



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT ON ESKOM DEBT RELIEF

22 February 2023. The Minister of Public Enterprises, Pravin Gordhan welcomes Eskom debt relief of R254 billion announced by Minister of Finance, Enoch Godongwana today in his Budget speech.

This means government will service Eskom debt obligations for the next three financial years (both debt capital and interest).

Furthermore, Government will take up R70 bn debt from Eskom balance sheet thereby reducing the debt further to sustainable levels.

As at December 2022, Eskom debt stood at R422 billion from R396 billion recorded at the end of March 2022.

The debt relief will provide Eskom with a space to utilise cash from operations to among others increase the maintenance budget which is critical for the improvement of plant performance and eventually increase the Energy Availability Factor (AVF).

Improving plant performance is one of the key interventions of President Ramaphosa Energy Crisis Action Plan unveiled in July last year to ensure that Eskom prioritise maintenance of six top power stations in their fleet to minimise loadshedding.

“It must be highlighted that during the debt relief period, Eskom will not be allowed to borrow in the capital markets. Therefore, it is critical that they continue with the saving programme, and they drive efficiencies internally in order to reduce their cost base.”

“The debt relief is Government commitment to turn around the power utility and a clear indication that we will do everything in our might to reform Eskom and ensure its operational and financial sustainability,” says Minister Gordhan.

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