



As if South Africans are not already reeling under a spate of unprecedented bad news, the Washington Post reported this week that a developing El Niño weather pattern “is already dramatically influencing Earth’s weather, scrambling precipitation patterns and boosting temperatures higher and higher.”

The good news, perhaps, is that the latest monthly Seasonal Climate Watch issued by the SA Weather Service now forecasts above-normal rainfall across most of the country. This includes the southwest, which previously was expected to have an unseasonably dry winter. Normally El Niño conditions result in drought in southern Africa. The last time it hit was between 2014 to 2016 causing crop failure, soaring food prices and disaster for farmers whose livestock suffered terribly.

El Niño is the opposite of La Niña which together make up the ‘El Niño-Southern Oscillation.’ Like a pendulum, Earth swings between the two states every two to seven years. ENSO dominates global circulation patterns, triggering chain-reaction processes. It begins as a rising of water temperatures in the eastern tropical Pacific which is already underway, and it’s the first domino to fall ahead of cascading impacts worldwide.

Meteorologists are reporting that warming has been especially pronounced off the coast of Peru and Ecuador. According to the Washington Post which spoke to Gavin Schmidt, a climate scientist at NASA, “The warming off Peru is pretty dramatic and very likely presages an El Niño event.”

“Forecasters are also monitoring temperatures in an imaginary rectangle drawn across a broader area of the eastern and central tropical Pacific, known as the Niño 3.4 region. The National Weather Service declares the onset of El Niño when water temperatures are at least 0.9 degrees Fahrenheit (0.5 Celsius) above normal for a three-month period, which could be very soon. Water temperatures there are 1.4 degrees (0.8C) above normal after a rapid ramp-up.

“Forecasters say it’s only a matter of time before El Niño’s arrival is official, and there is concern it could incite unprecedented extreme weather.

The research estimates that the next El Niño, has **a 90 percent chance of beginning this year and will cost the global economy \$3 trillion between now and 2029.**

In the past, historians have demonstrated a link between El Niño years and civil war in 93 tropical countries: that since 1950, one out of five civil conflicts has been influenced by El Niño. Why? One hypothesis relates violent conflict to declining crop yields. Another is that people are more likely to engage in conflict when they’re hot.

A NASA study found that the 2015–2016 El Niño triggered disease outbreaks worldwide. Cholera spread in Tanzania due to contaminated water due to flooding, while dengue fever rates spiked in Brazil and Southeast Asia as warm, wet conditions amplified the presence of mosquitoes.

As El Niño comes on the scene, it “could push global temperatures into uncharted territory,” the World Meteorological Organization said.

In contrast, the SA weather bureau's latest forecast indicates above-normal rainfall for most of the country during winter (Jun-Jul-Aug) through to early spring (Aug-Sep-Oct), while minimum and maximum temperatures are expected to be mostly above-normal countrywide for the forecast period.

Given that the latest Stats SA figures indicate that food price inflation increased by 14 percent in the 12 months to March (the largest annual increase since the 14,7 percent rise in March 2009) this is clearly going to be the **winter of our discontent**.

No wonder ANC Secretary General Fikile Mbalula was moved this week to tell The Sunday Times that "... he had the impression support for the ruling party could be as low as 30 percent."

It was an astounding admission from the man tasked with organizing the party's 2024 election campaign, an admission of defeat perhaps, which lends credence to my column comments last week in which I stated that I expected the ANC would lose KwaZulu Natal and at least one other province which will relegate the party to a rural support base and oblivion in the medium-term.

I would not be surprised if, before then, votes of no confidence lead to the unseating of the ANC in cities like Durban where a row exploded this week over a pair of statues of Nelson Mandela and Oliver Tambo costing over R22-million which the ANC-controlled council is planning to install in the Durban City Hall precinct – yet the same ANC administration is being taken to court for failing to fix sewers and an extremely important road bridge which were damaged in last year's floods!

Then there was the newly-elected chairman of the ANC's Integrity Commission, Rev Frank Chikane, who, in a shocking admission said in a TV interview that "corruption is the order of the day" within the ranks of the party. Addressing the media at his first public address since his appointment in February, Chikane said, "Unfortunately, in the recent past, members of the ANC and some leaders think of the ANC as a place where you go and serve yourself rather than serving the people. I want to state it clearly that, fortunately, the policy is clear, anybody who comes here to serve themselves is likely to act unethically, and when you do that, you cannot to be a member of the ANC in good standing."

Happily, the South African public has also had enough of the ANC and has begun speaking out without fear at what they are seeing...and it is a lot more than potholes! Barely a day goes past without another major blunder being uncovered.

This week I had the privilege of sitting down to lunch with a black political commentator whose web site claims 77-thousand followers. To put that number into perspective, my columns reach a known 10.5-thousand readers and the Financial Mail sells 12 482 copies a week. Circulation numbers of South Africa's daily newspapers are a little more difficult to get so the table on the right represents the Audit Bureau of Circulations figures as at March last year, but it is indicative. So what Big Daddy Liberty had to say is getting to a significantly large South African audience!

Daily Newspapers			
Newspaper	2011	2021	Change
Daily Sun	381,127	40,164	-89%
The Star	144,113	27,417	-81%
Son	105,486	20,588	-80%
Sowetan	120,207	29,252	-76%
BeeId	74,105	22,160	-70%
The Citizen	70,112	27,492	-61%
Business Day	36,087	15,297	-58%
Die Burger	61,669	29,800	-52%

If you are prepared to be frightened out of your inertia, Google the Big Daddy Liberty February 24 podcast detailing how the "political elite are taking the power in Parliament to take all you own": he argues that the Expropriation Bill in its present form will allow the political elite to take your home, your business and your savings...and require you to pay their legal costs if you try to oppose them. You can Google him on <https://www.facebook.com/BigDaddyLiberty/>

Dispelling the argument that the Government will re-distribute your assets to "poor dispossessed blacks," you can hear for yourself as he and a guest speaker justify this claim by noting that "...for the past 25 years Government has been holding onto property taken from 23-million people."

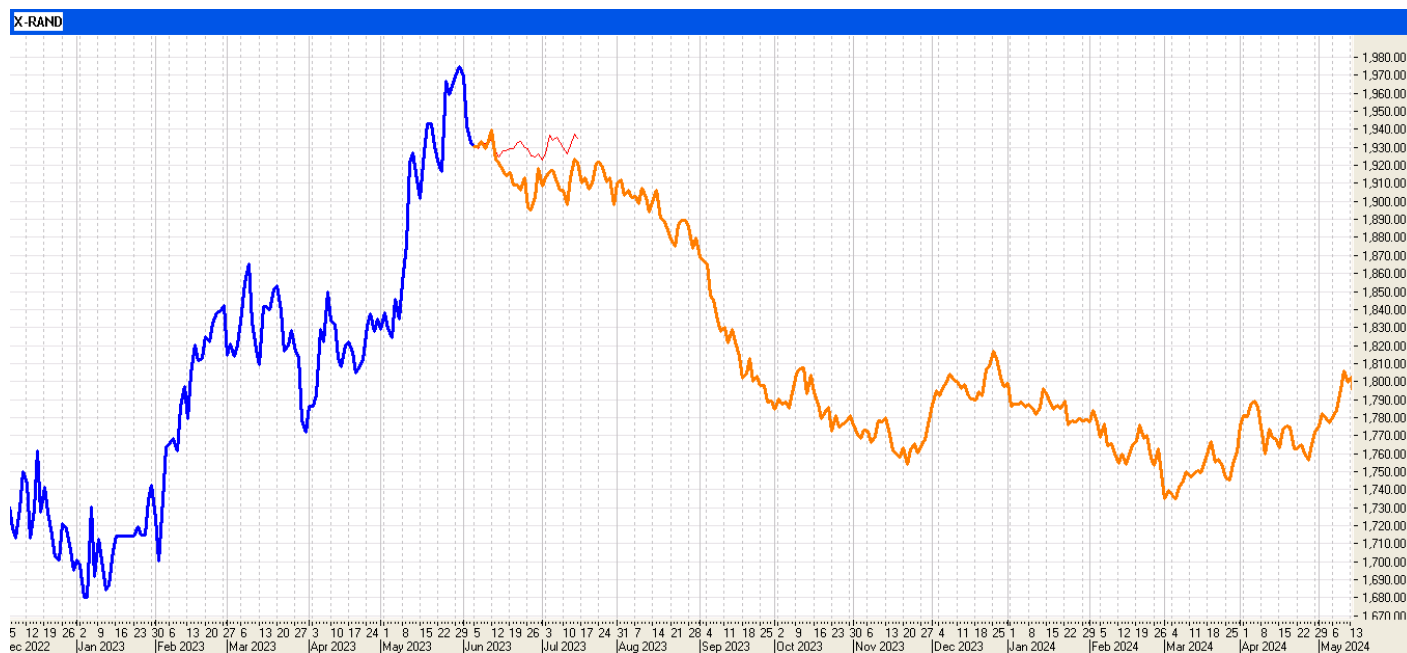
And of course it is not just Big Daddy saying this. AfriForum strategy and campaign officer Ernst van Zyl is on record stating "Expropriation is not restricted to farmland; it extends to all forms of property, including movable property and intellectual property."

The Daily Maverick's Marianne Merten reported van Zyl in March 2021 as stating, "Government has suggested in the past to take pension funds for infrastructure... that's why the reference to public interest (as grounds for expropriation) is of concern."

Van Zyl was talking about prescribed assets, or the government's plan to force pension and other savings funds to invest money in specified projects and companies, including state-owned enterprises (SOEs).

Fortunately, ShareFinder's systems see a short-term end to this ANC-inflicted misery. As I have recently been predicting, the Rand is now in strong recovery mode as observers realize the growing improbability that the ANC will continue playing chicken with the USA...that the government CANNOT duck its responsibility to arrest Russian President Vladimir Putin should he come to SA in August:

As you can see, ShareFinder predicts the Rand will be back at R17.35 to the US\$ by next March:



Furthermore, the software predicts JSE Blue Chips will be back at their January 2023 levels by next February:



The month ahead:

New York's SP500: I correctly called for a downward correction but it lasted for less time than I expected before surging up once more. Now short-term indicators are suggesting that a few weeks of retraction are likely and longer-term analysis also predicts declines until mid September.

Nasdaq: I correctly predicted gains. Now, however, there is an increasing likelihood of weakness until the end of August.

London's Footsie: I correctly predicted brief weakness which I still expect to last until July but I also expect a brief upward spurt within that trend from Monday until June 16.

France's Cac 40: I correctly predicted further losses well into the New Year with, within them, regular brief periods of gain. The next recovery is likely to be the first three weeks of July followed by another from mid-August to the end of October.

Hong Kong's Hangsen: I correctly predicted the start of a recovery which appears likely to last until November.

Japan's Nikkei: I correctly predicted a very volatile upward trend to the end of the year.

Australia's All Ordinaries: I correctly predicted a brief recovery within an overall declining trend likely to last until the end of October.

JSE Top 40 Index: I correctly predicted a brief recovery, but the longer-term trend remains the likelihood of a downward trend until at least the end of October.

ShareFinder JSE Blue Chip Index: I optimistically sensed the end of declines from June 5. Now I am moving that date to June 15 when I see a brief bounce. Long-term recovery is, however, only likely to begin in late August.

Rand/Dollar: I correctly predicted a long recovery until mid-November.

Rand/Euro: I wrongly predicted further losses. Now I see gains until February.

The Predicts accuracy rate on a running average basis since January 2001 has been 86.91 percent. For the past 12 months it has been 92.57 percent

Business leaders join forces with Ramaphosa to tackle economic crisis, Eskom, crime and corruption

By Ray Mahlaka

Business leaders have been vocal in their worry about SA's ties to Russia and daily Eskom blackouts, warning that the country risks becoming a failed state. Now business and government are collaborating to tackle the problems with urgency.

Eskom's unrelenting blackouts, SA's stance on Russia that has agitated currency markets, and the government's glacial pace in implementing structural pro-growth and investment reforms have caused angst among business leaders.

The business leaders, including the CEOs of leading companies, met President Cyril Ramaphosa and members of his Cabinet on Tuesday to raise their concerns about SA's economic crisis. The meeting ended with the business leaders agreeing to collaborate with the government — providing it with skills and financial resources — to tackle problems undermining the economy and its potential for growth.

In recent weeks, business leaders have become more vocal in their criticism of how Ramaphosa has managed the economy over the past five years and fired warnings that SA risks becoming a failed state. Ramaphosa's presidency has failed to stem the tide of rolling blackouts and to move with speed in implementing pro-growth and investment reforms in sectors such as transport (getting trains and ports operated by Transnet to run efficiently), and water (issuing water-use licences).

State Capture corruption cases are taking a lot of time and effort to prosecute successfully, and theft and vandalism of critical infrastructure have become rampant in industries, including mining and telecommunications. Morale and confidence dipped further when the rand plummeted to a record low against the dollar in May after the [US accused SA of covertly providing arms to Russia](#).

Read in Daily Maverick: [Lady R in South Africa](#)

Workstreams

Captains of industry and the government have now agreed to set up workstreams targeting the implementation of reforms in energy, transport and logistics, and tackling crime and corruption.

The workstreams are designed to mirror groups and the collaboration seen in SA's Covid-19 response, where the government and business leaders worked together to deal with the health, labour and economic impacts of the pandemic. Business and government also worked in unison to implement a nationwide Covid vaccine roll-out. One of the groups set up at the start of the Covid pandemic, Business for SA (B4SA), will be part of the workstreams, with [Business Unity South Africa](#).

The organisations will work with the Presidency, government departments, state-owned enterprises and other relevant state institutions to ease or end Eskom blackouts by 2024, stabilise and improve the operational performance of trains and ports, and mobilise resources on an "arm's-length basis" to help prosecute corruption cases.

Martin Kingston, the chair of the B4SA steering committee, told *Daily Maverick*: "In all these interventions, we must be mindful that we are not going to undermine or encroach upon the role of the state. But we want to partner with the state, bring in our skills and capacity."

To form part of the workstreams, business has put forward the names of Sasol boss Fleetwood Grobler, Sanlam CEO Paul Hanratty, Sibanye's [Neal Froneman](#), Anglo American chair Nolitha Fakude, former

Exxaro boss Mxolisi Mgojo, Toyota CEO Andrew Kirby and Remgro head Jannie Durand. The names of other CEOs are set to be added to the list over time.

Kingston said there is a feeling among CEOs that SA's socioeconomic situation has become worse, causing many moments of frustration with the government.

"There has not just been frustration but also anxiety and concern that we are not moving quickly. There are some very real problems. They are not new problems, but they are increasing, and manifest in all sorts of ways.

"But we are rallying around some of those challenges and dealing with them. If we are frustrated, we have a duty to step up to the plate and work alongside the government to fix the problems and build back confidence," he said.

Shaky relationship

The relationship between the government and business has not been smooth in recent years, with both parties deeply sceptical of each other. Since Ramaphosa first became President in 2018, he has attempted to remedy the trust deficit between the two, with much difficulty. Business has proposed solutions to SA's pressing economic and social problems and pledged support. But its offer of help has been largely ignored by the government.

"There are understandable suspicions on both sides [between business and government]. The inability to address some of the economic and social problems has eroded trust and confidence," said Kingston, adding that business is increasingly collaborating with the government to remedy the relationship.

Arguably, the latest workstreams initiative also risks going this route and failing to deliver demonstrable progress in the implementation of structural reforms — with the initiative ending up as a talk shop.

Kingston believes that the workstreams will result in "workable solutions". Implementation progress will be tracked and communicated to the public regularly, he said. **DM**