

# Don't panic about future of economy — investment chief

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Business Writer

Panic over the future of the economy is unwarranted, despite all the political drama of the past few days, says Sanlam Investment Management senior portfolio manager Patrice Rassou.

Rassou said there was no evidence that much would change under the new ANC government.

And, while investors would probably remain on edge for some time, history had often proven South Africa's prophets of doom wrong.

"There's no statement anywhere that said the ANC under Jacob Zuma would result in different policies," Rassou said, referring to fears that Zuma's communist and union allies would pressure him to tilt economic policies to the left.

"The history of this country has shown that when there is extreme gloom and negativity, I think it tends to be overdone. The solution always comes out

better than expected," Rassou said.

"People must look back to when Manuel himself was appointed and what was being said then. I don't think the market is always right. Markets are also made up of emotional human beings."

He said the confusion around Trevor Manuel's future, or uncertainty about his successor, was unfortunate given the backdrop of jittery financial markets and dire predictions for the world's economy.

And while the unexpected collapse of the cabinet may have seemed dramatic, it was important to remember that such events were common all over the world.

"I can put the counter view that in many democracies, people have resigned for stranger reasons. In young democracies like ours, we are not used to people coming and going," Rassou said.

He believed market volatility would probably continue until there was certainty about



**COOL IT: There's no evidence much will change under the new government, says Sanlam's Patrice Rassou**

the new political establishment, but that this could present a valuable investment opportunity.

"Investments are worth

what they're worth.

"If we get sold down too much, you will get buyers who start to take the view: are things really that bad that it

can wipe out the value of one company by 10% in one fell swoop?" Rassou added.

The JSE All-share Index lost 500 points almost immediately

after the president's office said on Tuesday that Manuel and other ministers and their deputies had resigned.

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