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Is end of 'Zuma debacle' in sight?

I have generally avoided politics in my articles believing that politics and governments don't really affect long-term investing.

However, the current political situation and policy crisis, which go hand in hand, is certainly a factor investors need to keep firmly in mind.

A recent study alluded to three potential scenarios for future South African politics, much the same as Clem Sunter's high road, low road scenarios of the early '90s. The high road in this case, called the Mandela scenario, paints a positive outcome for South African politics and policy.

The Mandela scenario sees the ANC reformists in charge driving sound economic policy leading to economic growth and job creation, thereby eliminating poverty and narrowing the inequality gap.

The middle road scenario referred to as Bafana Bafana sees SA muddling along till 2024 with the same issues we face to today, of unemployment, poverty and inequality.

The low road sees the traditionalists aka the Zumpta camp and cronies winning the current political battle with a rapid slide to junk status and beyond. I hate to use the comparison, but dare I say a Zimbabwe outcome?

The current power struggle taking place within the ANC between the reformists and the traditionalists appears to be on a knife's edge with finance minister Pravin Gordhan and public protector Thuli Madonsela portrayed as the face of the reformists pitted against the traditionalists, who appear to be firmly entrenched in key government and quasi government positions.

You know the names as they regularly appear in front page news, usually exposed for their ineptitude, ludicrous statements or cor-

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rupt activities. And it looks like winner takes all.

So it is quite understandable why there is no or very little investment taking place in South Africa. There is no confidence and the risks are great.

For me the glimmer of hope starts with our free press and the fact that a "pull no punches" article such as the one written by Justice Malala gets published, in which he refers to President Zuma as a "a sexist, homophobic, crass, incapable and shameless man who has handed over important and prominent cabinet posts to his friends, was the original embodiment of mediocrity, and on his watch mediocrity has flourished."

My prediction, with the caveat that I may be biased towards seeing the glass half-full rather than half-empty, is for the end of the Zuma debacle, as economic pressure grows and ultimately forces change from within.

I expect the local elections in August to be the forerunner of the ultimate removal of Jacob Zuma at the ANC party elections in 2017 and a new era for SA.

If I am wrong the rot will continue through to 2019, causing immeasurable damage to SA Inc.

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