



MINISTRY
PUBLIC ENTERPRISES
REPUBLIC OF SOUTH AFRICA

MINISTER GORDHAN AND MR. TAN JIONG, VICE CHAIRMAN AND PRESIDENT OF CHINA DEVELOPMENT BANK SIGN COLLABORATION FRAMEWORK AGREEMENT TO ENHANCE STRATEGIC COOPERATION

PRETORIA, 24 August 2023 - The Minister of Public Enterprises, Mr. Pravin Gordhan and Mr. Tan Jiong, Vice Chairman and President of China Development Bank (CDB), have signed a Collaboration Framework Agreement through which the Department of Public Enterprises (DPE) and the CDB will enhance cooperation and deepen their existing relationship across strategic areas of mutual interest.

The signing of the agreement took place alongside the 15th BRICS Summit currently being hosted by South Africa. The agreement is also one of several key initiatives meant to deepen strategic cooperation between South Africa and China following the Official State visit of Chinese President Xi Jinping earlier this week.

“This agreement is a culmination of the discussions and engagements that we conducted with the CDB during our visit to Beijing in May this year,” said Minister Gordhan.

“The DPE is confident that this agreement will allow us to better position our SOCs for future growth as we leverage the exchange of expertise, technical skills and other strategic catalysts that this collaboration framework agreement makes possible,” Minister Gordhan added.

Mr. Tan said it was only natural that the DPE and the CDB conclude a Collaboration Framework Agreement to enhance the relationship that the CDB already had with Transnet, South Africa’s state-owned freight and logistics company, and Eskom, the power utility.

“We view this agreement as one more step in our efforts to enhance cooperation across a range of key strategic sectors to enable further development that is underpinned by a strong relationship between our two countries,” said Mr. Tan.

“The CDB already has a close relationship with Transnet and Eskom, but now we also have the opportunity to work with the DPE in other areas of mutual interest, including mining and forestry,” Mr Tan added.

Minister Gordhan said both the DPE and the CDB expected the agreement to provide an enabling framework through which ongoing reform of SOCs can be sustained, and thus provide impetus to South Africa’s economic development, industrialisation, and job creation.

“We are laying the foundation for a more sustainable path to ensure that our developmental goals as a country stay on track. This agreement is also a sign of our commitment as government to create an enabling environment for our SOCs. They are a critical lever to drive service delivery and economic opportunity to improve the lives of millions of South Africans,” said Minister Gordhan.

Founded in 1994, the CDB is the world’s largest development finance institution, boasting more than 18.2 trillion yuan (USD 2.5 trillion) in total assets as at the end of 2022. Its immense funding capability has made the CDB a valuable funding partner for some of South Africa’s critical infrastructure projects.

In 2017, the CDB and Eskom signed a funding agreement for \$1.5 billion for the construction of Medupi power station, and in 2018 Eskom entered into a \$2.5 billion funding agreement for the construction of Kusile power station. In 2015, the CDB and Transnet signed a \$1.5 billion funding agreement for the purchase of locomotives.

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