

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 2381 [NW2620E]**  
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**2381. Mr M G P Lekota (Cope) to ask the Minister of Finance:**

Whether the Government intends to provide financial assistance or bail-outs to state-owned entities; if not, what is the position in this regard; if so, what are the details thereof?  
NW2620E

**REPLY:**

Government's principle is that, as far as possible, any financial support to SOCs should be done in a deficit-neutral manner (i.e. not lead to a widening of the deficit). This can be done through a combination of the sale of non-core assets, reprioritisation of spending, or other revenue measures. Nevertheless – as noted in the 2018 Budget Review – the SOC sector represents a major risk to the fiscal framework, and reforms are required to put these companies on a more sustainable footing. Part of the reform process will involve costing of developmental mandates, to provide government with a better understanding of the level of support required for non-commercial activities. Another part of the reform will require understanding how to bolster their commercial activities, through a combination of efficiency improvements and private sector participation. The budget process is currently under way. Any decisions around financial support to SOCs will be considered as part of this broader process, and be published in the 2018 MTBPS.