



## WEEKLY POLITICAL AND ECONOMIC REVIEW 23 AUGUST 2019

### 1. PRIORITY BILLS



#### 1.1. NATIONAL CREDIT AMENDMENT BILL

- President Cyril Ramaphosa signed the National Credit Amendment Bill into law on the 13<sup>th</sup> of August 2019;
- The bill was passed by the National Assembly on the 12<sup>th</sup> of September 2018 and the National Council of Provinces on the 6<sup>th</sup> of March 2019;
- Under the bill, debt relief will be provided for consumers earning less than R7 500 per month with unsecured debts of up to R50 000;
- Consumers will be expected to apply for the relief at the National Credit Regulator (NCR) who will decide whether the situation is dire enough;
- The piece of legislation has gathered some criticism over fears that it may prove detrimental for the economy;
- The Banking Association of South Africa (BASA) expressed disappointment at President Ramaphosa's decision to sign the bill, stating that the economic impact would be severe;
- Democratic Alliance (DA) Shadow Minister of Trade and Industry, Dean Macpherson, believes the law will weaken the fight against illegal lenders and disrupt the credit market while posing a financial risk for the country;
- The Congress of South African Trade Unions (Cosatu) has cautioned consumers from accumulating more debt under the new law;
- The African National Congress (ANC) hopes that the Bill will assist low-income earners and protect them from being targeted by reckless credit agreements.



## **1.2. ADMINISTRATIVE ADJUDICATION OF ROAD TRAFFIC OFFENCES BILL**

- President Ramaphosa signed the Administrative Adjudication of Road Traffic Offences (Aarto) Bill into law on the 13<sup>th</sup> of August 2019;
- It will come into effect after being published in the government gazette;
- The Bill was introduced to Parliament in December 2015 by the Transport Ministry;
- It gained the approval of the National Assembly in November 2018 and the National Council of Provinces on the 5<sup>th</sup> of March 2019;
- The Bill introduces a demerit system for South African road users and may lead to the loss of a driving license;
- Offending road users will be allocated between one to six points depending on the severity of the offence;
- Over twelve points results in a driver's license suspension, and three suspensions will result in its cancellation;
- Transport Minister Fikile Mbalula believes the system will assist in lowering road carnage;
- Justice Project South Africa said there would be huge administration burdens and motorists could be served fines via platforms such as twitter, whatsapp, facebook and Instagram;
- The Organisation Undoing Tax Abuse (Outa) intends on taking the bill to court once it has been published in the government gazette;
- They have cited concerns over the constitutionality of the bill and the costs around the system's implementation;
- Outa Portfolio Manager for Transport Rudie Heyneke stated that the Bill is more concerned with collecting revenue than it is about promoting road safety;
- The Automobile Association (AA) also slammed the bill arguing that many of the amendments to the act raise questions about the practicality of the system's implementation;

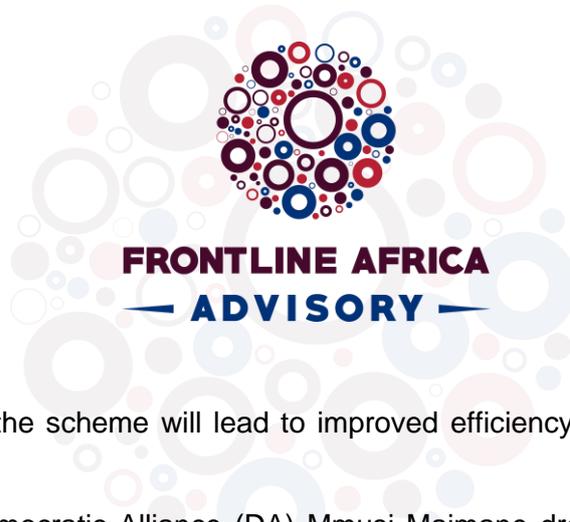


- Trade Federation COSATU welcomed the signing of the bill, saying it will reduce the carnage on the country's roads, which have been a massive drain on the economy.



## **2. THE PRESIDENT'S QUESTION AND ANSWER SESSION IN PARLIAMENT**

- President Cyril Ramaphosa appeared before the National Assembly on the 22<sup>nd</sup> of August to answer a round of tough questions brought forward by Members of Parliament;
- Questions ranged from the implementation of the National Health Insurance (NHI) to allegations of state capture linked to Bosasa;
- The President was asked if he would set in place an independent inquiry into Bosasa, to which he stated there would be no need;
- President Ramaphosa said that the country's efforts should rather be focused on supporting the Zondo Commission of Inquiry into State Capture;
- The President also faced questions relating to his ANC CR17 campaign and its funders;
- He insisted that the campaign was legitimate and that there was no wrongdoing in the funding its activities;
- On the NHI, the President stated that the NHI Fund would ensure that staff, medicine and equipment are distributed fairly,



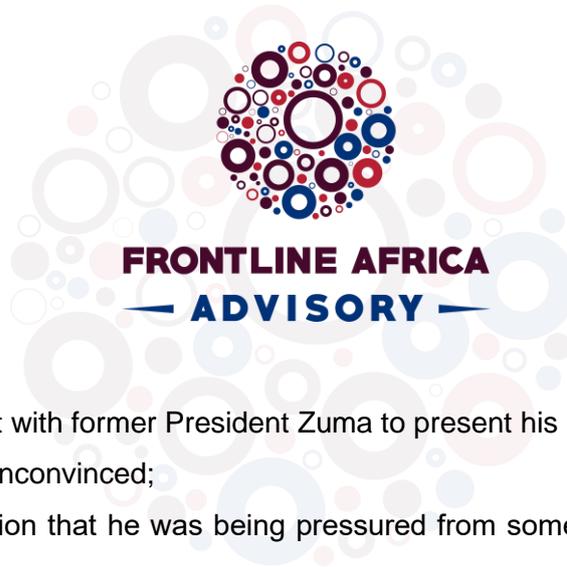
- He believes that the scheme will lead to improved efficiency, transparency and accountability;
- Leader of the Democratic Alliance (DA) Mmusi Maimane dropped a bombshell during the session when he revealed a letter from former ANC Secretary-General Zweli Mkhize thanking Bosasa CEO Gavin Watson for a R3 million donation;
- Responding to this, President Ramaphosa said he needed time to reflect on the letter.



### **3. STATE CAPTURE INQUIRY**

#### **3.1 Mxolisi Nxasana**

- Former National Director of Public Prosecutions (NDPP) Mxolisi Nxasana made his appearance before the Commission on the 19<sup>th</sup> of August 2019;
- Nxasana informed the Commission former NPA Advocates Nomgcobo Jiba and Lawrence Mrwebi were involved in a plot to have him removed from his NDPP position;
- According to Nxasana, the plot involved peddling misinformation about him to former President Jacob Zuma;
- He brought this to the attention of former Justice Ministers Jeff Radebe and Michael Masutha with little success and believes that they had ‘taken sides’ against him;
- The former NDPP boss had heard rumours that Zuma was unhappy with him and believed Nxasana planned to reinstate corruption charges against him;



- Nxasana later met with former President Zuma to present his side of the story but believes he was unconvinced;
- “I got the impression that he was being pressured from somewhere to get rid of me”;
- The Commission also heard that the former President accused Nxasana of holding secret meetings with former NPA boss Bulelani Ngcuka, which Nxasana denied;
- Former President Zuma, according to Nxasana, believed that Ngcuka disliked him as he was NPA boss when the corruption charges against him were instituted;
- Nxasana was later subjected to an inquiry into his fitness to hold office in 2014, which dragged for over a year;
- The pair later reached a settlement agreement which saw Nxasana walk away with R17 million.

### **3.2 Peter Thabethe**

- Former Free State Department of Agriculture HOD Peter Thabethe made an appearance before the Commission on the 20th of August 2019;
- Thabethe informed the Commission that just a day before Gupta-linked Estina reached an agreement with the provincial government, it had only R16 in its bank account;
- The former Agricultural head also admitted to the government not doing proper due diligence where Estina was concerned;
- According to him, the department failed to verify whether the company had the millions it pledged for the project;
- According to his understanding and a proposal bought forward by Estina, India-based dairy production company Paras was meant to provide funding through Estina;
- A presentation to the executive council later stated that Estina would provide the capital injection while Paras would provide technical expertise;



**FRONTLINE AFRICA**  
— **ADVISORY** —

- The final agreement between Estina and the department, however, made no mention of Paras;
- He informed the Commission that he was unsure of the expertise Paras brought into the project;
- "There was a stage when they indicated that there was a vet on-site, but I am not really sure exactly what expertise overall," Thabethe told the Commission;
- Thabede also revealed that both companies were often referred to interchangeably during discussions.



#### **4. PRESIDENT'S COORDINATING COUNCIL**

- The President's Coordinating Council (PCC) held its first meeting with the new administration on the 20<sup>th</sup> of August in Pretoria;
- The meeting brought together Ministers in The Presidency; the Ministers, Deputy Ministers and Directors-General of Cooperative Governance and Traditional Affairs, Finance and Public Service and Administration; the nine Provincial Premiers and provincial Directors-General; Executive Mayors of the eight Metros as well as the South African Local Government Association (SALGA) President, Deputy President and Chief Executive Officers;
- The gathering was focused on models to better the coordination and impact of government service delivery and development, amongst other issues;
- The Council endorsed the Khawuleza ('hurry up') District Coordination Service Delivery Model;

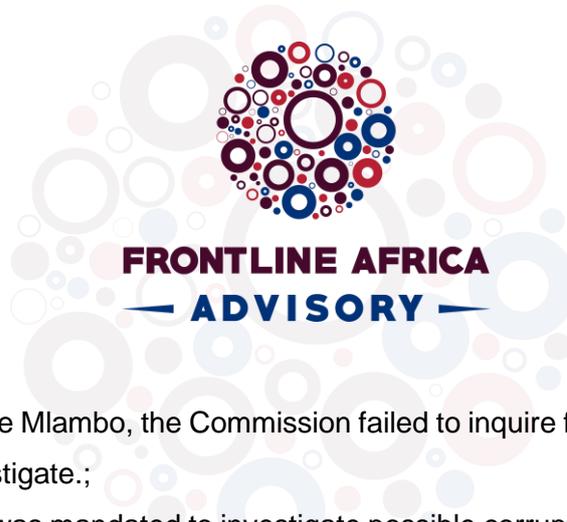


- The endorsement of the Khawuleza Model follows overwhelming support for the new approach by joint committees of Cabinet and by the Local Government MINMEC, the structure that comprises the Minister for Cooperative Governance and Traditional Affairs, provincial Members of Executive Councils for local government and SALGA;
- Across the 44 districts and 8 Metros in the country, all developmental initiatives will be viewed through a district-level lens;
- Development will be pursued through single, integrated plans per district – one district, one plan - that will outline the role of each sphere of government as well as the role of communities and civil society sectors in each district;
- In a statement, the Presidency said the new district-based model for development will synchronise planning by all spheres of government and involve citizens and civil society in the development of the country's metros and municipal districts.



##### **5. SERITI COMMISSION'S ARMS DEAL FINDINGS SET ASIDE**

- Judge President Dunstan Mlambo on Wednesday set aside the findings of 2016's Seriti Commission looking into the controversial 1999 arms deal, with costs;
- This followed an application from two civil society groups, Corruption Watch (CW) and the Right2know Campaign (R2K), to have the findings of the commission declared null and void;



- According to Judge Mlambo, the Commission failed to inquire fully into the matters that it had to investigate.;
- The Commission was mandated to investigate possible corruption during the 1999 Strategic Defence Procurement Package (SDPP) that saw the SA National Defence Force (SANDF) acquire new front-line equipment for the Air Force and Navy;
- Now retired Judge Willie Seriti found that there was no corruption involved in the acquisition of frigates, submarines, jet fighters, jet trainers and light and maritime helicopters;
- Corruption Watch and Right to Know (R2K) welcomed the setting aside, saying it was important to note the findings of commissions of inquiry are subject to judicial review;
- The Democratic Alliance (DA) has welcomed the judgement, stating that the Inquiry was also set up to protect and clear the names of implicated persons;
- The Economic Freedom Fighters (EFF) believes it would be an insult not to hold Judge Willie Seriti liable for costs.



## **6. COMMITTEE SET UP TO PROBE FRAUD, CORRUPTION AT GAUTENG MUNICIPALITIES**



- Gauteng Cooperative Governance MEC Lebogang Maile announced that a Committee has been set up to investigate allegations of fraud, maladministration, and corruption in Gauteng municipalities;
- The MEC cited the Auditor-General's report on municipalities which showed regression, as the reason for setting up the Committee;
- Maile says of the 11 municipalities including the three metros, only 2 municipalities- Midvaal and Ekurhuleni are in a healthy state;
- The committee would start work immediately and was given three months to carry out its work.



## **7. NEW ETHEKWINI MAYOR ANNOUNCED**

- The ANC in KwaZulu Natal, on the 22<sup>nd</sup> of August, announced Transport MEC Mxolisi Kaunda as new mayor-elect for the eThekweni Municipality;
- The announcement was made by party officials during a media briefing;
- Kaunda replaces ousted Mayor Zandile Gumede, who was relieved of her duties amidst corruption charges linked to irregular tender processes;
- MEC for Finance, Belinda Scott, will now be Deputy Mayor;
- The new Speaker for the Municipality is MEC for Social Development Weziwe Thusi.



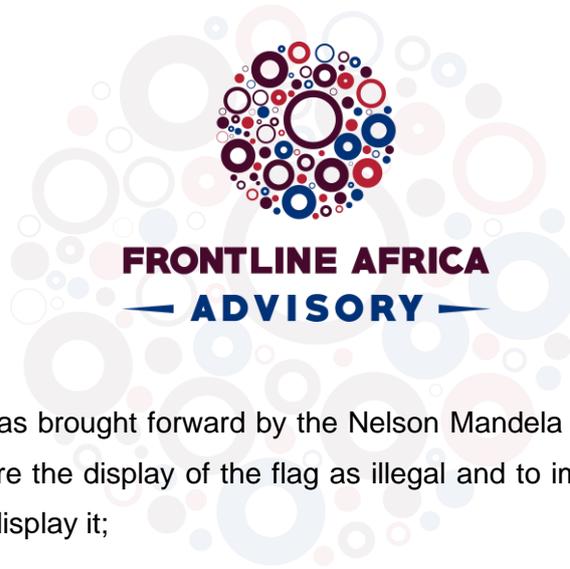
#### **8. IFP NATIONAL CONFERENCE**

- The Inkhatha Freedom Party (IFP) kicked off its 35<sup>th</sup> National Conference in Ulundi, KwaZulu-Natal;
- For the first time in its 44 year history, the IFP is likely to elect a new leader as Prince Mangosuthu Buthelezi is expected to step down;
- Velenkosi Hlabisa is expected to replace Prince Buthelezi as leader of the party;
- However, reports emerged this week that former IFP national chairperson Ziba Jiyane is looking to challenge Buthelezi's preferred candidate Velenkosini Hlabisa.



#### **9. EQUALITY COURT RULES GRATUITOUS DISPLAY OF APARTHEID FLAG IS HATE SPEECH**

- On the 21<sup>st</sup> of August, the Equality Court ruled the gratuitous display of the old South African Apartheid flag as hate speech;



- The application was brought forward by the Nelson Mandela Foundation, asking the court to declare the display of the flag as illegal and to impose sanctions on those who freely display it;
- AfriForum has opposed the application citing freedom of speech and stating that the Equality Act discusses hate speech along the lines of words and not symbols;
- In handing down the judgement, Judge Phineas Mojapelo stated that no good could come from the display of the flag and that those who display it aim to insult and express feelings of white supremacy;
- AfriForum and Freedom of Expression Institute have both described the judgement as a setback for freedom of speech;
- Chairperson of the DA's parliamentary caucus Annelie Lotriet said that although it is vital for South Africans to rally behind its democratic flag, the old flag formed part of the country's dark history and should be used for educational purposes;
- The EFF has welcomed the ruling and further called on President Ramaphosa to ensure that Die Stem is removed from the national anthem;
- "Forcing black people to sing Die Stem is like asking them each day to salute the apartheid flag."

## **AFRICA WATCH**

### **1. GHANA**

#### **1.1 Minerals and Mining (Amendment) Act, 2019**

- President Nana Addo Dankwa Akufo-Addo, disclosed to the Chairperson and Members of the Council of State on the 19<sup>th</sup> of August 2019, that he gave his assent to Minerals and Mining (Amendment) Act, 2019;



- The Act has amended the Minerals and Mining Act, 2006 (Act 703), and has increased the penalties for a person who buys or sells minerals without a licence or without a valid authority;
- The Act has also increased the penalties for a person who engages in mining contrary to a provision of the Act.

### **1.2 Head of Procurement Suspended**

- Ghana's head of public procurement, Mr Agyenim Boateng Adjei, has been suspended by the President due to allegations of improper conduct;
- According to a report, the suspended official was involved in the selling of government contracts using a private company Talents Discovery Limited;
- The company, that he is a 50% shareholder of, has been awarded various contracts from key government institutions;

The President has referred the allegations to the Commission on Human Rights and Administrative Justice and the Office of Special Prosecutor.

## **SUDAN**

### **2.1 Transition Agreement Finalised**

- The country's main opposition coalition and the military council signed a final power-sharing agreement on the 17<sup>th</sup> of August;
- The deal was signed by Mohamed Hamdan Daglo, Deputy Chief of The Military Council, and Ahmed al-Rabie, representing the Alliance for Freedom and Change and makes way for a 39-month transitional government;
- Sudan's elections are now set for 2022;
- Present at the historical event were African Union Commission Chairperson Moussa Faki Mahamat, Ethiopian Prime Minister Abiy Ahmed, who helped broker the accord, and representatives from Egypt, Saudi Arabia and the United Arab Emirates;
- This signals an end to a prolonged political upheaval that led to the ousting of President Omar al-Bashir after three decades in power.

### **2.2. Members of the Sovereign Council sworn in**



- The new, 11-member body, comprising of Sudan's pro-democracy movement and the army — called the Sovereign Council — was sworn in as at Wednesday;
- The Council is to rule Sudan for a little over three years until elections can be held. The two parties — protest leaders, army — officially signed a transitional power sharing agreement on August 17 after months of political and mediation back and forth;
- Gen. Abdel-Fattah Abdelrahman Burhan, who chaired the TMC, will lead the Sovereign Council for the first 21 months
- A civilian leader appointed by the protest movement is to follow Burhan for the next 18 months, according to the deal;
- Other members of the military sitting on the SC include: Gen. Mohammed Hamadan Dagalo, Kabashi, Lt. Gen. Yasser Atta and Lt. Gen. Ibrahim Gaber;
- Among the five council members named by the pro-democracy movement are a woman and a journalist;
- Both sides agreed on the appointment of a Coptic Christian judge, Raja Nicholas Issa, as the 11th member of the council.

### **2.3 Ousted President Bashir Appears in Court**

- Former Sudanese President Omar al-Bashir appeared before a court of law in Khartoum at the start of his corruption trial on the 19<sup>th</sup> of August;
- This came just hours after a power-sharing agreement was reached with the ruling Sudanese military council and the pro-democracy alliance;
- Bashir has been charged with the illegal possession of foreign currency and accepting gifts in an unofficial manner;
- Police Brigadier General Ahmed Ali Mohamed, an investigator in the case, informed the court that Bashir confirmed receiving \$25 million from Saudi Arabia's Crown Prince Mohammed Bin Salman;
- Mohamed also revealed that Bashir informed investigators he received \$65 million dollars, in two separate payments, from former Saudi King Abdullah;



- Bashir, according to Mohamed, stated that the money was exchanged and spent and that he had no recollection or evidence to provide further details;
- Bashir's lawyer Ahmed Ibrahim highlighted lack of information and evidence linked to the accusations;
- The former President's next court hearing is set for the 24<sup>th</sup> of August 2019.

### **3. SOMALI STATE BRACES FOR ELECTIONS**

- Somalia's southern state of Jubaland is under lockdown ahead of a tense election on which has pitted regional authorities against Mogadishu and sparked tensions with neighbouring Kenya and Ethiopia;
- The highly contested election in the semi-autonomous state has been postponed several times as a result of what observers say is a power struggle between Mogadishu, the regional government and their foreign backers;
- Kenya sees Jubaland, a lush, relatively prosperous part of Somalia where it has many troops, as a buffer between it and Al-Shabaab militants who have staged several bloody attacks across the border;
- Prime Minister of Ethiopia, Abiy Ahmed has renewed ties with Mogadishu, and is now backing their stance in what is seen as a rejection of the historical alliance with Nairobi;
- The United Nations mission in Somalia on Wednesday called for a "single electoral process that is credible, inclusive, fair and peaceful".

### **4. Nigeria**

#### **New Cabinet Instated**

- Nigerian President Muhammadu Buhari swore members of his cabinet into office on the 21<sup>st</sup> of August;
- The cabinet is comprised of 43 members, with seven being women and the youngest being in their mid-40's;
- President Buhari has kept the petroleum portfolio, however, under his control;



- The President has been criticised for retaining veterans from the ruling party instead of including more women and young people;
- President Buhari, however, remains confident that the government will be able to meet the challenges and demands faced by the country.