MINISTÈRE DE L'ÉCONOMIE, DES FINANCES ET DE LA SOUVERAINETÉ INDUSTRIELLE ET NUMÉRIQUE

Liberté Égalité Fraternité

French Treasury

ECONOMIC WRAP-UP
Southern Africa

A publication by the Pretoria Regional Economic Service from 8 to 19 April 2024

DATA OF THE WEEK

EUR 3.3 billion

Amount of Franco-South African trade in 2023

Focus on Franco-South African bilateral trade *(French Customs)*

Franco-South African trade fell by 6.3% in 2023, to EUR 3.3 bn. This trend can be explained first and foremost by a fall in our imports (-10% to EUR 1.5 bn) - a contraction in coal flows, which had emerged in 2022 to compensate for Russian coal under sanctions, and more broadly in mining industry products (manganese, zirconium, granite and a halt to iron ore flows). Conversely, imports from the automotive and agricultural sectors held up well. The structure of our imports has therefore rebalanced overall over 2023, moving closer to its traditional composition. Flows of "transport equipment" (motor vehicles and spare parts) account for almost 40% of the total, followed by "hydrocarbons and products of the extractive industries" (coal, manganese - around 20%) and "agricultural products" (citrus fruits, avocados - 15%). To a lesser extent, our exports also contracted (-3% to EUR 1.6 bn) - linked to the fall in flows of transport equipment and pharmaceutical products, in a deteriorated domestic economic context. However, the decline was partly offset by the good performance of export sales of electrical equipment (generators, electrodes, etc.) and food industry products (cognac and malt). The structure of our exports to South Africa remained broadly unchanged from previous years. Our top export item remains "mechanical, electrical, electronic and computer equipment" (29% of the total), followed by "chemicals, perfumes and cosmetics" (20%) and "food industry products" (15% - cognac, champagne, milk, malt). With trade down by 6.3%, 2023 marks a break with the trend seen over the previous two years (+20% in 2021 and +31% in 2022). However, while trade between the two countries reached an all-time high in 2022, in 2023 it remains the second highest point (17% higher than the 2010-2020 average), driven in particular by the unprecedented levels of our imports from the country. While South Africa remains a secondary partner in global terms (accounting for 0.3% of our exports and 0.2% of our imports), it remains a strategic partner in sub-Saharan Africa (1st customer and 3rd supplier).

With a sharper fall in our imports than in our exports, France's structural trade surplus with Africa increased significantly in 2023 (+43.4% to EUR 350m), after being halved the previous year. However, it remains well below the average level seen in 2010 (EUR 816m).

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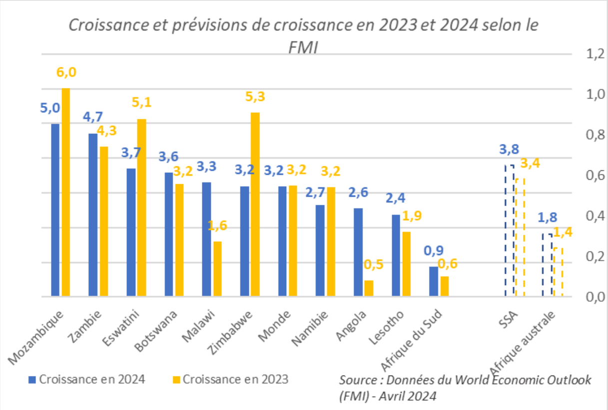
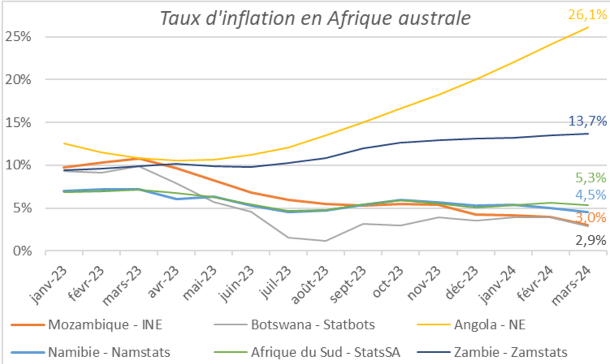
Southern Africa

The IMF publishes its new macroeconomic forecasts (IMF)



On 16 April, as part of its joint spring meetings with the World Bank, the IMF presented its new macroeconomic forecasts (*World Economic Outlook*). For 2024, growth in Southern Africa has been revised downwards to 1.8% (i.e. -0.7 points compared to the IMF's latest forecasts, published in October 2023 and after 1.4% in 2022). While economic growth is expected to reach 3.8% in sub-Saharan Africa, the sub-region is once again the least dynamic on the continent. This underperformance is mainly due to the worsening outlook for South Africa, which accounts for almost 60% of the region's activity. After an increase in GDP of 0.6% in 2023, growth is expected to remain sluggish in 2024 (0.9%), a level 0.9 points lower than forecast in October. The energy and logistics crises are likely to continue to severely hamper the productive sectors, while foreign trade is likely to suffer from the moderation in the price of mining raw materials. Forecasts have also been lowered for Angola, the sub-region's second largest economy (+2.6%, or -0.7 points compared to previous estimates, and after 0.5% in 2023 - in line with the anticipated moderation in oil prices and the sharp depreciation of the local currency), Botswana (+3.6%, or -0.5 points, after 3.2% in 2023) and Zimbabwe (+3.2%, or -0.4 points, after 5.3% in 2023). Forecasts are maintained for Namibia (+2.7% in 2024 after 3.2% in 2023), Mozambique (+5% in 2024 after 6% in 2023) and Malawi (+3.3% after 1.6% in 2023). Lastly, they will be higher in Zambia (+4.7%, or +0.4 points, after 4.3% in 2023).

Contrasting inflation trends in Southern Africa in March (INE - Mozambique, INE - Angola, Namstats - Namibia, StatsSa - South Africa, Zamstats - Zambia)



Several national statistics agencies in the sub-region(*StatsSA - South Africa, INE - Angola, INE - Mozambique, Namstats - Namibia, Zamstats - Zambia*) have this week published their inflation figures for March, reflecting contrasting trends. In South Africa, inflation reached 5.3% in March, compared with 5.6% in the previous month, in line with observers' expectations (5.4%). The indicator has thus remained above the 5% mark for seven months (oscillating between 5.1% and 5.9%). The main items contributing to the rise in prices remain "housing, water and electricity" (+5.9%, i.e. a positive contribution of 1.4 points), "products, food and beverages" (+5.1%, i.e. +0.9 points) and "transport" (+5.3%, i.e. +0.8 points). In Namibia, year-on-year inflation reached 4.5% in March, after 5.0% in February. This is the second month in a row that the indicator has contracted, reaching its lowest level since July 2023. This trend can be explained in particular by the moderation in the rise in prices for "food, beverages and tobacco" (+4.9%, i.e. a positive contribution of 1 point, its lowest level for two years), "alcoholic beverages and tobacco" (+6.8%, i.e. +0.9 point) and "housing, water and electricity" (+4.2%, i.e. +0.8 point). Similarly, inflation in Mozambique continues to fall for the fifth month in a row, reaching 3% in March, compared with 4% the previous month - a level well below expectations. Food" remains the main contributor to the rise in prices (+4.9%, or +1.3 points), followed by "restaurants, hotels and cafés" (+2.7%, or +0.6 points). Conversely, inflationary pressures are rising slightly in Zambia, for the ninth month in a row, reaching 13.7%, compared with 13.5% the previous month. Inflation remains largely driven by "food" (+15.6%, or +9 points) and "transport" (+21.7%, or +1.6 points). A similar trend can be seen in Angola, where the indicator stands at 26.1% year-on-year, reaching its highest point since March 2022.

Hunger affects more than 24 million people in the sub-region (Oxfam)

According to Oxfam, Southern Africa is experiencing major climatic shocks that are destabilising the agricultural sectors and leading to a sharp rise in food insecurity. According to the NGO, the crisis is affecting around 10 million Malawians, 6 millions Zambians, 3 millions Zimbabweans and 3 million Mozambicans. This situation is linked to the climatic disturbances caused by the El Nino phenomenon. Some countries have been hit by extreme rainfall (storms and floods in Mozambique in March), while others have experienced prolonged drought (Zambia, Malawi, Zimbabwe). According to a report published on 13 March by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), rainfall in southern Africa in January/February was the lowest for forty years. In all, more than 2 million hectares of crops were destroyed by the climatic shocks, prompting the Malawian, Zambian and Zimbabwean governments to declare a state of emergency and natural disaster. Against this backdrop, the President of Zambia launched an appeal to the international community on 16 April. He estimated the need for humanitarian aid at almost USD 900 million in the health, agricultural and water sectors, to meet the urgent needs of almost 6.6 million people.

New 1,890km fibre optic route launched in Southern Africa (MyBroadband)

Pan-African broadband connectivity provider Paratus has announced the launch of a new 1,890km fibre optic route in Southern Africa. The infrastructure runs from the landing station of the Equiano cable (Google's cable linking Africa to Europe) in Swakopmund, Namibia, to connect Johannesburg, South Africa, via Botswana. This link is called *Botswana Kalahari Fiber*. This launch comes as the four other submarine cables between Africa and Europe, excluding Equiano, were damaged off the coast of Côte d'Ivoire on 14 March 2024, causing widespread outages and slowdowns in internet traffic in southern Africa. This new route should therefore help to improve the coverage, quality and availability of Internet connectivity in Southern Africa and limit the impact of the current outage.

Bipartisan bill introduced in the US Senate to renew the African Growth and Opportunity Act (AGOA) trade pact until 2041 (Reuters)

A bipartisan group of US senators has introduced a bill in the US Senate to extend the African Growth and Opportunity Act (AGOA) programme, a system of trade preferences granted by the United States to sub-Saharan African countries since 2000 and due to expire in 2025, until 2041. The bill was introduced by Senators Chris Coons, a Democrat, and James Risch, a Republican on the Senate Foreign Affairs Committee. Every year, Washington updates the list of countries eligible for AGOA, based in particular on their commitment to the market economy, respect for the rule of law and policies to combat poverty.The system also takes into account the democratic progress or setbacks of the countries concerned. In recent months, several US officials, including Constance Hamilton, Deputy US Trade Representative for African Affairs, have called for a review of the eligibility criteria for the trade preferences scheme or its replacement by a new trade agreement, much to the dismay of African countries. This bill to renew AGOA, publicly approved by Joe Biden, therefore seems to go in the direction of the African countries and in particular South Africa, which has been under pressure from the US because of its diplomatic position close to Moscow and hostile to Israel. A bill introduced by Mr Coons last November provided for an immediate out-of-cycle review for South Africa, one of the main beneficiaries of the programme, but this provision is not included in the version of the bill submitted to the Senate.

South Africa

New bid by Canal+ to buy South African broadcasting group MultiChoice *(Reuters)*

On 8 April 2024, Canal+ made an offer to acquire all the shares of the South African broadcaster MultiChoice at a price of ZAR 125 (approximately EUR 6) per share, i.e. a total amount of ZAR 35 billion (approximately EUR 1.7 billion) FOR the purchase of MultiChoice shares not owned by CANAL+. Canal+ made an initial offer on1 February 2024 of ZAR105 (around EUR5) per share, which at the time was 40% above the market price. This announcement led to a 26.6% increase in the share price on the stock market on the day of the announcement. This offer was rejected by MultiChoice, which demanded more. Subsequently, on 27 February 2024, the Takeover Regulation Panel (TRP), a committee under the authority of the Department of Trade and International Commerce (DTIC), ruled that Canal+ had to make a mandatory offer to purchase MultiChoice's shares in accordance with South African law and the 35% regulatory threshold. This decision followed Canal+'s crossing of the 35% ownership threshold in MultiChoice following MultiChoice's rejection of the takeover offer made by the French broadcaster. Canal+ now owns 40.83% of MultiChoice on the Johannesburg Stock Exchange (JSE). The new offer values the South African group, whose shares currently stand at ZAR 116, at around ZAR 55 billion (around EUR 2.7 billion) for all the shares. Canal+ reserves the right to purchase further MultiChoice shares on the market during the offer period. If the French company buys these shares at more than ZAR 125 each, it will be obliged to increase the offer price, according to the official press release. The deal, which appears to be on track, will also have to comply with the country's strict BEE (Black Economic Empowerment) legislation, which requires a quota of black shareholders, and restrictions on foreign media ownership, which cap voting rights at 20%. The integration of MultiChoice would add the 23.5 million subscribers that the group has on the African continent, mainly in the English-speaking part, to the 23 million subscribers of Canal + (8 million in Africa, mainly French-speaking). In total, this would represent around 31m subscribers in 50 different African countries. This consolidation would give the Canal+/Multichoice group, and in particular the latter's Showmax streaming offering, greater clout in the face of restructuring in the sector, particularly in relation to American platforms (Netflix, Amazon Prime, Apple TV, etc.).

The Deputy Minister of Water and Sanitation reaffirms the need to diversify water resources *(Engineering News)*

David Mahlobo, South Africa's Deputy Minister of Water and Sanitation, has pointed out that South Africa is facing a number of risks that could lead to a rapid decline in water availability, and has reaffirmed the need to diversify water resources in order to guarantee water security. The Deputy Minister explained that the main current risks include economic growth, population growth, urbanisation, inefficient use of water, degradation of wetlands and the impact of climate change, as well as the financial challenges faced by municipalities, whose arrears to water agencies amount to ZAR 19 billion (EUR 940 million). The most emblematic case concerns the municipality of Johannesburg. In the country's largest city, deficiencies in the network operated by the Johannesburg Water agency, as well as diversions and acts of vandalism, have resulted in losses of 44%. In the greater Johannesburg area, reservoirs are only 30% full before the winter dry season. The deputy minister highlighted several key projects, the implementation of which would improve the country's difficult situation, including phase 2 of the Lesotho Highlands Water Project (LHWP), worth ZAR 40 billion (ZAR 2 billion). This project aims to supply, mainly for the province of Gauteng, around 470 million m3/year in addition to the 780 million m3/year of phase 1 of the LHWP. Finally, it is important to note that this media appearance comes just a few weeks after the announcement that water sector projects will be opened up to the private sector via public-private partnerships (PPPs), which it is hoped will provide new sources of funding and expertise to modernise and develop current infrastructure.

Start of a 12 MW solar project for a data centre, supported by an EDF joint-venture *(ITWeb)*

Distributed Power Southern Africa (DPA SA), a 50/50 joint venture between the EDF group and DPA, itself a subsidiary of the Cassava Technologies group, has announced the start of construction of a 12 MW solar farm in the Free State province. This power station will supply the data centres operated by Africa Data Centres (ADC), another subsidiary of the Cassava Technologies group. The project was the subject of a 20-year power purchase agreement between Africa Data Centres and DPA SA, signed in March 2023. According to the official press release, the aim of the project is to supply Africa Data Centres' sites with renewable energy, starting with its data centre in Cape Town, the CPT1 facility. Subsequent phases will supply Africa Data Centres' Johannesburg data centres.

Manufacturing and mining output rise in February *(StatsSA)*

According to the national statistics agency (*StatsSA*), manufacturing output rose by 4.1% in February, compared with 2.9% the previous month. Growth was driven by the wood and paper industry (+14.9%, or a positive contribution of 1.5 points), the food industry (+5.8%, or +1.3 points) and the oil and chemicals industry (+4.7%, or +1 point). At the same time, mining output rebounded strongly (+9.9%) after contracting in January (-2.8%), clearly outstripping observers' expectations (+3.9%). This trend is due in particular to the very good performance of iron ore (+42.9%, i.e. a positive contribution of 5.1 points) - driven by an increase in world demand linked to the good performance of the steel industry, coal (+14.6%, i.e. +3.7 points) and chrome ore (+20.6%, i.e. +1 point). In all, eight out of twelve sectors recorded growth in their activity. On the other hand, there was a decline in gold mining (-3.6%, or -0.6 points) for the fourth consecutive month. This good performance reflects the easing of power cuts since the start of the year, with fewer breakdowns at Eskom's coal-fired power stations and the addition of self-generation capacity by the private sector. The mining and manufacturing industries should therefore continue to benefit from the stabilisation of the situation in recent months (no load shedding recorded so far in April). However, logistical difficulties continue to weigh heavily on activity in the production sectors.

Official end to tolls on Gauteng motorways *(Engineering News)*

Transport Minister Sindisiwe Chikunga said on Wednesday that tolls would no longer be charged on Gauteng's roads from 12 April 2024. Chikunga admitted that the system had broken down, as the collection of payments was virtually non-existent. This impasse is not new, as a three-member committee - comprising the Minister of Transport, the Minister of Finance and the Premier of Gauteng - was tasked by President Cyril Ramaphosa in July 2019 with resolving the situation, to no avail. Since it was launched by the state-owned company SANRAL, the Gauteng e-tolling programme has accumulated ZAR 43 billion (EUR 2.1 billion), 70% of which will be borne by the National Treasury and 30% by the province of Gauteng. According to the Undoing Tax Abuse organisation, the lifting of these (theoretical) toll charges could paradoxically boost the use of e-toll solutions in South Africa. Users will be able to use this solution without fearing that they will be the only ones to be automatically debited when using Gauteng's motorways.

PRASA restarts passenger train services in three provinces *(IOL)*

The Passenger Rail Agency of South Africa (Prasa), a subsidiary of the state-owned Transnet group dedicated to passenger rail transport, has declared that it has reinstated five rail services in the provinces of Gauteng, KwaZulu-Natal and Western Cape. More specifically, this concerns the Cape Town-Stellenbosch (Western Cape), Merebank-Chatsglen (KZN), Johannesburg-Florida, Johannesburg-Nancefield and Germiston-Elsburg (Gauteng) lines. The public company has also announced that the Cape Town-Stellenbosch line will be extended to Muldersvlei, and in the province of KZN, the Merebank-Chatsglen line will be extended to Crossmore. For the moment, this extension is only part-time, but PRASA is working to make it permanent and full-time. This announcement is a positive sign, given the advanced state of decay of passenger rail transport in South Africa. The only network operating optimally is the Gautrain between Pretoria and Johannesburg, operated by Bombela Operating Company (BOC), a company majority-owned by RATP Développement.

Interwaste inaugurates a ZAR 100 million wastewater treatment plant in Delmas (Mpumalanga) *(Engineering News)*

On Wednesday 10 April 2024, Interwaste, the South African subsidiary of the French group Séché Environnement specialising in waste treatment and recovery, inaugurated a wastewater treatment plant (leachate and effluent treatment) worth ZAR100m (EUR5m) in Delmas, Mpumalanga. Leachate is run-off water produced by the combined action of rainwater and the fermentation of landfill waste. In this case, it is leachate produced by an adjacent Interwaste landfill, but also by other nearby facilities, notably industrial and mining. In total, the plant can treat 43 million litres of effluent a year and recover 80-90% clean, reusable water, i.e. 36 million litres. The treated water supplies the site itself, but can also be reused by industrial customers in the region. The surplus, considered to be environmentally clean, is returned to watercourses. Interwaste explained that this plant is the first of its kind in South Africa, because it can treat all kinds of water pollution (heavy metals, hydrocarbon residues, organic waste, etc.).

First purchases of Mozambican gas by PetroSA in 2024 (Engineering News)

South Africa's state-owned oil and gas company PetroSA expects the first flows of Mozambican gas to South Africa under an agreement with Mozambique's national energy company ENH sometime in 2024. PetroSA received its gas trading licence from the regulatory authorities in March 2024, and has just signed an agreement for an initial quantity of 2 petajoules of gas per year (PJ/a), with the possibility of increasing this to 200 petajoules over time. This would make it possible to supply a number of industrial gas users, including steelmaker ArcelorMittal, which currently relies on around 190 PJ/y, mainly supplied by South African petrochemical company Sasol. To make this partnership sustainable, PetroSA would like to form a joint-venture (JV) with its Mozambican alter-ego ENH to replicate the JV model at Mossel Bay to market gas from offshore fields discovered by TotalEnergies. In addition, PetroSA is currently negotiating two gas transportation agreements with Sasol and Rompco, the pipeline company it operates, to access uncommitted capacity in the pipeline network. The Rompco pipeline links Mozambique to Sasol's petrochemical complex in Secunda, where the company operates the world's largest coal-to-liquids plant.

Botswana

Minister of State for Development, Francophonie and International Partnerships Chrysoula Zacharopoulou visits Botswana *(France Diplomatie)*

Ms Chrysoula Zacharopoulou, Minister of State for Development and International Partnerships, was in Botswana from 9 to 11 April 2024 at the invitation of the Botswana Minister of Foreign Affairs, Mr Lemogang Kwape. This visit, the first in nine years at ministerial level, provided an opportunity to expand the bilateral partnership around three key areas corresponding to Botswana's priorities: agriculture, sustainable tourism and digital technology. These priorities were discussed at the meeting between the Secretary of State and President Masisi, which led to the Gaborone Declaration, which calls for closer cooperation in these areas. Ms Zacharopoulou also visited the *Botswana Digital & Innovation Hub* , which is modelled on Station F, the largest start-up incubator in France.

Namibia

Africa Global Logistics (AGL) wins management contract for Walvis Bay bulk terminal in Namibia *(BizCommunity)*

Africa Global Logistics (formerly Bolloré Logistics) has signed a contract to manage the Walvis Bay bulk terminal in Namibia. The ceremony took place in the presence of Tony Stenning, AGL's Director for Southern Africa, and Andrew Kanime, CEO of Namibia's national port authority, Namport. The signing follows an international call for tenders launched by Namport in January 2023. The terminal will handle exports of iron, manganese, copper, coal, lithium and possibly agricultural products. AGL is also committed to promoting the development of Namibia's strategic corridor, which should benefit from the development of the 1500 km Trans-Kalahari rail link with Botswana. Terminal Investment Limited (TIL), another subsidiary of the MSC group (AGL's new majority shareholder), had already won the concession for the Walvis Bay container terminal at the end of 2022.

Moody's upgrades sovereign rating outlook *(Bank of Namibia)*

On 5 April, Moody's updated Namibia's sovereign rating, maintaining it at "B1" (four places below investment grade) but raising its outlook from "stable" to "positive". The agency justifies its decision by pointing to the country's improved growth prospects, driven by rising commodity prices (notably uranium), increased mining investment and the potential for the development of hydrocarbons and renewable energies in the country. However, the agency draws attention to the high level of public debt (64% of GDP) and its impact on public finances. In addition, Namibia is likely to face high financing requirements in the years ahead, as a USD 750 million international bond(*Eurobond*) reaches maturity in 2025. Moody's recognises, however, that these risks are limited by the inflow of Foreign Direct Investment (driven in particular by hydrocarbon exploration activities in the Orange Basin), adequate levels of foreign exchange reserves and the improvement in the public finance situation (primary surplus for 2023/24 -1.7% of GDP, the first since 2012).

The Central Bank maintains its key rate at 7.75% *(Bank of Namibia)*

The Monetary Policy Committee of the*Bank of Namibia (BoN)* decided to maintain its key rate at 7.75% at its Monetary Policy Committee meeting on 15 and 16 April. In its press release, the monetary institution justifies its decision by the moderation in inflation (see: Brief on Southern Africa), even though it has slightly revised its forecasts for the indicator for 2024 to 4.9% (+0.1 points). It also points to persistent risks to the acceleration of inflationary pressures, such as geopolitical tensions in the Middle East (possible impact on oil prices) and climatic shocks (El Nino). This decision follows the South African *Reserve* Bank's decision to maintain its key rate at 8.25% at its meeting on 27 March. Inflation trends have little impact on the BoN's monetary policy, as its main objective is to maintain parity with the rand within the common monetary zone. Furthermore, against a backdrop of a widening trade deficit (+19.2% to NAD 54.3 bn in the first two months of 2024 compared with the same period last year), the level of reserves fell significantly (-3% over two months to NAD 54.3 bn, or 3.7 months of imports compared with 5.1 in December). However, it is still considered sufficient to maintain parity with the South African currency. The next Monetary Policy Committee meeting will be held on 17 and 18 June.

Zambia

Zambian copper mines at risk of power cuts *(Mining.com)*

According to the Zambia Chamber of Mines, the state-owned electricity producer, ZESCO, has notified several mines that it may apply the force majeure clause due to the current drought, which is severely affecting electricity production from the country's hydroelectric dams (85% of production). This major clause authorises ZESCO to impose power cuts on the mining sector, which until now has been immune to load shedding because of its strategic importance to the Zambian economy. Last month, ZESCO had already stated that it would ask the mines to reduce their use of the grid by 25%. This unprecedented decision was prompted by the current drought, which the government anticipates to be the worst in over 100 years. The severity of the load rationing, which is as yet unknown, will determine the impact on copper production, which could therefore fall for the fourth year running, despite the country's target annual output of 3mt in 2030 (792kt in 2023), which seems unrealistic in its current state. Nevertheless, it would appear that the largest mines (Kansanshi, Trident and Lumwana) should not be seriously affected this year. This announcement is also bad news for the global copper ore market, which is under great pressure and benefits from increasingly high demand due to the importance of copper in the energy transition, particularly for electric cars.

The United Nations (UN) calls for emergency humanitarian aid for Zambia *(Lusaka Times)*

The United Nations has launched an appeal for emergency humanitarian aid for Zambia because of the drought caused by El Niño. This extreme weather event, exacerbated by climate change, has destroyed almost half of the country's maize crop, leaving it in a critical food situation. According to the United Nations Children's Fund, more than six million Zambians, half of them children, have been affected by the drought. Zambia has already declared a state of emergency and is also in a critical energy situation (8 hours of power cuts a day) due to the very low level of the hydroelectric dams, which account for 85% of the country's energy mix. With this appeal, the UN is hoping for a rapid mobilisation of the international community in addition to the release of its strategic food reserves.

GDP growth to reach 5.8% in 2023 *(Zamstats)*

According to the national statistics institute (Zamstats), GDP growth should reach 5.8% in 2023, after 5.2% in 2022. Sixteen out of nineteen sectors recorded growth in their activities, and in particular the "information and communication" sectors (+28.8%, or a contribution of 2.7 points), education (+15.4%, or 1.1 points) and construction (+9.3%, or 0.9 points). Conversely, agriculture (-9.1%, or -0.6 points) and mining (-5.9%, or -0.5 points) recorded a contraction in their activity. According to Zamstats (and the IMF), growth in 2024 should be 4.7%, driven by an upturn in the mining and agricultural sectors. The resumption of the Mopani mine by International Ressources Holding, an Emirati company, should enable the industry to bounce back after a difficult year with numerous floods. The price of copper is also on the rise again, prompting mining companies to reopen or invest more in mining infrastructure *(Zambia National Service, CNMC, Barrick Glod Cooperation)*. However, the current drought affecting the country should prevent the agricultural sector from rebounding.

Zimbabwe

The Central Bank introduces a new currency, the ZiG (The Herald)

On 5 April, following a meeting of the Monetary Policy Committee, the new Governor of the Central Bank of Zimbabwe (RBZ), John Mushayavanhu, announced the creation of a new currency, the Zimbabwe Gold (ZiG), This will replace the *Zimbabwe Dollar* (ZWL) from 30 April. Zimbabweans will then have 21 days to exchange their old notes for the new denominations, ranging from ZiG 1 to ZiG 200. The RBZ has set the initial exchange rate at ZiG 13.56 to USD 1. The decree establishing the new currency specifies that it will be backed by a basket of reserves made up of foreign currencies and precious metals (mainly gold) held by the Central Bank. The authorities claim that the ZiG is backed by USD285m of reserve assets, including USD100m and 2.5 tonnes of gold. If these estimates prove correct, the level of reserves would be sufficient to fully hedge the currency. This announcement, which took many observers and partners by surprise, bears witness to the economy's recurring difficulties in establishing lasting confidence in its domestic currency (the country's sixth currency since independence in 1980). The ZWL was introduced in 2019 after a decade of dollarisation. However, the currency is suffering from a major crisis of confidence, which has become much more acute since the second quarter of 2023, causing inflation to spiral out of control. The currency has lost more than 97% of its value since January 2022, with the official exchange rate reaching a parity of ZWL 30,670 to USD 1 on 5 April. De facto, the vast majority of the economy is now dollarised, with the US dollar now used in 85% of the country's exports.

	Taux de change au	Evolution des taux de change USD (%)			
	18/04/2024	Sur 1 semaine	Sur 1 mois	Sur 1 an	Depuis le 1er janvier
Afrique du Sud	19,1 ZAR	-1,7%	-1,1%	-5,2%	-4,1%
Angola	832,8 AOA	-0,2%	0,0%	-39,2%	-0,5%
Botswana	13,6 BWP	-1,0%	-1,3%	-4,7%	-2,6%
Mozambique	63,2 MZN	0,0%	0,0%	0,0%	0,0%
Zambie	25,3 ZMW	-1,5%	0,4%	-31,1%	-2,1%

Note de lecture : un signe positif indique une appréciation de la monnaie.

Source : OANDA (2024)

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