

SAA transferred to Ministry of Finance

The transfer of South African Airways (SAA) from the Ministry of Public Enterprises to the Ministry of Finance was gazetted on Friday.

"The transfer is effective from 12 December 2014 and the handover process is well underway. The Minister of Finance [Nhlanhla Nene] has already held an introductory meeting with the board of directors of SAA," said the Ministry of Finance on Monday.

Earlier this month, Cabinet announced that the airline would be transferred to National Treasury.

In addition, the Ministry of Finance and National Treasury are working with SAA on measures that will enable the airline to finalise its annual financial statements for 2013/14 and hold an annual general meeting (AGM) within the 15-month period stipulated by the Companies Act.

The AGM is expected to be held early in February. At the conclusion of the AGM, the Minister of Finance, the chairperson of SAA and the airline management will then brief the media.

Stabilising its financial position

"National Treasury is familiar with SAA and what is required to stabilise the airline's financial position through the department's involvement in overseeing the guarantees that have previously been provided to the company."

The minister and the board (including the acting CEO and CFO) have agreed that to stabilise the company's financial position, elements of the long-term strategy must be implemented with speed even as the board continues to refine and update the strategy. In addition, short-term and medium-term milestones have been identified and will form part of the shareholder compact that the Minister of Finance will sign with the board.

Section 97 of the Constitution of the Republic of South Africa, 1996 provides that the president, by proclamation, may transfer to a member of the Cabinet the administration of any legislation entrusted to another member, or any power or function entrusted by the legislation to another member.



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