



11 July 2025

WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

Economic Updates

Medupi Unit 4 Back in Service

- On 6 July, Eskom announced that Unit 4 of the Medupi Power Station has been reintegrated into the grid after being out of service since August 2021;
- The unit returns after having sustained damages from an explosion which destroyed its Generator Stator, which is an essential component in the operation of the generation unit. Eskom thus sought to acquire an interim stator from Netherlands to get the unit back in operation;
- The return of this unit means adding an additional 800MW to the national grid, which will greatly benefit households and business owners whose operations have been affected by loadshedding, leading to more consistent power supply and lower incidents of loadshedding.



Government Updates

US Slaps SA with Tariff Hikes



- On 7 July, President Donald Trump slapped South Africa with an additional 30% conditional tariff on South Africa's imports to the United States, citing a significantly high trade deficit precipitated by South Africa's Tariff and Non-Tariff Policies and Trade Barriers;
- The tariffs can be repealed, according to the letter sent from Washington to Pretoria, on condition that South Africa or South African firms establish or manufacture products within the United States;
- In response, President Ramaphosa expressed disapproval of the tariff hikes, stating that the average tariff rate for imported goods entering South Africa from the United States stands at 7.6% while a significant portion (77%) of US goods entering South African market are eligible for duty-free treatment, incurring a 0% tariff rate;
- The president further described the basis made by Trump to deploy tariff hikes as an inaccurate reflection of 'available trade data' between the two countries;
- Minister of Agriculture, John Steenhuisen expressed intention to meet with the US to discuss concessions and Department of Trade, Industry and Competition, Parks Tau, also expressed intention to meet with US officials for clarification of what the tariff hike might mean on strategic arrangements such as African Growth & Opportunity Act (AGOA).



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Political Updates

Multiple Probes into Police Minister

- On 9 July, Speaker of the National Assembly, Ms Thoko Didiza, asked the portfolio committees on Police, Justice and Constitutional Development and the Joint Standing Committee on Intelligence to consider the wide ranging allegations made by the KZN Police Commissioner, General Nhlanhla Mkhwanazi, and report to the National Assembly;
- This follows a formal complaint filed by the ATM following the damning accusations by Lt. Gen. Mkhwanazi accusing Police Minister Senzo Mchunu of having links to the criminal underworld;
- On 10 July, Public Protector Adv. Kholeka Gcaleka confirmed in a letter to Hon. Zungula (MP) that her office will be investigating police minister Senzo Mchunu for abuse of power, political interference and improper conduct in the minister's execution of his executive functions;
- Adding to this, both the Democratic Alliance and uMkhonto Wesizwe Party have laid criminal complaints against the embattled minister of police, Senzo Mchunu who now faces multiple investigations from a number of institutions;
- Minister Mchunu, although stating that he knows one of the people mentioned by Mkhwanazi, has denied all the allegations levelled against him;
- President Cyril Ramaphosa is set to address the nation on 13 July on Mkhwanazi's allegations.



Legislative/Regulatory Updates

Ramaphosa promulgates Railway Safety Act



- On 7 July, President Cyril Ramaphosa promulgated the Railway Safety Act, 2024 (Act No.30 of 2024);
- Tenets of the Act comprise of strengthening pre-existing regulatory mechanisms, such as the Railway Safety Regulator, by delineating its function and governance framework and intensifying the use of technology to gather, study, and monitor railway safety data at a national level and setting in motion 'a system of railway safety permits, safety management systems and a national safety information and monitoring system';
- It places strong trust on the regulator to perform a monitoring and evaluation role by assessing security risks to mitigate while enhancing the railway transport experience, especially for passengers and operators;
- The Act also aims to align South Africa's railway safety standards with those of the Southern African Development Community, promoting regional integration;
- The Act is set to take effect on 1 August 2025, eight months after it was signed into law on 5 December 2024.



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Africa Watch

US-Africa Leaders' Summit in Washington DC



- From 9 July to 11 July, President Donald Trump hosted African Leaders from Gabon, Guinea-Bissau, Liberia, Mauritania and Senegal in Washington DC;
- The White House has stated that three-day mini-summit is part of efforts to expand "commercial opportunities and shift from aid to trade;
- The mini-summit is also aimed at looking at ways to prevent the spillover of violent extremism from the Sahel, reversing democratic backsliding, stemming illegal immigration and ramping up the strategic competition with China and Russia;
- It also addressed peace and security issues in Africa, after the Rwanda and DRC peace agreement signed in Washington, with the heads of state affirming that there cannot be investment where there is unrest;
- Importantly for the 5 countries is that Trump said they were unlikely to face US tariffs.

AU's 7th Mid-Year Coordination Meeting

- From 10 July to 13 July the African Union (AU) are meeting in Malabo, Equatorial Guinea to discuss the strategic direction of the Union for the coming year, under the theme "Justice for Africans and People of African Descent Through Reparations";
- The meeting coincides with the 47th Ordinary Session of the Executive Council, composed of Foreign Affairs Ministers from AU Member States;
- This annual meeting seeks to align continental and regional priorities, assess the implementation of agenda 2063 and promote effect integration between the AU and its regional mechanisms;
- Key issues addressed by the meeting include: review and adoption of the draft 2026 AU budget, finalisation of the AU's partnership strategy to streamline engagements with multilateral and development partners.





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International Affairs

BRICS Summit 2025 Declaration

- On 6 July, 11 BRICS+ member states adopted the Rio de Janeiro Declaration at the 17th BRICS Summit in Brazil;
- The declaration calls for an equitable, geographical representation within Bretton Woods Institutions and United Nations Security Council through reforming its governance structure; stressed the importance of maintaining commitments set for Climate Finance by developed nations and reiterated a strong desire for an inclusive, cooperative multilateral system;
- Looking at variously protracted armed conflicts in Iran, Ukraine, Palestine, Syria, and Sudan; the declaration also encouraged the use of pacific conflict resolution and conflict prevention techniques such as diplomacy, dialogue, and consultation.
- BRICS+ endorsed UN peacekeeping missions, African Union Peace Support Operations as cooperative avenues for preventing, managing, and halting vicious conflicts within the Global South and elsewhere;
- Lastly, citing the burgeoning use of technology by the global economy, the declaration welcomed the launch of the BRICS Center for Industrial Competence (BCIC), which aims to aid member states in developing technological resilience skills that can withstand the advancement of technology while enhancing productivity under the New Industrial Revolution.



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