

## Zimdollar 'dead', but still used for bus fare

Written by Angus Shaw, SAPA-AP

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A woman pays her bus fare with 3 trillion in old Zimbabwe dollars - the equivalent of 50 U.S. cents. The collector accepts the brick of neatly folded bundles of a trillion each without bothering to count the notes.

"No one seems to worry, and it works," said the woman, Lucy Denya, a Harare secretary who says she's seen police officers using old notes to board buses.

The Zimbabwe dollar is officially dead. It was killed off in hopes of curbing record world inflation of billions of percentage points, and Zimbabwe has replaced it with the U.S. dollar and the South African rand.

Yet the role of the old Zimdollar, as it is known, remains in flux. It is still used, and has become another point of contention of or the divided leadership of the country, now one of the poorest in the world.

President Robert Mugabe has called for the return of the Zimdollar as legal tender, complaining that most Zimbabweans lack the hard currency needed to buy basic goods. The central bank under governor Gideon Gono, a Mugabe loyalist, has acknowledged printing extra local money to fund government spending that fueled inflation.

But Finance Minister Tendai Biti, who joined the government as part of a power-sharing agreement between his Movement for Democratic Change and Mugabe's ZANU-PF party, has declared the local dollar indefinitely obsolete. He has threatened to quit if a return to the local currency is forced upon him.

"We are putting the tombstone on the corpse of the Zimbabwe dollar," Biti told lawmakers in a midyear fiscal policy statement.

In a speech to business leaders, he said, "We are no longer printing our own money." Biti said monthly inflation rose slightly in June to 0.6 percent, up from zero the month before. He blamed

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the rise on price hikes in property rentals, gasoline and other nonfood items. He also noted that GDP per capita has plunged from \$720 in 2002 to \$265 last year, reflecting the shortage of hard cash in the economy.

That shortage is not helped by the state of the global economy, on which Zimbabwe depends.

With the collapse of the country's agricultural economy after the seizure of thousands of white-owned farms beginning in 2000, an estimated 4 million Zimbabweans - many of them skilled - left the country to find jobs in neighboring South Africa and further afield. The so-called "diaspora dollar" became by far the nation's biggest source of hard currency.

But in the global recession, those inflows are diminishing, bankers say. In a typical case, a businessman's daughter in Britain e-mailed him in June that she was halving her monthly remittance of \$400.

The independent Zimbabwe National Chamber of Commerce blamed acute shortages of hard currency on payments to buy imported basic goods previously manufactured in Zimbabwe, such as soap and cooking oil from South Africa.

Without enough cash no matter how they cut it, Zimbabweans survive on a mish-mash of currencies.

All the bus drivers can do with Zimdollars is give them back to other passengers in change for American bills. In one reported incident, a passenger pulled a gun on a bus driver who insisted on paying change in local notes.

Outside the cities, where hard currency can be hard to come by, Zimbabwe dollars are used like promissory notes in small transactions. And trillion Zimbabwe dollar notes, the world's biggest denomination bills, are a hit with collectors, selling briskly on eBay. In Zimbabwe, they change hands like tokens or IOUs.

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Stores without small change in hard currency don't offer obsolete Zimbabwe dollars in change like the bus drivers do, but routinely provide candies and chocolate bars or "coupons" handwritten on check-out slips to be redeemed on future purchases.

Irene Gwata, owner of a small trading store in rural northwestern Zimbabwe, said hard currency has stopped filtering down to her customers in recent weeks. Locals trade goat meat, chickens and pails of corn for goods, she said.

She saw a village woman board a bus and pay with a live chicken trussed in wire for the 150-kilometer (90-mile) trip to Harare.

With characteristic Zimbabwean humor in adversity, Gwata said, "people wanted to know if she was going to get eggs for change."