



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

National Assembly
Member of Parliament

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3rd December 2017

To whom it may concern.

Open letter with regards to funding of South African Airways (SAA).

I write to you to request that you ensure that your bank does not become complicit in the failure of SAA to be run on strictly commercial lines and in the losses that will inevitably be the consequences of moving the airline from the National Treasury to the Department of Transport where Ms. Dudu Myeni will once again be able to influence, if not directly dictate, the way that SAA is managed.

There can be no doubt that South African Airways is a vanity project that South Africa cannot afford. South Africa is well serviced by airlines that do not need government guarantees and are therefore not a negative factor for the Country's sovereign ratings.

The government cash bailouts, just in 2017/18, that amount to R 10,0 billion rand and will, even under the best possible scenario painted by the latest SAA "Turn-around Plan", finish up exceeding R 20,0 billion by 2019/20. The impact of these bailouts on poor South Africans is both immoral and massive. Had these funds been available to provide services and opportunities to poor South Africans they could for instance have provided;

- 83 333 additional three year undergraduate bursaries.
- 166 667 additional housing units.
- 571 new schools
- 102 476 additional nurses

You and your bank have a moral obligation to play your role in stopping the State Capture that you and all of us now know is rampant in South Africa. By this I mean that you should, without delay, formally inform the Minister of Finance that any steps to move SAA away from National Treasury and to undermine Mr. Vuyani Jarana's intention to run SAA on purely commercial lines will result in your bank's loans to SAA being called in for immediate repayment.

In order for you and your bank to retain the confidence of poor, and indeed all, South Africans, it is imperative that you not only take the robust action that we have requested in this letter, but that you do this publicly for all to see.

It is my fervent hope that you and your bank will agree to this request for the sake of the millions of South Africans who will be prejudiced if you do not take the requested action.

Yours sincerely

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

RA (ALF) LEES MP

Deputy Shadow Minister of Finance

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