

## AFRICA RISK CONSULTING

### South Africa Monthly Briefing July 2022

---

#### South Africa Summary 22 July 2022

*Scheduled power outages dominate headlines in July as employees of state-owned power utility Eskom fail to report for duty despite their classification as “essential workers”. While Eskom has agreed a 7% wage increase, load shedding continues due to equipment breakdowns. President Cyril Ramaphosa (2018-present) says he will “shortly” address the electricity crisis. Ramaphosa continues to face opposition queries about the funding of his campaign to become president of the ruling African National Congress (CR17) in December 2017, as well as the theft of foreign currency from his Phala Phala game farm in Limpopo Province in February 2020. Power outages and inflation result in a slump in consumer confidence, although export-orientated corporates continue to show strong earnings. The government’s cash balance jumps by R108.1 billion (\$6.35 billion) in June to a record R395.8 billion (\$23.26 billion). The South African Reserve Bank (central bank) increases the repo rate by 75 basis points to 5.5% as consumer inflation in June exceeds its inflation target range for the second consecutive month. Mineral sales jump by 17.6% year-on-year (y/y) to a record R89.1 billion (\$5.24 billion), while bulk exports jump by 62.4% in June from May. Germany’s Federal Foreign Office commits \$4.9m to bolster UNICEF South Africa’s aim to vaccinate 70% of the population against Covid-19 by the end of 2022.*

---

#### Stage 6 load shedding dents consumer confidence ...

**South Africans** have faced frequent bouts of scheduled power outages, known locally as load-shedding, in July. The implementation of Stage 6 load-shedding on 28 June, followed by lower levels of load-shedding, has hit businesses as well as individual consumers trying to stay warm in the southern hemisphere winter. State-owned electricity producer **Eskom** is struggling with an aging coal-fired power station fleet, while its two new coal-fired power stations, **Medupi** and **Kusile**, are way behind schedule and billions of rand over budget, due in part to corruption.

South Africa has six stages of load shedding with each stage corresponding to 1,000 MW or around 3% of demand. In Stage 1, an area may experience power interruption for two hours in a 24-hour period, while Stage 2 will see two bouts of two-hour outages and State 4 involves four two-hour periods without power. While many large businesses have stand-by generators to cope with load shedding, most small businesses do not, resulting in a 25% loss of their available working time if Stage 1 is implemented during daylight hours. The implementation of Stage 6 has meant that many small businesses and residences have resorted to buying inverters, costing approximately R10,000 (\$588), or installing roof-top solar photovoltaic (PV) systems at a cost of approximately R160,000 (\$9,403). However, many suppliers have run out of stock and only expect new supply in August.

Eskom has said it needs at least 6,000 MW of new capacity to come on stream within the next two years.<sup>1</sup> However, in 2016 it stalled signing power purchase agreements that would have resulted in additional renewable energy from independent power producers coming on stream. In July 2020, the government launched the **Risk Mitigation Independent Power Producer Procurement Programme (RMIPPPP)**, an emergency power initiative intended to rapidly fill South Africa’s energy gap with at least 2,000 MW.<sup>2</sup> The programme has faced numerous delays; **Turkey**-based **Karpowership**, which was supposed to supply the largest share with 1,220 MW, said on 28 June that it was withdrawing from the programme due to the numerous delays.<sup>3</sup> As of 22 July, only one bidder

---

<sup>1</sup> Eskom, 29 Jun 2022

<sup>2</sup> IPP Office, 20 Jul 2022

<sup>3</sup> Business Day, 28 Jun 2022

has received a power purchase agreement; **Norway**-based **Scatec** will supply 150MW before the end of 2023. There is no word as to when the other seven bids will receive a power purchase agreement.

Independent thinktank **Meridian Economics** issued a report on 7 June indicating that load-shedding could have been reduced by 96.5% in 2021 if the government had not stalled the renewable programme in 2016. By now, at least 5,000 MW of renewable energy would have been procured. This would have reduced reliance on peaking plants that depend on diesel to keep the system stable and resulted in cost savings for Eskom of R2.5 billion (\$150m) and reduced tariffs to consumers.

The recent bout of load shedding was partly due to the breakdown of wage negotiations between trade unions and Eskom management on 22 June. Some Eskom workers embarked on unlawful strike action with at least three power stations seeing 90% of their work force not turning up for work, while there were road blockages at other power stations.<sup>4</sup> The wage strike was resolved on 5 July with a 7% salary increase, but some workers failed to return to work, prolonging various stages of load shedding.<sup>5</sup>

President **Cyril Ramaphosa** (2018-present) has made addressing the electricity crisis a national priority. However, after indicating on 15 July that a plan would be announced by 17 July, no announcement had been made by 21 July. Business organisation **Business Unity South Africa (BUSA)** has outlined a set of ten interventions that it believes could unlock much-needed investment into new generation and storage capacity over the coming two years recommends including as part of Ramaphosa's comprehensive plan for tackling load-shedding, which is expected to be unveiled soon. BUSA CEO **Cas Coovadia** said on 14 July that the organisation hopes Ramaphosa's announcement will provide a clear path,

*“with deadlines, that demonstrate the urgency with which the proposed actions will be implemented”.*<sup>6</sup>

The BUSA intervention envisages the introduction of 15 GW of additional generation capacity, together with 4 GW of battery storage, over a 24-month period. BUSA calculates that Eskom will supply 3 GW while a further 3.5 GW will derive from procurement programmes and as a result of policy reforms. BUSA claims the 9 GW balance, which would involve investments of about R170 billion (\$10 billion), could be unlocked through the following interventions:

- Resolving embedded generation registration and licensing issues, and accelerating the time it takes to get applications approved;
- Unblocking red tape constraining private sector investment in generation capacity;
- Removing caps on registering self-generation projects;
- Suspending local-content rules until the energy crisis has been averted;
- Increasing the regularity and size of rounds for renewable energy procured through the **Independent Power Producer Office**;
- Establishing an emergency feed-in tariff framework to enable Eskom to buy power from existing generators;
- Resolving bottlenecks in the transmission infrastructure to unlock additional generation capacity;
- Developing a unified and scalable wheeling framework;
- Developing a public-private transmission partnership framework to speed up build times; and
- Urgently addressing sabotage at Eskom, and the theft of copper cables.

<sup>4</sup> Eskom, 1 Jul 2022

<sup>5</sup> Eskom, 5 Jul 2022

<sup>6</sup> Engineering News, 14 Jul 2022

### ... as Ramaphosa faces headwinds from various political opponents

Ramaphosa is facing headwinds from other sources, including opposition **African Transformation Movement** demands for an investigation into the “**Farmgate**” scandal.<sup>7</sup> Former **State Security Agency** head **Arthur Fraser** alleged on 1 June that a large quantity of **United States** dollars in cash was stolen from Ramaphosa’s **Phala Phala** game farm in **Limpopo Province** on or around 9 February 2020 (see *ARC Briefing South Africa July 2022*).<sup>8</sup> Ramaphosa said he would not be intimidated into answering the allegations, but will instead let the criminal justice system carry out its independent investigation.

In some rare good news for Ramaphosa, the **Gauteng High Court** cleared him on 5 July of any wrongdoing in the 2012 **Marikana Massacre**.<sup>9</sup> The event took place on 16 August 2012 when members of the **South African Police Service (SAPS)** opened fire on a crowd of striking mineworkers at Marikana platinum mine in **North West Province**.<sup>10</sup> The police killed 34 mineworkers and left 78 seriously injured. At the time, Ramaphosa was deputy state president as well as a non-executive director of **Lonmin**, the mine’s owners. Ramaphosa reportedly emailed the police to suggest that they take strong action against the striking miners, which some claim contributed to the massacre. However, the **Marikana Commission of Inquiry** set up in October 2012 absolved the key political figures accused of having a hand in the events leading to the massacre, including Ramaphosa, in their report to then president **Jacob Zuma** in October 2015.<sup>11</sup> The High Court action in 2022 was a civil suit by relatives of the Marikana victims against Ramaphosa.

President Ramaphosa on 14 July rejected the notion advanced by opposition **United Democratic Movement** leader **Bantu Holomisa** that he should testify before the **Section 194 Committee** in Parliament as to whether he had received state funding for his 2017 campaign (**CR17**) to be elected as president of the ruling **African National Congress (ANC)**. The Gauteng High Court in **Pretoria** found on 2 December 2021 that members of the executive should be required to disclose donations they receive in internal political party campaigns. Investigative journalism body **amaBhungane** launched the constitutional challenge in response to Ramaphosa’s successful bid to invalidate public protector **Busisiwe Mkhwebane**’s report on his CR17 campaign finances. The case confirmed that, under the current prescripts of the code, Ramaphosa was not under any legal duty to disclose the donations he received for internal party elections because he had not personally benefitted from them. The ruling is likely to make the December 2022 ANC elective conference more transparent, but as in other countries, political campaign finance tends to be murky.

### Central bank increases repo rate by 75 basis points...

The **South African Reserve Bank (SARB)** (central bank) increased the repo rate by 75 basis points to 5.5% on 21 July.<sup>12</sup> Three members of the **Monetary Policy Committee** voted for the 75-basis-point increase, while one voted for a 100-basis-point jump and the fifth member voted for a 50-basis-point rise. This is the largest rate hike since September 2002, when the repo rate was hiked by 100 basis points amid an emerging market crisis. The latest interest rate hike follows a painful inflation figure released on 20 July; **Statistics South Africa** reported that consumer inflation reached 7.4% year-on-year (y/y) in June, the highest level in 13 years, after a 6.5% y/y gain in May.<sup>13</sup> The SARB’s inflation target range is 3%-6%. In May, the SARB hiked rates by 50 basis points to 4.75% (see *ARC Briefing South Africa May 2022*).

SARB governor **Lesetja Kganyago** said inflation continues to surprise to the upside. The central bank now expects headline inflation of 6.5% for this year, higher than its previous forecast of 5.9%.

<sup>7</sup> News24, 1 Jul 2022

<sup>8</sup> Business Day, 8 Jun 2022

<sup>9</sup> Presidency, 5 Jul 2022

<sup>10</sup> [SAHistory.org.za](http://SAHistory.org.za), accessed 22 Jul 2022

<sup>11</sup> [SAHistory.org.za](http://SAHistory.org.za), accessed 22 Jul 2022

<sup>12</sup> South African Reserve Bank, 21 Jul 2022

<sup>13</sup> Statistics South Africa, 20 Jul 2022

Kganyago warned that inflation expectations are increasing, meaning that employees will seek higher wage hikes, which will drive inflation even higher:

*"Global producer price and food price inflation continued to surprise higher in recent months and may do so again."*<sup>14</sup>

Despite the impact of load shedding and flooding in **KwaZulu-Natal** in April, the SARB upgraded its expectation for growth this year to 2.0%, from its previous prediction of 1.7%.<sup>15</sup> However, it sharply downgraded its forecast for growth for the following years to 1.3% in 2023 and 1.5% in 2024, below the 1.9% for both years it expected in May.

### ...as consumer confidence plunges...

The **Bureau for Economic Research's Consumer Confidence Index (CCI)** plunged during the second quarter of 2022 to -25 from -13 in the first quarter.<sup>16</sup> The drop is due to a major deterioration in the economic outlook sub-index of the CCI (from -18 to -39) and a complete turnabout in the household financial prospects sub-index (from +8 to -5). The index measuring the appropriateness of the present time to buy durable goods (e.g., vehicles, furniture, household appliances and electronic goods) also edged down (from -28 to -32), indicating that consumers consider the present time inappropriate to purchase durable goods.

Bar the CCI reading of -33 in the second quarter of 2020 – when the outbreak of the **Covid** pandemic and subsequent implementation of level 5 lockdown pummelled sentiment – the current reading is the lowest in more than three decades. The second quarter CCI survey was conducted between 6 and 20 June, before the implementation of Stage 6 load shedding.

A more detailed breakdown of the CCI shows that, while consumer confidence fell notably across all income groups, high-income confidence has soured more than low-income confidence since the end of 2021. Having already slumped from -11 to -18 index points in the first quarter, the confidence level of high-income households (earning more than R20,000 (\$1,175) per month) crashed to -30 in the second quarter. This reading is only 3 index points higher than the historic low of -33 recorded for this sub-index in the second quarter of 2020, with most affluent households now anticipating a deterioration in their household finances and, in particular, in South Africa's economic growth rate. Similarly, the confidence level of middle-income households (earning between R2,500 (\$147) and R20,000 (\$1,175) per month) slumped from -11 to -23. While confidence fell across all three income groups, affluent consumers are considerably more downbeat compared with low-income households.

**First National Bank (FNB)** chief economist **Mamello Matikinca-Ngwenya** said **Russia's** military operations in **Ukraine** have dealt blows to global consumer confidence around the globe and South Africa is no exception.

*"Whereas spiralling food and fuel prices are probably of primary concern to less affluent households, the prospects of further steep interest rate hikes and sinking share prices on the JSE would have compounded the inflationary pressures when it comes to middle- and high-income households."*<sup>17</sup>

### ...but corporates continue to report strong earnings

Despite lower consumer confidence, South Africa's corporates are reporting strong earnings. Mineral sales rose by 17.6% year-on-year in May to a record R89.1 billion (\$5.24 billion) despite a 7.8% y/y drop in mining production.<sup>18</sup> This contributed to the government's cash balance soaring by R108.1 billion (\$6.35 billion) in June from May to a record R395.8 billion (\$23.26 billion). June and December are the peak revenue collection months from corporates, so the June jump indicates that corporate

<sup>14</sup> South African Reserve Bank, 21 Jul 2022

<sup>15</sup> South African Reserve Bank, 21 Jul 2022

<sup>16</sup> Bureau for Economic Research, 29 Jun 2022

<sup>17</sup> Bureau for Economic Research, 29 Jun 2022

<sup>18</sup> Statistics South Africa, 14 Jul 2022

earnings remain strong. This is echoed by the South African unit of **M&G Plc.**, the **United Kingdom-**based fund manager overseeing more than \$390 billion in assets, which says it sees investment opportunities in South Africa's industrial and financial companies as earnings growth may surprise.

That seems to be confirmed by the **BankserveAfrica Economic Transactions Index (BETI)**, which had a 4.0% quarterly increase in the second quarter after a 2.3% gain in the first quarter.<sup>19</sup> The BETI tracks interbank payments and has a close correlation with GDP growth.

### **Germany provides \$4.9m funding to help SA achieve 70% vaccination rate by year end**

**Germany's Federal Foreign Office** has committed \$4.9m to bolster **UNICEF South Africa's** aim to vaccinate 70% of the population against Covid-19 by the end of 2022.<sup>20</sup> The country's vaccination rate is currently almost 51% of the adult population and 37% for young people aged 18 to 34.<sup>21</sup>

The resources will strengthen cold chain management and systems and communication and community engagement work, led by the national and provincial health departments. There will be a focus on the 32 districts with the lowest Covid-19 vaccine coverage across the country. The donation will also support equipment procurement, electronic inventory roll-out, and vaccine management training for frontline vaccinators and logistics personnel. UNICEF's representative to South Africa, **Christine Muhigana**, said the funding would bolster "*demand generation activities*" and tackle the remaining barriers to Covid-19 vaccine uptake and encourage people to take the vaccine.<sup>22</sup> Since the beginning of the pandemic, Germany has supported South Africa with medical goods and committed more than €200m (\$200m) towards the development and strengthening of local vaccine production capacities.

The **National Institute for Communicable Diseases (NICD)** reported that as of 22 July, South Africa had recorded 4,002,133 laboratory-confirmed cases of Covid-19 in its population of 60 million, with 101,943 Covid-19-related deaths. As of 22 July, there are 5,947 active cases in South Africa.<sup>23</sup>

---

<sup>19</sup> BankServeAfrica, 14 Jul 2022

<sup>20</sup> Engineering News, 13 Jul 2022

<sup>21</sup> Engineering News, 13 Jul 2022

<sup>22</sup> Engineering News, 13 Jul 2022

<sup>23</sup> NICD, 22 Jul 2022

## Planner

6 Sep 2022 **Pretoria (South Africa)** Q2 2022 GDP data;  
 20-22 Sep 2022 **Pretoria (South Africa)** SARB MPC meeting;  
 19 Oct 2022 **Cape Town (South Africa)** Medium Term Budget Policy Statement;  
 22-24 Nov 2022 **Pretoria (South Africa)** SARB MPC meeting;  
 6 Dec 2022 **Pretoria (South Africa)** Q3 2022 GDP data;  
 13-15 Dec 2022 **Washington (United States)** The **US-Africa Leaders Summit**;  
 Dec 2022 **(South Africa)** African National Congress elective congress;  
 2024 **(South Africa)** General election

## Chronology

21 Jul 2022 **Pretoria (South Africa)** *South African Reserve Bank*. **South African Reserve Bank** (central bank) **Monetary Policy Committee** votes by 3 to 2 to increase the repo rate by 75 basis points to 5.5%;

20 Jul 2022 **Pretoria (South Africa)** *Statistics South Africa*. Consumer inflation breaches the upper limit of the **South African Reserve Bank's** (central bank) inflation target range of 3-6% for the second consecutive month with a 7.4% year-on-year (y/y) increase in June after a 6.5% y/y rise in May from April and March's 5.9% y/y;

20 Jul 2022 **Pretoria (South Africa)** *News24*. Public enterprises minister **Pravin Gordhan** asks trade union **Solidarity** to provide a list of people with the necessary technical skills to help government address the skills crisis at state-owned power utility **Eskom**;

20 Jul 2022 **Washington (United States)** *Reuters* **United States (US)** president **Joseph Biden** announces that the US will bring together leaders from across the **African** continent for a major summit in December in **Washington** to discuss pressing challenges from food security to climate change;

19 Jul 2022 **Johannesburg (South Africa)** *Engineering News*. Acting public protector Advocate **Kholeka Gcaleka** confirms that her office will, in line with the **Public Protector Act**, subpoena President **Cyril Ramaphosa** to respond to allegations in the **Phala Phala** investigation;

15 Jul **Pretoria (South Africa)** *Bloomberg*. South Africa is considering more than doubling the amount that private power producers can generate without requiring a licence in a bid to reduce scheduled power outages;

14 Jul 2022 **Johannesburg (South Africa)** *Engineering News*. **Business Unity South Africa** outlines a set of ten interventions that it believes could unlock much-needed investment into new generation and storage capacity over the coming two years and should be included as part of President **Cyril Ramaphosa's** comprehensive plan for tackling load-shedding, which is expected to be unveiled soon;

14 Jul 2022 **Pretoria (South Africa)** *Engineering News*. **Department of Mineral Resources and Energy (DMRE)** director-general **Jacob Mbele** confirms that the **Integrated Resource Plan of 2019 (IRP 2019)** will continue to be implemented while it is reviewed, consulted and updated – a process that is set to continue well into 2023;

14 Jul 2022 **Pretoria (South Africa)** *News24*. President **Cyril Ramaphosa** rejects the notion advanced by **United Democratic Movement** leader **Bantu Holomisa** that he should testify before the **Section 194 Committee** in Parliament as to whether he had received state funding for his **CR17** presidential campaign;

14 Jul 2022 **Pretoria (South Africa)** *Statistics South Africa*. Mineral sales rise by 17.6% year-on-year in May to a record R89.1 billion (\$5.24 billion) despite a 7.8% y/y drop in mining production;

13 Jul 2022 **Pretoria (South Africa)** *News24*. **Pretoria Specialised Commercial Crimes Court** gives **Limpopo Province** businessman **Keabaka Remigious Kgatitsoe** a suspended five-year sentence for his role in the **VBS Mutual Bank** scandal and orders him to pay back more than R460,000 (\$27,000);

13 Jul 2022 **Pretoria (South Africa)** *Engineering News*. **Germany's Federal Foreign Office** commits \$4.9m to bolster **UNICEF South Africa's** aim to vaccinate 70% of the population against **Covid-19** by the end of 2022;

13 Jul 2022 **Johannesburg (South Africa)** *Bloomberg*. South Africa's **Competition Commission** provisionally finds that **Google Search's** practices distort competition in **United States-based** technology company **Google's** favour;

13 Jul 2022 **Johannesburg (South Africa)** *News24*. State-owned power utility **Eskom** says it hopes that the four arrests in relation to a corrupt **ABB Group** contract for work at the **Kusile** power station are "*just the beginning*", and that more arrests are expected to follow soon;

11 Jul 2022 **Johannesburg (South Africa)** *Transnet National Ports Authority*. Bulk export volumes soar by 62.4% in June compared with May;

8 July 2022 **Pretoria (South Africa)** *Engineering News*. Police minister **Bheki Cele** says 19 people have been arrested for incitement to commit public violence during the 2021 July unrest, with 86 more people on the radar of the **Directorate for Priority Crime Investigations**;

8 Jul 2022 **Pretoria (South Africa)** *Treasury*. **United States-based** ratings agency **Fitch** has maintained its stable outlook for South Africa, and affirmed the country's foreign and local currency debt ratings at a sub-investment grade BB- rating, but cited the electricity crisis as a major risk;

8 Jul 2022 **Johannesburg (South Africa)** *News24*. Security guards remove public enterprises minister **Pravin Gordhan** when an event he was addressing descends into chaos, with a group claiming to be students screaming threats and racist comments;

7 Jul 2022 **Boksburg (South Africa)** *News24*. **South African Federation of Trade Unions** secretary-general **Zwelinzima Vavi** says the labour federation plans to organise a "*national shutdown*" in August to protest the ongoing crisis at state-owned power utility **Eskom**, the rising cost of living, and high levels of unemployment;

6 Jul 2022 **Johannesburg (South Africa)** *News24*. The ruling **African National Congress** says it will review its cadre deployment policy after the state capture commission found it unconstitutional and unlawful, but it will defend its policy against the opposition **Democratic Alliance's (DA)** court case to have it declared unlawful and unconstitutional;

6 July 2022 **Johannesburg (South Africa)** *News24*. **Gauteng High Court** directs former state-owned power utility **Eskom** CEO **Brian Molefe** to pay back just under R10m (\$588,000), plus interest, to the power utility's pension fund;

6 Jul 2022 **Pretoria (South Africa)** *Engineering News*. The **National Planning Commission** calls for the declaration of an "*energy emergency*" to override any red tape currently preventing the construction of new electricity capacity, as well as to make it possible to build 10,000 MW of new generation and 5,000 MW of new storage capacity over the coming two years;

5 Jul 2022 **Durban (South Africa)** *News24*. Cooperative governance and traditional affairs minister **Nkosazana Dlamini-Zuma** proposes a skills exchange between the worst and best-performing municipalities;

5 Jul 2022 **Pretoria (South Africa)** *Presidency*. The Presidency welcomes the recent court judgment clearing President **Cyril Ramaphosa** of any legal duty in the 2012 **Marikana** massacre;

5 Jul 2022 **Johannesburg (South Africa)** *News24*. The **National Union of Metalworkers of South Africa** and the **National Union of Mineworkers** accept state-owned power utility **Eskom's** one-year 7% wage deal;

4 Jul 2022 **Pretoria (South Africa)** *Treasury*. Government's cash balances surge by R108.1 billion (\$6.35 billion) in June from May to a record R395.8 billion (\$23.26 billion);

4 Jul 2022 **Johannesburg (South Africa)** *Bloomberg*. The South African unit of **M&G Plc.**, the **United Kingdom**-based fund manager overseeing more than \$390 billion in assets, says it sees investment opportunities in South Africa's industrial and financial companies as earnings growth may surprise;

4 Jul 2022 **Pretoria (South Africa)** *News24*. Opposition party **Congress of the People (Cope)** opens a case of corruption and money laundering against former state security minister **David Mahlobo** at the **Lyttelton** police station in Pretoria;

1 Jul 2022 **Johannesburg (South Africa)** *Eskom*. As many as 90% of employees at three of state-owned utility **Eskom's** power stations – **Matla**, **Hendrina** and **Arnot** – have not returned to work after going on strike on 28 June;

1 Jul 2022 **Pretoria (South Africa)** *News24*. The **Independent Police Investigative Directorate** will probe the police's part in the alleged cover-up and off-the-books investigation of the theft at President **Cyril Ramaphosa's Phala Phala** farm (**Limpopo Province**) following a request from the **African Transformation Movement**;

30 Jun 2022 **Pretoria (South Africa)** *South African Revenue Service*. The trade surplus jumps to R28.3 billion (\$1.66 billion) in May from R16 billion (\$940m) in April as exports soar by 17.8%;

30 Jun 2022 **Pretoria (South Africa)** *News24*. The **Special Investigating Unit** is pushing ahead with its aim to recover funds from irregularly awarded public works contracts amounting to R1.3 billion (\$76.4m) via civil court action;

30 Jun 2022 **Durban (South Africa)** *News24*. The ruling **African National Congress** fails to overturn a previous court ruling that it must pay R120m (\$7.05m) it owes to a **KwaZulu-Natal**-based marketing company for the supply and erection of PVC banners in the run-up to the 2019 elections;

29 Jun 2022 **Johannesburg (South Africa)** *Engineering News*. Opposition **Democratic Alliance** lays criminal charges against the ruling **African National Congress (ANC)** and seeks investigation of the ANC for racketeering activities;

29 Jun 2022 **Pretoria (South Africa)** *News24*. A cabinet committee meets to deliberate on the crises at state-owned power utility **Eskom** after it plunges the country into Stage 6 load shedding;

29 Jun 2022 **Stellenbosch (South Africa)** *Bureau for Economic Research*. South Africa's consumer confidence plunged to its lowest level in over three decades in the second quarter of 2022, barring the sharp drop in the second quarter 2020 during the height of **Covid-19**;

28 Jun 2022 **Pretoria (South Africa)** *South African Reserve Bank*. **South Africa** recorded foreign direct investment (FDI) inflows of R27.2 billion (\$1.6 billion) in the first quarter of

2022 compared with R22.7 billion (\$1.33 billion) in the fourth quarter of 2021 due to foreign entities increasing equity investments and granting loans to domestic subsidiaries;

28 Jun 2022 **Johannesburg (South Africa)** *Business Day*. **Turkey-based Karpowership**, winner of **South Africa's** emergency power procurement programme, claims it is unable to continue with the project due to government delays;

28 Jun 2022 **Johannesburg (South Africa)** *Eskom*. State-owned power utility **Eskom** says it will implement Stage 6 load shedding for the first time since December 2019 as 3,218MW capacity of power is on planned maintenance, while another 17,621MW is unavailable due to breakdowns and unlawful strike action;

27 Jun 2022 **Johannesburg (South Africa)** *Gov UK*. President **Cyril Ramaphosa** meets with **United Kingdom** prime minister **Boris Johnson** at the **G7** summit in **Germany**, discussing the **Russia-Ukraine** conflict and global food and energy prices;

27 Jun 2022 **Pretoria (South Africa)** *Engineering News*. President **Cyril Ramaphosa** says that government must ensure there is redress, justice and accountability relating to those implicated in the **Zondo Commission** reports;

27 Jun 2022 **Johannesburg (South Africa)** *News24*. The **National Union of Metalworkers of South Africa (Numsa)** blames state-owned power utility **Eskom's** for the protests at power stations that plunged South Africa into Stage 4 load-shedding;

24 Jun 2022 **Windhoek (Namibia)** *News24*. President **Cyril Ramaphosa** postpones the **Namibia-South Africa** bi-national commission which **Namibia's** President **Hage Geingob** was due to co-host in Windhoek from 28 June-1 July;

24 Jun 2022 **Gqeberha (South Africa)** *News24*. The **Nelson Mandela Bay Municipality** will be opening communal taps in a bid to prevent one of its dams from running dry;

23 Jun 2022 **Johannesburg (South Africa)** *Bloomberg*. Tensions are rising at state-owned power utility **Eskom** as wage negotiations break down with groups at six coal-fired stations blocking roads to the stations.

### About Africa Risk Consulting:

**Africa Risk Consulting (ARC)** is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

**ARC's** core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

**ARC Briefing** is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)