



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER GORDHAN SIGNS ESKOM SOCIAL COMPACT WITH SOCIAL PARTNERS

PRETORIA 08 December 2020. The Minister of Public Enterprises, Pravin Gordhan today signed on behalf of Government, the Framework Agreement for the Social Compact on supporting Eskom for Inclusive Economic Growth.

Minister Gordhan signed the social compact together with leaders of organized business, labour and community constituency at the end of the National Economic Development and Labour Council (Nedlac) 25th Annual National Summit today.

At the end of 2019, social partners at Nedlac started negotiating the social compact recognizing that the resolution of the energy challenges was instrumental in ensuring the economic recovery of the country.

Minister Gordhan emphasized the importance of energy security in the economy, and the need to have a discussion with social partners on the cost of electricity, and the role it has on stimulating growth in the different business sectors.

Minister urged partners to work with Eskom leadership to help the company transition from the grips of state capture, which has led to the financial and operational difficulties that Eskom is currently facing.

“Eskom as an institution is very much in a transition phase in the past 2 years or so. It’s trying to remove itself from the grips of state capture both by political forces and by economic players as well. There is still significant resistance to change by ex-managers of Eskom and from some within Eskom itself. Eskom is acting wherever it can against corruption both in terms of individuals and companies.

“Part of the actions to stop corruption requires effort and assistance from Nedlac partners in working together with the DPE and Eskom leadership in reinstating public and business confidence in Eskom again,” says Minister Gordhan.

As part of the work to stabilize the electricity supply, Government is currently procuring additional generation capacity from the market, to alleviate the current shortages and thus bring much needed capacity to rebuilding the economy.

The Minister noted that the Social Compact would allow partners to work together on “just transition” projects for the repurposing of old coal-powered stations, as part of mitigating

against climate change, and transitioning them towards clean coal technologies. This will ensure that we lessen the impact of the lack of economic activities because of the closure of the coal-powered stations.

“The partners must not forget the communities that are reliant on the economic activities in the areas that will be affected by the “just transition”, which will require the partners to make more effort to get alignment from communities in those towns”

Government signed the Social Compact and the copy was sent to Nedlac today.

For media Inquiries contact Richard Mantu 072 488 1520

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