

Zimbabwe will need international effort to restore economy: IMF

WASHINGTON - It will take a major international effort to restore Zimbabwe's battered economy, and the International Monetary Fund is prepared to help, a fund spokesman said.



Gerry Rice, International Monetary Fund. Photo: IMF

In the wake of the recent upheaval that saw long-time leader Robert Mugabe ousted with the support of the military, the country "faces severe economic challenges," IMF spokesman Gerry Rice told reporters.

The country will have to tackle fiscal deficits and design structural reforms to help boost economic growth, he said.

At the IMF, "we stand ready to support the authorities to design policies to restore stability and growth."

However, he said, "an international effort will be required to revive and reintegrate the Zimbabwe economy."

The IMF will send a mission to the country in early December, which will be able to gather more information on the state of the country's finances, and the size of the challenge.

However, Rice said the IMF would not be able to offer a financial aid package until the country clears its arrears in payments to the World Bank and other creditors, which total about \$5 billion.

Emmerson Mnangagwa, who took over from Mugabe last week after a military intervention, in one of his first acts ordered three months amnesty for a return of stolen funds to the country.

Mnangagwa said the military operation, which culminated in Mugabe's resignation, helped unearth "cases where huge sums of money and other assets were illegally externalised by certain individuals and corporates."

The country's economic growth has slowed sharply from an average eight percent from 2009 to 2012, to less than 1% last year, while the deficit rose to as high as 10% of the economy.

Source: *AFP*

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