

## Zimbabwe's total debt soars to US\$20,5 billion as govt resorts to local borrowing

NewZimbabwe by Alois Vinga

26th July 2024



ZIMBABWE's total debt has soared to US\$20,5 billion with the government resorting to local borrowing in a development likely to see the debt situation worsening.

Presenting the Mid Term Budget Review Statement in Parliament Thursday, Finance Minister Mthuli Ncube said the country's stock of debt as at end of June 2024 amounted to an equivalent of around US\$20,5 billion with external debt making up US\$12 billion and domestic debt US\$8,47 billion.

The debt stock is broken down as 58.7% external debt and the remainder being domestic debt 41.3%

"Mr Speaker Sir, during the period January to June 2024, central government borrowing for budget financing was done through the mobilisation of resources on the domestic debt market. The total gross Treasury Bills (TB) issuance, for budget financing for the period January to June 2024 amounted to ZiG2.3 billion (US\$164,2 mln)," said Ncube.

Market watchers have however warned against local debt accumulation fearing the tide would crowd out local business players and further backslide the government into a twin debt challenge involving both local and external debt complications.

Since late 2022, the government has been engaged in a concerted process to resolve its official debt and clear its arrears with international creditors, including the African Development Bank.

To date, several Structured Dialogue meetings spearheaded by the African Development Bank (AfDB) have been convened with several lenders with hopes Zimbabwe may find a lasting solution to the crisis.

However, several challenges have beset the process which include lack of funding to clear the debt and failure to meet conditions set by the creditors in some instances.

Last week, the recently appointed U.S. ambassador to Zimbabwe, Pamela Tremont also shot down participation in the dialogue without implementation of reforms.

“We think the AfDB process is a really useful forum to discuss the kind of reforms that the international financial institutions need for Zimbabwe to access the concessionary loans that it wants. We were an active participant in those talks. Unfortunately, we had to put a pause on that after the elections that we did not find free and fair, and then a lot of other institutions did not find free and fair.

“We’re looking forward to new democracy and governance indicators that will give us a sense of where the government is, in its democracy and governance pathway, so that we can return to the table and continue those talks,” she said.

<https://www.newzimbabwe.com/zimbabwes-total-debt-soars-to-us205-billion-as-govt-resorts-to-local-borrowing/>

**RELATED:**

- [Mthuli Ncube delivers ‘stingy’ Mid Term Review; promotes widespread ZiG usage](#)
- [Zim foreign currency remittances hit US\\$1,2 billion](#)
- [Opposition MPs call for realistic policies – dub Mthuli Ncube’s 2024 mid-term budget review a vicious cycle](#)