

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTRN REPLY**

**QUESTION NO.: PQ 2207**

**QUESTION:**

**2207.   Mrs M O Clarke (DA) to ask the Minister of Public Enterprises:**

(1) In terms of Alexkor’s contract with Scarlet Sky Investments, what (a) are the relevant details of the marketing contract term of the specified company and (b) was the time period of the specified contract;

(2) Whether the company fulfilled the period of the contract; if so, what are the relevant details; if not,

(3) Whether any payment was made to the company at the time of the contract; if not, what is the position in this regard; if, so, what are the relevant details of the payments;

(4) What was the (a) name of the company that was appointed to replace Scarlet Sky Investments and (b)(i) duration and (ii) cost of such a contract;

(5) Whether, with the appointment of the new company to replace Scarlet Sky Investments, an independent valuator was appointed; if not, why not; if so, what are the relevant details? **NW2509E**

**REPLY:**

**According to the information received from Alexkor**

1. (a) The initial contractual obligations were to buy Alexkor Richtersveld Mining Company Pooling and Sharing Joint Venture (PSJV) production and pay the nett value percentage to PSJV.

(b) The initial period was 3 years as stated above. Then it was amended to include IMDSA (Deep sea marine mining), at this point SSI changed the operating model to buy, market and sell. Which was not the original plan at the tender stage.

 (2) The company did change the model agreed to tender system which was agreed to by previous management to buy the whole production. This means that they did not fulfil the obligations initially agreed to.

1. The agreement payment was 1.5% commission for all carats sold at the tender. It was paid in full and no outstanding amounts.
2. (a) No company was appointed, Alexkor SOC is conducting the marketing and selling function in house with corporation from Diamond Export and Exchange (DEEC) and Government Diamond Valuation (GDV) office.
3. No company was appointed, Alexkor SOC is processing in house with corporation from DEEC. The Contractors and the Alexkors appointed evaluators are still in operation.