

SECRET

ASSESSMENT



2019-2024 NATIONAL INTELLIGENCE ESTIMATE: ABRIDGED VERSION

2019-2024

11 DECEMBER 2019



state security

National Intelligence Coordinating Committee
REPUBLIC OF SOUTH AFRICA



INTRODUCTION

The sixth Administration puts economic transformation and job creation at the apex of the seven Medium Term Strategic Framework (MTSF) priorities for 2019 to 2024. There is a clear symbiotic relationship between all seven priorities and the achievement of economic transformation. Education and skills development are required for job creation, which requires a holistic approach to ensure the realisation of the other key MTSF priorities, namely health; consolidating the social wage through reliable and quality basic services; spatial integration, human settlements and local government; social cohesion and safe communities; a capable, ethical and developmental state, as well as a better Africa and the world.

This holistic approach should take into account the prevailing security situation in the country; for security is a precondition for development and sustained growth. It is also imperative that Government remains cognisant of future trends such as the threats and opportunities of the fourth industrial revolution (4IR), which dominates the environment during the current MTSF period.

SCENE SETTING

In order to achieve the 2019 to 2024 MTSF commitment, the focus should be on a number of factors that are impediments to realising the priorities of the sixth Administration. Such factors are epitomised by various threats hinged on the economy, territorial integrity, the authority of the State, and the well-being of South Africans. Firstly, there must be commitment to eradicate the corruption that has beset the country in the border environment, the criminal justice system as well as the public and private sectors. Furthermore, the illicit economy and its inherent activities, like illicit trade in precious metals, illicit mining, illicit financial flows (IFFs), including organised crime must be disrupted. This will guarantee economic security that will attract foreign investment into the country.

Secondly, border security should be prioritised and illegal migration curtailed to ensure and reinforce the territorial integrity of the State. Thirdly, the authority of the State should be reinvigorated by purposefully ensuring that the laws of the country are enforced, followed and respected and that there is a commitment to consequence management against all transgressors. Fourthly, attention must be paid to the well-being of South Africans through the elimination of all kinds of threats from extremism to organised crime. Moreover, a concerted effort is required to ensure that South Africans' access to water, food and energy is not only guaranteed but also secured.

In pursuit of its foreign policy objectives over the 2019 – 2024 MTSF period, the South African Government will need to be cognisant of various global developments that may limit its policy space to advance South Africa's national interests. The global security situation is

likely to grow more unpredictable and fluid than at any point since the Second World War. A return to greater power contestation, a weakening global multilateral system of governance, and heightened geopolitical contestation will escalate global volatility in the next decade. Of concern is that such developments will coalesce around an African continent that is experiencing a resurgent wave of political instability, worsening security in many regions, and mounting susceptibility to global economic developments. The reconfiguration of power relations in the world will have a direct impact on the African continent and South Africa, and the continent risks becoming a terrain for proxy warfare between the major powers.

For some time, the intelligence community has been monitoring and reporting on a number of persistent threats impacting negatively on the stability of South Africa. As stated above, these threats include, among others, border security, organised crime, cybercrime, cyber warfare, violent protests at the institutions of higher learning and violent service-delivery protests and other related issues. Other important areas the security services have to focus on include the proliferation of small arms in the country and the proliferation of possible MWD's in the country.

Given the current economic outlook, the National Treasury has indicated their intention to cut budgetary allocations to a number of departments. Unless the departments are adequately resourced, most of the afore-mentioned threats will persist.

The 2019-2024 NIE provides an analysis of the risks, threats and opportunities pertaining to the domestic and foreign security situation. However, the bleak economic outlook of the country requires a frugal approach in terms of spending by the intelligence community. Conversely, the economic growth of the country requires a deliberate focus and investment on the implementation of intelligence priorities that seek to buttress the agenda of economic growth.

As it stands the intelligence community will be expected to implement the proposed intelligence priorities within a forecasted budget of R█ billion within the 2019 – 2024 MTSF period.

SOUTH AFRICAN ECONOMY

2019-2024 PROJECTIONS

Global growth in 2019 is expected to slow at 2.6%; 0.3 percentage point below previous forecasts, reflecting weaker than expected international trade and investment at the start of the year. Growth is projected to gradually rise to 2.8% by 2021. This is dependent on continued favourable global financing conditions, as well as a modest recovery in emerging markets and developing economies. The global economic outlook is likely to be strained by the stalemate in trade between the United States of America (USA) and the People's Republic of China (PRC), fluctuations in the oil price, the escalation of tensions in the

Persian Gulf, economic instability in Europe especially around Brexit, subdued investment in emerging market and developing economies, as well as rising debt.

These factors will have a direct impact on the performance of South Africa's economy during the period under review. Unless there are drastic improvements to the current situation, the sluggish growth in South Africa will persist throughout the MTSF period. The workplace skills shift will continue to present a challenge that requires the educational system to be refocussed in line with the global trends.

The developments in the Persian Gulf, if not mitigated, will put pressure on the price of oil and disrupt its distribution. High oil prices will have a knock-on effect on the emerging market and developing economies such as South Africa. The risk of a global recession and the collapse of developing economies will be heightened in the event of any outbreak of violent conflict.

South Africa is unlikely to significantly reduce inequality, poverty and unemployment given the poor performance of the economy. The unemployment rate, in particular amongst the youth, will continue to rise as some labour intensive sectors shed jobs. The economic growth rate combined with the effects of the 4IR will affect the ability of the economy to absorb the unemployed and the new graduates from tertiary institutions across the country. The mounting threat posed by the high unemployment rate will have a negative impact on social stability.

South Africa is likely to continue to experience energy insecurity, capital flight and insufficient foreign direct investment (FDI) in the short to medium term. Government will be under pressure to augment the fiscus by increasing its debt, thereby increasing the risk of further downgrading by international rating agencies. This will increase Government's debt burden and the ability to service that debt, placing further pressure on government spending, as well as have negative consequences on service delivery. Rising debt will make it difficult for the country to respond to adverse developments and to finance growth-enhancing investments. In other words, there will be limited investment in capital infrastructure projects and in ventures that increase productivity. This will in turn decrease the gross domestic product (GDP) and worsen the GDP per capita, signalling a decline in the quality of life for citizens.

CORRUPTION

2019-2024 PROJECTIONS

The ongoing exposure of corruption scandals and the scale of financial losses as a result of corruption will continue to negatively impact on the image and reputation of the country, thereby jeopardising much-needed FDI and driving up borrowing costs during the 2019-

2024 MTSF period. Correcting South Africa's economic trajectory and ensuring that the vision of economic revival is realised, will be extremely challenging in the current climate where allegations of corruption in every sector is a daily occurrence.

ILLICIT FINANCIAL FLOWS

2019-2024 PROJECTIONS

Allowing IFFs to continue at the current rate and levels render the country more attractive to organised crime syndicates and increasingly vulnerable to criminal activities, including corruption and terror financing. Conversely, the goal of economic development becomes increasingly difficult as investment declines and losses to the fiscus increase, rendering service delivery and poverty alleviation impossible for the sixth Administration. It is worthy to note that criminal syndicates will also continue to exploit the opportunities presented by the 4IR and advance their craft particularly through block-chain technologies, crypto-currencies and the internet of things (IoT).

ILLIGAL MINING

2019-2024 PROJECTIONS

The upward trajectory of illegal mining is expected to continue during the current MTSF period and beyond, given the prevalence of illegal migrants, heightened levels of unemployment throughout the country, coupled with the increasing cost of living, sluggish economic growth resulting in job shedding, the complicity of corrupt law enforcement officials and mine security personnel as well as the closure of chrome mines, particularly in the Limpopo province. Furthermore, complicity between illegal miners and employees in formal operational mines and the culture of impunity with regard to committing crimes will continue to undermine efforts to curb the scourge.

FERROUS AND NON-FERROUS METALS

2019-2024 PROJECTIONS

While law enforcement activities have made it more difficult for syndicates to transport and smuggle stolen cell phone tower batteries through ports of entry to Southern African Development Community (SADC) countries such as Zimbabwe, Namibia, Zambia and Mozambique; the emergence of a local market for these lithium batteries is likely to exacerbate the situation as more informal settlement dwellers who do not have electricity are becoming aware of the use of these batteries. The theft of cell phone tower batteries and solar panels is therefore expected to escalate across the country and the trajectory is expected to persist in cities surrounded by the sprawl of informal settlements. Furthermore, cell phone operators are also likely to pass on the cost incurred to consumers.

Infrastructure-related crimes have both direct and indirect cost implications to the country's economy. The impact of infrastructure crimes also manifests in social unrest as service-delivery protests, job losses, loss of life and in economic activities. Therefore, interference with critical infrastructure is tantamount to sabotage and a threat to the economic security of the country. The implementation of the Criminal Matters Amendment Act and the Second Hand Goods Act 6 of 2009 is therefore critical.

Moreover, infrastructure crimes are expected to persist in the short to medium term due to incentives created by high returns for the commodities, limited number of inspectors, corruption at porous ports of entry and high levels of unemployment and poverty. The proliferation of both petty and organised crime, together with corruption at ports of entry, which makes trafficking of commodities possible, compound these activities. The existence of an illicit market in countries such as the PRC and India will continue to drive the threat.

The cost to secure SOEs, rail, mining, energy and telecommunication infrastructure is expected to escalate, the consequences of which include increased costs to consumers and impact on the ability of these entities to deliver services, many of which are crucial to the economy and its growth and development.

The impact of the theft of ferrous and non-ferrous metals on South African companies will further hamper Government's attempts to expand their operations to provide additional employment opportunities thereby negatively affecting the entire economy. This, coupled with the resultant direct and indirect economic losses will pose a further risk to Government's programme of action to revive the ailing economy.

CYBERSECURITY

2019-2024 PROJECTIONS

Cybersecurity vulnerabilities will persist and national security cyberspace interests will remain at severe risk, unless institutional challenges are addressed and progress is made towards a coordinated, capitated and state-led national response under the review period.

Throughout the 2019-2024 MTSF period, hostile forces or entities will continue to evolve and adapt their cyberweaponry to defender responses and new technology. The threat landscape will continue to diversify and malware will increase in sophistication and impact. Several emerging technologies like encryption, cloud computing, cryptocurrencies, machine learning, artificial intelligence and the IoT will provide opportunities to threat actors to exploit vulnerabilities and develop new tools. Organised gangs and advanced persistent threats continue to proliferate and require a highly skilled and specialised response from law enforcement and state security.

Trends, which is likely to persist, include the targeting of IoT and cloud environments. Malware on mobile devices and malware sold as a service will increase as well as cyberespionage and political information campaigns, especially during elections and contentious political developments. The exploitation of the human element through phishing, spear phishing, online scams and other social engineering techniques prey on poor cybersecurity awareness, hygiene and cybersecurity practices.

WATER SECURITY

2019-2024 PROJECTIONS

The climactic changes that the country, and the region at large, has experienced will continue during the MTSF period under review. This will affect the nature of agricultural production in the country. Therefore, the water-food security nexus will continue to be at risk. A shortage of local produce because of climate change can lead to compromised access and affordability, both of which have social and economic ramifications.

Rural livelihoods have been significantly altered, as many farm workers in places such as the Western Cape, who have lost their jobs, are unlikely to find new ones. This will exacerbate rural poverty. Furthermore, the numerous relief programmes instituted in light of prolonged droughts will continue to drain the fiscus and limit Government's ability to pour resources into critical priority areas.

Water insecurity will also continue to pose a significant risk to the industry and energy sectors, with considerable economic implications such as job losses and minimal GDP. It is expected that community protests because of a lack of or poor water availability and management will also continue.

FOOD SECURITY

2019-2024 PROJECTIONS

Food price increases may, together with a collation of other existing conditions and likely future developments, trigger social upheaval. The brunt of such price increases will be borne by the poorest of South Africa's population. Prevailing conditions of poverty, including bleak economic prospects, will continue to play a major role in this respect.

Although the Department of Agriculture, Forestry and Fisheries has deployed various activities to stem and eliminate infections. Current developments indicate that South Africa's livestock and crops will continue to be vulnerable to various bio-security risks. In particular, animal and certain crop trade will continue to be negatively affected. This will affect food security in part, certain jobs, and the economy in general.

ENERGY SECURITY

2019-2024 PROJECTIONS

From a national security perspective, it is unlikely that Eskom will become self-sustainable, affordable and reliable within the next five years, and that it will not only remain a significant burden on the State's income, but also be a constant brake on the State's overall economic growth prospects.

Moreover, like in most SOEs, South Africa will experience intensified espionage activity and attempts at foreign interference aimed at destabilising potential strategic alliances with other countries and more generally, influencing energy policy to their advantage.

Insofar as security of supply and price of liquid fuels is concerned, South Africa will remain vulnerable throughout the 2019-2024 MTSF period. This will have a ripple effect on a number of economic indicators such as inflation, industry and the stability of the transport sector.

INSTABILITY IN THE LABOUR SECTOR

2019-2024 PROJECTIONS

Against the backdrop of the current adverse economic climate, it should be anticipated that various sectors will continue retrenching to stay afloat. Such actions will trigger reactions such as industrial action by employees. The consequence will be instability in the labour sector. The economic situation is unlikely to change significantly in the short to medium term; hence, unemployment is likely to persist. The notion of a skills shift is unlikely to alleviate the situation in the short to medium term and will dominate the labour sector during the 2019 – 2024 MTSF period.

INSTABILITY IN THE TRANSPORT SECTOR

2019-2024 PROJECTIONS

If the underlying causes of conflict in the transport industry are not addressed, the conflict will persist, particularly in Gauteng and KwaZulu-Natal. Law enforcement will increasingly be burdened with addressing the symptoms of an ineffective regulatory framework, lack of coordinated allocation of operating permits and the enforcement thereof by the national and provincial Departments of Transport and local authorities as well as ineffective self-regulation by the taxi industry. The targeting of e-hailing taxis by metered taxi operators will continue in Gauteng, especially near the OR Tambo International Airport (ORTIA) and Gautrain stations.

TERRITORIAL INTEGRITY OF THE STATE

BORDER SECURITY

2019-2024 PROJECTIONS

The security situation at both the ports of entry and the borderline will continue to decline in the short to medium term. It is expected that during the 2019-2024 MTSF period more transnational criminal syndicates will successfully circumvent South Africa's border control and security measures. Furthermore, economic migrants will continue to enter South Africa through the porous borderline and through the ports of entry assisted by corrupt border officials. Because of years of neglect, strategic mismanagement, and persistent endemic corruption, it is highly unlikely that an acceptable level of security can be brought to the border environment within the next five years.

MIGRATION

2019-2024 PROJECTIONS

South Africa will continue to attract illegal economic migrants from other countries experiencing economic hardship, political instability, and conflict during the 2019-2024 MTSF period. Therefore, large numbers of low and unskilled economic migrants will continue to compete with locals for limited economic opportunities. This will contribute to tensions between locals and foreign nationals, which will often find expression in violence. Disgruntled local community members will continue to target businesses of foreign nationals, especially during community protests.

The initiative to formalise the free movement of people across borders, under the auspices of the AU Protocol coupled with the SADC special work quota visa and visas for cross-border traders and SMMEs is likely to have unintended negative consequences. The risks associated with the Protocol on the Free Movement of Persons exceed the anticipated benefits. The risks include heightened competition for limited resources; the potential outbreak of violence against foreign nationals; the proliferation of businesses owned by foreign nationals thereby displacing local businesses; increased cross-border crime and the movement of terrorists; compromised travel document security and imported issues.

AUTHORITY OF THE STATE

VIOLENT PROTEST ACTION

2019-2024 PROJECTIONS

The ongoing domestic stability status is unlikely to change unless there is a concerted effort to mitigate the underlying trigger factors for the 2019-2024 MTSF period. The economic situation, both in and outside the country will continue to worsen the country's political and social instability. Although the responsibility for maintaining stability in the country belongs to

the South African Police Service (SAPS) in terms of the Constitution, the fulfilment of this responsibility may be possible in the short term. However, based on the prevailing situation in the country together with the various challenges being faced by the SAPS, it is evident that the maintenance of the rule of law may not be sustainable in the longer term, unless other role players within Government urgently put measures in place to alleviate the levels of discontent within the broader community. The 2021 Local Government Elections will be utilised by communities as launch pads for protests against perceived government indifference to the plight of communities.

Moreover, demarcation issues such as in Vuwani, Matatiele, Tlokwe/Ventersdorp and Moloto remain unresolved. These communities may begin mobilising with a view to pressurising Government as the country moves towards the 2021 Local Government Elections.

INSTABILITY IN THE EDUCATION SECTOR

2019-2024 PROJECTIONS

It is expected that the instability within the higher education sector will remain in the short term and may negatively impact on the year-end examinations. Students may attempt to disrupt year-end exams in the event that they are prevented from writing exams due to the outstanding NSFAS payments.

The implementation of 'free education' holds the potential for further protest action in the event that allocations to qualifying students are delayed due to inefficiencies in the NSFAS allocation processes. Protests at Technical and Vocational Education and Training (TVET) colleges will continue should institutions fail to provide information to NSFAS timeously to allow for the necessary financial disbursements to qualifying students.

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WELL-BEING AND SAFETY OF SOUTH AFRICANS

ORGANISED CRIME

FIREARMS AND EXPLOSIVES

2019-2024 Projections

In the absence of effective firearms control and enforcement measures, the proliferation and use of illegal firearms and ammunition will persist and fuel serious and violent crime during the 2019 – 2024 MTSF period. Furthermore, the significant gaps in the regulation of registered dealers as well as import and export companies coupled with the ineffective monitoring of the inflow and outflow of firearms will heighten the risk of exploitation by transnational criminal networks, render the country's stability vulnerable and impede the State's ability to regulate the trade in firearms and ammunition.

The inadequate and ineffective control of explosives attributed to the deficient implementation and or compliance with regulatory and monitoring mechanisms, will continue to create vulnerabilities in the explosives supply chain, thus contributing to the illegal access to explosives by criminal networks. This will fuel and exacerbate serious and violent crime as well as render the country vulnerable to terror attacks.

CASH-IN-TRANSIT HEISTS

2019-2024 Projections

The cash-in-transit (CIT) phenomenon continues to be linked to violent, syndicated and organised crime and continues to pose a threat to national security and the authority of the State. The high levels of recidivism coupled with the ability of offenders to coordinate and organise crime from within correctional facilities as well as collusion by corrupt law enforcement officials perpetuates the scourge.

Law enforcement approaches and operational interventions targeting hotspot provinces will continue to dislodge perpetrators. Furthermore, the prioritisation and coordination by intelligence services will significantly contribute to the ability of law enforcement officials to effectively curb CIT heists.

NARCOTICS

2019-2024 Projections

The growth in the illicit narcotics trade will persist in 2019 -2024, particularly in the context of weak border control, corruption, involvement of international organised criminal groups, poor detection of contraband and lack of integrated approaches to address organised crime

aspects of the trade. Furthermore, the increase in the consumer markets for narcotics will sustain this illicit trade. In addition, the prevailing situation will further contribute to the growth of the illicit economy, thus negatively influencing the formal economy.

Legislative impediments coupled with incoherent approaches adopted by the various law enforcement agencies and social cluster departments will continue to hamper efforts to address the scourge of drugs in communities including the supply thereof. Thus, the illicit drug threat will persist in the short to medium term.

GANGSTERISM

2019-2024 Projections

Gangsterism will persist and gangs will proliferate as their role in the distribution of drugs continues during the 2019-2024 MTSF period. This will be exacerbated by the demand for drugs and socio-economic conditions such as unemployment, poverty and inequality. Unless the root causes of gangsterism and vulnerabilities in the criminal justice system, including rampant corruption, are addressed, gangs will present security challenges to the State. The escalation in gang activities including murders, revenge killings and fights over territory and drug turfs will continue in the short to medium term.

HUMAN TRAFFICKING AND SMUGGLING

2019-2024 Projections

The continuing failure to manage the country's ports of entries will lead to an increase in the smuggling or trafficking of victims during 2019 – 2024. Furthermore, poverty, unemployment and unfavourable socio-economic circumstances will continue to be used to lure individuals using money as a trap. Individual victims will be deceived by false promises of work and a better life.

It is important to further note that, poor border management as well as corrupt officials are enabling factors for the scourge to continue. Without proper management of the situation at the borders the trend will continue in the short to medium term.

WILDLIFE TRAFFICKING

2019-2024 PROJECTIONS

Wildlife trafficking in South Africa will remain a security threat throughout the 2019-2024 MTSF period. For instance, the focus of transnational organised crime groups on wildlife commodities in South Africa contributes to the erosion of the rule of law and security in the country. During the 2019 – 2024 MSF period, armed criminals from neighbouring countries

will continue to cross international borderlines illegally to conduct criminal operations in South African territory. Security and conservation personnel at all levels that are tasked with protecting the integrity of the Government and the enforcement of its laws are increasingly becoming involved in this form of transnational organised crime. Wildlife trafficking, therefore, has a negative impact on the authority of the State and Government's ability to ensure the integrity of its governance processes and structures, as well as on its ability to ensure domestic stability.

GLOBAL GEOPOLITICAL TRENDS

Geopolitical tensions will continue to escalate in the next five years as governments and institutions face challenges due to the restructuring of the international order and the instability created by emerging global trends.

Contestation over the control of strategic resources and influence will heighten the risk of interstate conflict. This will create new risks and uncertainties, a rise in military tensions, and economic and commercial disruptions.

The impact of these trends is an unreliable international environment that will not be conducive to the advancement of the national agenda on the global stage.

AFRICA

Africa is experiencing deteriorating stability that is unlikely to improve over the short to medium term. Transitional arrangements, mounting public agitation over governance and economic mismanagement, contention over election outcomes, and increased social protests on the continent, contribute to a rise in military determined political outcomes.

A number of conflict hotspots remain unresolved, perpetuated by violent extremism; rising terrorism; transnational organised crime; the displacement of populations because of civil conflict; and global migration due to poverty and inequality, perpetuated by pandemics and famine brought on by climate change. Of further concern is the foreign involvement that increases instability and worsens security.

South Africa will be at the helm of the African Union (AU) that has as its objective 'Silencing the Guns in Africa by 2020'. This will not be realised. It is therefore imperative to review the milestones of the AU's peace and security architecture and to readjust the AU master roadmap to ensure South Africa's ability to provide leadership. The African Continental Free Trade Area (AfCFTA) will provide new export opportunities for South African products and services.

MIDDLE EAST

An emerging issue in the geopolitical arena during the 2019 - 2024 MTSF period is the reconfiguration of Middle Eastern countries by the USA into a broader Israeli, Arab and Sunni front, arranged against an Iranian-led grouping involving Turkey, Russia and the PRC.

The region will grow exponentially unstable and volatile, characterised by increased inter-state tensions, the impasse in the Middle East Peace Process (MEPP), the ongoing wars in Syria and Yemen as well as the Gulf crisis.

The conflicts and instability in this part of the world are unlikely to abate over the long term. With the use of multilateral fora as a terrain to settle scores, South Africa should expect actors to use multilateral institutions to advance their interests. The Middle East remains important for South Africa's security interests, as an export market and for energy markets.

ASIA

The rise of Asia will affect the world in numerous ways in the next five years, with transnational relationships and new flows of finance, trade and technology, creating geopolitical formations, which will be central in reshaping the world.

The biggest threat to Asia's stability will be potential inter-state conflict in the East and South China Seas. Concern over the PRC's expansion will influence regional and international defence policies. In order to ensure long-term support for its growth, the PRC will continue to look primarily at Africa.

The PRC and Japan's rivalry for regional and global influence will intensify amid tensions over disputed island groups. Efforts towards the complete denuclearisation of the Korean peninsula will remain an intractable challenge.

Violence in Kashmir will increase after India's unilateral actions, which will heighten the threat of terrorist activity by Pakistan-based militant groups. Concerns over a serious military confrontation between nuclear-armed neighbours India and Pakistan will remain high.

The Indian Ocean has become a significant corridor for major powers, including the PRC, the USA, and India, to allow trade and access to oil from various regions. The rivalry by the major powers will have security implications for South Africa, as the area is critical to global trade and economic growth, as well as food and energy security.

EUROPE

As a developing nation, South Africa is a beneficiary of multilateralism and collective security. The rise in right-wing politics in the USA, Europe, Brazil and the PRC may give rise to the demands for self-determination and may affect South Africa's land expropriation policies.

The outcome of Brexit and related geopolitics will hamper international business growth, creating a less predictable environment. The political climate will encourage UK businesses to pursue trade opportunities outside Europe, including Africa. The relationship between the USA and its allies in Western Europe will continue to shift.

AMERICAS

At the centre of the emerging geopolitical reconfiguration will be the disengagement of the USA from multilateral commitments and its dismantling of the rules-based international order. This will jeopardise international conflict resolution, as embodied by the United Nations (UN).

The US withdrawal from the Joint Comprehensive Plan of Action with Iran (JCPOA) will have implications for global security. The collapse of the Intermediate-Range Nuclear Forces (INF) Treaty between Russia and the USA is likely to spark a new ballistic missile and nuclear arms race.

The trade war between the PRC and the USA will result in uncertainty, possibly triggering tariffs from multiple nations forced to retaliate to protect domestic industries. This will prompt currency wars, and with benefits of specialisation diminished, and tariffs pushed, global inflation will accelerate. Financial volatility will surge and credit markets will tighten, with the possibility of a worldwide recession, from which South Africa and other developing countries will struggle to recover.

NATIONAL INTELLIGENCE PRIORITIES

The current economic situation of the country does not allow for deluxe expenditure by the intelligence community. Although the evolution of security threats calls for unrelenting advancement by the intelligence community both on methods and doctrine, the community is constrained by inadequate financial resources. In this context, it is prudent to explore ways that will allow for the achievement of key objectives with limited resource capacity. About R ■ billion is forecasted for utilisation by the intelligence community within the MTSF period. This budget forecast is not in line with international trends in terms of financial resource allocation to the intelligence community.

Therefore, it is imperative for the intelligence community to be resolute in the implementation of priorities within the allocated resources. An important point for consideration is that key projects like cybersecurity and the establishment of the Border Management Agency (BMA) have been granted special consideration in terms of resource allocation. For instance, the forecasted budget allocation for these two programmes is about R ■ billion spread across 2019 to 2024 MTSF period.

DOMESTIC INTELLIGENCE PRIORITIES

- Investigate threats to South Africa's sovereign economic and business capacity and capabilities emanating from both domestic and foreign actors and events.
- Improve intelligence capacity to counter border-based and migration threats in support of the BMA.
- Advise on vetting and forewarn about the appointment of foreign nationals at organs of State in strategic sectors where they have access to sensitive and classified information. This should be pursued in line with section 22 of the Constitution.
- Identify and investigate the activities of FISs pertaining to South Africa's economic and business interests, both domestic and abroad.
- Bolster cyberforensic capability to effectively address and regulate online technologies and crypto-currencies that are exploited to facilitate IFFs.
- Adjust South Africa's cybersecurity posture to accommodate counter-intelligence and protective security at its core.
- Conduct vulnerability assessments and vetting at SOEs.
- Prioritise security appraisals and advice at critical infrastructure.
- Address cybersecurity vulnerabilities at organs of State including in procurement, supply chain management and reliance on foreign-based companies within national security domains.

- Investigate activities related to terror financing that are characterised by vulnerabilities in the border security environment, exploitation of the cash economy, abuse of remittances, the role of NPOs as well as the challenges presented by the new financial technologies.
- Investigate and mitigate organised or syndicated criminal activities, including drug smuggling as well as human smuggling and trafficking.
- Investigate and mitigate the cross-border smuggling of narcotics and precursor chemicals for narcotics.

FOREIGN INTELLIGENCE PRIORITIES

- Establish and determine negative forces that seek to undermine and sabotage South Africa's chairship of the African Union and also identify opportunities for country to boost her progressive overtures in the continent.
 - Ensure and develop a system that would enhance and protect the country's economic position and interest in the continent through the provisions of the African Continental Free Trade Agreement.
 - Consolidate efforts to stabilise SADC region to advance the national interest and further enhance early warning mechanisms to manage risks to political, security, and economic stability in partnership with SADC member states.
 - Enhance coordination of South Africa's response and engagements in the United Nations Security Council throughout 2020 and continue to lobby for the reform of the UNSC.
 - Develop a strategy and implement programmes aims at countering hostile forces that seek to undermine the country's interest in the continent and further identify foreign powers in South Africa and the continent that are pro or against our interest. Further, develop legislation framework to deal espionage activities.
 - Strengthen the State's capacity to detect and counter precursors of terrorism.
 - Develop a strategy to neutralise hostile activities of [REDACTED] nationals in South Africa and then expedite efforts to resolve diplomatic tensions between the two countries.
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SECURITY AND ADMINISTRATION MEASURES

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