

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1683

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Dr D T George (DA) to ask the Minister of Finance:

- (1) Whether SA rands that were supplied to Zimbabwe were supplied by the SA Reserve Bank; if not, what is the position in this regard; if so, (a) how much was supplied, (b) what were the terms, (c) how will the amount be repaid and (d) by whom;
- (2) whether the use of SA rands by Zimbabwe will impact on (a) the value of the rand and (b) the money supply growth of the rand; if not, why not, in each case; if so, what are the relevant details in each case?

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REPLY:

- (1) The South African Reserve Bank (SARB) advises that it did not supply any Rands to Zimbabwe in the 2009/10 fiscal or 2010 calendar year, and no official request was received for the supply of Rands from Zimbabwean Central Bank or Zimbabwean Government.
- (2) (a) and (b) The impact on the value of the Rand and the money supply growth of the Rand arising from the use of Rands by Zimbabwe is probably low, given the relatively smaller size of the Zimbabwean economy. However, it is difficult to estimate, as we do not have official data enabling us to determine how many Rands are circulating in Zimbabwe. The only estimate the SARB has in this regard is between R100 million and R150 million which is repatriated back to South Africa each month. No significant impact on the value or money supply growth of the Rand has been observed as a result of this. Given the limited size of the Zimbabwean economy, the amounts in Zimbabwe will be a very small component of the total average Rands in circulation in SA of approximately R66,507 billion.