



EFF STATEMENT ON THE STATE OF THE SOUTH AFRICAN POST OFFICE (SAPO)

Thursday, 30 March 2023

The Economic Freedom Fighters (EFF) is concerned by the dire financial and operational state of the South African Post Office (SAPO). On the 30th of March 2023, the Portfolio Committee Of Communications and Digital Technologies met with SAPO, and was appraised of the state of the entity, which reflected an institution that is on the brink of collapse.

As of today, SAPO's liabilities sit at R5.5 billion and the entity has a negative asset value of R6 billion. This is alarming when one considers that for the financial year of 2022/23 SAPO has only managed to generate revenue of R2.5 billion. This means that SAPO is financially compromised and has no capacity to service its debt in the foreseeable future, considering that their revenue generation is on a consistent decline.

Further to this, SAPO which has 1 183 branches does not own almost half of the properties within which they operate. As a result, 571 branches, which constitutes 48% of SAPO branches are faced with closure due to lack of rental payments, no payments for electricity and other forms of legal actions instituted by the landlords of properties. In total, SAPO owes its landlords a staggering R255 million. That such a critical service which is rendered by the state, is provided by a state which is a tenant is shocking and embarrassing.

The allocation by Treasury of R2.4 billion to SAPO is inconsequential, as SAPO must determine whether the allocation received will be used to offset outstanding rental costs which are leading to closures of branches and litigation, whether it will be used to service its debt or to modernize its services. None of these will or can be efficiently serviced with the measly allocation of R2.4 billion.

The only naïve and foolish strategy by SAPO to rescue its financial position is retrenchments, which are already in effect as 1 996 have already accepted severance packages. This is not a sustainable strategy as retrenchment of workers will not generate revenue, and will further cripple the entity which has already conceded that the loss of senior managers and specialists are hampering its ability to turn around the entity.

There is no believable or verifiable plan that SAPO will be able to digitize and modernize in order to be able to compete with its competitors, and the dark reality is that the ruling party has destroyed the Post Office possibly beyond repair.

The people of South Africa must punish the ANC for destroying the Post Office, effectively isolating rural and township communities from communication and surrendering them to private sector entities to conduct activities such as couriating goods, accessing state services and conducting activities that will enhance their ability to seek employment, conduct educational activity and communicate.

South Africa is fast becoming a nation that will have no entities under its control, and the collapse of SAPO is part and parcel of the deliberate destruction of State-Owned Entities in order to ensure all services in the country are privatized. The year 2024 must mark the decisive removal of the ANC, which is at the centre of the massive privatization strategy at the behest of capital.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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