

Media Statement

Immediate Release

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- 1) In the affidavit Mr Tuswa alleges that you lobbied a number of senior ANC politicians and members of the legislature in the province to push for the payment?

The statement alleging that the CDC CEO lobbied a number of senior ANC politicians and members of the legislature in the province to push for the payment is factually incorrect.

Firstly the CDC as a state owned entity reports to the Department of Economic Development and Environmental Affairs (DEDEAT). The executive Authority of the CDC is the MEC DEDEAT. Over and above the reporting requirements prescribed by the different statutes, the CDC from time to time reports to the legislature, SCOPA etc. As a major contributor in the Eastern Cape Economy, the CDC would as and when necessary report to and seek the Audience of amongst others the Premier of the Eastern Cape, its Executive Authority and any other official that is legally Authorized to interface with the CDC.

The CDC embarked on a dispute resolution process as early as mid-2016 with a view of resolving the matters following the Intergovernmental Relations mechanisms.

The CDC met with the following arms of government with a view to resolve the dispute amicably between both parties:

- 05 July 2016 – Former MEC of Health in the Eastern Cape, Dr Pumza Dyantyi in Port Elizabeth;
- May 2016 – Former MEC of DEDEAT in the Eastern Cape, Mr Sakhumzi Somyo in East London CDC Offices;
- 25 August 2016 - Premier of the Eastern Cape, Mr Phumulo Masualle at the Provincial Government Offices in Bhisho;
- 30 August 2017 - Mr Sakhumzi (DEDEAT) & MEC Dr Pumza Dyantyi (ECDoH) at the Provincial Treasury offices in Bhisho;
- 1 November 2017 – the CDC appeared in front of the Health Portfolio Committee at the EC Legislature in Bhisho;
- 9 November 2017 - the CDC appeared in front of the PC Economic Development Environment and Tourism EC Legislature in Bhisho.

- 2) He further asked the Hawks to investigate Coega's accounts as he believes that some of the monies from that quantum found their way into the pockets of the people that you allegedly lobbied?

The CDC notes the statement and will await any interaction from the Hawks and/or law enforcement agencies, suffice to state that the accounts of the CDC are Audited by the Auditor General of South Africa.

- 3) Lastly claims that you played a major role in the appointment of some of the members of the panel of arbitrators?

The CDC under the leadership of the CEO and the ECDOH under the leadership of the Superintendent General of the ECDOH (Dr Mbengashe) concluded an arbitration agreement. In the agreement, the parties agreed that the Tribunal would be

constituted of professionals from three disciplines i.e. a Professional Engineer, Professional Quantity Surveyor and a Chartered Accountant. To ensure transparency and credibility of the process, independent professional associations did the appointment of the arbitrators. The CEO had no involvement in this process. The respective heads of the CDC and the ECDOH delegated officials within their respective organizations to run with the administrative process of interfacing with the appointing bodies. There was no communication at all between the CEO and the appointing bodies.

The Association of Arbitrators (Southern Africa) appointed the first two arbitrators. The South African Institute of Chartered Accountants (SAICA) appointed the Chartered Accountant. None of the parties raised objection to the appointments. As a matter of fact, some of the arbitrators appointed by the association of arbitrators in the first set of arbitrators that were appointed proved to be conflicted in one way or another. These were subsequently withdrawn by the Association prior to the commencement of the arbitration.

Furthermore, the arbitrators that were ultimately appointed were required to declare any conflict of interest before the work of the arbitration commenced. It is important to note, NONE of the arbitrators declared any conflict of interest. BOTH the CDC and the ECDOH were completely comfortable with their appointment and signed off on it.

4. Coega is saying that it has proof of invoices which amount to the quantum paid and that these were submitted to the department and also provided as proof during arbitration?

As already indicated, for all invoices submitted to the ECDoH there was a clearly defined process agreed upon by both parties ventilated fully in the SDA.



Furthermore, the CDC provided sufficient evidence during the arbitration to this effect.

5. Since None of the arbitrators did not declare any conflict of interest: Is Coega on RECORD saying that none of those individuals had done any work with the agency or a director in any company that did work with the agency?

Please refer to question 3.

END.

About Coega: The Coega Development Corporation (Pty) Ltd (CDC) is the operator of the Coega Special Economic Zone (SEZ) in Nelson Mandela Bay Municipality, South Africa. Established in 1999, the CDC is wholly-owned by the Province of the Eastern Cape under the Economic Development, Environmental Affairs, and Tourism department. The Coega SEZ is South Africa's award winning premier location for new industrial investments and a gateway to African and World markets. The CDC aims to provide a competitive investment location and a total business solution for its customers, as well as ensuring sustainable economic development in the region. The SEZ is a fully registered Customs Control Area (CCA), which benefit those qualifying investors located in the zone with various investment incentives (<http://www.coega.co.za/DocumentList.aspx?cmd=browse&objID=80&catID=46>). To date, the CDC has delivered on its mandate to provide socio-economic development for the Eastern Cape, and has enabled the creation 112 974 direct jobs since inception, with 43 operational investors and boasts an investment portfolio in excess of R9.9 –billion (as at April 2019). Four investors are currently undergoing construction of their plants at Coega, they have pledged a private sector investment of R12.1 billion. These investors are BAIC SA (R11 billion), OSHO Cement (R600 million), MM Engineering (R350 million), Akacia Medical (R100 million) and Hella (R53 million). Jointly, these investors are putting a dent on unemployment by creating the much needed jobs during the construction phase.

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