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CORPORATE NEWS

BORROWED TIME: THE REALITY CHECK WAITING FOR ZIMBABWE AND THE CAPITAL MARKET THAT COULD SOFTEN IT

Walk through Harare on any given Saturday and you would be forgiven for thinking the country has never had it better. New malls are rising in Borrowdale, Sam Levy's and Westgate are humming, the fast-food queues stretch out the door, weekend shows sell out, and the group photos on Instagram and TikTok tell a story of a young, stylish, upwardly mobile Zimbabwe. There is real energy in that scene, and it should not be dismissed. But underneath the lights, the coffee cups and the designer sneakers sits a quieter, harder number that never trends: what happens to all of these people in twenty years, when the youth, the energy and the hustle that carry them today are no longer enough?

This is not a moral lecture about frivolity. It is a math problem, and Zimbabwe's statistics agencies, insurers and pension regulators have already done the sums. The uncomfortable truth is that **Zimbabwe is a country consuming like a middle-income economy while saving, insuring and investing like one of the least protected populations on earth.** That gap does not show up on a balance sheet today. It shows up in twenty years, all at once, in the form of elderly citizens with no income, no medical cover and no safety net, at precisely the point in life when they can least afford to discover the shortfall.

THE MALL IS NOT THE COUNTRY

GDP per capita is a useful number, but it is an average, and averages hide more than they reveal. Zimbabwe's wage Gini coefficient, a measure of how unevenly income is spread sits **above 0.7**, placing the country among those with the highest levels of income inequality in the region. On the broader income Gini, most estimates put Zimbabwe in the **mid-40s to low-50s** out of **100**, comfortably in "high inequality" territory by global standards. Human Development Index scores tell a similar story: Zimbabwe's HDI has sat in the "medium" band, **ranked around 150th globally**, a position that reflects real gaps in income, education and life expectancy behind the average GDP per capita figure of roughly **\$3,200**. In other words, the mall car park, the fast-food queue and the show ticket are real, but they are not evenly distributed proof of national wellbeing. They are the visible tip of a narrow band of formally employed, urban, cash-flowing Zimbabweans a band that is thinner than it looks and, crucially, is not automatically converting today's income into tomorrow's security.

THE RETIREMENT CLIFF NOBODY IS PRICING IN

Financial literacy has an uncomfortable habit of exposing what a society avoids talking about. Ask any room of young professionals about their phone upgrade plan, their next trip, or their side hustle margins, and the answers come fast and confident. Ask the same room about their pension, their medical aid, or their funeral cover, and the room goes quiet. That silence is now a measurable national statistic.



Zimbabwe's own data paints a stark picture. **Less than 10% of the population has any form of medical aid cover**, and CIMAS's own leadership has told regional health ministers that **only around 6% of the adult population has medical cover that can be relied on when it actually matters.** On the pensions side, it is worse: **only about 2% of the population receives a formal monthly pension or social security payout**, and **close to 90% of employees fall outside the formal pension system entirely**, a gap driven largely by the size of the informal economy, where the vast majority of working Zimbabweans now earn their living. The National Social Security Authority exists, contributions happen, but coverage simply does not reach the informal trader, the vendor, the cross-border hustler, the gig worker or the small business owner who together make up most of the workforce.

Government-funded safety nets do not close this gap either. **Non-contributory social protection spending has historically stayed below 1% of GDP**, and programmes like the Harmonised Social Cash Transfer reach only a fraction of vulnerable households. For most families, the real safety net is informal: remittances from relatives abroad, community support, and the hope that children will carry their parents in old age the way an unfunded, word-of-mouth pension system always has. That system worked reasonably well when households were large, rural and extended. It is far more fragile in an urbanising, smaller-household, economically stretched Zimbabwe.



Add to this the industry's own warning signs. The Zimbabwe Association of Pension Funds has flagged a sharp decline in the number of active, viable pension funds over the past two decades, a casualty of the **2003–2009 hyperinflation era that wiped out pensioners' life savings** and has never fully been repaired in the public's trust. That trauma matters more than any statistic. An entire generation watched their parents' or grandparents' pensions become worthless overnight, and the lesson many drew was not "save more carefully" but "saving in formal institutions is pointless." That single belief, understandable as it is, is now one of the biggest obstacles to building the very system that could prevent it happening again.

WHY THE BURDEN QUESTION MATTERS

If less than **10% have medical cover and roughly 2% have a formal pension**, the arithmetic of ageing is unforgiving. Twenty years from now, the shows will still be happening, the fast-food outlets will still be busy, but the people filling them today will be in their fifties and sixties, past their physical peak, with medical needs rising exactly as income-generating capacity falls. Who shoulders that burden? Realistically: their children, an already-stretched state, or nobody at all. None of those are good outcomes, and none of them are inevitable if the next twenty years are used differently than the last twenty.



TRUST, PONZI SCHEMES, AND STARVED CAPITAL MARKETS

Here is the paradox that should worry every capital markets professional in the country: Zimbabweans are not opposed to investing. **Millions of dollars are lost every year to unregistered "get-rich-quick" schemes and ponzi operations promising unrealistic returns**, proof that there is real appetite for growing money beyond the mattress or the bank account. The problem is not desire, it is trust, access and financial literacy, channelled toward the wrong destinations. Formal, regulated investment vehicles, unit trusts, pension funds, the Zimbabwe Stock Exchange, the Victoria Falls Exchange, money markets, remain starved of the very capital that flows freely into informal schemes. Zimbabwe has an estimated population of over 17 million and a working population of roughly 7 million, yet **the number of active retail investors participating directly in listed capital markets is estimated at well under 50,000 people**.

That is a **formalisation gap, not a trust gap that can never be closed**. Zimbabweans clearly trust something with their money; it is currently just not the regulated market.

This is where capital markets and social protection stop being separate conversations and become the same conversation. A pension fund, a unit trust, or a listed REIT is, at its core, a vehicle for turning today's small, regular contributions into tomorrow's income security, while simultaneously providing long-term capital for the roads, energy projects and housing the economy needs. Regional forums this year, including IPAZ-hosted discussions in Zambia, have pointed to the billions of dollars needed for infrastructure and energy investment across the region. That capital has to come from somewhere. In deep capital markets, a meaningful share comes from ordinary citizens' retirement savings, pooled at scale. In Zimbabwe today, that pool is small, ageing and shrinking, exactly when it should be growing.

WHAT DEEPENING LOOKS LIKE AND WHO HAS DONE IT



It is worth asking how Singapore, the UAE, Hong Kong and the Cayman Islands became the wealth and capital hubs they are today. None of it was an accident of geography or luck. Singapore built the Central Provident Fund, a compulsory but individually-owned savings system, alongside deliberate policy to make its exchange attractive to both local and global capital.

The UAE used sovereign wealth and free-zone structures to turn oil income into diversified, intentional long-term investment. Hong Kong and the Cayman Islands built regulatory environments, custody infrastructure and tax frameworks purpose-built to make holding and growing capital easy, transparent and trusted. In every case, the common thread is intentionality: **these were not economies that grew rich and then discovered capital markets, they used capital markets, savings culture and trusted institutions as the engine of that growth, deliberately and early.**



Zimbabwe's opportunity is that this playbook is known and repeatable, even after the scars of hyperinflation. Platforms like the **Zimbabwe Entrepreneurship Exchange (ZEEX)** exist precisely to let smaller entrepreneurs and informal businesses formalise, list and access capital, while giving ordinary Zimbabweans a regulated place to put their savings to work. Micro-pension frameworks aimed at informal traders are a start at closing that 90% coverage gap. None of it works, however, without a parallel shift in mindset: retirement planning has to move beyond compulsory payroll deductions that most of the informal workforce never makes, into a personal, voluntary habit the same instinct that currently drives people toward ponzi schemes, redirected toward regulated unit trusts, pension products, equities and money market instruments.

<https://zeex.co.zw/>

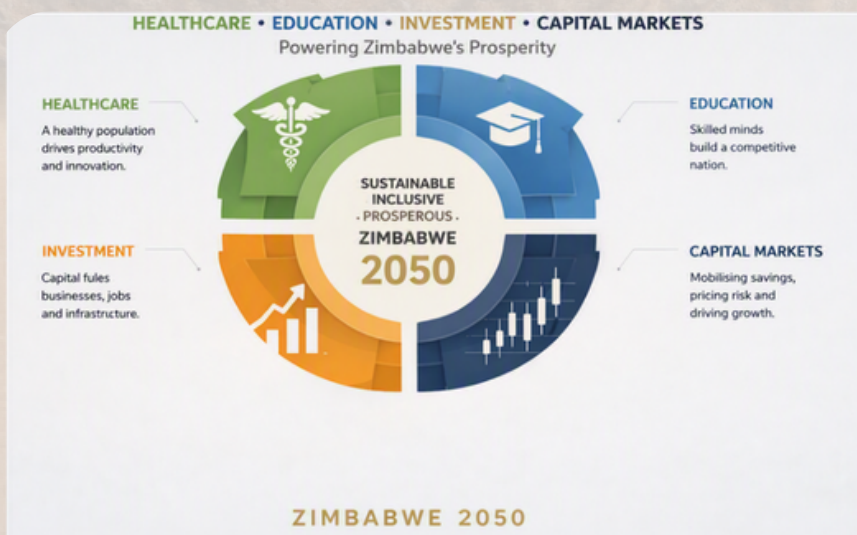


ZEEX

IMAGINING 2050

Picture Zimbabwe in 2050. The version worth building is one where a meaningful share of the population **not 0.3%, but a real, growing percentage** holds units in a pension fund, a unit trust or listed equities. Where medical aid coverage has multiplied several times over because more of the economy has formalised. Where remittances are not just consumed but partly channelled into savings and investment products designed for the diaspora. Where the social fabric trust rebuilt, financial literacy widespread, informal traders folded into formal systems is strong enough to make capital markets a genuine engine of growth rather than a niche activity for a small elite.

None of that starts in 2050. It starts with what is allocated, saved, invested and formalised today, while the demographic dividend of a young population is still an asset rather than a liability. The greatest resource any economy has is its people, and the truest measure of an economy's health is not how many malls it can fill this year, but how securely it can carry its people through the years when the malls, the shows and the hustle are no longer an option. That is the reality check coming for Zimbabwe. **The only real question left is how much of the next twenty years is spent preparing for it or postponing it.**



ABOUT THE AUTHOR

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