

# Shiimi: 'Combination of sources to fund Covid relief'

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Jo-Mare Duddy - Government will “partially” dip into its savings and reserves to fund the N\$8.1-billion economic stimulus and relief package announced today by finance minister lipumbu Shiimi.

“Government has set aside up to N\$8 billion over the years for the purpose of debt redemption,” Shiimi told Market Watch tonight.

“A portion of these savings will be utilised now and arrangements will be made during the next two years to rebuild these savings and manage the debt redemption liabilities,” he said.

Shiimi said government will use a combination of sources of funding so as to mitigate adverse impacts on any single source.

It will also use own revenue, particularly the revenue inflows during the month of April, both domestic and revenue inflows from the Southern African Customs Union (SACU).

“The total SACU revenue inflows for the first three months of the financial year is N\$5.4 billion, while domestic revenue for April is estimated at about N\$1.2 billion,” Shiimi said.

Limited debt capital will be borrowed from the market to ensure that the savings and own revenue sources are not fully or significantly depleted, he added.

“In essence, the funding does not only come from a single source, but from a combination of sources available to government,” Shiimi said.

“This is to diversify risk. Most of the funding will come from own revenue and savings. Therefore it has limited impact on government debt.”

Shiimi said N\$2.3 billion of the package or about 28%, “is not money to be spent by government, but it is in the form of the government guarantee to enable business and individuals obtain loans from financial institutions at concessional rates”.

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