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Municipalities' R50bn debt 'unacceptable'

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MPS have quizzed President Cyril Ramaphosa on affirmative action policies, Eskom and the "secretive" SAA-Takatso deal in the National Assembly.

In Ramaphosa's last National Assembly plenary this year, a tense exchange over race and equality between him and Freedom Front Plus leader Dr Pieter Groenewald ended with the president offering to sit down with Groenewald elsewhere to impress on him why he holds the position that Broad-Based Black Economic Empowerment "will and must continue".

Groenewald had asked whether, considering that BEE and affirmative action "no longer serve their purpose" and "constrain the economy", Ramaphosa would scrap the policies.

Ramaphosa said the two policies were not only about redress, they're necessary for economic growth.

"Unless we open the economy to all, we will never be able to realise our country's economic potential because we've had a minority that has been so empowered and endowed to the exclusion of the majority," he said.

Gesticulating with both hands on his temple, Ramaphosa said: "Honourable Groenewald, I was saying to someone ... and I want you to have it clear in your head, in this generation I do not know many black people who have inherited wealth from their parents."

And yet "nearly every white person has inherited something from their parent", and that signals inequality and generational poverty, Ramaphosa said.

Leader of the Opposition DA's John Steenhuisen said only a few people benefited from BEE.

On Eskom, Steenhuisen had asked whether the government would set an example by paying for electricity to enable Eskom to perform the critical maintenance needed to keep the lights on. Ramaphosa said Eskom was owed in excess of R50billion by municipalities and government departments, which was "unacceptable".

A multi-disciplinary revenue com-

mittee, comprising Eskom, Public Works and Infrastructure and Co-operative Governance and Traditional Affairs, is helping the entity knock on its debtors' doors. Eskom itself owes creditors R400bn.

Although Ramaphosa stressed the need for an energy mix, Steenhuisen accused him and Finance Minister Enoch Godongwana of doublespeak on coal-based generation.

"It shows your government is determined to prioritise coal, gas and nuclear at the expense of renewable," Steenhuisen said, adding that the government was doubling down on fossil fuels.

Shortly after Steenhuisen spoke, Godongwana published a statement denying media reports that quoted him as saying Eskom bailout conditions were attached to building new coal plants. In his clarification, Godongwana said his point was about balancing investment in new generation capacity "while protecting the communities that will be worst-affected by the move away from coal and other fossil fuels".

Referring to Eskom CEO André de Ruyter, EFF leader Julius Malema asked whether there was a need for change at Eskom, but Ramaphosa, who has publicly backed the beleaguered De Ruyter, said the chief executive still has a five-year contract.

Steenhuisen, EFF MP Sinawo Tambo and IFP MP Mkhuleko Hlengwa pressed Ramaphosa on the controversial and "secretive" SAA-Takatso strategic equity partnership, which would see the private company acquire a 51% stake in the national carrier.

Hlengwa said it piqued concern that SAA, which has not been audited in the past four years, was being sold in a manner that didn't seem transparent.

Ramaphosa said: "Your quest for transparency is fair, and it is what I'd like to see." He said the government would get to a point where it's able to outline the deal's terms.

"Frankly, SAA was bankrupt (and) in a messy situation," Ramaphosa said, adding that the four years without audits was testament to the chaos.