

**NATIONAL ASSEMBLY**

**QUESTION FOR ORAL REPLY**

**QUESTION NUMBER 157 [NO2404E]**

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**Mr. E M Mthethwa (ANC) to ask the Minister of Finance:**

What are the details of the technical discussions that took place between the Government of Swaziland on the possible R1.2 billion loan that had been proposed to be granted to Swaziland, in the context of the global recession which has resulted in Swaziland losing nearly 60% of its revenue from the Southern African Customs Union (SACU)?

NO2404E

**REPLY**

The Government of South Africa (GSA) approved the granting of financial assistance of R2.4 billion to the Government of the Kingdom of Swaziland (GKS) in the form of a conditional loan from the South African Reserve Bank to the Central Bank of Swaziland. The GSA will provide the SARB with the necessary Guarantee to secure the loan.

The loan is governed by a Memorandum of Understanding that outlines a set of political, fiscal, collaborative and capacity-building measures that will be pursued by the respective parties. In addition, separate agreements will be signed by the respective Central Bank Governors (Loan Agreement) and the respective Ministers of Finance (Financial Conditions Agreement).

The loan will be paid to the GKS in three equal tranches, subject to certain fiscal and related technical conditions being met. The first tranche payment of R800 million is scheduled for payment in September 2012.

The GKS will repay the loan over a 5 year period, starting in 2015, by means of a debit order that is placed on their SACU revenue-shares.