

A Little Knowledge is a Dangerous Thing

I am currently reading CS Lewis's "Surprised By Joy", a journal of his spiritual journey. His power with words is impressive but I loved this excerpt, in reference to newspapers and their value (he was writing whilst the First World War raged in the background):

"To read without military knowledge or good maps, accounts of fighting which were distorted before they reached the Divisional General, and further distorted before they left him, and then written up out of all recognition by journalists, to strive, to master what will be contradicted the next day, to fear and hope intensely on shaky evidence is surely an ill use of the mind."

Even in peace-time I think those are very wrong who say that schoolboys should be encouraged to read the newspapers. Nearly all that a boy reads there in his teens will be known before he is 20 to have been false in emphasis and interpretation, if not in fact as well, and most of it will have lost all importance. Most of what he remembers he will therefore have to unlearn and he will probably have acquired an incurable taste for vulgarity and sensationalism, and the fatal habit of fluttering from paragraph to paragraph to learn how an actress has been divorced in California, a train derailed in France, and quadruplets born in New Zealand."

Lewis wrote this book in 1955, and later died in 1963. I couldn't begin to think how he would write about the internet, social media, X (Twitter), FaceBook, and TikTok. Yet these mini-publications rule our world and divide our thought – possibly an unlearning is due for all of us!



**Robin
Gibson**

There are plenty of problems to write about in our country. Corruption, theft of state resources, poor service delivery. You name it, the list goes on. We always joke in the office that South Africa is a cartoonist's dream. Material abounds. I am sure we all enjoy the twisted ribbing dished out by Zapiro and Madam & Eve, two of my favourites. The politicians are the main target, but others come in for the odd side swipe too. Here are

a few of the more optimistic things to consider:

Loadshedding

The following is an extract from The Daily Investor dated January 2024 warning South Africans to be prepared for heavy load-shedding:

SPEED READ

- We are driven by the media to believe multiple narratives. Information, or rather, false information spreads at two clicks of a button and rages as only a wildfire could wish. Regular readers will know that I hold the press with a rather jaundiced eye – for the most part, they are but advertising salesman dressed in social service.
- The elections are complete and by the time you read this, you will know better on what course we are headed. As I write, this is still to be revealed. Times of uncertainty appear to be on the rise, yet many of the needs remain firmly fixed in certainty – food, shelter, drink, wi-fi, medical aid.
- Last week's article repeated that markets hate uncertainty and volatility will abound. We are certain that volatility will remain for some time to come as the world reacts to elections, inflation, and geopolitical strife.
- At times like this it is worthwhile seeking positive news to balance our fears, so this article focuses on a few positives to balance the scales.

“The outlook between 1 January 2024 and 30 December 2024 shows that the likely risk scenario is red for all 52 weeks. This points to a shortfall of over 2,001 MW every week. Simply put, Eskom expects severe electricity generation shortages for the whole of 2024. This means South Africans should expect severe load-shedding in 2024. What is particularly telling is that the same report for 2023 showed that Eskom’s planned risk levels were red for only two weeks.”

We are now enjoying 24 hours of power per day and this has been continuous since 26th March 2024. Of course, ever cynical, South Africans believed this to be a political ploy ahead of the elections, with the gas turbines consuming vast amounts of diesel to support the ruling party’s attempt to secure a majority. Two weeks after elections we remain ‘On’, so that narrative cannot be correct. In fact, the use of gas turbines has been minimal over the past 6 weeks. We have spoken and written continually (and not without ridicule at times) that the tide is turning, and while we do expect load-shedding to rear its head again, we don’t believe it will be quite so bad going forward. The following are the key factors:

- Reduction in demand as consumers seek alternatives - gas, solar etc. as methodologies to cook or heat, driven both by supply and the steep increase in the cost of electricity.
- Better management of the coal fleet, with less downtime.
- Independent Power Producers, “Prosumers” (those who consume and produce extra selling it back into the grid), and private generation.

It certainly appears that the fear spawned in the extract from the Daily Investor has not been the case.

Digital Nomad Visa

In a bid to drag ourselves into the future world of work, the Digital Nomad Visa has recently been promulgated. The visa is specifically aimed to attract those who work from a laptop but want to use South Africa as a base. With great weather, value for money private healthcare, cheap housing (relative to international standards), and all that you could need freely available, this aims to attract highly paid individuals (you must earn at least R1 million or \$ 55,000) whose office is their laptop. While the details are not yet 100% finalized this is very progressive. If individuals stay for less than 6 months, they are not required to register or pay local taxes. However, if you stay for more than 6 months in a 36-month cycle you



Cape Town could become a hub for Digital Nomads, the generator of knowledge workers who float around the world.

will need to register. The visa will be issued annually, you will need to prove your work arrangement and have a valid passport. Hopefully, our coffee shops will be filled with many more foreign accents as our beautiful “office” at the end of Africa is discovered.

Primary Budget Surplus

The February Budget highlighted that Treasury achieved a Primary Surplus in the last fiscal year. This is where expenditure (excluding debt servicing costs) is less than national revenue. The naysayers will highlight that a bloated government wage bill remains with essential services bearing the brunt of the savings, but this is a step in the correct direction and continues to demonstrate that the hand at the tiller of public finances is a steady one. Enoch Godongwana has been outspokenly critical of some of the Government’s policies in recent times and yet there has been no public rebuff for his comments.

This allied with a SARS that has recovered phenomenally from the destructive leadership of Tom Moyane that saw many senior, experienced, and capable employees flee the institution has seen collections rise and delinquents pursued. Every SARS report indicates progress made on this front with substantial extra tax collected.

“SARS has recovered phenomenally from the destructive leadership of Tom Moyane that saw many senior, experienced, and capable employees flee the institution”

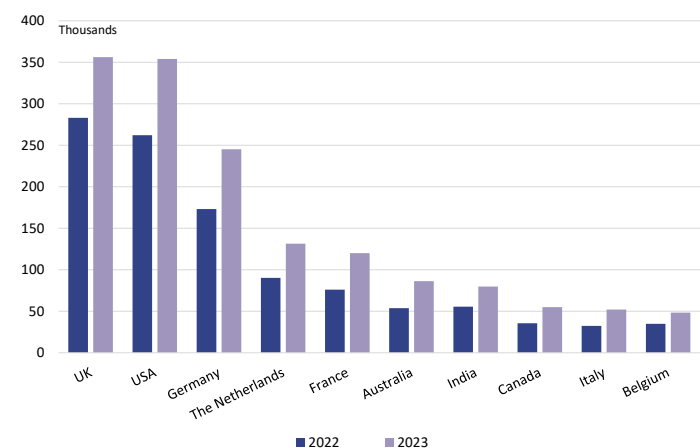
Continued Tourism Recovery

We have not yet recovered to the level of tourists that flowed through our customs halls before the COVID-19 pandemic. The bulk of our visitors are from surrounding African countries, but an analysis of the developed world countries shows a continued uptick, with the UK and USA, growing 25% and 35% respectively in 2023 over 2022 (see the attached graph). Early statistics in 2024 suggest this year could also see a sustained recovery. By far the biggest

arrivals come from African countries, and Zimbabwe is first in that category. I'm sure that is a surprise to no one.

Tourism is a key industry for South Africa, and given that it is also a service industry, it is a key employment multiplier. Any positive movement in this regard can be considered good news.

TOURISM ARRIVALS FROM NON-AFRICAN COUNTRIES



South Africa is benefitting from increasing tourism from a wide range of countries. The increase in 2023 was significant. Early indicators are suggesting further growth in 2024.”

Private Public Partnerships

The failures of SOEs and poor service delivery are legendary and widely known. I, like many South Africans, have been very disappointed with Cyril Ramaphosa’s presidency. The narrative is that he has no courage, is silent on key issues, and continues to harbour thieves and thugs in his cabinet.

Not to mention the rather unsavory Phala Phala scandal. There is little I can say to contradict that. However, I have this sneaking feeling that history will look more favourably on this man than we do currently. I say this because of what I have read about what happened behind the scenes leading up to the 1994 elections. Most of it was not public until well after the fact, and few of the heroes of the time made the press releases.

Cyril has often talked about public-private partnerships publically, yet maybe few know that he has in fact also worked in the background to make this a success. He highlighted this in his Presidential Newsletter dated 11 March 2024 (available at www.thepresidency.gov.za). It is worth a read. This joint initiative saw 130 CEOs pledge support and together they identified 3 areas to focus on: Power, Logistics, and Security. Factually, 3 committees have grown from these engagements - NECOM (National Energy Crisis Committee); JICC (Joint Initiative on Crime and Corruption) and NLCC (National Logistics Crisis Committee) and businesses are working with the Government to address them. The 130 CEOs have confirmed that the contents of Cyril’s newsletter are accurate and have released their own scorecard (available at www.businessforrsa.org). Business 4SA were recently quoted in the press suggesting load shedding could be a thing of the past by the end of 2025.

There is much to be unhappy about and many things don’t work as they should. For me, having recently travelled internationally, I still saw nothing out there that was substantially better that might make me consider greener pastures. We still have much to fight for. Let’s hope the GNU news has been positive.



Tourists are returning to South Africa and enjoying the country’s myriad hotspots.



By the time of our next Insight seminar, our election will be out of the way. We will take the opportunity to review market performance for the first five months of the year, and look ahead to what the second half might hold.

Please note that we will be hosting both a morning and evening presentation in Cape Town. The venues will be communicated once finalised.



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Topic: **Taking Stock: Mid Year Update**

Natal Midlands

Date: 20 June, 2024
Venue: Christ Church Howick, 23 Mare Street, Howick
Morning Time: 10am for 10.30am
Evening Time: 5.30pm for 6pm

Johannesburg

Date: 11 June, 2024
Venue: Rosebank Union Church, Cnr William Nichol and St Andrews Road, Hurlingham
Time: 7am for 7.30am

Cape Town

Date: 13 June, 2024
Venue: SSISA Conference Centre, Boundary Road, Newlands, Classroom 1, 3rd Floor
Time: 7.30am
Venue: ABRU Motor Studio, Lourensford Wine Estate, Somerset West
Time: 5.30pm for 6pm



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