PRESS STATEMENT

RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 28 MARCH 2025

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe met on 28 March 2025 to deliberate on recent macroeconomic and financial developments and outlook for the economy. The MPC also reviewed the impact of the measures announced in the Monetary Policy Statement of 6 February 2025.

The MPC noted with satisfaction the recent developments in monetary and financial conditions which have resulted in the sustained stability of the exchange rate and inflation. As a result of the increased stability of the exchange rate, ZiG inflation decelerated from 10.5% in January 2025, to 0.5% in February 2025 and -0.1% in March 2025. The disinflation has been broad-based with all categories of the Consumer Price Index (CPI) basket showing greater stability. Food inflation stood at -0.5% and non-food inflation at 0.2% in March 2025.

In line with continued monetary and exchange rate stability, monthly ZiG inflation is expected to remain low and stable in the outlook period. In April 2025, the Zimbabwe National Statistics Agency (ZIMSTAT) will release the first ZiG annual (year-on-year) inflation figure which is expected to come in at a relatively elevated level. This reflects the historical base effects due to the once-off spike in inflation in October 2024. Subsequently, annual inflation is expected to moderate significantly in the last quarter of 2025, after the base effects have run their full course, to end the year at less than 30%.

The MPC also took cognisance of the low aggregate demand in the economy and the need for monetary policy to be more accommodative to balance stability and economic growth. In this context, the MPC resolved to maintain the current monetary policy stance for the next quarter, while ensuring that there is an adequate flow of liquidity to the market.
Based on this assessment, the MPC resolved as follows:

- To maintain the Bank Policy rate at 35%.
- To maintain the current statutory reserve requirements for savings and time deposits for both local and foreign currency at 15%; and for demand and call deposits for both local and foreign currency deposits at 30%.
- To continue to deploy the intra-day facility and the Targeted Finance Facility (TFF) to ensure adequate liquidity in the economy in a well-sequenced and mutually reinforcing manner.

In addition, the MPC resolved to strengthen the Reserve Bank's monetary policy communication through regular updates and publications of high-frequency monetary and financial indicators underpinning the monetary policy stance. This is expected to enhance transparency, build confidence and engender certainty, and predictability in the economy.

Going forward, the MPC will remain vigilant to any emerging risks to inflation and exchange rate stability and make appropriate monetary policy adjustments based on the balance of risks to inflation and economic growth in the outlook period.

Dr. John Mushayavanhu
Governor

28 March 2025