



## PRESS STATEMENT

### RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 26 SEPTEMBER 2023

The Monetary Policy Committee (the MPC) of the Reserve Bank of Zimbabwe (the Bank) met on 26 September 2023 to discuss and assess the prevailing monetary and financial conditions and their impact on sustaining the current price stability in the economy.

The MPC noted with satisfaction the sustained decline in month-on-month inflation from a peak of 74.5% in June 2023 to minus 15.3% in July 2023, minus 1.3% in August 2023 and 1.0% in September 2023. Annual inflation also fell from a peak of 175.8% in June 2023 to 18.4% in September 2023. The outlook was that month-on-month inflation would be contained below 3% and annual inflation would end the year 2023 at below 20%.

The MPC also noted that monetary and financial conditions were conducive to sustain the prevailing stability given the robust economic growth of 5.3% expected in 2023, high foreign currency inflows relative to external payments and fiscal sustainability.

In light of the positive developments, the MPC resolved to continue with the tight monetary policy stance and to safeguard financial stability in the economy by:

- i. Maintaining the Bank Policy rate at 150% per annum and retaining the Medium-Term Accommodation (MBA) lending facility at 75% per annum; and
- ii. Standardising the statutory reserve requirements for both foreign and local currency deposits at 15% and for savings and time deposits at 5%.

The MPC was pleased with the strong uptake of Gold-Backed Digital Tokens (GBDT) for value-preservation purposes, which uptake stood at 332 536 636 milligrams as of 19 September 2023. The Bank will expedite the phase for transacting in GBDT, styled Zimbabwe Gold (ZiG), as an additional payment method alongside existing payment platforms.

ZiG will complement the local currency and foreign currency in facilitating domestic transactions in a more certain and predictable manner given the stability of the international gold price. To engender confidence in ZiG, an independent certification mechanism will be put in place to reassure the public of the availability and adequacy of the gold to back ZiG.

The MPC affirmed its strong commitment to maintaining the current tight monetary policy stance and to take all necessary action to firmly anchor inflation and exchange rate expectations.

**John P Mangudya**  
Governor  
28 September 2023