

Please address all correspondence
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ECONOMIC REVIEW

May 2025

Global growth revised
downwards

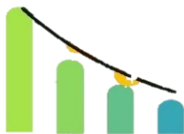
2.3%



Commodity prices
rebound



Inflation pressures dissipate



<i>Economic Growth Proj:</i>	6.0
<i>Inflation MAY</i>	
<i>M-o-m (ZiG)</i>	0.9%
<i>M-o-m (Weighted)</i>	0.0%
<i>M-o-m (USD)</i>	-0.3%
<i>Y-o-Y (USD)</i>	14.4%
<i>Exchange rate MAY 25 (ZiG/USD)</i>	
<i>Interbank</i>	26.9102
<i>Parallel</i>	40%

Global growth momentum weakens as policy uncertainty soars

During the period under review, global growth forecasts were revised downward to 2.3% in 2025 (the weakest pace outside of recession years) from the original forecast of 3.3 % amid heightened policy uncertainty, driven largely by escalating trade tensions and tariff wars. The reintroduction of aggressive tariffs by major economies, particularly the United States and its trading partners, disrupted global supply chains and eroded investor confidence. Although a temporary 90-day tariff truce between the U.S. and China offered some relief, the broader policy environment remained volatile. Risks to the global economic outlook remain tilted to the downside, amid persistent policy uncertainty, elevated inflation, and weakened investment and trade activity driven by escalating geopolitical and trade tensions.

Commodity prices rebound

During the period under review, commodity prices for most key minerals recovered from the April 2025 levels. Nickel prices rebounded by 3%, averaging approximately \$15,528 per tonne, supported by improved market sentiments. Gold remained elevated, increasing by 2% to an average of \$3,278 per ounce, driven by sustained safe-haven demand. Platinum and palladium prices improved by 6% and 4%, underpinned by strong import demand from China, ongoing supply constraints, and renewed investor interest in metals critical for catalytic converters and electronics. Lithium prices however continued to fall, declining by 10% in May 2025 to \$9,069 per tonne, reflecting persistent oversupply.

Global prices for selected commodities

	Apr-25	May-25	% change
Nickel(\$/mt)	15113	▲15,528	3%
Gold (\$/troy oz)	3,218	▲ 3,278	2%
Platinum (\$/troy oz)	959	▲ 1020	6%
Palladium (\$/troy oz)	934	▲ 974	4%
Rhodium (\$/troy oz)	5,426	▼ 5410	-0.3%
Lithium(\$/mt)	10,058	▼ 9,069	-10%
Coal(\$/mt)	98	▲ 104	6%

Source: Kitco, World Bank, Trading Economics.

Zimbabwe gold deliveries surge amid bullish prices

During the period under review, gold deliveries to Fidelity Gold Refinery surged by 28% compared to the same period last year as producers are benefitting from the bullish international gold prices. Small-scale producers accounted for more than 70% of the total deliveries. However, on a month-on-month deliveries declined by -9% in May 2025 compared to April 2025. The sector is projected to produce 42 tons in 2025, supported by expansion projects and new investments.

	May-24	May-25	% change
Large scale producers(kgs)	1,056	936	-11%
Small-scale producers(kgs)	1,678	2,552	52%
Total kgs	2,734	3,488	28%

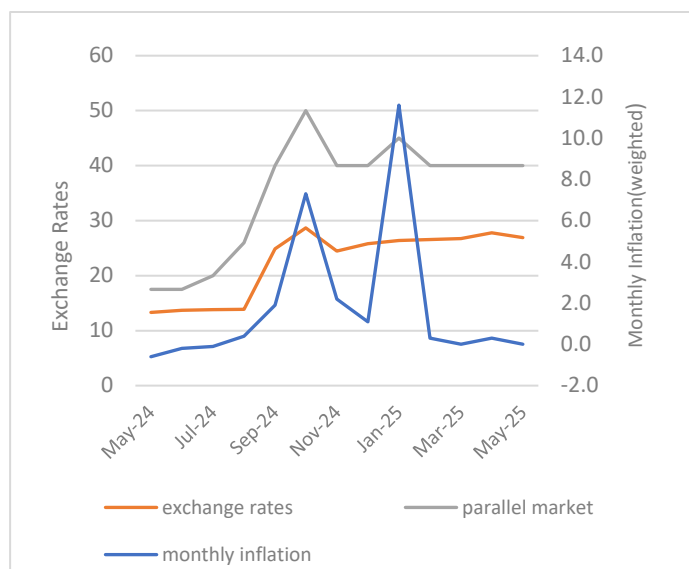
Source: Ministry of Mines

Gold performance spurs growth in exports

During the period under review exports increased by 14% to US\$662.6 million, from US\$583.1 million recorded in the previous month. The increase was largely driven by growth in export earnings from mining sector, particularly gold, platinum group of metals (PGMs) and diamond. On a year-on-year basis, exports were 29 % higher compared to US\$513.5 million recorded in May 2024.

Inflation pressures ease as exchange rate market stabilizes

During the period under review, inflation remained relatively stable, supported by continued stability in the exchange rate market. The ZiG month-on-month inflation increased marginally to 0.9% in May from 0.6% recorded in April 2025. Meanwhile, the USD month-on-month inflation declined to -0.3%, from 0.2% recorded in April. Reflecting movements in both the ZiG and USD inflation rates, the weighted inflation rate fell to 0% in May, down from 0.3% in April 2025. In the outlook, inflation is expected to remain stable for the remainder of the year, supported by the tight monetary policy stance adopted by RBZ.



Source: RBZ

Summing up

The domestic economy showed positive momentum in May 2025, with exports rising by 14% (month-on-month), largely driven by strong gold performance and other mineral exports. The mining sector continued to anchor economic performance despite a weakening global economic outlook. Meanwhile, inflation and exchange rates remained stable, underpinned by tight monetary policy measures. In the outlook, stability is expected to be sustained, if fiscal discipline is maintained.