



21 January 2020

Les Matuson and Siviwe Dongwane
Business Rescue Practitioners
South African Airways

Cell: 082 459 2401

Dear Les Matuson and Siviwe Dongwane,

SAA LIQUIDATION

Thank you for taking my call on the 20th of January 2020. I write to you to urge you to do the right thing with regard to the rescue of South African Airways (SAA).

SAA has already been bailed out massively by the South African taxpayer over many years and remains unprofitable, heavily in debt and completely insolvent.

It is quite clear that just in order to continue to trade, SAA requires further and continued taxpayer bailouts and is simply not an enterprise that can be rescued and meet all its liabilities. On the contrary, simply in order to continue to trade at all, it will be necessary to increase its liabilities, or in other words, the charity it receives from the SA taxpayer.

It is unconscionable that the South African sovereign debt burden should be increased, or state assets sold, in order to enable SAA to continue to trade. Funds desperately needed for service delivery and economic growth stimulus should not be used for the SAA vanity project. A project that adds nothing to economic growth given the non-taxpayer funded and profitable airlines already flying in SA airspace.

I therefore urge you to invoke Section 141 (2)(a)(ii) of the Companies Act No. 71 of 2008 and to apply to Court for the business rescue proceedings to be discontinued and for SAA to be placed into liquidation.

I look forward to your considered response to my urgent request.

Yours faithfully,

Mr R A Lees MP

RA Lees MP
Shadow Deputy Minister of Finance

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