

Turning a bad currency into a good one - with gold



Zimbabwe wants to avoid an increase in the money supply through the gold standard.

Zimbabwe's currency is one of the worst in the world. Now Zimbabwe's President Emmerson Mnangagwa is striving to stabilize the currency in the country. The growth of liquidity is to be controlled and what better way to do this than with gold. The stability of the Zimbabwean dollar and the preservation of purchasing power would benefit the country's inhabitants. The exchange rate should be pegged to gold as a fixed asset. After all, the Zimbabwe dollar has already lost over 40 percent of its value since the beginning of 2024. In January alone, compared to the same period last year, citizens had to accept an increase in consumer prices of almost 35%.

This does not even include Zimbabwe's currency devaluation, as around 80 percent of transactions take place in US dollars. Inflation therefore has the country firmly in its grip. Hyperinflation destroyed the country's own currency back in the early 2000s. In 2019, inflation was a massive 175%, peaking at 800% in 2020. In January 2023, inflation was at 60 percent. So money was printed and made the problems worse.

Last year, the government had gold coins minted that citizens can buy and thus store value. Last October also saw the introduction of a digital payment system backed by gold. This means that everyday transactions can be carried out in gold and money printing is restricted. We can only hope that the government representatives will stick to linking the currency to gold. Gold retains value, also for investors in this country, so a look at gold companies is a must.

Tudor Gold - <https://www.commodity-tv.com/ondemand/companies/profil/tudor-gold-corp/> -, for example, owns the promising Treaty Creek gold project (gold, silver, copper) in the Golden Triangle in British Columbia. An updated mineral resource estimate has just been released with significantly higher mineral resources.

With its Metates project in Mexico, **Chesapeake Gold** - <https://www.commodity-tv.com/ondemand/companies/profil/chesapeake-gold-corp/> - has an immensely large gold and silver deposit that appears very promising.

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