

Food & Water Security in South Africa WEEKLY MONITOR 35

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Prepared by Augustus Consulting

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1.0 Key Weekly Trends, Themes and Issues

- **Absa Purchasing Managers Index shows that South African factories are still under pressure with no relief in sight amid slow growth**
- **Deputy President Cyril Ramaphosa says corporate anti-competitive behaviour, including price-fixing, is ruining the lives of the poor South Africans**
- **South African National Taxi Council to increase taxi fares, following the announcement that petrol will increase by 67 cents per litre**
- **South Africa's agribusiness confidence plunge in the third quarter 2017 as the persistent drought in the Western Cape and low demand for maize exports weighed on sentiment**
- **South Africa exits recession with 2.5% GDP growth but socio-political and economic concerns remain**
- **Standard Bank Purchasing Managers' Index (PMI) drops as South Africa's private sector stagnates in a weak economy**
- **Shoprite fined R1 million by the National Consumer Tribunal for failing to assess properly whether consumers could afford its loans as unsustainable levels of household debt, especially in lower-income brackets, is a pressing social and economic problem in South Africa, which has just emerged from a recession, but remains saddled with high levels of unemployment and poverty**
- **South African Chamber of Commerce and Industry's (SACCI) monthly business confidence index (BCI) fell to its lowest in more than three decades as the economy struggles**
- **Post Office set to sign social grants contract with the South Africa Social Security Agency (Sassa) in the next seven days**

- **Newcastle disease outbreak reported in Western Cape amid the deepening bird flu in South Africa**
- **South Africa's Water and Sanitation Minister Nomvula Mokonyane announces that the 12 Critical Water Use License Applications submitted by the City of Cape Town are being assessed and given priority as a further step in ensuring water security for the drought-hit city**
- **R300m to be pumped into the Western Cape's Drought Relief Programme as the drought crisis deepens**
- **Cape Town implements Level 5 water restrictions as the drought takes its toll**
- **Water and Sanitation Minister Nomvula Mokonyane says that wastewater should be used to augment water sources in water-scarce South Africa**
- **Western Cape dams only a third full as the rainy season draws to a close amid a deepening drought crisis in the province**
- **Johannesburg residents experience a 33-hour water cut as South Africa's ailing water infrastructure struggles amid population growth and climate change**
- **South Africa's Department of Water and Sanitation (DWS) invites members of the public to make submissions or comments on the Mine Water Management Policy which seeks to address the problem of acid mine drainage**
- **South Africa's national dam levels up, but Western Cape levels remain low**

1.1 Food Security

1.1.1 Absa Purchasing Managers Index shows that South African factories are still under pressure with no relief in sight amid slow growth

On 1 September, *Business Day* reported that the Absa purchasing managers index (PMI) picked up slightly in August but still showed a sector under pressure.¹

1.1.2 Deputy President Cyril Ramaphosa says corporate anti-competitive behaviour, including price-fixing, is ruining the lives of the poor South Africans

On 1 September, *IOL Politics and Development Hub* reported that Deputy President Cyril Ramaphosa on Friday said companies had to be aware of the devastating impact anti-competitive behaviour has on the lives of the poor.²

¹ Absa PMI shows factories still under pressure, and no relief in sight, Sunita Menon, Business Day, 1 September 2017, <https://www.businesslive.co.za/bd/economy/2017-09-01-absa-pmi-shows-factories-still-under-pressure-and-no-relief-in-sight/>

1.1.3 South African National Taxi Council to increase taxi fares, following the announcement that petrol will increase by 67 cents per litre

On 4 September, *SABC News* reported that the South African National Taxi Council will increase taxi fares, following the announcement that petrol will increase by 67 cents per litre.³

1.1.4 South Africa's agribusiness confidence plunge in the third quarter 2017 as the persistent drought in the Western Cape and low demand for maize exports weighed on sentiment

On 4 September, *Business Day* reported that Agribusiness confidence took a knock in the third quarter 2017 as the unrelenting drought in the Western Cape and low demand for maize exports weighed on sentiment.⁴

1.1.5 South Africa exits recession with 2.5% GDP growth but socio-political and economic concerns remain

On 5 September, *Fin24* reported that South Africa's gross domestic product has rebounded with 2.5% growth for the second quarter of the year.⁵

1.1.6 Standard Bank Purchasing Managers' Index (PMI) drops as South Africa's private sector stagnates in a weak economy

On 5 September, *Fin24* reported that South Africa's private sector is languishing in current weak economic conditions, according to the Standard Bank Purchasing Managers' Index (PMI), released on Tuesday.⁶

1.1.7 Shoprite fined R1 million by the National Consumer Tribunal for failing to assess properly whether consumers could afford its loans as unsustainable levels of household debt, especially in lower-income brackets, is a pressing social and economic problem in South Africa, which has just emerged from a recession, but remains saddled with high levels of unemployment and poverty

² Anti-competitive behaviour ruining the lives of the poor: Ramaphosa, Noni Mokati, IOL Politics and Development Hub, 1 September 2017, <https://www.iol.co.za/news/politics/development/anti-competitive-behaviour-ruining-the-lives-of-the-poor-ramaphosa-11036814>

³ Petrol price hike pushes up taxi fares, SABC News, 4 September 2017, <http://www.sabc.co.za/news/a/a72dba80427cf47a84079c1f32f383bb/Petrol-price-hike-pushes-up-taxi-fares-20170409>

⁴ Agribusiness confidence takes a knock in the third quarter, Andries Mahlangu, Business Day, 4 September 2017, <https://www.businesslive.co.za/bd/economy/2017-09-04-agribusiness-confidence-takes-a-knock-in-the-third-quarter/>

⁵ SA exits recession with 2.5% GDP growth, Lameez Omarjee, Fin24, 5 September 2017, <http://www.fin24.com/Economy/gdp-back-in-positive-territory-with-25-growth-20170905>

⁶ PMI drops as private sector stagnates in weak economy, Fin24, 5 September 2017, <http://www.fin24.com/Economy/pmi-drops-as-private-sector-stagnates-in-weak-economy-20170905>

On 6 September, *Money Web* reported that South African retailer Shoprite has been fined R1 million for failing to assess properly whether consumers could afford its loans, the National Consumer Tribunal said on Wednesday.⁷

1.1.8 South African Chamber of Commerce and Industry's (SACCI) monthly business confidence index (BCI) fell to its lowest in more than three decades as the economy struggles

On 6 September, *Reuters* reported that South Africa's business confidence index fell to its lowest in more than three decades in August as merchandise import and export volumes fell, a survey showed on Wednesday.⁸

1.1.9 Post Office set to sign social grants contract with the South Africa Social Security Agency (Sassa) in the next seven days

On 7 September, *The Citizen* reported that after delays in finding a suitor to take over from Cash Paymaster Services, the government entity is expected to sign a contract in the next seven days.⁹

1.1.10 Newcastle disease outbreak reported in Western Cape amid the deepening bird flu in South Africa

On 7 September, *Eyewitness News* reported that an avian veterinarian says that bird flu is not the only disease that the Western Cape government should be focusing on.¹⁰

1.2 Water Security

1.2.1 South Africa's Water and Sanitation Minister Nomvula Mokonyane announces that the 12 Critical Water Use License Applications submitted by the City of Cape Town are being assessed and given priority as a further step in ensuring water security for the drought-hit city

On 31 August, *South African Government News* reported that Critical Water Use License Applications submitted by the City of Cape Town are being assessed and given priority as a further step in ensuring water security for the City of Cape Town.¹¹

⁷ Updated: Shoprite fined for 'reckless lending' – regulator, Money Web, 6 September 2017, <https://citizen.co.za/news/1642363/shoprite-fined-for-reckless-lending-regulator/>

⁸ SA's business confidence index falls, Reuters, 6 September 2017, <https://www.iol.co.za/business-report/economy/sas-business-confidence-index-falls-11104736>

⁹ Post Office set to sign social grants contract with Sassa, Ray Mahlaka, The Citizen, 7 September 2017, <https://citizen.co.za/business/business-news/1643407/post-office-set-to-sign-social-grants-contract-with-sassa/>

¹⁰ First cases of Newcastle disease found in WC birds, Ilze-Marie Le Roux, Eyewitness News, 7 September 2017, <http://ewn.co.za/2017/09/07/first-cases-of-newcastle-disease-found-in-wc-birds>

¹¹ City to fast-track water use licences, South African Government News, 31 August 2017, <http://www.sanews.gov.za/south-africa/city-fast-track-water-use-licences>

1.2.2 R300m to be pumped into the Western Cape's Drought Relief Programme as the drought crisis deepens

On 1 September, *Eyewitness News* reported that almost R300 million is going to be pumped into the Western Cape's Drought Relief programme.¹²

1.2.3 Cape Town implements Level 5 water restrictions as the drought takes its toll

On 3 September, *News24* reported that further water restrictions for domestic and commercial users have been implemented in Cape Town, Mayor Patricia de Lille announced on Sunday.¹³

1.2.4 Water and Sanitation Minister Nomvula Mokonyane says that wastewater should be used to augment water sources in water-scarce South Africa

On 3 September, *South African Government News* reported that wastewater can and must be used to augment water sources, says Water and Sanitation Minister Nomvula Mokonyane.¹⁴

1.2.5 Western Cape dams only a third full as the rainy season draws to a close amid a deepening drought crisis in the province

On 4 September, *News24* reported that the Western Cape's dams are only at an average 33.6% full as the rainy season draws to a close, the province's MEC for Local Government Anton Bredell said on Monday.¹⁵

1.2.6 Johannesburg residents experience a 33-hour water cut as South Africa's ailing water infrastructure struggles amid population growth and climate change

On 4 September, *The Star* reported that Joburg residents in the western suburbs are to experience a 33-hour water cut from Tuesday, September 5 from 8am.¹⁶

1.2.7 South Africa's Department of Water and Sanitation (DWS) invites members of the public to make submissions or comments on the Mine Water Management Policy which seeks to address the problem of acid mine drainage

¹² Almost R300m to be pumped into WC Drought Relief Programme, Petrus Botha, *Eyewitness News*, 1 September 2017, <http://ewn.co.za/2017/09/01/almost-r300m-to-be-pumped-into-wc-drought-relief-programme>

¹³ Level 5 water restrictions implemented in Cape Town, *News24* Correspondent, 3 September 2017, <http://www.news24.com/SouthAfrica/News/level-5-water-restrictions-implemented-in-cape-town-20170903>

¹⁴ Wastewater: The untapped resource, *South African Government News*, 3 September 2017, <http://www.sanews.gov.za/south-africa/wastewater-untapped-resource>

¹⁵ Western Cape dams only a third full, Jenni Evans, *News24*, 4 September 2017, <http://www.news24.com/SouthAfrica/News/western-cape-dams-only-a-third-full-20170904>

¹⁶ Joburgers to experience a 33-hour water cut, Anna Cox, *The Star*, 4 September 2017, <https://www.iol.co.za/the-star/news/joburgers-to-experience-a-33-hour-water-cut-11068436>

On 5 September, *South African Government News* reported that members of the public have until the end of September to make submissions or comments on the draft Mine Water Management Policy.¹⁷

1.2.8 South Africa's national dam levels up, but Western Cape levels remain low

On 6 September, *Eyewitness News* reported that the Water and Sanitation Department says that apart from the Western Cape, this winter season has been good for the country's dams, with national levels more than 10% higher than this time last year.¹⁸

2.0 Weekly Infographics: The percentage of our planet affected by drought has more than doubled in the last 40 years



Figure 1. The percentage of our planet affected by drought has more than doubled in the last 40 years (Source: FAO)

¹⁷ Comments sought on Mine Water Management Policy, South African Government News, 5 September 2017, <http://www.sanews.gov.za/south-africa/comments-sought-mine-water-management-policy>

¹⁸ DWS: National Dam levels up, but WC levels worrying, Shimoney Regter & Kgomotso Modise, Eyewitness News, 6 September 2017, <http://ewn.co.za/2017/09/06/dws-national-dam-levels-up-but-wc-levels-worrying>

3.0 Overall Assessment

- ❖ **Price-fixing and corporate corruption in South Africa's food retail sector increases the level of food insecurity in low-income households**
- ❖ **The proposed Mine Water Management Policy needs to play gender at its core because women and girls are the most affected by water pollution**