



PRESS STATEMENT

RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 29 JULY 2022

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe (the Bank) met on 29 July 2022 to review the impact of the recent monetary policy measures on the economy.

With month-on-month inflation having declined from 30.7% in June 2022 to 25.6% in July 2022, the MPC noted that the progressive decline will continue in the outlook period as a result of the tight monetary policy stance being pursued by the Bank. The MPC also noted that the disinflation trend will be reinforced by measures Government was taking to deal with factors that destabilise the foreign exchange market, particularly by reviewing the basis and framework for payments to its suppliers of goods and services in its quest to stabilise the foreign exchange market and enhance value for money. The MPC further noted that whilst monthly inflation is expected to continue to decelerate during the outlook period, annual inflation will continue to increase up to September 2022 as a result of the lower base effect in 2021.

In view of the said developments and outlook, the MPC resolved to maintain the interest rates at current levels. The tight monetary policy stance would be buttressed by the favourable uptake of gold coins which were introduced in the economy on 25 July 2022 as an alternative stable financial product for store of value. A total of 1500 gold coins were sold by the Bank's agents during the first week of their release into the market, with 85% having been bought in local currency and the balance of 15% in foreign currency. An additional 2000 gold coins will be released into the market during the week commencing 1 August 2022.

The MPC will continue to review interest rates on a regular basis in line with month-on-month inflation developments.

John P Mangudya
Governor
1 August 2022