NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 161 [NW1119E]
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161. Mr R A Lees (DA) to ask the Minister of Finance:

(1) What are the relevant details of any funding paid by the National Treasury from the Government to the SA Airways (SAA) from 1 January 2019 to 30 June 2019;

(2) what are the relevant details of any envisaged payments by the Government to SAA from 1 July 2019 to 31 March 2020;

(3) whether the National Treasury issued any letters of commitment in favour of SAA to assist SAA to raise loans from lenders from 1 January 2019 to 30 June 2019; if so, what are the relevant details;

(4) what are the details of any envisaged letters of commitment to be issued in favour of SAA for the purpose of obtaining loans from lenders from 1 July 2019 to 31 March 2020?

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REPLY:

1. SAA was recapitalized with R5 billion during February 2019 to assist the airline to repay maturing government guaranteed debt. This was in accordance with the SAA Special Appropriation Bill which was tabled at the time of the Medium Term Budget Policy Statement (MTBPS) in October 2018. The R5 billion formed part of the R21.7 billion funding request by SAA.

2. In the 2019 Budget Speech, the Minister of Finance indicated the following:
    "*On other state-owned enterprises, we are reviewing our framework for state-owned enterprise support. Government has revised the contingency reserve upwards to R13 billion for 2019/20 to respond to possible requests for financial support*".

    SAA is one of the entities that has applied for funding from the Contingency Reserve. The amount the airline applied for and the outcome of the funding request will only be determined after the normal budgetary and legislative processes have been finalised which is expected around August/September 2019.

3. In line with the 2019 Budget Speech, National Treasury has indicated that government remains committed to supporting the airline and its funding requirements through the contingency reserve process which is currently underway.

4. None