



Friday@Noon

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- President Zuma says SA recognises the importance of and remains open to foreign direct investment (FDI). Speaking to South African and German business people in Berlin, Germany, this week, he indicated that this openness is reflected in the stock of FDI in SA that now accounts for around 42% of the country's gross domestic product (GDP). He said that SA was establishing a one-stop interdepartmental clearinghouse to attend to investor complaints and problems. The president said that since Germany is by far SA's most important trading partner in the European Union, it is important for the two countries to keep engaging on issues of mutual interest, and improve economic and trade relations between the two countries and the African continent. There are 600 German companies in SA, employing close to 100 000 people.
- The strike by parliamentary workers turned violent this week when riot police used stun grenades and tear gas to move the protesters from the steps of the National Council of Provinces on Wednesday. Earlier, striking parliamentary workers invaded a meeting of Parliament's police committee, which led to proceedings being abandoned and an alternative venue being sought. The National Education, Health and Allied Workers' Union (Nehawu) is staging an unprotected strike and is locked in talks with parliamentary management over the payment of performance bonuses and other working conditions.
- Protesting students at the University of the Western Cape (UWC) tried to set fire to a residence at the Bellville campus and disrupted examinations on Wednesday. UWC's fire and medical officer responded to the fire alarms set off by the protesting students at the university residences and upon his arrival at the residences, he was attacked and assaulted by the protesting group. UWC management were forced to reschedule Wednesday's exams to next month after several campus buildings were damaged and some set on fire by the protesting students. Riot police used stun grenades and fired rubber bullets to disperse the students. More than 10 students were arrested for public violence, assault and arson.
- The Department of Higher Education and Training has dismissed concerns that the contentious draft Higher Education Amendment Bill gives the government unrestricted powers over tertiary institutions. It is feared that the bill will, if passed into law, give the minister draconian powers to intervene in universities' affairs. The bill proposes the minister have the power to determine transformation objectives and put appropriate mechanisms in place to ensure the objectives are met. It allows the minister to change processes, procedures and mandates of universities and other higher education institutions. It also empowers the minister to withhold funding under specific circumstances.
- Suspended National Police Commissioner Riah Phiyega flouted the police act and the labour relations act and was guilty of gross misconduct, fraud and perjury particularly in the matter of a warning she gave to General Arno Lamoer that he was being investigated, a report from Police Minister Nathi Nhleko showed. Parliament's police committee also recommended that she face yet another board of inquiry into her behaviour during a meeting with provincial commissioners when she urged them to publicly express support for her.
- This week, the Treatment Action Campaign (TAC) released the findings of a commission of inquiry, held in the Free State in July. Its report, based on research and patient testimonies, shows the Free State provincial healthcare system is in crisis. It highlights problems with virtually every aspect, from inadequate emergency services to life-threatening shortages of medicines. Free State health department spokesman Mondli Mvambi said the TAC's report was inaccurate, as there were no shortages of chronic medicines and the province had improved its emergency services.
- Public servants continue to do business with the state because the Public Administration Management Act is not being enforced. This is despite President Zuma having signed the act, which bans state officials from doing business with the government, into law a year ago. The tardiness in implementing the act is making it difficult for the Public Service Commission (PSC) to act against errant officials. In Gauteng, the PSC found that three senior managers in the departments of co-operative governance, education and economic development business with the state between 2013-2015 and the province has lost R67.2m in 2014-2015 due to financial misconduct. The act gives the state powers to terminate employment if the law is contravened.
- The South African Airways (SAA) board will continue to renegotiate a crucial airline leasing arrangement with European manufacturer Airbus, even though the deal has dire financial consequences for the airline and the fiscus and is against the express wishes of the Treasury. The leasing arrangement with Airbus that was reached in March is a crucial part of SAA's turnaround plan. However, SAA chairwoman Dudu Myeni – without the agreement or involvement of SAA executives – unilaterally informed Airbus last month that the contract would be renegotiated. Treasury director-general Lungisa Fuzile wrote last month to SAA executives, warning of the consequences of this move and voiced strong objections. But Finance Minister Nhlanhla Nene has not taken action against Ms Myeni or compelled her to abandon her plan with the consequence that large financial obligations by SAA will now become due.
- South African consumers should brace themselves for a double blow on food prices from the countrywide drought and continued rand weakness, Grain SA warned. While SA was still recovering from a R12bn loss in maize production from last year, it is in the grip of a drought that could see it become a net importer of the crop for the first time in seven years. This could translate into a significant increase in maize and ultimately food prices. The February 2015 drought caused a 70% increase in the price of white maize, which translated into a 14% increase in mealie meal prices. SA's poor are the primary consumers of mealie meal as a staple food. The price of yellow maize had increased by 60% so far. Yellow maize is used for animal feed and its price has a direct effect on the prices of poultry, red meat and dairy products. **End**