



Friday@Noon

A weekly electronic news briefing for the business community
Editor: Basil C Leonard

Institute for
Futures Research

Instituut vir
Toekomsnavorsing



Issue 949

01 Nov 2013

- Suspended Cosatu chief Zwelinzima Vavi says the ANC faces its toughest election ever next year, and the opposition DA is set to gain most from its weakness. In a media interview, Mr Vavi cited rampant corruption, a lack of accountability, tribalism and policy dithering as obstacles to the surmounting apathy toward the ANC at the polls. He warned that the ANC's failure to deliver on its priorities in the previous poll would come back to haunt it. Voting for Julius Malema's Economic Freedom Fighters and Mamphela Ramphele's Agang SA would merely be a form of protest by some voters, he said. ANC supporters also did not have the appetite to vote for the DA. He warned that the effect of divisions in Cosatu itself on the ANC's election campaign would be significant as the federation was paralysed and in crisis.
- Looting, lockdown and gridlock occurred in the Cape Town CBD on Wednesday when a march by thousands of demonstrators demanding land and housing turned violent, with breakaway mobs attacking hawkers. The march was organised by suspended ANC member Andile Lili and city councillor Loyiso Nkohla, as a follow-up to similar action on October 10 when they handed a memorandum to the Western Cape housing MEC. Premier Helen Zille's office said the march and ensuing chaos were part of the ANC's stated campaign to make the province ungovernable.
- Twenty Boeremag members convicted of high treason were given jail terms of between five and 30 years in the North Gauteng High Court in Pretoria on Tuesday. The charge arose from a rightwing plot in the late 1990s and early 2000s to violently overthrow the ANC government and chase all black, coloured and Indian people out of the country. The first of the Boeremag members was arrested before others commenced a bombing spree, attacking among others the police air wing at the Grand Central Airport, and blowing up railway lines, bridges and a Buddhist temple. The decade-long trial has been one of the most expensive in South African history. Legal Aid SA said it had spent just over R36m on the accused's legal costs to date.
- Despite SAPS interventions to address police behaviour, statistics from the Independent Police Investigative Directorate (IPID) show police brutality is on the increase, says Parliament's police committee. The tabling of the report in Parliament follows the shooting of hip-hop star Khuli Chana on Monday as a result of mistaken identity. During recent hearings in the committee, the IPID reported that deaths due to police action in 2012-2013 were down 12% compared to the previous year, but deaths in custody were up 19%. It also reported that there were 4 181 cases of torture or assault, of which 50 were torture. The IPID said most of the torture cases were beatings, followed by six cases of suffocation with a bag or a tube. There was one case of torture by applying electrical shocks.
- In another move that is likely to impact negatively on the flow of foreign investment into SA, the government has decided to exclude any recourse to international arbitration in the draft Promotion and Protection of Investment Bill published in the Government Gazette today. Instead, they will only have recourse to SA courts, domestic arbitration or the mediation services of the Department of Trade and Industry. Furthermore, the draft bill's provision for compensation does not guarantee full market value, as provided for in SA's bilateral investment treaties with European Union countries, which are in the process of being cancelled.
- Unemployment in the third quarter this year fell to 24.7%, from 25.6% in the second, as 114 000 people stopped actively looking for work and employment increased by 308 000 jobs, data from StatsSA showed on Tuesday. This resulted in an increase of 194 000 in the labour force. The gain of 308 000 jobs was the largest since the recession. The expanded definition of unemployment, which includes people who are not actively looking for work, fell 1.2 percentage points to 35.6% in the third quarter. The additional jobs were mainly created in the trade, community, finance and other business services sectors. Trade added 100 000 jobs in the quarter, taking the number of those employed in the sector to 3m. Manufacturing and agriculture shed jobs, however. StatsSA noted that the formal sector and private households contributed positively to the increase in employment – up 314 000 and 39 000, respectively. In contrast, there was a decline in employment in the informal sector – down 39 000 – and in agriculture, which shed 6 000 jobs.
- It is becoming more difficult to do business in SA according to the World Bank's latest annual competitiveness survey released on Tuesday. On the 2013 list SA ranks 41st out of 189 countries for ease of doing business. In 2012 it was in position 35. The report says it takes 19 days on average to get a business up and running, which places SA 64th on the list. At 150th SA fared amongst the worst for supplying electricity, as it takes businesses 226 days on average to get electricity. More hurdles include ease of trading across borders (106th), ease of registering a property (99th) and for enforcing contracts (80th). Singapore and Hong Kong rank as the world's best places to run a business, while mainland China remains far down the list. New Zealand, the USA and Denmark rounded out the top five.

end