



Friday@Noon

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- The more than two-year saga in Parliament over the R246m spent at President Zuma's private home in Nkandla came to a conclusion in the National Assembly on Tuesday. Three special *ad hoc* committees have over the years considered whether Mr Zuma has to repay any of the money as ordered by Public Protector Thuli Madonsela. The full National Assembly voted to accept Police Minister Nhleko's report, which absolves Mr Zuma of repaying any money, in a direct contradiction of Ms Madonsela's ordered action.
- The ANC released a series of policy discussion documents in the run-up to its national general council that will take place over four days in Gauteng from October 9. The ANC admits that badly managed corruption scandals and patronage among top political leaders are undermining the legitimacy of the state. In its paper on social transformation, the ANC highlights the constraints on its ability to deliver on its election promises, including the precarious economic climate and service delivery protests. The ANC also acknowledges that many weaknesses, which have been identified in 2012, such as factionalism and money politics, have not been corrected.
- The police confirmed on Tuesday that National Commissioner Riah Phiyega sent an SMS message to the DA's Dianne Kohler Barnard, telling her to 'eat your heart out'. Ms Barnard made the message public during a parliamentary portfolio committee on police on Tuesday. The full SMS read: 'I am black, proud, capable and get it clear you can take nothing from me, eat your heart out. I am not made by you and cannot be undone by you, Riah Phiyega'. Members from both the ANC and opposition parties expressed shock at the message and indicated that an investigation should be launched. Gen Phiyega is also facing a possible inquiry into her fitness to hold office.
- The National Prosecuting Authority (NPA) has denied that Deputy National Director of Public Prosecutions Nomgcobo Jiba has been promoted to head all prosecutions services in the country, a day after fraud and perjury charges against her were dropped. News reports stated Ms Jiba would head a newly combined office of the National Prosecutions Service and the Specialised Prosecutions Service. NPA head Shaun Abrahams declined to elaborate on an executive reshuffle when he announced on Tuesday that charges of fraud and perjury Ms Jiba faced would be withdrawn when the matter was heard in the Pretoria Specialised Commercial Crime Court.
- A ground-breaking Constitutional Court ruling will see municipal council speakers no longer able to cast deciding votes in passing by-laws and budget approvals even when deadlocks arise. The highest court in the country this week upheld a judgment delivered in the Western Cape High Court last year, which found that a provision in the Local Government: Municipal Structures Act not only invalid but also out of step with the Constitution. Municipal speakers will in future not be able to cast a vote as ordinary councillors, and on the same issue cast a second vote as speaker.
- The failure of StatsSA to provide reliable figures on international tourist arrivals has caused reputational damage for South African Tourism, its CEO Thulani Nzima said in Parliament. His stinging criticism of the statistics organisation was made during a briefing to members of the tourism portfolio committee. The MPs were also told that South African Tourism had lost about R300m of its international budget over the last five years due to the depreciation of the rand. Due to the change in the methodology pertaining to the calculation of foreign tourist arrivals by StatsSA, there was a 5.6% decline in foreign arrivals in the first quarter of 2015-2016 compared to the same period last year. This was because the 2014-2015 figures included transit passengers who were excluded in the following year, according to Mr Nzima. His interpretation of the tourism figures is set to add another dimension to the simmering dispute over the effect of stringent visa regulations on tourism arrivals.
- Steep wage settlements that are not accompanied by high productivity will be futile, inflationary and costly to the economy, Reserve Bank deputy governor Francois Groepe warned. His comments coincide with wage talks in the gold mining sector. The National Union of Mineworkers (NUM) and the Association of Mineworkers and Construction Union (Amcu) have asked for above-inflation wage increases in the sector and threatened to go on strike if employers do not meet their demands. Productivity gains would help SA accommodate higher wage settlements and contribute to improving living standards, the deputy governor said.
- The rand – already at its weakest level in years – is unlikely to receive any support soon and will weaken even further should the US Federal Reserve eventually hike interest rates later in the year. The local currency has been buffeted from all sides, including by a stronger dollar, a devalued yuan, risk-off trade due to expected US rate hikes and negative local economic fundamentals. Other emerging market currencies are also under pressure. This week the Malaysian ringgit fell to its lowest level since 1998 and the Turkish lira slid to an all-time low. So far this year the rand has depreciated 12% against the dollar and 11.8% against the pound.
- Inflation accelerated as expected to 5% in July compared with a year ago from 4.7% in June. The increase was mainly due to higher food, petrol, electricity and water prices. The petrol price rose by 44c// in July. Demand-led inflation is modest, reflective of weak economic growth. By the end of the year food price pressure could rise, feeding into the CPI inflation peak of around 6.5 – 7% year on year.
- SA could boost its average economic growth rate to 5.4% between now and 2030 if it cuts its unemployment rate by three-quarters, the World Bank says. At the same time, it would need to raise labour productivity by improving the quality of basic education and skills. The study urges SA to take advantage of its 'demographic opportunity' of a rapidly growing working population to accelerate growth. In other parts of the world, particularly in East Asia, this demographic shift created an opportunity to accelerate economic growth and raised living standards as more people earned incomes and savings rates rose, creating a cycle of growth and incomes.

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