



MINISTRY
COMMUNICATIONS AND DIGITAL TECHNOLOGIES
REPUBLIC OF SOUTH AFRICA

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STATEMENT ON THE PUBLICATION OF THE SAPO BUSINESS RESCUE PLAN FOR COMMENT

To: All Media

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Following the placement of the South African Post Office (SAPO) in Business Rescue on 10 July 2023 by the High Court, Mr Anoosh Rooplal and Mr Juanito Damons were appointed as Business Rescue Practitioners and given until 30 November 2023 to develop and submit a Business Rescue Plan.

The South African Post Office Business Rescue Practitioners have published the SAPO Business Rescue Plan for comment. A copy of the Business Rescue Plan can be found on <https://www.postoffice.co.za>.

As the government shareholder of the South African Post Office, the Department of Communications and Digital Technologies is confident that the Business Rescue route is the best viable option to ensure that we turn around the Post Office into a functional entity which competes as an equal player in the digital era.

As indicated in the draft Business Rescue Plan, the joint BR practitioners have been engaging various stakeholders including government, SAPO creditors and labour unions throughout this business rescue process in an effort to bring SAPO to financial stability.

The draft Plan also proposes a Section 189 of the Labour Relations Act (LRA) process which the BRPs are having ongoing engagements with the labour unions. The Department has urged the BRP to protect as many jobs as possible during this process.

The Department must however emphasise that any application of a Section 189 process must be in line with the SAPO of Tomorrow Strategy which proposes an

employee-owner-driven scheme which has the potential to empower the worker and create future job opportunities.

There is acknowledgement that strategic partnerships will have to be formed in order to enhance the growth and functionality of SAPO. The BRP have received proposals from various entities and these will be considered after the adoption of the plan.

“We must reiterate that government has no intentions to privatise the SAPO but rather identify strategic opportunities and partnerships in order to revitalise the business.

“SAPO must still ensure universal postal services as it remains the only footprint for government and citizen services platform in some areas, particularly in rural communities. The existence of SAPO is critical for the global postal network, as SAPO is still regarded a regional hub for mail and parcel,” said Minister Mondli Gungubele.

The Department is encouraged that the plan aligns with the long-adopted plan of government in relation to SAPO which is the Post Office of Tomorrow Strategy. It also redefines the relationship between SAPO and the PostBank as we move towards establishing the PostBank into a commercial state-owned bank.

“We are also excited that the SAPO Amendment Bill is now being processed in Parliament. This Bill is very critical in the realisation of some of the key elements of the BR Plan. As government, we remain committed to saving the South African Post Office,” concluded Minister Gungubele.

The draft Plan which has now been published for comments and inputs by stakeholders is scheduled for adoption on 07 December 2023.

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Issued by the Department of Communications and Digital Technologies

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