

# China lends Zimbabwe US\$319,5m to ease power deficit

HARARE, ZIMBABWE: The Zimbabwe government has signed a US\$355m agreement with the Export-Import Bank of China to expand its power generation capacity and help alleviate perennial electricity shortages.



China will inject US\$319m into improvements at Kariba hydroelectric power station. Image: [Victoria Falls](#)

"The bank will provide funding of US\$319.5m while the government will finance the balance, amounting to \$35.5 million," said Finance Minister Patrick Chinamasa after signing the deal with the bank's vice-president Zhu Hongjie.

Chinamasa said the loans would be repaid at two percent interest per year, with a grace period of five years and repayment period of 20 years.

The money will be used to increase the Kariba South Hydro-power station's capacity by 300 megawatts. Zimbabwe generates 1,200 megawatts of power on average a day against a peak demand of 2,100 megawatts.

To conserve scarce electricity the country's power utility resorts to long hours of load-shedding, in some cases lasting up to 10 hours in major cities.

Zimbabwe has forged close economic ties with China after falling out with the West. The European Union and the United States imposed sanctions that included a travel embargo and an asset freeze on veteran President Robert Mugabe and his close allies after the presidential elections in 2002 were condemned as flawed by western monitors.

Source: AFP via I-Net Bridge

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