

Monthly Newsletter – March 2013

A Message from Theo and Warren

It's that time of year – last month was budget month, where Minister of Finance Pravin Gordhan told us how Government plans to spend our tax money in the year ahead.

This year's budget was another balancing act with Government trying to do more with less money.

For private individuals, there were no real nasty surprises. The increase in the fuel levy was painful but expected, and there were some bits of good news that were largely missed by the mainstream media.

One of those is the appointment of Judge Dennis Davis to head up a review of our entire tax system. Davis is one of SA's best legal minds, with a real grasp of how the economy works. More importantly, he is fiercely independent, which means any findings are likely to be in the country's best interests.

There were also attempts to make it easier for SA companies to do business in Africa. Listed companies that trade internationally will now be able to set up a holding company in South Africa that will be exempt from normal exchange controls and other bureaucracy. In addition they can be funded with R750m from the South African entity, which is good news indeed.

Government is also creating a new position within Treasury that will oversee all tenders. This is a great step forward to reduce tender fraud. As always, it remains to be seen whether these announcements will lead to constructive action in future.

We also saw that NERSA did not approve Eskom's request for unsustainable increases in our electricity prices. The approved increase of 8% is good news for industry and was welcomed by most business groups in SA.

Internationally, the American Congress is continuing to prove itself more interested in scoring political points than resolving America's economic problems. The latest debacle is around something called "The Sequester", where the US Government will automatically cut spending across all areas unless a debt reduction plan is agreed by Congress. This is part of the Fiscal Cliff that has been discussed before. The ineptness of American politicians proves our long-held view that our own politicians are not in a league of their own, they are simply on par with the rest of the world.

-- Theo and Warren

Request to our Clients

We have been notified that Galileo Capital is going to be featured in Business Day's annual survey of top private banks and wealth managers in South Africa. This places our company against some of the biggest institutions in the country. If ever there was a case of David taking on a group of Goliaths all at once, this is it!

One of the criteria will be feedback from our clients, which we believe will be one of our key advantages. This type of survey is not voluntary, ie. we cannot choose to be excluded, and therefore we need you!

We ask that you take the time to complete the client survey at www.topprivatebanks.co.za. Please click on the main banner on the site (in the middle of the page) to start the survey. We realise that this is an imposition on your time, but would greatly appreciate your assistance.

Major trial confirms Mediterranean diet has heart benefits

The first major clinical trial to measure the Mediterranean diet's effect on heart risk has shown that about 30% of heart attacks, strokes and deaths from heart disease could be prevented in people at high risk if they eat diets rich in olive oil, nuts, beans, fish, fruits and vegetables, and even enjoy a little wine with their meals.

The findings were published on the respected New England Journal of Medicine's website, and the results were so clear that the study ended early as researchers said it would be unethical to continue.

Heart disease experts said the study was important because it showed that a diet was powerful in reducing heart disease risk, and it was a particularly rigorous study.

Scientists randomly assigned 7 447 people in Spain who were overweight, were smokers, or had diabetes or other risk factors for heart disease to follow the Mediterranean diet or a low-fat one. Low-fat diets have actually not been shown to be helpful, and they are difficult to keep up. The Mediterranean diet, in contrast, uses a fair amount of olive oil, for example, as well as good fats found in nuts, and allows those on it to enjoy life!

One group assigned to a Mediterranean diet was given extra-virgin olive oil each week and was instructed to use at least four tablespoons (60ml) daily. The other group got a combination of walnuts, almonds and hazelnuts and was instructed to eat about an ounce of the mix each day – again, about 60ml, or a generous handful.

The mainstays of the diet consisted of at least three servings of fruit and two of vegetables daily. Participants were to eat fish at least three times a week and legumes, which include beans, peas and lentils, at least three times a week. They were to eat white meat instead of red, and, for those accustomed to drinking, to have at least seven glasses of wine a week with meals. They were encouraged to avoid commercially made cookies, cakes and pastries and to limit their consumption of dairy products and processed meats.

Travel safely

South Africans are naturally wary people thanks to the high crime rate at home, but it also pays to take note of these safety tips for the next time you plan a holiday abroad. They should help to ensure that you get home in one piece, hopefully with your belongings intact:

1. Make sure you've taken everything – we do tend to carry more stuff when we travel, so ensure you've taken your jacket and camera bag as well as your backpack when you leave a tourist attraction or a restaurant, for example.
2. To avoid being pickpocketed, keep your wallet in your front pocket, especially a pocket that can be buttoned up or zipped closed. The best option is to keep it in the inside pocket of your jacket, or in a money belt inside your shirt. Just make sure your money belt is waterproof, as you are likely to get sweaty tramping around your destination.

3. Scan your travel documents and e-mail them to yourself instead of photocopying them. That way your documents are accessible even if your luggage goes astray.
4. Learn your skills at home – teaching yourself to ride a quad bike or a jet ski in a foreign country isn't always a great idea. In Thailand, for example, so many people die daily in scooter accidents that some travel insurance policies won't cover scooter-related injuries.
5. Check instructors' credentials – especially if it's a specialist course like scuba diving, or something risky like bungee jumping. They should have proper qualifications and a good safety record.
6. Don't pat stray animals – no matter how much you miss your pets at home. Stray animals can carry a host of diseases, and can also bite. Resist at all costs!