



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

EFFORTS TO FINALISE SAA BUSINESS RESCUE PROCESS ONGOING

PRETORIA 10 SEPTEMBER 2020 – The Department of Public Enterprises (DPE) would like to inform the public that efforts to finalise the South African Airways (SAA) business rescue process and the restructuring of the airline are ongoing and a decision on the sources of funding will be announced soon.

In line with the directive of Cabinet for the DPE and National Treasury (NT) to mobilise funds for the new SAA, the two departments have been working hard under the guidance of the Inter-Ministerial Committee (IMC) on SAA.

The IMC is entrusted with the responsibility of oversight of the restructuring process.

The DPE welcomes the decision of the Business Rescue Practitioners (BRPs) to keep the creditors informed about the process and the likelihood of a meeting of the creditors' committee. This is in accordance with their fiducial responsibility to the creditors to inform them on the progress with the business rescue process, and source the creditors' consent on the way forward. The Department remains confident that a solution will be found in time to avoid liquidation of SAA, as per the 26 July 2020 cabinet statement.

DPE with the transaction advisor, Rand Merchant Bank (RMB), continue to assess the unsolicited expressions of interest for the new SAA from the private sector funders, equity investors and strategic partners. A number of engagements have been undertaken with the potential partners, and the interest is encouraging that a suitable long-term investor will be found to enable the relaunch of the airline and its subsidiary businesses and divisions.

The DPE believes that the restructuring process, which is contained in the SAA Business Rescue Plan is fundamental and will create a solid base for the emergence of a competitive, viable and sustainable national airline for the Republic of South Africa.

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