

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 807 [NW1020E]

DATE OF PUBLICATION: 26 APRIL 2013

807. Mr T D Harris (DA) to ask the Minister of Finance:

- (1) What (a) is the loan amount the Government is considering to lend Zimbabwe, (b) is the motivation for the loan, (c) are the terms of the loan and (d) is the status of the discussion on the loan with the Government of Zimbabwe;
- (2) are there any conditions attached to the loan? NW1020E

REPLY

The discussions about the possible financial assistance to Zimbabwe followed the resolution of the Extraordinary Summit of the SADC Heads of State and Government held at the Lozitha Palace, Kingdom of Swaziland, on 30 March 2009, to provide support to Zimbabwe's Short Term Economic Recovery Programme (STERP).

At the Summit, South Africa and other countries pledged to explore a number of possible support measures for Zimbabwe, including:

- Budget support grants;
- A line of credit; and
- Export credit facilities.

In September 2012, the South African Minister of Finance met with his Zimbabwean counterpart, Mr Tendai Biti, to discuss the type of support that South Africa could offer to help alleviate Zimbabwe's fiscal challenges and to stimulate increased liquidity in the domestic financial market.

These discussions included the possibility of the extension of the R500 million credit line, which will be used to stimulate the extension of longer term loans to small-medium size enterprises in Zimbabwe. The facility will be made available at the level of Central Banks with the necessary guarantees and underwriting by the respective Governments. These discussions have not been concluded.

Any request for assistance on financing the forthcoming elections will have to be directed to SADC for SADC to determine how best this request should be addressed.