

# Taxi council renews commitment to start low-cost airline

The South African National Taxi Council (Santaco), which claims to represent about 90% of the minibus taxi industry, has not abandoned its plans to start a low-cost airline and has shifted the launch to July next year, almost two years behind schedule.

The plans, which drew a combination of mirth and derision from the public, have been stalled by Santaco's inability "to mobilise resources" according to the newly appointed CEO Nkululeko Buthelezi who briefed the media in Sandton recently.

Investors had been scared off the project after the implosion of low-cost minnow Velvet Sky, which had to be liquidated after less than a year in operation.

Santaco had already identified an operating airline that it would partner with for Santaco Express, Buthelezi said, and if it had the money now it would be in a position to acquire "a controlling interest" in the airline.

The association has forecast that it will cost about R200m to operate the airline in its first three years, which would be the time required to ensure it did not fail.

Santaco itself has been rocked by shifts in its management structures after its former CEO Bongani Msimang resigned abruptly in December, and its president Arthur Mthembu was fired for alleged fraud.

Yesterday, a united front was presented to the media and newly appointed president July Msiza reiterated the association's commitment to a broader strategy called TR3 2020 - a programme which is aimed at diversifying the taxi industry's role in SA.

Santaco is determined to win a portion of the R4.2bn in annual subsidies that the government pays to bus companies for public transport.

The industry provides about 65% of the country's daily commuter trips, the equivalent of 16-million passengers.

## Plans

As part of its plans to capture a portion of this subsidy, Santaco was preparing to start a bus company, Buthelezi said, which would seek to capture at least 30% of the subsidies for buses.

The association's secretary-general, Philip Taaibosch, said Santaco reaffirmed its strategy that seeks to participate in developments and investments in aviation, rail and maritime.

As part of this strategy, a meeting with the Passenger Rail Agency of SA had been scheduled for this month as Santaco wanted to participate in the black economic empowerment structure that had been created for the operator of Metrorail's R123bn rolling stock fleet renewal programme, Taaibosch said.

The taxi industry was determined to be recognised as a partner for business, Msiza said, and Santaco would work towards establishing higher levels of corporate governance, improved safety which included driver training, and a focus on discipline.

Source: *Business Day* via I-Net Bridge

## **SANTACO Airlines takes to the skies**

An inability on the part of Santaco "to mobilise resources" means that the proposed airline, despite much enthusiasm when the project was first announced, has remained firmly grounded.

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