SOUTH AFRICAN AIRWAYS SUSPENDS ITS CHIEF COMMERCIAL OFFICER

News / Airlines

South African Airways (SAA) has taken a decision to **suspend** its **Chief Commercial Officer**, Mr Sylvain Bosc, pursuant to a forensic investigation by ENSafrica into various allegations that were received through the Deloittes Tip Offs hotline.

The forensic investigation confirmed that there is substance to a tip-off allegation which suggested that: “Sylvain doctored the numbers for Abu Dhabi to favour the opening of this route and sold SAAout. He knowingly misrepresented the board by overestimating the figures without substantiation and ignored network specialist advice” (sic).

The investigation confirmed that Mr Bosc had approved a Business Case which he had input into and was approved by him that was presented to the SAA Board of Directors for approval to open a route between Johannesburg and Abu Dhabi.

This new route would then be used as a gateway to the far east for SAA passengers into China and India, and would operate at a substantial profit, as the current routes into those destinations were causing losses to SAA in excess of R400 million per annum.

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SAA has had a Code Share Agreement with Etihad Airlines, which commenced in the 2013/2014 financial year, and is still in operation, which indicated that the passenger fares generated from this route are substantially lower than estimates put forward to the Board and the Minister in a Section 54 PFMA application by Mr Bosc. A former SAA International Network Planner previously warned Mr Bosc that the exaggerated fare price that Mr Bosc had used in the calculation, would not be achieved, and that this would cause further losses to SAA. Mr Bosch elected to ignore that advice, which subsequently was proven to be correct and the selection of the Abu Dhabi Network resulted in substantial continuous losses to SAA.

The submission to the Board by Mr Bosc amounted to an overestimation of the projected revenue figures and ignored network specialist advice who had advised that the Abu Dhabi route would run at a substantial loss.

Based on the non-disclosure of these risks to the Board of Directors of SAA, and subsequently to the Minister of Finance in the Section 54 application, a Business Case that was substantially flawed and caused losses to SAA was approved.

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