



PARLIAMENT

OF THE REPUBLIC OF SOUTH AFRICA

September 20, 2010

Mr Bart Cilliers
Managing Director
SunSpace
Stellenbosch

Dear Mr Cilliers,

I would like to apologise unreservedly for my statement made last week that SumbandilaSat was a failing venture. While it is common knowledge that there have been problems since its launch the expertise of your staff has ensured that the best possible use can be made of the satellite for the rest of its lifecycle.

I have asked our media office to release a copy of this letter to the media.

As you know from our meeting earlier this year the DA is opposed in principle to government shareholding in commercial enterprises, and this view still stands. We feel that the growth of innovative enterprises is best left to dynamic management to exploit market opportunities, rather than being inhibited by the bureaucratic and regulatory processes of government.

South African taxpayers have also been severely battered by many failed and dysfunctional state-owned enterprises that initially held much promise, such as the Pebble Bed Modular Reactor. My concern was that SunSpace, which is financially vulnerable and has been unable to attract private shareholders, could go the same way.

The Minister of Science and Technology's decision not to supply the costs of the project in response to my question, or to justify the return on investment as she promised last year in the National Assembly last year, aroused my concerns, hence my statement.

I understand the reasoning behind your asking for taxpayer investment in SunSpace. I accept that, once government owns the major stake, orders from other governments will be secured and South African firms will be eager to piggy back onto the manufacturing process and extend their technological expertise. May they profit enough from this venture to buy out government's shareholding one day.

I accept that Cabinet's decision to acquire the majority stake in your company is likely to proceed and I will make no further comments on this pending purchase. I hope SunSpace becomes a pioneering state-owned enterprise by becoming profitable soon and setting an example to the others.

I hope you will accept my apology.

Yours sincerely

*Marian Shinn**

Marian Shinn MP
DA Shadow Minister of Science and Technology

- *The original of this letter will be posted shortly*