



EFF STATEMENT ON THE R7.6 BILLION WORLD BANK LOAN

The EFF rejects the World Bank's senseless and irrational R7.6 billion loan to South Africa. The loan from the World Bank is in addition to the unnecessary R70.7 billion borrowed from the IMF in 2020 and the R11.4 billion loan from the World Bank in January 2022.

Between 2020 and today, the National Treasury has borrowed well over R100 billion from the World Bank and the IMF. These loans are meant to undermine South Africa's sovereignty.

The EFF does not believe that the loan has anything to do with the so called COVID-19 vaccination program and health system. This is not the first time the National Treasury goes to the IMF and World Bank to get loans and the public is given frivolous explanations of the need for the loan.

The EFF had to write to Parliament to demand an urgent meeting with the National Treasury to receive a detailed explanation of the basis of the loan, conditions attached to the loan, and repayment terms.

We were not shocked to learn that the Finance Minister didn't know more than the public. The reasons provided were incoherent and illogical to justify such an increase in foreign currency denominated debt.

The National Treasury is using COVID-19 to pile unjustified loans at the expense of South Africa's sovereignty. We were told that we needed the R70.7 billion loan from the IMF to boost efforts to fight COVID-19, yet our people were left on their own to fight the pandemic without jobs and food. Clinics and public hospitals did not get resources to build any new capacity or employ additional healthcare workers. Instead, the money was looted while hundreds died waiting for vaccines.

The EFF has previously warned about a clique within the National Treasury that is in control and taking decisions that will be very disastrous for the future of South Africa. These are people who take decisions when the minister and deputy minister are not aware and collude with the financial sector.

We are not surprised that since 2020, the size of loans from foreign financial institutions has doubled while domestic long-term loans from pension funds and insurance companies have gone down.

The National Treasury has failed to put forward a practical and believable plan to deal with government debt that is expected to reach 74.7 percent by the end of 2022.

South Africa's economic crisis is deepening without an end in sight, and these senseless and irrational loans will leave South Africa at the mercy of the parasitic and cruel IMF and World Bank.

Only naïve people will want to convince all of us that these institutions have somehow changed and are now progressive when they continue to serve the Western imperialists.

The EFF calls on all progressive forces to reject these loans with the contempt they deserve. When we marched in February 2022 to demand an end to loans, we made it clear that we would not stand by and watch a clique that thinks it is untouchable to sell our future and the future of our children to Washington imperialists and rating agencies.

We stand by that commitment and will fight tooth and nail in defence of our sovereignty.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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