

RBZ launches new Z\$500 million bank note

The Reserve Bank of Zimbabwe, grappling with record-breaking inflation, has introduced a new Z\$500 million bank note barely two weeks after issuing Z\$250 million and Z\$100 million denominations.

The beleaguered central bank has also introduced agro cheques, which come into circulation on Tuesday and expire in December.

The agro cheques are in Z\$5 billion, Z\$25 billion and Z\$50 billion denominations.

Acting RBZ Governor Dr Charity Dhlwayo last night said the agro cheques had been introduced to facilitate the implementation of the "grain mobilisation programme" in the face of the unfolding global food crisis.

She said the special cheques could be used to purchase any goods and services in the same manner as bearer cheques.

"The latest innovation seeks to bring convenience to our farmers who, starting this year's marketing season, are receiving competitive prices for their produce," she said.

She said retailers would be able to deposit the agro cheques in the normal banking system and banks would then deposit them at the central bank for immediate reimbursement while both banks and shops could also reissue the agro cheques, whose date of expiry will coincide with the end of the agriculture marketing season.

This is the third set of high denomination notes to be issued this year, the last on May 6 when the Z\$250 million and Z\$100 were put in circulation. On April 2, the RBZ launched a Z\$50 million note, itself following on the introduction of a Z\$10 million note in January.

The southern African nation, currently gripped by a post-election crisis, has been ravaged by hyperinflation which reached 165,000% in February.

It decided recently to float its currency to eliminate speculation on the black market.

The country's chronic economic crisis has condemned millions to grinding poverty with at least 80 percent of the population living below the poverty threshold amid mass shortages of basic goods in shops.

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