



SOUTH AFRICAN AIRWAYS HAS BEEN GIVEN ANOTHER R2.3 BILLION BAIL-OUT

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South African Airways has been on life support for far too long and it's time to pull the plug.

SAA is an essentially commercial operation and, as such, I do not believe it is entitled to regular financial transfusions from South African tax payers.

If it stopped operating tomorrow it would not be missed. Other airlines would simply step in to fill the gap and we would no longer have to pay billions of rands every year to keep it going. It is wasteful spending.

Telkom, which does provide an essential service, have been successfully privatised and is now a taxpayer rather than a drain on precious state resources. Kulula.com have proved that it is able to make a profit and pay taxes in the market where SAA is failing.

The country would be better off with additional private airlines that provided good services and paid taxes. SAA has been given every possible opportunity to sort itself out and it has failed every time. It's like a terminally ill patient who has been on life support for years and now the time has come to pull the plug.

Instead it had been given another R2.3 billion bail-out even though there was no credible turn-around plan in place. How can we possibly expect our credit rating to recover from junk status while the government keeps bailing out a bankrupt airline? The message that this sends to the rating agencies is that we have an irrational government.

Janine Myburgh

President of the Chamber



CAPE CHAMBER
OF COMMERCE & INDUSTRY

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