



**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 2115 [NW2345E]**  
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**2115. Mr N F Shivambu (EFF) to ask the Minister of Finance:**

Whether the National Treasury conducted (a) any feasibility study in terms of the cost benefit impact of state-owned assets that have been sold and (b) the cost-benefit analysis for state-owned assets that the National Treasury plans to sell? NW2345E

**REPLY:**

- a) No. In September 2014, Cabinet approved a support package to be provided to Eskom. Amongst other elements, the support package included an allocation of R23 billion to Eskom which was to be funded through the sale of non-strategic assets. The main purpose of the allocation was to ensure Eskom's sustainability, energy security and ultimately to ensure economic growth. At the time, Eskom's financial health was in a precarious position and the company was also experiencing operational challenges. Therefore, government's inability to make the allocation would have, amongst other things limited the utilities ability to borrow money, compromised the entity's going concern assumption, increased the risk of load shedding etc. All of which would have had dire consequences for the utility and the economy as a whole. Moreover, at that time Eskom's inability to provide reliable supply of electricity was identified as one of the reasons for the slump in economic growth.
- b) As part of the Presidential review committee (PRC) recommendations, the National Treasury was tasked with developing a framework for disposal of non-core assets which will amongst other things set out the criteria for state ownership and disposal as well as the benefits and costs thereof. This criteria is currently being developed and once finalised will be taken through the necessary approval processes and shared with relevant parties.