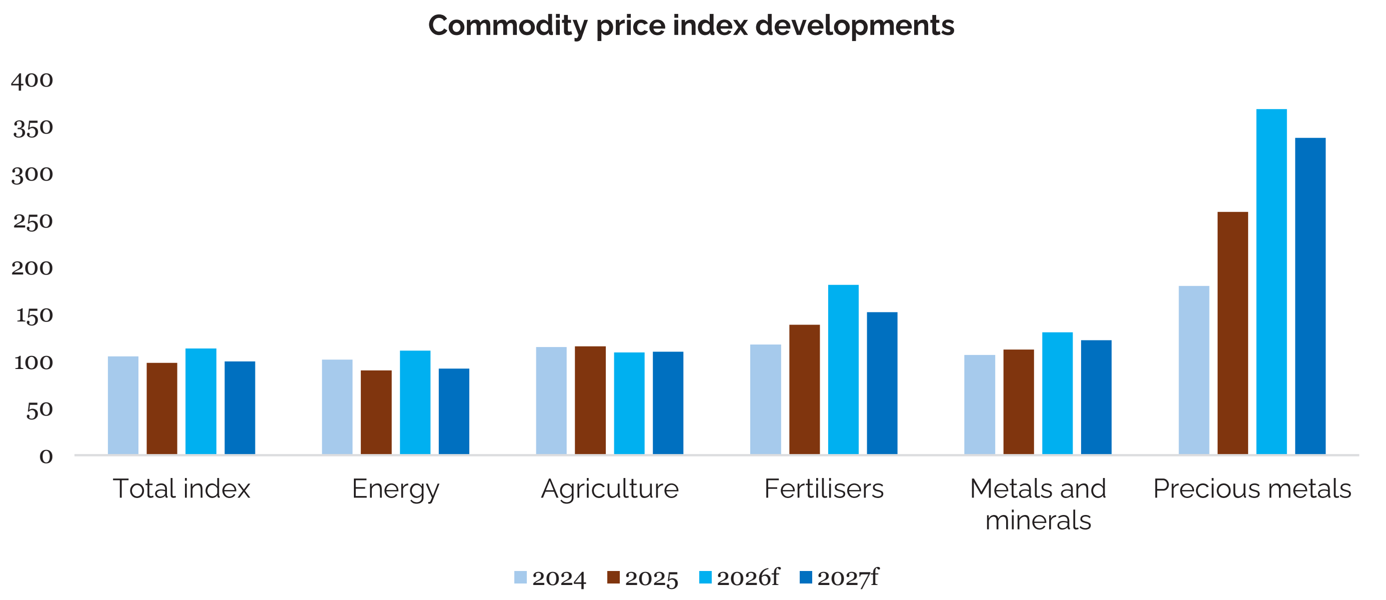
Global growth estimates and projections (%)

Economy	2024	2025	2026f	2027f	2028f	2029f
World	3.5	3.5	3	3.4	3.2	3.2
Advanced economies	1.9	1.9	1.7	1.8	1.7	1.6
United Kingdom	1	1.4	1	1.3	1.6	1.6
United States	2.8	2.1	2.3	2.2	2.1	1.9
Euro area	1	1.4	0.9	1.2	1.4	1.2
Emerging markets and developing economies	4.5	4.5	3.8	4.5	4.2	4.1
China	5	5	4.6	4.1	4	3.7
India	7.1	7.7	6.4	6.7	6.5	6.5
Sub-Saharan Africa	4.2	4.5	4.3	4.5	4.5	4.7
Nigeria	4.1	4	4.1	4.3	4.1	4.2
South Africa	0.5	1.1	1.1	1.3	1.5	1.7

Source: IMF World Economic Outlook Update, July 2026; 2027 Budget Strategy Paper; FBC Holdings Research.

2. Commodity Market Review & Outlook

Commodity markets were dominated by the energy shock and unusually high precious-metal prices. The World Bank projects average commodity prices to rise by 16% in 2026, including a 24% increase in energy prices. Brent crude oil is forecast to average about US$86 per barrel, with an upside risk range of US$95-US$115 if disruptions intensify. Fertiliser prices are expected to rise sharply, while average base-metal and precious-metal prices are projected to reach record highs. Monthly data nevertheless show some moderation after the initial shock: the energy index fell 17.7% in June, Brent declined 20.6%, and precious metals eased 9.2%. Zimbabwe therefore faces a mixed terms-of-trade effect: elevated gold, PGM and lithium prices strengthen receipts, but high fuel and fertiliser prices raise production, transport and food costs.



Source: World Bank Commodity Markets Outlook, April 2026; 2027 Budget Strategy Paper; FBC Holdings Research.

3. Sub-Saharan Africa Economic Review and Outlook

Sub-Saharan Africa's economy is projected to grow by approximately 4.3% in 2026, following a growth rate of 4.1% in 2025. The expansion reflects improved macroeconomic stability, easing inflation in several economies and firmer activity in commodity-exporting and reforming economies. Higher energy, fertiliser and freight costs are however, eroding the gains of net importers, while debt-service burdens, reduced concessional flows, climate shocks and weak infrastructure continue to constrain fiscal space. Regional performance remains highly differentiated. Economies with stronger reserves, credible policy frameworks and diversified exports are better placed to absorb shocks. For Zimbabwe, stronger regional integration under SADC and the AfCFTA can widen markets, but benefits depend on reliable power, efficient borders, standards compliance and competitive domestic production.

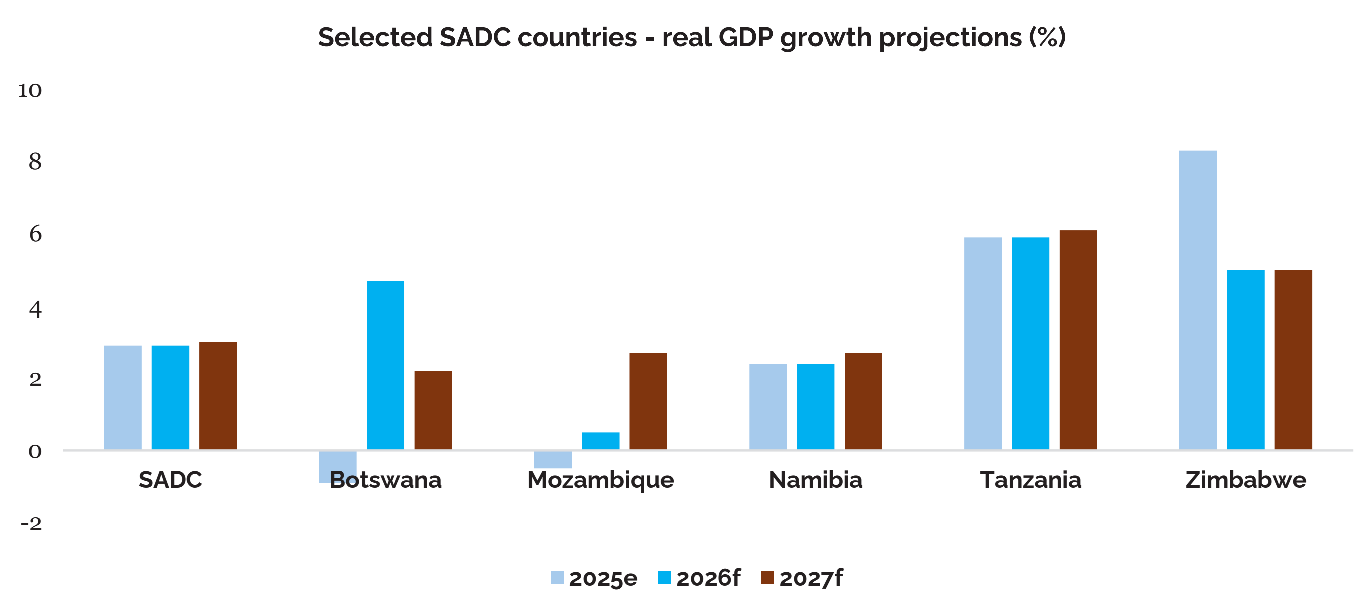
Selected Sub-Saharan African economies: real GDP growth (%)

Economy	2025	2026f	2027f
Sub-Saharan Africa	4.5	4.3	4.5
Fuel exporters	4	3.7	4
Nigeria	4	4.1	4.3
Angola	3.1	2.3	2.6
Middle-income countries	3.6	3.5	3.7
South Africa	1.1	1	1.3
Mauritius	3.1	3.4	3.4
Zambia	3.8	4.3	4.7
Low-income countries	6.8	6.5	6.3
Ethiopia	9.2	9.2	7.9
Tanzania	5.9	5.9	6.1
Uganda	6.7	7.5	8.2

Source: World Bank, FBC Holdings Research

4. SADC - Select Countries Economic Review and Outlook

Zambia's growth is expected to remain comparatively strong, underpinned by copper production, agriculture and improving power supply, but debt and exchange-rate risks persist. Mozambique's outlook is supported by LNG-related investment and extractive industries, while fiscal pressures and security risks remain material. Botswana faces weaker diamond-market conditions, while Namibia benefits from mining, logistics and energy investment. Zimbabwe's 5.0% projection places it above the SADC average, but its performance remains highly sensitive to commodity prices, rainfall, electricity availability and policy credibility.

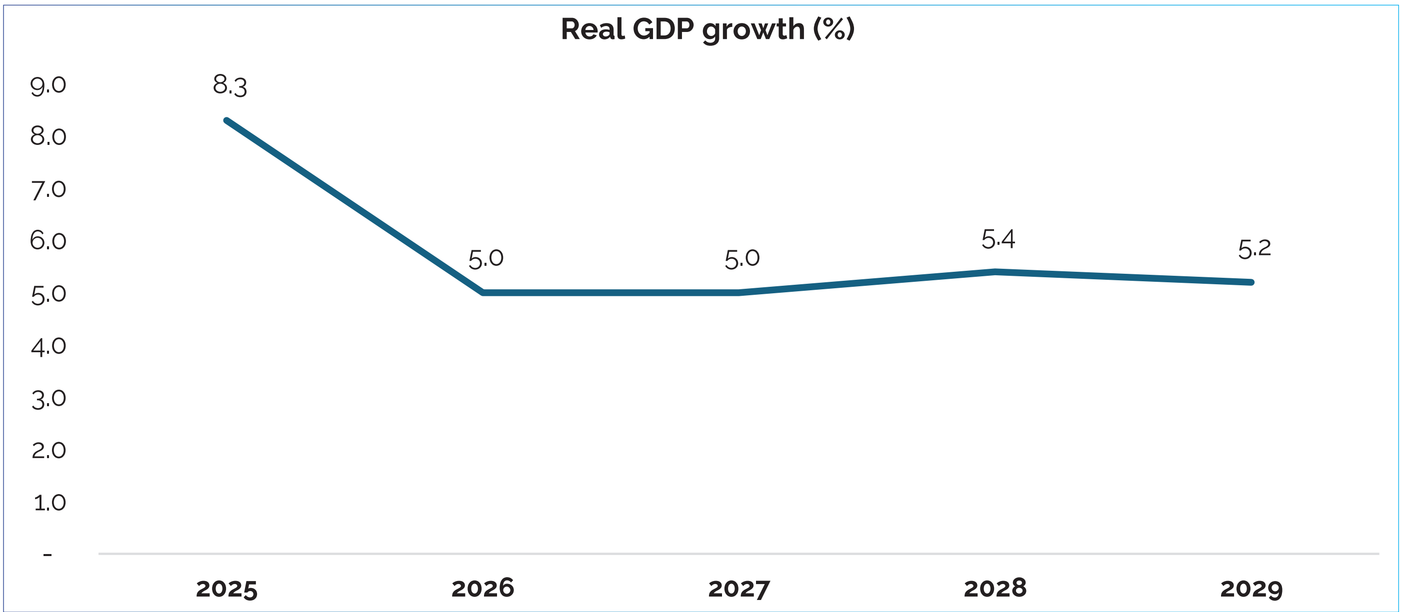


Source: IMF WEO July 2026, FBC Holdings Research

5. Zimbabwe Economic Review and Outlook

5.1 General Economic Review

Zimbabwe's real GDP growth is projected at 5.0% in 2026, supported by agriculture, mining, manufacturing, electricity generation, construction and tourism. Macroeconomic conditions improved during the first half as inflation moderated, the exchange rate remained broadly stable, foreign-currency receipts strengthened, and fiscal outturns remained within the approved framework. The recovery is nonetheless vulnerable to high power and logistics costs, thin reserve cover, public debt and arrears, high levels of informalisation, climate risks and dependence on a narrow range of mineral exports. The policy task is to convert stabilisation into investment, productivity, formal employment and broader value addition.

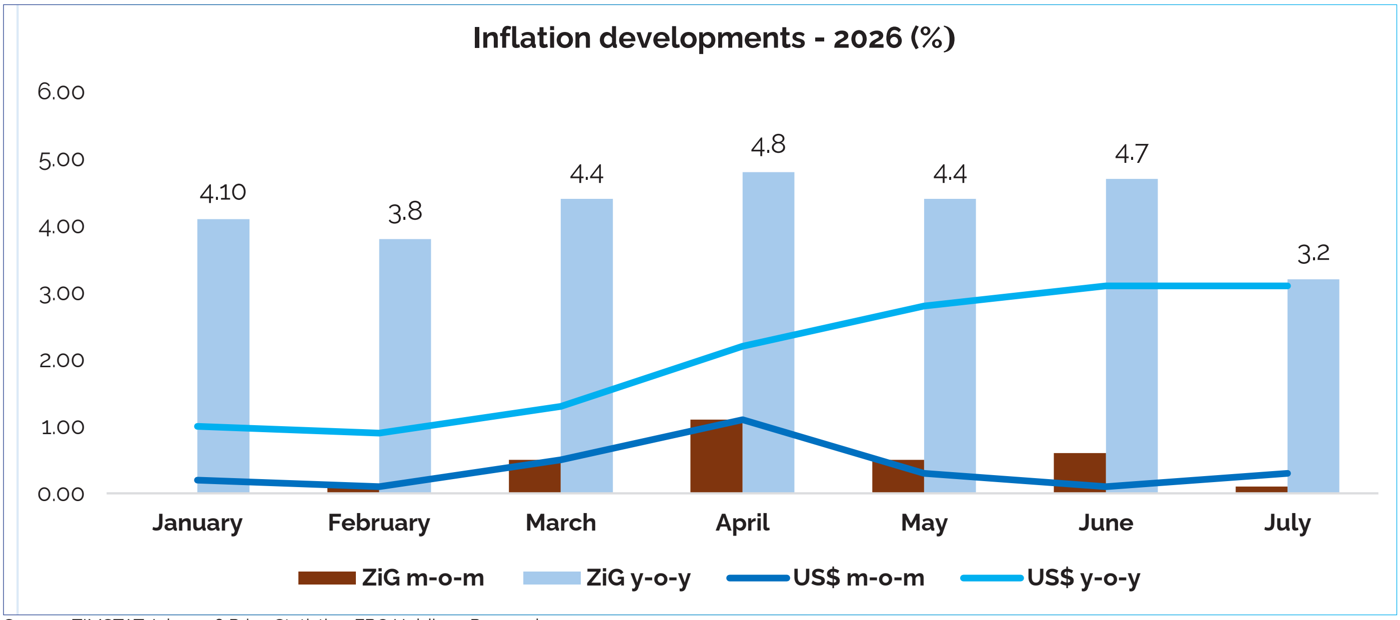


Zimbabwe Medium-Term Macroeconomic Framework					
Indicator	2025	2026	2027	2028	2029
Real GDP (ZiG million)	1,550,523.30	1,628,588.30	1,709,982.00	1,802,842.90	1,896,465.20
Government Revenue (% of GDP)	14.4	16.5	17.2	17.7	18.4
Government Expenditure (% of GDP)	14	16.7	17.6	18.2	19.5
Overall fiscal balance (% of GDP)	0.4	-0.2	-0.5	-0.5	-1.1

Source: Ministry of Finance, Economic Development and Investment Promotion.

5.2 Monetary Sector Developments: Inflation & Exchange-Rate Dynamics

Inflationary pressures moderated further in July, reinforcing the prevailing low-inflation environment. Annual ZiG inflation declined to 3.2% from 4.7% in June, while month-on-month inflation eased to 0.1% from 0.6%. In the US dollar segment, inflation stood at 0.3% month-on-month and 3.1% year-on-year, with weighted annual inflation also declining to 3.2%. For the first half of the year, average annual ZiG inflation was 4.4%, reflecting the combined effects of prudent monetary management, fiscal discipline and broad exchange rate stability. The continued moderation in inflation supports the case for a gradual normalisation of monetary policy. The policy position however, should remain data-driven, given the potential for fuel, food, electricity and imported input costs to generate renewed inflationary pressures.



Source: ZIMSTAT July 2026 Price Statistics; FBC Holdings Research

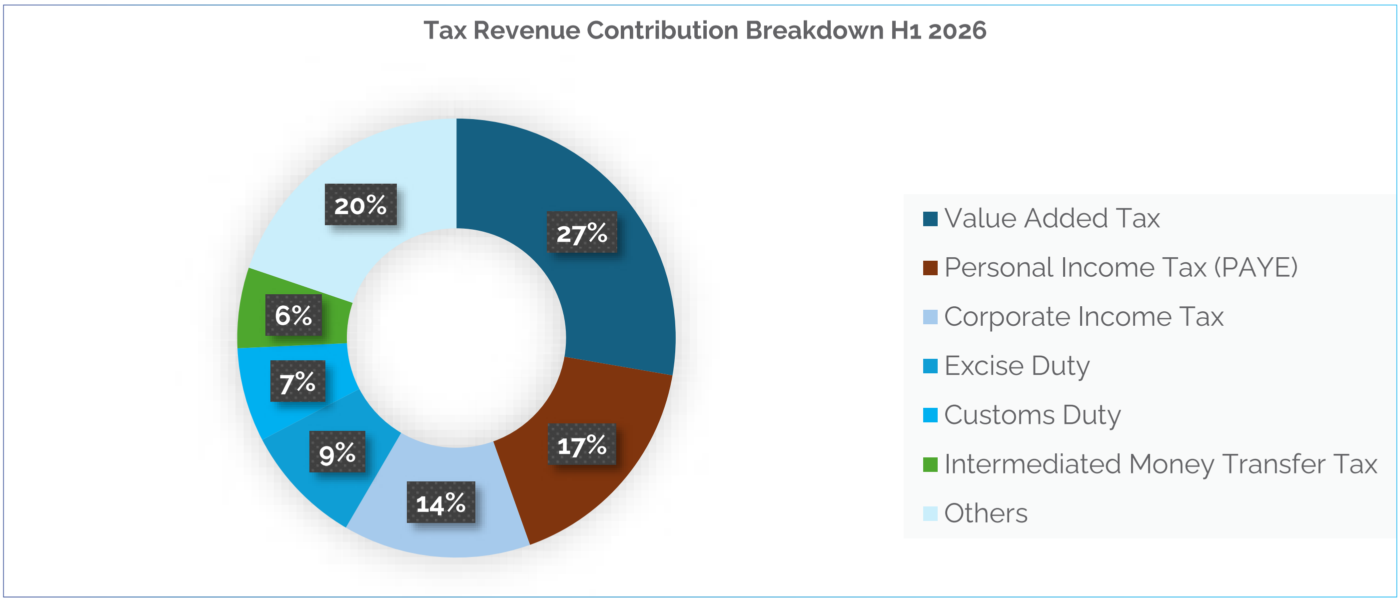
5.3 2026 Mid-Term Budget Highlights

5.3.1 2026 Fiscal Framework

The 2026 National Budget framework broadly remains in place. Treasury did not table a supplementary budget and maintained the commitment to a contained deficit, cash-budgeting discipline and prioritised expenditure. The mid-term position emphasises expenditure reprioritisation, improved revenue administration, protection of high-impact infrastructure and social programmes, and avoidance of de-stabilising central-bank financing.

5.3.2 Tax Revenue Contribution Breakdown

Tax revenue remained the dominant source of public income during the first half. The main contributors were VAT, personal income tax, corporate income tax, excise duties, customs duties, mining royalties and other taxes on goods and services. VAT and income taxes continued to anchor collections, while mining-related revenues benefited from higher mineral prices and stronger export earnings. The composition highlights both the resilience of the formal tax base and the need to broaden compliance in a highly informal economy, without over-burdening productive activity.

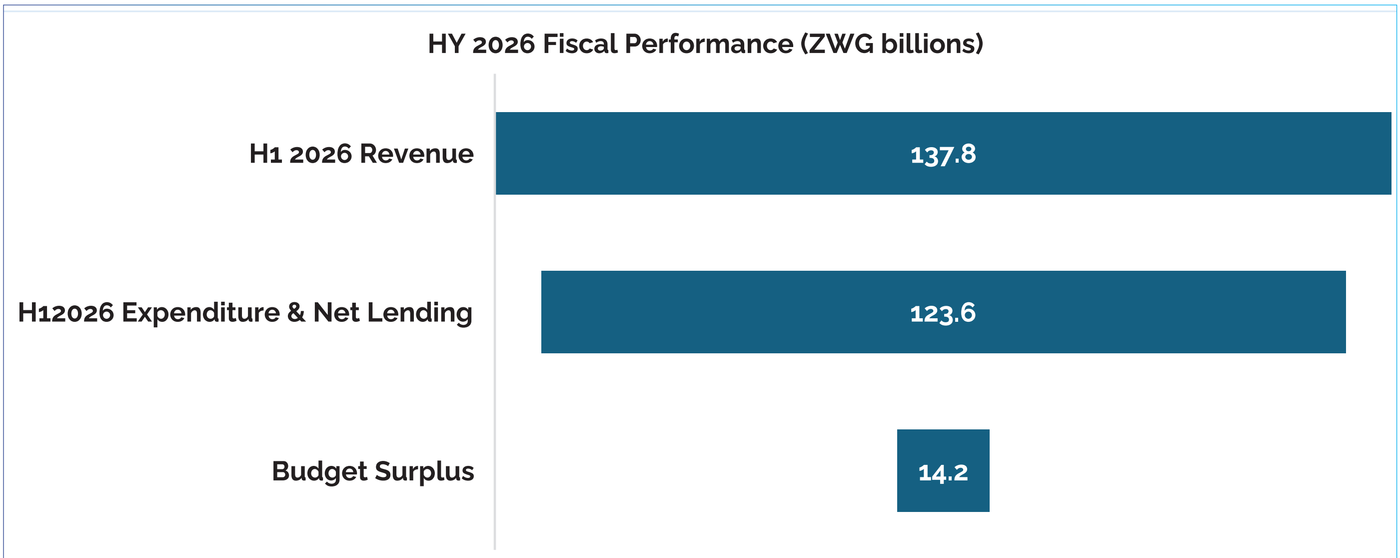


Source: Ministry of Finance, Economic Development & Investments Promotion

5.3.3 Half-Year 2026 Budget Position

During January–June 2026, revenue and grants were sufficient to cover expenditure and net lending, producing an estimated fiscal surplus of ZiG14.2 billion. The surplus reflected firm tax collections, expenditure controls and sequencing of capital outlays.

The result provides a buffer for the second half, when agricultural support, infrastructure execution, debt service and social-sector spending typically accelerate.



Source: Ministry of Finance, Economic Development & Investments Promotion

5.3.4 General Fiscal Position - No New Measures

The Mid-Term Review introduced no new tax measures. Treasury's approach is to improve compliance and administration, contain non-priority spending, enhance procurement discipline and accelerate execution of already-approved programmes. This reduces near-term policy uncertainty for businesses, although fiscal risks are still prevalent from the wage bill, public-enterprise support, climate-related expenditure, debt service and infrastructure financing needs.

5.4 Real Sector Developments

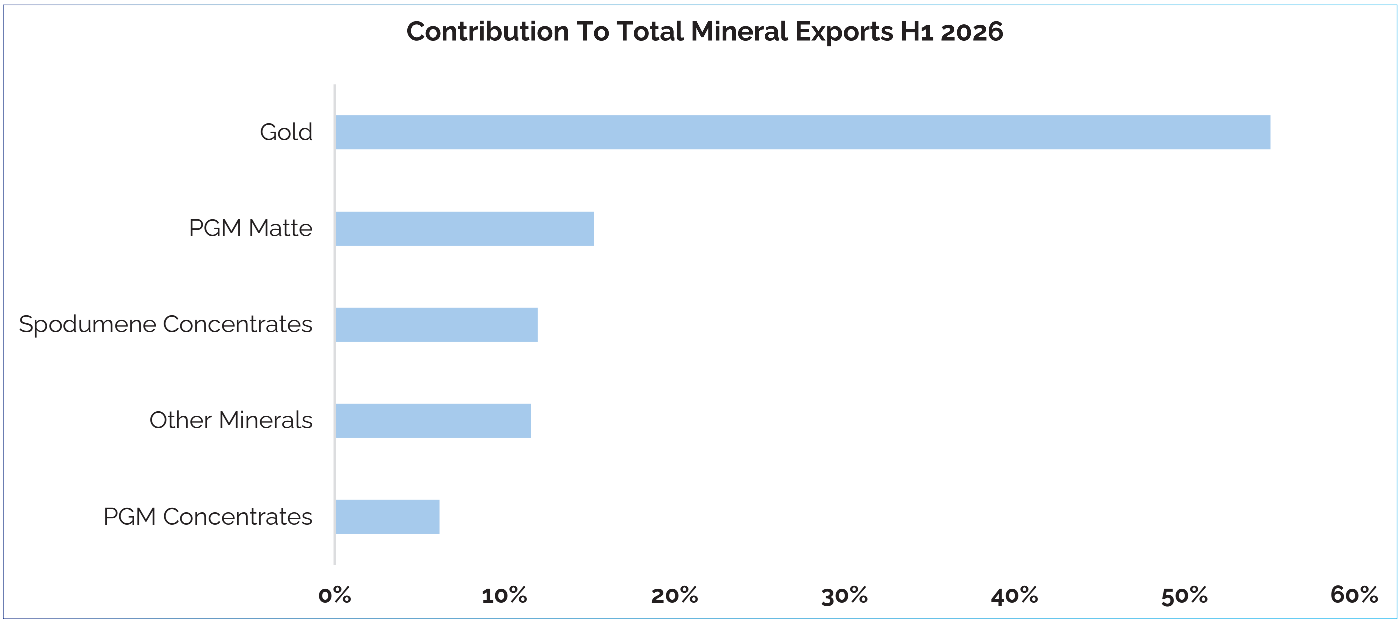
5.4.1 Mining Sector

Mining production and export projections - 2026

Mineral	H1 2026 performance	2026 full-year projection	Export earnings / contribution	Outlook and main drivers
Gold	21.39 tonnes, up 5.2% from 20.34 tonnes in H1 2025; artisanal and small-scale miners supplied about 70%.	55.6 tonnes, revised up from the initial 50-tonne target and above 50 tonnes in 2025.	Approximately US$3.1–US$3.2 billion in H1; about 56% of total H1 mineral receipts; semi-manufactured gold was 40.5% of June exports.	High safe-haven prices, investment by major producers and strong small-scale deliveries support the upside, although the H1 run-rate implies a demanding second-half target.
Platinum group metals	Production was subdued in Q1 by prolonged maintenance at a major smelter; Q1 volumes included platinum 3,807 kg, palladium 3,116 kg, rhodium 331 kg, iridium 195 kg and ruthenium 272 kg.	Modest increase from 2025 levels; industry estimates point to about 5% growth as smelter operations normalise.	US$1.2 billion in H1, up 74.1%; PGM matte US$859.1 million and PGM concentrate US$347.6 million.	Recovery depends on smelter availability, ore grades and power reliability. Higher prices and greater matte production should support earnings despite softer early-year volumes.
Lithium products	Total lithium-product receipts US$782.2 million, up 229.8%; spodumene output 520,940 tonnes, down 11.1%; lithium sulphate exports commenced in April 2026.	Lithium concentrate output projected at 2.1 million tonnes, 3% below the 2.2 million tonnes recorded in 2025.	Spodumene US$671.7 million; lithium sulphate about US$73.2 million; combined lithium receipts US$782.2 million.	Lower concentrate volumes are being offset by stronger realised prices and movement into lithium salts. Processing capacity at Arcadia, Kamativi and Bikita is central to the second-half outlook.
Coal	Output strengthened as thermal-power and coking demand improved; coke exports reached about US$102.0 million and coal exports US$13.2 million.	8.1 million tonnes, approximately 24% above 2025 output of 7.2 million tonnes.	Direct coal exports remain small, but coke and domestic power-generation linkages increase the sector's economic contribution.	Growth is supported by thermal-power demand, revival of mining houses and stable coking-coal demand. Rail capacity and power-station payment cycles remain key constraints.
Chrome and ferrochrome	High-carbon ferrochrome production was 65,365 tonnes in Q1; H1 ferrochrome exports earned about US$161.3 million and chrome concentrate about US$60.5 million.	Processed chrome output is expected to increase as raw-ore exports remain restricted..	Combined disclosed H1 chrome-chain receipts exceeded US$221 million.	The outlook is positive for smelted products, but competitiveness depends on electricity tariffs, furnace availability, logistics and predictable enforcement of beneficiation rules.
Nickel and nickel mattes	Nickel mattes represented 22.2% of Zimbabwe's June exports; production remained exposed to operational and processing constraints.	No official tonnage projection disclosed; gradual recovery is expected with improved plant availability.	A major June export contributor.	International nickel prices, smelter uptime, ore supply and the critical-minerals policy will determine performance.
Diamonds	H1 export receipts were approximately US$43.3 million.	No official 2026 carat projection disclosed in the latest available information.	About 1.7% of the US$2.532 billion MMCZ-marketed mineral basket.	Results depend on recovered grades, auction timing, traceability, market conditions and investment in exploration and processing.
Iron and steel	Steel exports generated about US$137.0 million in H1.	Output expected to expand as the integrated steel complex at Manhize ramps up.	Approximately 5.4% of MMCZ-marketed H1 mineral receipts.	Ramp-up could deepen mining–manufacturing linkages and substitute imports, but requires reliable electricity, rail and raw-material supply.

Source: Ministry of Finance, Economic Development and Investment Promotion; MMCZ; FBC Holdings Research

The sector's 2026 real-growth forecast was revised to 5.6%, compared with 10.4% growth in 2025; the 2027 strategy framework projects mining and quarrying growth of 5.4%. The latest sector reporting places total H1 mineral export earnings at approximately US$5.73 billion, comprising about US$3.2 billion from gold and US$2.532 billion marketed through the Minerals Marketing Corporation of Zimbabwe. Excluding gold and silver, H1 mineral exports increased by 84.7% year-on-year.



Source: Fidelity Gold Refineries; FBC Holdings Research

Production and Earnings Assessment

Gold: Gold remains the dominant production and foreign-currency anchor. H1 deliveries of 21.39 tonnes were only 38.5% of the revised 55.6-tonne annual target, meaning roughly 34.2 tonnes would be required in H2. The target therefore assumes a strong seasonal acceleration, sustained high prices, continued formal deliveries by artisanal and small-scale miners and uninterrupted refinery and payment arrangements. At approximately US$3.1 - US$3.2 billion, gold contributed more than half of total mineral receipts in the first half.

PGMs: The earnings rebound was price-led and beneficiation-led rather than volume-led. PGM matte and concentrate together generated approximately US$1.21 billion, broadly matching Treasury's reported US$1.2 billion total. The second-half production recovery depends on completion of smelter maintenance and stable electricity. A greater share of matte relative to concentrate would raise value retained locally and improve receipt per exported tonne.

Lithium: The lithium outlook is transitioning from volume growth to value growth. Despite an 11.1% decline in spodumene volumes and a projected 3% decline in annual concentrate output, H1 receipts more than tripled. The first lithium-sulphate exports demonstrate early gains from domestic chemical processing. The main execution risk is whether processing plants can ramp up rapidly enough to absorb concentrate previously destined for export.

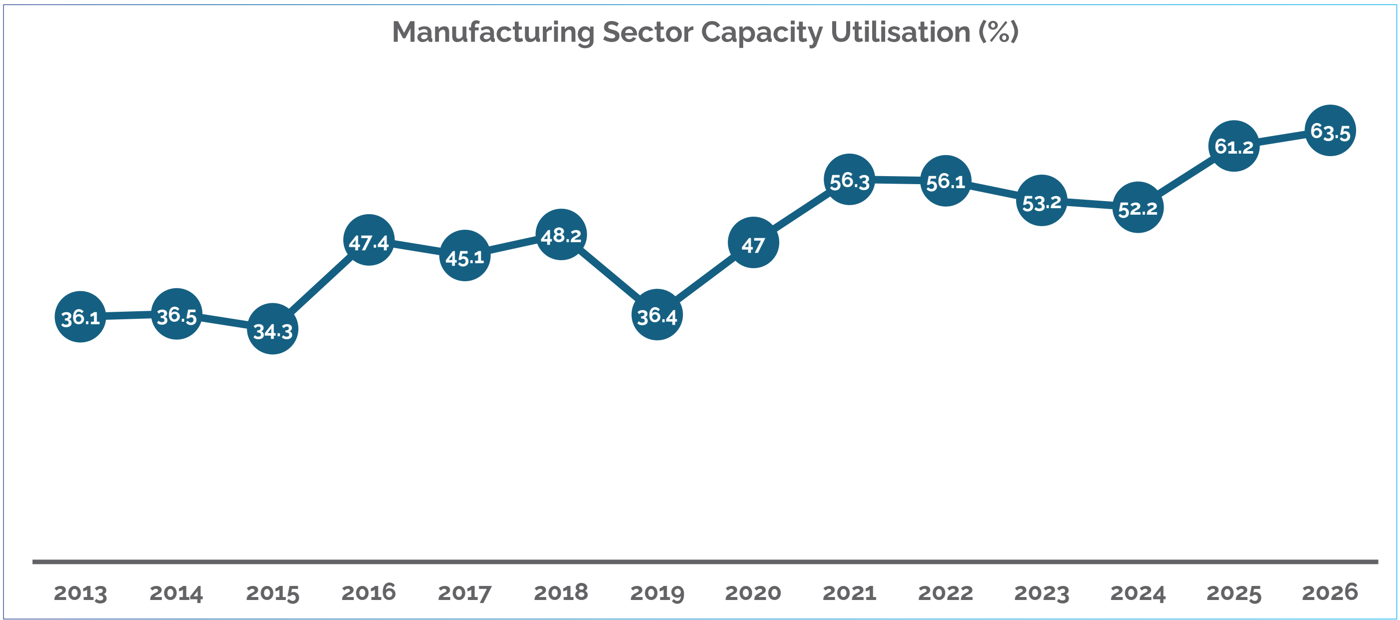
Bulk minerals and metals: Coal, coke, chrome, ferrochrome and steel should record stronger volumes as power-generation demand, smelter activity and the Manhize steel complex expand. These products are however, freight and electricity intensive. Rail rehabilitation, predictable power tariffs, captive generation and streamlined border logistics will determine whether projected output translates into competitive exports.

2027 Strategic Direction and Key Risks

The H2 2026 and 2027 mining strategy prioritises beneficiation of gold, lithium, PGMs, chrome, iron and steel, and coal; expanded geological mapping and exploration; full operationalisation of the Mining Cadastre Information Management System; stronger security of tenure; and tighter environmental safeguards, including mine-closure plans, rehabilitation and digital monitoring. The principal downside risks are weaker precious-metal prices in 2027, electricity shortages, rail and border bottlenecks, policy uncertainty, delayed mining-title processing, inadequate long-term capital and a mismatch between export restrictions and domestic processing capacity. The upside lies in high-value mineral intermediates, lithium salts, PGM refining, steel production and captive renewable power.

5.4.2 Manufacturing Sector

Manufacturing is expected to strengthen as macroeconomic stability, agricultural recovery, mining-linked demand and improved electricity supply support production. Capacity utilisation was estimated at 61.2% in 2025 and is expected to have improved to 63.5% in 2026. The 2027 strategy framework projects manufacturing growth of 4.8%, premised on value addition, technology-driven productivity gains and ease-of-doing-business reforms. Key policy initiatives include further capitalisation of the Industrial Development Fund, possible alignment with the Targeted Finance Facility, special economic-zone implementation, local-content development and expansion of agro-processing, fertiliser, steel, metal fabrication, leather, textiles and pharmaceuticals. Persistent constraints are power reliability, obsolete equipment, expensive long-term finance, logistics costs and uneven competition from informal and imported products.



Source: Ministry of Finance, Economic Development & Investments Promotion; FBC Holdings Research

5.4.3 Financial Sector Developments

The banking sector remained stable and adequately capitalised, while deposits and digital transactions continued to expand. Broad Money Supply reached ZiG141.1 billion in May 2026, up 31% year to date. Foreign currency deposits accounted for 80.5% whilst local currency deposits accounted for 19.41% of the total money supply. The Financial Sector Development Strategy 2026-2030 now places greater emphasis on interoperable payment systems, financial inclusion, digitalisation and diversified capital markets. Treasury also intends to resume auction-based issuance of Treasury bills and bonds under the stable inflation and exchange-rate environment, supporting competitive price discovery and development of a domestic yield curve. The opportunity is to convert improving confidence into longer-tenor savings and productive credit while preserving prudent liquidity and asset-quality management.

5.4.4 External Sector Developments: January-June 2026 External Trade Statistics

June 2026 External Trade Snapshot	
Indicator	June 2026 outcome
Exports	US$1.4 billion, up 63.1%; driven by semi-manufactured gold (40.5%), nickel mattes (22.2%) and tobacco (2.8%)
Imports	US$1.2 billion; machinery (24.0%), fuels and oils (19.5%), vehicles (6.2%), iron and steel articles (4.5%) and electrical machinery (4.0%)
Trade balance	US$239.6 million surplus, a 223% improvement from May's US$194.7 million deficit
Main export destinations	UAE 40.5%, South Africa 30.7%, China 21.1%, Hong Kong 1.3%, Mozambique 1.3%
Main import sources	South Africa 30.6%, China 17.8%, Hong Kong 10.4%, Bahrain 5.9%, Mozambique 4.8%, Bahamas 4.7%

Source: Zimbabwe Statistics Agency (Zim Stats); FBC Holdings Research

The June surplus significantly strengthened the first-half external position. Export concentration however, remains high, with gold, nickel and other minerals dominating receipts and the UAE, South Africa and China accounting for most demand. Imports are weighted toward productive capital equipment and essential fuel, but the high import intensity of industry exposes the economy to exchange rate and commodity price shocks. Diversification into processed minerals, manufactured goods, horticulture and services are central to external resilience.

Record Receipts and Surplus Generation

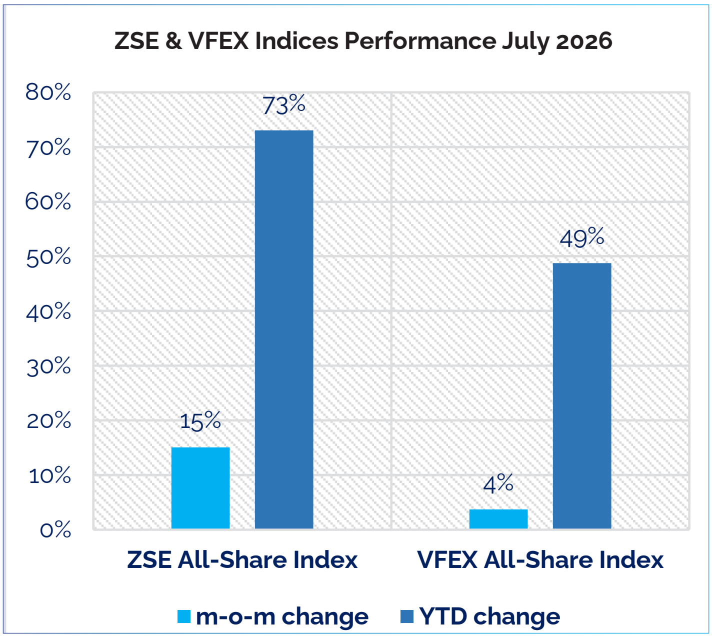
Foreign currency receipts increased by 47.8% to a record US$10.72 billion in the first half of 2026. Export proceeds of US$7.53 billion contributed 70.3% of the total and grew by 90.7%. Diaspora remittances rose 41.4% to US$1.55 billion, while foreign direct investment more than doubled to US$269.9 million. These gains more than offset weaker NGO inflows and private-loan proceeds.

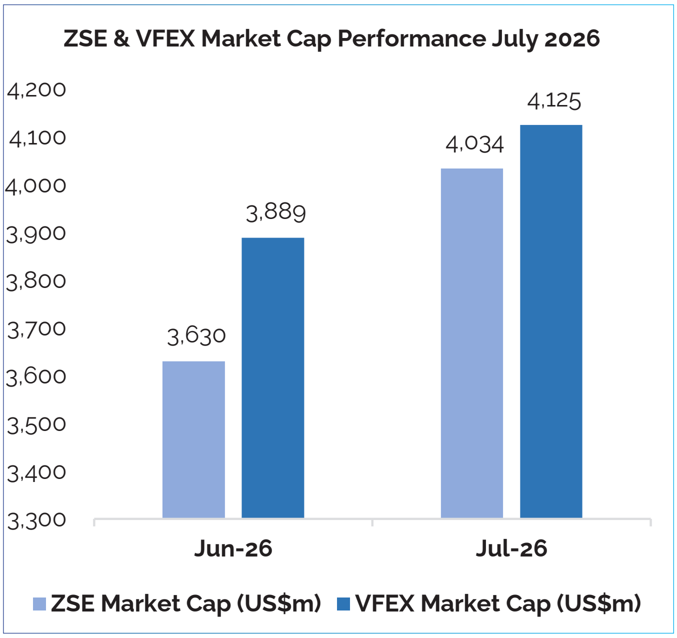
Merchandise exports rose 41.6% to US$4.45 billion in January - May, outpacing import growth of 28.6%. The current account shifted into a material surplus, reported at about US$616 million. This indicates that export and transfer inflows were sufficient to fund goods and services imports while permitting reserve accumulation - an important strengthening of the economy's capacity to absorb external shocks.

Type of Receipt (US$m)	Remittance Categories	Jan - Jun 2025	% Contribution	Jan - Jun 2026	% Contribution	YoY % Δ
Export Proceeds		3,949.80	0.55	7,532.70	0.70	0.91
International Remittances	Diaspora Remittances	1,093.80	0.15	1,546.40	0.14	0.41
	NGOs	550.10	0.08	296.60	0.03	- 0.46
Loan Proceeds (Private)		1,472.90	0.20	984.90	0.09	- 0.33
Income from Foreign Investments		65.40	0.01	88.90	0.01	0.36
Foreign Direct Investment		119.00	0.02	269.90	0.03	1.27
TOTAL		7,251.00	1.00	10,719.40	1.00	0.48

Source: Zimbabwe Statistics Agency (Zim Stats); FBC Holdings Research

5.4.5 Capital Market Developments





Source: Zimbabwe Stock Exchange Holdings; FBC Holdings Research

Capital Markets

Zimbabwe's equity market maintained its positive momentum into July, with the Zimbabwe Stock Exchange (ZSE) ranking among Africa's stronger-performing equity markets. Market performance continued to benefit from declining inflation, relative exchange rate stability and improved domestic investor participation. At the same time, the Victoria Falls Stock Exchange (VFEX) continued to strengthen its position as Zimbabwe's principal United States dollar-denominated capital market, offering investors access to equities, REITs, exchange-traded funds (ETFs) and debt securities.

A significant development for the capital market is the migration of Old Mutual Limited's secondary listing from the ZSE to the VFEX, with trading scheduled to commence on 12 August 2026, subject to final regulatory processes. The return of this blue-chip counter follows a six-year suspension imposed in 2020 over concerns regarding the use of fungible shares to derive an implied exchange rate. Prior to its suspension, Old Mutual was one of the ZSE's largest and most liquid counters, forming part of the All Share, Top 10 and Financial Indices.

The migration is expected to materially enhance the depth and attractiveness of the VFEX by increasing market capitalisation, improving liquidity and price discovery, broadening investment opportunities and strengthening the exchange's appeal to both domestic and international investors. The listing will also serve as an important milestone in assessing the VFEX's capacity to accommodate large, highly liquid securities.

Market expectations are that PPC Limited, the remaining fungible counter yet to resume trading in Zimbabwe following its 2020 suspension, could pursue a similar migration to the VFEX. The April 2026 joint ZSE–VFEX Practice Note has significantly simplified the migration process for secondary listings by streamlining regulatory requirements. Should PPC proceed, the transaction would further deepen market liquidity, broaden sector representation and reinforce the VFEX's role as Zimbabwe's preferred platform for fungible securities and foreign currency-denominated capital raising.

While these developments are expected to support higher trading activity and improve market depth, sustained liquidity will continue to depend on adequate free float, stronger institutional and foreign investor participation, foreign currency availability and efficient settlement infrastructure. Over the medium term, further capital market development will require continued growth in the domestic bond market, establishment of a credible benchmark yield curve, increased participation by pension funds and insurers, and greater mobilisation of long-term savings, to finance infrastructure and National Development Strategy 2 (NDS2) priorities.

5.5 Economic Outlook and Policy Priorities

The macroeconomic outlook remains broadly favourable, with real GDP growth projected at 5.0% in both 2026 and 2027, supported by continued macroeconomic stability, favourable mining and agricultural prospects and ongoing policy reforms. Government policy is increasingly focused on transitioning from macroeconomic stabilisation towards structural transformation through mineral beneficiation, manufacturing value addition, digitalisation, infrastructure development and increased private sector investment.

Nevertheless, downside risks remain. These include the potential effects of an El Niño weather event during the 2026/27 agricultural season, softer international commodity prices—particularly for precious metals—higher fuel and fertiliser costs, infrastructure constraints, public debt obligations and contingent fiscal liabilities. Mitigating these risks will require sustained investment in irrigation and energy infrastructure, continued fiscal prudence, financial sector deepening, trade facilitation measures and consistent implementation of value addition and industrialisation policies. Collectively, these reforms will be critical to sustaining economic growth, enhancing resilience and broadening Zimbabwe's long-term productive capacity.

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