



CAPE CHAMBER

OF COMMERCE & INDUSTRY

DRAMATIC AND BLOODY CABINET RESHUFFLE MAKES NO POLITICAL OR ECONOMIC SENSE

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The dramatic and bloody cabinet reshuffle makes no political or economic sense and is likely to create a continuing state of crisis for the country.

Good ministers have been axed and replaced by less competent ones while the most incompetent, like Minister Bathabile Dlamini, who presided of the social grants debacle have been retained.

Most serious is that we have lost Finance Minister Parvin Gordhan and his deputy, Mcebisi Jonas, and now there will be no one to say no to some wild and reckless spending.

Their replacements do not inspire confidence and we can expect a negative reaction from the rating agencies.

One the main reasons for the reshuffle was to clear the way for a Nuclear deal, almost certainly with Russia. We know that Minister Gordhan was opposed to a nuclear deal on the grounds that it was unaffordable at this stage. It will become even more unaffordable as we head for junk status.

It is ironic that this comes a day after one of the world's great nuclear reactor manufactures, Westinghouse, filed for bankruptcy in the United States. The reason was that the cost of building new nuclear power stations had increased so much that it had to get out of the business.

Given Eskom's record of managing major contracts, South Africa should prepare for the worst.

My hope is that the shock effect of this disastrous reshuffle will bring the good people of South Africa together in a successful stand against a government that has lost the trust of the people. Government is about serving the people, not a small gang of conscienceless opportunists.

Janine Myburgh

President of the Cape Chamber



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