

Food & Water Security in South Africa WEEKLY MONITOR

3 June – 9 June 2017

Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **South Africa's agricultural sector losses 44 000 jobs amid growing concerns about its future stability**
- **Economic Freedom Fighters (EFF) leader, Julius Malema's land invasion case postponed to October, as he challenges the constitutionality of the Riotous Assemblies Act of 1956**
- **The World Bank cut its forecast for South Africa's GDP growth for 2017 by 0.5 percentage points to 0.6% in its June Global Economic Prospects report**
- **S&P warns on political risks in South Africa, as markets are waiting for a decision from Moody's, which has put the country on review for a downgrade**
- **South Africa's Parliament passes the Extension of Security of Tenure Amendment Bill which seeks to protect farm dwellers from evictions**
- **South Africa enters recession as its Gross Domestic Product contracts for a consecutive quarter**
- **Land invasions in Gauteng racks up a bill of half a billion rand in unpaid legal fees and money owed to security companies as South Africa's land crisis deepens**
- **South Africa's Trade and Industry Minister Rob Davies says the country's poultry industry is now showing signs of improvement**
- **South Africa's business confidence slumped to a seven-month low in May as a combination of political tensions, economic policy uncertainty and low credit ratings continue to stalk the country**
- **South Africa suspends Zimbabwe chicken imports after bird flu outbreak**

- **Umgeni Water, the bulk water supplier for KwaZulu-Natal, cautions that the province is not yet safe from worsening drought conditions**
- **Western Cape province might get below average rainfall amid a devastating drought**
- **City of Cape Town warns that repeat water wasters could face jail time, as well as stiff fines, as it strengthens its water conservation efforts**
- **City of Cape Town says water consumption has been 48 million litres above the target of 600 million litres per day over the past week as the water crisis deepens**
- **Severe drought cripples Port Elizabeth's Nelson Mandela Bay municipality, with major dams dropping to 38.5%**
- **Impala Water Users Association's Johann Boonzaaier says mines in the Paulpietersburg area in KwaZulu-Natal are affecting the water quality in the area**
- **South Africa's Water and Sanitation Department says while the Western Cape has been hit by heavy rainfall, it is worried that the storm may bring more flash floods and little drought relief amid reports that dam levels across the country have decreased slightly once again due to the drop in rainfall in line with winter patterns**
- **South Africa's Finance Minister Malusi Gigaba warns that continued low growth will affect the government's spending plans, posing a major threat to the country's water infrastructure development activities**

1.1 Food Security

1.1.1 South Africa's agricultural sector losses 44 000 jobs amid growing concerns about its future stability

On 2 June, *IOL Business* reported that the agricultural sector in South Africa has recently seen 44 000 job cuts in the first quarter of this year from the last quarter of 2016.¹

1.1.2 Economic Freedom Fighters (EFF) leader, Julius Malema's land invasion case postponed to October, as he challenges the constitutionality of the Riotous Assemblies Act of 1956

On 5 June, *African News Agency* reported that Economic Freedom Fighters (EFF) leader Julius Malema's land invasion case was postponed to October in the Bloemfontein Magistrates' Court on Monday.²

¹ SA agriculture saw 44 000 notable job losses, Tamaryn Africa, IOL Business Report, 2 June 2017, <http://www.iol.co.za/business-report/sa-agriculture-saw-44-000-notable-job-losses-9501277>

² Malema's Free State land invasion case postponed, African News Agency, 5 June 2017, <http://citizen.co.za/news/news-national/1533639/malemas-free-state-land-invasion-case-postponed/>

1.1.3 The World Bank cut its forecast for South Africa's GDP growth for 2017 by 0.5 percentage points to 0.6% in its June Global Economic Prospects report

On 5 June, *Business Day* reported that The World Bank cut its forecast for SA's GDP growth for 2017 by 0.5 percentage points to 0.6% in its June Global Economic Prospects report released on Sunday.³

1.1.4 S&P warns on political risks in South Africa, as markets are waiting for a decision from Moody's, which has put the country on review for a downgrade

On 5 June, *Business Day* reported that markets are waiting for a decision from Moody's, which put SA on review for a downgrade.⁴

1.1.5 South Africa's Parliament passes the Extension of Security of Tenure Amendment Bill which seeks to protect farm dwellers from evictions

On 6 June, *Eyewitness News* reported that the National Assembly has passed a bill aimed at curbing the illegal eviction of farm workers.⁵

1.1.6 South Africa enters recession as its Gross Domestic Product contracts for a consecutive quarter

On 6 June, *Fin24* reported that gross domestic product contracted 0.7% for the first quarter of 2017, indicating that the country has entered into a technical recession, according to deputy director general of Economic Statistics at Statistics South Africa (Stats SA) Joe de Beer.⁶

1.1.7 Land invasions in Gauteng racks up a bill of half a billion rand in unpaid legal fees and money owed to security companies as South Africa's land crisis deepens

On 7 June, *The New Age* reported that land invasions in Gauteng have racked up a bill of half a billion rand in unpaid legal fees and money owed to security companies.⁷

1.1.8 South Africa's Trade and Industry Minister Rob Davies says the country's poultry industry is now showing signs of improvement

³ World Bank cuts its forecast for SA's growth, Robert Laing, *Business Day*, 5 June 2017, <https://www.businesslive.co.za/bd/economy/2017-06-05-world-bank-cuts-it-forecast-for-sas-growth/>

⁴ S&P warns on political risks in SA, Hilary Joffe, *Business Day*, 5 June 2017, <https://www.businesslive.co.za/bd/economy/2017-06-02-relief-as-sampp-leaves-sas-ratings-unchanged/>

⁵ Parliament passes bill to protect farm dwellers, Gaye Davis, *Eyewitness News*, 6 June 2017, <http://ewn.co.za/2017/06/06/parliament-passes-bill-to-protect-farm-dwellers>

⁶ SA enters recession as GDP contracts for a consecutive quarter, Lameez Omarjee, *Fin24*, 6 June 2017, <http://www.fin24.com/Economy/sa-enters-recession-as-gdp-contracts-for-a-consecutive-quarter-20170606>

⁷ Land invasions' R500m bill, Ntombi Nkosi, Nonhlanhla Maseko and Adelaide Mohale, *The New Age*, 7 June 2017, <http://www.thenewage.co.za/land-invasions-r500m-bill/>

On 7 June, *Fin24* reported that market conditions for South Africa's poultry industry are improving and as far as government knows there have no further layoffs and factory closures.⁸

1.1.9 South Africa's business confidence slumped to a seven-month low in May as a combination of political tensions, economic policy uncertainty and low credit ratings continue to stalk the country

On 8 June, *IOL Business* reported that South Africa's business confidence slumped to a seven-month low in May as a combination of political tensions, economic policy uncertainty and low credit ratings continue to stalk the country's business climate.⁹

1.1.10 South Africa suspends Zimbabwe chicken imports after bird flu outbreak

On 8 June, *Reuters* reported that South Africa has suspended imports of birds and chicken products from neighbouring Zimbabwe after it reported an outbreak of highly pathogenic H5N8 bird flu at a poultry farm, the agriculture department said on Thursday.¹⁰

1.2 Water Security

1.2.1 Umgeni Water, the bulk water supplier for KwaZulu-Natal, cautions that the province is not yet safe from worsening drought conditions

On 2 June, *News24* reported that Umgeni Water, bulk water supplier for KwaZulu-Natal, has cautioned that the province is not yet safe from worsening drought conditions.¹¹

1.2.2 Western Cape province might get below average rainfall amid a devastating drought

On 2 June, *Eyewitness News* reported that the water crisis in the Western Cape is likely to get worse before it gets better.¹²

1.2.3 City of Cape Town warns that repeat water wasters could face jail time, as well as stiff fines, as it strengthens its water conservation efforts

On 5 June, *News24* reported that the city on Monday warned that repeat water wasters could face jail time, as well as stiff fines, as it strengthens its efforts to ensure water is saved.¹³

⁸ SA poultry industry shows signs of improvement, Liesl Peyper, *Fin24*, 7 June 2017, <http://www.fin24.com/Economy/sa-poultry-industry-shows-signs-of-improvement-20170607>

⁹ SA business confidence 7-month low, Siseko Njobeni, *IOL Business Report*, 8 June 2017, <http://www.iol.co.za/business-report/sa-business-confidence-7-month-low-9621986>

¹⁰ SA suspends Zimbabwe chicken imports after bird flu outbreak, *Reuters*, 8 June 2017, <http://citizen.co.za/business/business-news/1537445/sa-suspends-zimbabwe-chicken-imports-bird-flu-outbreak/>

¹¹ Authorities warn KZN still in drought danger, Kaveel Singh, *News24*, 2 June 2017, <http://www.news24.com/SouthAfrica/News/authorities-warn-kzn-still-in-drought-danger-20170602>

¹² WC might get 'below average' rainfall amid drought, Xolani Koyana, *Eyewitness News*, 2 June 2017, <http://ewn.co.za/2017/06/02/wc-might-get-below-average-rainfall-amid-drought>

1.2.4 City of Cape Town says water consumption has been 48 million litres above the target of 600 million litres per day over the past week as the water crisis deepens

On 5 June, *Eyewitness News* reported that the City of Cape Town says water consumption has been 48 million litres above the target of 600 million litres per day over the past week.¹⁴

1.2.5 Severe drought cripples Port Elizabeth's Nelson Mandela Bay municipality, with major dams dropping to 38.5%

On 6 June, *The New Age* reported that the need to save water has been intensely encouraged in Port Elizabeth's Nelson Mandela Bay municipality.¹⁵

1.2.6 Impala Water Users Association's Johann Boonzaaier says mines in the Paulpietersburg area in KwaZulu-Natal are affecting the water quality in the area

On 6 June, *SABC News* reported that Impala Water Users Association Johann Boonzaaier says mines in the Paulpietersburg area in KwaZulu-Natal are affecting the water supply in the area.¹⁶

1.2.7 South Africa's Water and Sanitation Department says while the Western Cape has been hit by heavy rainfall, it is worried that the storm may bring more flash floods and little drought relief amid reports that dam levels across the country have decreased slightly once again due to the drop in rainfall in line with winter patterns

On 8 June, *Eyewitness News* reported that while the Western Cape has been hit by heavy rainfall, the Water and Sanitation Department says it's worried the storm may bring more flash floods and little drought relief.¹⁷

1.2.8 South Africa's Finance Minister Malusi Gigaba warns that continued low growth will affect the government's spending plans, posing a major threat to the country's water infrastructure development activities

On 9 June, *Eyewitness News* reported that Finance Minister Malusi Gigaba says if the economy continues on its path of low growth, the government will be less able to finance its spending plans and borrowing needs.¹⁸

¹³ Jail time, hefty fines for repeat water wasters, warns city, News24, 5 June 2017, <http://www.news24.com/SouthAfrica/News/jail-time-hefty-fines-for-repeat-water-wasters-warns-city-20170605>

¹⁴ CT water usage on 48 million litres above target, Kevin Brandt, Eyewitness News, 5 June 2017, <http://ewn.co.za/2017/06/05/ct-water-usage-on-48-million-litres-above-target>

¹⁵ Severe drought crippling PE, Sisanda Madwantsi, The New Age, 6 June 2017, <http://www.thenewage.co.za/severe-drought-crippling-pe/>

¹⁶ 'Mining affects water quality', SABC News, 6 June 2017, <http://www.sabc.co.za/news/a/9eae01004168e62d81eccfbafe45a256/Mining-affects-water-quality-20170606>

¹⁷ Water Dept concerned about flash floods following #Capestorm, Thando Kubheka, Eyewitness News, 8 June 2017, <http://ewn.co.za/2017/06/08/water-dept-welcomes-rain-in-wc-concerned-about-flash-floods>

2.0 Daily Infographics



Figure 1. Recurrent drought in Southern Africa has undermine food security and farmers' livelihoods (Source: AgriFoodAID)

3.0 Overall Assessment

- ❖ **Socio-political and economic outlook: The slow economic growth and increasing socio-political uncertainty in South Africa pauses a major threat to water infrastructure development plans in the country**
- ❖ **The unresolved land crisis in South Africa remains a major threat to the future stability of the country's agricultural sector**
- ❖ **South Africa is urged to prioritize water conservation as water scarcity remains a perennial problem for the country**

¹⁸ Gigaba warns that continued low growth will affect Govt's spending plans, Gaye Davis, Eyewitness News, 9 June 2017, <http://ewn.co.za/2017/06/09/gigaba-sustained-low-growth-over-medium-term-remains-greatest-risk>