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Zondo Commission: Gordhan knew he was being pushed out of the treasury

On day two of his testimony before the commission of inquiry into state capture, public enterprises minister Pravin Gordhan detailed an active campaign to remove him after he was re-appointed as finance minister in December 2015. Gordhan believes the motive of those who wanted him out was clear: it had been a mistake to place him in Treasury, as the department was the target of state capture. His appointment only served to help rescue the economy by calming the financial markets down after the panic raised by the axing of Nhlanhla Nene and the brief appointment of Des van Rooyen just days before.

So Gordhan and his team got to work, but just two months later in February 2016, as he was preparing for the prime event of his office's year – the budget speech – came the first blow.

Former Hawks head Berning Ntlemeza told him of an investigation into the now infamous "rogue unit", allegedly established during Gordhan's time at Sars, that spied on prominent figures and carried out other sinister operations. Particularly shocking was a list of 27 questions the Hawks were asking Gordhan on his alleged involvement, probably in the hope that he would use the opportunity of the speech to publicly resign. This was not to be, however, as Gordhan believed he had every right to defend his position of protecting the treasury, which in his view was clearly under attack.

He flew up to Johannesburg from Cape Town to present the allegations to the ANC leadership, and was received by then secretary-general Gwede Mantashe, Mantashe's deputy Jessie Duarte, and party treasurer Zweli Mkhize. The trio assured Gordhan that a "political solution" would be sought for the "political problem" he had brought to them. He shared with them his understanding of the motive behind the allegations, and the timing thereof.

When the questions were leaked to the media, it became clear that he was supposed to give in to the pressure, and leave. A narrative developed, with this information now in the public domain, that there were grounds for him to be investigated formally. Soon there were protests outside his family members' homes, said Gordhan, as well as hostility towards him and his senior officials, from other departments. The timing was questionable, but his team stood their ground.

After one cabinet meeting during this period, the ministers of police and state security respectively, Nathi Nhleko and David Mahlobo, held a press conference in which they defended the move by the Hawks. Gordhan told the commission he found this disheartening as the pair had not mentioned any intention of addressing the media in the meeting prior. "The least you could expect is the courtesy of being told by your colleague."

State capture stooges hard at work

Now that there was some stability in the markets, Gordhan thought at the time, the orchestrators of state capture were hard at work.

Gordhan had placed conditions for his return to Treasury before Zuma. If certain governance issues could be ironed out, he would return to the finance ministry. These included establishing a proper procurement process for the nuclear project that was already being explored, as well as addressing the appointments of both SAA chairperson Dudu Myeni and Sars commissioner Tom Moyane. Myeni

had had a serious fallout with Nene in the lead-up to his departure over the strategic direction of the SAA, while the process of appointing Moyane had been a contentious issue for some time.

Zuma, according to Gordhan, acknowledged all the issues raised and assured his support in dealing with them.

Gordhan, however, was blindsided by the allegations against him just months later, and testified that the rumours of charges being levelled against him hung over his head for the rest of the year. In October the National Prosecuting Authority (NPA) officially charged him with fraud in relation to a pension pay-out in 2010, on the early retirement of then Sars deputy commissioner Ivan Pillay. The pay-out, which amounted to just over R1-million, was approved by Gordhan. This was fraudulent conduct, according to the NPA.

Not long afterwards the charges were reversed.

Gupta meetings not work related

Gordhan also addressed the allegation that he lied in Parliament about having met with members of the Gupta family. The issue has made headlines over the past couple of weeks, following the leak of his official statement to the commission.

He testified that the occasions on which he had seen the Gupta brothers – which, he emphasised, were not at meetings – were so insignificant to him that he had to be reminded of one instance in 2010 when he made the acquaintance of one of the brothers at Zuma’s official home in Pretoria.

His actual meeting, said Gordhan, was with Indian businessman Anil Ambani, of Reliance Group – a company that was then interested in taking over mobile provider MTN. Ambani wanted to know the procedure when involving government, through Treasury, for such a transaction. Gordhan’s chief of staff Dondo Mogajane reminded him of the presence of someone who may well have been Ajay Gupta in that meeting. Other than this setting, he had only ever seen the Guptas at New Age breakfast briefings, which ministers attended to support the publicising of government work.

Continued protests against Gordhan’s presence

While Gordhan gave his testimony inside the venue of the public hearings in Parktown, Johannesburg, EFF members protested outside. Party supporters first arrived on Monday in direct protestation against Gordhan, whom they say is the very face of state capture by white monopoly capital.

In a well-timed address by party leader Julius Malema – at the end of the proceedings – he told the protestors of a captured Gordhan whose “handlers” will stop at nothing to control the economy. “You must know that Pravin is going to fight this, there will be casualties, there will even be a loss of lives.”

He said he was not afraid to stand against those who use double standards in the state capture narrative to divert attention from themselves.

During his testimony, Gordhan told the commission that those who wish to provide proof of his corruption, should do so under oath before the commission.

Gordhan is expected to conclude his testimony on Wednesday.

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