

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 535 [NW687E]

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Mr N J J van R Koornhof (Cope) to ask the Minister of Finance:

Whether the National Treasury provided the Gautrain project with a loan; if so, what
(a) was the amount of the support given and (b) the repayment conditions?

NW687E

REPLY:

- (a) The Gautrain Project is a Public-Private Partnership (PPP). In terms of the feasibility study and PPP agreement completed during 2005/06 and approved by Cabinet, the funding arrangements were made up of three elements; firstly, government (national and provincial) fiscal outlays; secondly, private capital investments; and thirdly, provincial borrowings.

In 2008 the Gauteng Provincial Government applied for loan financing as provided for in the above-mentioned agreement. This was approved by Cabinet and ultimately Parliament as part of the 2009 Budget. Therefore, in terms of the schedule to the 2009 Appropriation Act (Act no. 16 of 2009), an amount of R4.2 billion was specifically and exclusively made available as a loan by national government to the Gauteng provincial government in respect of the Gautrain Rapid Rail Link Project. This was in addition to private party funding and the on-budget allocations by both the province and national government. It was also in line with the Borrowing Powers of Provincial Governments Act (Act no. 48 of 1996).

- (b) A formal loan agreement was signed between national government (represented by the Minister of Finance) and the Premier of Gauteng Province. Within this agreement a repayment schedule was included. The interest on the loan was set equal to the mark to market yield of the R203 Government bond as set by the Bond Exchange of South Africa at close of business on the date of the loan transfer (09 April 2009). An applicable interest rate of 8.44% was thus levied and agreed to by the provincial government. The table below outlines the salient details of the amounts, the interest, and the repayment period:

Gautrain Loan Repayment			R203 MTM rate: 8.44%			
Date	Opening balance	Capitalised interest calculation	Actual interest to be paid	Capital & capitalised interest payable	Total payable	Closing balance
09 April 2009	R 4,200,000,000.00					
1 April 2010	R 4,200,000,000.00	R 346,710,575.34				R 4,546,710,575.34
1 April 2011	R 4,546,710,575.34	R 383,742,372.56				R 4,930,452,947.90
1 April 2012	R 4,930,452,947.90	R 416,130,228.80				R 5,346,583,176.70
1 April 2013	R 5,346,583,176.70	R 451,251,620.11	R 451,251,620.11	R 1,069,316,635.34	R 1,520,568,255.45	R 5,797,834,796.82
1 April 2014	R 4,277,266,541.36	R 361,001,296.09	R 361,001,296.09	R 1,069,316,635.34	R 1,430,317,931.43	R 3,207,949,906.02
1 April 2015	R 3,207,949,906.02	R 270,750,972.07	R 270,750,972.07	R 1,069,316,635.34	R 1,340,067,607.41	R 2,138,633,270.68
1 April 2016	R 2,138,633,270.68	R 180,500,648.05	R 180,500,648.05	R 1,069,316,635.34	R 1,249,817,283.39	R 1,069,316,635.34
1 April 2017	R 1,069,316,635.34	R 90,250,324.02	R 90,250,324.02	R 1,069,316,635.34	R 1,159,566,959.36	R 0.00
Total		R 2,500,338,037.05	R 1,353,754,860.34	R 5,346,583,176.70	R 6,700,338,037.05	