

17 July 2020

Zondo commission - Mkwanazi: I'm no friend of the Guptas

Former Transnet chairperson Mafika Mkwanazi has told the commission of inquiry into state capture that his relationship with members of the Gupta family was limited to two meetings in early 2011 – soon after he was appointed. Mkwanazi met Tony Gupta at the family's home in Saxonwold in January of that year, at the invitation of the family. Also present on the occasion was Duduzane Zuma.

On his arrival, Gupta told him that his family are good friends with former president Jacob Zuma, and whenever they have functions he tends to sing his trademark *umshini wam*, the struggle song with which Zuma has been publicly associated for years.

"You could see that these people are deep (sic) friends with the president," said Mkwanazi.

He said that after some pleasantries, Gupta went on to reveal that he knew the Transnet marketing budget was R1-billion, and that he wanted access to 30% to 50% of this. This struck Mkwanazi as odd, he testified, and showed that Gupta had little knowledge on how to do business. Responding to the request, Mkwanazi told him that this is not how business is done with state-owned companies, and in any case the people to speak to are the Transnet management team.

He did, however, agree to a follow-up meeting about two weeks later, to which he invited then public enterprises minister Malusi Gigaba's advisor, Siyabonga Mahlangu. The latter did not participate in the discussion, in which Gupta again raised the topic of doing business with Transnet, but merely observed. Mkwanazi noted that Gupta was not happy with his reaction to his persistent request for access to the budget. He told the commission that he did not entertain the topic any further after this.

About six months later, a cabinet meeting dismissed Gigaba's attempt to have Mkwanazi removed and replaced by Iqbal Sharma, as is evident in a memorandum presented to Mkwanazi by evidence leader Amy Armstrong. The memo had, according to Armstrong, been presented to cabinet by Gigaba. Mkwanazi noted that he had never seen the memo, but understood at the time from reading media reports that there had been a broader plan to shuffle around the leadership of several SOEs, not just Transnet. Nevertheless, he was not removed from Transnet, and was soon afterwards appointed as a non-executive director of Eskom.

When he asked Gigaba later about the contents of a *Business Day* report citing the planned shuffle and failure to Gigaba to appoint Sharma, Mkwanazi said the former minister's response was that the information had been leaked, as the move was a work in progress that had not been finalised. Gupta had told Mkwanazi at the first meeting that he had obtained his mobile number from Gigaba. The former minister denied this to the commission through an affidavit, when asked. He also stated that he had not been aware that Mahlangu had accompanied Mkwanazi to the second meeting.

Useful links:

Zondo Commission website

Corruption Watch's Zondo Commission update page

<u>Transnet</u>