

**NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 37 [NO487E]
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★37. Mr D J Maynier (DA) to ask the Minister of Finance:

Whether the National Treasury has a long-term turnaround plan for the SA Airways; if not, why not; if so, what are the relevant details?

NO487E

REPLY:

During 2013, South African Airways (SAA) developed a Long Term Turnaround Strategy (LTTS). In 2015, together with government, SAA reviewed and refined the LTTS. The updated strategy was encapsulated in the 2015 SAA Corporate Plan, which was tabled in Parliament. The strategy anticipated that during 2016/17 financial year the airline would deliver an operating profit and that it would take five years for the airline realise a net profit. This would be achieved through the airline focusing on improving revenues, containing costs and improving accountability and performance management. Steps have already been taken to reduce aircraft leasing costs, cease operations on some unprofitable routes and achieve procurement savings which have resulted in the airline performing ahead of expectation. In developing the Corporate Plan for 2016, SAA will not be revising the LTTS, but rather update it to take into account changes in the operating environment. In addition, SAA requires a new Board and permanent management team.