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Govt denies reports over Transnet CEO

2010-12-08 21:09

Sapa

Pretoria - The new Transnet board appointed on Wednesday in a bid to place the parastatal on a "firmer footing", has at least three months to announce a chief executive officer.

The CEO position has been vacant since Maria Ramos stepped down last February to join Absa Group [JSE:ASA].

"By March 2011 we should have the group CEO, then after that we'll look at other vacant posts," Minister of Public Enterprise Malusi Gigaba told journalists in Pretoria.

He said he was being liberal with the mandate he was giving the new board of 15 - which resumes duty on December 13. Ideally, he would expect an announcement of a new CEO by January.

'We are quite aware of the fact that it might become an enormous exercise requiring a whole lot of work of searching and evaluating the potential candidate.'

He denied as false reports of a shortlist and that former CEO of South Africa's Public Investment Corporation, Brian Molefe had been earmarked for the position of Transnet CEO.

"I would not have given the board any shortlist because I expect them to give me a shortlist. That's their responsibility," said Gigaba.

"I read about that speculation. I've also heard about many other names touted out there. People come to me for advice and I really appreciate it, but they've just been advising the wrong person."

On Tuesday, the New Age reported that Molefe would take over as CEO, without saying where it got the information.

Unfortunate delay

Transnet was on the verge of appointing BP executive Siphosiso Maseko as CEO when a storm broke out in the ANC after some cabinet ministers publicly stated that they wanted Transnet head of freight rail Siyabonga Gama -who was not even recommended by the board - to be appointed to the position.

As a result, Maseko later withdrew from the race only to see Gama being fired from Transnet for misconduct.

Appointing the new board alone had taken the logistics company over a year. The board has been in an acting position since August last year, when its acting chair Fred Phaswana resigned. His position was taken over by Geoff Evingham.

Acknowledging the delay as "unfortunate", Gigaba said he was confident that the appointment "places the company on a firmer footing to achieve its strategic mandate as set out by the state".

There were still quite a number of vacant posts to be filled at the Transnet national ports authority and Transnet freight rail, besides those of the CEO and chief financial officer. These would also fall on the shoulders of the new board.

Gigaba reserved one board vacancy for a ports specialist. He said this would be filled sometime next year. Cabinet had also agreed that more time was needed to identify the right person.

He said the board had the required skills and experience. It would be chaired by Mafika Mkwana, a member of the state-owned enterprises review committee and non-executive director of the South African Bureau of Standards.

Gigaba said the appointments brought some stability to its leadership, and allowed it to better focus on its core business.

The appointments were endorsed by Cabinet on Wednesday. The board members are: Mafika Mkwana (chairperson), Peter Malungani, Israel Skosana, Nazmeera Moola, Michele "Mike" Fannuchi, Doris Tshepe, Donald Mkhwanazi, Tembakazi Mnyaka, Ellen Tshabalala, Iqbal Sharma, Harry Gazendam and Professor Juergen Schrempp.

The board members retained from the outgoing board are: Peter Moyo, Nolwazi Gcaba and Nunu Ntshingila.

Mkwanazi who was present during Gigaba's announcement in the Union Buildings, said after going through a thorough induction, their focus would indeed be bringing in the executives at Transnet.

Gigaba thanked outgoing members of the board, saying Transnet continued to post positive results and managed to forge ahead with its investment programme.

"This is testament to the calibre of leadership at the utility," he said.

The ANC on Wednesday congratulated newly appointed chairman Mkwanazi, and other directors.

"We have full confidence in Mkwanazi's leadership skills to steer Transnet in the right direction and in meeting the government's developmental agenda," ANC spokesman Brian Sokutu said in a statement.

"We are also happy that the Transnet board collective is representative of men and women who are seasoned business leaders with a track record in the public and private sector, something that will bring stability to the state-owned enterprise."

Comments

Alfred - 2010-12-08 22:27

If Government denies it, it must be true.

rs - 2010-12-09 13:01

What is wrong with Chris Wells - he has filled the shoes of M Ramos since she left and obviously he has done an excellent job but he has not the right skin colour. I must say that the S A Government in their approach to fill top positions in Government owned Companies only with the right colour is absolutely wrong. The right man/woman for the job. Look at the U A E where you find every Nationality in top positions which they consider will serve the Company/Country best. However, it is not only applicable to the U A E but to most top companies around the world. There is no colour bar!!!

JimB in Durban - 2010-12-09 16:06

@r's - I agree that Chris Wells would be great in the job but he doesn't want it - probably had enough of all the "politics" by now.

madodenzani - 2010-12-09 16:13

the government has appointed the right calibre of people who will put the developmental objectives above super profit, and not be motivated by extreme personal financial gains.

SIFISO MDAKANE - 2010-12-12 00:22

I must applaud Minister Gigaba for moving swiftly in appointing the new board, this brings hope that some new brooms are indeed taking their new portfolios seriously and confidently so. With Mafika at the helm, I am convinced that Transnet will get towards better levels. Transnet needs to improve its rail business much quicker to meet the current market demands and it is only my wish the new GCEO is a person who understands that line of business very well. I am against the business school myth that subject bean counters to lead any organisation on the basis of them understanding the balance sheet. Transnet is a logistics and transport business with a very customer sensitive operation. So the new GCEO must embrace a stronger customer biased orientation whilst on the otherhand has a strong grasp for operations and finance in order to make sound decisions.

SIFISO MDAKANE - 2010-12-12 00:38

I must applaud the new Minister Gigaba for moving swiftly in appointing the new board. With the new Chair of the board of the calibre of Mafika, I am convinced that the board will also follow the example of the Minister when appointing the new GCEO. Transnet is not a financial institution but a Transport and Logistics business helping South Africa to meet both its local and global business mandates. It is my hope that the new GCEO will have a stronger customer orientation because Transnet business is a customer centred operation.

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