



Where SA's super rich want to live and why

The coronavirus outbreak has changed the way the world works. It has also significantly impacted the world's wealthy, from where they're choosing to live, to what and how they are spending their money.

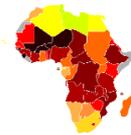
While some countries have contained the outbreak relatively well, to their ability to recover economically from the crisis - others are seeing an exodus of their High Net Worth Individuals (HNWIs).

Research shows that South Africa is seeing outflows of its most wealth, but it does fair far better its Africa counterparts, with over "twice as many millionaires as any other African country". South Africa ranks 30th in the world by this measure.

- There are approximately 35,000 millionaires (HNWIs) living in South Africa, each with net assets of US \$1 million or more. Most of these HNWIs are based in Johannesburg (Sandton, especially), Cape Town, Umhlanga and Pretoria.
- There are 86 centi-millionaires living in South Africa, each with net assets of US \$100 million or more.
- 5 billionaires are living in South Africa, each with net assets of US \$1 billion or more.

What attracts HNWIs to SA? *There are a few reasons...*

- Lifestyle aspects: weather, beaches and scenery.
- One of the 20 biggest stock exchanges in the world (by market cap).
- Top-end estates and apartments.
- Hub for doing business with the rest of Africa.
- A large free media which helps disseminate reliable information to investors. This sets SA apart from most other emerging markets worldwide.



Source: Property24, New World Wealth, AfrAsia Bank, Steyn City.

BY THE NUMBERS

SLOW ROAD TO IMMUNITY



Countries are rolling out vaccinations in the hope of halting the Covid-19 pandemic

As at January 11 2021, over 24m doses have been administered worldwide

SA is set to roll out vaccines in three phases:

Phase I

All health sector workers Target population: 1,250,000

Phase II

Essential workers Target population: 2,500,000

People in congregate settings Target population: 1,100,000

People >60 years Target population: 5,000,000

People >18 years with comorbidities Target population: 8,000,000

Phase III

Other people >18 years Target population: 22,500,000



The first doses will be delivered

by the end of January and early February

SA has been slow to secure vaccines,

but the health ministry, working with the presidency, finally nailed down a deal with the Serum Institute of India to procure 1.5m doses of the AstraZeneca vaccine for health workers



In the meantime, the vaccine rollout globally continues apace

Covid-19 vaccination doses administered, Jan 11 2021

Total number of vaccination doses administered. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (eg people receive multiple doses)



Source: National department of health, Our World In Data



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This and That



- **Sasol** has sold its 50% stake in a polyethylene plant in Texas for \$404 million (R6.2 billion) in a new deal. This will help reduce its debt burden of around R160 billion.
- Asset manager **Coronation** reported an increase of almost 17% in its annual headline profit. Its dividend per share was hiked by more than 12%.
- **Dis-Chem's** headline profit increased by 16%. The company also announced that it is in the process of acquiring "a strategic interest" in a health insurance "asset" and a community-based pharmacy group.
- In a trading update for the six months to end-September 2020, **Mr Price** saw its headline profit fall between 23% and 28%. During the month of April, the height of lockdown – lost R1.8 billion in sales.
- At the end of September 2020, medical schemes had reported reserves of R92.8 billion, and it is nearly up 35% on the position in 2019. The difference between reserves in 2019 and 2020 are R24 billion.
- **Alexander Forbes** warned that its headline profit share will be between 26% to 46% lower. The company reported a fall of 41% in its half-year headline profit for all operations. It lost a number of retirement fund members due to retrenchments. "Retrenchments and business closures were experienced within our umbrella funds, which are primarily small, medium and micro enterprises".
- The Economist's **Big Mac index** shows that, theoretically, the rand should be trading at R5.92 to the dollar. The currency is undervalued by 62% against the dollar, compared to currencies in Brazil (-30%) and India (-54%).
- **Elon Musk** has become the world's richest person, as his net worth crossed \$185 billion. The Tesla and SpaceX entrepreneur was pushed into the top slot after Tesla's share price increased recently. He takes the top spot from Amazon founder Jeff Bezos.
- An apartment building with more than 1,300 flats is planned for **Sandton** aimed at first-time buyers, prices start from R799,000 each. The building will have its own five-a-side soccer field and outdoor cinema. **Balwin Properties** is developing the new R1.6 billion 20-storey building, which will have 1,340 apartments, with 33m squared studio apartments.
- 9-year-old Ryan Kaji topped out the **Forbes List** of the highest-paid YouTubers for the third year in a row. Kaji, famed for his "unboxing" videos of toys, started making videos when he was four. In 2020, he made nearly R424 million on **YouTube**.
- **Discovery Health** expects that it will cost an upper limit of R7 billion for medical schemes to fund Covid-19 vaccines for 7.1 million of their own members, as well as to subsidise an equal number of non-members in the public sector.
- Measured by new car sales, the South African economy lost about two decades worth of growth last year.



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TESLA MARKET VALUE

Five years ago - \$26 billion

Three years ago - \$58 billion

Two years ago - \$59 billion

One year ago - \$97 billion

Six months ago - \$278 billion

Three months ago - \$423 billion



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