

# Taxi council 'on brink of deal to buy local airline'

By [Nicky Smith](#)

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The South African National Taxi Council (Santaco) is determined to meet its new deadline of April for its airline service and is on the brink of closing a deal to acquire an existing airline, the association's secretary-general, Philip Taaibosch, said.

Despite the association having already missed its initial start date of November, when it was to begin flying between Lanseria, Bhisho and Cape Town, Santaco believes it will meet the new launch date.

Creating drag on the organisation is the fact that it is without its CEO, Bongani Msimang, who resigned in December shortly after Santaco's president, Jabulani Mthembu, was suspended.

Mr Mthembu is being investigated for unspecified allegations regarding Santaco's finances.

"We are on the verge of finalising the acquisition process," Mr Taaibosch said yesterday.

Santaco is negotiating a deal that could give it a 100% stake in an existing domestic airline or at least a "large controlling stake", which may cost R43m, he said.

Mr Taaibosch declined to say which aviation company the taxi association is in negotiations with, nor how the transaction would be funded. He said that Santaco already has the money for the deal, and that taxi operators would be offered the opportunity to buy shares in the company at a later date.

A listing for the airline on the JSE, which was announced as a possibility late last year, has not been ruled out, Santaco spokesman Thabisho Molelekwa said.

In December Mr Mthembu was suspended and a forensic investigation was instituted to probe allegations made against him by unnamed members of Santaco's national executive committee.

That same month, Mr Msimang resigned from the association. Commenting earlier this week, he said his departure was not "totally related" to the investigation into the allegations against Mr Mthembu.

Reinforcing the impression that the leadership of Santaco's business programme is wobbly are contradictory statements on the position of Santaco's business development manager, Nkululeko Buthelezi, who has been in the driving seat of the airline programme.

Mr Buthelezi said earlier this week he was on "extended leave" attending to personal matters and was not able to say when he would return to Santaco's offices.

However, Mr Taaibosch said Mr Buthelezi was on leave only for a "few days, there is no extended leave".

The decision to buy an existing airline is the third model that Santaco was exploring to bring its plans of offering low-cost flights to South Africans who cannot afford to fly.

At first, Santaco said it would sign a full-service lease agreement with AirQuarius Aviation. But speaking to Business Day in September, Mr Buthelezi said this option was proving to be too expensive. Santaco was then in negotiations with a large, low-cost Asian operator as well as a domestic carrier.

Mr Taaibosch said the absence of both CEO and president would not affect Santaco's plans under its ambitious transformation programme, which was conceived by Mr Mthembu, and which outlines the taxi industry's participation in a wider range of transport modes as investors and operators.

Mr Taaibosch is meeting with Santaco's legal advisers on the deal next week. "The airline deal is going on; we are pursuing the airline as we have indicated. The issue of the airline is a priority for Santaco, and before the end of next week I hope to shed some light on our deal."

*Source: Business Day*

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