

## Weekly Political and Economic Highlights

15 August 2025

### ECONOMIC UPDATES

#### Unemployment Rate Increases

- On 12 August, Statistics SA announced that the unemployment rate increased to 33.2% in Q2 from 32.9 in Q1;
- The expanded unemployment rate, which includes discouraged job seekers, now sits at 42.9%;
- Sectors that experienced the job losses are community and social services, agriculture, and finance;
- Youth unemployment rate reached 46.1% for those aged 15-34, with the rate for those aged 15-24 hitting 62.4%.

This represents a significant increase compared to previous years, with the 15-24 age group experiencing a rise from 50.3% in Q1 2015 and 59.7% in Q1 2024;

- The unemployment rate for women was 35.9%, compared to 31.0% for men, a gap of 4.9 percentage points. These differences according to StatsSA, reflect persistent gender imbalances in unemployment, labour force participation, and the sectors in which men and women are employed;
- The high unemployment is attributed to a combination of factors, including slow economic growth, skills mismatches, and structural issues within the labour market;
- Going forward, StatsSA stated that it will utilise new data collection methods, including the potential development of a statistical register for informal businesses, to provide a more comprehensive view of the labour market.



#### Business Confidence Improves



- On 13 August, South African Chamber of Commerce and Industry's (SACCI) business confidence index showed an increase from 113.2 in June to 116.7 in July;
- This increase is attributed to increased vehicle sales, greater manufacturing output, strong precious metal prices, and well contained inflation;
- In a statement by SACCI, it was emphasised that though there is currently an increase in business confidence, the imposition of the 30% tariff by the USA on South African exports could have a negative impact on the country's economy and long-term business relations.

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### GOVERNMENT UPDATES

#### First National Convention of the National Dialogue

- On 15 August, delegates from 33 sectors and over 200 organisations met at the UNISA main campus, Pretoria, for the first National Convention;
- The two-day citizen-led initiative aims to spark a National Dialogue process that will foster inclusive national conversations;
- The process will engage all 4,300 wards in South Africa, hosting at least three dialogues each in community spaces, alongside thousands of sectoral and theme-based discussions;
- Days before the convention, President Cyril Ramaphosa wrote on the significance of equal representation for women in guiding structures, which is more so since the convention takes place during Women's month;
- Organisational hurdles leading to the convention include the withdrawal of prominent foundations: Desmond and Leah Tutu, FW de Klerk, Steve Biko and Thabo Mbeki foundations from the interim Preparatory Task Team (PTT);
- Nevertheless, a Convention Organising Committee, comprising civil society, social partners (NEDLAC and UNISA), and government representatives, undertook the outstanding work to organise and oversee the convention;
- The first National Convention will see participants identifying key discussion themes and establish a broadly inclusive Steering Committee, the latter as a permanent structure that will subsume the responsibilities of the PTT and Convention Organising Committee;
- The process will conclude with a second national convention in early 2026, following nationwide public dialogues.



#### Water Investment Summit 2025



- On 13 August, the first day of the African Union-AIP Water Investment Summit 2025 kicked off in Cape Town, South Africa;
- The main objective of the summit was to accelerate investment in climate-resilient water and sanitation across Africa;
- Participants hoped to leave the summit on 15 August with a declaration on closing Africa's water investment gap; commitments in water investments; new partnerships and initiatives targeting sustainable water investments; and continental implementation roadmap;

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- The summit established three task forces namely 1. Inclusive Economic Growth, Industrialisation, Employment and Reduced Inequality; 2. Food Security and 3. Artificial Intelligence, Data Governance and Innovation for Sustainable Development;
- Moreover, the summit also sought to build upon recent G20 initiatives, including the water track to improve access to safe drinking water, sanitation, and hygiene (WASH).

### POLITICAL UPDATES

#### Stakeholders Withdraw from the National Convention



- On 12 August 2025, the Freedom Front Plus (FF+) became the latest political party to reject the planned national dialogue convention;
- The FF+ now joins the Democratic Alliance (DA), uMkhonto weSizwe Party (MKP), Economic Freedom Fighters, who all suggested that the national dialogue will be used as a state funded campaign strategy by the African National Congress (ANC) ahead of the 2026 Local Government Elections;
- ActionSA on the other hand, has withdrawn from active participation in the convention, but will deploy its senior MPs to exercise oversight over the process;
- The FF+ cited the ANC's lack of credibility to be the "guardian of the dialogue";
- The latest development follows the withdrawal of key legacy foundations like the Thabo Mbeki, Steve Biko, the Oliver and Adelaide Tambo, and FW de Klerk Foundations, to name a few, who have also withdrawn from the national dialogue convention;
- Despite this, President Ramaphosa elected to go ahead with the planned national convention on Friday 15 August, which is expected to serve as the launchpad for the national dialogue.

#### The DA's Plan to Turbocharge the Economy

- On 12 August 2025, the Democratic Alliance (DA) published its comprehensive "plan to turbocharge the economy", positioning the plan as an alternative to the national dialogue;
- In the DA's plan, it identified three barriers to economic growth, which include B-BBEE, the expropriation Act and employment equity, which the party argues prioritises political patronage instead of merit;
- In the DA's plan to revitalise the economy, it proposes sweeping reforms, which include but not limited to scrapping B-BBEE and replacing it with a new non-racial model;
- In so doing, DA leader John Steenhuisen, emphasised that the DA was not against transformation and redressing imbalances of the past, however, he argued that the current policies have not only failed but cause serious harm;
- Amongst the many other proposals meant to help grow the economy, the DA also proposed the cutting of business red tapes and simplifying business licencing.





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### AFRICA WATCH

#### EAC-ECOWAS Trade Doubles

- On August 13, 2025, the East African Community (EAC) released their Q1 trade bulletin where it reported a near doubling of trade with the Economic Community of West Africa (ECOWAS), rising from 0.7% to 1.3 % signalling stronger inter regional trade on the continent;
- The EAC's trade with other African countries also soared by 53.9%, which is a boost for those who have been advocating for an accelerated intra-Africa trade;
- The bulletin also revealed that China remained the EAC's number one trading partner, followed by the United Arab Emirates, India and South Africa;
- These updates come as Africa is trying to make sense of the U.S. protectionists policies and the new scramble for alternative markets.



### INTERNATIONAL AFFAIRS

#### Zelenskyy Meets with Starmer

- On 14 August 2025, Ukraine President Volodymyr Zelensky was hosted by United Kingdom's (UK) Prime Minister Keir Starmer at 10 Downing Street, just before the Alaska summit between presidents Putin and Trump;
- This meeting was to reaffirm the UK's support for Ukraine, maintain that peace between Ukraine and Russia must include the guarantee to uphold Ukraine's sovereignty;
- Starmer announced that should there be no ceasefire, Britain is prepared to "increase pressure" on Russia through further sanctions and potentially deploying a "reassurance force" that would provide air support, training to Ukraine troops and mine clearing in the Black Sea;
- Ahead of the Alaska summit, both leaders agree that no decisions about Ukraine should be made without the involvement of Ukraine.



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