



The information contained in this sheet has been compiled by [Jaume Portell](#), a journalist specializing in economics and international relations, in an activity 85% co-financed by ERDF funds within the framework of the [AfricanTech](#) project (1/MAC/1/1.3/0088) under the INTERREG VI D MAC 2021-2027 initiative.

## **Zimbabwe**

### **Macroeconomic framework:**

Zimbabwe's GDP increased by 5% in 2023, a number that is slightly lower than the 6.1% increase from the previous year. The African Economic Outlook from 2024 mentions that the drought has affected agricultural production in the country. Its dependency upon imports, together with the raise of fuels, has slowed down slightly the economical growth. In summer from 2024, Bloomberg published that Zimbabwe, after receiving Chinese investments to develop mines and processing plants, has become the country able to provide "two-thirds of the African production of lithium". The price of this mineral has dropped by an 80% during the last two years. However, some companies from the Asian giant have been profiting from this situation by buying some new projects that other investors left behind. Lithium is key for electrical car batteries. Zimbabwe's GDP was of 26 500 dollars in 2023, according to the National Bank, still below the the maximum reached in 2018, 34160 millions of dollars.

### **Debt and currency:**

Isolated by the sanction regulations of some of its leaders, Zimbabwe's access to stock market has been tied, mainly, to its bilateral relationships. A 38% of its debt is in the hands of China, followed by Germany with a 6%. The World Bank leads the multilateral creditors (17%). The total debt stock has maintained stability during the last five years, with a number around 12 000- 14 000 million dollars. In 2025 the country will record the highest payments to creditors in the last decade: almost 300 million dollars.

The local currency, the ZimGold, came into circulation on April 2024. The ZimGold joins the previous attempts of Zimbabwe to own a stable local currency: all of them

ended up losing almost all of its value. The hyperinflation in the 2000's weakened the economy badly, and since then, the country has not found a currency to ensure price stability. The ZimGold, tied to gold, has a parity of 26 ZimGolds per American dollar.

### **Imports and exports:**

Zimbabwe's exports are based, in its majority, on products related to mining. Gold represents more than a 50% of the exports, accompanied by platinum, diamonds or nickel. In what comes to the agricultural sector, Zimbabwe sells raw cotton and tobacco -potential sources of incomes in an industrialisation project, if these could be processed within the country. Zimbabwe exported products valued in 8410 million dollars in 2022, the main destinations were the United Arab Emirates (57%), South Africa (17.5%) and China (7.4%).

Almost a 14% of the imports are of one same product: gasoline. The price of petroleum in the international markets, therefore, causes part of Zimbabwe's inflation -which is then transferred to foodstuff. The country buys electrical power to South Africa and Mozambique, and its main products bought abroad are machinery, fertilisers and drugs. The bulk of the imports are bought in the neighbouring South Africa (38.5%), followed by China (14.5%) and Singapore (12.2%).

### **Energy and electrical power:**

Zimbabwe, which consumed 63 369 TJ of electrical power in 2021 according to the International Energy Agency, takes the 20<sup>th</sup> position in energetic consumption within the continent. A 70% of the energy mix is composed by biofuels, followed by coal (13%) and petroleum (1.2%). In the matter of electricity, Zimbabwe features some parallels with its neighbour, South Africa: with great reservations of coal -more than a 30% of the energy mix-, Zimbabwe produced less electrical power in 2023 (9 TWh) than ten years before. The remaining electrical power is, almost exclusively, of hydroelectric origins.

### **Defence:**

The annual expense in defence materials was of 232.9 million dollars in 2023, according to SIPRI, a Sweden institute specialised in the trade of this kind of products. The numbers seen in 2023 represent a 1.38% of the government expense. The main provider for Zimbabwe since 2000 and until the present day is China.

### **Demography:**

In 1990, 7 in every 10 Zimbabweans lived in rural areas, a number that decreased until 2002, when they represented a 65% of population. Unlike other African countries, this tendency slightly waned to the date, with a 67% of the population living in rural areas in Zimbabwe, a percentage higher than that from little more than a decade before.

An AIDS epidemic, together with the bleak economic situation at the end of the 90's, caused the fall of life expectancy rates, of 42 years old in 2001. Life expectancy in 2022 was of 59 years old, exactly the same than in 1990. Half of the population is less than 21 years old nowadays.

### **Technological innovation:**

Zimbabwe has registered a remarkable leap forward in the usage of the Internet since 2010. Then, barely a 6% of the population made use of it, a number that has multiplied by 5 until reaching the 33% of the population. The modernisation of the fibre optic network and the telecommunication network was carried on, partly, thanks to the endorsement from China Import and Export Bank, which lent more than 400 million dollars since 2010.