



HISTORY OF STOCK EXCHANGES IN ZIMBABWE: SUMMARY HIGHLIGHTS

The establishment of the Rhodesian Stock Exchange (RSE) led to greater economic sophistication in the country. The role of the RSE complemented that of financial institutions such as insurance companies, building societies, commercial banks, the land Agricultural Bank and Peoples Own Savings Bank (POSB). The number of listed companies increased from 7 in 1946 to 98 by 1963. By 1980 the RSE was a highly specialised market.

As we conclude the series of articles on the history of stock exchanges in Zimbabwe, let us take note of some of the major highlights which include the following:

- Zimbabwe has one of the oldest stock exchanges in Africa, dating back to the early 19th century.
- The first stock exchange was opened on 20th June 1894 and it was named the Salisbury Stock Exchange.
- The Bulawayo Stock Exchange was formed in 1894 followed by two other exchanges in Umtali (Mutare) and Gwelo (Gweru).
- The Rhodesian Stock Exchange (RSE) was officially opened on 2nd January 1946.
- On formation, the RSE was made up of about 22 practicing and 9 non-practising members.
- The rules and regulations of the RSE were adopted from the Johannesburg Stock Exchange (JSE) rules, with minor modifications.
- 13 share counters were traded on the first day of trading on the RSE, the 2nd of January 1946.
- During the period 1946-1952, there was more active trading in government stocks as compared to company stocks.
- A total of 48 mining, industrial and retail companies were listed on the RSE.
- By 1952, the exchange had 3 markets i.e. industrial, mining and another for local and government stocks

The history of stock exchanges in Zimbabwe was characterised by economic challenges, notably, The **Great Depression** which crippled almost all sectors of the economy, **Black Friday** when the Zimbabwe dollar crashed and lost value against the United States dollar and **The Hyperinflation Era** where at its peak, inflation rose to 100%. During the hyperinflation era government maintained a controlled rate regime and the RBZ limited the amount for cash withdrawals which led to the rise in parallel market exchange rates, which exist to date.

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