**Mr Musa Zwane **

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 2121 [**NW2352E**]**

**DATE OF PUBLICATION: 19 MAY 2017**

**2121. Mr R A Lees (DA) to ask the Minister of Finance:**

What is the (a) full financial value of (i) funds and (ii) guarantees received by SA Airways (SAA) from (aa) the National Treasury and/or (bb) any other national department from 1 January 1997 to date, (b) detailed breakdown of these allocations to each department of SAA in each year, (c) motivation for providing the funds in each case and (d) detailed breakdown of the amounts of guarantees (i) requested and (ii) granted in each case? NW2352E

**REPLY:**

a(i): A summary of funds received and repaid is reflected in the table below, as per the records in the annual financial statements:

|  |  |
| --- | --- |
| **Financial Year** | **Funds Received or Paid** |
|  | Initial capitalisation R3 137 million |
| 2003/4  | R6 089 million shareholder loan advanced |
| 2004/5  | R 4 000 million shareholder convertible loan |
| 2005/6  | R 1 600 million of shareholder convertible loan repaid (balance of R2 400 million remained) |
| 2006/7  | R 8 450 million of above loans was capitalised |
| 2007/8  | R1 564 million subordinated loan raised. Capitalised in 2009/10 |
| 2017/18 | R2 208 million recapitalisation (30 June 2017) |

a(ii): A summary of the Going Concern guarantees and utilisation towards loans or other purposes as is listed in the table below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Guarantee Awarded** | **Amount** | **Utilisation** | **Balance** |
|   | **R’m** | **R’m** | **R’m** |
| Subordinated Loan – Nedbank (Mar 2007) | 1 300 | 1 300 | Nil |
| Going Concern Guarantee (Sep 2009) | 1 600 |  |  |
| (Allocated to ATL, Sep ‘16) |  |  541 |  |
| Working Capital Utilisation (Dec ’14) |  | 1 055 | 4 |
|  |  |  |  |
| Going Concern Guarantee (Sep 2012) | 5 006 |  |  |
| Working Capital Utilisation (Jul ’14) |  | 1 300 |  |
| Working Capital Utilisation (Jul ’14) |  | 1 500 |  |
| Working Capital Utilisation (Dec ’14) |  | 1 700 |  |
| Working Capital Utilisation (Dec ’14) |  |  295 | 211 |
|  |  |  |  |
| Going Concern Guarantee (Dec 2014) | 6 488 |  |  |
| Working Capital Utilisation (Dec ’14)  |  |  450 |  |
| Working Capital Utilisation (Apr ‘15)  |  | 1 500 |  |
| Working Capital Utilisation (Jun ‘15)  |  | 1 500 |  |
| Working Capital Utilisation (Jun’16) Bridge |  | 1 000 | 2 038 |
|  |  |  |  |
| Going Concern Guarantee (Sep 2016) | 4 720 |  |  |
| General Short Term Banking Facilities (Dec’16) |  |  830 |  |
| Working Capital Utilisation (Dec’16) Bridge |  | 1 292 |  |
| Working Capital Utilisation (Mar‘17) Bridge |  |  757 |  |
| LC and Guarantee Facilities (Mar’17) |  |  522 |  |
| ATL Credit Card Exposure (Apr’17) |  |  768 |  |
| Working Capital Utilisation (May‘17) Bridge |  |  104 | 447 |
|  |  |  |  |
| **TOTAL** | **19 114** | **16 414** | **2 700** |