



PRESS STATEMENT

RESOLUTIONS OF THE MONETARY POLICY COMMITTEE MEETING HELD ON 26 JUNE 2024

The Monetary Policy Committee (MPC) of the Reserve Bank of Zimbabwe met on 26 June 2024 to assess the performance of the Monetary Policy Statement measures announced on the 5th of April 2024 and to deliberate on recent macroeconomic and financial developments in the economy.

The MPC expressed satisfaction with the positive impact of the Monetary Policy measures, which have stabilised the exchange rate and domestic prices. Despite the effects of the El Nino induced drought, the economy has remained resilient and is expected to grow at around 2% in 2024. The stabilisation measures implemented by the Bank since the beginning of April 2024 have resulted in a month-on-month ZiG inflation rate of minus 2.4% in May 2024. The inflation rate is expected to be around 0% in June 2024 due to declines in both food and non-food inflation. Inflation pressures will remain subdued in the outlook period with projected inflation to end the year below 5% as the exchange rate remains stable.

The MPC has resolved to maintain the current tight monetary policy stance to ensure the sustenance of the current stability. The Committee has, therefore, resolved to maintain the current policy measures as follows:

- To maintain the current Bank Policy rate at 20% per annum and an interest rate corridor of 11% to 25%;
- To maintain the statutory reserve requirements for demand deposits, and savings and time deposits in ZiG at 15% and 5%, respectively; and

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- To maintain the foreign currency statutory reserve requirements for demand deposits, and savings and time deposits at 20% and 5%, respectively.

Going forward, the MPC fully commits to proactively address any emerging risks on current stability. The MPC will ensure that growth in money supply remains consistent with the achievement of the envisaged pro-growth inflation levels of 5%. The Reserve Bank will continue to ensure full backing of the reserve money with gold, other precious minerals, and foreign currency reserves. This will ensure that growth in reserve money is consistent with improved economic activity and increased reserves backing the domestic currency.



Dr. John Mushayavanhu
Governor

26 June 2024