



Numsa Media Monitor

Thursday 28 July 2016

A daily compilation of local, national and international articles dealing with labour related issues

Numsa

Vehicle industry key to SA growth

Roy Cokayne, Business Report, 27 July 2016

Johannesburg - The automotive industry remained fundamental to South Africa's socio-economic prosperity, growth and development and its long-term future would depend on the goodwill and co-operation of business, labour and government, according to the industry's association.

Mike Whitfield, the president of the National Association of Automobile Manufacturers of SA (Naamsa), said yesterday that the industry's remarkable performance in recent years required ongoing co-operation between the social partners and particularly a commitment to industrial relations stability throughout the automotive value chain to further enhance the industry's social and economic contribution to South Africa, particularly for the employees' benefit.

Whitfield referred to the difficult domestic trading environment confronting the automotive industry in South Africa and highlighted the achievements of the industry.

He referred to independent research commissioned by Naamsa last year to determine the industry's social and economic contribution to South Africa, adding that the findings would be released in the fourth quarter of this year.

However, no mention was made about the negotiations taking place with the National Union of Metalworkers of SA (Numsa) about a new agreement for the industry.

Stephen Nhlapo, Numsa's chief negotiator, confirmed to Business Report last week that the union had not concluded any agreements with the Automobile

Manufacturers Employers Organisation (Ameo). Nhlapo said the parties had agreed to have a last negotiation meeting in the coming weeks. Numsa's demands include a one-year, rather than a three-year, agreement and a 20 percent wage increase.

Ameo declined to comment on the negotiations.

Whitfield said it was important to acknowledge the Trade and Industry Department's role in providing manufacturers with long-term policy certainty.

Whitfield said this had contributed to capital investment of more than R28 billion by vehicle and component manufactures over the past four years. He said growth and development of the industry had over the past 20 years contributed substantially to the economy, with 115 000 high skill level employees gainfully employed in component and vehicle production.

He said total industry employment had been determined at 496 000 last year, while the industry's linkages with other sectors had created hundreds of thousands of additional employment opportunities.

Whitfield said the industry contributed 7.5 percent to gross domestic product, while vehicle and component production accounted for 33.5 percent of the country's manufacturing output. Automotive products valued at R151.1bn were exported last year, representing 14.6 percent of total South African exports, and 333 802 vehicles were exported to more than 100 countries last year to contribute to the first positive industry trade balance of R5.6bn, he said.

<http://www.iol.co.za/business/news/vehicle-industry-key-to-sa-growth-2049947>

South African workers

Sasol ready for strike in petroleum sector

Karl Gernetzky, Business Day, 28 July 2016

SASOL has put contingency plans in place in anticipation of thousands of petroleum sector workers downing tools on Thursday during a protected strike.

An estimated 15,000 workers in the petrochemical and pharmaceutical sectors belonging to the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (Ceppwawu) are going on strike on Thursday for a 9% wage increase in a sector covering crude oil refineries and fuel depots.

Employers are offering 7% in the first year and inflation plus 1.5% in the second year.

Ceppwawu head of collective bargaining Clement Chitja said on Wednesday meetings were "on the cards, but we remain available".

The National Petroleum Employers Association was not available for comment.

SA is a net importer of refined petroleum products and a prolonged strike could lead to shortages at the pump ahead of municipal elections in August.

Shell and BP jointly operate SA's largest refinery, the 160,000-barrel-a-day Sapref plant in KwaZulu-Natal. That refinery was largely unaffected during a previous strike in the sector.

Sasol and PetroSA also run refineries. BP and Shell SA did not respond to requests for comment, while Sasol said it would monitor the situation.

"Sasol has put contingency plans in place to ensure minimum disruption to our customers, as well as to ensure the safety of our employees and contractors during this time," spokesman Alex Anderson said on Wednesday.

The strike will affect refinery workers, fuel truck drivers and depot workers. Petrol station attendants have a separate bargaining council.

An 18-day strike in 2011 led to petrol stations across the country running dry, with shortages in some areas said to be compounded by high demand from motorists. The strike also hit the pharmaceutical and other sectors.

<http://www.bdlive.co.za/business/energy/2016/07/28/sasol-ready-for-strike-in-petroleum-sector>

Strike sparks fuel shortage fear for motorists

Zodidi Dano & Nosipho Mngoma, Cape Argus, 28 July 2016

Cape Town - Motorists have been warned to brace themselves for possible fuel shortages as workers in the petroleum industry embark on a strike from Thursday.

Fazel Ernest, the Western Cape Chemical Energy Paper Printing Wood and Allied Workers Union's regional co-ordinator, said all petroleum manufacturing employees will be downing tools.

He added that workers would be gathering at the Chevron Refinery offices near Table View at 6am.

Ernest said the strike followed failed wage negotiations with the National Petroleum Employer's Association.

"We are prepared to push our employers until they see reason and we are hoping this action will bring light to our management," Ernest said.

The association's deputy chairman, Zimisele Majamane, confirmed they had received notice of the strike.

Clement Chitja, the union's head of collective bargaining, said: "Due to a number of unresolved demands tabled by the union on behalf of workers at the bargaining council, workers will down tools and picket outside their workplaces."

Chitja said the workers demand was for a 9 percent increase for one year, but employers had offered 7 percent for this year, and an increase based on the consumer price index at April next year plus a 1.5 percent improvement factor.

This had been rejected by workers, bringing negotiations, which had started in May, to a halt.

The strike is expected to involve more than 15 000 workers and will affect the transportation of fuel to petrol stations around the country, especially in KwaZulu-Natal, Eastern and Western Cape as well as Mpumalanga, said Chitja.

Contingency plans

He said from past experience, it would be about three days before filling stations ran dry. However, Majamane added employers had prepared contingency plans to minimise the impact on consumers.

Chitja said: "All petroleum suppliers will be affected and unfortunately so will motorists."

"A strong message has to be sent to employers. It's not true when they cry broke; what they are doing is withholding money and by doing so, they are stagnating the economy."

Jan Schoeman, from the South African Fuel Retailers' Association (Sapra), said the strike included workers in the fuel bulk depots, transfer facilities and the oil refineries and not those at service stations, who fell under a different bargaining council.

Layton Beard of the Automobile Association said: "Motorists need to make provision to ensure their tanks are topped up and they are at least covered for some time."

"Motorists should also try to conserve fuel as far as they possibly can by not making unplanned journeys if they can avoid it and not driving in peak-hour stop and start traffic or use their air conditioner."

"They should keep their windows closed to cut down on the drag to ensure that their vehicles are using less fuel."

But Chevron South Africa spokeswoman Suzanne Pullinger said: "We have prepared for the possibility of a strike and while nothing can be guaranteed, we will do as much as reasonably possible to ensure the continued supply of fuel products to our customers."

Chitja said there was no telling when the strike would end.

They had laid their demands on the table including for petroleum employers to comply with amendments to the Labour Relations Act, which stipulate that after three months of employment, all workers should be permanently employed.

<http://www.iol.co.za/news/south-africa/strike-sparks-fuel-shortage-fear-for-motorists-2050507>

Abashayeli baxwayiswa ngokuthi bagcwalise uphethiloli

Izindaba24, 27 July 2016

Johannesburg - Kunokwesabela ukuthi amagaraji kaphethiloli ezweni lonke angase aphelelwe uphethiloli ngoLwesine ngenxa yesiteleka esibizwe yinyunyana yabasebenzi, iChemical Energy Paper Printing Wood and Allied Workers Union (CEPPWAWU).

Isiteleka kulindeleke sithikameze kakhulu izindawo okuhluzwa kuzona uphethiloli nalapho ugcinwa khona nokuyinto ezobanomthelela ongemuhle emagaraji.

UClement Chitja weCEPPWAWU, uthi amalungu abo embonini kaphethiloli azongenela isiteleka sikazwelonke kulandela ukufinyelela kwangqingetshewe kwezingxoxo zamaholo.

Funda nalolu daba: Asavaliwe amabhishi eThekwini

UChitja uthi, "Isizathu sokuba sithathe lesi sinyathelo yingoba izingxoxo zamaholo aziphumelelanga."

Uthe inyunyana ifuna amaholo enyuswe ngo-9% ngonyaka owodwa ekubeni umqashi ufuna kwenziwe isivumelwano seminyaka ephinda phindiwe, kubika iSABC.

– "Like" ikhasi lethu ku-Facebook uze ukwazi ukujoyina inkulumo ngolimi lwakho.

<http://isizulu.news24.com/Ezamabhizinisi/abashayeli-baxwayiswa-ngokuthi-baqcwalise-uphethiloli-20160728>

Retirement reform 'still alive', but is it well?

It will depend on discussions going forward – Treasury official.

Ingé Lamprecht, Moneyweb, 27 July 2016

JOHANNESBURG – The retirement reform process is "still alive", but whether it is "alive and well" will to a large extent depend on future discussions, a Treasury official has said.

Speaking at the 10X Investments Conference, Olano Makhubela, chief director for financial investments and savings at National Treasury, said these discussions are not easy as parties have got different interests and it is challenging to get everyone around a table to agree on a common objective.

"We hope we will be able to make some progress," he said.

His comments follow after government postponed the compulsory annuitisation of provident fund benefits, which was due to take effect on March 1 this year, by two more years.

The amendment would have brought provident funds in line with pension funds and retirement annuities, which are already required to annuitise, but it was postponed in the face of pushback from within union ranks. Tax-related reforms, including the harmonised 27.5% tax deductions on contributions to retirement funds went ahead.

The changes are part of a broader reform effort to ensure that South Africans can have a financially secure retirement. It is estimated that less than 10% of South Africans can maintain their living standard in retirement.

Following the postponement of compulsory annuitisation in February, Cosatu said while it took note of the postponement workers would never agree to negotiate tax reforms in the absence of a Comprehensive Social Security paper.

Meanwhile Treasury has agreed with Parliament to try and publish the Social Security Reform Paper following the promulgation of the Revenue Laws Amendment Act in May. There was an expectation that this could happen within around three months (by August).

“We are working on finalising the paper. It has not been easy but hopefully we will get it out soon,” Makhubela said on Tuesday.

He said there is an acknowledgement among all constituencies – including government, lawmakers, unions, communities and industry – that there is a need for workers to save for their retirement, but in an effort to get buy-in, the form these savings should take, including the nature of annuitisation, should be up for discussion.

A new round of discussions will go through Nedlac (National Economic Development and Labour Council) and may also have to be done outside of Nedlac as some unions are no longer part of it.

“It is going to be a difficult process because at least Nedlac helps in terms of co-ordinating the discussions and having everyone in one room whereas now you might make progress in Nedlac, but because you then have to engage other parties outside of Nedlac it complicates the discussions.”

One of the concerns raised by unions is the lower life expectancy of low-income workers, which Treasury accepts, Makhubela said.

He said a question that could be asked is why the financial services industry has been a bit slow in coming up with products targeting low-income retirees as this could help to solve some of the challenges.

Makhubela acknowledged that the Social Security Reform Paper has been outstanding for a while and said government has accepted that it “could arguably have done better”.

He stressed however that the issues that had to be considered were complex and that Treasury had to be careful not to rush the process. As the proposals are part of long-term reform, it doesn’t want to end up with unintended consequences, which become difficult to reverse.

It is for this reason that it is introducing the reforms gradually.

“So [you] try and undertake certain critical reforms, while you ensure that ultimately those gradual reforms will take you to the intended main objective of having a comprehensive social security.”

<http://www.moneyweb.co.za/mymoney/moneyweb-financial-planning/retirement-reform-still-alive-but-is-it-well/>

South Africa

Allow for workers to cast their votes, ANC asks employers

TimesLive, 27 July 2016

The African National Congress (ANC) on Wednesday urged businesses to make a plan to allow workers to cast their vote in the August 3 local government elections.

“A failure to do this,” ruling party spokesman Zizi Kodwa said, “amounts to disenfranchisement from active citizenry and undermines our collective commitment to credible, free, fair and peaceful elections.”

He said the ANC “views voting as an act of active patriotism where the people of South Africa exercise their hard-won right to choose a government of their choice”.

“This inalienable right should at all times be protected and upheld. It is for this reason that the 3rd August 2016 has been declared a public holiday to enable all eligible South Africans to cast their votes,” Kodwa said.

“While we note that some businesses will continue to regard this day as a trading day, the ANC appeals to employers to consider the needs of workers who are registered to vote in their respective voting districts, which may be a distance from their place of work.”

Employers should also be cognisant of the availability of public transport on a public holiday.

<http://www.timeslive.co.za/elections/2016/07/27/Allow-for-workers-to-cast-their-votes%E2%80%9A-ANC-asks-employers>

Shock court bid over KZN leadership could spell trouble for ANC

Amanda Khoza & Jeff Wicks, News24, 27 July 2016

Durban - A shock court bid to nullify the leadership of the ANC in KwaZulu-Natal - just a week before the local government elections - has exposed the thinly-veiled fault lines in the ruling party.

The application seeks to have the outcome of the ANC's 8th provincial elective conference, which took place in Pietermaritzburg in November last year, scrapped.

If successful, the move could see the entire provincial leadership ousted.

In a notice of motion filed in the Pietermaritzburg High Court, dated July 22 and obtained by News24 - the five applicants ask the court to nullify the outcomes of the conference.

The five are Lawrence Dube, Sibahle Zikalala, Martin Mzangwa, Mzweni Ngcobo and Lindiwe Buthelezi.

They have asked the court to rule that the decisions, resolutions and elections are declared unlawful and invalid and be set aside, and that any recognition of the conference by the ANC also be declared invalid.

Applicants want ANC to pay costs

The 39 respondents include provincial ANC chairperson Sihle Zikalala, his deputy Willies Mchunu, other top party figures, the ANC itself, and the Electoral Institute of Southern Africa.

The applicants also asked that the costs of the application be paid by the ANC and gave the respondents until mid-September to oppose the motion.

The elective conference in question saw Zikalala beat former Premier Senzo Mchunu to become the provincial chairperson.

Zikalala won the position with 780 votes, while Mchunu received 675 votes in a process where 1 459 delegates voted.

Other leaders elected were deputy chairperson Willies Mchunu, secretary Super Zuma, deputy secretary Mluleki Ndobe and treasurer Nomusa Dube-Ncube.

In the wake of the conference, and Mchunu's ousting, disgruntled members, believed to be his supporters, launched appeals demanding that the conference be nullified as they believed it had been rigged.

Senzo Mchunu supporters axed

It was alleged that there were "ghost delegates" and duplication of accreditation tags, but the ANC denied this.

Subsequently, the internal appeals failed and the party found that the conference was credible.

Disgruntled members also marched to the ANC's provincial offices because they were not satisfied with the conference outcomes, but the party took disciplinary action against those members.

Seven months after the conference, those perceived to have supported Mchunu were axed and replaced during a cabinet reshuffle in June, which the new leadership had vowed would not take place during the conference.

Mchunu was forced to resign from his position as the premier of the province and he was replaced by ANC deputy chairperson Willies Mchunu.

After the resignation, new Premier Willies Mchunu reshuffled the cabinet and axed economic development MEC Mike Mabuyakhulu along with sport, arts and culture MEC Ntombikayise Sabhidla-Saphetha, education's Peggy Nkonyeni and agriculture and rural development's Cyril Xaba.

They were replaced by Bongji Sithole-Moloi (sport, arts and culture), Sihle Zikalala (economic development) and Mthandeni Dlungwana (education). Xaba will be replaced by Themba Mthembu.

Matter to be dealt with after elections

The vacant transport portfolio was filled by Mxolisi Kaunda, a position previously held by the new premier.

Mabuyakhulu and Nkonyeni resigned from the legislature following the reshuffle.

At a municipal level, Msunduzi municipal manager Mxolisi Nkosi, who was believed to be in Senzo Mchunu's camp, was suspended for financial irregularities.

Prior to the provincial elective conference, the ANC had struggled to hold a successful regional conference, where eThekweni Mayor James Nxumalo and then-councillor Zandile Gumede went head-to-head.

Several attempts were made to hold the conference, but it was only held after the provincial conference. It was believed that the strategy was to secure Zikalala as chairperson so that he could assist Gumede become the regional chairperson.

The regional conference eventually sat on the fifth attempt, with Gumede, who had the backing of Zikalala, trumping Nxumalo, who enjoyed Mchunu's support.

ANC provincial spokesperson Mdumiseni Ntuli said that the notice had been served on the party and that the matter would be dealt with after the elections.

<http://www.news24.com/elections/news/exclusive-shock-court-bid-over-kzn-leadership-could-spell-trouble-for-anc-20160727>

Zuma gives Marikana wide berth at 11th hour

Thabiso Thakali, Independent Media, 28 July 2016

Rustenburg - President Jacob Zuma has yet again at the 11th hour skipped the site where mineworkers were gunned down by police in Marikana in North West in 2012.

Until Wednesday night, Zuma had been scheduled to campaign door-to-door in Wonderkop in Marikana, where residents were preparing to give him a hostile reception.

But at 6pm the ANC released a changed programme for Zuma, redirecting his campaign to Maboloka in Madibeng, which is part of the Bojanala region.

This is the second time in less than six months that Zuma has seemingly avoided going to Marikana, which is increasingly being viewed as a no-go area for his party.

In January, Zuma had been expected to hand over new houses to residents in Marikana West as part of the ANC's annual January 8 celebrations. Instead it was left to Human Settlements Minister Lindiwe Sisulu.

The new programme for Zuma on Wednesday night showed he had opted instead for an ANC stronghold where the party got more than 80 percent of the votes during the national and provincial elections in 2014.

In contrast, in ward 26 in Madibeng, which includes the Nkaneng settlement near Wonderkop stadium where Zuma was initially set to go, the ANC garnered 33 percent of votes while the EFF got 44 percent in the same elections.

Residents of Nkaneng told The Star on Wednesday that Zuma would not be welcomed with open arms.

Since police gunned down striking miners in what has become known as the Marikana massacre, the area is of political significance.

Perceptions are that it has become a Zuma and ANC no-go area after the president failed to pitch up to address miners. But the EFF and its leader Julius Malema often receive a warm welcome there.

On Wednesday, residents vowed to gatecrash Zuma's mini Siyanqoba (victory) rally.

"I don't think he will even try coming here, but if he does he must brace himself for chaos and booing," said Marikana resident Mamsy Poopedi.

"People here don't want the ANC and they are still bitter about what happened in 2012. We feel that it was Zuma who failed us then. They are going to cause chaos if he sets his foot here."

A Marikana community leader, who did not want to be named for fear of being targeted, said residents preferred having the EFF and Malema in the community.

"Malema has been with this community since that day; where was Zuma?" he asked.

"The first time Zuma had a chance to address the people after 2012, he didn't want to, so why now, because it is election time? He can try but he won't succeed here."

Poopedi said she feared what would happen when the mineworkers who worked underground returned from their shifts and found Zuma addressing people in the stadium.

"I don't want to see that. The peace here is fragile and it will take a small thing to trigger anger again," she added.

A group of women draped in EFF and mining union Amcu T-shirts vowed they would boo Zuma if he went there.

"He knows his sins and what he did here in 2012; we don't want him," said one.

ANC spokesman Zizi Kodwa downplayed the change in Zuma's schedule.

"It's not us who change it. It is the provinces themselves that sometimes say they spoke to regions and think it would add value if the president campaigned in a different area."

<http://www.iol.co.za/news/politics/zuma-gives-marikana-wide-berth-at-11th-hour-2050493>

ANC woes pile up in South Africa mine massacre town ahead of poll

Ed Stoddard, Reuters, 26 July 2016

In the shantytowns around Lonmin's Marikana platinum mine, where 34 striking miners were shot dead by police in 2012, residents say the ruling party has failed to keep a promise for basic services and could lose in next week's local polls.

The vote will be a stern test for President Jacob Zuma's African National Congress who is facing a strong challenge from the opposition and an economy forecast to stagnate this year.

Any defeats in the big population centers for the ANC in the Aug. 3 vote, could damage the party, in power since the end of white-minority rule in 1994, as it prepares for a presidential election in 2019.

Marikana, a hardscrabble mining community 110 kms (70 miles) northwest of Johannesburg, is testament to the ruling party's declining political standing. Once an ANC stronghold, it is expected to lose further ground to the opposition.

"We want water, housing and electricity. There have been no changes here," said Welekazi Mkololo, 30, an unemployed resident of Marikana, sitting amid corrugated iron shacks.

"I have to fetch water from a stream, it's far from here."

Polls suggest the ANC could also lose its hold on major municipalities such as the commercial hub of Johannesburg and Nelson Mandela Bay on the east coast.

The ANC has repeatedly promised a "better life for all" and can point to a number of successes.

"Once upon a time local government only delivered services to certain sectors of the population. Now, we have a government that delivers services to all its citizens," Zuma said on the campaign trail in June.

For example, according to United Nations and ANC data, the percentage of the population with access to at least basic sanitation increased to 79.5 percent in 2014 from 62.3 percent in 2002.

But after the 2012 deaths of the strikers in Marikana who were seeking "a living wage," the ANC promised fast-paced economic development to try and avoid a repeat of the incident and residents say there has been little sign of change.

"Marikana stands as a monument to ANC failures on so many levels, broken promises, unfulfilled expectations and the slow lingering decay of hope," said Gary van Staden, a political analyst with NKC African Economics.

DECLINE IN POLITICAL FORTUNES

The lack of basic services combined with the memory of what has become known as the "Marikana Massacre" have provided fertile ground for the ultra-left Economic Freedom Fighters (EFF), whose leader Julius Malema seized on the killings, blaming them on Zuma's government to advance his new party.

An investigation into the deaths released by Zuma, blamed Lonmin, the police and unions for the killings.

"The EFF will win here. They are pressing the Marikana agenda. People here blame the ANC for those 34 deaths," said 30-year-old Marikana resident Sifiso Mthethwa, an unemployed computer technician strumming a guitar on a dusty street corner.

The ANC took 92 percent of the vote in Marikana in the 2011 local elections but only 38 percent in the 2014 general elections, when the EFF took 25 percent in the ward.

"You can see that board in front of you, that is how we will vote," said Mphuthumi Mphosie, 23, an unemployed Marikana resident, pointing to an EFF billboard.

The region has also been the epicenter of a violent union turf war that saw the National Union of Mineworkers, a key ANC ally, lose its majority representation of workers in the platinum belt to the militant Association of Mineworkers and Construction Union.

Other former ANC strongholds suffer from a similar lack of services to Marikana's mushrooming shantytown.

According to a study last year by the Ministry of Co-operative Governance, which oversees local authorities, a third of South Africa's municipalities were "dysfunctional."

This has led to riots, dubbed "service delivery protests" in towns where rubbish goes uncollected, water taps run dry, and finances are strained.

"It is a vicious cycle of poor oversight and corruption," said Karen Heese of Municipal IQ, a local government research organization.

Data by Municipal IQ shows the number of such protests surged to 191 in 2014 from 27 in 2008. The riots declined to 164 in 2015 but there were 91 in the first six months of 2016.

On the flip side, a 2014 report by investment bank Goldman Sachs said the percentage of households with access to power rose to 85 percent in 2012 from 77 percent in 2002.

Households with access to piped tap water - either on the property or in the neighborhood - soared to 91 percent in 2012 from just 56 percent in 2002.

But hooking households up to water or power is one thing: maintaining the flow is another. A few miles down the road from Marikana is Maditlokwa, a shantytown convulsed by rioting in February.

"Nothing has changed since the protests," said one elderly woman, who declined to give her name. She said the water in the tap in her small plot sometimes worked, but often did not.

<http://www.reuters.com/article/us-safrica-election-marikana-idUSKCN1061KS>

What is behind the ANC's displays of odd behaviour?

Natasha Marrian, Business Day, 28 July 2016

THE case of suspended, or not suspended, ANC leader Marius Fransman is vexing and odd. It can be dismissed as a product of the pro-and anti-Zuma squabble, with Fransman having the backing of President Jacob Zuma on the one hand, and ANC secretary-general Gwede Mantashe trying to instill discipline on the other, but it comes a week before the toughest election the party has faced.

It is worthwhile reminding ourselves who Fransman is: he is leading the party in the only province run by the opposition, he is not particularly popular in his province, the

ANC under his watch is in a dismal state, the Western Cape's role in national ANC politics is minimal, and Fransman is reported to have fraternised with gangsters. He is fighting sections of his party for attempting to hold him to account over serious allegations of sexual assault.

Yet senior party leaders — including Mantashe and treasurer-general Zweli Mkhize on the one hand, and head of elections Nomvula Mokonyane and Zuma himself on the other — are at odds over his status in the party.

Step back from Fransman for a moment. The ANC's response to the drama at the SABC was equally odd; strong and emotional at first, shortly afterwards, it backtracked and referred the matter to Parliament, which should have dealt with it in the first place. The broadcaster concedes defeat over its editorial policies, loses a labour court case and is compelled to reinstate axed reporters, then bars them from returning to work the next day. Later, on the same day, it announces that they will return to work. Huh?

Let us go back a little farther. Recall the reaction by Mantashe to the landing of the Gupta family at the Waterkloof Air Force Base. The strongest rebuke emerged from Luthuli House, yet three years later, Mantashe announced that a probe into the influence of the family after the deputy finance minister admitted the family offered him his boss's job, had fallen flat.

The odd behaviour could simply be a reflection of the confusion within the party, as it faces yet another crossroads in the postdemocratic era. Its internal chaos and contradictions are a product of its current state.

It has a president in the proverbial departure lounge: he is expected to step down at the end of 2017 as party leader. In the natural course of events, he would be looking forward to a long, leisurely retirement, and go through the motions as he campaigns to secure a final victory for the party and his legacy in government as he makes way for his successor.

But he is doing nothing of the sort. Instead, he has surrounded himself with mediocre sycophants, from Fransman to SABC chief operating officer Hlaudi Motsoeneng, who continue to prop him up.

The ANC's national executive committee has similarly failed to hold him to account — either it cannot or it will not. My guess is the latter. He holds the superficial loyalty of major regional power brokers including the "premier league", which includes the ANC leaders of Mpumalanga, the North West, and the Free State.

Yet the ANC's electoral fortunes have slipped steadily since Zuma came to power in 2009.

Under him, a province has been lost, the alliance has been decimated, the youth league destroyed, and two clear splits have emerged, with another on the cards: the Congress of the People, the EFF, and the National Union of Metalworkers of SA under the banner of the United Front.

It is no wonder there is division in the ranks. The unfolding drama in our body politic is a clear indication that the organisation that dominates it is in serious decline.

Pre-Polokwane, the answer to the question, "What is to be done?" was "Zuma" from the unthinking coalition that drove his ascent. Now answering that question is vastly more complex, and SA is taking strain as the governing party wrestles with it.

• *Marrian is political editor.*

<http://www.bdlive.co.za/opinion/columnists/2016/07/28/what-is-behind-the-ancs-displays-of-odd-behaviour>

SABC

SABC reinstates fired journalists

Botho Molosankwe, The Star, 27 July 2016

Johannesburg - The SABC has done a u-turn and reinstated the seven journalists it fired last week and it will also no longer pursue any action against them.

On Wednesday morning the SABC refused to accept Tuesday's Labour Court ruling that the broadcaster must allow Foeta Krige, Suna Venter, Krivani Pillay and Jacques Steenkamp back at work, stating that it would appeal that decision.

The four were then barred from entering the SABC building and had to return home.

Trade union Solidarity, which had taken the matter of Krige, Venter, Steenkamp and Pillay to court, then instructed its lawyers to prepare documents that would be filed urgently at the Labour court on Wednesday afternoon to compel the SABC to adhere to the order.

However, just before Solidarity could file the documents, they received a letter from the SABC stating that it had not only reinstated Krige, Venter, Steenkamp and Pillay but also Lukhanyo Calata, Busisiwe Ntuli and Thadeka Gqubule who were also fired last week.

An elated Hermann said the decision took them by surprise because there had not been any indication throughout the day that the SABC would finally relent.

"We had given the SABC until 4pm to respond to us regarding the appeal. The documents were completed and ready to be filed when we got the messages from the SABC at 4.05. They did not give the reasons for the reinstatement just that our members must go back to work.

"We see this as an absolute victory, we are relieved. We did not expect that from the SABC; they got good advice. Let's hope that this is the end of everything," he said.

<http://www.iol.co.za/news/crime-courts/sabc-reinstates-fired-journalists-2050265>

International

57 Malawian children rescued from human traffickers in SA

Bright Malenga, Malawi 24, 27 July 2016

Police in South Africa have rescued fifty seven Malawian children from the hands of Malawian human traffickers.

The young Malawians who are between the ages of 11 and 21 are now at a place of safety in the rainbow nation.

According to reports, in the early hours of Tuesday, two police officers spotted a white “delivery” truck travelling at high speed in Rustenburg in South Africa.

In the front seats of the truck were the driver and two other people. When they were stopped they refused to answer questions related to what they were transporting and refused to open the back.

When officers forced open the back of the truck, two children fell to the ground.

Officers found 18 young Malawian girls and 39 boys inside the enclosed back, which had a makeshift window at the top. Undocumented and shaken – the group was immediately taken to a place of safety.

“They are well looked after and the Department of Social Development will do justice. Immediately after they were found, they were to be taken for assessments or treatments,” said acting national police commissioner, Khomotso Phahlane.

Details of their travel is still sketchy and authorities say they are investigating. It is unclear how long they had been on the road, how they crossed the border, what their intended destination was and exactly what they were trafficked for.

The driver and two passengers, who are all Malawians, were arrested.

“They were arrested for human trafficking. The suspects appeared briefly at the Rustenburg regional magistrate’s court on Tuesday – their case has been postponed to 13 September 2016 – facing 57 counts of human trafficking,” said Phahlane.

South African authorities have since disclosed that they are working with Malawian officials in their investigations.

<https://malawi24.com/2016/07/27/57-malawian-children-rescued-human-traffickers-sa/>

Talks fail, bank unions to strike work on Friday

The Hindu [India], 28 July 2016

The unions are opposing banking reforms

Following the failure of conciliatory moves by the Labour Commissioner, banking unions are going ahead with a nation-wide strike on Friday in support of a charter of their demands, including opposition to a set of banking reforms.

The Centre has issued directions for payment of July salaries to its employees on Thursday, the last working day of the month.

There was no meeting point between the bank unions and Union Finance Ministry representatives on the demands of the former which largely centred on restructuring of banks, steps for recovery of bad loans and pay.

Among the larger issues flagged by the unions are immediate appointment of non-workmen/officers nominee directors on the Boards of all public sector banks.

<http://www.thehindu.com/news/national/talks-fail-bank-unions-to-strike-work-on-friday/article8907714.ece>

Comment and opinion

The Great Rip Off: South Africa loses billions in export misinvoicing

Brian Ashley and Dick Forslund, AIDC, 27 July 2016

“This suggests that export underinvoicing is not due to underreporting of the true value of gold exports, but rather to pure smuggling of gold out of the country. In other words, virtually all gold exported by South Africa leaves the country unreported.”

This is the sensational conclusion of a very recent study undertaken by UNCTAD on the issue of trade misinvoicing – a key method for illicitly exporting capital out of a country with severe consequences for financing much needed development, reducing poverty or in the case of South Africa, dealing with debilitating mass unemployment.

The study, "Trade Misinvoicing in Primary Commodities in Developing Countries: The cases of Chile, Cote d'Ivoire, Nigeria, South Africa and Zambia (UNCTAD/SUC/2016/2) <http://unctad.org/en/PublicationsLibrary/suc2016d2.pdf>," is by Professor Lonce Ndikumana, University of Massachusetts, Amherst for UNCTAD's Commodity division, and was released in Nairobi Kenya on 18 July.

The study provides empirical evidence on the magnitude of trade misinvoicing in the case of primary commodity exports from five natural-resource-rich developing countries: This sample comprises four resource-dependent developing countries and South Africa – a more diversified exporter of primary commodities.

Estimates of trade misinvoicing have been primarily based on bilateral trade data published in the Direction of Trade Statistics (DOTS) of the International Monetary Fund (IMF), providing aggregate values of imports and exports between a country and its trading partners. However, this study breaks new ground by providing an analysis at more disaggregated sector and product levels. The analysis additionally uses data published in the United Nations Commodity Trade Statistics (UN Comtrade) Database, which provides time series on imports and exports broken down by product, country and trading partner.

There are substantial levels of trade misinvoicing in all five countries covered by the study, but the patterns vary substantially across countries, products and trading partners.

Given the historical importance of gold exports to the South African economy, the study is extremely alarming. It is as if the sanction busting practices of the apartheid government before 1994 simply stayed in place. But today it is tax revenues, local investment and, not least, wages of gold mine workers that are 'busted'.

Of course this is very much about tax revenue and the current account deficit, where more foreign currency is going out than coming in, creating dependency on borrowing and speculative financial inflows for a government that shuns capital controls. But we shall return to the issue of stakeholders – other than SA and all

African governments – hurt by the staggering rip off. Let us first give some highlights from the UNCTAD study, where platinum and silver was under invoiced by \$2.3 billion between 2006-2014 and, in fact, a further \$2.3 billion between 2000-2005, even if exports were three times greater for that period.

Misinvoicing within SA's gold sector is however even more staggering. Gold exports from SA, says the UNCTAD report, is not simply about undervaluation of exports. It is "rather a case of pure smuggling of gold out of the country".

"The most striking feature of the gold sector in South Africa is the huge discrepancy between the amounts recorded in that country's official trade statistics and those reported in its trading partners' records. According to South Africa's data, the country's cumulative gold exports were \$34.5 billion from 2000 to 2014, whereas according to trading partner data for that period they were more than three times higher, at \$116.2 billion. This is indicative of massive export underinvoicing." In fact, the study reports, the physical volume of exports (using the data from SA's partners) and export underinvoicing are in "perfect correlation". "This suggests that export underinvoicing is not due to underreporting of the true value of gold exports, but rather to pure smuggling of gold out of the country. Total misinvoicing of gold exports to South Africa's leading trading partners was \$113.6 billion over the 15-year period." At an average exchange rate of R9 per dollar, this corresponds to over R1 trillion.

More bizarre and requiring further investigation is a phenomenon illustrated by Hong Kong. According to the South African data, Hong Kong's share in South Africa's gold exports to its trading partners fell from 90 per cent in 2010 to a mere 2 per cent (!) in 2011. Yet, the data from all SA's trading partners show that Hong Kong's share of the same trading partners gold imports from South Africa actually rose from 4.6 per cent in 2010 to 22.3 per cent in 2011!

For South Africa, the study only finds so called "overinvoicing" for iron export to Japan and the Netherlands. In such a case the value of exports from SA to a trading partner is higher than the import value recorded for SA by that trading partner.

It is only with Netherlands that the study finds a net "overinvoicing" situation. For the period 2000-2014 SA overinvoiced iron export to the Netherlands by \$1.4 billion. The report laconically concludes that "a large proportion of iron ore exports from SA to the Netherlands ... does not appear to have ever docked in the Netherlands". This can be because of the iron being smuggled into the Netherlands. It can also be that the buyers' residence is incorrectly reported: It could be that the SA company is selling the iron to partner companies in tax havens even if they report something else.

To solve the overinvoicing enigma, the report recommends studies at company level. This is currently quite difficult given the lack of access to financial records of TNC subsidiaries. Nevertheless, this study brings us nearer to this possibility, because, for the first time, we now have a study of misinvoicing, commodity by commodity for South Africa.

Why underinvoicing?

One motive for corporations to underinvoice the value of exports from SA can of course be to avoid tax. This is common cause. The companies in question avoid tax

on profits and royalties. And indeed: individual beneficiaries who control the set-up avoid personal income taxes.

Lower taxes on profits and lower royalties – a tax on the sales regardless of profits earned – are clearly very important. But it can also be seen as a profitable side-effect of the more over-arching motive, which simply is to move massive amounts of dollars out from South Africa. This is where ‘wage evasion’, as a concept, becomes important.

Against the background of the UNCTAD report, it possible to argue that all mineworkers could be paid a decent living wage of least R12500; all that is needed is for these illicit outflows to stop.

Underinvoicing in the platinum sector amounted to \$4.6 billion between 2000-2014, or \$300 million per year. At an exchange rate of R12 to R14 per dollar, the misinvoicing factor alone allows for a monthly wage increase of between R1100- R1300 per month for 190 000 permanent and contract workers in this sector. We have then first simply assumed that 28 per cent of every \$100 in illicit outflows was used for other purposes than wages, as per the corporate income tax rate. Even when personal income tax and VAT is taken into account, the underinvoicing potentially affects worker wages more than tax revenues.

In the gold sector between 2000-2014, \$113.6 billion left the country through underinvoicing. These particular illicit gold sector outflows averaged a staggering \$7,6 billion per year. In the same vain, and at an exchange rate of R12 to R14 per dollar, the misinvoicing factor alone allows for a monthly increase of R54 500 to R63 600 for every worker.

We don't think the 100 000 gold sector workers will demand that magnitude of wage increase. Such windfalls are only for CEOs. Isn't there a class action going on for another 200 000 former gold mining workers who became sick from silicosis? They, too, could do with a bit of this money.

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