



REPUBLIC OF NAMIBIA
Ministry of Finance

MEDIA RELEASE

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UPDATE ON AIR NAMIBIA RESTRUCTURING

The Ministry of Finance has observed media reports claiming that Cabinet has taken a decision to liquidate Air Namibia while the Management and the Board have developed a new business plan that will make Air Namibia profitable in a short period of time.

Minister of Finance Hon. Ipumbu Shiimi in his capacity as Chairperson of the Cabinet Committee on Treasury (CCT) wishes to inform the nation that no decision has been taken to liquidate Air Namibia. However, the CCT is assessing different options to restructure Air Namibia because the current model of Air Namibia, including the new business plan is not sustainable nor affordable. It is worth noting that currently Air Namibia has a significant amount of debt which if leaseholds are included will amount to over N\$5 billion. This means for the new business plan to be implemented, taking the outstanding debt into account, an amount of over N\$7 billion will have to be spent in the current financial year which makes it unaffordable as resources are needed for other priorities such as health, education, housing and sanitation, etc. during this difficult times. CCT fully recognizes the importance of having a national airline and therefore, it is looking at ways of finding a sustainable and affordable model for the national airline. CCT has consulted the Board of Air Namibia and Trade Union representatives of the staff of Air Namibia with a view to solicit their input on restructuring Air Namibia. These consultations are ongoing and once concluded, a final decision will be taken in this regard.

The Minister would like to assure the staff of Air Namibia and the public at large that CCT will only consider options that are in the best interest of staff of financial sustainability of Air Namibia and future generation of Namibians. The Minister further invites every stakeholder who wishes to make a contribution to this discussion to approach him in his capacities as Minister of Finance and the Chairperson of CCT. -END-

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