

## SAfrica's Motlanthe Says Zimbabwe Could Adopt Rand

Written by Rudi Prinsloo  
Monday, 09 February 2009 09:09 -

---



South African President Kgalema Motlanthe said Sunday that neighbouring Zimbabwe, crippled by a record rise in inflation, could adopt the South African rand as its standard currency.

"We have to help them so that the coalition government works," Motlanthe said in an interview with the SABC channel, referring to power-sharing between President Robert Mugabe and prime minister-designate Morgan Tsvangirai.

It "may be practical for them to enter into an arrangement with the reserve bank here and allow the rand to become the common currency," he added, without fleshing out his suggestion.

Motlanthe also currently serves as president of the Southern African Development Community, which is mediating the crisis.

Prices in Zimbabwe rose by 231 million per cent in July -- the last time official inflation figures were made public. However, analysts say inflation in Zimbabwe actually stands at several billion per cent.

The national currency, the Zimbabwean dollar, has been repeatedly devalued and restrictions on the use of foreign currencies including the US dollar, the euro and the rand have been lifted by Harare.

Zimbabwe is also struggling to fend off a deepening humanitarian crisis amid a cholera epidemic blamed on collapsed infrastructure and a desperate need of food aid, according to international agencies.

Motlanthe also urged the international community to help the new power-sharing government, due to be installed this week, after the African Union called for sanctions against Robert Mugabe and his aides to be lifted.

Source : Sapa-AFP /yj  
Date : 08 Feb 2009 22:33