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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**PARLIAMENTARY QUESTION: 2660**

**DATE OF PUBLICATION: 25 November 2016**

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

(a) What amount did the Industrial Development Corporation (i) invest in On Digital Media and (ii) lose in the failed venture and (b) what are the full relevant reasons for the specified failure?                                                                                          NW3144E

**REPLY**

The question has been put to the CEO of the IDC who has responded as follows:

“The IDC’s total investment in On Digital Media (ODM) was R882 401 000.

On the 26th of October 2012, ODM was placed into business rescue and the undrawn portion of the equity funding into ODM was cancelled.

The business rescue of the company was terminated with effect from 1 July 21016. With the introduction of a new strategic partner and operator that has come on board the IDC is hopeful that the company will turn around in time.

From the resultant business rescue the IDC is a 22% shareholder and in a related company Star Time, IDC has a 5.8% shareholding.

When the company matures, we are anticipating to realize the true value of our investment which will enable us to establish the exact amount that we will be able to recover. In terms of the value of IDC shares, we are presently not placing value since the company has just come out business rescue.”

Geoffrey Qhena, CEO

**Recommended/ Not Recommended**

Comments:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**……………………………..**

**Mr Malcolm Simpson**

**Acting Director-General**

**Date: ………………………**

**Approved/ Not Approved**

Comments:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Mr Ebrahim Patel**

**Minister of Economic Development**

**Date:………………………..**