ECONOMIC AND MARKET REVIEW

Highlights

- **Global growth is projected at 3.2% as inflation fears dissipate.**
- **Zimbabwe GDP growth revised downwards by 1.5% to 2% owing to a more severe drought impact.**
- **ZiG losses 43% of its value amidst serious loss of confidence concerns.**
- **Despite nominal gains ZSE losses 30% in real terms whilst VFEX garners 2.9%.**
- **Zimbabwe debt continues to grow.**

Global Economic Developments

The global economy continued to grow at a steady pace, with real GDP growth projected to reach 3.2% for 2024. This growth was supported by resilient private consumption and falling inflation. Global inflation eased to 5.0% with expectations of further moderation to 3.9% in 2025. The lower inflation has been supported by unwinding supply side issues and restrictive monetary policies. (**Fig 1**.).

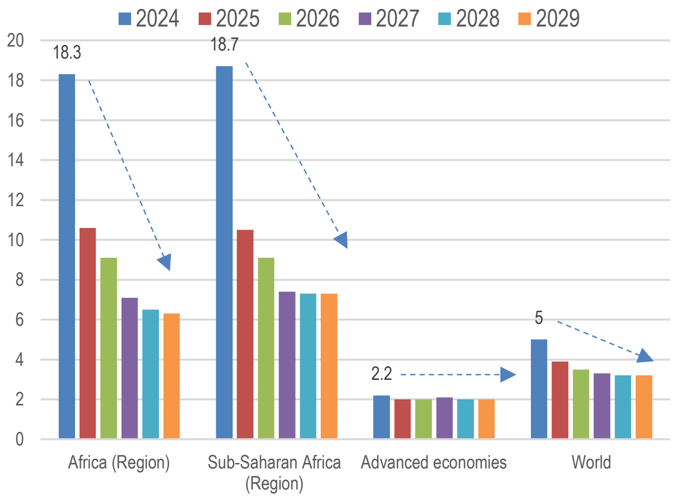

Fig 1, Source: IMF Data Mapper October 2024

Although interest rates remained comparatively high, Central Banks had begun to ease their monetary policies slightly in sympathy with easing inflation data. US Inflation has slowed down to 2.4% in September 2024 from an opening 3.1% in January 2024.

Within advanced economies, high consumer debt and political uncertainties pose as risks to the nascent signs of recovery. US GDP growth is now projected at 2.3% for 2024 whilst in the Eurozone, growth is expected to be less pronounced at 0.9%, however, recovering Tourism and increased domestic consumption is expected to buttress sustained growth in the outlook.

Emerging market growth is expected to be sustained by strong private consumption and exports, however, weak property sector developments in China is slowing the potentially higher growth.

GDP Growth Forecasts

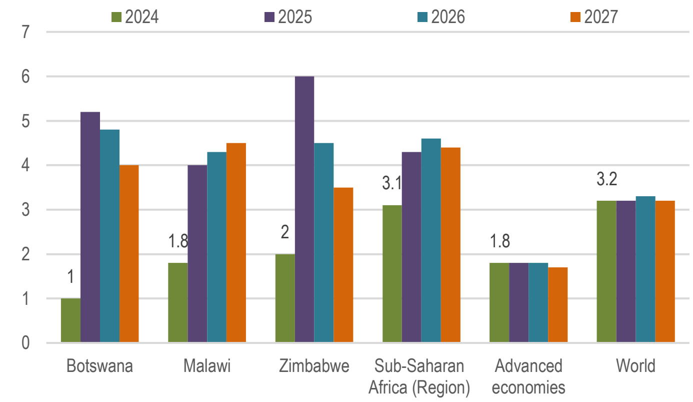

Fig 2. Source: IMF Data Mapper 27October 2024

Local Economy

According to the IMF, real GDP growth is projected to slow down to 2% in 2024 largely as an outcome of the poor agriculture sector output and utilities supply arising from the El Nino induced drought. First Mutual Wealth (FMW) believes that whilst dollarisation of the economy will bring temporary relief to high inflation rates brought on by the local currency, the country will certainly become less competitive in the out-look. This has a high probability of retarding GDP growth rates in the future. Growth however is still expected from the Mining sector given improved gold output and increased exploration and mine development occurring in the country. The resurgent Tourism sector is similarly expected to buttress growth and a better 2024-25 Agricultural season has prompted the Government of Zimbabwe to forecast a 5% growth rate for 2025.

The introduction of the Zimbabwe Gold currency (ZiG or ZWG) at the beginning of the second quarter of 2024 saw a stabilisation of the local currency however towards the tail end of Q3 2024, the gap between the formal and alternative market exchange rates had widened again. This arose from a managed formal exchange rate on the formal market on the one hand and increased local currency money supply underpinning the alternative rate on the other. The USD:ZWG exchange rate has seen a 44% loss of value in its 2 quarters of existence with 43% of that value loss occurring in the last week of Q3 2024. Resultantly, inflationary pressures set in with Q3 2024 inflation growing by 7.2%. Whilst US Inflation remained steady at 0.8% for Q3 2024.

A growing domestic debt, increased money supply and rent seeking behaviour if not directly confronted may see Zimbabwe being confronted with all too familiar macro-economic challenges in the near-term. We expect sustained informalisation of the economy in the outlook which may threaten the viability of formal enterprise and the ability of the Government to effectively collect enough taxes to match its infrastructure and social expenditure budgets.

Inflation Developments

Zimbabwe is still operating under a multi-currency regime however FMW believes that the bulk of expenditure, approximately 90% in volume terms now occurs in United States Dollars. USD inflation has remained stable with a quarterly inflation rate of 0.8% for the quarter compared to 7.2% for the ZiG over the same period (**Fig 3-4**). Significant post quarter events have seen ZiG inflation jumping to 37.6% for the month of October alone compared to 0.7% for the USD. It comes as no surprise therefore that economic agents prefer utilising the USD as opposed to the local currency whose volatility and value loss has become undesirable. Reasons for the uptick in inflation for the local currency arose from the weakening of the local currency on both the official and alternative markets. RBZ statistics indicate that Reserve money supply growth from the end of April 2024 to the end of September 2024 was 112%. Thus, despite efforts to stabilise the ZWG on the official interbank market, we believe that the ZWG stability continues to be dented by the significant growth in money supply, a lack of ZWG interchangeability with its reserves, negative real interest rates and continued growth in domestic debt. All these factors continue to weigh heavily on the local currency's value and hence stability expectations in the outlook.

Zimbabwe USD Inflation

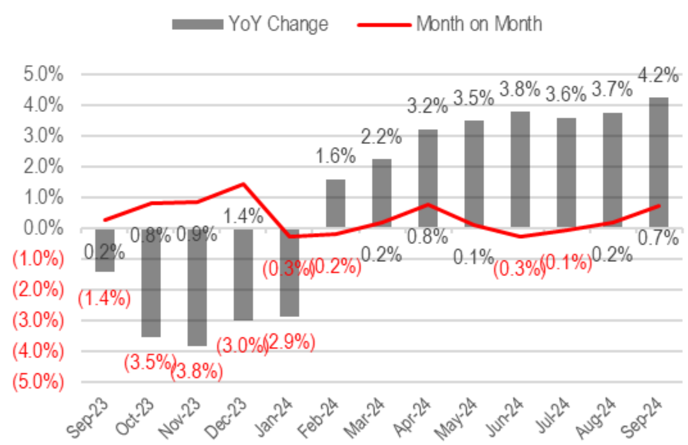

Fig. 3. Source: ZIMSTATS October 2024

Zimbabwe ZiG Inflation

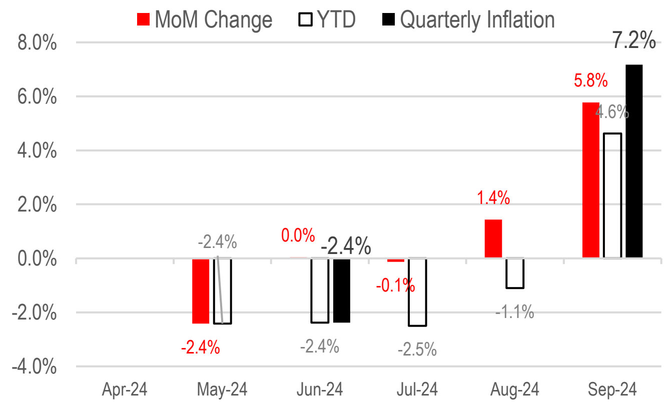

Fig 4 Source: ZIMSTATS RBZ website 2024

The growth in Reserves that are backing the ZWG only grew by 32% during the same period, falling far behind the growth in ZWG Reserve money supply growth of 112%. FMW believes that in the absence of contained money supply growth it will be difficult for the local currency to reign in inflationary pressures. Zimbabwe is coming out of a drought season and the Government has shown commitments towards significant infrastructure related capital expenditure and upward civil servant salary adjustments in the near-term. There is thus a significant risk of continued growth in domestic borrowings and or money supply growth which may further curtail the value of the ZWG before the close of the year.

Macro Developments

Zimbabwe's GDP growth forecast for 2024 was revised downwards in the Zimbabwe Mid-Term Budget speech from 3.5% to 2.0% for 2024 due to the more severe impacts of the El Nino drought on the Agricultural sector. The Reserve Bank of Zimbabwe however forecasted growth of 6% for 2025 on the back of Mining sector investments in Steel, Lithium and Gold as well as a stable Macro-economic environment.

FMW believes that risks to these growth forecasts are local currency inflation and an overvalued official exchange rate that may negatively affect the productivity of mining sector participants in the formal sector. Secondly, Zimbabwe's continued monetisation of debt may seriously impede the effectiveness of domestic borrowing in the financing of several infrastructure products in the very near-term. Zimbabwe's domestic debt had grown to USD8.7bn by the end of 2023 however with the continued erosion of value of the local currency, Government issued debt instruments may find limited uptake in the outlook due to the erosive nature of their value proposition as they do not offer real interest rate returns.

What is encouraging however has been the sustained growth in exports and continued growth in diaspora remittances which have been instrumental in buttressing the capital account and shoring up USD liquidity. Exports grew by 1.8% in the first eight months of the year to USD4.56bn underpinned by a 5.2% growth in horticulture exports whilst Diaspora remittances are expected to grow by 8% in 2024 to reach USD2.32bn. Zimbabwe is expected to earn USD12bn if foreign currency earnings in 2024 which represents nearly 33% of the country's GDP. Key cogs to this growth are developments in the aforementioned sectors.

Outlook

Developments on the local currency front have not been encouraging and this has seen the country become less competitive on the one hand as dollarisation and informalisation have aggressively taken shape. Dollarisation whilst bringing the much-needed stability will result in Zimbabwe becoming less competitive and exporting jobs in the near term. Unless the right policy refinements are adopted, laboured GDP growth, unemployment and foreign currency shortages are more than likely in the medium-term outlook.

Investment Markets

Listed Equity Markets

The Zimbabwe Stock Exchange's (ZSE) performance in the third quarter of 2024 was positive as the ZSE All Share Index gained 89%. The strengthening of the market was most pronounced in the month of July (+54%) and September (+21.4%) with an almost flat nominal return in August (+1.2%). We maintain that we are more likely to see new products listing on the VFEX rather than the traditional ZSE to VFEX migrations which have given the VFEX some market breath. Easing liquidity conditions during the quarter underpinned the ZSE's recovery whilst USD dividend income spurred increased fundamental investments on the ZSE. The table below summarises the performance of the market during the last two quarters of the year (**Table 1.**) as well as the sector market capitalisation weightings of the ZSE (**Fig 5.**). Note that the market's base was reset at 05 April 2024 following the introduction of the ZiG.

Index	Index Value			QTD Return	YTD Return
	05 April 2024*	Q2 2024	Q3 2024		
ZSE All Share	100	129	243	+89%	+143%
ZSE Top 10	100	130	260	+100%	+160%
Medium Cap	100	112	193	+72%	+93%
Small Cap	100	100	100	+0%	+0%
ZSE Top 15	100	128	257	+101%	+157%
Value Traded (ZWG bn)	36.21	36.21	0.71	-98%	

**New Base Given the Introduction of the ZiG.*
Table 1. Source: FMW (First Mutual Wealth) Research Database

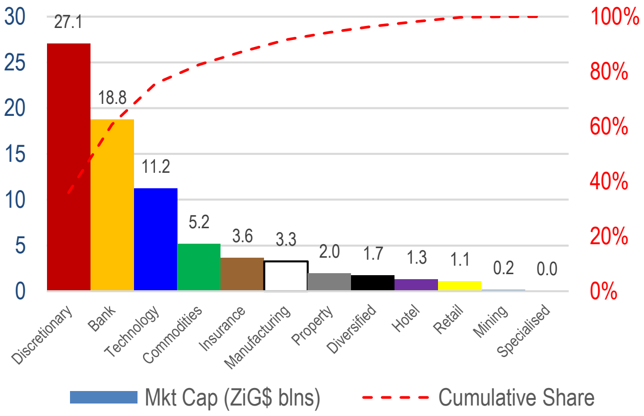

Fig 5. FMW Research Database

On a return attribution basis, the ZSE Top 15 Index contributed the most towards the ZSE All Share index return as it added 101% during Q3 2024. It was followed by the ZSE Top 10 Index with a return of 100%. The Medium Cap index rounded of the returns whilst the Small Cap Index was unchanged as the ZSE All Share Index closed 89% up for the quarter and 143% on a YTD basis. Massive devaluation of the local currency in the month of September however has seen the market underperforming the alternative market exchange rate's movement. The interbank exchange rate devalued the currency by 43% on the 27th of September 2024 whilst alternative market exchange rate, although more gradual, similarly showed a progressive loss of value of the ZWG. This resulted in the ZSE ASI failing to register positive real returns for the third quarter of 2024. **Table 2.** below highlights the top and bottom five ZSE listed companies and their respective Value traded, Market Capitalisation Weight and Price changes during Q3 2024.

ZSE Top 5 and Bottom 5 Performers

Share	Q3 2024 Value Traded (ZWG)	Share Price (ZWG)	Market Weight Change	Market Cap (ZWGbn)	QTD	YTD
Top Five Performers						
UNIFREIGHT	71,316	2.75 ▲	+0.27%	0.3 ▲	+530.73% ▲	+958.55%
ART	56,578	0.45 ▲	+0.19%	0.2 ▲	+494.45% ▲	+454.73%
FBCH	4,920,213	11.00 ▲	+5.96%	7.4 ▲	+400.00% ▲	+470.34%
MASH	722,517	0.69 ▲	+0.94%	1.2 ▲	+393.18% ▲	+367.95%
BAT	7,882,756	81.81 ▲	+1.01%	1.7 ▲	+257.22% ▲	+214.51%
Bottom Five Performers						
ARISTON	87,866	0.0400 ▼	-2.04%	0.1 ▼	-0.06% ▼	-5.94%
ZIMRE	2,022,894	0.33 ▼	-0.93%	0.6 ▲	+10.47% ▲	+53.85%
FIDELITY	70,848	1.20 ▼	-6.79%	0.1 ▲	+14.52% ▲	+176.49%
MEIKLES	7,349,998	5.50 ▼	-0.55%	1.4 ▲	+16.82% ▲	+90.88%
GB	16,821	0.0600 ▼	-1.47%	0.0346 ▲	+19.52% ▲	+10.07%

Table 2. Source: ZSE, FMW Research Data Base

Victoria Falls Stock Exchange All Share Index (USD Exchange)

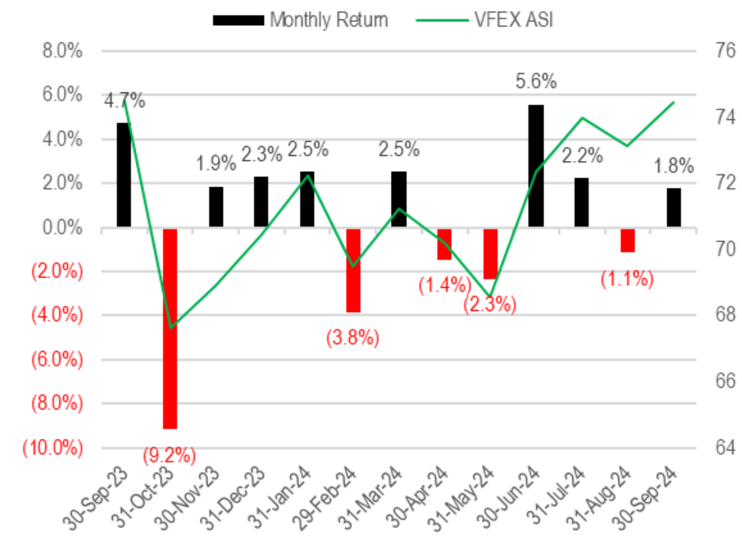

Fig 6 Source: VFEX October 2024

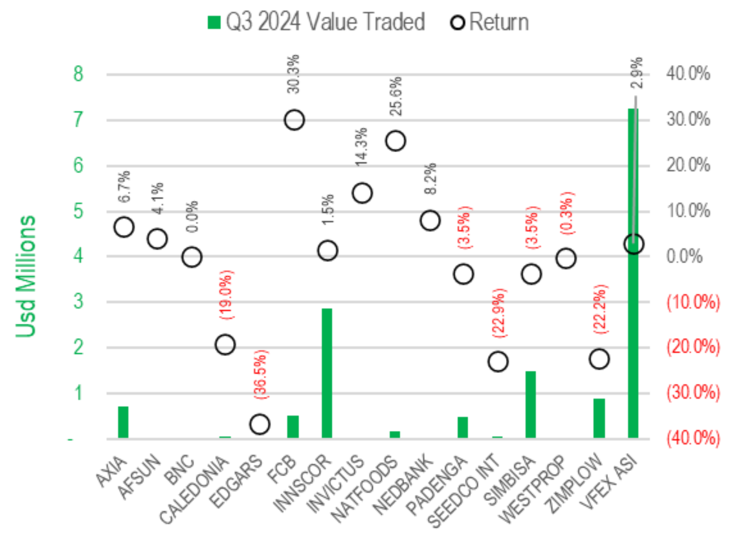

Fig 7 Source: VFEX October 2024

The Victoria Falls Stock Exchange (VFEX) closed the quarter with 14 listed equity securities as depicted in **Fig. 7** above with the USD 3-year KARO Fixed Income Bond being the only fixed income security listed on the VFEX to date. INVICTUS listed on the VFEX on the 5th of September 2024, replacing BNC which delisted voluntarily in Q2 2024. The VFEX All Share index returned 2.9% during Q3 2024 in USD terms after recording gains in July (+2.2%) and September (+1.8%) whilst August showed a decline of 1.1% (**Fig. 6**). The value of trades for the VFEX declined by 22.6% in Q3 2024 (USD7.8m) when compared to the previous quarter (USD10.0m) but remained 19.8% ahead when compared to the USD6.5m traded in Q3 2023. INNSCOR and SIMBISA continued to dominate trades in Q3 2024 as they accounted for 60% of the value of all trades. We anticipate a sustained recovery of VFEX share prices underpinned by improving liquidity and the relatively strong USD dividend yields (average 4.2%) being offered by the bourse.

Property Market

The introduction of the ZiG and widening premium between the official and alternative market exchange rate may have disrupted the increased USD rental income's share of total income for selected property owners. This impact has already been seen wherein the proportion of ZiG rentals has increased for formal grocery aligned retailers. For less formal businesses and specialised retailers, this has not occurred owing to their flexibility in demanding USD as the preferred method of settlement. The massive depreciation of the currency during Q3 2024 is likely to have further increased the need for hard currency lease agreements to be put in place to avoid the exchange rate volatility risk associated with local currency. The risk to formal property companies that have anchor clients in the formal retail market is the revenue kicker is likely to be in local currency which will depress real rental income in the out-look. We have already observed this phenomenon amongst one of the key REIT listings on the ZSE. Specialised property holdings such as consumer sector-based warehouses, speciality hospitals, specialised retail skewed properties, tourist sites and manufacturing properties have continued to register the highest rental yields in the last 12 months as their access to USD rentals has continued to grow.

FMW believes that given the continued value erosion experienced with the local currency, we are likely to see sustained appetite for the development of new property sites from big corporates, pension funds, high net worth individuals and diplomatic and non-governmental organisations to defend against exchange rate shocks, high local currency inflation and a fluid policy environment. The current environment does not favour the holding of cash and other near cash assets within formal bank channels (ZiG or USD) and property offers a natural alternative home for such capital. The downside of this development however is that a huge proportion of capital is likely to be tied up in brick and mortar which will limit the liquidity of other markets where this money could have otherwise been invested in.

Money Market

The last Monetary Policy Committee on the 27th of September 2024 aggressively revised upwards the Bank Policy rate from 20% to 35% and similarly increased the reserve requirement for savings and time deposits from 5% to 15% and for call and demand deposits from 20% to 30% for both USD and local currency deposits. This is expected to significantly limit the creation of money through private credit by banks in the outlook. The Revision of the Bank Policy Rate is however unlikely to be as effective if the same sort of money supply growth that has occurred since its launch occurs in the outlook. We expect market intermediaries to reflect these new policy changes in their operations and we expect a significant uptick in ZiG interest rates and constrained USD liquidity in the outlook. Money market rates had remained relatively static during Q3 2024 however the significance of the revised policy position is likely to see increased interest rates for both the primary and secondary debt markets in the immediate term. Table 3 below summarises the interest rate environment over the last four quarters (**Table 3**).

Maximum Money Market Quotes

ZWL/ZWG Interest rates: -	Q4 2023 (ZWL)	Q1 2024 (ZWG)	Q2 2024 (ZWG)	Q3 2024 (ZWG)
Tier 1 Banks (90 days)	50%	50%	3.5% - 6%	5%
Tier 2 Banks (90 days)	70%	80%	5% - 9%	5% - 13%
Treasury Bills (1 Year)	78%	82%	9% - 10%	20% - 30%
USD Interest Rates	**Q4 2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**
Tier 1 (90 Days)	3.5%	3.0%	3.5% - 6%	3% - 5.2%
Tier 2 (90 Days)	8.0%	10.0%	4% - 10%	5.5% - 11%
USD Treasury Notes	3%	3%	6% – 7%	10% -14%

Table 3. Source: FMW Research Database.
**Tiers for banks based on credit worthiness rankings where Tier 1 banks are the most credit worthy*

FMW maintains that anchoring inflation expectations through inflation linked debt instruments from the Treasury would go a long way in signalling strong low inflation management intent on the part of the Government. The continued discounting of Government of Zimbabwe Treasury instruments in the secondary market is a proxy that shows the lack of confidence in the Government of Zimbabwe's ability to settle such instruments in the future. The issuance and consistent settlement of inflation linked debt instruments by the Government of Zimbabwe would eliminate the rent seeking behaviour from economic agents whilst removing the ability of the Government of Zimbabwe to continue monetising its debt. The result would be more prudent lending which could benefit not only money market participants but the wider economy through a more vibrant debt market with more liquid capital for productive sector lending.

Commodities

Soft Commodity prices firmed during Q3 2024 owing to improved consumer expenditure patterns (higher demand) and supply chain concerns given adverse weather condition expectations from La Nina weather patterns in the outlook. Further to that, route to market disruptions and trade pact adjustments arising from global political uncertainty from the ongoing Israel - Palestine and Russia - Ukraine conflicts as well as a more fragile Asia political discourse are all contributing towards higher Soft Commodity prices. Hard Commodity prices traded mixed with Gold building on its rally as it added 13.7% in the quarter. Geopolitical tensions and higher than expected inflation data despite its cool off have continued to fuel the firmer gold price. The slump in the Oil price can be attributed to a decline in demand from China and a weaker than expected recovery of the US economy which saw a rising surplus of Oil stocks amongst oil exporting countries. Nickel's weaker price is attributed to the real estate market in China dampening demand as its performance has remained negative with little promising signs of significant reform in the near term.

Table 4 below summarizes the price movements for commodities in the last two quarters of 2024:

Soft Commodities	29-Dec-23	28-Jun-2024	30-Sept-2024	Q3 2024 Change	YTD Change
Maize (t)	185.52	156.69	164.56	5.0%	(11.3)%
Wheat (t)	245.85	239.94	246.96	2.9%	0.5%
Sugar (kg)	0.21	0.20	0.22	9.3%	6.9%
Coffee (kg)	1.88	2.27	2.70	19.2%	43.5%
Cotton (kg)	0.81	0.72	0.74	2.3%	(9.1)%
Hard Commodities					
Gold (ounce)	2,071.80	2,339.60	2,659.40	13.7%	28.4%
Nickel (t)	16,603.00	17,291.00	16,996.00	(1.7)%	2.4%
Copper (t)	8,475.00	8,867.00	9,982.50	12.6%	17.8%
Silver (ounce)	24.09	29.24	31.46	7.6%	30.6%
Platinum (ounce)	972	972	921.10	(5.2)%	(5.2)%
Crude (drum)	72.3	81.54	68.18	(16.4)%	(5.7)%
Coal (t)	118	109.10	114.60	5.0%	(2.6)%

Table 4. Source: Bloomberg & LME (London Metal Exchange)

Investment Market Outlook

Equities: Medium to Long Term Strong Buy

- Exchange rate instability, increased dollarisation, a regulatory environment skewed in favour of the informal sector and an uncompetitive tax regime will place formal business at a disadvantage. Thus, we expect margins to thin and corporate strategy to be more focused towards informal sector market share growth in the outlook.
- Given the ZWG's devaluation, increased domestic debt and sustained Government expenditure commitments, we expect a recovery of the market in the final quarter of the year underpinned by increased local currency liquidity. Medium-term the market will likely see continued growth in USD dividend payments and corporate disclosures in USD which will improve the transparency and price discovery of the market.
- New primary listings on the VFEX are expected with limited ZSE to VFEX migrations given the natural dollarisation of the economy.
- We expect a stable recovery on the VFEX when compared to the ZSE to sustain as companies on the VFEX are similarly trading at discounts to their intrinsic values. Increased dollarisation of the economy is expected to result in an increase in USD investment funds looking for USD investment vehicles. This is expected to ultimately sustain the recovery and price discovery of VFEX listed companies.

Alternative Investments: Long Term Buy

- This asset class has been able to avoid value distortions arising from short term policy changes and offer sustained real asset value preservation and growth. The asset class however remains illiquid and long term in nature. Caution therefore is necessary when investing in this asset class as illiquid conditions in the long term make it unsuitable for risk averse and short-term investors.
- We expect the depth of assets in the alternative investment asset class to continue which should attract long term capital and improve the liquidity and benefits of this asset class in the outlook.

Money Market: ZWG S/T Sell USD S/T Buy

- The high risk of exchange rate losses and inflation eroding the ZWG's value makes the ZWG money market relatively unattractive until policy consistency is embedded. Additionally, abrupt policy rate adjustments increase the risk of NPLs.
- In the absence of more pro-ZWG demand policies, we suspect that demand for ZWG borrowing for working capital commitments will continue to decline in the outlook and demand for USD loans to remain high.

Property: Buy

- We expect an increased prominence of hard currency rentals and shorter lease agreement arrangements to persist for local currency denominated rentals as inflation uncertainty remains.
- Property developments are likely to be skewed in favour of storage, warehouse, retail, port or transport hubs, Tourism and Residential developments whilst CBD (Central Business District) office space is likely to have lower relative activity in the immediate term.
- We similarly expect innovations in the form of Real Estate Investment Trusts listing on local public bourses to enhance the pricing and liquidity of property developments.

Regional Market Brief

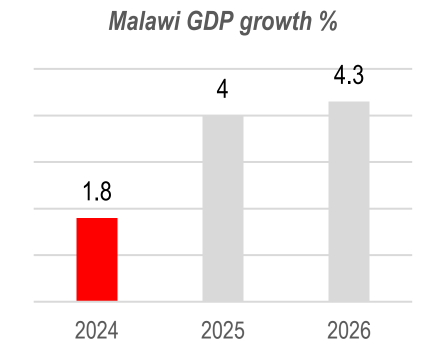

Fig 8. Source: IMF Data Mapper October 2024

Malawi Highlights

- GDP growth for Malawi remains highly uncertain for 2024 as the country is saddled with high inflation and exchange rate instability.
- Growth will be driven by the mining, retail and tourism sectors. Inflation is projected to remain elevated due to a poor agricultural season.
- Fiscal consolidation measures are expected to narrow the fiscal deficit to 8.7% in 2024 and 7.6% in 2025. As the economy recovers, the current account deficit is projected to widen in both 2024 and 2025.
- Uncertainty may be heightened and significantly change these forecasts post the election cycle in 2025.

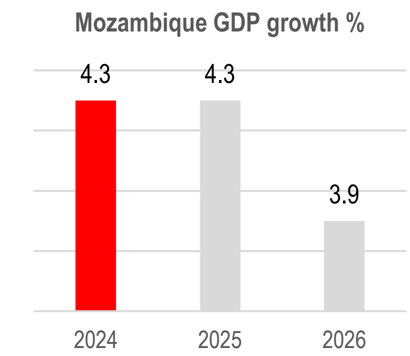

Fig 9. Source: IMF Data Mapper October 2024

Mozambique Highlights

- The GDP growth for 2024 was 4.3% and forecasted at 4.3% again for 2025. This is despite lingering insurgency risk concerns in the country.
- Economic growth is positive but expected to moderate, with tight financial conditions acting as a drag on activity.
- Inflation pressures have declined, Mozambique faces significant risks, mainly from adverse climate events and the fragile security situation.
- Key headwinds may arise from political and climate change developments and a possible slowdown in reforms implementation with the upcoming general election in October 2024.

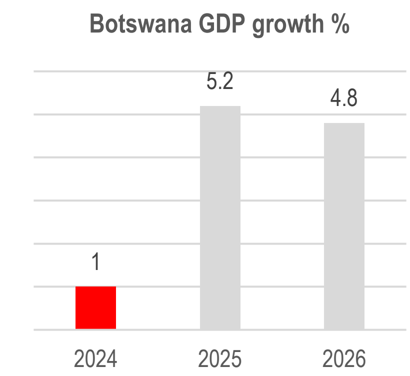

Fig 10. Source: IMF Data Mapper October 2024

Botswana Highlights

- Growth is expected to be nascent at 1.0% for 2024 due to lower than anticipated diamond sales.
- Inflation has declined sharply since the peak of mid-2022 and returned to the central bank's medium-term objective range of 3–6 percent, where it is expected to remain in the medium term.
- A narrowed fiscal deficit of 1.8% of GDP in 2024/25 will be supported by improved public finance management, business environment reforms and successful implementation of the two-year Transitional National Development Plan.

Regional Stock Market Performance Summary

	29-Dec-23	28-Jun-24	30-Sep-24	Q3 2024 Change	YTD Change
Botswana (DCI)	8,930	9,375	9,653	3.0%	8.1%
South Africa (JSE ALL Share)	76,893	79,707	86,548	8.6%	12.6%
Malawi (MASI)	110,951	121,102	142,687	17.8%	28.6%
Mauritius (SEM ASI)	1,873	1,936	2,099.86	8.5%	12.1%

Table5. Source: Botswana. Malawi, Mauritius & Johannesburg Stock Exchange Websites, October 2024

Bullish market conditions persisted in Q3 2024 as all the regional bourses (**Table 5.**) rallied. The JSE ASI added 12.6% as the coalition Government effect has continued to add confidence with the power situation better managed, adding to better prospects potential. The growth in the MASI reflects the currency devaluation and high inflation in that market.

Outlook

The short-term performance of the ZWG is not desirable as the currency lost 43% of its value in Q3 2024. One of the main reasons for the currency change was to usher in a new dawn of stability given the RTGS' value loss of 72% in Q1 2024. The loss of value in the ZiG has quickened the pace of dollarization and whilst not desirable from a competitive perspective, stability by any means necessary becomes a higher priority for economic agents. FMW is of the opinion that inflation in Zimbabwe is largely a monetary phenomenon and the growth in money supply during the ZiG's reign has been instrumental in its value loss so far. Tighter monetary control; a market-based exchange rate and increased policy actions to increase the demand of the ZWG would be an initial first step in stabilising the currency. FMW believes that the desires for defending the local currency should be matched by patience, policy consistency and the building up of significant reserves for a sustained period (at least ten years). Absent these key factors any premature introduction of a mono-currency environment will have devastating effects on the economy and the Government of Zimbabwe's ability to mobilise tax resources.

As the economy dollarizes, we expect margins to thin and revenue growth to become subdued as economic agents in the economy become less competitive. Key long term policy actions are required to reverse this trend and changes in the policy landscape to correct these imbalances may cause market volatility in the short term (0-6 months). We strongly advocate for policies that increase domestic demand and make exports more competitive. This can be achieved through lower income taxes to boost domestic demand, less punitive taxes on industry to increase employment and underpin domestic demand further as well as making industry competitive again. Making Government expenditure more efficient will save domestic resources and grow Zimbabwe's Gross Domestic Product. For instance, this may involve serious confrontations on the way agriculture is financed given its significantly low return despite garnering the most resources from the fiscus annually.

FMW believes that significant market volatility is expected in the outlook and in order to hedge against significant value loss, investors will need to maintain most of their asset portfolio in real assets; diversify offshore were possible so as to reduce in-country risk and avoid concentration risk in a single asset class as liquidity demands can result in the selling of long-term assets to meet short term needs.

Headwinds that are likely to cause continued uncertainty and suboptimal GDP growth are listed below:

- An overvalued ZiG:USD exchange rate,
- Increased USD use thereby decreasing competitiveness,
- Increased debt service burdens,
- Increased informalisation
- Power shortages; and
- Policy shocks

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