



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

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## ALF LEES MP

DA MEMBER OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

17 June 2021

Mr T T Mboweni, MP  
Minister of Finance  
40 WF Nkomo Street  
PRETORIA  
0002

Email:

Dear Minister Mboweni

### **51% SAA SHAREHOLDING AWARD TO TAKATSO**

I write this open letter to you not only in my capacity as a Member of Parliament who is charged with holding the Executive accountable, but also as a concerned citizen and taxpayer.

On the 11<sup>th</sup> of June 2021, Hon Pravin Gordhan, the Minister of Public Enterprises, publicly announced that the Takatso Consortium (Takatso) consisting of the Harith Group Partners (Harith) and Global Airways (Global) will be awarded a 51% shareholding in South African Airways (SAA). This announcement has raised many unanswered questions.

Whilst the Democratic Alliance welcomes the fact that on the surface the State is finally apparently giving up control over SAA, we have grave reservations given the lack of transparency regarding the details of the process followed to identify a beneficiary for the 51% shareholding as well the details of the MOU/agreement negotiated but apparently not yet entered into with the Takatso. The absence of any signed MOU or agreement was announced by Minister Gordhan on the 11<sup>th</sup> of June 2021.

Given the history of the malfeasance of State Capture and, specifically, the long history of malfeasance at SAA and the bad way that various government ministers have handled the ownership and operations of SAA, I believe that there is an extensive breakdown in trust with South Africans with regard to the Government's handling of SAA. It is my view that any deal involving SAA will, by default, not be seen to be in the best interests of all South Africans and that such deal will be seen to yet again enrich a few well-connected individuals.

In order to ensure that there is the best possible opportunity for all South Africans to consider the wisdom of the agreed disposal of the 51% shareholding to Takatso, I believe that it is essential that the deal be made completely transparent. I have therefore written to Minister Gordhan – a copy of that letter is attached hereto – in an effort to obtain the details and substance of the process followed as well as of the substance of the proposed agreement for the disposal of the 51% shareholding in SAA.

My reason for writing to you is that I believe that, in your role as the Minister of Finance and as the minister in charge of National Treasury, you have certain legal and moral obligations to ensure that the proposed deal is both legal in every aspect as well as that it is in the best interests of all South Africans. I therefore request that you provide the following information to me, and all South Africans, without delay before the disposal of the 51% shareholding in SAA becomes a *fait accompli*:

- 1) Have you, in your role as the Minister of Finance, been included in the decisions and have you approved of such decisions regarding the:
  - a) Content of the proposed SAA shareholding disposal?
  - b) The extent of shareholding to be disposed of?
  - c) If so what are the details?
  - d) If not why not?
- 2) Have you and National Treasury done a due diligence exercise to ensure that all legislation have been followed in setting up the SAA share disposal?
  - a) If so, what are the details?
  - b) If not why not?
- 3) Have you and National Treasury issued any formal approval that may be required by law for the SAA shareholding disposal to proceed?
  - a) If so, what are the details?
  - b) If not, why not?
- 4) Please provide details of all government guarantees issued to SAA that are currently in place and will remain in place once the proposed 51% shareholding in SAA has been awarded to Takatso?
- 5) Please provide details of any future government guarantees that are planned or proposed to be issued to any funders of SAA, Takatso, or the constituent companies of Takatso.
- 6) Given that the Government Employees Pension Fund (GEPF) is invested in Paid II, one of Harith's investment vehicles, through which Harith is apparently investing in SAA through Takatso, has the risk to the GEPF of the Paid 11/Harith exposure to financial obligations apparently amounting to some R3 billion to SAA been assessed?
  - a) If so, what are the relevant details?
  - b) If not, why not?
- 7) What are the detailed reasons for the State/Government not disposing of SAA in its entirety to private investors?

Yours faithfully,



**R A Lees MP**

CC:	Mr M C Ramaphosa	President of the Republic of South Africa
	Ms T R Modise, MP	Speaker of the National Assembly
	Mr D D Mabuza, MP	Leader of Government Business
	Mr P J Gordhan, MP	Minister of Public Enterprises
	Mr J H Steenhuisen, MP	Leader of the Opposition
	Ms N W A Mazzone, MP	Chief Whip of the Opposition

Mr G K Y Cachalia, MP

Member of Parliament for the Democratic Alliance serving  
on the Portfolio Committee on Public Enterprises

Mr G G Hill-Lewis, MP

Member of Parliament for the Democratic Alliance serving  
on the Standing Committee on Finance