



THE EFF CONDEMNS THE CORRUPT DEALINGS SURROUNDING SOUTH AFRICAN AIRWAYS AND TAKATSO AND URGENTLY CALLS FOR TRANSPARENCY AND ACCOUNTABILITY

Wednesday, 31 May 2023

The Economic Freedom Fighters (EFF) expresses deep concern following yesterday's Standing Committee on Public Accounts meeting, wherein critical issues surrounding the South African Airways (SAA) were brought to light.

The failure of SAA to present its annual reports for the years 2018/2019, 2019/2020, 2020/2021, and 2021/2022 has raised alarms. This, however, is not a new revelation, but rather solidifies our assertion that the SAA's sale at an alarming R51 is a clear case of theft and asset stripping, not a simple oversight or clerical error.

The EFF is seriously disturbed by the conduct of Pravin Gordhan regarding the sale of a majority stake in SAA to Takatso. The suspicious R51 valuation of SAA, coupled with an apparent lack of tangible valuation metrics, has all the makings of a plot to transfer control of a strategic state-owned asset into the hands of his associates. This move is a gross misrepresentation and misuse of public assets, which directly contradicts the ideals of fairness, transparency, and good governance.

The EFF further questions the logic behind selling a profit-making entity. As it stands, SAA, solely with taxpayers' money and without any support from Takatso, is managing to operate 12 routes—10 regional and 2 domestic—with plans to expand to 20 by March 2024. This indicates that the SAA was and still is viable and was deliberately brought down to justify the 51% stake sale to Takatso.

The EFF is deeply skeptical about the uncertainty and corruption that shrouds the Takatso deal. Pravin Gordhan's expressed hope of securing R3 billion from Takatso

as a condition of the deal, without any concrete assurance, is extremely disconcerting. This underscores our belief that Takatso does not have the funds they purport to bring to the table, throwing the validity of the entire deal into question.

The EFF demands urgent action, starting with a complete overhaul of the SAA's governance structure. This includes a comprehensive audit of all routes and their corresponding values, representing the heart of the business. The concept of a single minister acting as the sole shareholder representative must be eliminated in favor of incorporating a more diverse pool of stakeholders. Potential strategic partners must offer substantial value that promotes a sustainable business model. Most importantly, SAA must be given a clear developmental mandate to contribute to South Africa's economic growth.

The EFF will use all legal avenues to contest the SAA sale to Takatso. We will continue to fight for the rights and interests of South Africans against such obvious exploitation and theft of strategic public assets that has characterised Jamnandas Gordhan tenure as Minister of Public Enterprises.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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