

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1058**

**QUESTION:**

**1058.    Ms B M Minnen (DA) to ask the Minister of Public Enterprises:**

In view of his department’s presentation in October 2020 in which Parliament was informed that Denel is currently insolvent and had recorded a loss of R1,7 billion for the 2019-20 financial year, thereby increasing negative equity to more than R2 billion, (a) what is the current financial situation and (b) has Denel been able to meet its financial obligations?   NW1245E

**REPLY:**

**According to the information received from Denel**

1(a) Denel’s overall operating activities and environment has further declined in the FY2020/21 financial year with revenue (R2.8bn) projected to be in par with the previous financial year and further losses projected to be 23% lower than the previous financial year.

(1)(b) Denel has struggled to meet all its obligations due to low cashflow and limited business operations.

However, the board, management and DPE are in the process of confirming a new business model which takes account the current realities, including the financial constraints, the stealing of Intellectual Property and the need to rebuild Denel’s capability.

**Remarks: Reply: Approved / Not Approved**

**Kgathatso Tlhakudi P J Gordhan, MP**

**Director-General Minister of Public Enterprises**

**Date: Date:**