

Government to take on Eskom debt, but unclear how much

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The principle that the South African government will take on some of Eskom's debt has been agreed, but there is no consensus over how much, the finance minister said on Monday, 1 August.



Source: Siphwe Sibeko/Reuters

Eskom is saddled with around R400bn of debt it cannot afford to service without government bailouts.

"It's an accepted issue ... that debt for Eskom is unsustainable," finance minister Enoch Godongwana told a news conference. "It poses a risk to the sovereign. To avoid that sovereign risk, the sovereign has got to step in."

"What has not been settled yet ... is the quantum of that, how much will be taken by the sovereign, but the principle is there. At the moment both (National) Treasury officials and Eskom officials are developing scenarios which we will table before cabinet," Godongwana added.



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The minister was part of a delegation of ministers expanding on measures announced a week ago by President Cyril Ramaphosa to tackle the country's worst power crisis to date.

Ramaphosa pledged to expand generation, cut red tape and buy surplus electricity from private producers and neighbouring countries.

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