



## **Economic Digest 22**

**6<sup>th</sup> August 2021**

### **SAA – Selling Off the Family Junk?**

After pouring billions into keeping SAA in the air, Public Enterprises Minister Pravin Gordhan announced on 11<sup>th</sup> June that government would sell a 51% stake in the beleaguered national airline. Keeping SAA in the air (including a 17-month business rescue process) cost taxpayers about R20 billion, with independent aviation economist Joachim Vermooten arguing that the real cost could be almost R50 billion. Below are some curated articles detailing the proposed sale.

#### **Government hopes sale will save SAA**

Government has agreed to sell a majority stake in SAA, ‘hoping that the sale will be a solution to the financial crisis that has gripped the airline. The 51% will be sold to the Takatso consortium, a joint venture between private equity investor Harith General Partners and airline operator Global Airways. Both parties have suggested that the airline will work towards an initial public offering (IPO)’. <https://tinyurl.com/3d632xb9>

#### **ANC factions united in questioning SAA deal**

‘The sale by the government of its majority share in SAA will serve as yet another proxy war in the ANC as several party leaders and alliance partners are fuming over the transparency of the deal.’ <https://tinyurl.com/ysj4dhth>

#### **Mixed reactions on SAA deal**

Political parties and business expressed their views on the SAA deal. Some, within the ANC, have raised questions that politically connected individuals like Jabu Moleketi and Popo Molefe had influence in Takatso Consortium being appointed as the private equity partner. <https://tinyurl.com/kbucpvrs> and <https://tinyurl.com/8czhanmc>

#### **SAA sale looks like a rational decision**

‘Selling 51% in a loss-making airline to a consortium that has expertise in entrepreneurship, raising capital and running an airline is a rational decision.’ <https://tinyurl.com/ms84jvpc>

## **UDM to challenge SAA sale in court**

‘The United Democratic Movement intends to launch an urgent court application to set aside the “corrupt” 51% sale of SAA that involves Harith General Partners. The court application is to set aside the sale, because of negative findings made against Harith in a judicial commission of inquiry into the Public Investment Corporation (PIC).’ <https://tinyurl.com/yccyx33t>

---

**Kenny Pasensie**  
**Project Co-ordinator**

This Digest, or parts thereof, may be reproduced with acknowledgement. For any further enquiries or suggestions, or to receive our regular publications, please contact [events@cplo.org.za](mailto:events@cplo.org.za).