



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

MINISTER OF FINANCE ENOCH GODONGWANA'S RESPONSE TO MEDIA REPORTS REGARDING HIS REMARKS ABOUT ESKOM

The Minister of Finance Mr Enoch Godongwana would like to clarify recent media reports about comments he made on Monday 31 October 2022 regarding Eskom. The reports claim Minister Godongwana said that the National Treasury's plan to takeover a portion of Eskom's debt will be linked to conditions that the power utility builds new coal, gas and nuclear plants.

This is untrue and a misunderstanding of the argument the Minister was making.

Minister Godongwana's point was that South Africa's energy transition will not be an immediate and wholesale abandonment of the country's existing electricity sources, but a phasing-out of fossil fuels that may also involve transitional measures to maintain current coal and nuclear plants, and also the use of transitional sources like gas.

Government's key planning instrument, the Integrated Resources Plan (IRP), envisions a combination of energy sources, including solar, wind, coal, gas and nuclear, to maintain the security of electricity supply at the most affordable cost to South Africans.

Further, his point was that the fundamental purpose of the National Treasury's plan to takeover a portion of Eskom's debt is to allow the utility to focus on and invest in increasing its generation capacity.

Minister Godongwana is fully committed to the government's Just Energy Transition framework, and the balance it envisions of accelerating investment in new generation capacity while protecting the communities that will be worst-affected by the move away from coal and other fossil fuels.

Minister Godongwana was clear about these principles in his Medium-Term Budget Policy Statement Speech last Wednesday. "The debt takeover, once finalised, together with other reforms, will ensure that Eskom is financially sustainable. The programme will allow Eskom to focus on plant performance and capital investment and ensure that it no longer relies on government bailouts," said Minister Godongwana.



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The debt-relief relief programme is one of a suite of government interventions with the simple, but critical goal of securing South Africa's short and long term energy supply needs.

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