



MINISTRY
PUBLIC ENTERPRISES
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER GORDHAN CORRECTS FALSE ASSERTIONS ABOUT THE WORK OF THE DEPARTMENT OF PUBLIC ENTERPRISES; VOWS TO CONTINUE REBUILDING SOEs TO TRANSFORM THE ECONOMY

PRETORIA, 05 May 2023. The Minister of Public Enterprises, Mr Pravin Gordhan, has slammed the DA's unfounded assertions that predictably seek to mislead the South African public, score cheap political points and undermine the work of stabilizing state-owned enterprises.

Minister Gordhan said Ghaleb Cachalia, DA's spokesman on public enterprises, is bereft of any semblance of reality, judging by the extent to which he has desperately tried to mischaracterize this week's presentation of the Auditor General (AG) before the Portfolio Committee of Public Enterprises.

In his response to Cachalia's politics of desperation, Minister Gordhan said that neither he nor the department will be side tracked from the work to stabilize state-owned enterprises, improve their governance, equip them with qualified and capable leadership, and make them fit to lead the government's developmental and transformation agenda, improve service delivery and boost the economy.

Moreover, Minister Gordhan also vowed to continue rooting out corruption that has left the SOEs haemorrhaging money, and not in a position to advance the economic imperatives of the country after being hollowed-out up by state capture.

"The AG's presentation to the portfolio committee was a culmination of extensive and ongoing engagements that are aimed at aligning the work of the department with the stated objectives of government, and that work is informed by be the strategic framework that is beginning to yield significant improvements in the oversight of the SOEs," Minister Gordhan said.

"Granted, the department has never taken the view that its work would find support from its detractors and opportunists like Cachalia and others of his ilk, as they have decided to not recognize the extent of the damage that was wrought on Eskom, Transnet, SAA and Denel in particular," the Minister Gordhan added.

He said the DPE, along with the AG, National Treasury, the Department of Planning, Monitoring and Evaluation (DPME), and other key role players, was determined to ensure

that there was alignment in the performance, set targets and departmental outcomes for the new financial year and beyond.

Minister Gordhan said the DPE's Annual Performance Plan (APP) for 2023/24, to which the AG spoke, already entailed key strategic and administrative inputs which the DPE has committed to implement as underscored by some of the ongoing critical interventions, including:

- Conclusion of the Strategic Equity Partnership (SEP) transaction for SAA.
- Resolution of Transnet's sourcing of outstanding locomotives and spare parts from China's CRRC e-LoCo Supply to revitalize the country's logistics and freight rail network.
- Improving Eskom's power generation capacity to end loadshedding.
- Capacitating the Boards of the SOEs to deliver on their goals as agreed with the Shareholder.

"The department has been transparent throughout the process of drafting and finalizing the 2023/24 APP, including making the AG know of the commitment to remedy the deficiencies that have already been publicly acknowledged," Minister Gordhan said, noting that 2023/24 marked the end of the current administration, and thus the current medium-term strategic framework (MTSF) will be revised to align with the mandate of the next administration.

As a consequence, Minister Gordhan said government departments will revise their mandates, and strategic focus to align to the new MTSF. The Strategic Plan of 2020-2025, as approved, will also be revised to include evaluating achievements of the set measurable outcomes.

Minister Gordhan commended the department for not shirking its responsibility to provide custodial oversight and improve accountability as highlighted by the DPE achieving five straight years of unqualified audits. And with the country heading into an election next year, Minister Gordhan said it was unsurprising that there would be those hell bent on undermining the work of the department for political leverage.

For Media Enquiries contact Ellis Mnyandu ellis.mnyandu@dpe.gov.za or 012 431 1228.

Issued by the Ministry of Public Enterprises

05 May 2023