




## **PRESS STATEMENT OF THE MONETARY POLICY COMMITTEE (MPC)**

1. The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe held its third meeting on 29 November 2019. The Committee met and deliberated on a number of issues including the potential monetary implications of the 2020 National Budget and the liquidity situation in the economy.
2. The Committee noted that the 2020 National Budget has a potential expansionary impact on money supply, which limits the scope for tightening of monetary policy as required under the Bank's disinflation programme. In this regard, the Committee directed the Bank to re-calibrate the reserve money targeting framework.
3. The Committee noted that monthly inflation for November 2019 is projected to decline further and therefore resolved to maintain the policy rate at the current level of 35%.
4. The Committee noted the positive developments following the recent introduction of additional bank notes into the system which in particular has culminated in significant decline in cash premiums.
5. The Committee welcomed the progress made towards the re-introduction and refinement of the Reuters System for foreign exchange trading following extensive stakeholder consultation and looks forward to its imminent operationalisation.
6. The Committee welcomed the latest framework for Bureaux de Change and noted that it had been well received by the market.
7. The next MPC meeting will be held on 17 January 2020.



**John P. Mangudya**  
Governor

29 November 2019