PRESS STATEMENT

SUSTAINED SINGLE DIGIT LOCAL CURRENCY INFLATION AUGUST 2026

The Reserve Bank is encouraged by the low single digit inflation, attained in January 2026 and persisted through to August 2026. This is indeed a clear testament that the prudent policies being pursued by the Authorities have been effective in continuously delivering price, currency and exchange rate stability in the economy. Annual **ZiG inflation stood at 2.9%** in August 2026, the **lowest** single digit inflation outturn **since 1980 - a milestone achievement.**

During the eight months to August 2026, annual ZiG inflation was sustained below 5% and averaged 4.0%. Annual inflation increased from 4.1% in January 2026 to 4.8% in April 2026, reflecting the impact of the global oil price shock on domestic fuel prices, arising from the conflict in the Middle East. The muted impact of the oil price shock on Zimbabwe's inflation benefited from well anchored inflation expectations, with other sub-Saharan African countries recording, on average, increases of between 2-4 percentage points in domestic inflation.

The annual ZiG inflation in August 2026 of 2.9%, compares favorably with domestic US dollar inflation of 3.1%. This entails that prices of domestic goods and services, since August 2025 have increased at relatively the same pace in both ZiG and US dollar. Importantly, the implication is that businesses should be indifferent in terms of pricing and accepting payment in either foreign currency or ZiG.

In this regard, the prevailing low and stable inflation environment should support greater predictability and certainty in business planning and investment critical for the wider use of ZiG in the multi-currency environment.

Going forward, the Reserve Bank remains committed to ***"stay the course and walk the talk"*** in ensuring price, currency and exchange rate stability, which is critical for boosting confidence in our domestic currency and entrenching macroeconomic stability in line with National Development Strategy 2 and Vision 2030.

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GOVERNOR