



PRESS STATEMENT

RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 28 JULY 2023

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe (the Bank) met on 28 July 2023 to review the effectiveness of the recent policy measures put in place by both Government and the Bank to stabilise the economy.

The MPC expressed satisfaction with the impact of the measures which have stabilised the exchange rate and domestic prices. Consequently, month-on-month inflation, which peaked at 74.5% in June 2023, fell to minus 15.3% in July 2023, while annual inflation fell from 175.8% in June 2023 to 101.3% in July 2023. The MPC expects month-on-month inflation to continue to decline in the outlook period to December 2023.

The MPC also noted that economic fundamentals are strong to sustain the current stability, as reflected by the robust economic growth of 5.3% expected in 2023, a favourable balance of payments position and fiscal sustainability. The strong economic fundamentals, coupled with stability in prices, will be critical in preserving the value of the domestic currency and enhancing confidence in the economy.

In view of the current positive inflation and exchange rate developments, the MPC resolved to stay the course of the current tight monetary policy stance and allow time for the current measures to take the full course of their impact on the dual currency economy. The MPC is strongly committed to remaining watchful of any potential shocks and putting in place appropriate safeguard measures to ensure that the economy remains on track to achieving price and exchange rate stability to support the strong economic fundamentals.

The MPC will continue to review monetary policy measures on a regular basis in line with month-on-month inflation developments and monetary conditions.


John P Mangudya

Governor

28 July 2023