



**21 June 2021**

### **Zondo commission – Gigaba denies letting Mahlangu bully SOEs**

Former public enterprises minister Malusi Gigaba has once again denied claims that during his tenure he interfered in operational matters of state-owned entities (SOEs) under his watch, or by delegating his special legal advisor Siyabonga Mahlangu. Gigaba was in the portfolio from November 2010 to May 2014.

He made another appearance before the state capture commission on Monday. Gigaba was implicated on 15 occasions in the evidence of other witnesses who ranged from former board members to former chief executives of SOEs, according to evidence leader Advocate Anton Myburgh. For some of those who implicated him, it was the role that Mahlangu played in the affairs of SOEs that appeared out of the norm.

One of the occasions in question was a meeting Mahlangu facilitated between former Eskom CEO Brian Dames and Rajesh Gupta at the latter's family home in Saxonwold, Johannesburg. This was in relation to an issue relating to coal mining operations by a Gupta-owned Mpumalanga company that supplied Eskom with coal.

Why was the minister's special advisor getting involved in matters of procurement, Myburgh asked.

"Mr Mahlangu might have wanted to understand what was being discussed so that if there was any reason for him to alert me as to some of the issues, he would do so," said Gigaba.

"I do have a difficulty with the notion that there was a need for Mr Mahlangu to attend these meetings between Tony Gupta and SOE CEOs and so on, talking about [former SAA acting CEO Vuyisile] Kona, talking about Mr Dames and so on, in order to hear what was being said and report back to you ....these were operational matters ... why didn't your advisor say 'Mr Tony Gupta, you can approach the CEO's office...'" said commission chairperson Deputy Chief Justice Raymond Zondo.

Kona testified in 2019 that Mahlangu arranged a meeting with Gupta, who wanted to influence his decision on a turnaround strategy advisory contract SAA was in the midst of awarding.

"Chairperson, Mr Mahlangu could have opted for that approach ... there were two instances here ... I can't recall if there were other CEOs who had a similar experience ...

"We could, with the benefit of hindsight, say he shouldn't have been there. I don't know the extent to which it was happening in other areas, I don't know the extent to which it is still happening even at the present moment."

Another CEO whose evidence Gigaba had to respond to on Monday was Kona's predecessor Siza Mzimela, who testified in 2019 that she left in October 2012 after the environment in which she was expected to perform had become unendurable.

She placed both Gigaba and Mahlangu in two meetings in early 2011 in which SAA officials were being asked to consider abandoning the flight route between Johannesburg and Mumbai in India. In the first meeting in January, the CEO of India-based Jet Airways - the same airline in whose aircraft guests of the 2013 Gupta wedding landed at Waterkloof Air Force base - was present and made a presentation to herself, Gigaba, Mahlangu and then deputy minister Ben Martins.

Gigaba conceded to Mzimela's account that Naresh Goyal was so arrogant and condescending in his approach that Martins had to interrupt him and call him to order. Prior to this, Gigaba said, he had not been aware that the matter had been raised before he joined the office. He was only advised by Mzimela just before Goyal's arrival, two hours late, according to Mzimela.

"Why didn't you stop these people quite early to say, 'You're not coming here and behaving like this ... if you want to talk SAA business then we are here, but you are not going to be allowed to behave like this.' Why didn't you do it?" Gigaba was asked by Zondo.

"I am not accustomed to interjecting people while they're talking to a person. And it was not my practice or way of chairing meetings. I would let you speak and then I would call you to order once you have finished," Gigaba replied.

"The facts were being put before us and that is what a chairperson would look at, not who was angry. I had sat in many meeting where even guns had been pulled before, we didn't run away or abandon those meetings, but we continued to discuss the issues."

Asked by Myburgh why he prioritised the discussion so early in the year, and three months into his term, Gigaba said he simply responded to a request made by a stakeholder and did not prioritise it. "I received a request and responded to it," he said.

In previous testimony from Gigaba's predecessor Barbara Hogan, the commission had heard that Jet Airways stood to benefit if SAA relinquished the route, as per a proposal they made to the board at the time, in 2010. Mzimela said later in her own evidence Mahlangu had tried to bully her and her staff into agreeing to this at the second meeting in Cape Town in April, at the behest of Goyal, once again in the presence of a silent Gigaba.

The former minister said he did not recall this from Mahlangu, whom he said always understood the mandate of advancing SAA's interests. Gigaba is expected to conclude his testimony on Tuesday.

#### **Useful links:**

[Zondo Commission website](#)

Corruption Watch's [Zondo Commission update page](#)

[SAA](#)

[Department of Public Enterprises](#)