



MINISTRY
PUBLIC ENTERPRISES
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER GORDHAN SAYS SAA ON A PATH TO A SUSTAINABLE FUTURE AS AIRLINE BEGINS SEARCH FOR A PERMANENT EXECUTIVE MANAGEMENT TEAM

PRETORIA, 10 April 2024 — The Minister of Public Enterprises, Mr Pravin Gordhan has expressed confidence that South African Airways (SAA) is on a path to a more sustainable future as the airline works on strengthening its executive management team and set in motion plans to consolidate its recovery.

Minister Gordhan said the board of SAA had his full support in its efforts to create a permanent executive management structure to continue implementing the airline's recovery plan, which includes expanding its route network and overhauling its fleet after successfully emerging from business rescue in 2021.

“The steps that SAA has taken to recruit and build a more permanent executive management structure stem from the government's commitment to ensure that the airline continues to grow from strength to strength. We are grateful for the sterling work of the interim executive management team as it has laid a solid foundation for the airline to scale even greater heights,” said Minister Gordhan.

“The executive management positions that the SAA Board has determined must be filled are a critical component of repositioning SAA as an airline of choice for the flying public. The skills and the expertise that these roles entail will give the airline strategic agility and make it possible for SAA to continue its growth trajectory following the termination of the proposed strategic equity partnership transaction,” Minister Gordhan added.

SAA has been led by an interim executive management team since emerging from business rescue. This team was tasked with transitioning the airline into a new structure that envisaged the government selling a controlling stake to the Takatso Consortium. Takatso and the Department of Public Enterprises (DPE) terminated the deal by mutual agreement last month.

When the airline emerged from business rescue it restarted operations in September 2021 with only six aircraft and four routes covering intra-continental and regional markets. SAA's fleet has since expanded to at least 14 planes servicing soon to be 15 routes. SAA plans to have as many as 20 planes by the first quarter of 2025.

Recently, SAA relaunched its intercontinental service with flights to São Paulo from Johannesburg and Cape Town; this month SAA plans to relaunch its service to Perth, Australia.

Going forward, SAA's operational and financial trajectory will be underpinned by the following:

- Acquisition of additional aircraft capacity to serve both the domestic and international markets at scale.
- Improvement in the governance and management systems.
- Continued recovery in the domestic and international air travel markets.
- Availability of suitable aircraft that allows SAA to maximise market opportunities.

“The work that has already gone into SAA signifies a very clear strategic choice that the government has made, and that choice is to leverage SAA as a national strategic asset to grow our economy and boost job opportunities. The nearly 2,000 current SAA employees are ready to continue delivering the best customer experience, along with an impeccable safety record that sets SAA apart,” said Minister Gordhan.

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Issued by the Ministry of Public Enterprises

10 April 2024