



Friday@Noon

Signals from this week's news

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Toekomsnavorsing



Issue 1063 15 Apr 2016

- On Monday evening, the ANC in Gauteng has resolved that President Zuma should resign as party and state president. Gauteng is the first province to defy a decision by the ANC national executive committee to support the president. The resolution was reached through consensus. Mpumalanga, Limpopo and KwaZulu-Natal accepted Mr Zuma's apology following the Constitutional Court judgement against him.
- Emerging markets, including South Africa, will face weakened currencies, the International Monetary Fund warned this week in its World Economic Outlook report. The fund lowered SA's economic growth forecasts for 2016 to 0.6% from 0.7%, and to 1.2% from 1.8% for 2017. The Treasury forecasts growth at 0.9%, and the Reserve Bank and World Bank at 0.8%. Nedbank Group Economics expects only 0.2% growth, with labour instability possible during wage negotiations in the mining and manufacturing sectors.
- The Department of Basic Education has not yet released a controversial report on the alleged buying and selling of teacher posts by Equal Education. The report, compiled by a ministerial task team, investigated claims that unions were buying and selling such posts, particularly in the Eastern Cape and KwaZulu-Natal.
- Unions working towards establishing a new power block in the organised labour movement in SA will hold a Workers' Summit at the end of April. More than 40 trade unions will send 3 000 delegates to the summit where a resolution to launch a new labour federation and elect interim leadership could be taken, summit convener Zwelinzima Vavi said in Johannesburg on Tuesday. A May Day celebration would then be held to announce the federation and launch a campaign against job losses across sectors, he said.
- National Assembly speaker Baleka Mbete on Wednesday described as constructive her meeting with party leaders to plot a way forward in Parliament. The meeting followed last month's Constitutional Court ruling that President Zuma and the National Assembly had acted inconsistently with the Constitution. Ms Mbete said all parties had agreed that institutional reform was needed to restore the image of the National Assembly.
- The size and cost of SA's public service has grown so unwieldy that the country is 4 million taxpayers short of affording to maintain it in its current state, an analysis compiled by Whythawk, an international data analysis services company, shows. Gavin Chait of Whythawk said that as a result, service delivery could decline, or taxes would have to rise, which will lead to political ramifications and unemployment.
- The Electoral Commission of SA surpassed its target for new voter registrations over its two registration weekends, adding 1.384 million new voters to the voters' roll to bring the total number of voters to 26.296m, said chief electoral officer Mosotho Moepya. The date for the local government elections is 3 August.
- Denel's joint venture with the Gupta-associated company VR Laser Asia is not legal, the Treasury has said, and the company has not received the permission of Finance Minister Pravin Gordhan to proceed with the transaction. This is in direct contradiction to a Denel statement last week that said the controversial joint venture had gone ahead and that all applicable legal processes have been followed.
- South African Reserve Bank figures show that SA investors continued to move money out of the country at an unprecedented pace in Q4 of 2015, as consumer and investor confidence was battered by political events. SA's net international investment position improved from R109bn at the end of September to R714bn at the end of December, as the value of SA's foreign assets jumped, benefiting from the fall in the rand.
- Consumer confidence improved slightly in Q1 of 2016 but remained in negative territory as household incomes continue to be eroded by rising inflation, interest rates, and food and electricity prices. The First National Bank/Bureau for Economic Research's consumer confidence index (FNB/BER CCI) recovered some lost ground to -9 from -14 in Q4 of 2015. Negative-territory confidence suggests modest spending by households.
- The embattled South African Post Office (Sapo) owed R884m to creditors by mid-March, Telecommunications and Postal Services Minister Siyabonga Cwele said this week. Sapo has received R650m as a cash injection and, under newly appointed group CEO Mark Barnes, has begun to tackle its challenges.
- SA's livestock farmers are preparing for more losses after the driest year on record. Scarce grazing and the farmers' inability to buy animal feed may trigger a second livestock sell-off during winter, Gerhard Schutte, CEO of the Red Meat Producers Organisation, said. A supply shortage is likely to occur from September.

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