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**MEDIA STATEMENT**

**IMMEDIATE RELEASE**

**ESKOM FINANCIAL CRISIS**

Commenting on the latest financial loss of nearly R10 Billion by ESKOM, BUSA says

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Quote

BUSA is deeply concerned not only at the magnitude of the financial loss sustained by ESKOM last year but also the fact that the release of this important information has been delayed. Losses of this magnitude are not sustainable. The size of the loss has clear implications for the 'mix' of tariff increases, loan financing and additional state funding which will now be necessary to provide sustainability.

The full burden of ESKOM's future funding cannot be placed on higher tariffs alone — as it is clear from recent CPI data that electricity costs are playing a major role in preventing inflation from falling faster. This keeps interest rates higher than they otherwise need be. This has to be balanced against ESKOM's funding needs.

All this could have serious consequences for security of electricity supply in SA. In order to facilitate greater transparency and consultation about the ESKOM crisis BUSA calls for an urgent meeting of the President's National Stakeholders Advisory Council on electricity to review the situation and discuss way ahead.

Unquote

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