



2 July 2020

Mr P J Gordhan MP
Minister of Public Enterprises
80 Hamilton Street
PRETORIA
0007

Dear Minister Gordhan,

SOUTH AFRICAN AIRWAYS BUSINESS RESCUE PLAN FUNDING

I write to request clarity from you regarding the source(s) of the funds that will be required for the implementation of the proposed business rescue plan for the South African Airways (SAA).

Over the past few weeks, your department issued statements that imply that the funding of R 2,2 billion required by the business rescue plan for the SAA is available. On 2 July 2020, the Department of Public Enterprises issued a media statement that states emphatically that:

“... The R2,2 billion budgeted for Voluntary Severance Packages (VSPs) for SAA employees is the best available option”

This latest statement by your department reinforces the view that the funding to pay the employee voluntary severance packages (VSPs) has already been budgeted for.

Having studied the emergency budget tabled in the National Assembly by the Minister of Finance last week, and after making further enquiries, I have not been able to establish any budget which makes provision for the additional R 16,6 billion in funding required by the SAA business plan, nor in particular to pay the proposed R 2,2 billion in employee VSPs. The R 16,4 billion included in the 2020 budget is specifically designated for the SAA debt redemption.

From which budget(s) or budget line items will the additional R 16,6 billion in funding required by the SAA business rescue plan be sourced, including the R 2,2 billion that your department has indicated has already been budgeted for employee VSPs?

Yours faithfully,

R A Lees MP
Democratic Alliance

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