

THIRTY-SECOND POST-CABINET PRESS BRIEFING

8TH OCTOBER, 2024

1.0 LAND TENURE STATEMENT

2.0 STATUS OF PRICES AND AVAILABILITY OF BASIC COMMODITIES

The Minister of Industry and Commerce, Honourable N.M. Ndlovu, updated Cabinet on the Status of Prices and Availability of Basic Commodities. This follows the Monetary Policy Committee's bold resolutions on Friday, 27 September 2024, in response to the widening gap between the official and parallel exchange rates that caused the observed surge in ZiG-denominated prices during the period. The Ministry of Industry and Commerce conducted surveys of the prices and availability of basic commodities over the period 27 September to 4 October, 2024.

The ZiG prices of basic commodities in the formal retail outlets have increased in response to the adjustment of the local currency. However, the prices of the commodities in US\$ terms in both the formal and informal outlets have remained stable. Both the ZiG and US\$ prices are still on the higher side in the formal retail outlets, indicating an element of forward or speculative pricing and benchmarking against the parallel market rates.

Limited stock levels of cooking oil, mealie-meal, bread and sugar were observed in the formal outlets, while the products are readily available in the informal sector. This is attributable to arbitrage, as informal retail economic agents seek to capitalize on exchange rate differentials, given the reported cases of hoarding in the formal sector for re-sale to informal outlets. It is also evident that most suppliers have reduced supplies to the formal sector and are channelling them to the informal market. However, critical to note is the fact that there are no major shortages of basic commodities in the formal retail sector.

Government of Zimbabwe assures that regular monitoring and stakeholder engagement to ensure market-relevant interventions will continue and that a number of measures have been put in place to support the formal sector.

I THANK YOU