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Economic disruption: Quantum leap in reality

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The growing academic debate about the disruption of many aspects of people's lives, through the exponential acceleration of change, changed from a discussion to a quantum reality leap during Covid-19.

Some see this as opportunities, others regard it as obstacles.

Citizens in countries with lockdown measures over the past four months have not accepted these changes lightly. In all countries citizens are, to a greater or lesser degree, increasingly unhappy about ongoing restrictions limiting their freedom to work and play, earn or spend money and to be where and when they would like to be.

The support of even the most popular world leaders and ruling parties has declined because of this disruption. Opposition parties are having a field day criticising the governing parties, but are secretly grateful they do not have to deal with the biggest hot potato in modern times. Newspaper editors and economists across the world are playing the game: "if I were president of the country, I would have done it differently..."

The saying that nothing will ever be the same again and Johan Rupert's well-articulated "This isn't just a pause – it's an entire reset of our economic system", encapsulates the reality that the world population faces unprecedented disruption in the near future.

Disruption caused by development and modernisation, wars, pandemics and natural disasters has been around forever.

As stated in the opening paragraph, academics, development technologists and others have written and speakers at world-wide conferences and seminars have spoken about accelerated change, now gaining exponential momentum. It simply means something that would have taken a hundred years to develop a century ago, is now possible within ten, five or three years.

The best-known discussions about disruption before Covid-19 were about:

- Artificial intelligence (AI), presented by the media and others as the biggest threat of giving human jobs to robots and machines;
- Cars changing from fossil fuel-powered, internal-combustion engines to electric motors;

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- Solar and wind energy replacing fossil fuels such as coal, oil and nuclear power as energy source for households, cities and factories;
- Cars as we know them being replaced by self-driving vehicles and even drones transporting people on demand like taxis from point A to B;
- Parking garages becoming redundant in inner cities and that the over-supply of downtown properties will lower prices;
- People moving further out of cities because they will be able to work from home and could travel to work or meeting venues with self-drive cars that will reduce office space in cities or make it redundant and lower property prices;
- Cities like San Francisco, New York and Tokyo that will no longer need refrigerators in housing units because fresh food and packaged meals could be delivered fresh and hot within sixty minutes. Refrigerators are becoming redundant and prices have already started to drop.

These are but some of the conversations about emerging trends, but people generally thought this would only become commonplace in ten or twenty years' time. Some thought of it as an opportunity, others as an obstacle.

AND THEN THERE WAS COVID-19....

In early January 2020 persistent rumours started doing the rounds that a highly dangerous virus in a Chinese city, Wuhan, was transmitted from animal to human and that the disease was spreading like wildfire. The rest is history. The disease spread from the east right around the world in a matter of three months and left medical scientists dumbfounded. No vaccine has been developed and mutations of the virus continue.

Overnight the societies and thus economies of the top ten countries in the world froze and other countries like South Africa were not spared. Meanwhile, all ten of the largest economies have announced that they are officially in recession – USA, China, Japan, Germany, India, France, the United Kingdom and Italy. This includes countries amongst the top twenty economies. <https://www.investopedia.com/insights/worlds-top-economies/>

Before the term “Covid-19” appeared and before a single case had been reported in Africa, it became clear in the budget of 26 February 2020 that the South African economy was on its knees. <http://www.treasury.gov.za/default.aspx>

A month later, the day South Africa's lockdown started, Moody's Investor Services became the last of the three major grading agencies in the world to downgrade South Africa to junk status. This was after giving the South African government several years' grace to commit to getting its economic house in order. <https://www.cnbc.com/africa/sa-downgrade/2020/03/27/moodys-downgrades-sa-to-junk/03/27/moodys-downgrades-sa-to-junk/>

The two largest state-owned companies and essential service providers to make the South African economy globally competitive are:

- The economically beleaguered national electricity provider Eskom that had its umpteenth new CEO to try, yet again, to restructure it and make it economically viable.
- The national passenger and freight airline SAA that was placed in business rescue in November 2019, a final effort to save it from bankruptcy. On 23 April 2020 the business

rescue practitioners stated that the airline should be liquidated if no agreement could be reached with trade unions.

This happened on the eve of a crisis budget by the Minister of Finance, Mr Tito Mboweni, to try to scrape together the R500 million Covid-19 rescue package for pres. Cyril Ramaphosa.

AFTER COVID-19 WE ARE SHOOTING FOR THE MOON....

On 25 May 1961 pres. John F Kennedy delivered his historical Moon Shot speech to the American Congress in Washington. <https://www.space.com/11772-president-kennedy-historic-speech-moon-space.html> and on 12 September 1962 at the Rice University in Houston, Texas he delivered his “We Choose To Go To The Moon” speech. <https://www.youtube.com/watch?v=iiC-E8vl7Fw&feature=youtu.be>

If the Americans could decide in 1961 to tackle the impossible and place a man on the moon within a decade, then South Africa can achieve the impossible and revive the South African economy.

There is no greater opportunity for any human on earth as that which the Covid-19 pandemic has presented. The disruption we speculated about in the past years, the disruption we thought was coming has arrived for us all. For some it is an opportunity, a challenge and for some a hurdle.

We can moan and complain about the government’s mistakes or we can take the bull by the horns, work together and move forward. Do not wait for someone else. Do not wait for a John F Kennedy. Do your part as Nehemiah did. (Read Nehemiah)

POSTSCRIPT

Twitter has informed all its staff that they can now work from home.

The cost and tax companies and employees could save by working from home have to be calculated. It could be billions.

Savings in travel costs for companies and employees and increased productivity by meeting through Zoom, Microsoft Teams, Google Meet and other similar programmes could be phenomenal. Time is money.

Germany and Britain can already do without fossil fuel and can meet their energy needs with solar and wind power.

The United Kingdom in April 2020 had the lowest new car registrations since 1946. Two-thirds of the new vehicle registrations were for Tesla electrically powered cars, followed by Jaguar i-Pace.

To learn more about the exponential acceleration of research and development in the world and the opportunities disruption offers go to Singularity University. <https://su.org>

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