

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER PQ 443 [CW543E]

DATE OF PUBLICATION: 20 SEPTEMBER 2011

Mr. M.W. Makhubela (COPE-Limpopo) to ask the Minister of Finance:

- (1) Whether the Department has taken into account the fact that Swaziland already owes the World Bank and the International Monetary Fund monies to the amount of R70 billion before granting the R2.4 billion loan to the said country; if not, why not; if so, how will the Department ensure that Swaziland honours the terms of the loan agreement and pays back the loan

(CW543E)

REPLY:

Firstly, the figure of R70 billion is incorrect. Swaziland does not have any loans with the IMF. Although the World Bank is considering operations in the health sector and in urban development, over the past decade, its engagement with Swaziland has been relatively limited over the past decade with only a single loan for the Swaziland Urban Development Project to the value of US\$ 29 million. That project was closed in 2005. The International Finance Corporation and the Multilateral Investment Guarantee Agency have relatively small portfolios with exposures of between US\$3 million and US\$23 million, respectively.

Secondly, no loan has been granted to Swaziland by the SA Reserve Bank (or guaranteed by the South African Government). If the loan is granted, the repayment of the loan will take the form of a debit order against the SACU account that is held by the SARB on behalf of the Government of the Kingdom of Swaziland. The repayment will coincide with the quarterly payment schedule of SACU transfer payments by South Africa in its capacity as the manager of the SACU Common Revenue Pool.