

MINISTERIAL STATEMENT
ON THE
GOVERNMENT'S STATE OF ENGAGEMENT WITH THE INTERNATIONAL
MONETARY FUND
BY THE HON. THE MINISTER OF FINANCE, MR MUTATI

Mr Speaker, I thank you most sincerely for according me this opportunity to brief the House on where we are with respect to our discussions with the International Monetary Fund (IMF). This follows not only the point of order raised by the hon. Member of Parliament for Chiengi but also, the need for the Government to keep the nation informed with respect to where we are in these discussions.

Mr Speaker, let me begin by putting our engagement with the fund in perspective. In March, 2017, Cabinet approved that the Government should engage the IMF on a possible programme under the Extended Credit Facility (ECF). The engagement was on the basis of the Economic Stabilisation and Growth Programme (ESGP).

Mr Speaker, the engagement was aimed at leveraging international support for attaining the Government's key objectives of restoring fiscal fitness, debt sustainability, addressing the external sector vulnerabilities, job creation, sustained inclusive growth and development.

Mr Speaker, this engagement does not mean that the IMF is here to bailout Zambia as Her Honour the Vice-President rightly pointed out following the point of order by the hon. Member of Parliament for Chiengi. We have as a nation, defined the ESGP that is required to move the economy forward. The IMF is being engaged to provide the Balance of Payment (BOP) support as well as to provide an independent policy assessment.

Sir, significant progress has so far been made in undertaking policy and structural reforms under the ESGP which the IMF has acknowledged and commended the Government. These reforms are in such areas as agriculture, energy and financial management.