



BizNewsDigest

THE RATIONAL PERSPECTIVE

WWW.BIZNEWS.COM

SATURDAY 27 FEBRUARY 2021

BIZNEWS.COM

Breaking down Ivermectin myths

There are some people who, even if a vaccine is available, they cannot get it. So you'll have a subpopulation who continue to shed the virus and infect each other. For example, to use this drug in schools, whenever you have one case in a classroom and you give it and prevent the spread of the disease is highly important. Not to forget - especially if we are talking to South Africa - with the variant - there are suspicions that the vaccine will not cover it properly. This is the situation now. Nobody knows what's going to happen in the future. Do we have new mutations with more variability? Perhaps the vaccine will be less effective? I think to have an antiviral agent is highly important in so severe a disease. We hope we will not need it in the future. But for now, I think we urgently need and to continue to work on Ivermectin.

[Listen to interview on Spotify](#)

Professor Eli Schwartz on his Ivermectin research:

"We decided to go for Ivermectin, because as part of the tropical institute, we know the drug well. We know the safety profile of the drug and when Covid-19 started and there was some new data showing that in vitro, it's highly effective against the coronavirus. So, we decided to go for it. Just to remind you, at that time, most of the world was running for the hydroxychloroquine as the saviour of the world. We decided to go for something else.



Ivermectin, a medicine authorized by INVIMA to treat patients with mild, asymptomatic or suspicious Covid-19.

Read also:

Medicine professor slams SA Ivermectin sceptics

My decision was to go for the early stage of the disease, to see whether it's can act a bit like a vaccine. That means if you give it at the early stage - it doesn't matter if the patient is mild, ill or even asymptomatic - maybe you can shorten the, let's call it the viremic phase, the phase of which the virus is shedding and contaminating the environment.

That can be a great advantage, because then it can break the transmission chain and it also may shorten the isolation period. To find a drug that within maybe a few days of treatment, you can be free of the virus is very valuable. The bottom line is that actually it's really acting well. It's shortened the viral shedding period. Therefore, if we are going to adopt it, people can be isolated for a shorter time. And therefore, we think that it really can help to break the transmission chain."

On their plan for the use of Ivermectin:

"Our plan is to go to people at high-risk. That means people older than 50, with some risk factors like obesity, hypertension and diabetes, and to give to the drugs specifically to this group of the population, to see whether we can prevent hospitalisation. To give it at the early stage of the disease - when they're still at home - to see whether the admission rate will diminish, if you compare it to the placebo."

On Ivermectin as a prophylaxis:

"The other way to use it is as a prophylaxis. When I say prophylaxis, it means if you have somebody who was verified to have the disease and he has a family around him, you give it to the other family members immediately. This will allow [us] to see whether you really can reduce the number of new infections in this case. It can act, in a way, like a vaccine. I think that this is the importance of the disease. I know that around the world (in many places) the drug is given. However, without good evidence for it. I think governments - especially in the West - where they have more budget to use for it, we should continue and conduct properly done studies to show really the effectiveness of the drug."

[Read the full article here](#)

Read also:

Ivermectin: Major tech breakthrough in human application, as scientists aim to save world from Covid-19 and malaria

BRIEFS

SA has recorded
4,000
Covid-19 re-
infections

Implats declared
a bumper interim
dividend of
R10

3.4% of
SA population
pay 80% of
taxes collected

Petrol could rise
by as much as
66c
per litre in March

The Rand
weakened beyond
R15/\$
this week

Subscribe here for your weekly BizNewsDigest

Subscribe now

OrbVest takes the worry out of growing your wealth by providing safe and compliant access to previously unattainable global real estate investment opportunities.



FIND OUT HOW

Global Real Estate Investment - Orbvest Specialized Investment | Medical Commercial Property Investment Portfolio

COMMUNITY SPEAKS

Angry SAs speak: Step aside, Magashule.

During a recent appearance at a magistrate's court in Bloemfontein, ANC Secretary-General Ace Magashule and 15 co-accused defendants were charged with a total of 74 crimes, relating to money laundering, fraud and corruption. The trial has since been transferred to the High Court and postponed until 11 August 2021. The accused have also been released on R50,000 bail.

By Claire Badenhorst

The wheels of justice are turning far too slowly for several South Africans who feel that it's high time Magashule and his cohorts were brought to book.

In November 2020, after what felt like an eternity, an arrest warrant was issued for the former Free State Premier in connection with a R255-million asbestos roofing project. An initial investigation led by DA representative Leona Kleynhans found that the project was actually a money laundering exercise, and businessman Edwin Sodi was apprehended for his alleged involvement in the procurement of government funds.

"A whistleblower came to us with a lot of the information and said this isn't right. It was a great big sack of documents that I went through. I put the whole thing together and realised it didn't make any sense at all. The contract; it had different versions. That seemed to be highly irregular. Some of the invoices had been generated by the system of the department. It didn't have a tax number. In the caucus, we discussed it and decided that we would try for an urgent interdict in the Bloemfontein High Court, to stop payments of that contract," Kleynhans explains.

"Our complaint against Ace Magashule stemmed from the fact that at the time of our 2015 court case, the state legal advisor Mr



© 2020 - 2020 Zapiro (All Rights Reserved). Originally published in Daily Maverick.

Bertus Venter, had been seated in the office of the Premier, and that this office had been tasked with launching a legal defence on behalf of the MEC which the Premier had appointed. It is impossible that the Premier could not reasonably have known that his MEC had been dragged to court by the Official Opposition in the Free State Legislature."

Since his arrest, Magashule has refused to step down from his position as Secretary-General despite warnings from the ruling party's ethics

body – the Integrity Commission. ANC policy requires members to leave their posts when facing criminal investigation. Magashule is one of President Cyril Ramaphosa's biggest rivals and has consistently undermined his authority. It's no secret that he also remains loyal to former President Jacob Zuma, opposing any and all economic reforms and anti-corruption efforts that Ramaphosa tries to implement.

While Magashule still denies any wrongdoing,

DOWNLOAD THE FREE BIZNEWS.COM APP



Click on the links below to download your own free BizNews.com App



BizNews community members are baying for blood.

"When is the actual trial of this ANC turd going to start? This process is way too slow!" asks Krull.

"How can such a tainted man be in such a powerful position in the ANC? Well, he is their yardstick which is why the whole party is one big looting machine," writes Chris.

"I don't have much faith in our prosecuting authorities," comments rage against the shebeen.

*What is your take on the matter? Share your thoughts at BizNews.com.

Alec Hogg – SA Budget's dirty secret

This graph, published in Treasury's 2021 Budget Review released on Wednesday, speaks louder than 1,000 words. South Africa's public servants cost taxpayers proportionately double those in Ireland, Korea, and Switzerland - 50% more than the UK and USA. Indeed, in cost they rank alongside the Nordics. Ouch.

This excessive burden is a direct consequence of the Zuma Administration's economic idiocy which raised public sector salaries an average of 4% above inflation annually over the past decade. This compares with a private sector which had to cope with anaemic 1.5% annual GDP growth over the same period.

Put another way, the ANC looked after deployed cadres by borrowing from future generations. SA's debt-to-GDP ratio was

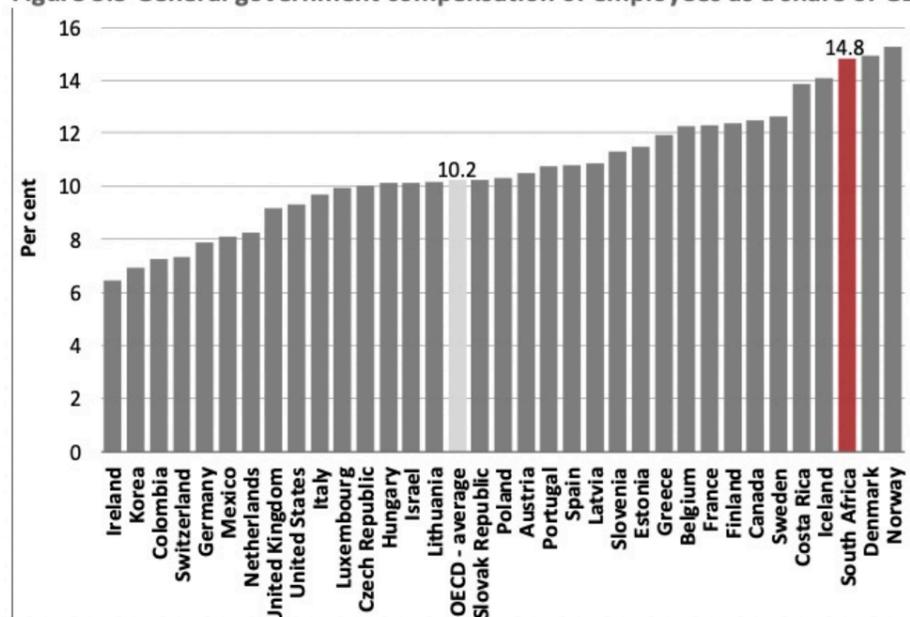
already heading for new peaks ahead of Covid-19. Now it is beyond previous records and heading for 90% (from 26% a decade ago), assuming an ambitious R265bn wage cut can be implemented.

As I wrote in my commentary on the 2021 Budget, Tito and Cyril are facing their Maggie Thatcher Moment. They will need to draw on their inner Iron Lady to tame SA's public sector wage monster. Or condemn the nation to praying a miracle will rescue it from an inexorable decline to Zimbabwe Lite.



*Click here to subscribe to BizNews Premium, includes Alec's Rational Perspective daily newsletter and a full membership of The Wall Street Journal.

Figure 3.5 General government compensation of employees as a share of GDP



Source: OECD

Invest to Inspire



KISBY
SME FUND
POWERED BY 4AFRICA EXCHANGE

BUDGET

Facing their Thatcher moment

When you clear away the financial debris of a horrific year, the one thing now abundantly clear is South African lawmakers need to absorb the toughest message possible for a socialist-inclined government: the economic reality that they've run out of "other people's money". With Covid-19 dealing the economy a R230bn blow (quantified in Treasury documents), the tide has well and truly gone out. In Warren Buffett-speak, the whole world can see South Africa's ANC government has been swimming starkers for over a decade. The critical issue oft repeated in over a thousand pages of documentation provided us by Treasury is clear: South Africa's public servants are busy bankrupting the nation. As a percentage of GDP, they now cost the country as much as the social democracies of Nordic nations. Fact.

By Alec Hogg

Over the past decade, SA's public sector wage bill has compounded by 4% a year in real terms while the economy has grown a modest 1,5%. It's long past the point where the contracting tax base can fund this ever-growing drain on national resources. Instead, for over a decade already, the money to pay them has been borrowed - a fact reflected in the continuously escalating national debt.

The result of this: public servants now receive 47c in every rand of tax collected in South Africa. And debt-to-GDP, which was just 26% in the best year of the Trevor Manuel ministry, broke through 50% in 2017; 60% last year and is now at 80%. Even in Treasury's best case scenario (ie. public sector wages cut by R265bn in the next three years) it will reach 90%.

Even with historically low interest rates, servicing that debt takes around 20c of the taxes paid in this country. That, together with the wage bill, means there is very little left over to pay for basic necessities,



President Cyril Ramaphosa and Finance Minister Tito Mboweni in Parliament for the 2021 Budget Speech. [Photo: GCIS]

let alone inject the stimulus the staggering economy desperately needs.

And still those who lead muddy the waters. Budget commentary prattles on about the way low economic growth expands the income gap. Not a mention of addressing a 1,6% population growth rate which is a far greater issue - as the Chinese (with their One Child policy) showed the world decades back.

Then there's the hypocrisy of refusing to extend the increasingly successful 12J tax incentive scheme

because it is a subsidy by society for rich South Africans.

For one thing, 12J has kept billions in SA that would otherwise have gone abroad. For another, its true cost pales into insignificance when compared with the gigantic received by global motor manufacturers through the noxious MIDP.

But, back to the more immediate issue of the outrageous public sector wage bill. Treasury's predictions are dire.

[Read the full article here](#)

IN SHORT

GEPF targeted for looting to save Eskom

The Association for Monitoring and Advocacy of Government Pension Funds has learned from a newspaper report that another attempt is being made to loot the GEPF in an effort to save Eskom. The report states that one of the options is to transfer at least R100bn of Eskom's debt of R464bn to "a special-purpose vehicle overseen by the PIC".

SA concerned over Sputnik V vaccine

South Africa has held extensive talks with the manufacturers of Russia's Sputnik V vaccine and has concerns about its efficacy against a variant of the coronavirus first identified in the country. The country is also concerned about the adenovirus 5 vector used in the shot, which has in previous studies appeared to make people more susceptible to HIV infection, says Anban Pillay.

Harmony considers digging deeper at Mponeng

Harmony Gold Mining is considering going further underground at the world's deepest mine as South African producers find it harder to dig for dwindling ore reserves. The nation's top gold producer is studying mining beyond the current depth of about 4km at Mponeng to potentially extend the mine's life by 20 to 30 years, chief executive office Peter Steenkamp said.

Jacob Zuma's trial postponed to May 17th

Former President Jacob Zuma's trial on corruption, money laundering and racketeering charges that date back to the 1990s will begin on May 17, after the courts rejected his repeated applications to have the case dismissed. The case against the 78-year-old resumed briefly in the High Court in Pietermaritzburg, where the trial date was set.

Biovac: Expansion to make Africa self-reliant

Vaccine maker Biovac, which is 47.5% state-owned, is formulating expansion plans aimed at helping Africa become more self-sufficient when it comes to accessing the immunizing shots. The coronavirus outbreak has highlighted the continent's reliance on imported vaccines, with limited shot-making facilities only present in South Africa, Senegal, and Egypt.

[Visit BizNews.com for the latest business and finance news](#)

Magnus Heystek on 2021 budget: We got lucky!

[Listen to interview on Spotify](#)

Brenthurst Wealth Management founder Magnus Heystek shares his thoughts on how the 2021 budget plays into asset allocation decisions. - Jackie Cameron

On the 2021 budget speech:

"I think we got lucky. I think the finance minister himself gave it away during his talk, when he said there was an item of about R40bn for taxes that was in the budget that's been taken out. That was a little giveaway that we got. I think the nice upturn in the commodity cycle in the last three months of 2020 - with the added tax revenues - saved us from a great deal of hurt.

Sometimes luck counts in the world, investment markets, and



Magnus Heystek

even things like drawing up a budget. Because by October last year, it was very clear that we were in very deep trouble and that substantial tax hikes are coming. Then suddenly the

commodity cycle took off and our commodity companies are making massive profits, and they were able to soften the blow. So overall, not a bad budget. One or two slight adjustments to the company tax going down by 1% point and the increase in the tax levels by 5% was also welcome."

On Regulation 28:

"We were all expecting some kind of announcement in this budget about the adjustment or relaxation of Regulation 28, with regard to offshore or inward investments into our market. But not a word about that. Just a brief commentary about Regulation 28 and the infrastructure spending. So no word about this issue that blew up about three months ago when, with the help of Magda Wierzycka and BizNews, the story broke about what this could mean."

Because
CHANGE
matters

Illuminated by BrightRock #BudgetSpeech2021 #LoveChange

from BizNews

PARTNER CONTENT

The ABCs of retirement planning

Brought to you by Brenthurst Wealth

The Covid-19 pandemic has left almost everyone strapped for cash. Apart from cutting back on luxuries and keeping budgets tight, there should always be a portion set aside for a rainy day or your golden years – no matter how small it may be – and try your best to not get caught up in a debt trap.

Whatever your age or situation, the time to start planning for your retirement starts now. Planning is the only way to avoid unpleasant surprises, like not being able to do so, or running out of funds. The key to retirement planning is starting when you still have enough time to accumulate adequate savings before the amounts you must save become too high.

It can be a simple start like opening a savings account or investing in small amounts. Not only does the interest returns increase on the same capital invested, but if those returns are reinvested along with the capital, the compounding interest increases significantly. The first step is to ask yourself how much you would need to be able to retire comfortably. That is followed by four more steps.

After you have established your investment goal you have to decide at what age you want to reach it by.



Iniel van Zyl as an advisor at Brenthurst Fourways.

Be aware that if you want to retire early, you will need to save more money because you will be living off your retirement income for a longer period.

The amount of money you will need at that point in time will depend on what type of life you want to live after you retire. Experts often express the amount of money you will need

as a percentage of pre-retirement income. In determining this percentage, you need to take into consideration that some types of expenses will likely decrease or disappear, like car payments or spending it on the latest fashion trends. It could also include paying off your bond or sponsoring your child's university degree. Other costs like medical aid or assisted care might go up.

After you take inventory of all your potential income sources during retirement - like lump sum pay-outs, income from living annuities, or fixed income investments - what you want to do is estimate your total retirement income from all sources, considering the savings you have already accumulated as well as future contributions and future investment income.

Using a calculation tool or consulting a qualified financial planner can be most helpful at this stage. When you know where you stand, you will be able to determine if you are on the right track. If you are not on track and the figures show that you will likely not reach your objectives with what you already have, you can then decide to increase your savings and/or change your investment strategy... or modify your plan.

Know your retirement income sources, plan a savings and risk strategy (try to save at least 10% of your monthly income if possible), actively monitor the progress of your strategy and adjust where needed. Utilise the long-term benefits of a tax-free savings account, be

smart with debt - keep high interest debt as low as possible i.e., credit card debt, shopping accounts etc., be smart with your spending habits- do not splurge on items not required or out of line with your savings strategy. Build up an emergency fund for possible unexpected expenses i.e., car and household expenses.

Step number four is monitoring your progress and making adjustments if your circumstances change dramatically.

For successful long-term planning, you also need to review your plan regularly to see if it needs to be modified. Your financial situation and economic conditions will change over time and you will likely need to adjust as you go along.

Earlier, there was a time when people used to retire between 55 and 60 years. During those days, the economic situation was different as opposed to what it is now. Now the average life expectancy for males and females is also increasing; people now-a-days work beyond the age of 60 years. This is to ensure financial security for the dependent family members.

Remember that retirement planning is a multistep process that evolves over time. To have a comfortable, secure – and fun – retirement, you need to build the financial cushion that will fund it all. The fun part is why it makes sense to pay attention to the serious part: planning how you will get there.

[Read the full article here](#)

Sasol calls off \$2 billion rights issue

Brought to you by Sasol

The energy and chemicals group has managed to cut debt by conserving cash and selling non-core businesses.

Sasol has called off a \$2bn rights issue after it managed to slash debt by selling non-core businesses and conserving cash. Although oil prices have recovered and the macroeconomic outlook has improved, it's not paying an interim dividend as it continues to de-gear.

Response plan to Covid-19

The energy and chemicals group reported a big improvement in first-half earnings as it continued to implement its response plan to Covid-19 and last year's weak oil price. Turnover rose 7.3% to R112bn for the six months to end-December. Earnings before interest and tax more than doubled to R21.7bn but adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) declined by 6% to R18.6bn. While headline earnings per share (HEPS) tripled to R19.16, core HEPS fell 15% to R7.86 after

taking a number of factors, including gains on exchange rates, derivatives, and hedging instruments into account. The company benefited from a number of positive non-cash adjustments for the period, including unrealised gains of R5.4bn on the translation of monetary assets and liabilities due to the strong rand; unrealised gains of R4.7bn on the valuation of financial instruments and derivative contracts; and a R3.3bn gain on the realisation of its foreign currency translation reserve, mainly on the divestment of a 50% interest in its base chemicals business at Lake Charles. Late last year, Sasol sold the stake to LyondellBasell, which will operate the joint-venture assets and market the polyethylene products on behalf of the two shareholders.

Reducing debt

Sasol said reducing debt on its balance sheet would continue to be a priority to ensure that it operated within its financial covenants. Although last year's weak crude oil and chemical prices, as well as Covid-19, impacted its cash flows, it said it was still able to repay about R28bn of debt as it conserved



© Sasol – used with permission.

cash and sold non-core businesses. At the end of December, total debt was down to R126bn. "A decision was made not to pursue a rights issue given the current macroeconomic outlook, and the significant progress made on our response plan initiatives," Sasol said. "The balance sheet deleveraging pathway will continue to be prioritised to ensure that

we operate within our financial covenants and maintain adequate liquidity headroom, whilst delivering the Sasol 2.0 transformation programme."

Mozambique

Sasol said it was going ahead with a \$760m project in partnership with Mozambique's government to build a 450-megawatt gas-fired power plant and a liquefied petroleum gas (LPG) facility. The balance of the gas produced would be exported to South Africa to sustain its operations.

"The PSA (production sharing agreement) development underpins Sasol's gas transformation strategy by securing additional gas supply from southern Mozambique into Sasol's gas value chain starting 2024 and serves as a cornerstone in addressing Sasol's sustainability agenda," the company said.

[Listen on Spotify](#)

[Sasol CFO: Dividends are a priority; why we dumped idea of rights issue; culture change; restructuring](#)



LOOKING FOR THE PERFECT OFF-SHORE INVESTMENT?

LEARN MORE

PARTNER CONTENT

Smart health coach walks the walk

Brought to you by drkatehealthcoaching.com.

[Listen to the full interview on Spotify](#)

Dr Kate Couchman shares the moving story of how she became a health coach to help others after learning how to control her own debilitating epilepsy. Smart health coach Dr Kate walks the walk and explains how she works with your own personal circumstances and requirements to become healthier, happier and lead a more fulfilling life. – Jackie Cameron

Dr Kate on living with epilepsy:

“I was diagnosed with epilepsy when I was 12-years old and I thought I always had to live like that. I probably had one or two seizures a year – so it wasn’t particularly severe. I took my medication, I had blood tests regularly and a couple of brain scans. Then I got to third year at university and suddenly things changed for me. I ended up having about a hundred absence seizures a day, and obviously it was very difficult to concentrate, let alone hold a conversation.

I was doing my internship at hospitals, which were about 12-hour shifts. I was doing



Health Coach Dr Kate Couchman

medicine at the time, working with various doctors [and] absolutely loving it. I thought my career was over before it had even started. My heart sank because I just thought, ‘here I am in my dream position with wings about to fly and my wings were being clipped.’ I wasn’t falling on the floor – as we often think of epilepsy – but every time I had an absence seizure, my memory would go for a bit and my train of thought would be lost.

So if a doctor was talking, I just lost a few minutes and I would come back. They wouldn’t necessarily know what was happening. But I was very aware of it. My self-confidence was shattered and I didn’t think I was going to be able to maintain it. I was absolutely exhausted. If you think of every time your brain is having these seizures, there’s extra excitability. So I was exhausted from everything that was going on.”

On finding a solution:

“I went to my neurologist and explained this, and I just felt that I didn’t have the support. I needed an answer immediately, and it didn’t feel as if they had the same kind of passion that I did to find a solution. So because of my nutrition background, diet was the first way that I turned. I’d always been pretty healthy, but I thought, I’m going to look into this. Obviously, I hadn’t been drinking as an epileptic – alcohol is not recommended.

The fact that we were doing 12-hour shifts in the hospital – I couldn’t really change that at the time – but as far as stress management went, I looked into that as far as possible and tried to incorporate as many things to keep me happy wherever I could. So every weekend I tried to do fun things just to balance out the stress. I made sure that I spoke about how I

was feeling. I made sure that my phone wasn’t anywhere near me when I was sleeping. I did as many things as possible just to keep myself balanced. I know that may sound a little bit strange, but I needed to find an answer.”

On her journey to becoming a health coach:

“I want to be able to apply everything that I’ve learned and help other people. Purely because I don’t want it to be a 15-year journey for other people. I know how many people struggle with epilepsy or with other conditions and just get frustrated – and feel as if medication is the only answer. And yet, there’s so much that we can do with lifestyle changes in order to get a fantastic response – and to be able to live the life that we want to live.”

On her process:

“I have what I call a Signature Programme. Within that programme, we’ve got modules that people work through. Those have general information that has helped people to get to learn the basic foundations.

Then I work one-on-one – over and above that – in order to realise where they are struggling, so that we can work step-by-step to help them to get to the desired outcome.”

[Read the full article here](#)

Global growth, locally

Brought to you by 12Cape

With a proven model, exciting pipeline and enticing tax benefits, there’s never been a better time to invest in 12Cape.

Section 12J investments

For the discerning investor, 12Cape offers benefits that are difficult to ignore. As with other Section 12J investments, investors can offset their investments against their taxable income for the year, and invested capital is directed towards sectors in the economy that have been earmarked to boost jobs and economic growth.

Latitude Aparthotels

12Cape deploys capital in aparthotels in prime areas of Cape Town – a global favourite – operated under the Latitude brand. Latitude Aparthotels, owned by 12Cape investors, is a proudly local brand complete with local themes, furnishing and art.

Aparthotels are becoming a preferred form of accommodation among business tourists and travellers alike. According to Bloomberg: “Thanks to a new, hybrid concept that’s taking the hospitality world by storm, it’s possible to get the best of both worlds. Meet the boutique apart-hotel. It’s half-apartment, half-hotel, but 100 percent ready for your Instagram feed”. Numbers from the UK and Ireland – where Aparthotels are increasing four times (as measured by existing stock as a proportion of total prospective pipeline, Lambert Smith Hampton, 2019) – confirm this.

Remote working

As Covid-19 expedited the rise of the ‘work from home’ trend, Cape Town was named as “One of the Best Cities for Remote Working” by Big 7 Travels. Much is written about the topic and increasing numbers of companies are embracing it. We believe this trend is here to stay which is why our Latitude Aparthotels are geared toward remote working with fast unlimited wifi, co-working spaces and boardrooms. We have experienced increasing numbers of local and foreign guests choosing the Latitude Aparthotel as their base from which to work remotely.

It is therefore no surprise that 12Cape’s flagship property – the Latitude Aparthotels in Sea Point, Cape Town – has experienced high occupancy rates (a median monthly occupancy of 86% for the first 12 months of trade) since opening in November 2019, despite the challenges of Covid-19.



12Cape offers other advantages, too. Much of its prospective dividend is attributable



to international visitors who generate hard currency income for 12Cape investors. Furthermore, investor capital is invested in a store of value and is secured by the property’s underlying value. Investors in 12Cape can expect long-term capital growth associated with prime real estate without the large sums of money usually needed to acquire individual properties. Investors can also expect to participate in yield distribution growth underpinned by global structural trends and currencies, and benefit from a tax deduction while creating jobs and attracting foreign capital to South Africa’s shores.

Sunset Clause

Dr. Albertus Marais, Director of AJM Tax, says that while the Section 12J regime provides investors with a substantial tax incentive, it might not be available to investors

beyond June 2021. He says “the regime is subject to a sunset clause. This means that the regime will be reviewed before the 30th of June 2021, and might come to an end.”

This review will not impact investors who allocate capital to SARS approved venture capital companies in terms of Section 12J of the Income Tax Act before the 28th of February 2021, but might not be available to investors in the same format – or at all – beyond the review period.

For more insight:

- Website: www.12cape.com
- 12Cape on Facebook, LinkedIn, and Twitter
- Latitude Aparthotels on Facebook, LinkedIn, or Instagram.

GOOD HOPE

Transforming pineapple fibre into disposable products

Eastern Cape entrepreneur Candy Androliakos has developed a novel range of disposable sanitary products after she was asked by an elderly resident at the old age home where she works to come up with a cost-effective, dignified solution. Since then, she has expanded her range to children's nappies and women's sanitary solutions, adding clever design features along the way. Earlier this month Candy's business, Leafline Washable Sanitary Wear, was awarded R1.3m in prize money at the SAB Disability Empowerment Awards where she took first place. The awards are aimed at promoting social innovations that improve the quality of life for people with disabilities through assistive devices, training or employment. Leafline employs people living with disabilities to manufacture affordable and biodegradable sanitary products, nappies, chair and bed protectors made from natural fibre. – Jackie Cameron

[Listen to the full interview on Spotify](#)

Candy Androliakos on Leafline Washable Sanitary Wear:

"Leafline manufactures washable sanitary wear. The inner part of the product is made from pineapple leaf fibre. The fibre comes from the leaf of the pineapple and it's pro-



Candy Androliakos' business, Leafline Washable Sanitary Wear, was recently awarded R1.3 million in prize money at the SAB Disability Empowerment Awards.

cessed in a cotton wool substance. Many people will think you can't put pineapple into continence wear – but it's a very soft substance that comes from the leaf. Once processed, we put it into the inner liners of all our products. It is for adults and children."

On the inspiration behind the idea:

"I work in a retirement home, and most of the old people were complaining about the

cost of nappies. One of the old ladies actually asked me to make her something that was washable. This is where it all started. I had to look for an absorbent inner – other than cotton wool because it's not biodegradable.

We have large pineapple farms in this area. We were looking around and there was a billboard with processed leaf fibre on it. I then managed to find the man who had made this and spoke to him. He had been doing this project for

a while, trying to find a use for the fibre of the pineapple leaf. He made me a bag of it, processed, and I took it and experimented with it. That's basically where it all started."

On job creation:

"I utilise a special needs centre – which is for the mentally disabled. Indirectly, I employ six ladies. I've trained them to sew the product. Basically, they sew for me on a part-time basis. With the award funding, we're hoping to open my own mini-factory/workshop and employ them directly."

On expanding the product line:

"While I was working on nappies for the elderly, I noticed how many were leaving the retirement home on a daily basis. Then we started looking at the landfill issues. In 2018, I entered my product into the GAP Green Award at the Innovation Hub in Pretoria and won that competition. After winning that, I thought of extending the range to children's wear and sanitary towels."

On where she gets her inspiration from:

"I was looking for a solution for the old people, really. It sort of developed from there. It was just trying to help them and save them costs. I think that's where it all started. Pineapple fibre was there, so I tried it and managed to make it work for me and my product."

Read also:

[Small business generating livelihoods for 2,500 communal farmers](#)

Cannabis industry goes for 'Green Gold Rush'

It is now legal to cultivate a small amount of marijuana for personal use since the 2018 Constitutional Court ruling. This has led to a proliferation of 'grow clubs' and an enthusiastic group of people eager not only to cultivate for own use but to put pressure on the government for the commercial use of cannabis. Supporters of commercialisation include Finance Minister Tito Mboweni who is eager to lay his hands on taxes from the industry. A new cannabis academy has been established in Johannesburg, called the Cheeba Cannabis Academy, to train skilled people who want work in the industry. The CEO and Founder of Cheeba, Trenton Birch, told BizNews that he is confident that it will grow into a multi-billion rand industry despite the current regulatory hurdles. – Linda van Tilburg

Trenton Birch on the Cheeba Cannabis Academy:

"It certainly is the first for Africa, which is hard to believe sometimes. We launched eight months ago as an online offering.



Cheeba Cannabis Academy founder and CEO Trenton Birch.

Obviously, launching a physical campus in the middle of Covid-19 wasn't the best way

forward. So we went straight online – although we are launching a physical campus just outside of Johannesburg in a month and a half – at the beginning of April.

I have almost 12 years' experience in the education space. It's something I'm very deeply involved in. I used to run a creative media school and have built three campuses across South Africa for a non-profit I'm involved with, called Bridges for Music. I've had an interest in cannabis for many years. It's always been part of my life. I come from the music industry originally and cannabis and music are very closely related. I looked at starting a cannabis company probably five or six years ago, and I just realised the timing wasn't right.

As I saw things start to change, I decided to go on a cannabis journey. We've been going for eight months, although we spent about a year in R&D. I went to California, Europe, and Spain, just to really dig into the international market space [and] to get an understanding of how it works there. We're going full throttle at the moment. We opened this physical campus, which has

accommodation for 190 students. It has swimming pools, squash courts, wild monkeys – it's this beautiful space which is very isolated from the rest of the world. That's where we're going to build what we hope will become the the premium cannabis educator/space on the continent."

On whether there will be an industry in SA:

"I hope there's going to be an industry. It's a good question. Internationally, it's a multibillion dollar industry already. From an international trend perspective, it's going to happen everywhere in the world. It's just a question of time. Obviously, the quicker we get to market, the more opportunity we have to dominate the market in Africa and to potentially export – we can grow a lot more cost effectively than they can in Western countries and colder countries. There is already an industry. Legislation is a big problem. The government have been incredibly slow and in their defense, they are also dealing with a pandemic and economic crisis at the moment."

[Listen to the full interview on Spotify](#)

GOOD HOPE

reinventing
the South African narrative

Sponsored by



FirstRand

PERSONAL FINANCE

The importance of emergency savings

Budding stock market investor and BizNews journalist Jarryd Neves sends out an invitation to anyone who wants to ask questions about share investing – but is too embarrassed to ask. Write to jarryd@biznews.com and tune in for his regular Monday column: On the Money.

ON THE MONEY

By Jarryd Neves

I have the absolute worst luck with phones. If they're not being stolen or falling in the pool, they're flying off the roof of my car as I drive off. So when I put my spare phone on charge last night, I wasn't the least bit surprised to find the elderly battery had died – while on charge. No matter, it was time to fix my other phone and its very cracked screen. Nearing the end of the month, the last thing anyone wants to do is fork over R2,000 to repair a phone. I certainly didn't want to. But thankfully, I had a bit of cash stashed away for a situation just like this.

I definitely didn't want to dip into my monthly budget. The emergency fund certainly pulled through. So why is having access to rainy day savings so important? Firstly, emergency savings can prevent you from getting into debt (or incurring even more debt). When you're trying to pay off loans or credit card bills, an unexpected expense is the last thing you need.

It can also keep you on track with financial goals that you're trying to achieve. A bump

in the road can have you dipping into funds intended for that dream home or holiday. Unexpected expenses will only push those dreams further away.

It's not just unexpected expenses, either. Courtesy of Covid-19 and a weakening economy, the job market is now more turbulent than ever. Emergency savings will cover you for a couple of weeks while you look for work. While it is easier said than done, slowly building up a fund for a disaster such as this could potentially limit any debt you may have to go into.

Many experts and financial planners recommend that you have at least three months salary saved in case this happens. As the Covid-19 pandemic has shown us, that may not even be enough.

For many South Africans, just surviving through the month is difficult enough. But if you can stash a little bit away each month, you will thank yourself when the proverbial hits the fan.

Last week, I asked you to send me your finance and investment queries. Here, Johan Steyn of Stellenbosch University and Aidan Freswick of Brenthurst Wealth Management, share their expert advice by providing answers to your questions.

Alan asked,

I have credit card debt but I really want to



BizNews journalist Jarryd Neves

start investing. Should I pay the debt off first? Or should I start investing now?

Johan answers,

Although it is commendable that you want to start investing, it is very important to pay off any expensive debt. Credit card debt is one of the most expensive forms of debt. They typically charge around 20% on capital outstanding. This places quite a high hurdle for your investments, as you will need to earn at least 20% on your investment account before you 'break-even'. Arguably, having credit card debt also affects your risk tolerance in your investment portfolio.

This is because any losses in your investment account would hamper your ability to service and pay-off the credit card debt. So I would absolutely recommend paying off the debt first. Having said that, I do believe having a credit card facility can play a role in

managing your personal finances. However, it is necessary to have good self-control and be very diligent in paying it off monthly. That way you can take advantage of the interest-free period which credit cards typically have.

S. Muzanya asked,

Are we heading for a stock market crash? There is talk of a bubble brewing. As an investor, how do you protect yourself from severe losses?

Aidan answers,

Several analysts and market observers have cautioned that the recent rallies on stock markets, the local market included, will not last and that investors must be prepared for a market pull-back. However, if you are a long term investor, short term market movements should not concern you too much. The absolute worst thing to do is to attempt 'timing' the market.

The sell high, buy low approach has burnt many investors who made a decision out of panic or greed. Over the past century markets have been affected by events like World Wars, the depression of the 1930s, the OPEC oil embargo in the 1970s and the big financial meltdown of 2008 but have always recovered. Sometimes the recovery took several years, other times markets bounced back quickly.

See this chart of 100 years of the Dow Jones Index. If you are a buyer of individual shares, make sure you invest in quality companies and that you understand what those companies do and what the prevailing realities are in the industry that they operate in. If you have a diversified portfolio with exposure to different asset classes and you focus on your long term strategy, do not be overly concerned about short term market movements.

How the Budget plays out in your personal finances

Helping to unpick the details of the National Budget and how changes affect your investments and tax bill is Dawn Ridler of Kerenga Wealth Ecology. She tells BizNews that although there's a huge hole in government funds, the government needs to be careful of killing the golden goose – the small, shrinking pool of personal income taxpayers. There's a 2% real increase in tax, through bracket creep, and a wealth tax in the form of a clamp down on taxpayers 'with complicated tax affairs'. The ending of the 12J scheme is also a disappointment for higher income earners, who have used the incentive to cut their tax bills while at the same time helping start-ups and, in so doing, generate business growth. – Jackie Cameron

[Listen to the full interview on Spotify](#)

Dawn Ridler's key thoughts on the budget speech:

"I think he was caught between a rock and a hard place. He tried to make it very obvious that there were no surprises, no great big tax increases and that kind of thing. Basically, there is a huge hole in the government funding. Tax receipts are down and spending

is not. But that deficit is going to be made up by issuing debt – which is what every other country in the world is doing. So he's in good company when it comes to that kind of thing.

There are increases, if you look at it in real terms. What I mean by real terms is that when you take inflation into consideration. Last year's inflation was 3.2%. Effectively, the tax increase that you can see, has come through as 5%. So there's a 2% real increase in tax for individuals specifically. It's a bracket creep – a stealth tax. He glossed over that very quickly."

On the end of the 12J investment scheme:

"It really is a huge disappointment. It was very good for startup companies. It was a very easy way for startups to get money and for taxpayers – at the same time – to get a tax break. I had a gut feeling that this was going to happen. I have clients that are in 12J and I find them a really good idea. I think it's a huge disappointment and it's going to be a huge knock on a lot of companies that provide money to those startups."

On whether these announcements will encourage emigration:

"I think emigration has been happening anyway. More often than not, not really for tax reasons – but for reasons that they just don't see a future (maybe for children or that

kind of thing). They just feel that the country is slowly crumbling. There are some changes around financial emigration and those kind of things. But I think people are mostly quietly emigrating. They're taking money out over a period of years.

Declaring that you've financially emigrated – which is not really a thing anymore – that sort of ended in 2008. I think that's happening anyway and it's a huge shame. There was very little in the budget to increase foreign direct

investment. A lot of that growth would come from people who come into the country. And obviously, the concern around foreign direct investment is exacerbated by the acquisition without compensation that keeps rearing its head."

Read also:

[The 'few' PIT taxpayers who keep SA going](#)

The BizNews Shop

Everything from investing like Warren Buffett to the Audiobiography of Cyril Ramaphosa

Visit the shop

BrightRock Players Choice Awards 2020

BrightRock media statement:

Opponents come in all shapes and sizes. Some are stronger, some are faster, and some are meaner than others.

But last year, every player, no matter their team or position, faced an opponent like never before. An opponent that changed the conditions, that changed the play, that changed the rules again and again. So, this year, we will salute the players who took the battle to this opponent. Who stood up to the Covid-19 pandemic, adapted and faced it the best way that rugby players know how to – face on.

The BrightRock Players Choice Awards 2020 in partnership with MyPlayers will honour these superstars who played the bounce the best during this challenging time. As always, the winners will be decided by the players in South Africa's only annual awards events for professional rugby players by professional rugby players. Eighteen players were nominated in the six categories, and the winners will be announced during an awards ceremony that will soon be pinned to the 2021 rugby calendar.



John Smit – former World Cup-winning Springbok captain, MyPlayers board member and the recipient of the 2005 Players' Player of the Year award – remarked on the significance of The BrightRock Players Choice Awards: “Nothing about 2020 was ideal or perfect – every week presented new challenges to players’ fitness, health, performance and mental welfare. To be nominated in one of the six categories suggests so much more about these players than just an acknowledgement of their talent and abilities. It also recognises

character and mental fortitude in the most uncertain and disruptive season that most professional rugby players have ever been exposed to.”

On a personal level, Smit recounted what the Players' Player Award meant to him in 2005: “There's something altogether different about the award. You receive this recognition from your peers, and that stands out for me as one of the highlights of my career. Great teams consist of individuals who work together toward their collective goals. The individual is

never bigger than the team, but the confidence and performance of individual players enable the team to excel. As a player, you care about your team and about the value you bring to the environment. So, there is no greater individual accolade in team sports than to be recognised by your teammates and opponents. The annual BrightRock Players Choice Awards celebrate this dynamic between the collective and individual effort.

I want to congratulate all the nominees. You exemplify the power of the human spirit, and there is no reason for you to doubt the merits of your nomination. Your fellow players – those individuals who know and understand you intimately – decided that you are worthy of their praise.”

BrightRock Deputy CEO Suzanne Stevens joined in Smit's praise of the nominees: “Rugby, like life, is a game where the unpredictable is always a play away and can challenge even the best skill and preparation. At BrightRock, we love change and we believe that embracing life's curveballs can create opportunities – something that these players demonstrated so well in 2020.”

[Read the full statement here](#)

Stylish Swede: Volvo XC40 T5 R-Design

By Jarryd Neves

Many people associate the Volvo brand with staid, sensible estate cars. Large and boxy family haulers that can withstand most attacks this side of a missile strike. This has earned the Gothenburg-based brand a reputation for exceptionally well-built motor vehicles, with the reliability of a wood-burning stove and safety of a tank.

But they weren't very exciting cars. Certainly, they didn't attract the more youthful clientele that BMW, Audi and Mercedes-Benz were drawing in. Still, if you wanted a premium station wagon with high levels of safety, there was only one place to look.

SUVs became *de rigueur* in the late 1990s and early 2000s. Mercedes introduced the ML-Class and enjoyed great success. BMW too, with the X5. This new class of luxury SUVs slowly began to eat in on sales of the traditional estate car, the very thing Volvo was known for.

And so the XC90 was born. Volvo married the trendy design of an SUV to an immensely practical interior, offering plenty of space for seven occupants and their luggage. This was when 7-seater SUVs were scarce – Land Rover was yet

to launch the Discovery 3 at the time. As a result, it enjoyed great popularity. Over 620,000 of them found homes across the globe in 15 years of production.



The T5 offers sprightly performance.

Nearly 20 years since the introduction of the original model, the XC90 is now in its second generation. The 'XC' range itself has grown too. The XC60 takes the fight to the BMW X3 and Mercedes-Benz GLC, while the very stylish XC40 dukes it out with Audi's Q3 and BMW's X1 and X2.

The baby of the family, the XC40, is an immensely charming and classy compact SUV. Styled to resemble the rest of the range, the XC40 has a more youthful twist. Contrasting paintwork is available – as well as more vivid, sprightly interior hues. The range-topping T5 is equipped with a 2,0-litre turbocharged petrol engine. This produces 185kW and 350Nm of torque. A

smooth eight-speed auto sends the power to all four wheels.

On the road, the little Volvo shifts. For a high-riding SUV, the XC40 T5 can give many a hot hatch a run for their money. Volvo claims a 0-100km/h sprint of just 6.4 seconds. The manufacturer claims fuel economy of just 7.7 litres/100 km, but you'll be hard-pressed to match that. In my time behind the wheel, the best figure I saw was 8.1 litres/100 km.

The powertrain is impressively refined and quiet at motorway speeds. Through corners the T5 remains composed, offering an entertaining experience. Even with large 20-inch wheels, the Volvo exhibits exceptional ride comfort. It's not perfect, though – the ride can be caught out by sudden ridges or bumps. Optioning smaller alloy wheels will rectify this issue.



The interior of the Volvo XC40 T5 is a wonderful place to be. Seats offer high levels of comfort and support.

There's certainly no complaints about the comfort provided by the seats. Volvo knows a thing or two about fitting their cars with supportive seats, and it's no different here. Not only are they aesthetically pleasing, but the leather-trimmed pews offer plenty of adjustment, allowing people of all shapes and sizes to get comfortable behind the wheel. Even on the long road, the support afforded by the seats will limit discomfort and fatigue to a minimum.

The rest of the interior is also a delight for the eyes. Volvo's current range has a wonderfully minimalistic approach to luxury. An infotainment system – Volvo Connect – controls most of the functions. It does take some time to get used to, as the system controls the media, radio and climate. A lack of buttons does create a tidier-looking cabin, but simple tasks – such as operating the air-conditioning – can be a bit of a palaver.

Aside from that small issue, the interior is a masterpiece. Beautifully-built, with lashings of leather and soft-touch materials spanning most parts of the cabin. With a wheelbase of just 2,702mm, one would think space is at a minimum. But no, the interior is suitably spacious. The boot, according to Volvo, will hold 1,336 litres of luggage and cargo.

[Click here to read the full article](#)

