

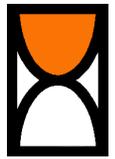


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- Government would have to raise its annual contribution to South African universities by an additional R19.7bn if it was to meet international benchmark funding levels, Higher Education Minister Nzimande said. Government has come under fire from students, university vice-chancellors and opposition political parties for not doing enough to ease the financial burden on cash-strapped universities. The underfunding has resulted in the universities hiking tuition fees so as to stay afloat. The Treasury's budget estimates for the next three years show university subsidies will experience a R1.6bn shortfall in addition to the estimated R2.6bn in 2016 prompted by the sudden moratorium on fee hikes announced by President Zuma.
- Concerns that suspended national police commissioner Riah Phiyega may keep her job have triggered calls for the expansion of the terms of reference of the inquiry into her fitness to hold office. The South African Police Union has called on President Zuma to broaden the inquiry's terms of reference to include allegations of mismanagement and misconduct. The union's call has garnered support from constitutional rights and accountability institutions, which say expanding the terms of reference would be in the interest of transparency, accountability and justice.
- Tourism and travel organisations have welcomed government's surprise U-turn on elements of the contentious visa regulations, but some have said this has not gone far enough. Government announced that some of the more onerous provisions had been eased. It has been estimated that the regulations caused massive reductions in tourist arrivals to SA, costing the economy billions of rand. Home Affairs Minister Gigaba had earlier insisted that the regulations were not negotiable, and were essential for state security and to curb child trafficking. In-bound travellers accompanied by minor children will no longer be required to produce an unabridged birth certificate and prospective visitors will not have to apply for visas in person.
- South Africans are contracting TB at a higher rate than in any other country but Lesotho, according to the World Health Organisation (WHO's) latest report on the disease. The total number of people infected with TB in SA was estimated to be 380 000 last year, placing the country ninth highest among the 22 high-burden states. The rate at which the disease is spreading in SA has fallen from its peak in the late 2000s, but nevertheless remains high.
- The South African Weather Service said that an El Nino weather system, which was already forecast to bring drought conditions for much of the southern hemisphere's summer, now looks like it will extend into autumn next year. Dry conditions last year cut SA's staple maize crop by a third and the prospect of another drought pushed prices in July to record highs, raising the prospect of food price increases. South African maize farmers intend to plant 2.55m hectares in the 2016 season, the lowest level since 2011, and it seems likely that greater maize and wheat imports will take place this season.
- The Department of Trade and Industry is temporarily suspending new applications for the manufacturing competitiveness enhancement programme with immediate effect. It said that applications far exceeded the more than R5bn in funds set aside for the programme, which had been fully committed. The programme, which was implemented soon after the global financial crisis began, was set up to support SA's manufacturers. The department said the programme had supported 1 153 entities through the acquisition of capital equipment and the re-engineering of business processes to improve their competitiveness. A new application window would be opened in April next year pending the availability of funds. All other incentives of the department would continue as normal, the department said.
- SA has fallen four places to 73 out of 189 countries surveyed in the World Bank's 2016 Doing Business Report. SA does well in areas such as resolving insolvencies and paying taxes. It takes an entrepreneur in SA less time to file all necessary taxes than it does in most other countries, making it one of the top performers on the paying taxes indicator, according to the report. SA does poorly and needs to improve on dealing with construction permits, getting electricity, enforcing contracts, registering property and trading across borders.
- The mining sector did not record job losses in the third quarter, according to unemployment figures released by Statistics SA. The agriculture sector also unexpectedly added a significant number of jobs even after a severe drought earlier this year sharply curbed output. But despite these positive indicators, unemployment still rose from 25% to 25.5% in the third quarter – indicating that 5.4m people looking for work were unable to find any. Unemployment rose because even though jobs were created by some sectors, others shed jobs, while more people actively looked for work, which qualified them being counted in the official unemployment rate.
- Rural Development and Land Reform Minister Nkwinti said that the first phase of Medupi power station had been completed; this would add 4 764MW to Eskom's grid once completed and would be the world's largest coal-fired power station. Mr Nkwinti said the science department was finalising the bio-energy atlas that indicated the potential energy that could be generated using agricultural, forestry or sawmill residues and organic waste across the country.
- SA's financial system and its markets, and infrastructure, remain resilient and sound, despite challenges in the global and domestic environment, Reserve Bank governor Kganyago says. Releasing its September financial stability review, the Bank did, however, note that the country's high unemployment and overindebtedness, weak global and domestic economic growth, and excessive volatility and risk aversion in global financial markets posed risks to financial stability. It says if banks remain adequately capitalised and sound, the risk of collapse is small, which is positive for the economy and jobs.

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