



- President Zuma defended his management of the country in Parliament yesterday, saying that none of his ministers were appointed by the Gupta family and that he was in charge. The president is under increasing pressure to explain his relationship with the influential Gupta family that is in business with his son, and has employed one of his wives. On Wednesday, Deputy Finance Minister Mcebisi Jonas confirmed that he had been approached by the Guptas to take over from his former boss Nhlanhla Nene last year. Another ANC MP, Vytjie Mentor, also said she had been approached by the Guptas to take over from former public enterprises minister on condition that she promised to abandon the SA to India route – plied by SAA – for Jet Airway, an airline with Gupta links. Opposition parties have called on Parliament to enquire into Mr Zuma's relationship with the Guptas.
- ANC secretary-general Gwede Mantashe has warned of a 'mafia state' following the admission on Wednesday by Deputy Finance Minister Mcebisi Jonas that the Guptas had offered him the post of finance minister. Mr Mantashe said the ANC at its January lekgotla raised the danger of state capture but was accused of embarking on a witch-hunt. Senior ANC members have met the Gupta family to explain allegations regarding their influence on the government and state-owned entities. The ANC's national executive committee will receive a report on the meeting over the weekend.
- The Reserve Bank increased interest rates by 25 basis points on Thursday, citing rising food prices and weak rand concerns. Bank governor Lesetja Kganyago said food price pressures, driven by the drought and the depreciated exchange rate, remain a significant upside risk to inflation. The Bank said the effect of politics on the currency was concerning. The 2016 inflation forecast improved to 6.6% from 6.8%.
- The dispute between the Hawks and Finance Minister Pravin Gordhan escalated this week as the unit threatened legal action against the minister, causing the rand to crash through the R16/\$ level. This is likely to heighten investor fears over SA. Also, it comes in the midst of a visit to the country by ratings agency Moody's. Mr Gordhan described a Hawks statement – that he had not met the deadline to answer questions on an alleged rogue unit at the South African Revenue Service – as threatening. Mr Gordhan said he had instructed his attorneys to prepare a response for the Hawks.
- The Supreme Court of Appeal on Tuesday confirmed that the government had acted unlawfully when it failed to detain Sudanese president Omar al-Bashir when he visited SA last year. Unless successfully appealed, it means that SA is obliged to arrest him. Mr Bashir is wanted by the International Criminal Court for war and other crimes.
- President Zuma will in future be paid R7,876 per day – R239,568.42 per month – for being president, after a majority vote by the ANC in the National Assembly. The DA, COPE and ACDP opposed the increase. The EFF wanted his salary to be suspended until the Constitutional Court handed down judgement regarding Nkandla.
- South Africa had three months in which to convince ratings agencies and investors of its fiscal stability, of dealing with state-owned companies and of boosting economic growth, Finance Minister Pravin Gordhan said. He reiterated the concerns raised after meeting more than 250 investors – with about R600bn in exposure to SA equities and bonds – during road shows in London, Boston and New York. This week, ratings agency Moody's is in SA for a review after putting SA on notice for a downgrade.
- South Africa rejects Fifa's claim that a \$10 million bribe was paid by the country to win the right to host the 2010 World Cup, Sports Minister Fikile Mbalula said on Thursday. He said Fifa must retract its statement. Mr Mbalula said \$10 million was paid to African diaspora in the Caribbean to develop football in the region.
- Finance Minister Gordhan has asked for a further extension to table South African Airways' 2015 financial statements. He said he wants to present a comprehensive package to deal with SAA's board, state financial support (SAA has applied for a further R4bn-R5bn) and the mooted merger of SAA, Mango and SA Express.

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