



RESERVE BANK UPDATES

2025 Mid-Term Monetary Policy Statement Review Highlights

08 August 2025

Putting Stakeholders at the Centre of Policy Making Part II

The Bank remains committed to providing regular updates and feedback to stakeholders, informed by our ongoing engagements. We will continue to share with you a summary of stakeholder feedback, ensuring that policy measures are clearly understood, stakeholder perspectives are acknowledged, and there is alignment between the Bank's objectives and the broader business community.

Summary of policy impact and feedback



1. De-dollarisation by 2030

Stakeholder
Comments
& Issues

Government should provide clear direction and assurance possibly anchored in legislation that **foreign currency deposits held within the domestic financial system will retain its foreign currency status post multi-currency era**

RBZ
Feedback

The RBZ allayed the stakeholders' fears and advised that a roadmap will be provided in the upcoming NDS 2. **The roadmap will, however, encapsulate the need to maintain the current macro stability, preserve the foreign currency accounts and avoid loss of value of the existing US\$ denominated contracts.**



5. High Bank Charges

Stakeholder
Comments
& Issues

Stakeholders indicated that **bank charges are too high thereby increasing the cost of trading through the formal banking system.**

RBZ
Feedback

Through moral suasion, **the Reserve Bank continues to urge the BAZ to review their pricing policies.**



2. Interest Rates

Stakeholder
Comments
& Issues

Interest rates on ZiG loans could be high and there may be need to reconsider the rates, starting with a review of the 35% Bank Policy Rate as it influences other lending rates in the banking sector.

RBZ
Feedback

The Bank reaffirms that the current Bank policy rate is well calibrated based on inflation and output dynamics. The Bank projects inflation to end the year at 30%, giving positive real interest rate of 5%, which is consistent with the natural rate observed in other emerging and developing countries. The policy rate will continue to be reviewed by the MPC in line with obtaining fundamentals.



6. Foreign Exchange Market

Stakeholder
Comments
& Issues

Stakeholders recommended the **introduction of a cap on the margin in the WBWS interbank market** to ensure that the private sector can access foreign currency at fair rates.

RBZ
Feedback

The Reserve Bank envisages that **the actions being taken to deepen the foreign exchange market will go a long way to strengthen competition** with the effect of narrowing the trading margins.



3. Targeted Finance Facility

Stakeholder
Comments
& Issues

Stakeholders acknowledged that TFF is a positive initiative, however, **there is need for opening up TFF window to companies involved in the supply value chains and enhance lending conditions for long-term funding.**

RBZ
Feedback

The RBZ acknowledges the **need for funding for value chain bridging finance.** However, the market is currently in surplus, which can fund their requirements (gap).



7. Availability and usage of ZiG

Stakeholder
Comments
& Issues

Implement measures to **increase adoption and uptake of ZiG in the market**

RBZ
Feedback

ZiG cash is available at banks and the Reserve Bank has directed banks to ensure that they pick up their ZiG cash entitlements so that they have optimal holdings to issue to their client, at all times.



4. Currency Discrimination by Mobile Money Operators

Stakeholder
Comments
& Issues

Stakeholders highlighted that it is difficult to transact in ZiG when purchasing services from **Mobile Money Operators**. However, it becomes much easier when transacting in USD.

RBZ
Feedback

The Reserve Bank will engage **Mobile Money Operators to ensure that there is equal trading in both domestic and foreign currencies in line with the multicurrency system.**



8. Fiscal Matters

Stakeholder
Comments
& Issues

Stakeholders raised concerns regarding **fiscal risks to the prevailing stability.**

RBZ
Feedback

The Reserve Bank and Treasury have been working closely to ensure monetary policy and fiscal policy complementarity. The Reserve Bank, in its Advisory role, will continue to engage Government to address specific potential risks to macroeconomic stability raised by stakeholders.