



PRESS STATEMENT

RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 26 APRIL 2024

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe met on 26 April 2024 and deliberated on recent macroeconomic and financial developments in the economy following the announcement of the Monetary Policy Statement (MPS) on the 5th of April 2024.

The MPC noted that the 2024 MPS was well received by the market and is expected to ensure lasting stability, certainty, and predictability in the exchange rate and inflation. Preliminary indications since the announcement of the MPS show that the markets have been fairly stable. In this regard, the MPC affirmed its commitment to the consolidation of these positive sentiments and ensure a quick restoration of confidence, trust and anchoring of inflation expectations.

Considering the initial positive reaction from the market, the MPC has resolved to maintain the current policy matrix as follows:

- To maintain the current Bank Policy rate at 20% per annum and an interest rate corridor of 11-25%;
- To maintain the statutory reserve requirements for demand deposits and savings and time deposits in ZiG at 15% and 5%, respectively; and
- To maintain the statutory reserve requirements for demand deposits and savings and time deposits in foreign currency at 20% and 5%, respectively.

The MPC will proactively review the monetary policy measures in line with exchange rate and inflation developments. To support the tight monetary policy stance, the MPC emphasized the need for the Reserve Bank to ensure the following:

- Continue to work closely with Government to ensure a robust liquidity management system through the joint Liquidity Management Committee (LMC).
- Contain money supply growth to the desired levels determined by targeted inflation, growth of the economy and increase in foreign reserves backing the ZiG currency;
- Ensure the creation of effective demand for the domestic currency through strict adherence to the multicurrency system by all players in the economy consistent with the multicurrency system except for exempted services; and
- To work closely with Government to encourage the increased use of ZiG for payment of goods and services to public entities including the settling of tax obligations on Quarterly Payments Date (QPDs).

The MPC also directed the Reserve Bank to ensure that there is effective communication on the new structured currency, ZiG, to cover the whole country to ensure that there is financial inclusion. The Reserve Bank was also directed to ensure that, at all times, any growth in reserve money is fully covered by reserves, in the form of gold, other precious minerals and foreign currency balances in the Reserve Bank's Nostro account.

Overall, the MPC affirmed its strong commitment to fully implement the new monetary policy measures.



Dr. John Mushayavanhu

Governor

29 April 2024