



## PRESS STATEMENT

### RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 26 AUGUST 2022

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe (the Bank) met on 26 August 2022 to review the impact of the recent monetary policy measures on the economy.

The MPC noted with satisfaction that a combination of the tight monetary policy stance, favourable uptake of gold coins, effective monitoring and enforcement of market discipline by the Financial Intelligence Unit (FIU) and the review and enhancement by Government of its procurement processes and practices to ensure value for money had resulted in the stability of the exchange rate and a decline in inflationary pressures.

As at 26 August 2022, a cumulative total of 10 000 gold coins had been minted and out of which 8 076 gold coins had been distributed to the Bank's agents for sale. A total of 6 799 gold coins had been sold as at 26 August 2022, with 75% having been bought by corporates and 25% by individuals. Ninety five per cent (95%) of the gold coins sold were purchased in local currency and the balance in foreign currency.

The MPC also noted the decline in month-on-month inflation from 25.6% in July 2022 to 12.4% in August 2022 and as previously advised, it was expected that the month-on-month inflation would progressively decline, while annual inflation was expected to continue rising to reach an annual peak in September 2022 due to the lower base effect in 2021. On the back of the tight monetary policy stance pursued by the Bank, the official and parallel market foreign exchange rates were expected to converge in the outlook period, thereby fostering price stability and anchoring inflation and exchange rate expectations.

To ensure sustained exchange rate and inflation stability in the economy, the MPC resolved to maintain the tight monetary policy stance, while ensuring adequate support to the productive sectors of the economy, in particular primary agriculture, agro-processing and small and medium enterprises (SMEs) as follows:

- i. Maintaining the Bank policy rate at 200% per annum; and
- ii. Maintaining the Medium Term Accommodation interest rate at 100% per annum.

**John P Mangudya**  
**Governor**  
**28 August 2022**