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Telkom's IPO should take place by the end of the year

State sure it can meet its privatisation goals

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Cape Town - The government remained confident of meeting its privatisation target dates and taking organised labour along with it, Jeff Radebe, the minister of public enterprises, said yesterday.

Briefing a joint sitting of the public enterprises committees of both houses of Parliament, Radebe said he was "very confident" that the Telkom initial private offering (IPO) would take place by the end of the year, followed by the South African Airways' IPO early next year.

Reaching agreement with the unions in terms of the national framework agreement had been "very challenging and not without its problems" but had been "manageable".

There was now agreement on the processes involved and for the way forward. The potential job losses that could result from restructuring was being examined and the details should be available by August while attention was also being paid to the procurement policies of State enterprises.

The department of communications was finalising its telecoms



Jeff Radebe, the minister of public enterprises

policy, which should be in place by April. The sector regulator would be gazetted by July, by which time the revised Telecommunications Act would be before Parliament.

In the energy sector, priority would be given to finalising the plan for the restructuring of Eskom into separate generation and transmission businesses by the end of March and the appointment of a regulator by September.

The sale of government's 24 percent stake in M-Cell was expected to be finalised in May, while Transnet should have a

model ready by April for what it planned to do with Spoornet.

The M-Cell deal is one of three major deals expected to take place in 2001/02, raising about R18 billion in foreign investment to help pay for most of the expected Budget deficit of R24,9 billion.

The other two transactions will involve Telkom and the South African Special Risks Insurance Association.

Radebe said negotiations with BAE Systems for a minority stake in Denel Aerospace should be finalised by July.

Successful talks had been held with the company's representative in London last week and Radebe had also held discussions with France's Snecma-Turbo-meca in Paris about its plans to take a controlling interest in Denel Airmotive, probably by May.

The government would also urgently amend the Alexkor Act to allow the state-owned diamond mining company to begin identifying a strategic equity partner.

On Portnet, he said it would be divided up into a port development agency and port operations division by August this year, allowing some port operations to be outsourced by the beginning of 2002.