

## 27 April 2021

## Zondo commission - Zwane: I was no Gupta stooge

Former mineral resources minister Mosebenzi Zwane tried hard to shake his alleged ties to the Gupta family, even denying that he meddled in the sale of Optimum Coal Mine (OCM) by Glencore to Gupta-owned Tegeta Exploration and Resources in December 2015. Zwane appeared before the state capture commission on Tuesday.

He told the commission that his trip to Glencore's head office in Switzerland was on a cabinet mandate at the time to salvage thousands of jobs at the mine, which was undergoing business rescue and would have ended in jobs being lost, if it was not sold. He has been accused by former OCM CEO Clinton Ephron of coercing Glencore into selling the mine to Tegeta, despite parallel negotiations between Glencore and Eskom for an adjusted agreement for the continued supply of coal.

"I was not married to any particular buyer, as long as proper processes were followed," Zwane said, adding that the situation at the time called for urgent action on the part of government.

As for the allegations that he acted in favour of the Guptas, with whom he had had an association from his time in the Free State provincial government, Zwane said although he knew the family, he had no reason to favour them. He claimed it was on his insistence that a meeting was arranged with Ivan Glasenberg, CEO of Glencore, to urge him to resolve the issue of the ailing mine.

"I was addressing the issue of job losses. I seeked (sic) an audience with him, specifically on this matter ... I had instructed in a letter that was written to him, that I want to meet with him and talk about this matter."

It was only by coincidence that Zwane was in Switzerland at the same time as Tegeta, which was represented in the negotiations by Rajesh 'Tony' Gupta and Salim Essa. The former minister said he met with Glasenberg and filled him in on the threat to jobs, before exiting the room to give the "two parties a chance to negotiate."

But Glasenberg remembers the details of the lead-up to the meeting differently. In his affidavit to the commission, he says that it was he who forwarded an invitation to Zwane, by letter, to meet.

"As the advocate [evidence leader Pule Seleka] reads here, it becomes clear that Mr Glasenberg knew the agenda of the meeting," said Zwane.

"I was not married to any particular party, I was not even married to the mine being sold ... I thought I was providing leadership to the problem that the department was going through. I was prepared to take any solution that prevented the loss of jobs."

But how well did Zwane know the Guptas at this point, he was asked. "I know the Guptas, especially Tony Gupta. I knew him from 2009/10 when they came to the Free State. We had a PEC, a Provincial Executive Committee of the African National Congress. They came there to introduce themselves and to work with the province on their newspaper.

"Outside the ANC, I have not associated with him – it was in my capacity as provincial treasurer."

Despite this short and insignificant association, however, he travelled with the Guptas and Essa to India on their private plane following the conclusion of the OCM negotiations, where Glencore agreed to sell. Zwane said he was always going to India after Switzerland, to meet with potential investors, but had not planned to travel with the two men. It occurred as a consequence of a medical emergency, where a throat condition that he had lived with for years flared up during his stay in the cold climate of Switzerland. He therefore abandoned his flight plans because of his condition, and caught a "lift" with them.

"My itinerary was leading me to India after Switzerland. I had to go to India on an official visit paid for by the department."

Once in India, he sought the medical help of a specialist that he had been told about back home, before again boarding the Guptas' private plane. This time Zwane was taken to Dubai and from there took a connecting flight to South Africa.

Commission chairperson Deputy Chief Justice Raymond Zondo pressed him on why, sick as he was, he did not just fly straight home from Switzerland, to which Zwane said he sought to complete his official mission as planned.

Zondo then proposed to Zwane that the Guptas may have used him to apply subtle pressure in the way they appeared to do with former president Jacob Zuma's son, Duduzane, as many witnesses have testified. In their evidence, Duduzane is placed in meetings where a member of the Gupta family seeks to gain favour with the person involved, but the younger Zuma often does no talking, despite having close business ties with the family.

"I hear what the chair is saying, how different witnesses have characterised Tony and Duduzane. I have, however, painted a picture as to the source of my going to Switzerland. It is not me who presented the job losses in the cabinet, I got it from there. I had to respond from a concern from within the cabinet, not as an outsider.

"When I was in Switzerland, I did not keep quiet ... I spoke with the parties and gave them my wish: I want this matter to be resolved."

What then of the proposition that he was deployed in the department as a replacement for Ngoako Ramatlhodi, who testified in 2019 that he was removed because he refused to submit to pressure from the Guptas to grant them mining licenses for which they did not qualify?

"I have great respect for comrade Ramatlhodi. He is my elder. I'm afraid to say the fact is that when I was finally called by the former president Jacob Zuma, I did not go to his residence with the secretary comrade Ace. Ace was not there.

"I want to reject the notion that I was brought in as a stooge to try and do other things especially this use of Glencore."

When he assumed office in September 2015, Zwane brought along with him two advisors, Malcolm Mabaso and Kuben Moodley. Both men had business ties with Gupta-linked businesses, Moodley being in Regiments with Essa, and Mabaso being a partner of Essa in a contractor business. Zwane defended his decision on the two men, claiming Mabaso's great legal acumen, having come from a family of legal practitioners.

"Malcolm understood the jargons of law, how courts will work, how we are supposed to be in line with legal principles."

However, the two would have been vetted by the Department of Mineral Resources, and not him. "It would've been difficult for me to know this person is in partnership with that person, I'm not a business person. I just know that these people are doing business and did not know who they were doing business with."

The commission gave Zwane homework to make a submission on information from the GuptaLeaks trove of documents that links him to the Guptas through travel details contained therein. He had initially explained his level of involvement in a trip to India taken by a local choir that he supported, seemingly at the Guptas' expense, but later said he would not legitimise the documents, whose veracity he had not confirmed.

Zondo put to Zwane that the commission was in the process of verifying the authenticity of all the documents in question, and would like all who are implicated by them to provide their version on them in case they are found to be legitimate and submitted as evidence.

## **Useful links:**

Zondo Commission website

Corruption Watch's Zondo Commission update page

Department of Mineral Resources