**MEDIA STATEMENT**

**COMMITTEES ON PUBLIC ENTERPRISES CALL FOR COVID-19 RECOVERY PLAN FOR STATE OWNED ENTITIES**

**Parliament, Wednesday, 20 May 2020 –**The Portfolio Committee on Public Enterprises, and the Select Committee on Public Enterprises and Communications were briefed by the Department of Public Enterprises on its annual performance plan and budget for 2020/21.

Briefing the committees, the Deputy Minister of the Department of Public Enterprises, Mr Phumulo Masualle, told the committees that the state-owned companies (SOCs) experienced difficulties before the outbreak of the Covid-19 pandemic, and according to him, the pandemic has worsened the situation in which the SOCs were in before.

He said Eskom is unable to raise revenue, and both the South African Airways (SAA) and the South African Express (SAX) are not flying as a result of the Covid-19 pandemic. “Six months before the outbreak of the pandemic it was tough, the outbreak has made it even tougher, therefore the budget needs to be looked at in this context,” said Mr Masualle

The committees expressed concern over the performance of the SOCs, and how this has affected workers who are currently facing retrenchments and not getting salaries. They told the department that this is unacceptable. Furthermore, the committees told the department to have an effective post-Covid-19 recovery plan in place.

Also, the committees told the department about their view that the appointed business rescue practitioners for SAA and SAX have not provided solutions for the challenges that faced the two airlines. SA Express has since been placed under provisional liquidation after an application lodged by the business practitioners in court.

Regarding Denel, the department said the arms manufacturer has performed relatively well compared to other SOCs. The department’s Acting Director-General, Mr Kgathatso Tlhakudi, said they are counting on the board and the executive to be able to turn around the company.

The department has assured the committees that no buyer has been approached for the sale of the entities, and no decision has been taken to sell the entities.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES MR KHAYA MAGAXA AND THE CHAIRPERSON OF THE SELECT COMMITTEE ON PUBLIC ENTERPRISES AND COMMUNICATIONS MR TSHITEREKE MATIBE**