

BUSA WELCOMES NEW ESKOM BOARD APPOINTMENTS

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Business Unity South Africa (BUSA), welcomes the announcement of the new board of directors at Eskom as a significant step to address the maladministration and corruption which has escalated so dramatically over the past several years.

“Returning Eskom, which has still not released its latest financial statements, to a stable financial position is a critical priority for the incoming board. BUSA has consistently stressed its concern that the financial sustainability of Eskom is key to the economic wellbeing of South Africa. We do not underestimate the challenge faced by Eskom in this regard. The calibre and credentials of the board finally shows intent from government to rid Eskom of the corruption and mismanagement that has brought this important driver of economic growth and social development to the brink of collapse”, says BUSA CEO Tanya Cohen.

BUSA has extensively engaged on the issues of corruption, maladministration and the lack of sound oversight and implementation that have eroded the financial state of Eskom. This continues to present a significant risk to the national fiscus and the country’s economy, and consequently, has increased dramatically the risks of further credit downgrades. To this end, BUSA is working directly with Eskom to resolve some of the key challenges, such as formulating a long term pricing strategy and creating a sustainable funding model.

BUSA, along with its social partners in Nedlac as part of the Sovereign Downgrade Task Team, has played a key role in highlighting concerns about Eskom and other State Owned Enterprises (SOEs) in the recent past.

BUSA stated that South Africa does not have the funds to provide limitless financial support to chronically underperforming SOEs. Credible plans to restore the balance sheets of the SOEs to a sustainable and viable condition is an absolute priority. Funding shortages need to be addressed as a matter of urgency, through restoring confidence in the SOEs. This requires capable boards and management teams whose integrity and competence is beyond reproach. “We welcome that decisive action has been taken by the government to remove senior executives whose integrity has been called into question in the context of continued corruption and malfeasance. The appointment of Phakamani Hadebe as the Acting Group Chief Executive together with a clear time frame of three months for a permanent appointment of the CEO and CFO is also welcomed”, stated Cohen.

“We acknowledge the decisive action taken by government to remedy the governance challenges at Eskom through the appointment of the new board which clearly possesses the prerequisite capabilities and track record to instil good governance and sound financial management at Eskom and to deal decisively with the current liquidity crisis facing the institution . The new board led by Jabu Mabuza will inspire confidence that the task of turning Eskom’s fortunes around will be achieved ”, states Martin Kingston, Vice President of BUSA.

NOTE TO EDITORS:

Business Unity South Africa (BUSA) is the principal representative of business in South Africa. It represents business on cross cutting issues relating to economic, social, trade, environment and transformation in national and international structures and bodies, and is

the representative of business in Nedlac. BUSA was formed in 2003 and consists of organisational members representing unisectoral business organisations; corporate representative organisations; chambers of commerce & industry; and professional organisations. BUSA serves to be a constructive contributor to economic growth, social prosperity and transformation in South Africa.

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