*** INFORMATION MEMORANDUM***

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

 **FROM : Justin De Allende**

 **PLO**

**RE :** **PARLIAMENTARY QUESTION NO 441**

**DATE : 30 March 2017**

 **================================================================**

To provide the Minister with a response to Parliamentary Question Number 441

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| **COVER MEMO AND THE PACKAGING OF PQ BY:****Department of Public Enterprises**  |
| **……………………………….****Deputy Director-General:** **Date:** | **COMMENTS:****………………………………………..** |
| **…………………………………**Mogokare Richard Seleke**Director-General****Date:** | **APPROVED/DECLINED/COMMENTS****…………………………………………..****…………………………………………..****………………………………………….** |



**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 441**

**DATE OF PUBLICATION: 10 MARCH 2017**

**441.     Mr D J Maynier (DA) to ask the Minister of Public Enterprises:**

**Whether any state-owned companies procured any services from and/or made any payments to the (a) Afrikaanse Handelsinstituut, (b) SA Chamber of Commerce and Industry, (c) Black Management Forum, (d) Black Business Council and (e) Business Unity South Africa; if not, in each case, why not, if so, what (i) services were procured, (ii) was the total cost, (iii) is the detailed breakdown of such costs, (iv) was the purpose of the payments, (v) was the total paid and (vi) is the detailed breakdown of such payments in each case? NW497E**

**Reply:**

|  |
| --- |
| **ALEXKOR SOC LIMITED** |
| **(a)** | None, cost containment measures |
| **(b)** | None, cost containment measures |
| **(c)** | None, cost containment measures |
| **(d)** | None, cost containment measures |
| **(e)** | None, cost containment measures |
|  | (i) | R NIL |
|  | (ii) | R NIL |
|  | (iii) | R NIL |
|  | (iv) | R NIL |
|  | (v) | R NIL |
|  | (vi) | R NIL |

|  |
| --- |
| **DENEL SOC LIMITED** |
| **(a)** | None |
| **(b)** | Yes |
| **(c)** | None |
| **(d)** | None |
| **(e)** | None**b(i)-(vi)** |

|  |  |  |
| --- | --- | --- |
| **Year** |  **Description** | **Amount**  |
| 2014 | Annual Membership fees Denel SOC Ltd  | R 96 300.00 |
| 2015 | Annual Membership fees Denel SOC Ltd  | R 101 115.00 |
| 2016 | Annual Membership fees Denel SOC Ltd  | R106 200.00 |
| **TOTAL AMOUNT** |  | **R 303 615.00** |

**ESKOM SOC LTD**

**(a)**

No, Eskom has not procured any services from the Afrikaanse Handelsinstituut. However Eskom has made payments to the Afrikaanse Handelsinstituut.

Eskom has not raised a need that would require Commercial to procure services from the entity.

**(a)(i)**

No applicable

**(a)(ii)**

Not applicable

**(a)(iii)**

Not applicable

**(a)(iv)**

Eskom is a member of the Afrikaanse Handelsinstituut and from time to time supports events by the organisation.

**(a)(v)**

Total payments is R74 563

**(a)(vi)**

|  |  |  |
| --- | --- | --- |
| **Year**  | **Description** | **Amount** |
| 2016 | Annual Corporate Membership Fee  | R66 863 |
| 2016 | Annual Conference and Gala Dinner  | R7 700 |
| **TOTAL AMOUNT** |  | **R 74 563** |

**(b)**

No, Eskom has not procured any services from the SA Chamber of Commerce and Industry. However Eskom has made payments to the SA Chamber of Commerce and Industry.

Eskom has not raised a need that would require Commercial to procure services from the entity.

**(b)(i)**

No applicable

**(b)(ii)**

Not applicable

**(b)(iii)**

Not applicable

**(b)(iv)**

Eskom is a member of the SA Chamber of Commerce and Industry and from time to time supports events by the organisation.

**(b)(v)**

Total payments is R563 000

**(b)(vi)**

|  |  |  |
| --- | --- | --- |
| **Year**  | **Description** | **Amount** |
| 2016 | Annual Corporate Membership  | R113 000 |
| 2016 | Gala Dinner  | R450 000 |
| **TOTAL AMOUNT** |  | **R 563 000** |

**(c)**

No, Eskom has not procured any services from the Black Management Forum. However Eskom has made payments to the Black Management Forum.

Eskom has not raised a need that would require Commercial to procure services from the entity.

**(c)(i)**

No applicable

**(c)(ii)**

Not applicable

**(c)(iii)**

Not applicable

**(c)(iv)**

Eskom is a member of the Black Management Forum and from time to time supports events by the organisation.

**(c)(v)**

Total payments is R74 200

**(c)(vi)**

|  |  |  |
| --- | --- | --- |
| **Year**  | **Description** | **Amount** |
| 2016 | Annual Corporate Membership  | R34 200 |
| 2016 | Annual Conference and Gala Dinner  | R40 000 |
| **TOTAL AMOUNT** |  | **R 74 200** |

**(d)**

No, Eskom has not procured any services from the Black Business Council. However Eskom has made payments to the Black Business Council

Eskom has not raised a need that would require Commercial to procure services from the entity.

**(d)(i)**

No applicable

**(d)(ii)**

Not applicable

**(d)(iii)**

Not applicable

**(d)(iv)**

Eskom is a member of the Black Business Council and from time to time supports events by the organisation.

**(d)(v)**

Total payments is R 350 000

**(d)(vi)**

|  |  |  |
| --- | --- | --- |
| **Year**  | **Description** | **Amount** |
| 2016 | Annual Corporate Membership  | R200 000 |
| 2016 | AGM and Gala Dinner  | R150 000 |
| **TOTAL AMOUNT** |  | **R 350 000** |

**(e)**

No, Eskom has not procured any services from the Business Unity South Africa. Eskom did not make any payments in 2016. Eskom has not raised a need that would require Commercial to procure services from the entity.

**(e)(i)**

No applicable

**(e)(ii)**

Not applicable

**(e)(iii)**

Not applicable

**(e)(iv)**

Not applicable

**(e)(v)**

Not applicable

**(e)(vi)**

Not applicable

|  |
| --- |
| **SAFCOL SOC LIMITED** |
| **(a)** | None, cost containment measures |
| **(b)** | None, cost containment measures |
| **(c)** | None, cost containment measures |
| **(d)** | None, cost containment measures |
| **(e)** | None, cost containment measures |
|  | (i) | R NIL |
|  | (ii) | R NIL |
|  | (iii) | R NIL |
|  | (iv) | R NIL |
|  | (v) | R NIL |
|  | (vi) | R NIL |

**SAX SOC LTD**

South African Express Airways did not procure any services from and/or make any payments to the

|  |  |
| --- | --- |
| **(a)** | None, cost containment measures |
| **(b)** | None, cost containment measures |
| **(c)** | None, cost containment measures |
| **(d)** | None, cost containment measures |
| **(e)** | None, cost containment measures |
|  | (i) | R NIL |
|  | (ii) | R NIL |
|  | (iii) | R NIL |
|  | (iv) | R NIL |
|  | (v) | R NIL |
|  | (vi) | R NIL |

The airline is presently facing challenges pertaining to both its liquidity and profitability. As a result, the airline is currently not in a financial position to support expenditure that does not directly support the airline’s core functionality.

**TRANSNET SOC LTD**

1. Transnet has not procured any services from and/or made any payments to the Afrikaanse Handelsinstituut. The company is not in the list of Transnet’s service providers.
2. Transnet has made payments totaling **R2 859 009** (excl. VAT) to SA Chamber of Commerce and Industry in the past three years.
3. Detailed breakdown of costs, refer to table below:

|  |  |  |
| --- | --- | --- |
| **Year** | **Description** | **Amount** |
|  | **SPONSORSHIPS** | **ANNUAL /GALA DINERS**  | **MEMBERSHIP/****SUBSCRIPTION** | **MARKETING** | **STAKEHOLDER ENGAGEMENT** | **CONFERENCES** | **TRAINING** |  |
|  | **1 994 182** | **129 839** | **550 079** | **81 589** | **30 996** |  **57 368** | **14 965** | **2 859 009** |
| 2014 | 438 596 | - | 27 337 | 81 579 | 8 996 | 57 368 |  702 | 614 578 |
| 2015 | 482 456 | 51 066 | - | - | 22 000 | - | - | 555 523 |
| 2016 | 531 902 | 33 750 | 366 147 | - | - | - |  8 298 | 940 097 |
| 2017 | 541 228 | 45 023 | 156 595 | - | - | - |  5 965 | 748 811 |
| **Total Amount** |  |  |  |  |  |  |  | **R 2 859 009.00** |

1. Transnet has made payments totaling **R1 077 193.00**(excl. VAT) to Black Management Forum in the past three years.
2. Detailed breakdown of costs, refer to table below:

|  |  |  |
| --- | --- | --- |
| **YEAR** | **DESCRIPTION** | **AMOUNT** |
| 2014 | Sponsorship | R 200 000.00 |
| 2016 | Sponsorship | R 877 193.00 |
| **TOTAL AMOUNT** |  | **R 1 077 193.00** |

1. Transnet has made payments totaling **R700 000** (excl. VAT) to the Black Business Council amounting in the past three years.
2. Detailed breakdown of costs, refer to table below:

|  |  |  |
| --- | --- | --- |
| **YEAR** | **DESCRIPTION** | **AMOUNT** |
| 2014 | Annual/ Gala Dinners | R 500 000.00 |
| 2015 | Annual/ Gala Dinners | R 50 000.00 |
| 2017 | Stakeholder Engagement  | 150 000.00 |
| **TOTAL AMOUNT** |  | **R 700 000.00** |

1. Transnet has made payments totaling **R22 800** (excl. VAT) to Business Unity South Africa in the past three years.
2. Detailed breakdown of costs, refer to table below:

|  |  |  |
| --- | --- | --- |
| **YEAR** | **DESCRIPTION** | **AMOUNT** |
| 2014 | Annual/ Gala Dinners | R 22 800.00 |
|  |  |  |
| **TOTAL AMOUNT** |  | **R 22 800.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Remarks:**  |  |  | **Reply: Approved / Not Approved** |
|  |  |  |  |
| **Mr Mogokare Richard Seleke** |  |  | **Ms Lynne Brown, MP** |  |
| **Director-General** |  |  | **Minister of Public Enterprises** |
| **Date:** |  |  | **Date:** |