

SA Airlink, Safair to apply for merger approval

Independent airline companies SA Airlink and Safair are planning a merger in which Airlink will acquire Safair.



Image via SA Airlink Facebook

The two companies said in a joint statement on Monday that they would file an application at the Competition Commission for approval to merge under the common umbrella of the Airlink group of companies.

Safair operates a passenger and cargo service and has a large share of the humanitarian relief market in Africa. It has provided specialised aviation services since inception in 1965.

In 2013, it launched the low-cost carrier FlySafair in competition with, among others, Mango Airlines, 100% owned by South African Airways (SAA).

Largest independent regional airline in Southern Africa

Airlink is the largest independent regional airline in Southern Africa and operates a feeder network linking smaller towns and regional centres in SA in a strategic alliance with SAA. It transports about 1.4-million passengers a year.

The Sishen Iron Ore Company Community Development Trust owns about 32.5% after an empowerment deal in 2012. Its other shareholders include Coronation Capital, Rodger Foster of SA Airlink Investments, Barrie Webb and SAA (2.96%).

Operating separately

The merging entities say they intend operating Airlink and FlySafair airlines and Safair's other businesses separately under their own brands, retaining their respective products, fleets and management. Neither entity envisages any job losses as a result of the merger.

"It presents opportunities to reduce our combined costs, position ourselves for growth while at the same time increasing connectivity and choice while making air travel accessible and affordable for our customers across Southern Africa," Airlink CEO Foster said.

Safair CEO Elmar Conradie, who would retain his role, said the merger would create economies of scale through cost sharing and optimising assets.

The merger would not affect Airlink's franchise arrangement with SAA, the statement read.

Source: Business Day

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