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Sale of state assets is long overdue

THE GOVERNMENT ANNOUNCED A RANGE
OF NEW PRIVATISATION INITIATIVES THIS WEEK,
INCLUDING THE PUBLIC LISTING OF TELKOM

After more than five years of inept indecision and a series of half-hearted failures, the Government looks as if it is finally getting its act together on privatisation. Under the auspices of the former minister of public enterprises, Stella Sigcau, little was accomplished in an area many argue is a vital component of South Africa's future economic well-being.

The sell-off of Sun Air was a disaster. An initiative around the state's diamond-mining body, Alexkor, has been plagued with problems. The off-loading of a few Aventura holiday resorts and the commercialisation of SAA is about as far as we have progressed down the road to stripping government of assets far-removed from its core business.

This has partly been because of resistance from the unions and partly due to a lack of commitment by the state.

Aside from the vast income achieved through privatisation – more than R10-billion alone from the sale of the SA Special Risks Association (Sasria) – other benefits include the much-needed downsizing of the public sector, the promotion of black economic empowerment and the more efficient delivery of services previously offered by state monopolies.

On Monday this week, new impetus was given to privatisation following decisions taken by an inter-ministerial committee. President Mbeki has insisted that progress in this area is a key tenet of our macro-economic policy. Included among the decisions: the listing and partial sell-off of Telkom, the placement of some of armaments body Denel's interests on the market, the selection of preferred bidders for the purchase of state forestry assets and the naming of a consultant for the restructuring of the SABC.

These are small steps, admittedly, and long overdue, but at last the wheels seem to be rolling. Maybe one day, the larger state enterprises, such as Spoornet and Mossgas, will also be handed over to the private sector where they belong.

TREFWOORDE

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