



## **EFF STATEMENT ON THE CANCELLATION OF CORRUPT TAKATSO DEAL TO PRIVATISE SOUTH AFRICA AIRWAYS**

Thursday, 14 March 2024

The Economic Freedom Fighters (EFF) welcomes the cancellation of the corrupt Takatso deal to privatise South African Airways. The deal that sought to sell SAA to Takatso for R51 was corrupt, disastrous to the South African economy, and led to unnecessary destruction of state strategic assets.

The EFF maintains that the deployment of Jamnandas Pravin Gordhan to the Ministry of Public Enterprises was purposefully to collapse South African strategic assets which were necessary in rebuilding the country's competitiveness and reviving industrialisation. State-owned companies, particularly those that operate in the monopolies, form the basis of state capacity to build the nation's economy.

Gordhan was sent to Public Enterprises to rapidly implement the African National Congress' (ANC) long-held view that SOE's are not necessary, and has worked to collapse them by hook or by crook.

The collapse of Denel, a former leader in the manufacturing of large-scale, complex, and durable military armaments for export to the rest of the world, was well orchestrated. Denel had sufficient manufacturing capacity and order book to sustain its revenue at a very profitable level, and yet today it cannot pay salaries, pointing to a deliberate sabotage.

Transnet, a state-owned company that, together with Eskom, is at the heartbeat of South Africa's economy, responsible for the movements of millions through its rail infrastructure and ports. Gordhan, together with the National Treasury and Cyril

Ramaphosa, have presided over the collapse and corrupt privatisation of Transnet's port business and the deal, like the SAA deal, is corrupt.

The EFF maintains that Eskom's split into three separate units is one of the corrupt, sinister, and irrational moves to privatise electricity generation and hand it over to the private sector. This decision has sabotaged South Africa's economy as the impact of load shedding has been massive in hindering large and small businesses to operate sustainably, create jobs, and grow the economy. South Africa does not have affordable and dependable electricity to keep the economy going, and Gordhan's contribution to this crisis is significant.

The EFF has been a lone voice from the beginning, calling out Gordhan's corrupt involvement in the Takatso deal to privatise SAA. We submitted motions, questions, and member statements in Parliament consistently, and forced the Portfolio Committee on Public Enterprise to persistently scrutinise the Takatso deal despite some resistance.

More than 7 000 people lost their jobs as a result of Gordhan's corrupt attempt to privatise SAA. Even more distressing is the fact that more jobs were lost when the restructuring of SAA led to the complete closure of Mango and SA Express. Gordhan's corruption was so thorough and complex, it led to the opening up of the market to companies such as FlySafair and Lift, which, without the deliberate collapse of SAA, would have never existed in the dominant form and character we see today.

The EFF is thereby vindicated by this latest development. We call on the government to publicly release all the documents related to the failed attempt to privatise SAA. We further call on the government to provide details of who gave Gordhan's advisor instructions to call Takatso to submit a bid even when they were not part of the initial parties that expressed interest.

The EFF maintains that any privatisation of state-owned companies, particularly strategic companies, must be approved by Parliament, and the country must be brought into confidence. There must never be a transaction that is above public scrutiny when public funds are involved.

We additionally call on law enforcement agencies to seize all the documents at the Department of Public Enterprises related to the Takatso deal before some people get carried away and destroy evidence that will be important to the prosecution of Gordhan and all those involved in the corrupt deal. Gordhan will be remembered for complete destruction of SOEs.

**ISSUED BY THE ECONOMIC FREEDOM FIGHTERS**

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