



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

EXPRESSION OF INTEREST FOR NEW AND RESTRUCTURED SAA

PRETORIA, 23 June 2020 - The South African government, during this period of business rescue for South African Airways (SAA), has received unsolicited proposals from private sector funders, private equity investors and potential airline partners for a new national airline that must emerge from the SAA business rescue process.

Government is intent on pursuing credible proposals for investment and strategic partnerships with the private sector, as well as equity participation for employees. Such partners will also introduce technical, financial, and operational expertise.

As the Shareholder on behalf of government, the Department of Public Enterprises (DPE), will engage interested parties constructively in pursuit of government's national developmental and strategic agenda to rebuild our economy in a post-COVID-19 era.

Government has expressed its intent and commitment to fundamentally restructure and transform SAA into a viable, sustainable and competitive national carrier. The broader aviation industry and the passenger air transport sector specifically, is essential for servicing and growing economic sectors, including tourism, business connectivity and cargo carriage.

The DPE is cognisant that airlines across the world have been facing a severe drop in flights due to COVID 19, leading to financial and other pressures. Therefore, there are possibilities for airline partnerships to improve scale and scope and ensure continuity of value creation to the South African economy and long-term sustainability of the aviation industry.

Government is committed to support the formation of such a new airline with no legacy financial and operational issues which will be managed by competent, competitive and skilled personnel who have strategic and technical capabilities which are critical to the success of the new carrier.

Government would like to see the following characteristics of the new airline as envisaged in the new Business Rescue Plan:

- An efficient and modern aircraft fleet with hybrid density options acquired at competitive rates resulting in cost efficiency;
- An offering with the right routes, at the right times and at competitive prices;
- A motivated workforce, ensuring productivity and efficiency and determined to increase market share;
- A customer-centric airline designed to be lean, technology savvy, digitally native and agile to service all market segments;
- Appointment of an effective, competent and empowered Board of Directors with appropriate aviation experience.

ENDS.

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