

**STATEMENT BY THE CHAIRMAN, H.E DR. JOHN, P. MANGUDYA, GOVERNOR OF
THE RESERVE BANK OF ZIMBABWE AT THE OFFICIAL OPENING OF THE 27TH
MEETING OF THE COMESA COMMITTEE OF GOVERNORS OF CENTRAL BANKS.**

10TH NOVEMBER 2023

**Honorable Secretary General of COMESA,
Governors of Central Banks from COMESA Member States,
Distinguished Delegates,
Invited Guests,
Ladies and Gentlemen**

Good morning

It is my humble duty and great privilege to address this distinguished gathering of the 27th Meeting of the COMESA Committee of Governors of Central Banks. Let me begin by thanking you, Honorable Governors, for finding time from your busy schedules to come to the lovely Victoria Falls for this meeting.

Honorable Governors, allow me to welcome you and your delegations to this meeting. Your presence, certainly, in this meeting, is a sure testimony of our commitment and resolve towards deeper Monetary and Financial Integration for COMESA region.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

Our meeting is coming at a time when we the policy makers in the region, on top of grappling with the ongoing repercussions from a recent cascading series of shocks, are staring at yet at another difficult year ahead. IMF projects inflation to stay above the

levels before the Covid19 pandemic over the medium-term, while, at the same time, output levels remain depressed at levels below the pre-pandemic level. The challenging external financing conditions continue to rally our regional currencies, amplify our foreign currency denominated debt and drive the funding squeeze. This, compounded with climate related shocks which is presenting additional spending pressures on shrinking fiscal budgets, poses serious risks to the economies of COMESA member countries.

Distinguished Governors, we face a difficult balancing act between reigning on inflation and ensuring sustainable economic recovery and growth, even as the room for policy maneuver dwindles. Fending off these extraordinary headwinds and uncertainties will be no mean task for any Central Bank Governor in our region. I therefore call upon upon all of us to devise appropriate policies to deal with these challenges.

Honorable Secretary General,

Distinguished Governors,

Ladies and Gentlemen,

Distinguished Governors, we have noted from our just concluded symposium the policies we could pursue as central banks, along with all government institutions and beyond to accommodate and lessen the economic burden of climate change, including concessional finance to support low carbon and climate resilient economic growth path is critical. We have also interested ourselves with payments efficiency, financial inclusion and monetary policy transmission and liquidity risks mitigation gains that are likely to result from the issuance of central bank digital currencies, notwithstanding the legal and regulatory frameworks and the technical obstacles, policy concerns and trade-offs that we must have to fix. This knowledge exchange from the symposium is an addition to our effort in accelerating and safe guarding the region's hard-earned gains in the Monetary Integration Agenda.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

Let me turn to our meeting and start by thanking our two institutions; COMESA Monetary Institute (CMI) and COMESA Clearing House (CCH), for their work that keep our monetary and financial integration agenda on course. As will be presented in this meeting, CMI accomplished many activities, including assessments of macroeconomic convergence and financial systems development and stability in member countries to improve macroeconomic management in our region.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

Our agenda of pursuing deeper financial and monetary integration requires establishing macroeconomic stability, financial system soundness, introduction of compliance with various international standards and practices in the financial sector to ensure regional harmonization. The role of central banks in this process cannot be overemphasized, especially by enhancing monetary cooperation which involves macroeconomic convergence and financial system development and stability.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

On the agenda for this meeting, we will consider the report of the 27th Meeting of the COMESA Committee of Experts on Finance and Monetary Affairs. We will consider the agenda item on the status of implementation of Regional Payment and Settlement System (REPSS), to which I am delighted to note that a number of countries in the region have started being more active on the implementation of REPSS. I urge all COMESA member Central Banks to ensure full utilisation of the system for their intra-COMESA transaction. I also recommend that REPSS should be one useful instrument that can provide immediate benefits for African Continental Free Trade Area (AfCFTA), of which most of our member countries have recently joined.

We will also consider the agenda item on a number of activities undertaken by the COMESA Monetary Institute (CMI) for enhancing monetary cooperation in our region and the report of the 20th meeting of the Monetary and Exchange Rate Policies Sub-Committee. With your support, I have no doubt that the Institute will achieve its mission and vision, which among others, is to make our region a zone of macroeconomic and financial stability.

We will also consider the report of the 17th meeting of the COMESA Financial System Development and Stability Sub-Committee. It includes agenda items on the efforts that are being made to ensure financial stability in our region, including a revised COMESA Financial Stability Assessment Framework and the 2022 Financial Stability Report for the COMESA region. The objective is to ensure that our member Central Banks have the capacity to identify threats to financial system stability and to design appropriate policy responses. A sound, stable and healthy financial system is critically important to ensure efficient allocation of resources and distribution of risks, which are required to sustainably boost economic development.

Finally, we will consider the capacity and research activities of CMI on macroeconomic management. I have no doubt that these capacity building activities organised by CMI enabled member central banks to improve their skills toolkit for better macroeconomic management and assessment of financial stability in member countries and to enhance the successful achievements of agreed targets of the COMESA Macroeconomic Convergence Criteria. The trainings have also contributed for knowledge sharing and networking among COMESA member Central Banks.

Honorable Secretary General,

Distinguished Governors,

Ladies and Gentlemen,

I am aware that this meeting will consider other important issues. However, I chose to highlight the most critical issues because I feel that they should urgently be implemented to facilitate our economic integration arrangement. Lastly, after the job is done, I urge you to find some time to sample our great Zimbabwean hospitality by visiting some of our tourist sites, especially around Victoria Falls. I assure you; it will be worth the experience.

With these remarks, I look forward to very fruitful deliberations and solid proposals that will further deepen COMESA Monetary and financial Integration.

Thank you for your Attention