



NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NUMBER: 29 [NO1026E]

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★29. Mr R A Lees (DA) to ask the Minister of Finance:

With reference to the intent of the National Treasury to sell a part of the ownership of SA Airways to private equity partners, what are the details of the (a) action taken to identify potential private equity partners and (b) private equity partners that were identified?

NO1026E

REPLY:

The former Minister of Finance announced in the Budget Speech on 24 February 2016 that he, together with the Minister of Public Enterprises had *“agreed to explore the possible merger of South African Airways and South African Express, under a strengthened board, with a view to engaging a potential minority equity partner, and to create a bigger and more operationally efficient airline”*

National Treasury and the Department of Public Enterprises jointly adjudicated the bids received in response to the tender that had been issued. Subsequently, government appointed Bain and Company South Africa/Abacus Advisory to assist government in undertaking a comprehensive assessment of all options before reaching a final decision on the optimal ownership and corporate structure for the state owned airlines.

The work is complete and the next steps is for government to review the options and recommendations to allow an informed decision to be taken on how to proceed, including alignment to the review currently underway on SAA's Long Term Turnaround Strategy by Seabury. The review by government will determine whether strategic equity partners, if any, would become part of the ownership structure of the state owned airline assets.