

Comair goes into liquidation

- A Monitor Desk Report

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South African carrier and British Airways franchisee Comair has started liquidation proceedings, after it failed to secure fresh funding.

All flights operated by Comair and its low-cost subsidiary Kulula were suspended last week – at the time the group said that it planned to restart operations once it had secured new capital.

But in a statement released on Thursday, Comair said the group’s business rescue practitioners (BRPs) had lodged a court application to convert business rescue proceedings into liquidation proceedings.

Practitioner Richard Ferguson said that while Comair was “an inherently viable business”, the BRPs had been unable to secure the capital required for the airline to recommence operations.

The airline filed for business rescue in May 2020 following the onset of Covid-19, and although it did succeed in restarting flights, the South African Civil Aviation Authority temporarily suspended all Comair services in March of this year as a result of safety concerns.

Comair said that it had faced “unforeseen headwinds” including Covid-related air travel lockdowns, the suspension of the Company’s AOC, and “significantly high fuel prices experienced in the past five months”.

Giving notice of the liquidation proceedings the BRPs said that “they no longer

believe that there is a reasonable prospect that the Company can be rescued”.

“We did our utmost to secure the funding, but when we were unable to do so had no option to lodge the application,” said Ferguson.

“It is an extremely sad day for the company, its employees, its customers and South African aviation.”

The collapse of Comair adds to the woes of an already troubled aviation sector in the country. South African Airways resumed flights in September 2021 after a one-year hiatus, but currently only operates a handful of domestic and African routes. Meanwhile, Emirates this week launched its codeshare agreement with Johannesburg-based Airlink, allowing customers to benefit from connections and a single booking reference across eight domestic South African cities via the airline’s gateways in Johannesburg, Cape Town and Durban.

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