

**NATIONAL ASSEMBLY  
QUESTION FOR ORAL REPLY  
QUESTION NUMBER: 411 [NO3748E]  
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**Mr F N Shivambu (EFF) to ask the Minister of Finance:**

With reference to the reply to question 2836 on 18 August 2015 by the Minister of Trade and Industry that the Black Industrialist Programme has not yet been approved by Cabinet, why did the SA Airways enter into a memorandum of understanding with the Deputy Minister of Trade and Industry that was worth R1 billion in May (details furnished) in support of a programme that is not approved by Cabinet?

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**REPLY:**

The DTI has been engaging with various SOCs (Eskom, Transnet, ACSA, Denel, SAA and Armscor and DFI's (IDC, NEF, SEFA, PIC, DBSA, Landbank) since the Black Industrial Programme (BIP) Indaba in March, with regards to development of a memorandum of understanding (MoU) with each entity. Such engagements will ensure that the preparatory work has been completed, so that on approval of the policy, implementation of the MoUs can commence. The MoU is non-binding and, thus far, there has been no implementation, as this awaits policy approval.

SAA, like other SOCs, is required to implement government's policies, including government's transformation policies e.g. Broad Based Black Economic Empowerment (BBBEE). Targets aimed at promoting transformation have been set in SAA's shareholder compact. SAA has engaged with suppliers with the objective of enabling new entrants to access opportunities at SAA, thereby allowing the airline to achieve the targets that have been set. In addition, SAA and DTI have established a Joint Steering Committee to advise both the DTI and SAA of the best way to help youth, women and people with disabilities to participate in the mainstream economy.

Without derogating from any of the above, the top priority at this stage is for SAA to stabilize its finances and return the business to a firm financial footing.