



**MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA**

**TRANSFER OF SOUTH AFRICAN AIRWAYS (SAA) TO THE MINISTRY OF FINANCE
GAZETTED**

The transfer of administrative powers entrusted by the South African Airways Act 2007 from the Minister of Public Enterprises to the Minister of Finance was gazetted on Friday (19 December).

Section 97 of the Constitution of the Republic of South Africa, 1996, provides that the President, by proclamation, may transfer to a member of the Cabinet –

- a) The administration of any legislation entrusted to another member; or
- b) Any power or function entrusted by the legislation to another member.

The transfer is effective from 12 December 2014 and the handover process is well underway. The Minister of Finance has already held an introductory meeting with the board of directors of SAA.

In addition, the Ministry of Finance and National Treasury are working with SAA on measures that will enable the airline to finalise its annual financial statements for 2013/14 and hold an annual general meeting within the 15 month period stipulated by the Companies Act. The AGM is expected to be held early in February. At the conclusion of the AGM, the Minister of Finance, the chairperson of SAA and the airline management will then brief the media.

National Treasury is familiar with SAA and what is required to stabilise the airline's financial position through the department's involvement in overseeing the guarantees that have previously been provided to the company.

The Minister and the board (including the acting CEO and CFO) have agreed that to stabilise the company's financial position, elements of the long term strategy must be implemented with speed even as the board continues to refine and update the strategy. In addition, short-term and medium-term milestones have been identified and will form part of the shareholder compact that the Minister of Finance will sign with the board.

Issued on behalf of the Ministry of Finance

Date: 22 December 2014