

ENVIRONMENTAL SCANNING

PESTEL ANALYSIS

PESTEL - THE BIG PICTURE

TRENDS & DEVELOPMENTS

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POLITICAL

ECONOMIC

SOCIAL

TECHNOLOGICAL

ENVIRONMENTAL

LEGAL





POLITICAL

Post Covid-19 recovery ²⁺⁹

Global geopolitical shifts, tensions and conflicts (e.g., Russia-Ukraine war, Israel and Palestine) ¹⁺²⁺⁷⁺⁹

Shift in global and regional hegemony ⁶

Trade wars & geoeconomic confrontation ⁷⁺⁹

Multi-domain conflicts and asymmetric warfare, with the targeted deployment of new-tech weaponry ⁹

Increasing migration pressure ⁸⁺⁹

Rising populism & nationalism ⁶

Growing divergence between rich and poor countries in response to poly crisis (i.e., a cluster of related global risks with compounding effects) ⁹

Rising inequality – anger, disillusionment and scapegoating ⁸

Leadership crisis & political uncertainty in SA

Loadshedding crisis officially declared a national disaster ¹

Electioneering for general elections 2024

High levels of corruption ¹

Weak financial position of public entities, State-Owned Enterprises and local municipalities ¹⁺²

Protests and strikes

Delays in the release of the matriculation results ⁴

Implementation of a flexible points-based, streamlined application system to attract skilled immigrants ¹



ECONOMIC

Weak global economic recovery ²⁺⁷

Rising inflation ⁷⁺⁸⁺²

Households under pressure due to cost-of-living crisis - energy, fuel & food shortages ⁹⁺⁷⁺²

Supply and demand shocks & lingering supply chain issues ⁶⁺⁸

Increase in e-Commerce - online & omni-channel retail ⁶

Changes to banking and insurance ⁶

Stagnant salaries and wages ⁸

Emerging markets sovereign debt crisis ⁷

Low economic growth in SA - real economic growth of 2.5% in 2022, moderating to 0.9% in 2023 ²

Increasing debt-servicing costs ²

Interest rates higher than Gross Domestic Product (GDP) growth ²

Volatile exchange rate ⁷⁺¹⁰

Transition to circular economy ⁶⁺¹

Slow implementation of structural reforms could lower business confidence & deter new investment ²

Financial Action Task Force (FATF) grey listing ²

High levels of poverty & inequality ¹

High unemployment (South Africa = 32.7% and Eastern Cape = 42.1%), including high youth unemployment & rising graduate unemployment ²⁺⁵

Increasing public sector wage bill ²

Deterioration in infrastructure ¹

Impact of insecure electricity supply, loadshedding and water shortages on business & industry ¹⁺²

Increasing student debt incurred by higher education institutions ⁴

Government Comprehensive Student Funding Model to cater for "missing middle" students ¹

NSFAS eligibility criteria ⁴

Lack of affordable student accommodation ⁴

EC Govt investment in Industrial Development Zones, six mega infrastructure projects & improvements in rail, ports, roads, bridges, and agriculture ³



SOCIAL

Changed patterns of life & work such as remote or hybrid working and the 'gig' economy ⁶

Aging population in developed countries ⁸

Youth dividend in Africa ⁸

Rapid population growth in SA (of around 1.2% annually) ¹⁰

Challenges with access to quality health care for all ¹⁺⁹

New outbreaks of infectious diseases and pandemics ⁶⁺⁷⁺⁸⁺⁹

More chronic health conditions ³⁺⁹

Increases in mental health challenges due to increased levels of grief, anxiety, fear, and depression ⁶⁺⁹

High levels of crime and violence ¹⁺²⁺³

Gender-based violence, rape and femicide/Gender discrimination and sexual harassment ¹⁺²⁺³

Food insecurity ⁹

Increasing urbanisation and challenges with the provision of sustainable human settlements ⁶⁺¹⁺³

High poverty, inequality and youth disillusionment ¹⁺³

Increased inter-racial tensions & xenophobia ⁹

High numbers of children not completing schooling in the EC ³

Continued disruptions in electricity supply affects critical services ³

High levels of water shortages in the EC ³

Challenges with service delivery i.e., quality housing, health, education, sanitation, water, electricity, roads, bridges, telecommunications, rail and ports ³

Slow progress in the eradication of mud schools & pit toilets in the EC ³

Improved performance in matric results - No districts performing below 70% in EC and increased number of Bachelor passes ³⁺⁴

Increased demand for access to higher education ⁴

Increased investment in higher education infrastructure ¹⁺³



TECHNOLOGICAL

Ubiquitous connectivity ⁶

Advances in sensors; networks; artificial intelligence; robotics; 3D printing; artificial and virtual reality; batteries; cloud & quantum computing and blockchain technologies ⁶⁺⁹

Roll-out of 5G mobile networks & reduced cost of data ¹⁺⁶

Synthetic biology/biotechnology and the rise of wellness & health technology ⁶⁺⁹

Cheaper, faster, more powerful computers enable business innovation ⁶

E-commerce boom ⁶

Growing trend of using Non-Fungible Tokens (NFTs) to add value to customer relationships

Digitalisation and data-enabled workplaces, including 'digital only' businesses ⁶

Increase in online & blended learning coupled with digital divide and unequal access to connectivity ⁶⁺⁹

Lifelong learning

Mis- and disinformation (i.e., the former refers to inaccurate information that is spread regardless of intent to mislead, and the latter to inaccurate information knowingly or intentionally spread to mislead or tactically subvert) ⁹

New investments in solar power plants and rooftop solar panels, undersea fibre optic cables, the expansion of production lines, and the adoption of new technologies ¹

Broadband initiative in EC ³

Preparation of auto sector & component manufacturers for the transition to electric vehicles ³



ENVIRONMENTAL

Heightened awareness of & concerns about impact of climate change ⁶⁺⁹⁺¹⁺³

Innovative climate action solutions ⁶⁺¹⁺³

Natural resource crisis ⁹

Growth of e-mobility & autonomous driving vehicles/deliveries ⁶⁺¹⁺³

Rise in Environmental, Social and Governance (ESG) investments – 95% of all investment decisions will incorporate ESG strategies ⁶

Growth of ESG regulation, transparency & scrutiny ⁷

Biodiversity loss and ecosystem collapse ⁸⁺⁹

Drought and shortages of fresh water ⁸⁺³

Delayed Just Energy Transition in SA ¹

Humanitarian crisis caused by natural disasters, extreme weather, storms & flooding ¹⁺³⁺⁹

Designing cities, towns & rural areas to be more resilient in the face of adverse weather ¹⁺³

Review of disaster management architecture to respond to natural disasters ¹

Investment in solar panels and other renewable sources of energy (e.g., wind, hydrogen, green ammonia, gas) ¹⁺³



LEGAL

Measures to curb widespread cyber-crime and -insecurity ⁶⁺⁷⁺⁹

Legal measures to combat crime and corruption ¹⁺³

Independence of the judiciary

Increased attempts to disrupt critical technology-enabled resources and services ⁹

Need for data protection ⁸⁺⁹

Individual right to privacy ⁶⁺⁹

Need for global stewardship and human-centric, ethical data governance framework ⁶

Need for environmental and consumer protection legislation ⁶

Need for laws governing activities in space ⁶

Transnational arms control mechanisms must quickly adapt to new security context ⁹

Ineffectiveness of multinational institutions ⁹

Use of AI to read legal documents/contracts faster and with fewer errors than humans ⁶

Intellectual property rights and patents

Hate speech now a crime in SA ¹¹

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