



**public enterprises**

Department:  
Public Enterprises  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

### **DPE RECEIVES MORE PRIVATE SECTOR FUNDERS AND PARTNERSHIP INTEREST FOR NEW AND RESTRUCTURED SAA**

**PRETORIA, 24 August 2020** - The South African government has received more unsolicited interests from private sector funders, private equity investors and partners for a future restructured South African Airways (SAA) and its subsidiaries.

As at the beginning of August, the government – through the Department of Public Enterprises (DPE), had received more than 10 unsolicited interests for SAA and its subsidiaries Air Chefs, South African Airways Technical and Mango Airlines.

The DPE welcomes the attraction of a mix of local and international investor groups to provide the new airline with technical, financial, and operational expertise to ensure significant South African ownership whilst diversifying the investor base.

As the sole shareholder on behalf of government, the DPE had been busy assessing the interests from the several unsolicited local and international Strategic Equity Partners (SEPs) as part of the implementation of the Business Rescue Plan, which was published at the end of June 2020.

The DPE believes that such investments in the airline and its subsidiaries will help support key economic sectors, including tourism and solidify South Africa as an African gateway to international markets.

Such partnerships will also improve scale and scope and ensure continuity of value creation to the South African economy and long-term sustainability of the aviation industry managed by competent, competitive and skilled personnel who possess strategic and technical capabilities, which are critical to the success of the new carrier.

While maintaining a certain level of presence in the ownership of the new carrier, the government, through DPE, 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 network structure that allows for connectivity at hubs, whilst maintaining elevated aircraft utilisation;
- Connecting Africa to world economic hubs whilst maintaining diplomatic connectivity;
- A right-sized and motivated workforce;
- A customer-centric airline designed to be lean, technology savvy, digitally native and agile to service all market segments;
- Appointment of a smaller, effective, reinforced, and empowered Board of Directors and
- A centralised, single commercial team leading fleet, network, pricing, revenue management, product, services, loyalty programme, sales, and marketing for the new airline.

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