****

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 2823 [**NW3130E**]**

**DATE OF PUBLICATION: 15 September 2017**

**2823. Mr D J Maynier (DA) to ask the Minister of Finance:**

(1) What is the (a) total value of contingent liabilities and (b) the detailed breakdown of each of the specified contingent liabilities according to (i) type, (ii) institution, (iii) exposure amount and/or (iv) amount drawn against the guarantee that the National Treasury has extended (aa) in each of the past three financial years and (bb) since 1 April 2017;

(2) whether the National Treasury has received requests for further guarantees; if not, why not; if so, what are the relevant details in each case?

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**REPLY:**

1. Table 1 shows the total value of contingent liabilities (guarantees) issued and drawn-down, as well as a breakdown according to State Owned Companies (SOCs) for 2014/15 to 2016/17 as shown in the 2017 Budget Review.
2. The National Treasury is currently considering a guarantee request of R3 billion by the South African Broadcasting Corporation. The request was submitted after the broadcaster has made a determination that it would face a liquidity challenge in the current financial year. The SABC has highlighted a number of factors that have contributed to the entity’s declining revenues and increasing operating costs. These include among others, the unfavourable economic conditions and a number of policy decisions with regard to content over the broadcaster’s various platforms, which have led to the decline in the advertising revenues as major advertisers withdrew their business due to declining listenership and viewership in some of the broadcaster’s crucial platforms. In addition, the salary bill and pay-outs of dismissed staff has contributed to an increase in costs. The loss in both advertising and TV license revenue along with increased costs, have contributed significantly to the losses incurred in both the 2014/15 and 2015/16 financial years.

Where no guarantee requests have been submitted, it might be as a result of the fact that the specific SOCs’ financial matrices are such that the SOCs do not require government assistance or the SOCs are able to borrow on the strength of their own balance sheets.

Table 1: Government guarantee portfolio

