



PRESS STATEMENT

RESERVE BANK PARTICIPATION IN THE FOREIGN EXCHANGE MARKET TO CONSOLIDATE ZiG STABILITY

Since 5 April 2024, the Reserve Bank has been participating in the interbank foreign exchange market to supplement liquidity under the Willing-Buyer Willing-Seller (WBWS) trading arrangement. The participation of the Reserve Bank in the interbank market has helped to complement the supply of foreign currency by Authorised Dealers to meet demand by economic agents. In recent weeks, the Reserve Bank has witnessed a build-up in pipeline demand for foreign currency at banks, thus putting undue pressure on the foreign exchange market.

In light of the above, the Reserve Bank is immediately injecting over US\$50 million into the interbank foreign exchange market guided by the obtaining pipeline demand at banks as of 25 July 2024.

Consistent with the April 2024 Monetary Policy measures that introduced the ZiG currency, the Reserve Bank has been building foreign reserves which now stand at about 4 times cover of the reserve money.

The country continues to generate significant foreign currency to meet import requirements as evidenced by an almost 10% increase in foreign currency receipts during the first half of 2024 compared to the same period in 2023. Reflecting the significant foreign currency receipts, the bulk of foreign payments are currently being met by balances in foreign currency accounts (FCA).

Going forward, the Reserve Bank remains an active participant in the interbank foreign exchange market to complement foreign currency supply under the WBWS trading platform to meet all genuine and bonafide foreign payments.

The Reserve Bank is satisfied with the general acceptance and uptake of ZiG by the market and will continue to ensure currency and exchange rate stability in the macro-economy.



Dr. John Mushayavanhu

GOVERNOR

25 July 2024