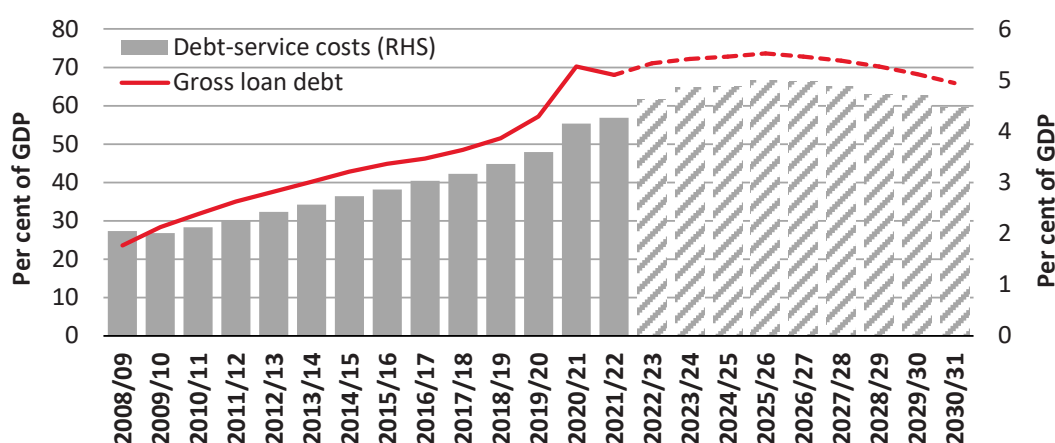


Government debt and contingent liabilities

As a result of the Eskom debt-relief arrangement, gross loan debt is expected to increase from R4.73 trillion in 2022/23 to R5.84 trillion in 2025/26. Debt will rise as a percentage of GDP, but will stabilise at 73.6 per cent in 2025/26, before declining for the rest of the decade.

Debt-service costs will also rise, due to rising market lending rates and Eskom debt relief.

Figure 1.6 Gross loan debt and debt-service costs



Source: National Treasury

Table 1.6 Projected state debt and debt-service costs

R billion/percentage of GDP	2022/23	2023/24	2024/25	2025/26
Gross loan debt	4 727.4 71.1%	5 060.2 72.2%	5 423.7 72.8%	5 843.0 73.6%
Debt-service costs	307.2 4.6%	340.5 4.9%	362.8 4.9%	397.1 5.0%

Source: National Treasury

Financial position of state-owned companies

Several major state-owned companies continue to rely on government bailouts and dominate the guarantee portfolio. Government continues to monitor the financial health of public entities and manage associated risks. A new framework for managing bailouts to state-owned companies will support continued reform efforts.