

CONSTITUTIONAL CHANGE

Rand's swings reflect expropriation fears

Agency Staff

If you wanted proof of how jittery investors are about the ANC's plans to change the constitution to permit expropriation of land, look no further than Tuesday's brief surge in the rand after a parliamentary committee announced it was withdrawing a bill on the issue.

The currency, which strengthened as much as 1.5% against the dollar, pared the gains after it became clear that the withdrawal of the bill was a procedural move, while MPs continue to study whether to let the government seize land without paying for it.

"It looks like this was always going to happen and it's purely procedural," said Brad Preston,



Jacob Zuma

chief investment officer at Mergergence Investment Managers in Cape Town. "It doesn't seem to indicate any change in ANC policy directions."

The ANC decided at its elec-

tive conference in December that the constitution should be changed to allow for the expropriation of land without compensation, but the changes should not undermine the economy, agricultural production and food security. A parliamentary panel is investigating what amendments will be necessary.

MPs are separately processing the Expropriation Bill, which former president Jacob Zuma returned to parliament in 2017 because there had not been adequate public participation.

President Cyril Ramaphosa's party has embraced land expropriation without compensation as a means to achieve equality and racial justice.

The ANC says the constitutional change should make it

clear under what conditions farms can be taken.

International scrutiny of SA's land reform plans intensified last week after US President Donald Trump tweeted that he had asked secretary of state Mike Pompeo to study land and farm seizures and the "large-scale killing" of white farmers. The government has not sanctioned any land seizures thus far.

ANC members of the public works committee welcomed the withdrawal of the bill, passed by parliament in 2016.

In February, the National Assembly and National Council of Provinces adopted a resolution instructing the constitutional review committee to review, among other possible amendments, section 25 of the consti-

tution, to make it possible for the state to expropriate land in the public interest without compensation. The public works committee withdrew the Expropriation Bill in its current form for further reconsideration on the conclusion of the constitutional review committee process.

"We reiterate our commitment to pursue the expropriation of land without compensation... to ensure that land reform is implemented in a way that increases agricultural production, improves food security and ensures that the land is returned to those from whom it was taken under colonialism and apartheid," whip of the ANC study group on public works Freddie Adams said. /Bloomberg with Linda Ensor