



## PRESS STATEMENT

### RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 27 SEPTEMBER 2024


The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe met on 27 September 2024 to deliberate on recent macroeconomic and financial developments and economic outlook.

The MPC noted that the economy experienced relative stability in the economy, from 5 April to mid-August 2024. As a result, month-on-month inflation averaged -0.82% for the three months from May to July 2024. The economy has, however, experienced a resurgence in exchange rate pressures since the second half of August 2024, as reflected by the widening parallel market exchange rate premium, and the increase in inflationary pressures. Consequently, monthly inflation increased to 1.4% in August 2024, and is likely to be higher for September 2024. The increase in parallel market exchange rate volatility is despite the increase in foreign currency inflows for the first 8 months to August 2024 of US\$8,465 million, reflecting an increase of 13.4%, compared to US\$7,468 million in 2023.

To ensure that inflation expectations remain well anchored as well as dissipate current inflationary pressures, the MPC has made the following resolutions:

- To increase the Bank Policy rate from 20% to 35% with immediate effect.
- To increase and standardize the statutory reserve requirements for demand and call deposits for both local and foreign currency deposits from 15% and 20%, respectively to 30%. The statutory reserve requirements for savings and time deposits for both local and foreign currency have also been increased from 5% to 15%, with immediate effect.
- To allow greater exchange rate flexibility, in line with the increased demand for foreign currency in the economy.
- To reduce the amount of foreign exchange an individual can take out of the country, from US\$10,000 to US\$2,000.

The MPC is convinced that the above measures will go a long way in addressing the emerging exchange rate risks, anchor the inflation expectations and stabilise prices in the near to short term. Going forward, the MPC will remain vigilant to any emerging risks to ensure continued macroeconomic stability.

  
**Dr. John Mushayavanhu**  
Governor

27 September 2024