

Junk status and recession for ever and ever?

NWU Business School's MBA Prestige Day, July 2017

The NWU School of Business and Governance (SBG) had a very successful Prestige Day on 26 July, attended by most of our MBA students and several people from the business community in the Vaal Triangle. The theme, "Junk status and recession for ever and ever?" attracted a great deal of interest, because it addressed a very relevant issue in the South African economy at this stage.

The Prestige Day was opened by Professor Tommy du Plessis, outgoing director of the SBG and he set the scene for the day that was part of a Winter School from 24 to 28 July at the Quest Facility of the NWU. Four speakers made contributions and short videos of each of these discussions were made and are available on the SBG YouTube platform. (Video one: <https://youtu.be/HJVI89CHdGU> Video two: <https://youtu.be/nR3C4HeTF5M> and video three: <https://youtu.be/qVNKhikBIEU>)

Professor Raymond Parsons delivered a presentation on the state of the economy and analysed the macro-economic trends and challenges. His main concern was not the downgrading of the South African sovereign risk by two rating agencies, but the level of policy uncertainty in the economy and the "own goals" kicked by the government. He maintained that the National Development Plan established a credible socio-economic way forward, but not much is seen in the way of implementation.

Theo Vorster also gave a very insightful lecture on the financial markets and the way in which they deal with uncertainty. He provided students with several examples of businesses that started in times of uncertainty and through that developed the financial resilience to make it to good and sustainable companies. Christo van der Rheede from AgriSA presented the audience with an analysis of what the agricultural sector could contribute to the South African economy and illustrated several projects and policy engagements that can add significantly to the economy in recession. He also alluded to the level of policy uncertainty, especially regarding land reform policies.

The last speaker was Theo Venter, political and policy specialist at the SBG. He provided an overview of the state of politics and focused on the VUCA elements (Volatility, Uncertainty, Complexity and Ambiguity) of politics and policy. He indicated that the ANC government has severe internal challenges and opposing

factions on its way towards its leadership conference in December 2017. He said that political noise and uncertainty will increase until the ANC elects its new leadership.