

# SAA halts SA Post Office's global service



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Cape Town – South African Airways (SAA) this week suspended its contract with the South African Post Office (Sapo) due to unpaid bills.

Both parties confirmed that SAA ceased carrying mail to and from overseas postal services because of Sapo's failure to pay for the service.

"We sadly have reached a point where we have run out of options, but to suspend the SA Post Office's account," said SAA spokesperson [Tlali Tlali](#).

"SAA reluctantly took this decision after it became clear that payment by the SA Post Office had been outstanding for quite a while now," he told Fin24.

"[The] SA Post Office has however undertaken to make good on their promise to effect payment before the end of the week," he said. "SAA will reinstate the account and resume the service once payment has been made."

Sapo told Fin24 that the cancellation had only been implemented two days ago and that they would pay their account on Wednesday, after which the service would resume.

"We can confirm that our account has been suspended," acting Sapo CEO Mlu Mathonsi said on Tuesday.

“But we foresee minimal impact, if any, owing to the fact that the account was due to be paid today,” he said. “Following discussions with SAA, it will be paid tomorrow, 1 April 2015.”

### **Sapo seems bankrupt - Cope**

Congress of the People (Cope) spokesperson [Dennis Bloem](#) said it seemed Sapo was “bankrupt and in all sorts of financial trouble”.

“We need to question why so many institutions are collapsing in a heap under President [Jacob] Zuma’s watch,” he said. “Why is this, the largest government in the world, failing to manage our institutions and economy properly, effectively and successfully?”

“If postal services collapse, the impact on the economy will be very severe.”

Bloem said Cope wanted urgent and detailed answers from the government. “People of South Africa, likewise, will want the same answers too,” he said.

Sapo was placed under administration by Telecommunications and Postal Services Minister [Siyabonga Cwele](#) on November 7, 2014. Dr [Simo Lushaba](#)'s term in charge of this process was recently [extended to May 6](#).

### **Smaller suppliers battling to get paid**

Suppliers affected by Sapo’s cash-flow problems told Fin24 on Friday that they were on the verge of shutting down their businesses because of non-payment by Sapo.

A supplier, who is owed over R1m, said Sapo has not paid most of its vendors since October last year.

“So far we know of six SME [small and medium enterprises] suppliers who had to shut doors as a result of non-payment,” said the entrepreneur, who wished to remain anonymous.

Mathonsi told Fin24 on Friday that “the SA Post Office is engaging individual suppliers according to a payment plan that is tied to our cash-flow situation”.

**Read:** [Post Office delays paying staff, suppliers - claims](#)

### **Sapo management not paid on time - DA**

Sapo’s management also allegedly wrote to its middle-management employees last week to inform them that they would only be paid on the 31st of the month instead of the usual 25th, according to the Democratic Alliance (DA).

DA shadow deputy minister of telecommunications and postal services [Cameron Mackenzie](#) said in a statement that this was a clear sign “that not all is on track at the Post Office”.

Mathonsi refuted this last week and told Fin24 that “salaries have been paid to all employees of the SA Post Office”.

“While we are currently facing a difficult financial situation, we are making steady progress towards an improved position,” he said.

Mackenzie demanded that the body appear before the Telecommunications and Postal Services committee urgently to explain the situation.

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