



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

DPE WORKING WITH OTHER GOVERNMENT DEPARTMENTS TO COLLECTIVELY ADDRESS SA EXPRESS CHALLENGES

PRETORIA, 10 July 2020 - As South African Express (SA Express) has been placed under provisional liquidation and its future would be determined by the liquidation process.

The Department of Public Enterprises (DPE) is continuing to seek support of other agencies of Government to address the immediate needs of the SAX employees. At the same time, the provisional liquidators are assessing proposals from several potential strategic equity partners for the airline, which will determine the long term future of the airline.

The government, as the sole shareholder through the DPE, remains sympathetic and deeply mindful of the plight of with SAX employees who have not received salaries for several months.

For the record, the DPE believes it is important to put into perspective the history of SA Express financial woes:

- Due to the continued deterioration in the airline's financial position, a creditor successfully applied to court for SA Express to be placed under business rescue.
- On 6 February 2020, SA Express was placed under business rescue;
- Government had provided R1.5 billion to the airline during the 2018/19 financial year to addressing SA Express's solvency and liquidity problems. However, the airline continued to face operational decline;
- The DPE had several meetings with the Business Rescue Practitioners (BRPs) to find the best restructuring solution for SA Express without a positive outcome. The BRPs failed to develop and submit a viable business rescue plan
- The dire financial situation of the airline was then exacerbated by the negative impact of the COVID-19 pandemic, which has immensely affected airlines globally;
- The airline has thus been placed under provisional liquidation.

On Thursday, 09 July 2020, some media outlets carried a copy of a letter from the Acting Director General of the DPE to one of SA Express employees' representatives where a call for post commencement funding (PCF) for SA Express was responded to, indicating this demand cannot be met due to reasons covered above.

The response was misconstrued to say that the request by employees that Government assists with retrenchment packages to ensure an elegant exit from SA Express has been denied. This is not true, the request is still being processed within government.

The DPE requests that the predicament of the SA Express employees be covered responsibly and that facts be checked with the department if there are any misunderstandings.

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