**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**FRIDAY, 17 APRIL 2020**

**DUE DATE: 1 MAY 2020**

549. The Leader of the Opposition (DA) to ask the President of the Republic:

1. What are the relevant details of the Government’s plans to address the looming economic crisis as a result of the national lockdown to combat the coronavirus outbreak, in view of the fact that the Republic’s credit rating has recently been downgraded by international ratings agencies to junk status;
2. whether the Government intends to (a) seek debt relief from the International Monetary Fund and/or (b) borrow funds for debt relief from any foreign entity; if not, what is the position in each case; if so, what are the relevant details in each case?

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**REPLY**

1. Government has announced a fiscal support package of R500 billion in order to manage the impact of the lockdown on households and business. The details of this package are available on: <http://www.treasury.gov.za/comm_media/press/2020/20200428_COVID_Economic_Response_final.pdf>
2. South Africa is a member in good standing of the International Monetary Fund (IMF), the World Bank, New Development bank (NDB) and the African Development Bank (AfDB). Part of the benefits afforded to members is borrowing at preferential rates. In light of the recent global crisis and elevated risk, the cost of funding has been significantly affected and government is exploring other alternative sources of funding to fund the government borrowing requirement and to lower the borrowing costs.

The government has approached the IMF, AfDB, World Bank and NDB for financial support related to the COVID-19 impact. The transactions are still being negotiated and the relevant details will be made available by the Minister of Finance once concluded.