

**2824. Mr R A Lees (DA) to ask the President of the Republic:**

What are the details of (a) the purpose(s) for which the US$ 25 billion in funding pledged by the government of the People’s Republic of China towards his economic stimulus package will be utilised and (b) all the terms and conditions attached by the Chinese government to make the specified funds available? NW3129E

**REPLY:**

1. A number of agreements were signed between the governments of South Africa and the People’s Republic of China, and between different state entities and private companies in the two countries, during the state visit by President Xi Jinping to South Africa in July 2018 and during my state visit to China in September 2018, prior to the Forum on China-Africa Cooperation (FOCAC).

Taken together, the agreements reflect a commitment of around US$15.2 billion in equity investments and loans across a range of industrial sectors, mining, infrastructure and services. The funding will, among others, support cooperation on special economic zones, trade and investment relations and financing for state owned entities.

1. Eskom and Transnet entered into loan agreements with Chinese banks.

Eskom entered into a loan agreement with the China Development Bank for R33 billion. The facility has a grace period of five years and thereafter the principal amount is repayable by Eskom in 20 instalments over a period of 10 years. There are no specific conditions for this loan.

Transnet entered into a R4 billion loan agreement with the Industrial and Commercial Bank of China to finance the general operating activities and certain capital expenditure of Transnet. The facility is a five-year, rand denominated, quarterly amortising loan, at a floating and competitive interest rate. The loan came with terms and conditions that are standard for this type of loan.

In addition, there were agreements signed between private sector companies of China and those of South Africa. The conditions attached to each of these agreements are a matter between the respective parties.