



## **SAA – THE BLACK HOLE CONSUMING SA’S RESOURCE**

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South African Airways has become a black hole that is simply consuming the resources of the country and it would be irresponsible to pour any more good money into the failing airline.

This after we were notified on the government’s plan to sell its shares in Telkom to finance yet another bail-out for SAA.

SAA has had more than enough time to turn its fortunes around and the chances of doing so now must be close to zero.

We must remember that SAA’s main competitor, Comair, is doing well and making a profit in the same market. This tells us that SAA is badly managed and unable to compete, despite the resources that have been poured into it. SAA needs drastic surgery not bail-outs.

The new danger is that SAA will start losing customers because people don’t like losers and that will further reduce its chances of any kind of recovery.

To sell a good asset like Telkom’s shares and use the money to prop-up a bankrupt airline with a bleak future does not make any sense. The only thing that we can learn from this sorry story is that the government does not understand business and, for the sake of the country, it should get out of the commercial space. It simply does not have the management skill to compete in the market place.

Janine Myburgh

President of the Cape Chamber



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