**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **131 [NW134E]**

**131. Mr G G Hill-Lewis (DA) to ask the Minister of Finance:**

(a) What specific line item budgets will be cut in order to fund the R10,5 billion bailout to SA Airways (SAA) that he announced and (b) how does he envisage the projected losses at SAA over the next three financial years will be financed? NW134E

**REPLY**:

1. All the changes to departmental budgets for the implementation of the SAA Business Rescue are reflected in the 2020 Adjusted Estimates of National Expenditure (AENE). Changes to each departmental appropriation are reflected in Table 3 of the AENE, while Table 2.1 outlines the changes per economic classification, including shifts between votes for all adjustments, mostly the SAA Business Rescue and the extension of the Social Relief of Distress allocations.
2. The Business Rescue Plan of SAA has been activated and envisages the establishment of a new, restructured airline. In this regard, any previously projected losses will ha to be reduced and finally eliminated and the business rescue plan is specifically designed to achieve this objective, which is the reason for the allocations towards its execution. The allocations made for SAA in this Second Adjustments Appropriation Act will include payment of severance packages for staff, and other requirements to reduce costs over the long term.