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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**PARLIAMENTARY QUESTION: 2842**

**DATE OF PUBLICATION: 15 September 2017**

**Dr M J Cardo (DA) to ask the Minister of Economic Development:**

(1) What (a) was the (i) value and (ii) purpose of the loan granted by the Industrial Development Corporation (IDC) to a certain person (name and details furnished) and (b) were the repayment terms of the specified loan;

(2) whether the Deputy Minister of Public Enterprises, Mr Ben Martins, played any role in securing the loan for the specified person; if not, what is the position in this regard; if so, what are the relevant details;

(3) whether the IDC has taken any steps to recover the loan; if not, (a) why not and (b) by which date will the IDC be taking steps; if so, what are the relevant details? NW3149E

**REPLY**

**I am advised by the CEO of the Industrial Development Corporation of the following details related to the question:**

“The total value of the IDC approved loan was R48,5 million for the manufacture of compressed logs targeting mainly the braai and fireplace market. The logs were to be branded as Eco Blaze and manufactured from recycled green waste. There were repayment terms specified for the loan. The loan agreements are structured in line with the cash-flows of the business.

“The Deputy Minister of Public Enterprises, Mr Ben Martins did not play any role in securing the loan for Semona Eco.

“The IDC’s investment decision-making process is such that no single person can take a decision on whether or not to invest in a particular project. This is a decision reserved for various investment committees within the IDC.

“To date the IDC has obtained judgment against Semona Eco and its guarantors. Additional steps taken are listed below:

* we have liquidated Semona Eco;
* we have liquidated Semona Oil (a guarantor);
* laying of criminal charges against Semona Eco & its officials with the Sandton Commercial Crimes Unit of SAPS;
* the listing of Semona Eco and its officials on the list of entities and persons the IDC will not do business with; and
* the institution of sequestration proceedings against Ms Lorraine Masipa (set down for hearing on 30 August 2017).”

**Mr Geoffrey Qhena, IDC CEO.**

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