

The IMF Details Concerns About Zimbabwe's Debt

This is the VOA Special English Economics Report.

The International Monetary Fund, or IMF, says Zimbabwe's debt remains a serious problem for the country's financial future. The IMF released a report this week that said Zimbabwe's economy is expected to slow this year after two years of high growth. And experts warn that Zimbabwe's economy will not improve unless agricultural production increases.

The IMF report said Zimbabwe's high growth rate would slow down to five percent this year. Poor harvests are partly to blame. But concerns about upcoming elections to change the country's three-year-old coalition government add to economic worries.

The IMF predicts that growth will slow to about four percent in the years immediately ahead. Zimbabwe's economy had shown strong growth of over nine percent in two thousand ten and two thousand eleven.

John Robertson from Robertson Economic Information Services says the IMF expects to see changes in Zimbabwe.

JOHN ROBERTSON: “The IMF is trying to promote us or prompt us to make changes. They do suggest that they want to see changes before they become more generous with their assistance. And they will not be supporting much in the way of assistance to the country until they see change.”

Zimbabwe's Finance Minister Tendai Biti said he believes his country is economically secure although it carries heavy debt.

TENDAI BITI: “We believe that our macro-economic fundamentals are sound, and that there is no reason at all why a positive decision would not be made in our favor.”

The IMF says Zimbabwe's debt now stands at about ten point seven billion dollars.

Zimbabwe's agriculture-based economy began to weaken in early two thousand. That year the country started a program of poorly organized and sometimes violent land seizures. The seizures targeted white-owned

commercial farms. Those large farms were broken up and given to many small farmers.

After ten years of economic problems, Zimbabwe’s economy has improved since the creation of a unity government in two thousand nine. But Tendai Biti has said the recovery will remain weak until international institutions such as the IMF cancel Zimbabwe’s debt.

Economist John Robertson says the finance minister was wrong to expect IMF to be merciful to Zimbabwe.

JOHN ROBERTSON: "I think the clemency issue was not in any sense a write-off or a forgiveness of debt. The IMF does not do that."

The IMF has said that dealing with Zimbabwe’s debt requires strong financial policy and re-payment. It said failure to do so make it more difficult to reach agreement with creditors.

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