

# INSTITUUT VIR EIETDSE GESKIEDENIS

Die Universiteit van die Oranje-Vrystaat

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Business Day

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## Riot fund to reduce state debt

Robyn Chalmers

GOVERNMENT is to convert the SA Special Risks Association (Sasria) into a public company and use part of its R9,4bn reserve to reduce state debt.

The budget review also said government had received R1,7bn from the sale of state assets in 1997/98. This included the sale of radio stations, Sun Air and a 30% stake in Telkom.

The finance department said it would submit a draft bill to Parliament to convert Sasria from a Section 21 company, initially with government as the sole shareholder. This would allow government to limit its risk exposure in terms of reinsurance cover provided to the insurance industry.

Sasria was set up in 1979 to provide insurance against loss of property due to riot and civil disturbance.

Government would use Sasria's surplus to cut state debt after consulting its actuary on the reserves needed.

The review said government's privatisation programme was moving

ahead, with a steering committee set up to investigate Transnet's restructuring. It was agreed that Transnet's business divisions would be corporatised. The interministerial cabinet committee had agreed that up to 25% of SA Airways would be sold by October. The restructuring and sale of 20% of the Airports Company would be completed soon.

The review said privatisation of Denel would kick off with a public offer of its information technology arm Denel Informatics, while the trade and industry department was considering how to restructure the arms industry.

Government would retain ownership of Alexkor until the diamond mine was properly valued, after which mining companies would be offered a management contract to run the entity.

The sale of holiday resort company Aventura was under way and restructuring strategies were being considered at the SA Forestry Company. Legislation to corporatise Eskom would be reintroduced to Parliament.

TREFWOORDE

1 Dept. Finansies

2 H. Mending

3 SASRIA

4 maatskappij

5 belasting

6 skuld

7 Regiering Nas

8 Lendings

9 oorlog

10 skuld