



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Government grants SAA request for R5 billion guarantee

The South African Government has granted South African Airways a R5 billion guarantee for a period of two years starting from 1 September 2012. The guarantee will enable SAA to borrow from the financial markets, thus ensuring that the airline continues to operate as a going concern.

The guarantee requires that the SAA Board develop a turnaround strategy to be approved by the Minister of Public Enterprises in concurrence with the Minister of Finance. This will include SAA providing the DPE and Minister of Finance with the financing strategy for its planned purchase of short and long haul fleet.

Furthermore, a technical committee comprising representatives from the National Treasury and DPE will monitor SAA's financial position, and progress with developing and implementing the turn-around strategy.

Government is committed to working with SAA's management and board of directors to ensure that SAA is a viable and a financially sustainable airline.

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