



## Livestock & Meat Advisory Council

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### LivestockZimbabwe Update: 15<sup>th</sup> October 2018

#### **OVERVIEW**

In light of the ongoing economic and financial transition, many meetings have been held in the last week that have been attended by the Secretariat.

On 13<sup>th</sup> October, the Confederation of Zimbabwe Industries hosted a meeting with the Governor of the Reserve Bank of Zimbabwe.

Below are some pertinent notes from the meeting for your information.

- 1) The multicurrency policy of 1:1 exchange rate between RTGS bank deposits, bond notes and US dollar remains the official monetary policy of Zimbabwe, guaranteed by the Reserve Bank (RBZ) and the government of Zimbabwe.
- 2) Bond notes remain **LEGAL TENDER** in Zimbabwe and guaranteed by RBZ at 1:1 to the US \$.
- 3) FORMAL companies are advised by RBZ to continue accepting plastic money and bond notes for their goods and services in accordance with the guaranteed exchange rate to the US \$;
- 4) Parallel market for foreign currency is not under the supervision of RBZ and they have no intention of playing a part in it.

RBZ does not believe that any company buying foreign exchange on the parallel market at more than 3:1 will be able to pass the cost onto their customers. Hence, companies opted to shut down than do business at such high parallel market rates;

- 5) RBZ confirms that a facility of \$600million for Letters of Credit is already active and available which it is using to honour the industry demand for imports with special priority on the manufacturing sector, not importers of consumer products.
- 6) The RBZ instruction to banks to allow companies to open Nostro Foreign Currency Accounts (FCA) to deposit and save their foreign earnings was clarified. RBZ wants to incentivise exporting companies, non-governmental organisations and others to bank their foreign currency in savings accounts with local banks.

RBZ also wants to assure and guarantee the integrity of these FCA accounts in the face of reported abuse by some commercial banks. RBZ wants to assure companies that their Nostro FCA accounts are safe and protected from which the owner can withdraw US \$ notes on demand.

- 7) RBZ will work directly with industry ASSOCIATIONS in consolidating foreign currency requirements for each value chain for bulk allocation from RBZ. In return, Associations will assist RBZ in monitoring utilisation of the allocation and product price movement to ensure that the cost of such foreign currency is reflected fairly in prices;
- 8) RBZ to EXPEDITE the processing of applications for Letters of Credit through commercial banks.

### **Fall Army Worm (FAW) Information Session**

The Food and Agriculture Organisation hosted a very good FAW information session with excellent presentations and stimulating discussion. The key highlights from the meeting include:

- There is need to ensure consistent messaging regarding the use of chemicals to control FAW;
- There is need for greater technical guidance on the FAW management options, the push-pull approach has generated a lot of interest; and
- There is an urgent need to train government extension officers in light of the restructuring that has taken place in the Ministry.

Please find below the link to the presentations from the meeting.

[FAW Info Session October 2018](#)

### **Schedule of forthcoming meetings and events: October**

***Thursday 18<sup>th</sup>***

Open meeting of the Pig Producers Association of Zimbabwe

***Tuesday 23<sup>rd</sup> and Wednesday 24<sup>th</sup>***

Beef School 2018.