



EFF STATEMENT ON GOVERNMENT DISPOSAL OF SA EXPRESS

Friday, 12 February 2021

The EFF notes with disgust the sale of South African Express Airways to an entity called Fly-SAX, for a paltry R50 Million. It must be noted that SA Express owes its creditors a total of R980 million, and it owes the SA Revenue Service R150 million, and about R183 million to workers. The R50 million from this entity is not even going scratch the surface of the totality of debt of SA Express. Essentially, the airline has been sold for next to nothing. This, as we have argued before, is the modus operandi of the protagonists of the new forms of State Capture. This includes deliberate running down of State-Owned Enterprises, exorcising black executives from these entities, and the looting of state assets from these ailing entities, to hand them over on a platter to the funders of the puppets now in government.

The privatisation of SA Express is one of the many dishonest orchestrated manoeuvres to deliberately collapse strategic state-owned assets by Pravin Gordhan only to sell them to his friends and family at a reduced price. The outright privatisation of state-owned strategic assets such as airlines is part of a strategy to reposition the state to depend completely in the private sector for all its needs and enrich capital.

SA Express served major local and regional economic hubs that were not served by mainstream airlines, and has played an important role in the country's hospitality, travel and tourism industry. The rapid degeneration of SA Express, dysfunctional management, non-payment of workers' salaries and unmanageable debts could have been prevented if the government was interested in building state capacity. At the centre of the failure of both SA Express and the South African Airways is the Department of Public Enterprises. As far back as 2016, the Department of Public Enterprises put together a so-called business model to rescue both these entities. But by 2018, soon after Ramaphosa and Gordhan took full charge of state enterprises, it was declared that these enterprises were experiencing severe financial challenges, and SA Express was placed under liquidation in 2020, when the business rescue intervention had failed.

We see the same happening with SAA, where the business rescue process instigated by Pravin Gordhan is only bleeding the airline even further. South Africans need to ask

themselves some very tough questions about their assumptions about certain people. Why is it that a so-called crusader against corruption and state capture, Pravin Gordhan, seems to be at the centre of the collapse of almost all these state entities? Who stands to benefit from the collapse of SA Express, SAA, Eskom and other state entities, and what is the relationship between these beneficiaries of the collapse of state entities and the Ramaphosa regime? Pravin is central to the ideological project to weaken the state and its ability to perform basic and critical services.

The EFF once again calls for the immediate removal of Pravin Gordhan for rapid degeneration of state-owned companies and privatisation of SA Express, and the pending collapse of SAA. But ultimately, South Africans must remove the ANC from power. The ruling party has no vision for the country, and it is this lack of vision that leads them to dispensing with key state-owned companies as they are doing right now.

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