

SAA placed under business rescue

South African Airways (SAA) has been placed under business rescue.



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Minister of Public Enterprises Pravin Gordhan, issued a statement in the early hours of this morning, 5 December 2019 to confirm that SAA will be placed into business rescue immediately.

This decision was taken by its board and supported by the government.

In a statement, the Minister said: "This is the optimal mechanism to restore confidence in SAA and to safeguard the good assets of SAA and help to restructure and reposition the entity into one that is stronger, more sustainable and able to grow and attract an equity partner."

He added that SAA's reliance on government finances must be reduced as soon as possible. But government will give SAA an additional R2bn "a fiscally neutral manner" to help keep the airline operational.

"It must be clear that this is not a bailout," added Gordhan. "This is the provision of financial assistance in order to facilitate a radical restructure of the airline."

The business rescue process will begin on as of today, 5 December 2019. A business rescue practitioner will be chosen to

take charge of the business.

[More on this story here.](#)

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