



PRESS STATEMENT

RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 18 DECEMBER 2020

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe (the Bank) met today 18 December 2020 and made the following resolutions:

- (a) To maintain the policy rate for overnight accommodation at 35% and the medium-term lending rate for the productive sector at 25%.
- (b) To bring forward the date of next foreign exchange auction to Monday 21 December 2020 given that Tuesday 22 December is a public holiday and that the manufacturing sector will thereafter be going on festive season shut-down.
- (c) To hold the next post-festive season auction on 12 January 2021.
- (d) To maintain the conservative monetary targeting framework in 2021 in order to sustain price stability in the economy.

The Bank takes this opportunity to express its appreciation for the manner the market embraced the foreign exchange auction system and the resultant price stability that has continued to prevail in the economy since the commencement of the foreign exchange auction system at the end of June 2020. The economy has, as a result of the foreign exchange auction system and other supportive measures taken by Government and the Bank, witnessed an increase in the production of goods and services across most of the productive sectors, especially during the third and last quarters of this year.

As we journey into 2021, the Bank would like to assure the public that the foreign exchange auction system shall continue to be the anchor for the management of foreign currency in Zimbabwe and price and financial system stability shall remain the primary focus of the Bank.

The Bank would also like to take this opportunity to wish all Zimbabweans a healthy and peaceful festive season and prosperous new year. May God bless you all.

John P Mangudya
Governor

18 December 2020