

Transition to ZiG currency sparks trade disruption in Zimbabwe



By Katja Hamilton

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In the wake of last Friday's announcement that John Mushayavanhu, the governor of the Reserve Bank of Zimbabwe (RBZ) has unveiled a fresh currency called Zimbabwe Gold (ZiG), citizens of the country are in a difficult situation, as certain shops are declining to accept the Zimdollar.



Source: Reuters. A man poses with a handful of Zimbabwean dollars at a bank in central Harare, 15 June 2015. Zimbabweans began exchanging old notes of local dollars for US dollars, as President Robert Mugabe's government sought to officially bury the worthless currency. Reuters/Philimon Bulawayo/File Photo

Moreover, those that do accept it are applying exorbitant conversion rates, causing frustration among the populace.

To add to the mayhem, sources say their bank accounts have allegedly been converted to ZiG dollars, but are unable to see their new balances as most banks are still in the process of conversion, as are electricity suppliers, mobile banking platforms, airtime platforms and many others.

The central bank announced that the introduction of these new notes and coins is scheduled for Tuesday, 30 April 2024, and that they will circulate alongside foreign currencies.

"Right now we can't buy electricity, can't pay our bills, can't use our debit swipe cards, can't spend our own money even

though we don't know how much we've got left anymore. It's crazy out here," said Cathy Buckle, local resident, author and blogger on her social-media platform.

"What an outrageous way to do it, I have never known any of our former currency changes to be done so badly," she said.

Meanwhile, The Consumer Protection Commission, in collaboration with the police and the Financial Intelligence Unit, has initiated a crackdown on businesses that are rejecting the Zimdollar.

Consumer Protection Commission research and public affairs manager Kudakwashe Mudereri said that the ZWL\$ remains legal tender and the country's citizens have been given 21 days to change their ZWL\$ notes and coins to ZiG.

"The penalty is going to be heavy on those found violating Exchange Control Regulations by refusing to accept ZWL\$ notes," he said.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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