**MEDIA STATEMENT**

**COMMITTEE ON PUBLIC ENTERPRISES TELLS ESKOM TO DEAL WITH ESCALATING MUNICIPAL DEBT**

**Parliament, Thursday, 26 November 2020 –**The Portfolio Committee on Public Enterprises received a briefing yesterday from Eskom on the power utility’s annual report and financial statement for the 2019/20 financial year.

Briefing the committee, the power utility informed the committee that its debt has rocketed to more than R480 billion. The committee expressed a concern and was of the view that the debt ratio is unsustainable and it threatens the national fiscus.

The power utility informed the committee that it has lost approximately R20 billion in the current financial year. The committee told Eskom’s management that the presentation reflecting the entity’s financial situation is discouraging and calls for strong and effective strategies to turn the situation around.

The committee noted with concern the escalating municipal debt which has increased by 48%, amounting to R28 billion. It said a plan needs to be drafted with other relevant stakeholders to deal with the debt.

The committee heard that in 2021 Eskom will be facing a funding requirement of R1 billion a week. The committee said the dependency by Eskom for equity injection and more government guarantees from the state to be operational is concerning.

The committee also highlighted its displeasure about the forever escalating prices regarding the re-modification of Medupi and Kusile and has called on Eskom to improve its balance sheet as the power utility cannot continuously be on debt.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES, MR KHAYA MAGAXA.**