

NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NUMBER: 196 [NO1599E]

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★196. Mr N J J van Koornhof (Cope) to ask the Minister of Finance:

Whether the National Treasury have concluded the proposed loan agreement with the government of Zimbabwe; if so, what are the relevant details?

NO1599E

REPLY:

No loan agreement has been signed with the government of Zimbabwe. Discussions around proposed financial assistance to the Republic of Zimbabwe are on-going.

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.