**MEDIA STATEMENT**

**PUBLIC ENTERPRISES COMMITTEE BRIEFED ON MANGO AIRLINE RESCUE PROCESS**

**Parliament, Thursday, 15 September 2022 –** The Portfolio Committee on Public Enterprises received a briefing yesterday from business rescue practitioners on the rescue process at Mango airlines.

The committee was concerned to hear in the amended business rescue plan that 100 per cent of Mango will be sold to a new investor, meaning that the company will no longer operate as a state entity.

Committee Chairperson Mr Khaya Mgaxa asked the Department of Public Enterprises, as a shareholder in the company, if it was selling the airline in its entirety. “Will Mango be sold to any viable bidder to take, with no interest in retaining it as a state-owned entity?” he asked.

Mango was placed in voluntary business rescue on 28 July 2021 and R819 million was allocated its restructuring, as per the Special Appropriations Act.

In the presentation on the rescue plan, committee members heard that the airline has thus far failed to attract private-sector buyers and investors, and if this situation continues the airline will be forced to sell its assets to pay creditors. At the moment, the airline has not concluded the investor process and this may lead to the depletion of the remaining allocated funds.

The committee heard that Mango’s assets are substantially less than R2.8 billion and the airline’s assets are not enough to cover outstanding debts. The airline leases its fleet of aircraft.

The portfolio committee heard from the South African Airways Board that it has no relationship with the business rescue practitioners. The board was, therefore, shocked to hear on 7 October 2021 that they intended to start up operations at Mango again, in the face of unfavourable market conditions in South Africa and internal airline economics.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES, MR KHAYA MAGAXA**

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