

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 6176

Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:

- (1) Whether, with reference to his department's intention to approach the African Export-Import Bank (Afreximbank) for between two and/or three billion United States dollars to fund the Transformation Fund, the funding will be in the form of a loan; if not, what is the position in this regard; if so,
- (2) whether the loan will be at a concessional interest rate; if not, what is the position in this regard; if so, what is the interest rate agreed upon;
- (3) whether the funding will be a combination of a loan and a grant; if not, what is the position in this regard; if so, in which proportions;
- (4) whether his department has sought the National Treasury's consent with regard to funding negotiations; if not, why not; if so, what was the Treasury's response in this regard;
- (5) whether his department has modelled the potential for losses and the impact this could have on the ability of the Transformation Fund to repay any debt to Afreximbank; if not, what is the position in this regard; if so, what are the relevant details? NW6906E

REPLY:

(1) to (5)

The African Export-Import Bank (Afreximbank) has committed to support South Africa's objectives through a variety of programs, including the Inclusive Development Support Programme for South Africa (AFINDESP-SA).

In line with the various public comments received in relation to the governance of the Transformation Fund, the Fund will be operationalised via an SPV that has been established with the assistance of the National Empowerment Fund, with the details and implementation modalities being finalised. Similarly, the modalities and structure related to the Afreximbank support in this regard, is also being finalised through ongoing engagement with the Bank, and such further details will be communicated at a later stage.

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