



10 June 2016

Media release

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Still hope for South Africa to play in premier league

There is still a 45% chance that South Africa could play in the premier league in the next five years. This will be determined by the country's competitiveness and social cohesion. There is, however, also a 45% chance that South Africa could move to second league.

It seems that South Africa is sitting between these two scenarios at the moment, but there is also a 10% chance that South Africa could become a failed state.

These were the predictions of Chantell Ilbury, an independent scenario strategist and facilitator, at the Agbiz congress.

"The question is do we have clarity and a vision of where we are going? It seems that there is no clear road and that South Africa is only meandering down a path with many negative flags that could determine the country's future," she said.

Ilbury said that if South Africa wants to stay competitive it needs quality education, a strong work ethic, and an entrepreneurial spirit. Social grants may not encourage such a spirit. Competitiveness also requires a high saving rate and businesses must have access to capital when they need it.

Infrastructure must support a high growing economy and South Africa must stay export orientated if it wants to be part of the global playing field.

Other factors that will support South Africa's competitiveness include:

- a dual economy that will allow both small and big businesses to do well,
- social harmony,
- an attractive environment and policies for foreign investment, and
- an efficient government that is able to deal with the complexity of the country's challenges.

Threats to SA's competitiveness

According to Ilbury the following issues seriously threaten South Africa's competitiveness:

- **Crime and corruption:** This is difficult to come to grips with and needs huge focus, not only from government, but also from the business sector.
- **Infrastructure:** This will have a huge influence in determining South Africa's future competitiveness. Will roads, airports, seaports provide workable gateways to export?
- **Style of leadership:** This was the focus of African countries in the past as it determined a country's success or failure. This is currently in the spotlight in South Africa.
- **Pockets of excellence:** Do we have pockets of excellence, especially in education? Education is a key area as the country needs a pipeline of young people to take businesses forward. Ilbury expressed concern about the call for free education as the country could not afford this compared to other priorities such as health and infrastructure. "Some tertiary institutions believe that the quality of their education may not be of the same standard five years from now," she said.
- **Entrepreneurial spark:** Does South Africa has entrepreneurial spark? Ilbury believes that South Africa's school system does not allow young people to develop an entrepreneurial spirit. It is also very difficult to start a small business in this country because of red tape.
- **Independence of the judiciary and other institutions:** Since the Nene debacle, people are questioning this for the first time.
- **Nationalisation:** This has to be watched, although there are different models and not all mean total nationalisation.
- **Land ownership.**

Agricultural challenges

Issues that challenge a strong scenario for South African agriculture, a highly sustainable production environment and a strong economy include:

- Business-government engagement
- A shift to junk status
- Political transformation within the supply chain
- Effective research and development
- Extraordinary climatic events
- Appropriate response to climatic variability and disaster
- The sharing of information on climate change
- Trade agreements that are unfavourable to agriculture
- Technical adaptation

Ilbury told congress that a best case scenario for agriculture will be if the country has a stable exchange rate and that the sector has water and tenure security.

“There has to be an optimal mix between large and emerging farmers with new farming models being adopted. You will also have to produce affordable food.”

Ilbury further pointed out that for a best-case scenario, farmers must have agriculture-friendly policies and there must be sufficient investment in research and development. Public/private partnerships with a consultative and collaborative government approach are also required.

“You need strong industry bodies, an integrated climate response and investment in infrastructure. These must be in line with the National Development Plan,” she said.

The agricultural sector will have to plan its future by taking known certainties and uncertainties into consideration.

“You have to connect the dots in your sector between the key certainties and uncertainties that will affect your future. This may give you a view of that future. The increasing demand for food, climate change and pressure on the resources farmers rely on to produce, are examples of certainties.

“On the other hand, factors such as the access to export markets, the degree of investment in infrastructure and changing consumer patterns are uncertainties,” Ilbury concluded.

Take note of these international trends

Chantell Ilbury, an independent scenario strategist and facilitator, highlighted some international flags that South Africa can't afford to ignore.

The religious flag with Isis' spreading influence in Europe is one of the most important concerns. “Isis also operates in Africa, therefore it affects you as well.”

The aging communities of Europe and countries such as Japan is another one. This is, however, not an issue in Africa.

Ilbury said that Russian president Vladimir Putin's role in international politics also needs attention. “What is his strategic agenda? Is he only making a lot of noise or is there a new cold war on the horizon?”

Ilbury also discussed the anti-establishment flag. Locally, the EFF and its call for nationalisation is an example. “Donald Trump is certainly also playing the anti-establishment flag in America,” she said.

The agricultural sector should take note of the green flag, Ilbury said. “Green issues such as climate change, carbon emissions and pressure on resources such as water and energy affect them directly.”

Cop 21 in Paris last year gave green issues a more global focus. “We could even see some international legislation in this regard. The world is moving away from coal. South Africa, however, still relies heavily on mineral for energy production.”

Interconnected

Ilbury pointed out that the world is much more interconnected than before. This will change the way in which countries trade. “There will be more emphasis on a regional approach and not an individual country approach. Our outlook will be more integrated.”

There will also be far more interconnectedness with regard to resources such as water and energy as well as food security. “We are not going to deal with food, water and electricity security country by country. This creates more uncertainties but also opportunities,” she said.

Ilbury believes that the world will experience a “hard time scenario” over the next five years. Low growth will be a characteristic of this scenario. She said that a lot of industries are doing research and development at the moment to position themselves for a new era.

Regarding global economics, Ilbury said that some people believe that China could be responsible for a next global financial crisis.

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