



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## MEDIA STATEMENT

### PARLIAMENT PASSES ESKOM BILLS

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Both Houses of Parliament have passed the two bills tabled by the Minister of Finance, to enable a R23 billion allocation to Eskom and conversion of a R60 billion subordinated loan to the company into equity.

The Eskom Special Appropriation Bill and the Eskom Subordinated Loan Special Appropriation Amendment Bill will be transmitted to the President for promulgation.

Government has indicated that in order to ensure that there is no impact on the budget deficit, the appropriation to Eskom would be funded through the sale of non-strategic assets and that the funds would be transferred once the proceeds have been realised into the National Revenue Fund.

The process for the disposal of assets to fund the allocation to Eskom is well-advanced and government will make further announcements in this regard in due course.

The R23 billion injection and the conversion of the R60 billion loan into equity will be complemented by the other measures approved by Cabinet in 2014 which include:

- **Savings:** The Cabinet package required that Eskom save R60 billion in costs up to March 2018
- **Cost reflective electricity tariffs:** Government recognises that electricity tariffs need to be adjusted to achieve cost-reflective levels. Eskom has therefore, applied for tariff adjustments in line with the regulatory processes.

Together, these measures will over time enhance the financial sustainability of Eskom.

These interventions are complemented and further strengthened by the five-point plan and the Energy War Room that government has established. The key interventions under the five point plan have involved immediate measures being taken to improve Eskom's operational performance, additional power being secured from independent power producers and demand side management initiatives.

**Issued on behalf of National Treasury**

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