

VIEWS FROM OUR CEO



In the midst of growing concern of a global economic slowdown, governments and central banks of major economies are engineering new ways to boost the economy. To be sustained however, world leaders are relying on the Forth Industrial Revolution (“4IR”) as an enabler as it has the potential to boost investment, productivity, and long-term economic growth possibilities. A number of sectors in the economy are providing confirmation that the 4IR is currently unfolding, breaking the boundaries between physical, biological and digital. In addition, production is moving from factories and machines to networks, where the competitive advantage exists in knowledge and technology, rather than traditional factors of production. This has been facilitated by developments in Artificial Intelligence (AI), Internet of Things (IoT), energy storage, 5G communication, virtual reality (VR), autonomous vehicles, cloud computing, and 3D printing, which are features of the new production landscape.

With the advent of the 4IR, countries and companies have an opportunity to counter and reverse the slowdown in productivity across a wide array of industries, ranging from healthcare to retail to agriculture and even to financial markets. This has resulted in the mass production of data, where we could consider that “data is the new oil”. This is reflected in the composition of the largest 10 companies in the world, which include Microsoft, Apple, Amazon, Alphabet (Google), and Facebook.

In addition, when changing jobs, it is important to consider the various options that are available, which include transferring your retirement savings to your new employer’s retirement fund, transferring to a preservation fund, or taking a portion (or all) of your savings in cash. You are discouraged from cashing in your savings when you do change jobs, since preserving your savings in an appropriate investment vehicle allows for the enjoyment of tax incentives that are offered by government, as well as the benefit of compounded returns.

At Oasis we provide the spectrum of products, which cater for the needs of our clients during every life stage. For example the Oasis Crescent Preservation Fund allows for the preservation of pre-retirement assets within well diversified, balanced products, which are perfectly positioned for an ever evolving, uncertain and potentially volatile environment. This is particularly important in an environment where we see increasing short-term pressure on the economy.

Speak to an Oasis accredited financial advisor to assist you in identifying your most suitable options, while providing you with an overview of our product offering. Be proactive and do not leave these decisions to the last minute.

LARGEST GLOBAL COMPANIES IN 2019 vs 1997

2019				1997			
Rank	Company	Est.	Us bn	Rank	Company	Est.	Us bn
1	Microsoft	1975	860	1	General Electric	1892	242
2	Apple	1976	816	2	Microsoft	1975	171
3	Amazon.com	1994	805	3	Coca Cola	1886	155
4	Alphabet	1998	781	4	Exxon	1870	150
5	Berkshire Hathaway	1839	496	5	Nippon Telegraph	1952	131
6	Facebook	2004	461	6	Intel	1968	127
7	Johnson & Johnson	1886	364	7	Citigroup	1812	117
8	JP Morgan Chase & Co	2000	342	8	Merck & Co	1891	114
9	Exxon	1870	335	9	Royal Dutch Shell	1907	112
10	Visa	1958	297	10	Toyota Motors	1937	110

Source: Bloomberg

However, while the 4IR will result in a number of positive changes, there are also a number of risks. A key area of risk is in employment, since automation could make certain skills redundant. Governments need to be proactive in both mitigating against potential job losses and seizing the opportunities that the 4IR presents. Economies like Germany and China are leading the way in this aspect. For instance, the Chinese government pioneered 4IR components and used AI and 5G to make smart cities a reality. In addition, the IMF estimates that digitisation now accounts for between a third and a half of all new jobs created in China.¹

OCAS TRAVEL – SA

Our Oasis Financial Advisors travel throughout the country on a monthly basis. During the month of April, our Financial Advisors will be travelling to the following areas:

DATE	AREA
28 th – 3 rd May	<p>Gauteng JHB Central, Sandton, Killarney, Lenasia, Selby, Mayfair, Fordsburg, Benoni, Rosebank, Houghton, Northcliffe, Roshnee, Midrand, Pretoria, Laudium, Erasmia,</p> <p>Limpopo Louis Trichardt, Polokwane, Thohoyandou, Mokopane, Bela-Bela</p> <p>North West Vryburg, Klerksdorp, Rustenburg, Potchefstroom</p>

IN THE NEWS



3G EDUCATIONAL AWARD

We are pleased to announce that the Oasis Bursary Programme received the 2019 3G Educational Award at the Global Good Governance Awards, held in Jakarta, Indonesia. The award ceremony, held in a different country each year, recognises businesses which meet the United Nation’s sustainable developmental goals. The Oasis Bursary Programme was rated as the best programme for educational development globally following the assessment performed by Cambridge IFA which assessed the programme in terms of its management, social and development impact, exposure to quality education and student mentoring. The programme has been refined over a number of years to ensure that bright, young and hardworking students are afforded every opportunity to further their education and contribute meaningfully to society. It is rewarding as an organisation to be involved in nurturing the talent of our future generations and we look forward to the expansion and growth of the Oasis Bursary Programme.

SA ECONOMY

Figures released over the past month confirmed that economic activity has softened over the final quarter of 2018, with GDP growth of 1.4% annualised, from 2.6% over the third quarter.² For 2018, the economy grew by 0.8% and consensus forecasts are for growth to improve further through 2019 to 2021. The South African Reserve Bank is projecting growth of 1.7% in 2019, 2.0% in 2020 and 2.2% in 2021.³ While the economy is slowly recovering, there was renewed load-shedding in February and March highlighting once again Eskom’s weaknesses.

The impact of load-shedding goes beyond a few hours of inconvenience. It impacts everyone in the economy and results in lower output, productivity, confidence and subsequently reduced investment. While larger firms can absorb the cost of generators, smaller firms that operate on already stretched margins find it hard to survive. With load shedding hampering economic growth, one way to counter the loss in productivity, as highlighted in the State of the Nation Address, is to embrace technology through the fourth Industrial Revolution. Following this announcement, a Presidential Commission has been set up to ensure that South Africa harnesses technological advances in pursuit of equitable growth and inclusive development.

FINANCIAL ADVISORY

With advancements in technology, artificial intelligence and machine learning, it is inevitable that the employment landscape will change, as we enter the period of the 4IR. This has already resulted in the restructuring of certain sectors, which include financial services, construction, retail and pharmaceuticals.

In such a case, you need to carefully review your options with regards to the savings you have accumulated for retirement, where you allow for sufficient flexibility without compromising on your ultimate goal of maintaining your standard living.

¹ IMF Working Paper WP/19/16: China’s Digital Economy – Opportunities and Risk (January 2019). ² Bloomberg, 2019. ³ SARB MPC Release March 2019

