

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBD/82/311

December 16, 1982

To: Members of the Executive Board
From: The Secretary
Subject: Zimbabwe - Exchange Arrangements

The attached paper on the devaluation of the Zimbabwe dollar is circulated for the information of the Executive Directors.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Zimbabwe--Exchange Arrangements

Prepared by the African Department and the
Exchange and Trade Relations Department

(In consultation with the Legal Department)

Approved by J.B. Zulu and S. Kanesa-Thanan

December 16, 1982

In the attached communications dated December 8 and 14, 1982 the Reserve Bank of Zimbabwe has notified the Fund of a 16.5 per cent devaluation of the Zimbabwe dollar (20 per cent in local currency terms), effective December 9, 1982. The buying and selling rates vis-à-vis the U.S. dollar, the intervention currency, on December 9, 1982 were US\$1.1025 = Z\$1 and US\$1.0937 = Z\$1, respectively. The buying and selling rates on December 8, 1982 were US\$1.3210 = Z\$1 and US\$1.3104 = Z\$1, respectively.

The Zimbabwe dollar remains pegged to a transactions-weighted basket consisting of six currencies. The staff is in close contact with the authorities and will report any further developments to the Executive Board. In the meantime, no action by the Executive Board is proposed.

8TH DECEMBER, 1982

TO: INTERNATIONAL MONETARY FUND
WASHINGTON, DC

FROM: RESERVE BANK OF ZIMBABWE
HARARE

WE WISH TO INFORM YOU THAT THE MINISTER OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT, DR. BERNARD CHIDZERO, TODAY ANNOUNCED THE DEVALUATION OF THE ZIMBABWE DOLLAR AGAINST ALL OTHER CURRENCIES BY 20 PER CENT.

KIND REGARDS,

RESERVE BANK OF ZIMBABWE

Received in Cable Room: December 8, 1982

TO: INTERNATIONAL MONETARY FUND
WASHINGTON, DC

FROM: RESERVE BANK OF ZIMBABWE
HARARE

REFERENCE YOUR TELEX OF 10TH DECEMBER 1982, THE FOLLOWING ARE THE RATES
REQUESTED FOR THE ZIMBABWE DOLLAR IN TERMS OF THE U.S. DOLLAR:

	<u>BUYING</u>	<u>SELLING</u>
7 DECEMBER 1982	1,320.2	1,309.6
8 DECEMBER 1982 (BEFORE DEVALUATION)	1,321.0	1,310.4
9 DECEMBER 1982 (AFTER DEVALUATION)	1,102.5	1,093.7

PLEASE NOTE THAT THE DEVALUATION WAS ANNOUNCED ON 8TH DECEMBER 1982, AFTER
THE CLOSING OF THE FOREIGN EXCHANGE MARKET AND, THEREFORE, THERE WERE NO
POST-DEVALUATION RATES QUOTED ON THAT DATE.

KIND REGARDS,

R.V. WILDE

RESERVE BANK OF ZIMBABWE

Received in Cable Room: December 14, 1982