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Honourable Hon N N Mapisa-Nqakula

Speaker of the National Assembly

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Subject: Urgent Motion for Debate of National Importance (Rule 130 of the 9th edition Rules of the National Assembly).

Dear Honourable Speaker,

Our country is facing a severe problem with its public sector entities, as they are failing to deliver crucial services to our citizens. The need for urgent intervention to not only find a short-term but a sustainable long-term plan is of paramount national importance, in order for crucial service delivery to continue for all South Africans, especially the poor.

In South Africa, state-owned enterprises are critical to support our socio-economic growth, addressing economic injustices of the past and a current weltering economy. Unfortunately, the inverse has become the reality in our country, as state-owned enterprises have consistently been draining our economy.

Honourable Speaker, allow me to present you with the disastrous reality of South African state-owned enterprises.

National Treasury has offered Eskom R254 billion in debt relief, to pay the total of R423 billion it owes to global financial institutions. This bailout comes at a cost to the country, as Eskom's total debt is almost equal to the total national budget for education. Furthermore, consistent load-shedding has shaved nearly 2% off South Africa's economic growth for this year alone. Over and above this, Eskom is faced with an immense leadership crisis as they have been without a Chief Executive Officer since February. Furthermore, on the 9th of October, the Chairperson of the Board also resigned. With these vital positions vacant, Eskom has been left without anyone accountable to deliver on the National Energy Crisis Committee's Plan.

Transnet, another failing entity, is sinking in its bid to manage its crumbling infrastructure, cutting export profit, and reducing tax to the fiscus. In fact, the entity now transports less freight than it did 30 years ago, while the economic demands have doubled in size. Transnet is yet another entity facing instability caused by vacant executive positions due to the Chief Financial Officer resigning and the Chief Executive Officer Position remaining vacant.

Denel is still without a permanent Chief Executive Officer, functioning on the basis of one interim Chief Executive Officer replacing another interim Chief Executive Officer. Furthermore, in the previous financial year, Denel had a R747 million loss. Earlier this year, the entity indicated a technical profit of R390 million before interest and tax for the year ending March 2023, however, the profit was not from operations but from National Treasury bailout money and funds from the Denel Medical Benefit Trust.

Since South African Airlines (SAA) was placed under business rescue in 2019, the government has allocated another R1 billion rand to assist the carrier with its business rescue. SAA has received a total of R50.7 billion in direct government funding from 2007 to 2022, of which R48.4 billion was received in the past ten years.

The South African Post Office (SAPO) is also under business rescue, with liabilities exceeding assets by a country mile. SAPO's liabilities had reached R12.5 billion, with only R4.5 billion in assets, therefore, it is technically insolvent with negative equity of R7.9 billion. Essentially, this means the entity is hopelessly insolvent and will need tremendous assistance to survive. Furthermore, SAPO has been forced to close 80

more post offices nationwide this year, bringing the total closures to almost 400 since 2020. In so doing, SAPO has contributed to South Africa's mounting unemployment statistics.

The South African Broadcasting Commission has lost R6.19 billion in the past decade and despite the public broadcaster receiving a taxpayer-funded bailout of R3.2 billion in recent years, it has yet again incurred a loss of R1.1 billion in the 2022/2023 financial year.

The recent spike in petrol prices has placed additional strain on South Africans to the point where many are finding it nearly impossible to make ends meet. SOEs are meant to bring in profits to our GDP in order to stabilise the cost of living in South Africa, however, as aforementioned we can see that it is out of control.

As we endeavour to strengthen the economic growth of South Africa and ease the financial burden on South African citizens, I propose that this becomes a matter for urgent debate.

In this regard, we refer you to Rule 130(1), which deals with Urgent Matters of National Public Importance, and which warrants the urgent call for the House to debate at its next available sitting, in the name of Inkosi EM Buthelezi.

Speaker, it is our hope that you share our sentiments relating to the importance surrounding this matter, and we look forward to your favourable response to this urgent request, as we seek to find a solution together.

Yours sincerely,

Mr N Singh, Chief Whip of the

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