

South African Airways moves forward with restructuring plans

The joint Business Rescue Practitioners (BRPs) of South African Airways (SAA) has announced further initiatives to support the airline's transformation into a sustainable and profitable business.



Adrian Fingstone via [Wikimedia Commons](#)

The BRPs, Les Matuson and Siviwe Dongwana, have worked closely with key stakeholders including industry specialists, government, creditors and executive management to develop a comprehensive restructuring programme which will culminate in a Business Rescue Plan to be published in late February and subsequently presented to creditors for approval.

In line with South African Airways' commitment to take urgent action to conserve cash, and create a viable platform for a successful future, key measures need to be implemented now.

These measures include targeted changes to the route network, deployment of more fuel-efficient aircraft optimisation of organisational structures and renegotiation of key contracts with suppliers.

"The initiatives we are taking now will strengthen SAA's business. We believe that this should provide reassurance to our loyal customers that SAA is moving in the right direction. We are focused on our mandate to restore SAA's commercial health and create an airline that South Africans will be proud of," commented the BRPs.

Changes to SAA's network

Following a careful analysis of SAA's liquidity challenges and after consultations with all relevant stakeholders, the BRPs have identified which routes will be retained to drive the restructured national carrier towards profitability.

SAA will continue to operate all international services between Johannesburg and Frankfurt, London Heathrow, New York, Perth and Washington via Accra.

Regional services to be retained include from Johannesburg to Blantyre, Dar es Salaam, Harare, Kinshasa, Lagos, Lilongwe, Lusaka, Maputo, Mauritius, Nairobi, Victoria Falls and Windhoek.

On 29 February 2020, SAA will close the following regional and international services from Johannesburg Abidjan via Accra, Entebbe, Guangzhou, Hong Kong, Livingston, Luanda, Munich, Ndola, and Sao Paulo.

On the domestic route network, SAA will continue to serve Cape Town on a reduced basis.

All other domestic destinations, including Durban, East London and Port Elizabeth, will cease to be operated by SAA on 29th February 2020. Domestic routes operated by Mango will not be affected by the changes.

All customers booked on any cancelled international and regional routes will receive a full refund. Customers booked on cancelled domestic flights will be re-accommodated on services operated by Mango.

SAA does not intend to make any further significant network changes. Passengers and travel agents can, therefore, feel confident about booking future travel with South African Airways.

The flight schedule for February remains unchanged. Please consult the website for further information.

Assets: To improve the airline's liquidity, rationalisation programmes are under consideration for SAA's subsidiaries, as well as the sale of selected assets. The BRPs will continue to explore viable investment opportunities with potential investors in respect of SAA.

Jobs: The joint BRPs have stated that every effort is being taken to limit the impact of job losses in SAA and its subsidiaries.

"It is our intention to restructure the business in a manner that we can retain as many jobs as possible. This will help provide a platform for a viable and sustainable future. However, a reduction in the number of employees will, unfortunately, be necessary," said Matuson and Dongwana.

The BRPs will engage labour, both organized and non-organized, to reach a solution necessary for a sustainable airline going forward.

The BRPs wish to underline their support of the President's proclamation for the Special Investigating Unit to examine some of the airline's contracts. This measure will help in assessing viable agreements and in reducing SAA's cost base.

The decisions and actions announced today are aimed at improving SAA's balance sheet, creating a platform for a strong and sustainable airline and ensuring that the company is more attractive for potential strategic equity partners.

The Chairman of African Tourism Board, Cuthbert Ncube said in a statement that South African Airways is the global ambassador for Africa and maintaining a network that can generate travel business to Africa is a win-win for all.

Source: [eTurboNews](#)

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