

DA urges government to sell SAA

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The Democratic Alliance (DA) has urged the government to embark on the total privatisation of loss-making state-owned enterprises, starting with South African Airways (SAA).



NURZA via [Wikimedia Commons](#) - SAA park

DA spokeswoman on public enterprises, Natasha Mazzone noted at a media briefing on Tuesday that state-owned enterprises such as SAA, Eskom, South African National Roads Agency (Sanral), PetroSA and the Passenger Rail Agency of SA (Prasa) had made a combined loss of R15.5bn in the 2014-15 financial year. They currently held R409bn in government guarantees.

"We must initiate an urgent process of privatisation to dispose of these liabilities and this process must start with SAA," she said. SAA had accumulated losses of R18bn and there was "little sign of a turnaround in sight".

Mazzone did not believe government's proposed solution of a merger between SAA and SA Express and the introduction of a minority equity partner would address the problems faced by the airline. "The merger may in fact have negative effects by creating an even larger state monopoly that is altogether more difficult to monitor and manage," she said.

The best solution was for the state to sell off SAA, which cost the taxpayers far more than they received in return. "It simply makes no sense to continue to prop up this ailing entity while 8.2-million South Africans are without jobs or have given up

looking for jobs."

Source: Business Day

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