

FOREWORD

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The first six months of 2019 has proven to be interesting on the international front. The USA-China trade wars have dominated the international arena and most stock markets took some form of hit – from which they are still recovering. Since the G20 summit in July 2019, the USA and china have indicated a willingness to start trade discussions in order to prevent further tax impositions on imported goods. This has led to a temporary rally in the stock markets and only time will tell how soon there will be an end to this uncertainty.

With Britain due to elect a new prime minister in July/August the clear front runner is Boris Johnson – who is advocating a BREXIt with or without a plan by end October. This has let to some major concerns from politicians as well as businesses that it can be detrimental to the economy as a whole. There are major concerns regarding the feasibility of a Brexit exit without a strategy and this will lead to possible serious consequences to the British economy.

The South African economy has likewise gone through some turbulent times with the rand weakening to nearly R15 to the dollar. The threat of a downgrade to junk status is still very much on the table and the political climate has not stabilized since the elections of 8 May. This has led to much uncertainty and there is concerns that the political infighting between the various factions in the ANC will have a negative impact on the economy. Another concern for the South African economy is the fact that unemployment has risen to over 27% with no end in sight. The governments plans to create 10 million jobs in the next 10years is nothing but a pipe dream according to business leaders. There are major concerns from business that President Ramaphosa will not be able to negotiate or trump the Zuma loyalists in his cabinet and that they will bring him to a fall in the next year.

It will be interesting to see towards the end of the year what the world economy will be doing. There are major challenges ahead for the international markets as well as the local market and the changing politics on all continents. It is a known fact that changes are taking place and the world of business is not the same as it was only 5 years ago.