The New Age p 13 06-09-2017

Eggs contaminated with insecticide

NONHLANHLA MASEKO

EGGS contaminated with insecticide have been discovered in 40 countries, including South Africa, German news agency DPA said yesterday.

However, the South African government has not made any announcement on the egg contamination issue.

The Department of Agriculture, Forestry and Fisheries said yesterday the eggs fell under the jurisdiction of the Department of Health's food control director, Penny Campbell.

"We have engaged with them on the matter of these consignments and were able to assist them in detaining the container in Durban through our Directorate of Inspection Services Durban port office, but the jurisdiction is theirs," the director: animal health in the Department of Agriculture, Mphane Molefe, said.

Campbell could not be reached for comment yesterday.

The insecticide, fipronil, disrupts insects' central nervous systems and is considered moderately toxic in humans, causing organ damage.

The poison is widely used to treat pets for ticks and fleas but its use in the food chain – for example, to clean out barns – is forbidden.

Millions of eggs have been pulled from European supermarket shelves, though some national regulators have voiced concern that many contaminated eggs have already entered the food chain, mainly through processed products such as biscuits, cakes and salads.

By the start of this week, 24 of the 28 EU countries had reported cases of tainted eggs, while 16 non-EU countries had also reported cases.

The non-EU states in which contaminated eggs have been discovered include South Africa, Switzerland, Hong Kong, the US, Russia and Turkey.

Two Dutch men who run a cleaning company and distributed the insecticide to a supplier of cleaning products in the Netherlands were arrested last month.

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TAINTED: Eggs contaminated with insecticides have been discovered in South Africa but authorities are yet to act on the matter. PICTURE: REUTERS

The Citizen P 22 06-09-2017

Farming helps grow SA economy out of recession

SA emerged from a recession in the second quarter (Q2) as agriculture helped the economy expand more than expected, official figures showed, strengthening the rand and bonds.

SA grew 2.5% in Q2 after contracting 0.6% in Q1 and 0.3% in Q4 of 2016, Statistics SA said. Economists had expected a quarter-on-quarter expansion of 2.1% and year-on-year growth of 0.4%.

Leading the recovery was agriculture, which expanded 33.6% in Q2. Mining, manufacturing and trade also registered growth.

Finance Minister Malusi Gigaba said the improved growth figures were encouraging but it was too early to celebrate. "We need to remain honest about the challenges that still face the economy. Poverty, unemployment and inequality, underpinned by persistent low growth, remain the challenge."

Confidence elusive

GDP rose 1.1% on a year-on-year basis in Q2 (Q1: 1% up).

"The growth rate is not what those in decision-making positions would have wanted. Although it's not negative, it is not at the level that was planned for," said Statistician-General Pali Lehohla. – *Reuters*

The New Age P6 06-09-2017

Irrigation aids farmers

Mjindi Farming CEO Sifundza says the scheme serves 314 farmers and 26 cooperatives

LESLEY TSHAMANO

THE MAKHATHINI irrigation scheme is a source of livelihood for more than hundred people living in Jozini and surrounds in northern KZN.

Mjindi Farming chief executive officer, Masango Sifundza, said the scheme, which irrigates 4 572ha of arable land, serves 314 farmers and 26 cooperatives, helping them to produce crops, food for their families and a surplus to sell.

Mjindi Farming is the managing entity which provides agricultural advisory services, infrastructure and water services to the farmers.

"The irrigation scheme has six different pump stations with a total of 64 pumps. This pump stations delivers pressurised raw water to farmer's fields. Water is sourced from Jozini dam (capacity: 2 446 million m^3) through canals (32km of canals) to different pump stations. About 5 million m^3 of water is used monthly in the scheme," Sifundza said.

He said the irrigation scheme also created employment opportunities for locals through its refurbishment projects. He said in the past five years, about 5 000 people were employed to work on these projects.

"Six local labourers and one local service provider were employed to replace six pumps, valves and control valves, 27 people were employed in the construction of an input store and a nursery,six locals were employed to eradicate typha latifolia weed invasion, 106 local labourers were employed for construction of block 15 E drainage canal, four local labourers were employed to do maintenance work at P1 Pump Station, which has 12 pumps and serves 700ha in block 6A comprising different types of crops and 80 labourers were employed for the rehabilitation of the Main Canal."

Another 200 jobs were created for locals to fix fences, labourers were employed for the installation of 32 cattle grids and local sub-contractors were used for re-gravelling 64km of infield roads.

Local labour was also used for the installation of 217 infield water meters, clearing of vegetation along the canal, installation of nine new gates that cost R80 000 and refurbishing irrigation pipes. Sifundza said more employment opportunities would be created when Mjindi Farming launched refurbishment projects lined up for this financial year.

"A total infrastructure budget of R17.8m has been set aside for the 2017-18 financial year to refurbish irrigation schemes in the area.

"The projects lined up for refurbishment is maintenance of the fence, removing vegetation along the drainage canal, canal and fence, maintaining pumps, motors and control valves, maintenance of Centre pivots, maintenance of pipe networks, replacing line valves, scour valves and air valves and maintaining infield roads," he said.

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Business Report 6/9/2017

Economic recovery may be a weak one

Pg 16

David Malingha Doya, Tope Alake and Arabile Gumede

A SURGE in agriculture has helped lift Africa's biggest economies out of their slumps, but the recovery may be weak.

Gross domestic product in Nigeria, the continent's largest crude producer, advanced for the first time in six quarters in the three months ended June from a year earlier, growing 0.55 percent, the statistics agency said.

In South Africa, GDP expanded 2.5 percent from the previous quarter, ending the second recession in almost a decade.

Both economies had agriculture largely to thank: in South Africa, a bumper maize harvest following the worst drought in more than a century saw the sector surge 34 percent from the prior quarter, while in Nigeria, where farming vies with industries as the second-biggest contributor to GDP, it increased 3 percent from a year earlier, despite the period being in the planting season.

"Neither is driven by strong productivity gains," Razia Khan, the head of macroeconomic research at Standard Chartered Bank in London, said. "The only similarity is that in both instances, this growth is relatively unremarkable."

In South Africa, the continent's most-industrialised economy, low demand for its commodity exports and political turmoil have weighed on output.

Two ratings companies cut its international debt to junk in April after President Jacob Zuma fired Pravin Gordhan as finance minister, with the changes battering business and consumer confidence. The central bank reduced its key rate for the first time in five years in July, citing concern about the growth outlook.

"It is a slight improvement, but it doesn't mean that we've recovered from the slow growth environment" in South Africa, Thabi Leoka, an economist at Argon Asset Management, said. "It's still a very weak number; forecasts for the year still remain weak."

The rand strengthened 0.5 percent to 12.9030 per dollar by 3.31pm in Johannesburg yesterday. The naira weakened 0.1 percent against the US currency to 359.24.

Estimate

In July, South Africa's central bank halved its economic growth prediction for this year to 0.5 percent. The government will probably cut its estimate of 1.3 percent for 2017 in October, when Finance Minister Malusi Gigaba delivers his first medium-term budget policy statement. The jobless rate is at a 14-year high, at 27.7 percent.

In Nigeria, where crude is the largest export, a drop in prices and output of the fuel and a lack of foreign currency weighed on the economy, which contracted for the first time since 1991 last year.

Nigeria released a four-year programme in March that aims to boost growth to 7 percent by 2020 through lifting oil output, opening farmland and increasing investment in power, roads, rail and ports. – Bloomberg

Kiss the recession goodbye!

Daily Sun

By KGOMOTSO MEDUPE P 4 06-09-2017

NEXT time you meet a farmer, farmworker, fisherman or woodcutter, give them a big hug.

Thanks to the growth in the agriculture, forestry and fishing industries, Mzansi is finally lifting its head from the recession that has crippled the economy. However, while the economy is out of recession, the growth remains low.

Statistician-General Pali Lehohla revealed yesterday that Mzansi's real Gross Domestic Product in the second quarter of the year rose by 2,5%. The increase followed a decrease of 0,6% in the first quarter.

The country then went into recession following two consecutive quarters of contraction. Fitch Ratings, S&P Global Ratings and Moody's Investors Service have all cited low economic growth as a concern for SA's sovereign rating.

Lehohla said the growth of 33,6% in agriculture, forestry and fishing were the largest positive contributors to the GDP, adding 0,7%.

"Finances, real estate and business services increased by 2,5% and contributed 0,5% to the GDP. The mining and quarrying industry increased by 3,9% and contributed 0,3% to the GDP," he said.

"Even though agriculture had grown so significantly, it had not contributed enough to employment due to mechanisation. The industry's increase was mainly as a result of increases in the production of field crops and horticultural products."

Exports increased by 14,4% and imports by 13,3%. Net exports contributed 0,2% to the total growth. The manufacturing industry also increased by 1,5% in the second quarter.

"The electricity, gas and water industry grew by 8,8%," Lehohla said.

Pali Lehohla has every reason to smile.
Photo by Andrew Mkhondo

The Times p 8 06-09-2017

White farmers part of new Zim

● Zimbabwe Vice-President Emmerson Mnangagwa is positioning himself to take over power from President Robert Mugabe – and rehabilitating white farmers is central to his economic strategy.

According to documents from the country's central intelligence organisation, Mnangagwa, opposition politicians and Britain have been holding secret talks for years to prepare for a post-Mugabe world.

This unity government would pursue a new relationship with thousands of white farmers who were chased off their land in the early 2000s. The farmers would be compensated and reintegrated, according to senior politicians.

Mnangagwa first met white farmers, including Charles Taffs, a former president of the Commercial Farmers Union, in March 2015. Some of the gatherings were boozy affairs, according to the intelligence reports. – Reuters

AGRICULTURAL GROWTH

Move out of recession to continue

Business Day 6/9/2017 Pg 2

Sunita Menon and Hanna Ziady

SA has climbed out of recession, bolstered by a strong performance in the agricultural sector and the recovery is expected to continue at a modest pace in the second half of the year.

While second-quarter GDP figures are expected to be the highest this year, it spells a turn for the agricultural sector, which has been under pressure.

The boost came from the agriculture, forestry and fishing industry, which grew by 33.6% and contributed 0.7 of a percentage point to GDP growth.

The sector rebounded in the first quarter of 2017 with an increase of 22.2% after eight consecutive quarters of contraction. The growth came on greater production of field crops and horticultural products.

On the production side, agriculture and mining will remain the main drivers, but gradual recoveries are also expected from the services and manufacturing sectors as local financial conditions improve and global commodity prices drift higher.

Agbiz head of research Wandile Sihlobo said: "These results mirror the increased activity in the overall agricultural sector, particularly summer grains, oilseeds, vegetables, and a slight recovery in livestock...."

The total summer grains production for 2017 is estimated at 18.91-million tonnes, double the previous season's volume. "We expect this positive growth rate to continue in the coming quarters, but at a relatively lower pace," added Sihlobo.

FNB senior agricultural economist Paul Makube said: "Agriculture has over the past few years contributed less than 2.5% to GDP per year. However, this could even be higher if one considers its forward and backward linkages to other sectors."

While the sector has helped GDP growth considerably, this has not translated into jobs.

The second-quarter Labour Force Survey in August showed that unemployment remained at 27.7%.

"The sector did not contribute significantly to the number of people employed because of mechanisation," said statistician-general Pali Lehohla.

Globally, about 9% of all jobs were expected to disappear as a result of advances in technology, Paul Donovan, global chief economist at UBS Wealth Management, said on Tuesday at a Sasfin Wealth event

The Citizen p4 06-09-2017

SA economy out of recession

GROWTH: 2.5% IN SECOND QUARTER OF 2017

→ Improvement attributed to primary industries – mining and agriculture.

The South African economy is out of recession at the moment, owing to a gross domestic product (GDP) growth of 2.5% in the second quarter of 2017, Stats-SA announced yesterday.

"Let's go straight into the numbers ... the GDP quarter-on-quarter [growth rate] is 2.5%. I saw that analysts in the media were betting on 2.3, so it means they tripped by 0.2 percentage points. Year-on-year [the growth rate] is 1.1%. We should always keep these numbers in mind so that we have a better understanding of changes that occur," statistician-general Pali Lehohla, pictured, said at a briefing on the GDP estimates for the second quarter of 2017.

"On the growth rate, historically we were flat at 5.2% in the fourth quarter of 2013. We had two quarters which put us in a technical recession – which we are now out of with this quarter."

Lehohla attributed the growth to primary industries – agriculture and mining. He said the agriculture, forestry and fishing industry "went almost through the roof" with growth of 33.6%, while mining grew 3.9%.

Increased production of field crops and horticultural products contributed to the rise in agriculture. The sector contributed 0.7 percentage points to the GDP growth.

For the mining sector, increased production was reported for coal, gold and other metal ores, particularly manganese ore and iron ore. The mining and quarrying industry increased by 3.9% and contributed 0.3 of a percentage point to the GDP growth.

Finance, real estate and business services increased by 2.5% and contributed 0.5 of a percentage point to the GDP growth.

Nigeria has also exited recession, notching up economic growth of 0.6% official data showed yesterday.

Nigeria's economy returned to growth after five consecutive quarters of contractionaccording to the National Bureau of Statistics (NBS).

The country which depends on oil for 70% of state revenues and 90% of export earnings has been battered by lower crude prices since mid-2014.

These have slashed government revenues, weakened the currency and caused dollar shortages, frustrating business and households. – *ANA and AFP*

Rand Growth registers a surprise 2.5% in second quarter, aided by revitalised agriculture sector

The Times p 8 06-09-2017

Farms put GDP back in black

South Africa emerged from a recession in the second quarter as agriculture helped the economy expand more than expected, Statistics SA said yesterday.

Africa's most industrialised economy expanded 2.5% in the three months to the end of June after contracting by 0.6% in the first quarter and by 0.3% in the final quarter of last year.

The rand firmed against the dollar in response to the data, and was trading 0.23% firmer at R12.9500/dollar yesterday.

Government bonds firmed, with the benchmark paper down 1.5 basis points to 8.5%.

President Jacob Zuma last month said that 2017 growth would be below 0.5%, down from a forecast of 1.3% in February, after the poor first-quarter numbers.

Helping the recovery was growth in agriculture, with the sector expanding 33.6% as it recovers from last year's drought.

The other key sectors of mining, manufacturing and trade also registered growth.

GDP rose 1.1% on an unadjusted year-on-year basis in the second quarter, compared with 1% expansion in the previous three months, the agency said.

Economists polled by Reuters had expected a quarter-on-quarter GDP expansion of 2.1% and a year-on-year expansion of 0.4%.

"The growth rate is not what planners would have wanted. Although it's not negative, it is not at the level that was planned for," said statistician-general Pali Lehohla.

Since emerging from the 2009 recession, South African growth has fallen short of the government's 5% target that economists say is needed to curb unemployment.

"The growth rate is not what planners would have wanted"

PALI LEHOHLA
Statistician-general

"The Q2 GDP data demonstrates some momentum in the economy, but this is unlikely to be sufficient to discourage the Reserve Bank from further easing in support of the economic recovery," said Standard Chartered Bank's chief Africa economist, Razia Khan.

— Reuters

Business Report 6/9/2017

Bumper crop lifts SA from abyss

Rand rockets on Q2 growth

Pg 13

Kabelo Khumalo

THE RAND firmed against the dollar after data released on yesterday showed that Africa's two biggest economies, Nigeria and South Africa, lifted out of recession in the second quarter of the year, with South Africa's growth supported by a resurgent agricultural sector.

However, economists and Finance Minister Malusi Gigaba quickly pointed out that the country was not out of the woods.

The rand was bid at R12.87 against the greenback at 5pm, from R12.98 it was bid prior to Statistics SA (Stats SA) official GDP announcement.

Stats SA said the country's economy grew 2.5 percent in the second quarter from first quarter's 0.7 percent contraction. This marked an end of two quarters of contraction and beating market expectations of a 2.1 percent GDP rise.

Senior FNB economist Mamello Matikinca said while further policy easing could provide a mild boost to GDP, structural difficulties were likely to prevent any meaningful lift in economic growth.

"We are hesitant to read too much into this and expect the recovery to be short-lived, given persistently weak consumer confidence and real wage growth. Gross fixed capital formation plunged 2.6 percent quarter-on-quarter, reflective of weak business confidence," Matikinca said.

Meanwhile, Nigeria's economy shrugged off five painful quarters in the red zone, after its GDP expanded 0.55 percent in the second quarter of the year.

South Africa's Statistician-general Pali Lehohla said the second quarter growth was driven by a rise in the production of field crops, in particular, maize and wheat, as well as increased production of horticulture products such as vegetables.

Lehohla said the agricultural sector soared during the quarter, expanding 33.6 percent compared with the similar period last year.

"The bumper crop has already provided some relief for cash-strapped South African households. Higher stocks of maize and wheat have begun to dampen prices, with bread and cereal prices falling month-on-month for six consecutive months," Lehohla said.

Recent figures from the Crop Estimates Committee expect the country to produce 16.4 million tons of commercial maize this year, more than double than last year's harvest, and higher than the current record of 14.7 million tons produced in 1981. John Ashbourne, an African economist at Capital Economics, said the rebound supported its view the economy would perform stronger than most expect in the coming quarters.

"We believe a combination of a strong agricultural recovery and better performances from consumer-facing sectors will take headline growth to 1.5 percent over 2017.

"Recent figures suggest that things will be even better in the third quarter. While survey data have remained weak, we expect that lower inflation and interest rates will support consumers," Ashbourne said.

Mining

The country's mining industry also expanded by 3.9 percent, supported by an increased production of coal, gold and "other" metal ores such as iron ore and manganese ore.

This was the second consecutive quarter of growth for mining. The finance industry grew 2.5 percent as a result of higher activity in financial intermediation and auxiliary activities recorded in the period.

Last month, reserve bank governor Lesetja Kganyago told legislators that the country's economic slump could deepen if the government did not address political turbulence and policy uncertainty in the mining and agriculture sectors. The central bank halved its economic growth forecast for the year to 0.5 percent and trimmed its growth outlook for 2018 to 1.2 percent from 1.5 percent.

Gigaba said any improvement in economic growth was encouraging, but said it was not yet time to celebrate. "We need to remain honest about the major challenges that face the economy. Poverty, unemployment, and inequality which are being underpinned by persistent low growth remain the challenge."

Business Day

Growth boost welcome, but ...

6/9/2017 Pg 6

The latest economic growth figures from Statistics SA will provide a brief but welcome boost to the market. But sadly, they are unlikely to signify that the economy is about to pull out of its slump and start generating jobs and improving lives anytime soon.

At least the economy is out of recession, as economists define it. After two quarters of negative growth, it not only turned positive in the second quarter of 2017 but beat expectations, growing at 2.5% against the market's consensus forecast of 2.1% to 2.2%. That's the quarterly rate, which is flattered by "base effects" – in other words, the previous quarter was so bad that even if the economy had been no worse compared with that, the number would have been neutral to positive.

On an annual basis, comparing 2017 with 2016, the growth rate was 1.1%. If it were to be sustained for the full year, SA would be looking at a growth rate better than 2016's and better than the 0.5% or so that many had forecast. But how likely is that? Economists will be crunching their numbers anew, but the mix of growth in the second quarter suggests that the wheels could well still fall off for the full year.

* The rain came to the rescue in the second quarter, with the tiny agriculture sector bouncing more than 33% to contribute 0.7 percentage points of the 2.5% quarterly growth rate. That is great news for food prices, farmers and the economy as a whole. But this is to some extent those base effects striking again. Agriculture is coming off a very low base, so we cannot expect it to continue at this level. That's particularly so if SA's policy makers keep undermining confidence and investment in the sector with uncertainty about land-reform measures.

Mining also contributed to the turnaround, adding a further 0.3 percentage points.

A LOT OF THE TURNAROUND COMES FROM BASE EFFECTS AND HIGHLY VOLATILE SECTORS

But the most important and welcome news was the turnaround in the tertiary sector, particularly in financial services, which in the first quarter went negative for the first time anyone could remember – a key reason why the recession caught many economists by surprise. Happily, financial services, which makes up one fifth of the economy, recovered in the second quarter to grow 2.5% and contribute 0.5 percentage points to the overall growth rate.

A big part of that would have been the consumer recovery. Household spending was up 4.7% after a negative quarter, with consumers starting to buy clothing and furniture again. So, altogether, the latest numbers show the stalwarts of SA's economy – such as financial services and consumer spending – coming out of an unprecedented recession.

However, the bad news is that investment spending crashed, which means any growth momentum will struggle to be sustained, because SA is simply not investing in the new capacity or even the maintenance capital needed to support growth and job creation. Investment fell 2.6% on a quarterly basis, which means that only three of the past eight quarters have been positive and then not by much.

So, while the second-quarter GDP growth figures are more cheerful than the first, a lot of the turnaround comes from base effects and from volatile sectors such as agriculture and mining, and that is in the politically contested environment of 2017, in which growth is at risk anyway from further hits to confidence and capital flows.

It is a measure of how low our standards have become that even a 1.1% growth rate, if sustained, would be a big plus. Even at this unlikely level, however, SA's economic growth would still be falling well behind its population growth rate (about 1.7%), so everyone on average would still be getting poorer and joblessness would still be rising.

Technically, that might not be a recession. But it certainly feels like one. And without political change, the economic change needed to turn that around is likely to remain elusive.

The Times p7 6-09-2017

Knysna still says humans started fires

By **PETRU SAAL**

Knysna municipality stands by its finding that the June fires were man-made – as concluded in its report into the blazes released last month.

The municipality was responding to findings by AfriForum, which had rejected the municipality's claims and initiated its own investigation into the fires.

The lobby group used forensic investigator David Klatzow, who concluded that lightning ignited tinder in the Elandskraal area on April 12. This simmered until being set ablaze by the June gales.

Knysna fire chief Clinton Manuel said last month that pine cones – often used as kindling – and charred logs were found on private land in Elandskraal.

Knysna municipal manager Kam Chetty backed up their findings yesterday, saying he, too, believed that human activity caused the fires that killed seven people.

"The Knysna municipal investigation is based on a scientific methodology that included a thorough analysis of aerial and ground evidence, and eye witness accounts," Chetty said.