

Food & Water Security in South Africa WEEKLY MONITOR

29 April - 5 May 2017

Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **Gauteng Premier David Makhura urges people to continue fighting for land redistribution in South Africa as the agrarian reform debate intensifies**
- **Numsa General Secretary Irvin Jim says the proposed national minimum wage of R3, 500 is an insult to workers amid increasing political and economic uncertainty in South Africa**
- **Business sentiment in South Africa's manufacturing slips sharply as PMI declines in April amid slow economic growth in the country**
- **South Africa's vehicle sales fall sharply, and across the board, fulfilling forecasts that economic uncertainty caused by SA's credit downgrading to junk status would have an immediate effect on consumer and corporate confidence**
- **Oxfam announces that South Africa remains one of the most unequal countries in the world as the richest 1% owns 42% of the country's social wealth**
- **South African Reserve Bank warns of tougher times ahead, pointing out that a deteriorating economic outlook and greater political risk have put the country's sovereign credit ratings under pressure**
- **Small Business Development Minister Lindiwe Zulu says that that South Africa must change its constitution to allow the seizure of land for redistribution to black people without compensation because the country's laws are hindering the transformation of the economy more than two decades after the end of apartheid**
- **South Africa's childhood obesity crisis in the spotlight amid reports that one in four children are already overweight and obese by the time they are six-years-old**
- **South Africa's consumer debt crisis deepens, scaling to R1.6 trillion, amid growing socio-political uncertainty in the country**

- **Political developments in South Africa threatens the housing market amid growing socio-economic problems in the country**
- **South Africa's water crisis worsens amid persistent droughts**
- **City of Cape Town mull further tightening of water restrictions as dam levels remain critically low despite recent rainfall**
- **Water restrictions partially lifted in Tshwane with effect from 8 May**
- **Water availability diminishes slowly from dams in South Africa as the drought crisis deepens**
- **South African Weather Service warns of dry spring amid expectations that the El Niño phase will occur during the next spring and summer seasons**
- **COSATU calls for Mayor Patricia De Lille to step down as Cape Town's water crisis deepens**

1.1 Food Security

1.1.1 Gauteng Premier David Makhura urges people to continue fighting for land redistribution in South Africa as the agrarian reform debate intensifies

On 29 April, *The Citizen* reported that Gauteng Premier David Makhura urged people to continue fighting for land redistribution as it inspired other Africans who looked up to the country's liberation struggle.¹

1.1.2 Numsa General Secretary Irvin Jim says the proposed national minimum wage of R3, 500 is an insult to workers amid increasing political and economic uncertainty in South Africa

On 2 May, *Eyewitness News* reported that Numsa general secretary Irvin Jim says the proposed wage of R3, 500 proves that the government doesn't have workers' interests at heart.²

1.1.3 Business sentiment in South Africa's manufacturing slips sharply as PMI declines in April amid slow economic growth in the country

On 2 May, *ANA* reported that business sentiment in South Africa's manufacturing sector slipped sharply in April, according to a key survey released on Tuesday.³

¹ SA must continue fighting for land redistribution, says Makhura, Rorisang Kgosana, *The Citizen*, 29 April 2017, <http://citizen.co.za/news/news-national/1499415/sa-must-continue-fighting-for-land-redistribution-says-makhura/>

² NUMSA: Govt's minimum wage an insult to workers, Tendani Mulaudzi, *Eyewitness News*, 2 May 2017, <http://ewn.co.za/2017/05/02/numsa-says-govt-s-promised-minimum-wage-is-insult-to-workers>

³ Business sentiment in SA's manufacturing slips as PMI declines in April, *ANA*, 2 May 2017, <http://citizen.co.za/news/news-national/1501509/business-sentiment-sas-manufacturing-slips-pmi-declines-april/>

1.1.4 South Africa's vehicle sales fall sharply, and across the board, fulfilling forecasts that economic uncertainty caused by SA's credit downgrading to junk status would have an immediate effect on consumer and corporate confidence

On 2 May, *Business Day* reported that new-vehicle sales crashed 13.3% in April from a year earlier, fulfilling forecasts that economic uncertainty caused by SA's credit downgrading to junk status would have an immediate effect on consumer and corporate confidence.⁴

1.1.5 Oxfam announces that South Africa remains one of the most unequal countries in the world as the richest 1% owns 42% of the country's social wealth

On 3 May, *Eyewitness News* reported that Oxfam says new data has shown the levels of inequality in many African countries are far higher than previously thought.⁵

1.1.6 South African Reserve Bank warns of tougher times ahead, pointing out that a deteriorating economic outlook and greater political risk have put the country's sovereign credit ratings under pressure

On 3 May, *Business Day* reported that Financial Stability Review warns a deteriorating economic outlook and greater political risk have put SA's sovereign credit ratings under pressure.⁶

1.1.7 Small Business Development Minister Lindiwe Zulu says that that South Africa must change its constitution to allow the seizure of land for redistribution to black people without compensation because the country's laws are hindering the transformation of the economy more than two decades after the end of apartheid

On 3 May, *Bloomberg News* reported that South Africa must change its constitution to allow the seizure of land for redistribution to black people without compensation because the country's laws are hindering the transformation of the economy more than two decades after the end of apartheid, the minister for small business development said.⁷

1.1.8 South Africa's childhood obesity crisis in the spotlight amid reports that one in four children are already overweight and obese by the time they are six-years-old

⁴ Vehicle sales fall sharply, and across the board, David Furlonger, *Business Day*, 2 May 2017, <https://www.businesslive.co.za/bd/economy/2017-05-02-vehicle-sales-fall-sharply-and-across-the-board/>

⁵ Richest 1% owns 42% of SA's social wealth-Oxfam, Gia Nicolaidis, *Eyewitness News*, 3 May 2017, <http://ewn.co.za/2017/05/02/richest-1-owns-42-of-sa-s-social-wealth-oxfam>

⁶ Reserve Bank warns of tougher times ahead, Sunita Menon, *Business Day*, 3 May 2017, <https://www.businesslive.co.za/bd/economy/2017-05-03-reserve-bank-warns-of-tougher-times-ahead/>

⁷ Lindiwe Zulu seeks land seizure without payment, Antony Sguazzin, *Bloomberg News*, 3 May 2017, <http://www.fin24.com/Economy/zulu-pushes-land-seizure-without-compensation-20170503>

On 4 May, *SABC News* reported that University of the Free State's Professor, Prof Louise van den Berg says one in four children are already overweight and obese by the time they are six-years-old.⁸

1.1.9 South Africa's consumer debt crisis deepens, scaling to R1.6 trillion, amid growing socio-political uncertainty in the country

On 4 May, *IOL Business* reported that Parliament has offered to help the National Credit Regulator (NCR) deal with indebtedness in South Africa, after the regulator told MPs consumers owed R1.6 trillion.⁹

1.1.10 Political developments in South Africa threatens the housing market amid growing socio-economic problems in the country

On 4 May, *IOL Business* reported that the key risk to the recovery in house price growth remained how recent political and policy developments, including the major cabinet reshuffle and subsequent ratings downgrades, played out on sentiment within the household sector and housing market, according to FNB.¹⁰

1.2 Water Security

1.2.1 South Africa's water crisis worsens amid persistent droughts

On 28 April, *Connect* reported that heatwave El Niño hit South Africa hard back in 2015, plunging the country into a severe water crisis that did some serious damage that caused nationwide water restrictions.¹¹

1.2.2 City of Cape Town mull further tightening of water restrictions as dam levels remain critically low despite recent rainfall

On 3 May, *Eyewitness News* reported that the City of Cape Town says dam levels remain critically low despite recent rainfall.¹²

⁸ SA childhood obesity in the spotlight, Lebo Tshangela, *SABC News*, 4 May 2017, <http://www.sabc.co.za/news/a/7741ad00410337e3939aff8dcf0b605f/SA-childhood-obesity-in-the-spotlight-20170405>

⁹ R1.6tn consumer-debt shock, Siyabonga Mkhwanazi, *IOL Business Report*, 4 May 2017, <http://www.iol.co.za/business-report/economy/r16tn-consumer-debt-shock-8949067>

¹⁰ Politics threatens housing market, Roy Cokayne, *IOL Business Report*, 4 May 2017, <http://www.iol.co.za/business-report/economy/politics-threatens-housing-market-8949360>

¹¹ South Africa's water crisis worsens, Costa Makola, *Connect*, 28 April 2017, <http://connect.citizen.co.za/news/104515/south-africas-water-crisis-worsens/>

¹² CT officials mull further tightening of water restrictions, Shamiela Fisher & Xolani Koyana, *Eyewitness News*, 3 May 2017, <http://ewn.co.za/2017/05/03/dam-levels-in-western-cape-remain-critical-low>

1.2.3 Water restrictions partially lifted in Tshwane with effect from 8 May

On 3 May, *News24* reported that water restrictions in Tshwane have been partially lifted, the city said on Wednesday. City of Tshwane spokesperson Selby Moeketsi Bokaba said this would take effect from May 8.¹³

1.2.4 Water availability diminishes slowly from dams in South Africa as the drought crisis deepens

On 3 May, *South African Government News* reported that as winter gradually sneaks in, the Department of Water and Sanitation has appealed to consumers to use water sparingly and save it.¹⁴

1.2.5 South African Weather Service warns of dry spring amid expectations that the El Niño phase will occur during the next spring and summer seasons

On 4 May, *Eyewitness News* reported that the South African Weather Service is warning the country's spring outlook is not favourable with regards to rain, this means water resources may be put under strain.¹⁵

1.2.6 COSATU calls for Mayor Patricia De Lille to step down as Cape Town's water crisis deepens

On 5 May, *Eyewitness News* reported that Congress of South African Trade Unions (Cosatu) in the Western Cape is calling for Cape Town Mayor Patricia de Lille to step down as a result of the current water crisis.¹⁶

¹³ Water restrictions partially lifted in Tshwane, News24, 3 May 2017, <http://www.news24.com/SouthAfrica/News/water-restrictions-partially-lifted-in-tshwane-20170503>

¹⁴ Water availability diminishes slowly from dams, South African Government News, 3 May 2017, <http://www.sanews.gov.za/south-africa/water-availability-diminishes-slowly-dams>

¹⁵ Weather service warns of dry spring, Tara Penny, Eyewitness News, 4 May 2017, <http://ewn.co.za/2017/05/04/weather-service-warns-of-dry-spring>

¹⁶ COSATU calls for De Lille to step down over CT water crisis, Shamiela Fisher, Eyewitness News, 5 May 2017, <http://ewn.co.za/2017/05/05/cosatu-in-wc-says-de-lille-must-go-over-water-crisis>

2.0 Daily Infographics: Food Security in National Security



Figure 1. Food Security is National Security (Source: AgriFoodAID)

3.0 Overall Assessment

- ❖ South Africa's mounting socio-economic and political problems are becoming a major threat to food and water security in the country
- ❖ South Africa is urged to start seriously planning for the forthcoming cycle of intensive drought by declaring the current drought a national disaster, establishing a strategic grain reserve and putting in place a robust water conservation strategy
- ❖ The City of Cape is urged to take a more aggressive approach in addressing the deepening water crisis in the city.