

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 399 [NW412E]
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399. Dr M J Figg (DA) to ask the Minister of Finance:

Whether, with reference to Eskom's debt downgrading to junk status in 2015, the National Treasury will continue to offer its financial support to Eskom, in spite of the warning from the World Bank that the economy is at risk of falling into a recession; if not, what is the position in this regard; if so, what are the relevant details in each case?

NW412E

REPLY:

Yes. Government has provided Eskom with a R350 billion guarantee facility of which Eskom is expected to have utilised R168.5 billion to raise debt by March 2016. In line with Eskom's requirements, the company is expected to have raised R215 billion of government guaranteed debt by 2018/19. This will enable the company to raise the debt required to complete the capital expenditure programme which will augment electricity supply enabling an acceleration in growth and development. These projections have been taken into account in developing a prudent fiscal framework and were published in the 2016 Budget Review. That said, the framework which governs the issuance of the guarantees, requires that government approve any new loan facilities that are to be guaranteed, enabling government to manage its risk exposure.