

Zimbabwe to introduce gold coins as local currency tumbles

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5 Jul 2022

Zimbabwe's central bank said it would start selling gold coins this month as a store of value to tame runaway inflation, which has considerably weakened the local currency.



Source: Reuters/Philimon Bulawayo

The central bank governor John Mangudya said in a statement on Monday, 4 May, that the coins will be available for sale from 25 July in local currency, US dollars and other foreign currencies at a price based on the prevailing international price of gold and the cost of production.

The "Mosi-oa-tunya" coin, named after Victoria Falls, can be converted into cash and be traded locally and internationally, the central bank said.

The gold coin will contain one troy ounce of gold and will be sold by Fidelity Gold Refinery, Aurex and local banks, it added.

Gold coins are used by investors internationally to hedge against inflation and wars.



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Last week, Zimbabwe more than doubled its policy rate to 200% from 80% and outlined plans to make the US dollar legal tender for the next five years to boost confidence.

Soaring inflation in the southern African country has been piling pressure on a population already struggling with shortages and stirring memories of economic chaos years ago under veteran leader Robert Mugabe's near four-decade rule.

Annual inflation, which hit almost 192% in June, cast a shadow over President Emmerson Mnangagwa's bid to revitalise the economy.

Zimbabwe abandoned its inflation-ravaged dollar in 2009, opting instead to use foreign currencies, mostly the US dollar. The government reintroduced the local currency in 2019, but it has rapidly lost value again.

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