



## PRESS STATEMENT

### RESERVE BANK OF ZIMBABWE'S PARTICIPATION IN THE FOREIGN EXCHANGE MARKET TO CONSOLIDATE ZiG STABILITY

Over the past weeks, the Reserve Bank witnessed a build-up in pipeline demand for foreign currency at banks, reflecting transitory foreign currency supply and demand mismatches, thus, exerting undue pressure on the foreign exchange market. This is, notwithstanding, the significant injection of US\$50 million by the Reserve Bank in July 2024 to clear the pipeline demand for foreign currency at banks.

Pursuant to smoothening the supply/demand mismatches in August/September 2024, the Reserve Bank has during the first two weeks of September 2024, injected US\$24 million into the interbank foreign exchange market. Furthermore, guided by the obtaining pipeline demand at banks as at 18 September 2024, the Reserve Bank has, as of today (19 September 2024) sold into the interbank market an additional US\$40 million. This has resulted in a cumulative foreign currency injection totaling US\$64 million for the month of September 2024 alone.

The Reserve Bank's intervention is consistent with its policy stance of ensuring that all bona-fide foreign currency applications are honoured and with its role as a participant in the foreign exchange market. The Reserve Bank is, therefore, pleased to advise that it will continue to ensure that there is seamless settlement of foreign payments in the interbank foreign exchange market.

The Reserve Bank is also pleased to advise that foreign currency receipts increased by 13.4% in the first eight months of 2024, compared to the same period in 2023. The increase in foreign currency receipts will ensure continued timely settlement of foreign payments from importers' foreign currency accounts (FCAs) and the Reserve Bank's weekly foreign currency injections from the export surrender receipts. In addition, the favourable performance in foreign currency receipts will continue to sustain economic activity.

Importantly, the cumulative foreign currency injection of US\$64 million by the Reserve Bank in the month of September 2024 will effectively mop-up significant liquidity in the market, thus, further consolidating the stability of ZiG. Against this background, the Reserve Bank calls upon economic agents to comply with the stipulated foreign exchange framework in the pricing of goods and services.

The Reserve Bank will continue to entrench the stability of ZiG and ensure the smooth settlement of foreign exchange transactions through the interbank foreign exchange market.

I thank you



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John Mushayavanhu  
**GOVERNOR**

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