

Please address all correspondence
 to the Chief Executive Officer

ECONOMIC REVIEW

JULY 2025

The impact of tariffs and economic resilience



Escalating commodity prices



Enhancing renewable energy investment for mining sector self-sufficiency.



<i>Economic Growth Proj:</i>	6.0
<i>Inflation July</i>	
<i>M-o-m (ZiG)</i>	1.6%
<i>M-o-m (Weighted)</i>	0.6%
<i>M-o-m (USD)</i>	0.3%
<i>Y-o-Y (USD)</i>	14.4%
<i>Exchange rate July 25(ZiG/USD)</i>	
<i>Interbank</i>	26.9102
<i>Parallel</i>	40%

Tariff impacts and economic resilience.

The global economy is projected to expand by 3.0% in 2025 and 3.1% in 2026. Notably, the 2025 forecast represents an increase of 0.2 percentage points compared to the April 2025 World Economic Outlook (WEO), while the 2026 forecast is 0.1 percentage points higher, indicating a more optimistic trend than previously anticipated. This upward revision is primarily attributed to heightened economic activity in anticipation of impending tariff increases, more moderate tariff rates in the US, improved financial conditions, and increased government expenditure in key economies. On the inflation front, global rates are expected to decline to 4.2% in 2025 and 3.6% in 2026, following a trajectory consistent with earlier predictions. However, inflation rates are likely to differ among countries, with the US expected to exceed its target, while other major economies may experience more subdued inflation rates. The recent announcement by the US to impose a 10% tariff on nations aligning with the BRICS bloc introduces a new wave of uncertainty for African

export sectors. The imposition of these additional tariffs could significantly restrict access to US markets, leading to job losses and economic contractions in countries that have depended heavily on exports to the US.

Commodity prices rebound

During the review period, commodity prices demonstrated a notable upward trajectory. Nickel prices rebounded by 0.21%, averaging approximately \$15,034 per tonne, after experiencing significant volatility in June. This fluctuation was influenced by a complex interplay of factors, including supply chain disruptions, cost pressures, and evolving market sentiments. Precious Group Metals (PGMs) reflected a robust upward trend, signalling a strong inflow of demand. Platinum prices surged by about 13%, reaching an average of \$1,391 per ounce the highest level in five years—with peak price hitting approximately \$1,480 per ounce in July. Palladium and Rhodium displayed signs of recovery, increasing by 16% and 9%, respectively. This resurgence in PGM prices can be attributed

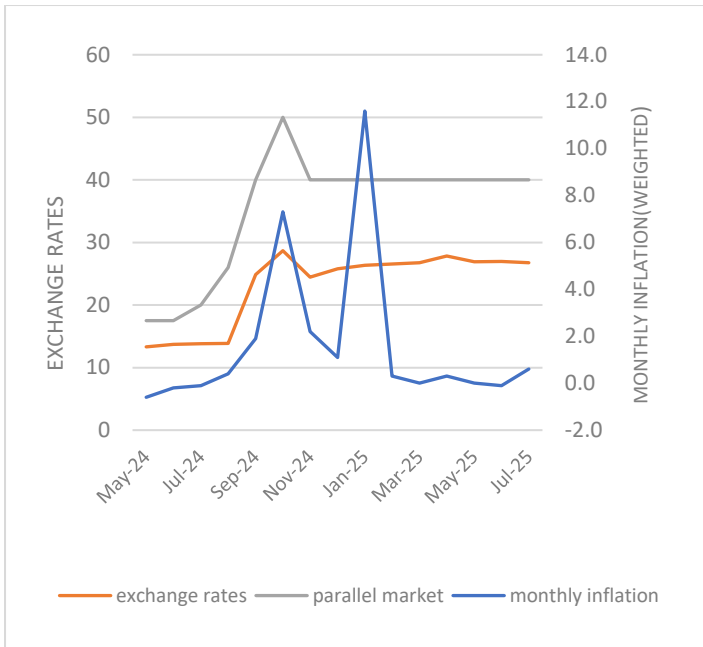
to heightened demand, normalization of supply chains disrupted during the COVID-19 pandemic, and increased investment interest as a hedge against economic uncertainty. Gold experienced a slight decline of approximately (0.2%), settling around \$3,340 per ounce. This decrease was driven by geopolitical tensions, notably a new tariff agreement between the U.S. and the EU, which diminished gold's appeal as a safe-haven asset. Lithium prices rose by 10%, climbing to around \$9,395 per metric tonne since the beginning of 2025. This increase was primarily fuelled by constrained supply, particularly due to China's efforts to limit lithium production, further driving the price escalation.

	Jun-25	Jul-25	% change
Nickel(\$/mt)	15003	▲15034	0.21%
Gold (\$/troy oz)	3353	▼3340	-0.39%
Platinum (\$/troy oz)	1251	▲1391	11%
Palladium (\$/troy oz)	1057	▲1228	16%
Rhodium (\$/troy oz)	5502	▲5979	9%
Crude oil(\$/bbl)	69.1	▲69.2	0.14%
Lithium(\$/mt)	8523	▲9395	10%
Coal(\$/mt)	109	▲112.9	3.6%

Source: Kitco, World Bank, Trading Economics.

In July 2025, the month-on-month inflation rate for the USD rose to 0.3%, reflecting a positive change of 0.5 percentage points from the -0.2% recorded in June. This indicates that, on average, prices for goods and services experienced a 0.3% increase between June and July. The average month-on-month inflation rate over the period from January to July was 1.7%. Year-on-year, the USD inflation rate increased to 14.4%, up from 14% in June. Meanwhile, the ZIG's month-on-month inflation rate surged to 1.6%, a significant acceleration from the 0.3% rate observed in June 2025, marking a 1.3 percentage point gain. The mean month-on-month inflation rate for ZIG during the January to July period was 2.0%. In terms of year-on-year figures, the ZIG inflation rate climbed to a substantial 95.8%, up from 92.5%. The high annual inflation levels create pricing uncertainty making it difficult for businesses to set prices or even forecast prices. The weighted month-on-month inflation rate also saw an increase, rising by 0.7% to reach 0.6%, compared to the -0.1% recorded in June. However, the rate of depreciation in the parallel market has outpaced that of the official exchange rate, leading to an expanding premium in the parallel market exchange rate, which has now consistently remained above 40%.

Inflation rates experience a downturn



Source: RBZ