

SOUTH AFRICAN FOCUS

- ANC branches have agreed with the party leadership not to recall President Zuma after the Constitutional Court in March found that he failed to uphold the Constitution on the Nkandla matter. ANC Secretary General Gwede Mantashe said overwhelmingly branches confirmed the decision of the National Working Committee to accept the president's apology. The ANC's National Executive Committee also decided not to investigate allegations of 'state capture' by the Gupta family as it received only one written submission on the matter.
- According to the auditor-general's local government audit results released on Wednesday, irregular spending amounted to R14.75bn in the 2014-2015 financial year, while fruitless and wasteful expenditure amounted to R1.34bn and unauthorised spending to R15.32bn. Topping the list in irregular expenditure is Rustenburg with R3.06bn. This was followed by Nelson Mandela Bay metro with R1.34bn, City of Tshwane with R1.10bn, Buffalo City metro with R479m and uThukela district with R324m. Five years ago, 13 municipalities received clean audits. In 2014-2015 this has increased to 54.
- Finance Minister Pravin Gordhan will make public the performance and expenditure reviews compiled by the Treasury assessing the value-for-money and effectiveness of major government programmes. The reports have to date been kept in-house. Examples of recent reports include the cost of South Africa's diplomatic missions abroad, the National Skills Fund, National Student Financial Aid Scheme, the in-service training of teachers, and the cost of government accommodation and leases. Mr Gordhan's decision to make the reports public follows an application under the Promotion of Access to Information Act by DA MP David Maynier.
- The government will provide R550bn in support of black industrialists, Trade and Industry Minister Rob Davies said at a briefing following a Black Economic Empowerment Advisory Council meeting in Pretoria. He said the programme has received 107 applications with five approvals already made. The programme is meant to support black entrepreneurs as part of government's economic transformation.
- The ANC's National Executive Council adopted a resolution last weekend stating its new priority for fiscal policy is to control government spending and raise tax revenues to avoid a debt trap. This should be done through curbing spending on government travel, accommodation and vehicles, and by tightening tender processes in state-owned entities and government departments. The meeting took a number of far-reaching resolutions to turn the tide of an ailing economy amid threats of an investment-rating downgrade to junk status. The resolutions also covered unemployment, the transformation of the mining industry and labour disruptions.
- Parliament's *Ad Hoc* Committee has to find a successor to Public Protector Thuli Madonsela over the next three months. *Ad hoc* committee chairwoman Makhosi Khoza said that the nomination and screening process should be inclusive and transparent. The position will be advertised in national and community newspapers.
- About 60% of children in SA cannot read at even a basic level at the end of Grade 4, new government commissioned reports by the Research on Socioeconomic Policy Group at the Department of Economics at Stellenbosch University show. The two reports published in May state that unless pupils have been given sufficient opportunity to learn to read they cannot subsequently read to learn.
- Communications Minister Faith Muthambi suffered a legal blow when the Supreme Court of Appeal set aside her decision not to encrypt state-supplied set-top boxes for the reception of free-to-air broadcasts. Encryption is used by pay-TV channels to ensure that only those who pay will receive their broadcasts. E.tv said encrypted broadcasts was essential to its business plans and challenged the minister's amendment of the digital broadcasting migration policy that says state-supplied boxes should not have encryption capabilities.
- South African Broadcasting Corporation chief operating officer Hlaudi Motsoeneng confirmed its TV channels would adopt the public broadcaster's 90% local content quota. However, the shift to introduce more local content was not put into motion. SABC spokesperson Kaizer Kganyago said a new language policy across the stations was announced and a meeting with local film producers was called to find out how the process of producing more local content could be made easier. Viewers should see a shift in content from 1 July.
- Strong vehicle exports contributed to better-than-expected monthly trade figures, driving the country's second trade surplus in as many months. SARS reported on Tuesday a trade surplus of R430m. This was down from the R2.03bn surplus in March. These trade figures show an improving trend. SA's export performance is improving in response to a weaker rand, and imports have fallen in response to a weaker economy.

AFRICA NEWS

- Egypt says a French ship has picked up signals from deep under Mediterranean Sea, presumed to be from black boxes of the EgyptAir plane that crashed last month, killing all 66 passengers and crew on board. The Civil Aviation Ministry is citing a statement from the committee investigating the crash as saying the vessel Laplace is the one that received the signals. Wednesday's statement says that a second ship, John Lethbridge affiliated with the Deep Ocean Search firm, will join the search team later this week.
- Nigeria's economy will soon enter a recession, according to the central bank, and an upsurge of militant attacks since February has sent crude oil production, which usually accounts for 70% of government revenue, plummeting to an almost 30-year low. Delays in approving a budget and a cabinet – by six months – as well as President Buhari's refusal to weaken an overvalued currency have caused foreign investors to flee. This week, President Buhari gave the central bank the go-ahead to introduce a more flexible exchange rate system even as he remains opposed to devaluation of the naira. Foreign direct investment is the lowest since the 2007-2008 global financial crisis.
- Gunmen stormed the Ambassador Hotel in the centre of the Somali capital Mogadishu on Wednesday after setting off a car bomb at the gates outside, with reports of at least 10 dead and 50 wounded. Somalia's state news agency said two MPs were killed in the blast. The al-Shabab militant group has claimed it was behind the attack, one of the largest to hit the city. Al-Shabab, which is battling the UN-backed government, was driven from Mogadishu in 2011 but remains a threat and frequently carries out attacks in the city. Earlier on Wednesday, the government announced it had killed Mohamed Kuno, the al-Shabab militant who led the attack on Garissa University in Kenya in April 2015 that killed 148 people.
- After 35 years of authoritarian rule Zimbabwe's President Robert Mugabe, now aged 92, oversees a collapsed economy, a food shortage crisis and a hopeless political scene with opposition parties weakened by rigged elections and constant intimidation. Against this backdrop, Pastor Evan Mawarire has emerged as a national hero after starting his ThisFlag campaign, which rapidly became an unlikely outlet for many Zimbabweans' frustration. Pastor Mawarire posted a video of himself on Facebook venting against state corruption. The video, in which he was wearing a Zimbabwean flag, became a huge hit and spawned a wave of internet activism in a country where any expression of protest can be dangerous.
- Lenders in Zimbabwe and the central bank have blamed a shortage of cash notes in the country on money laundering, gold smuggling and a decision by the government to spread salary payments to civil servants over the month. Banks will have to limit the amount of cash they supply to customers to cope with the continuing crisis, Barclays Zimbabwe MD George Guvamatanga said this week. Steward Bank CEO Lance Mambondiani said banks needed to make charges on withdrawals more punitive. The central bank will introduce \$200m of what it calls bond notes in October to counter the cash shortage. Capital flight, money laundering and rising imports have forced the central bank to double its purchases of dollars.
- Côte d'Ivoire's former first lady, Simone Gbagbo (66), went on trial on Tuesday for crimes against humanity. Ms Gbagbo is accused of organising attacks against supporters of her husband's presidential rival in a bid to maintain Laurent Gbagbo in power. He was defeated at the polls and also faces trial at the International Criminal Court at The Hague. More than 3 000 people died in post-election violence that abated only after the arrest of the Gbagbos in 2011.
- Chad's Hissene Habre, who seized power in 1982 and reigned as a ruthless dictator for eight years, was this week handed a life prison sentence in his trial in Dakar for crimes against humanity, war crimes and torture. Mr Habre, now aged 73, fled to Senegal after Chad's current president ousted him in 1990. Investigators found that more than 40 000 people were killed during his rule. He was arrested in Dakar on 30 June 2013 and the AU decided his trial should take place there, making him the first African leader accused of atrocities to face justice in another African country rather than in an international court.
- Botswana has run out of maize, one of its staple foods, and is banking on imports from drought-hit SA and Zambia to meet its needs. Stocks of locally grown maize in silos are depleted, the state-owned Botswana Agricultural Marketing Board, which manages the country's strategic grain reserves, said.
- The world's largest refugee camp will close in November, Kenya's Interior Minister Joseph Nkaisserry has announced. The Dadaab camp in Kenya is home to more than 300 000 Somalis. Kenya says it wants to close the camp over security concerns, saying attacks on its soil have been planned there. Mr Nkaisserry said the decision was final but Kenya did not follow through on a previous threat to close down the camp, following the deadly attack by Somali militant group al-Shabab on a university 100km away.
- The leader of the Western Sahara independence movement has died after a long illness. Mohamed Abdelaziz, 68, was secretary-general of the Polisario Front, which fights for an end to Moroccan rule in Western Sahara. The Polisario leader has led the group based in the southern Algerian city of Tindouf for almost 40 years. Morocco considers Western Sahara to be its 'southern provinces', but Algeria and many other African countries recognise the Saharan Arab Democratic Republic declared by the Polisario Front.
- The drought in Southern Africa has increased food prices, preventing central banks from loosening monetary policy to spur economic growth. The South African Reserve Bank hiked rates with a cumulative 200 basis points since January 2014 to bring inflation within its target band of 3% to 6%. In Zambia, the benchmark lending rate is at a record 15.5%. Higher food prices have also pushed up inflation in Mozambique, which faces an imminent sovereign debt default. Inflation stood at 17.29% in April 2016. **End**