

South Africa's Bright Future

Embracing Change &
Opportunity

24 October 2024

Colin Long CFP®

Consolidated Wealth Group™

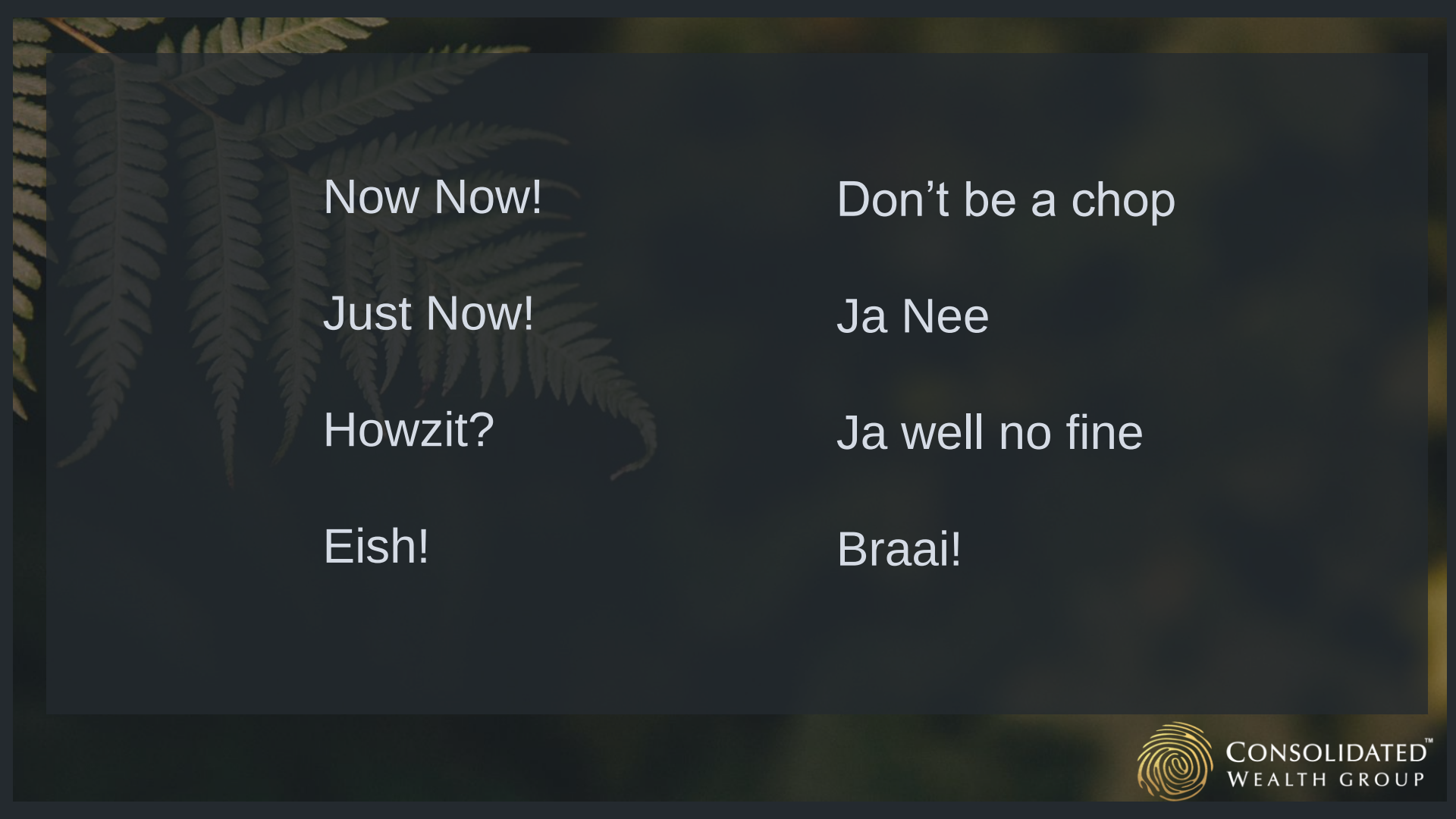


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SAFA's, 101



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Now Now!

Just Now!

Howzit?

Eish!

Don't be a chop

Ja Nee

Ja well no fine

Braai!



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Hy is deurmekaar soos kots in n' tuimeldroer

Ek kan nie almal gelukkige maak nie, ek is
nie n braai-brootjie nie.

Dit is bo my vuurmaak plek



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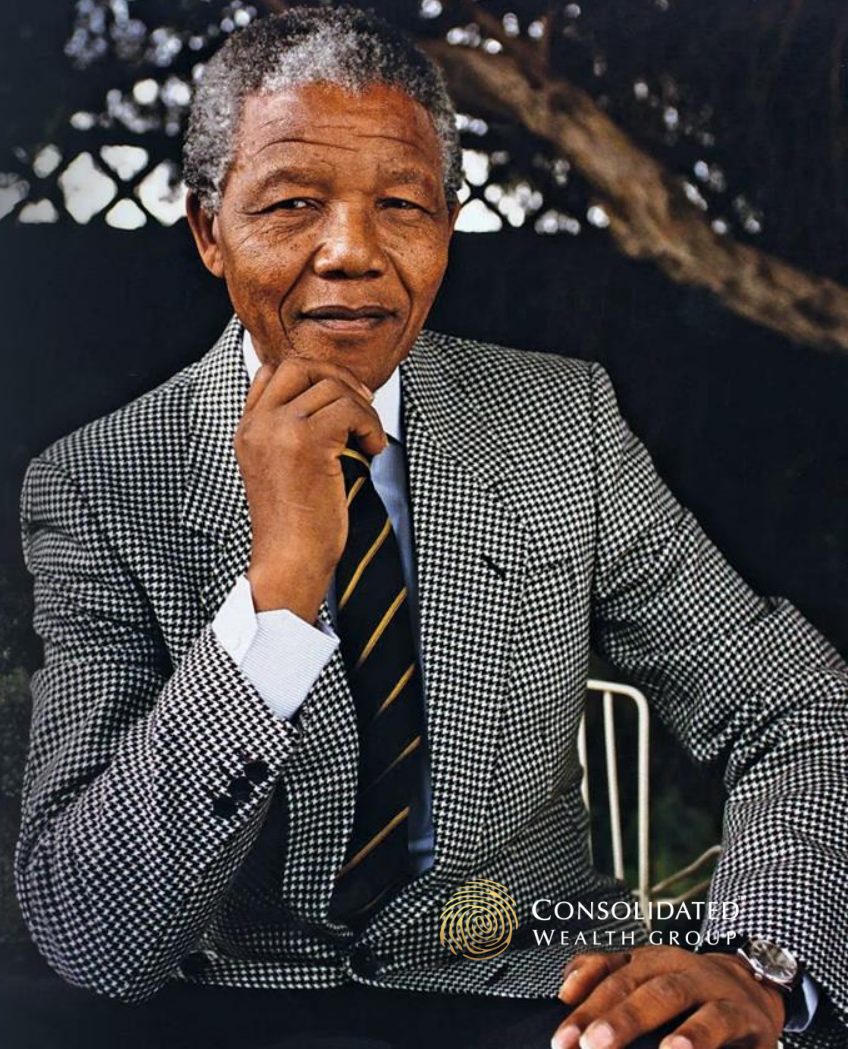
“South African accent
voted **second sexiest** in
the world”

S.A. is HOME TO.....



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One of the most
famous and
celebrated men in
the world.



The worlds
richest man



A photograph of two men performing a high kick in a dark setting with blue lighting. The man on the left is wearing a black t-shirt and black pants, and is captured mid-air with his right leg extended upwards. The man on the right is wearing a black tank top and black pants, and is also captured mid-air with his right leg extended upwards. In the background, a woman in a yellow dress is visible on the left, and a man in a blue shirt is visible on the right. The overall atmosphere is dynamic and energetic.

Pioneer of
social cohesion
in South Africa



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Reserve Bank
Governor -
2018

The Most Expensive m² of Prime Property in the World

Square metres of prime residential property \$1 million can buy in selected cities



* Exchange rates calculated on Dec 31, 2021

Source: Knight Frank



statista



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South Africa has been named
the **world's friendliest nation**,
by a new global data study

Source: <https://www.remitly.com/gb/en>

Rank	Country	Average 'friendliness' score out of 40
1	South Africa	34.63
2	Greece	33.71
3	Croatia	33.5
4	Mexico	33.47
5	Sweden	33.3
6	Australia	33.13
7	Canada	32.84
8	Germany	32.66
9	Estonia	32.58
10	Belgium	32.5

Where Did We Come From?



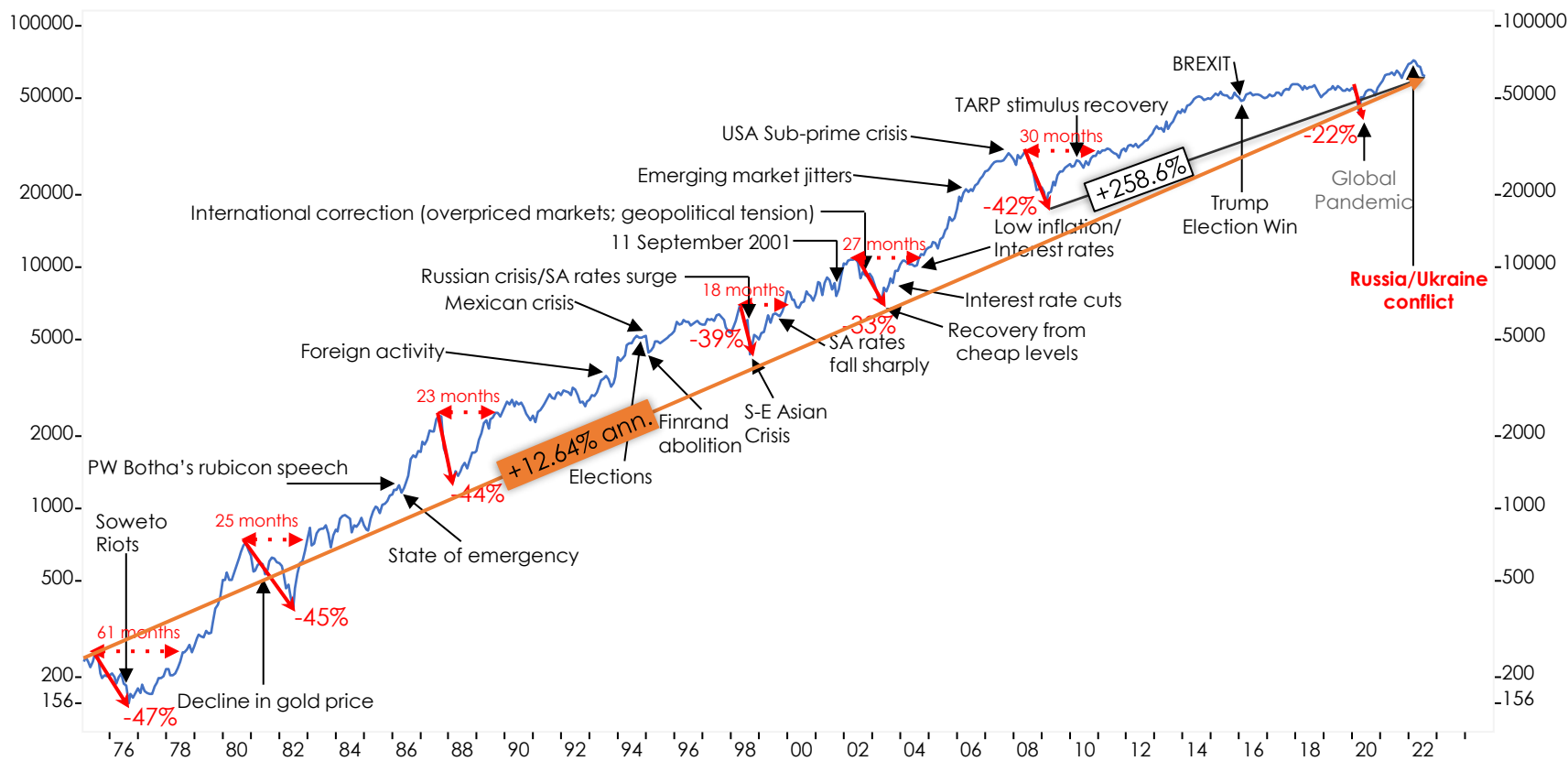
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The Seduction Of Pessimism



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We Have Been Here Before



FAKE NEWS & ANCHORING BIAS



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DID YOU KNOW!?



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Which Countries Are Becoming Wealthier?

% change
in wealth
2010-2023



Wealth = Financial assets + Real assets - Debts
e.g. stocks e.g. homes



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These countries saw negative growth.



Source: UBS Global Wealth Report 2024
Select economies only. All values measured in USD.



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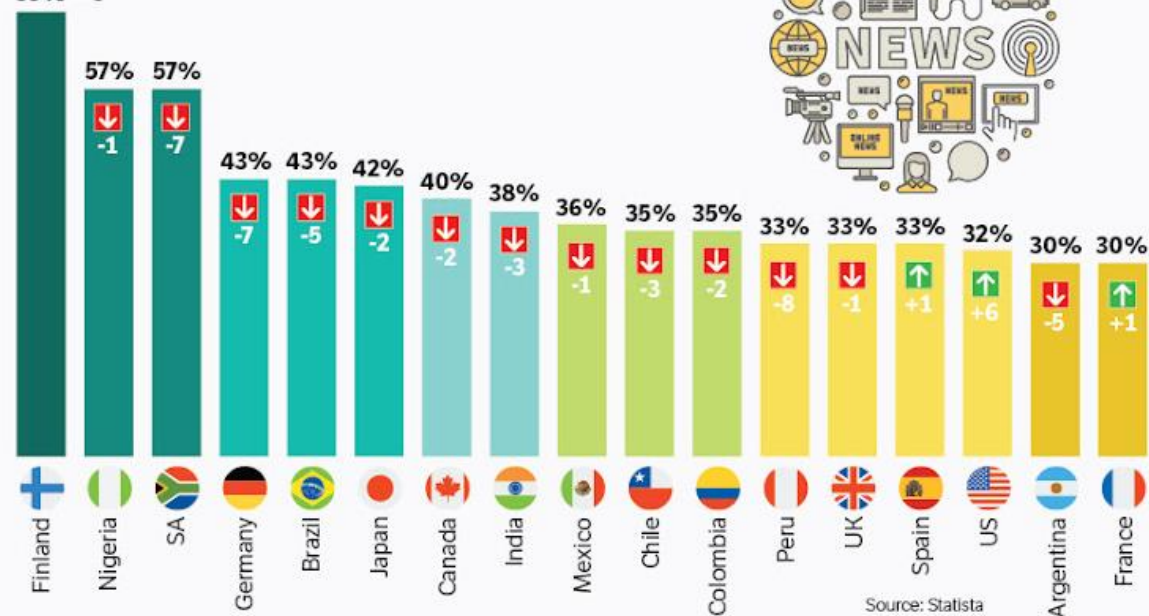
BY THE NUMBERS

WHERE TRUST IN THE NEWS IS HIGHEST AND LOWEST

SA and Nigeria rank high in a 2023 Reuters survey of respondents in selected countries on whether "you can trust news most of the time"

Change from 2022 (percentage point)

69% = 0



Source: Statista



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6 Positive Ways In Which SA Has Developed Over The Past 15 Years

- 1. Education:** The percentage of people with no formal schooling has dropped by 6.7 percentage points nationally between 2002 and 2017
- 2. Literacy:** Nationally, the literacy rates of people over the age of 20 have consistently remained over 90% between 2002 and 2017 and even increased from 91.9% in 2002 to 94.3% in 2017.

6 Positive Ways In Which SA Has Developed Over The Past 15 Years

3. Health: The overwhelming majority of South Africans reported their health as being good or better. Of those surveyed, 39.9% reported their health as being good, 21.5% reported their health as being very good and 30.9% reported their health as being excellent.

4. Electricity: The percentage of households connected to electricity mains has increased from 76.7% in 2002 to 84.4% in 2017.

6 Positive Ways In Which SA Has Developed Over The Past 15 Years

5. Sanitation: The number of households with access to improved sanitation saw a massive growth of 20.5 percentage points between 2002 and 2017. The percentage of households with no toilet also decreased from 12.6% in 2002 to 3.1% in 2017

6. Access to food: The percentage of households who were vulnerable to hunger has decreased from 24.2% to 10.4% over the 15-year period.

MEDICAL

- Sandile Ngcobo, PhD, from South Africa, is the scientist who invented and developed the **world's first digital laser**.
- The CSIR's Gene Expression & Biophysics group **designed the first induced pluripotent stem cells in Africa**, which opened the door for researchers to investigate various diseases and cures.

MEDICAL

- **RETINAL CRYOPROBE:** A new method used in cataract surgery was created at the Baragwanath hospital in Soweto in the mid-seventies by a specialist in retinal diseases, Selig Percy Amoils.
- **THE FULL-BODY X-RAY SCANNER:** The scanner was created by Lodox Systems, a S.A. company that created the full-body scanner from technology that was initially designed for the security sector – for the detection of stolen diamonds.

INVENTIONS

- **Oil from Coal (Sasol):** Sasol is the world's first – and largest – oil-from-coal refinery and it provides 40% of the country's fuel.
- **Kreepy Krauly:** The swimming pool vacuum cleaner was invented by Ferdinand Chauvier from Springs in 1974.
- **Pratley's Putty:** George Pratley invented Pratley's Putty while trying to create a glue that would hold components in an electrical box. In 1969 the substance was used to hold bits of the Apollo XI mission's Eagle landing craft together.

SPACE

- South Africa houses **one of the three largest telescopes** in the world at Sutherland in the Karoo.
- **Satellites in Space** by Country of Ownership: **SA ranks 26th** alongside Denmark, Finland, & Malaysia. USA @ 1, China @ 2, Russia @ 3, UK @ 5, Oz @ 15, Switzerland @ 34. Source: Economist.

SPORTS

- Since the 1940's, **South African golfers have won more golf majors** than any other nation, apart from the United States.
- The **Springboks have won the Rugby World Cup four times**, in 1995; 2007; 2019 and in 2023. The Springboks did not compete in the 1987 and 1991 IRB Rugby World Cup tournaments due to international sanctions.
- South Africa was the **first African country to host the FIFA Soccer World Cup** in 2010.
- It is only the **second country in the world to have hosted the Cricket, Rugby Union & Soccer World Cups, after England.**

SPORTS

- **Siya Kolisi**, the captain who led the Springbok rugby team to two World Cup victories (2019 and 2023), is currently one of the most recognisable sports figures in the world, having been **featured in Time magazine's "100 Most Influential People of 2024"**.
- 5 South Africans hold the world **extreme swimming world record** for swimming 2.5kms around Cape Horn.
- According to The Cricketer magazine, **Newlands** in Cape Town is **second-best Test Match venue in the world** in 2012. Lords was first

SPORTS

- South Africa is home to the world's
 - largest individually timed cycle race (the Cape Argus Cycle Race), the
 - world's largest open water swim (the Midmar Mile) and
 - The world's largest ultra-marathon (the Comrades Marathon)

SPORTS

SA has three stadiums in the world top ten

SA has 3 stadiums in the World Top 10

Rank	Stadium name	City	Google review score	Capacity	Average cost of accommodation	Walking distance from the train station (m)	Price of 2 one-way trips on public transport	Price of a McMeal or equivalent	No. of food and drink locations in the city	No. of Instagram posts
1	Stade de France	Saint-Denis	4.5	81,338	£65.96	0.4	n/a	n/a	70	326,810
2	Boris Paichadze Stadium	Tbilisi	4.7	56,000	£19.63	0.6	£0.58	£6.45	1,000	49
3	Estadio José Amalfitani	Buenos Aires	4.5	49,540	£50.25	0.4	£0.24	£4.23	3,300	2,225
4	Cape Town Stadium	Cape Town	4.6	55,000	£62.03	1.6	£1.70	£3.58	880	20,685
5	Estadio Ciudad de La Plata	La Plata	4.5	53,000	£52.61	2.2	£0.32	£3.74	622	1,060
6	Twickenham Stadium	London	4.6	82,000	£98.93	0.6	£5.80	£8.00	13,500	51,260
7	Ellis Park Stadium	Johannesburg	4.4	62,567	£42.40	1.3	£2.72	£3.37	567	1,764
8	Stadio Olimpico	Rome	4.4	73,000	£77.73	3.1	£2.58	£8.61	3,200	326,029
9	Principality Stadium	Cardiff	4.7	74,500	£65.17	0.2	£4.40	£6.75	810	53,715
10	FNB Stadium	Johannesburg	4.4	94,736	£42.40	4.7	£2.72	£3.37	567	20,536



TOURISM

- South Africa has **10 UNESCO World Heritage Sites** within her borders, the **highest number in any African country**.
- Home to the **world's longest wine route**: Route 62. It spans an impressive 850 kilometres.
- South Africa is ranked among the **top 3 countries in the world** (countries with more than 9 million tourists) in respect of **tourism growth**

- ***Dr Leon Schreiber / Home Affairs

TOURISM

- Two South African hotels ranked in top 50 **Most Romantic Hotels** in the World 2022
- **Mount Nelson** in Cape Town was rated as the **28th best hotel** in the world.
- Cape Town has the **fifth-best blue sky** in the world according to the UK's National Physical Laboratory.
- Cape Town International is **the best airport in Africa**, according to the World Airport Awards

TOURISM

- **Three South African cities** were voted amongst the world's **top 100 Most Liveable Cities** in the 2019 study conducted by Mercer Human Resource Consulting.
- **Kruger National Park** in South Africa was revealed as the **10th 'Most Popular Selfie Spot in the World'**
- TripAdvisor has named **Boulders Beach** as one of its **top 10 truly unique beaches** in the world.

EDUCATION

- **Nelson Mandela**, received **honorary degrees** from more than **50 international universities** worldwide. He also had a nuclear particle (the '**Mandela particle**'), a prehistoric woodpecker (*Australopicus Nelsonmandelai*) and an orchid (*Paravanda Nelson Mandela*) named after him.
- **The Rhodes Scholarship**, established in 1902 is an international postgraduate award. It is widely regarded as '**the most prestigious scholarship in the world**' with more than 7,000 Rhodes Scholars.

EDUCATION

- There are **20 000 registered Universities** in the world. **SA has 9 ranked in the Top 4% and 11 in the top 8%.**
- With the recent AACSB accreditation, the **University of Cape Town's Graduate School of Business** is now **one of just 59 out of 13,670 business schools** worldwide to be triple-crowned

EDUCATION

University	2019 QS Global Ranking
UCT	198
WITS	400
STELLIES	427
UJ	501
TUKKIES	561
RHODES	768
KZN	788
UWC	800
NORTH WEST	802

South African Nobel Prize Winners

1. Max Theiler – Physiology or Medicine, 1951
2. Albert Luthuli, Peace 1960
3. Allan M. Cormack, Physiology or Medicine, 1979
4. Aaron Klug, Chemistry, 1982
5. Desmond Tutu, Peace, 1984
6. Nadine Gordimer, Literature, 1991
7. Nelson Mandela & F.W. De Klerk, 1993
8. Sydenye Brenner, Physiology or Medicine, 2002
9. John Maxwell Coetzee, Literature, 2003
10. Michael Levitt, Chemistry, 2013

FINANCIAL

- The **JSE ranks 19th** in terms of “largest market capitalisation” NYSE # 1; Japan 3RD ; London 7th; Australia 16th.
- **Availability of financial services** - rated number **6 out of 138** countries
- **Soundness of banks** - rated number **8 out of 138** countries
- **Strength of investor protection** - rated number **10 out of 138** countries.
- The **South African stock market** is ranked **3rd in terms of regulation** in the 2019 Global Competitiveness Report.
- South Africa is the only African country that is a **member of the G20**.

FINANCIAL

- South Africa **not ranked in the top 30 countries** in terms of **household debt as a percentage of disposable income**. Denmark 1st at 281%, Australia 4th at 216%UK 11th at 148%.(Economist 2020)
- Reserve bank governor (**Lesetja Kganyago**) won the title of **best reserve bank governor** in the world in 2018.

FINANCIAL

- The Economist **Cost of Living Index** measuring 185 countries **ranks SA # 168 'lowest'**. 'Highest' is France at # 1; Switzerland # 4; Australia # 10; UK # 15; New Zealand # 22. Lowest is Venezuela at # 185.
- According to the **Open Budget Index 2019**, South Africa has the **most transparent budget in the world (1st)** behind New Zealand and Sweden.

FINANCIAL

Measure	SA	UK	USA	Australia	China	Switzerland	Ireland	India	Japan	Finland	Zimbabwe
Individual tax rates, top marginal rate	15th	15th	41st	15th	15th	27th	10th	24th	2nd	1st	27th
	@	@	@	@	@	@	@	@	@	@	@
	45%	45%	37%	45%	45%	40%	48%	42.7%	56%	57%	40%
Corporate tax, net effective rate	45th	50th	60th	18th	48th	100th	150th	48th	17th	67th	46th
	@	@	@	@	@	@	@	@	@	@	@
	28%	23%	21%	30%	25%	15%	12.5%	25%	30.6%	20%	24.72%



BUSINESS

- South Africa ranks in the **top 20 countries for agricultural output**.
- Trade and Industry: Wine time: South Africa is the **seventh largest wine producer in the world**, producing 3.9% of the world's wine. In 2016, South Africa produced 898.4 million litres of wine, of which two thirds was white wine and one third was red wine.
- Mohair: South Africa is the **biggest mohair producer in the world**. 47% of the world's mohair comes from our country
- South Africa ranks **37th out of 192 countries** in the Economist's "**Biggest Exporters**" Index.(2016).

BUSINESS

- SA ranks **36th in terms of industrial output & 33rd in terms of services output** (Economist 2020).
- SA ranks **32nd** out of 165 countries in terms of the **size of its US\$ reserves, ahead of Australia, Sweden and Chile**. The Euro Area ranks 1st, USA ranks 2nd, the UK 17th, (Economist 2020)
- SA ranks **27th in terms of number of cars produced and 36th in terms of number of cars sold**. (Economist 2020).
- According to International Finance Corporation (IFC), South Africa's micro, small and medium enterprises (MSMEs):
 - constitute more than 90% of all **FORMAL** business in the country,
 - employ 50-60% of the workforce
 - contribute 34% of GDP.

BUSINESS

The **first quarter of 2024** saw notable employment gains across various sectors:

- The **agricultural** sector added **21 046 jobs**.
- **Mining and quarrying** saw an increase of **8 630 jobs**.
- The **manufacturing sector** witnessed a substantial gain of **98 853 jobs**.
- **Wholesale and retail trade, motor trade, hotels, and restaurants collectively created 108 881 jobs**.
- Jobs in the **transport, storage, and communication** sector increased by **38 979**.
- The **private household** sector saw a gain of **44 138 jobs**

BUSINESS: WHY WOULD YOU INVEST IN S.A.?

Cost of Electricity

At US\$ 0.076 per kilowatt hour we **rank at position 48 on a list of 230 countries worldwide**. That implies we are **among the cheapest 20 percent of power consumers**.

Putting that into perspective, manufacturing countries with whom we compete, like **China** where the average cost of power is **\$0.084** which puts it at **position 56** on the list from the cheapest to the most expensive countries in the world, **South Africa actually has a considerable advantage**.

India's average is \$0.092, Thailand at position 77 averages \$0.107, Indonesia at position 73 averages \$0.101, Pakistan at position 55 averages \$0.081, the Philippines at position 138 averages \$0.165.

BUSINESS: WHY WOULD YOU INVEST IN S.A.?

Cost of labour?

World Bank figures set us at position **64 among the 158 countries** worldwide which have minimum wage legislation.

At \$11.60 per day, we are competing with:

- China's \$13.28,
- Bangladesh's \$4.75,
- Pakistan's \$6.40,
- Indonesia's \$6.05,
- Malaysia's \$14.15,
- Thailand's \$1.35

BUSINESS: WHY WOULD YOU INVEST IN S.A.?

Road and rail bottlenecks

An already public/private participation agreement is in place which will soon see privately-owned trains running on the State-owned rail network and experienced local companies freeing up two of our harbours - Durban and the new deep water port in Nelson Mandela Bay – Ngqura port.

Given the removal of a number of constraints in this sector, it is not too difficult to see that the country could return to an above **five percent growth rate** which economists have calculated could create 500 000 jobs a year.

BUSINESS / Kasinomics Revolution

Author GG. Alcock in his book 'Kasinomics Revolution' has a glimpse into our informal economy (***Kasi*** the colloquial name for a township)

> R450b economy

Type of Business	Outlets	Est. Business Revenue
Spaza Shops	150 000	R150b
Kasi Kos (Fast Food)	50 000	R90b
Izipoti (Taverns)	45 000	R90b
Kasi Stayela (Hair Salons)	60 000	R10b

Traditional Medicine

10,000

R18b

Taxis

250,000

R50b

Kasi Mechanics

80,000

R10b

Informal Business Rentals

?

R25b

Backyard Rentals

?

R20b



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BUSINESS / Kasinomics Revolution

- These figures obviously don't include all Kasi activities e.g. building yards, hardware stores, internet services, leather workers, furniture stores etc.
- Alcock estimates real unemployment (people with no source of income) to be 15%

***Formal Sector!

EMIGRATION

- **Rory O'Hagan**, principal of the **Chas Everitt Hyde Park & Sandton** office, has highlighted South African expats are returning, especially to the nation's economic hub.
“A very large percentage are actually buying homes in Gauteng, and in the northern suburbs of Johannesburg in particular,” said O'Hagan.

EMIGRATION

- “We **receive enquiries daily** from South Africans of all ages who have been living and working abroad, sometimes for many years, but are now returning to Johannesburg to take up new corporate jobs or to establish new businesses.”
- “**Most are highly skilled individuals with years of experience,** which is a benefit to SA,” O’Hagan said.

EMIGRATION

Some of the **reasons for coming back include:**

- Being tired of unpleasant **weather** and worried about natural disasters,
- Missing **family and friends**,
- Fears about the **fallout from the Ukraine and Middle East** conflicts
- The **high and rising cost of living** in Europe, the UK and the US, and
- The realisation that they can **purchase a much better property in SA** with euros, pounds or dollars than in the adopted countries.

Is South Africa The **Most Unequal** Country In The World?

The Gini Co-Efficient Says 'yes', Author Says 'no'

The GINI co-efficient (1 being most unequal, 0 being all equal, calculation reflected as a decimal between 1 and 0) **measures the difference of income distribution. Income** is invariably measured by a **payslip & PAYE returns, not by cash received** (8 million cash 'earners' in the informal sector).

The GINI co-efficient also does not measure the contribution that the 'social wage' makes to a family's income. In South Africa **28 million people** receive social grants of one sort or another (**7 million taxpayers**).

Is South Africa The Most Unequal Country In The World?

The Gini Co-Efficient Says 'yes', Author Says 'no'

Assuming a family of **five**, **two children**, **two parents/guardians** and a **Go-go**, the likely **value of the 'social wage'** is as follows, per month:

- Child grant at R520 x2= R1 040
- Go-go foster care x 1 = R1 180
- Old age pension x 1= R2 080
- Free schooling x 2 = R1 200*
- Free food at school x 2 = R1 000*
- Subsidised school transport x 2 = R400

Is South Africa The Most Unequal Country In The World?

The Gini Co-Efficient Says 'yes', Author Says 'no'

- Subsidised water = R300*
- Subsidised electricity = R300*
- Subsidised housing = R1200*
- **TOTAL = R8 700 (not included in GINI co-efficient calculations)**
 - ***Conservative estimates of 'value'
 - ***Free university & health care not included

Factor those numbers in and the picture changes dramatically.

Why it is unlikely **S.A.** will end up like **Zimbabwe**

People can speak up against the government without fear of consequence. This means that it will be possible to mobilize against the government on a massive scale. Related to this is that people can protest (peacefully or otherwise) with little fear of military force against them. The ability to create an open groundswell in South Africa means that any government will not last very long the moment people get to a tipping point.

South African presidency is strictly two terms, meaning that even within the same party, the situation that is in Zimbabwe will not be repeated

Why it is unlikely **S.A.** will end up like **Zimbabwe**

South Africa has very strong institutions that are somewhat autonomous from the government. Take the public prosecutor office. No such thing exists in Zimbabwe and nobody would have the authority to take on public figures in the way that they do. This means that the level of accountability of politicians is much higher in SA, and that will act as a mitigant against some of the actions that led Zimbabwe down this path.

The influence of colonial powers in South Africa is not nearly the extent that it is in Zimbabwe. It would be very difficult to impose sanctions on South Africa, especially seeing as it is a BRICS nation. The sanctions had a lot to do with Zimbabwe's demise.

Why it is unlikely **S.A.** will end up like **Zimbabwe**

The economy is much more diversified than Zimbabwe, and has a huge component of domestic production and consumption - meaning it will sustain itself for much longer than Zimbabwe could.

Despite the Rand situation, South Africa does have foreign currency and gold reserves meaning that at a certain point the Central Bank will have the ability to intervene, where the Zimbabwe situation started with the Central Bank finding itself with no foreign reserve at all.

RECENT HIGHLIGHTS

How business has helped pull **SA back from the brink**

- More than 150 CEOs from the private sector have signed up for the initiative, which is focused around three key areas deemed most urgent: energy, transport & logistics, and crime & corruption.
- Some 350 specialists have been deployed to power stations, Transnet and various crime initiatives, racking up more than 7 000 hours of contribution.
- Here are some of the milestones:

Energy

- No Load shedding for more than 8 months
- >Six gigawatts (GW) of new generation capacity has been added to the grid;
- The investment pipeline for new power generation has doubled;
- Requests for proposals (RFPs) have been issued for 7.6GW of renewable energy, gas-to-power and battery storage;
- New CEO for Eskom appointed (Dan Marokane);
- The National Transmission Company of South Africa (NTCSA) has been established, and a board put in place to unbundle & separately manage Eskom's transmission grid
- Eskom's energy available factor has improved above 55%.

Transport and logistics

- New CEOs appointed at Transnet (Michelle Phillips) and Transnet Freight Rail (Russell Baatjies);
- 36% less waiting time to anchor vessels (as at March 2024);
- 45% fewer vessels anchored outside Durban;
- National Treasury agreed to a R47 billion guarantee for Transnet, subject to conditions;
- R700 million investment in key rail corridors, much of it for security (with the private sector providing drones and other security support to combat cable and equipment theft);
- Transnet's draft 'Network Statement' has been published as the first step to attracting private investment and readying the rail provider for competition before the end of 2024; and.

Transport and logistics

- The decline in freight volumes was arrested in 2024 and volumes for the 2024/5 year are targeted for 193 million tonnes (Mt), just short of the 200-220 Mt needed to support economic recovery.

Crime and corruption

- 20 high & complex cases identified for prosecution with the NPA as part of a strategy to remove SA from the Financial Action Task Force grey list;
- Crime call centre modernised;
- NPA Amendment Bill tabled to establish the Investigating Directorate against Corruption and provide for the appointment of anti-corruption investigators;
- Exodus of skills from the NPA has been arrested and it is being re-staffed;
- A key target is the reduction of infrastructure crime at Eskom and Transnet, and there is evidence that this is happening.

NOTE WORTHY

- Johan Els, Chief Economist at Old Mutual - Energy Reform is the most **consequential structural reform** I have seen in South Africa apart from the shift to a democratic society.
- **Commission of enquiry** on State capture: Cost R1 B; recovered >R4 B
- **NPA & SIU**: >R13 B assets seized
- **High Profile Arrests** at Transnet; Eskom & other Parastals
- **Provinces are returning unspent budgets** for the first time – too scared to steal it.

HEADLINES

(last 3 months)



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HEADLINES

- GNU boosts business-government relations
- South Africa's GNU triggers wave of investment
- Consumer confidence improves to a five year high
- Strengthening ties: Ramaphosa's positive outreach to business
- Ramaphoria is back as government targets 3.3% growth by end 2025
- SA's golden week: Market surge and rand revival spark optimism
- Billy Downer: Allow more time to bring state capture crooks to book
'Things are happening; it's not enough, but watch this space'
says renowned prosecutor.

HEADLINES

- Suspended officials can no longer stay home on full pay as govt looks to use their skills elsewhere
- Foreign investors pumping money into government bonds.
- It's time to take a bet on SA Inc
- South African Bonds on fire
- Hawks arrest 673 people in high-profile cases, with the most in Gauteng and KZN
- Over 12 000 suspects arrested & 493 firearms removed from society during August operations.
- Rude awakening for construction mafias in South Africa.
- Shakedowns and construction mafia: Five years, more than 700 arrests.



HEADLINES

- Inside Eskom's stunning load shedding turnaround
- Eskom generating so much electricity it's switching units off
- South Africa going from zero to hero
- Massive railway upgrade to create over 10 million jobs in South Africa
- Confidence among middle and high-income earners in South Africa has staged a massive turnaround
- Moggy for manganese: SA company guns for global EV battery opportunity
- South Africa's big hitter CEOs on why they are optimistic about the country
- Private transmission projects coming early next year

HEADLINES

- Political commentator (Steven Grootes) believes Jacob Zuma's MKP is 'not a sustainable political party'
- SA's first commercial IPP wind farm starts delivering – to Sasol
- Expectations of good news from the finance minister
Godongwana in a strong position to report positive developments and announce acceleration of reforms to stimulate growth in the medium-term budget
- Operation Vulindlela is going full steam ahead

GOVERNMENT OF NATIONAL UNITY



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GNU

- The GNU has survived its first red line, is relatively stable.
- The president's balanced approach on controversial issues like the BELA bill, electricity bill and NHI has reinforced the GNU, relying on the old South African ability to find solutions through negotiation.
- From all parties we are seeing a commitment to the GNU with pragmatism trumping ideology.

- The increased confidence among and investment by manufacturers prove that the GNU is South Africa's best shot to break free from a decade of economic stagnation.
- Justice Malala, veteran political commentator is positive on South Africa's economic outlook despite stress points in the governing 'grand coalition'.

TAIL WIND



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TAIL WIND

- GNU has so far exceeded expectations / Political Stability
- Eskom: More secure energy future attracts investment
- Transnet on the mend
 - Overall revenue increased by around 12%, to R76.7 billion for FY 2024
 - Gearing stands at 46.2%, which is below our covenants [with banks] ... We also got an unqualified audit opinion from the Auditor-General
 - Transnet is targeting a return to profitability in FY 2025
- Government: Pro business shift in policy

TAIL WIND

- TWO Pot System
 - R10B SARS revenue
 - Debt reduction
 - Spending = Economic Growth
 - Side Hustle's
- Fuel Price Cuts
- Interest rate cuts
- Stronger rand
- Grey Listing
- China's recovery
- Manganese demand

TAIL WIND

- Surge in investment projects
 - 26 mega-projects (R800b) coming to South Africa – including a new airport and ‘city’
 - R28-billion boost for Gauteng roads
 - New R3-billion bakkie factory to be built in South Africa
 - Boost employment
- JSE
 - All time high (15% in the last quarter); still relatively cheap
 - SA listed property rallies almost 24% YTD
- Consumer and business confidence has improved

LOCAL IS LEKKER



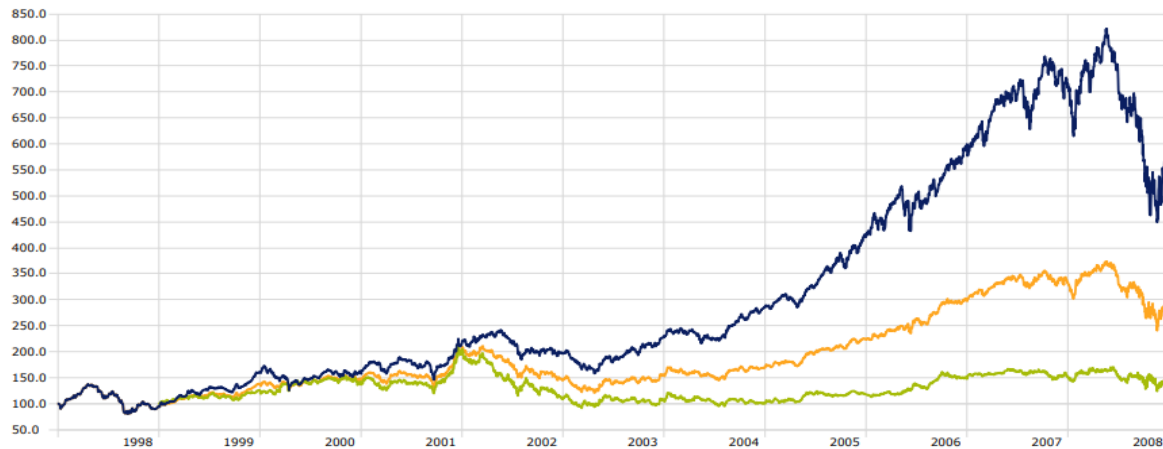
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JSE All Share vs S&P500

Investment Growth

Time Period: 01/01/1998 to 31/12/2008

Currency: South African Rand



— FTSE/JSE All Share TR ZAR

543.4 — S&P 500 NR USD

129.8 — 50%JSE ALSI & 50%S&P500

271.3

Trailing Returns - Annualised

Data Point: Return Currency: South African Rand

	01/01/1998 - 31/12/2008	01/01/1999 - 31/12/2008
FTSE/JSE All Share TR ZAR	16.63	19.16
S&P 500 NR USD	—	2.65
50%JSE ALSI & 50%S&P500	9.50	11.17

1998-2008



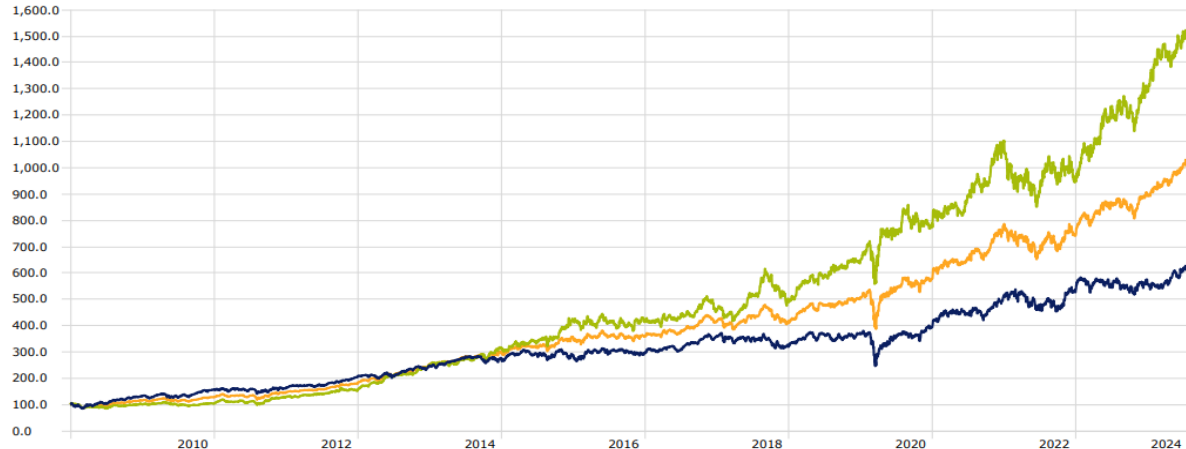
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JSE All Share vs S&P500

Investment Growth

Time Period: 01/01/2009 to 23/07/2024

Currency: South African Rand



— FTSE/JSE All Share TR ZAR

616.8 — S&P 500 NR USD

1,516.1 — 50%JSE ALSI & 50%S&P500

1,019.3

Trailing Returns - Annualised

Data Point: Return Currency: South African Rand

01/01/2009 -
23/07/2024

FTSE/JSE All Share TR ZAR

12.40

S&P 500 NR USD

19.09

50%JSE ALSI & 50%S&P500

16.09

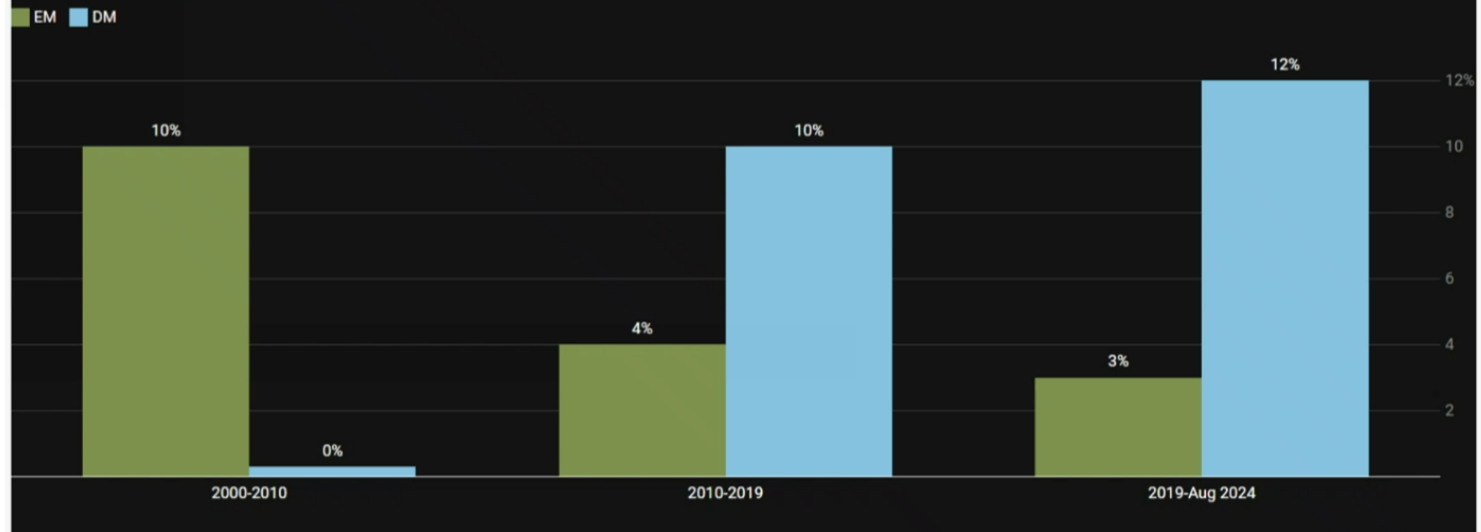
2009- July 2024



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EM vs DM

EM Outperformed Significantly in 2000-2010



Crises Present Opportunities

Market Crises over the Last 25 years

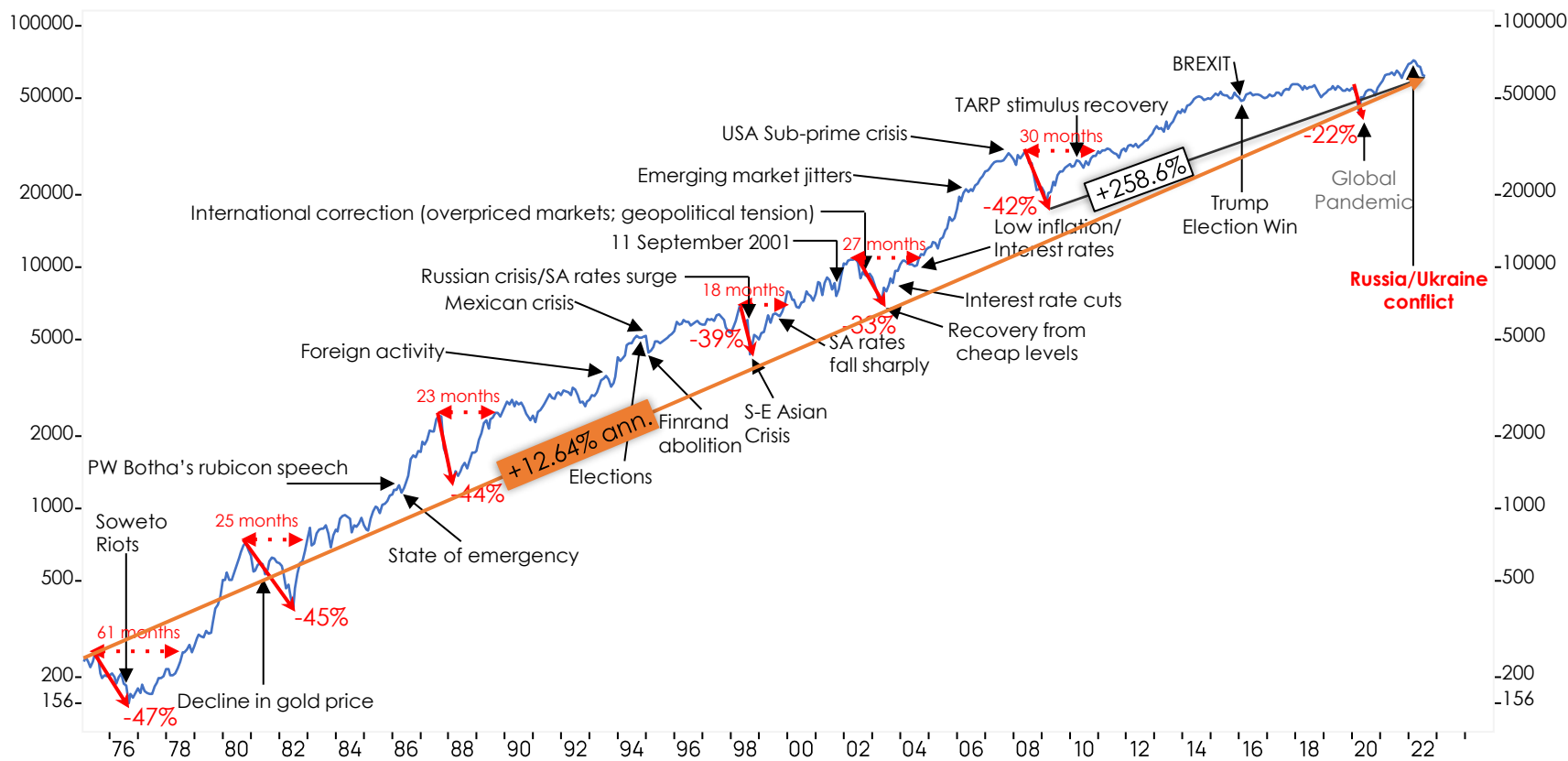
1998	EM / Russia Crises	ALSI	-43%
2001-2002	Tech Collapse + 9/11 + Enron	S&P	-36%
2008	Global Financial Crises	S&P	-57%
2020	Covid	S&P	-34%
2022	Recession + Interest Rates + War	S&P	-19%

Crises Present Outsized Opportunities to Add Value

ALSI	+ 110%	15 months later
S&P	+ 90%	3 years later
S&P	+ 109%	3 years later
S&P	+ 87%	1 year later
??		



We Have Been Here Before



Source: Old Mutual Investment Group, I-Net | Updated: 04.07.2022 | Data ending 30.06.2022 | FTSE/JSE All Share Price Index

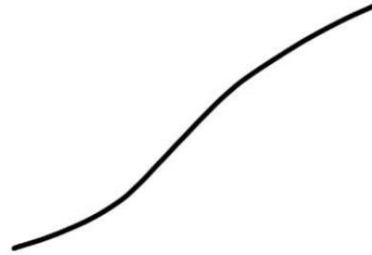


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DAYS



DECADES



DECIDE WHICH TO FOCUS ON...



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JOBS

Which Jobs Have a Future?

Jobs forecast to grow the most worldwide between 2023 and 2027*



Jobs with the largest employment gains*

1. Agricultural equipment operators
2. Heavy truck and bus drivers
3. Vocational education teachers
4. Mechanics and machinery repairers
5. Business development professionals
6. Building frame and related trades workers
7. University and higher education teachers
8. Electrotechnology engineers

Fastest-growing jobs**

1. AI and Machine Learning specialists
2. Sustainability specialists
3. Business intelligence analysts
4. Information security analysts
5. FinTech engineers
6. Data analysts and scientists
7. Robotics engineers
8. Agricultural equipment operators

* Based on absolute increase in jobs between 2023 and 2027

** Based on relative increase in number of jobs between 2023 and 2027

Source: WEF Future of Jobs Report 2023



statista

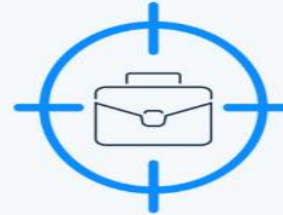


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JOBS

Wanted: The Most In-Demand Jobs of the Next Decade

Occupations with the highest projected change in employment in the U.S. between 2022 and 2032



Source: U.S. Bureau of Labor Statistics



statista



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FINAL REMARKS



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- **Civil society remains robust** – look at the fightback against state capture!
- **The courts are independent** – and are likely to remain so – and the rule of law is strong.
- **A large part of SA's economy** remains out of the control of government; corporate leadership & governance is strong and widely respected.



- In the longer term, **SA's democracy will become more electorally competitive.**
- **USA 1980's** / Brian Parsley
- Prophecies



- Our country will be experiencing massive “positive” change over the coming years,
- This will create massive opportunity
- Ambassadors; spread the word

May your choices reflect your hopes, not your fears
Nelson Mandela



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Q & A



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