

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1815**

**QUESTION:**

**1815. Ms O M C Maotwe (EFF) to ask the Minister of Public Enterprises:**

What measures will he take to remedy the situation at Denel where employees were (a) paid 20% of their salaries from May 2020 to May 2021 and (b) not paid any salaries from June to August 2021?

**REPLY:**

1. The Department is supporting Denel’s new operating model which is aimed at stabilising operations and cost structure. The National Treasury has agreed to settle Denel’s government guaranteed debt, which will save the entity approximately R250 million in interest payment annually.
2. Plans are under considerations to raise the required funding to address both operational requirements and legacy obligations, which includes salaries. Amongst others, Denel has identified assets and other investment assets for disposal to raise funding to raise part of the obligations and to increase operational activities which is key to the SOC generating the minimum required cash flows. However, this process will take some time, none the less, we remain committed to do the best for all employees as soon as possible.