RESERVE BANK OF ZIMBABWE

# Building Confidence in the ZiG

## 8 Conditions for a Market-Driven Transition to a Mono-Currency

For Zimbabwe to move confidently towards a mono-currency system, the public must be assured that the local currency is stable, trusted and useful in everyday transactions. Zimbabwe will only transition to the exclusive use of ZiG for all domestic transactions when the 8 Conditions Precedent (CPs) have been fully met and durably sustained.

The following conditions show the progress being made to build that confidence and explain why each one matters to the public.

The BiG5 Upgraded ZiG

*Stable. Secure. Sustainable* *Yakanaka. Yakasimba. Inotenga.* *Inhle. Iqinile. Iyathenga.*

# 01

# Low and Stable Inflation at Single-digit Levels

## What Is Inflation?

- Inflation is the rate at which prices rise over time. When inflation is high, money loses value quickly; when it is low and stable, people can buy, save and plan with greater certainty.
- Zimbabwe has sustained single-digit inflation since January 2026, with inflation standing at **2.9%** as at August. This is an important signal that price pressures are being contained.

**2.9%**

Inflation as at **August 2026**

## What Does It Mean For Our Everyday Life

Low and stable inflation gives the public confidence that the ZiG can protect value. It means salaries, savings and business revenues are less likely to be eroded by sudden price increases.

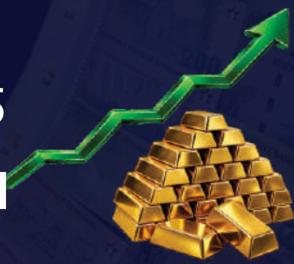
1. Prices rise more slowly and predictably
2. Households can better preserve their purchasing power
3. Families and businesses can plan, save and invest with greater confidence

### CP Progress Tracker Barometer CP1

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| **Price Stability**<br>*Sustained Single-digit Inflation for 24 months)* | | 0.3 | 29% | 8.7% |

# 02

# Adequate Foreign Currency Reserves



**US$285 Million**
**April 2024**

**US$1.7 Billion**
**July 2026**

- The ZiG is backed by real reserves in the form of foreign currency and physical gold.
- These reserves have grown significantly, from US$285 million when the ZiG was introduced in April 2024 to US$1.7 billion as at July 2026.
- For the public, this backing is important because it helps give the currency strength, credibility and a firmer foundation.

## What Does It Mean For Our Everyday Life?

Every ZiG in circulation is backed by tangible foreign reserves, helping to reassure the public that the currency rests on real value.

Strong reserves give the Reserve Bank room to support the market when demand for foreign currency rises, reducing pressure on the exchange rate.

This ability to respond helps protect the ZiG from destabilising shocks and supports a more stable environment for households and businesses.

### CP Progress Tracker Barometer CP2

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| **Foreign Currency Reserves** *3-6 months import cover, international benchmark)* | | 0.2 | 28% | 5.6% |

# 03

# Efficient Foreign Exchange System


The Reserve Bank has strengthened the foreign exchange system to support the efficient allocation of foreign currency across the economy. This helps ensure that all bona fide foreign payments and obligations are settled in a timely and orderly manner.

To support this, the Reserve Bank has:

- Adopted a market-determined exchange rate under the Willing-Buyer-Willing-Seller (WBWS) interbank trading arrangement
- Continued timely intervention to support the WBWS market when demand for foreign currency is high.

## What Does An Efficient Foreign Exchange System Look Like?

- **Market-Determined Exchange Rate**
- **Adequate Foreign Currency Availability for all bonafide payments**
- **Low Exchange Rate Volatility**
- **Narrow Exchange Rate Premium**
  **(Gap between the official & Parallel Market Rate)**

### CP Progress Tracker Barometer CP3

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| **FX Market Trading Efficiency** *Completed development of an enhanced FX trading System. Roll-out in Q4/2026)* | | 0.05 | 70% | 3.5% |

# 04

## Stable Exchange Rate

**US$1 ⇄ ZiG26**

**The official ZiG/US$ exchange rate has remained stable, averaging around ZiG26 per US$ since September 2024.**

**The margin between the official and alternative market exchange rate (exchange rate premium) has narrowed to around 20%, down from over 140% before the introduction of ZiG.**

### WHAT DOES THIS MEAN FOR THE TRANSACTING PUBLIC

A stable exchange rate means the ZiG has maintained a relatively constant value against other currencies over time and avoids sharp fluctuations.

The exchange rate stability has effectively reduced black market activity and helped eliminate price distortions that previously affected consumers.

A stable ZiG and consistent exchange rate show that the currency is holding its value over time, giving Zimbabweans a dependable way to transact and save.

### CP Progress Tracker Barometer CP4

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| **Exchange Rate Stability** *Sustained exchange rate stability for at least 24 months)* | | 0.15 | 85% | 12.8% |

# 05

# Increased Demand for ZiG

Although Zimbabwe currently operates under a multi-currency system, most transactions are still conducted in foreign currency.

For the country to successfully transition to a mono-currency system, demand for the ZiG must continue to grow so that more transactions across the economy are carried out in the local currency.

## WHAT HAS BEEN DONE?

Although Zimbabwe currently operates under a multi-currency system, most transactions are still conducted in foreign currency.

1. **Upgrading ZiG banknotes** The introduction of the BiG5ZiG banknote series addressed public concerns about quality and durability, helping to strengthen trust and confidence in the ZiG.
2. **Recalibrating Government taxes** so more obligations are paid in ZiG, including 50% of corporate Quarterly Payment Dates, thereby creating a practical need for businesses to receive and accept ZiG in their operations.
3. **Paying local suppliers and contractors** in ZiG to reinforce use of the local currency.

## WHAT HAVE WE ACHIEVED?

Demand for the local currency has increased from below **20%** to **40%** of all transactions in the economy since the introduction of the ZiG in April 2024.

### CP Progress Tracker Barometer CP5

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| ZiG Adoption *(At least 60% of transactions to be in ZiG)* | | 0.15 | 30% | 4.5% |

# 06

# Financial Sector Stability

The Reserve Bank supervises and regulates banks to ensure that the financial sector remains safe, sound and stable. A stable financial sector is important because it enables individuals and businesses to access formal banking services with confidence.

## WHAT HAS BEEN ACHIEVED?

- Banks remain well-capitalised and financially sound.
- Banks have enough liquidity to meet customer withdrawals and payment obligations.
- Non-performing loans remain low, reducing risks in the banking sector.
- Financial institutions remain profitable and resilient.

## WHAT DOES THIS MEAN?

- People's savings and deposits are safer.
- Customers can access their money when they need it.
- Businesses and individuals can continue to access banking services and credit.
- Confidence in the banking sector supports
- Confidence in the ZiG and the broader economy.

### CP Progress Tracker Barometer CP6

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| Financial Sector Stability Sustained | | 0.05 | 100% | 5% |

# 07

# Fiscal and Monetary Policy Cohesion

The Reserve Bank and Government are working together, ensuring alignment of monetary and fiscal policies. This coordination is helping support the ZiG, strengthen confidence in the local currency and maintain economic stability. Areas of policy complementarity include:


## Keeping Money Supply Under Control

- Since 2024, Government has not borrowed from the Central Bank, helping to guard against one of the historical drivers of hyperinflation.
- Government has committed not to borrow from the Central Bank, as doing so would increase money creation and expand money supply excessively.
- This commitment helps prevent uncontrolled inflation, which can occur when too much money enters the economy.

### CP Progress Tracker Barometer CP7

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| Monetary & Fiscal Policy Cohesion | | 0.05 | 100% | 5% |

# 08

# Efficient National Payment System to Promote Ease of Payment in ZiG


An efficient National Payment System (NPS) allows individuals and businesses to transact quickly, safely and reliably.

It supports everyday transactions such as paying bills, transferring funds and settling purchases, helping the economy run smoothly and promoting financial stability.

The Reserve Bank has continued to support and play an oversight role in the smooth functioning of the payment systems ensuring:

1. Successful processing of transactions in both **ZiG and US dollar.**
2. Payment system uptime maintained **above 95%.**
3. Safeguarding against **cybersecurity breaches** or losses of funds to market participants.

## WHAT DOES THIS MEAN FOR YOU

You can make payments and transact with confidence, knowing that the payment system is secure, reliable and available when you need

### CP Progress Tracker Barometer CP8

| Conditions Precedent | Barometer | Weight | Score | Weighted Score |
|---|---|---|---|---|
| **Payments System Efficiency Sustained** *Payment System up-time of 99% is above the regional threshold of 95%.)* | | 0.05 | 100% | 5% |


# Congratulations Zimbabwe,

# We're Finally Here!

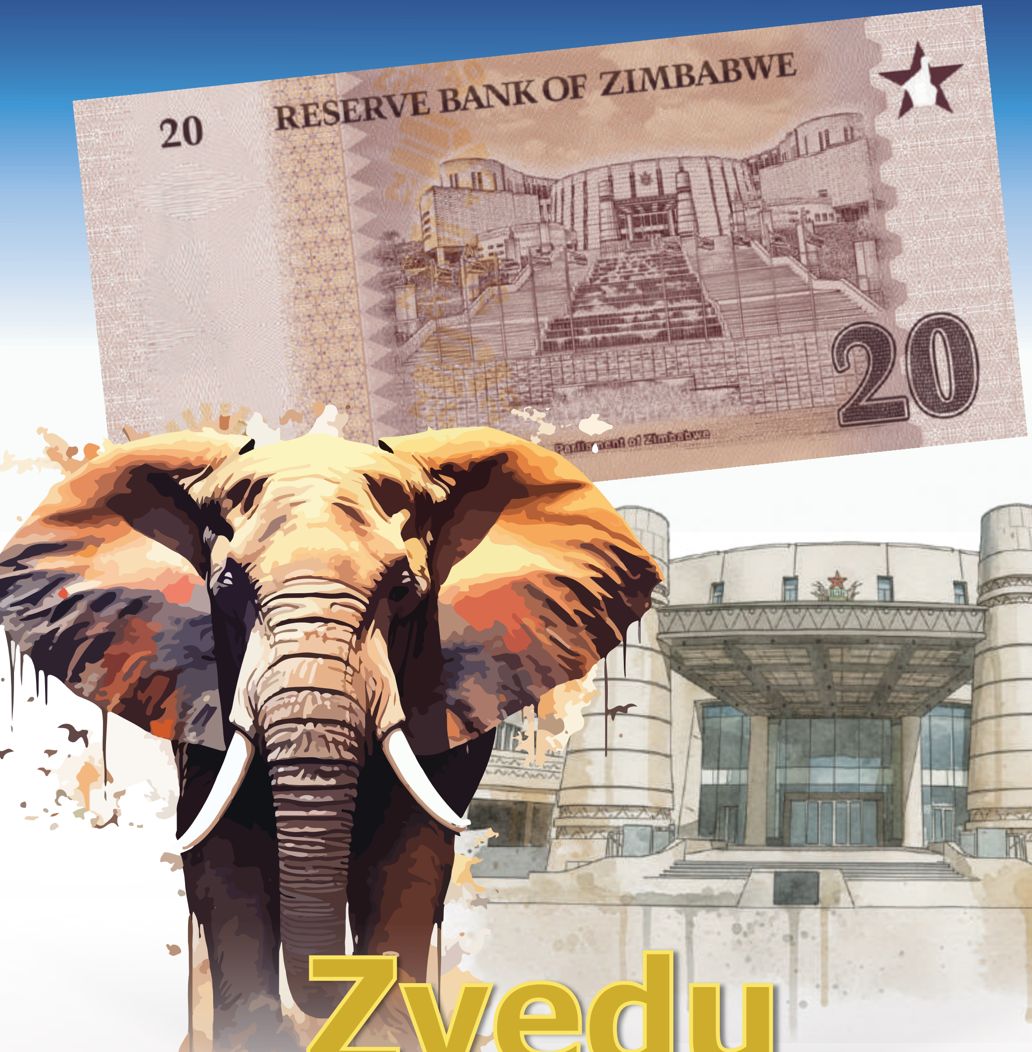
Same currency, improved bank notes.

**NOW AVAILABLE - (10 ZIG, 20 ZIG & 50 ZIG)**
**TO FOLLOW (100 ZIG & 200 ZIG)**

The Upgraded BiG 5 ZiG

**Stable, Secure, Sustainable**

RESERVE BANK OF ZIMBABWE




# Zvedu Zvazoita!

**AVAPO - (10 ZIG, 20 ZIG & 50 ZIG)**
**ICHATEVERA (100 ZIG & 200 ZIG)**

The Upgraded BiG5ZiG

**Yakanaka, Yakasimba, Inotenga**

RESERVE BANK OF ZIMBABWE


# Yithi Laba Sesifikile!

Thatha iZiG lakho kuma ATM lakuma bhanga wonke elizwe jikele.

**ASEKHONA - (10 ZIG, 20 ZIG & 50 ZIG)**
**AZALANDELA (100 ZIG & 200 ZIG)**

The Upgraded BiG 5 ZiG

**Inhle, Iqinile, Iyathenga**

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