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ECONOMIC UPDATES

Consumer Confidence Index (CCI)

- On 25 September, the FNB/BER announced that Consumer Confidence Index (CCI) fell to -13 in Q3, which is better than -20 points of Q1, but a drop from -10 points of Q2;
- Confidence among the middle class was the main driver of this decline with households earning between R5,000– R20,000/month slipping from -7 to -16 index points;



- Low-income households earning below R5,000/month saw an unexpected increased from –15 to –9 index points;
- The economic outlook sub-index slid from –18 to –22 index points, signaling more pessimism about the future;
- The household finances sub-index also declined, from +9 to +3, showing more people feeling strain in their own financial situations;
- Food inflation has risen sharply from 1.5 % in January to 5.2 % by August, putting pressure on household budgets.

Producer Price Index (PPI) Increased



- On 25 September, Statistics South Africa announced that the annual producer inflation rose to 2.1% in August, up from 1.5% in July;
- The month-on-month Producer Price Index (PPI) increased by 0.3%;
- Headline PPI annual inflation rate was driven by food products, beverages and tobacco products which accounted for 4,3%, culminating in a 1,3% points contribution;
- This increase signals increasing cost pressures that could feed into the consumer price over the upcoming months.

GOVERNMENT UPDATES

SA, US Agree on 'Roadmap' for Trade Talks

- On 21 September, the Department of Trade, Industry and Competition (DTIC) confirmed that Minister Parks Tau held talks with United States Trade Representative, Ambassador Jamieson Greer, in Washington DC;
- This engagement was preceded by a three-day text-based technical discussion meeting between a South African delegation and senior U.S. officials focused on trade issues;



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- After the in-depth trade discussions, Minister Tau and Ambassador Greer agreed on a roadmap to guide future engagements, which is important given that the U.S is South Africa's second-largest trading partner;
- The significance of this roadmap is that it comes after a period where the South African government had previously struggled to fully engage their U.S. counterparts on trade;
- The optimism of both the U.S. and the South African government on the agreed roadmap and the prospects of future engagements provides optimism that the communication channels with the U.S are now fully operational;
- Reflecting on the ongoing discussions with the U.S., Minister Tau also touched the African Growth and Opportunity Act (AGOA), to which he believes there is appetite by the U.S to extend;
- However, with the tariffs in place, there may not be much benefit for South Africa from the extension of AGOA.

South Africa, Brazil Sign Mol on Agriculture



- On 19 September, the South African Minister of Agriculture, John Steenhuisen, and the Brazilian Vice Minister of Agriculture, Luiz De Alcantara Rua, signed a Memorandum of Intent (MoI), meant to foster closer agricultural trade ties between the two countries;
- This Mol is meant to facilitate trade, including trade missions which will be aimed at generating new market opportunities for both South Africa and Brazil:
- This comes after both countries were on the receiving end of 30% and 50% tariffs respectively from the United States government which has necessitated the need to look for alternative markets;
- Bilateral agricultural trade relations between South Africa and Brazil have increased by over 80% over the last four years while South Africa's agricultural exports to Brazil also increased by 92% in the same period;
- For South Africa, the MoI is part of the country's trade diversification efforts, prompted by the disruption of the global trade norms;
- The MoI is expected to remain in force for five years, after which it will automatically be renewed for an additional five-year period, unless terminated by either country.

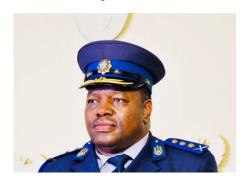
SAPS Commissioner Takes the Stand at Madlanga Commission

- On 22 September, national police commissioner General Fanie Masemola took to the stand as the second witness at the commission of inquiry into criminality, political interference and corruption in the criminal justice system;
- General Masemola's testimony focused on police minister Senzo Mchunu's decision to disband the KZN Political Killings Task Team (PKTT) of which of he testified was unlawful;
- Masemola also provided context to some of the allegations made by KwaZulu-Natal provincial police commissioner General Mkhwanazi, particularly on issues of political interference on operational matters of the South African Police Services;



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- General Masemola formed part of the first group of witnesses called by the commission as part of the first phase of the commission, which is dedicated to first layer of testimonies;
- This first phase will be followed by the second phase which will afford implicated persons an opportunity to answer to the allegations levelled against them. Then finally, General Masemola will be expected to return to the commission to deal with what would have come out of the cross examinations.



Ramaphosa Calls for Multilateral Trade Reform



- On 22 September, President Cyril Ramaphosa, speaking at the United Nations General Assembly, called for the reform of multilateral trade;.
- President Ramaphosa also asserted the role of the World Trade Organisation while condemning economic cohesion, including the economic embargo against Cuba, which he called for its immediate lifting.
- Ramaphosa argued that trade is currently being used as a weapon against certain countries, leading to dire consequences for numerous countries around the world;.
- President Ramaphosa noticeably did not mention the U.S. government, nor did he mention tariffs as trade talks between the United States and South Africa are ongoing;
- He also used his speech to defend South Africa's case against Israel in the International Court of Justice (ICJ) calling for the ICJ to deliver a ruling declaring Israeli actions in Gaza as a genocide;
- President Ramaphosa also called for the reform of the United Nations Security Council (UNSC), which is a position the African Union and the BRICS block have taken. The Biden administration had also agreed to reform, however were unwilling to extend the veto power beyond the permanent.

POLITICAL UPDATES

DA Announces Helen Zille as COJ Mayoral Candidate

- On 20 September, The Democratic Alliance (DA) unveiled Helen Zille as its candidate for Johannesburg mayor in the 2026 local government elections;
- This follows an internal DA vetting process after Helen Zille showed interest in the job three months ago;
- Helen Zille's candidacy does mark a significant turning point for the race to govern the City of Johannesburg, because of her experience both as mayor of Cape Town and premier of the Western Cape;





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- In her acceptance speech in Soweto, Helen Zille spoke about restoring the city and prioritising service delivery which speaks to the major concerns for residents of Johannesburg;
- The DA follows the Patriotic Alliance (PA) as the two major political parties to announce their mayoral candidates;
- Although the African National Congress region chairperson, Dada Morero has downplayed Helen Zille's candidacy, it is still unclear who the ANC will nominate for mayor of the city of Johannesburg.

ANC NEC Leads Roll Call Report-back Meetings



- On 21 September, the African National Congress (ANC) kicked of their roll call report-back meetings across the country;
- This follows the national roll call of ANC councillors, where the ANC president outlined the National Executive Committee's local government priorities such as service delivery, economic development and accountability;
- The purpose of these country-wide report back meetings which brought together various local ANC structures, was to track progress made by ANC deployees in local government;
- These roll call report back meetings form part of the ANC's general mobilisation ahead of the 2026 local government elections;
- ANC secretary general Fikile Mbalula, described the report-back meetings as a means to ensure that ANC councillors have attended to the urgent service delivery issues of their communities;
- The significance of these campaigns is to brand the ANC as an organisation hard at work attending to the needs of locals as we move closer to the local government elections.

LEGISLATIVE/REGULATORY UPDATES

Chairperson of Select Committee Calls for National Crisis Summit on Job Losses

 On 21 September, Chairperson of the Select Committee on Economic Development and Trade, Sonja Boshoff, called for a national crisis summit on job losses, urging Minister of Trade Parks Tau, Minister of Employment and Labour Nomakhosazana Meth, and Minister of Small Business Development Stella Ndabeni-Abrahams to convene this gathering;



- The push for the summit arises amid concerning trends of mass retrenchments and downsizing by major companies like Coca-Cola, which plans to cut 680 jobs, and ArcelorMittal, which announced it is considering further drastic cuts and possible closure;
- Just two days prior, Boshoff had expressed grave concern that these developments are part of a broader, alarming pattern of job losses in the country, including anticipated closures such as the Goodyear manufacturing plant in the Eastern Cape and Ford Motor Company South Africa, which indicated 470 job losses;



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- The proposed summit will aim to bring together affected companies, trade unions, and provincial and local government representatives and all other relevant stakeholders to find urgent solutions to the job crisis;
- The ongoing departure of large businesses from South Africa undermines the achievement of the three strategic national priorities which are; inclusive growth and employment, poverty reduction, and building a capable, developmental state responsive to societal needs;
- Unemployment affects not only households directly laid off from work but also local economies, municipal revenue, and the overall well-being of the country's economy;
- To address these challenges, policy stabilisation interventions, including relief for vulnerable manufacturers on electricity and freight costs, accelerated support for localisation, stronger interventions in critical industries such as steel and automotive, and trade remedies against unfair imports, are paramount;
- Additionally, Boshoff advocated for enhancing transparency and engagement in dismissal processes like the Section 189/189 A of SA Labour Relations Act consultations regarding retrenchments, promoting fair severance packages, retraining, and redeployment opportunities for workers;
- She also emphasised the need for targeted economic stimulus and labour absorption programmes, along with infrastructure development in the hardest-hit regions such as the Eastern Cape, Gauteng, and the Free State, to attract investment and support economic recovery.

AFRICA WATCH

Mnangagwa Opts Out of 2028 Zimbabwean General Elections

- On 20 September, President Emmerson Mnangagwa announced that he would not seek re-election in the upcoming 2028 Zimbabwean General Elections, adhering to the constitutional limit of two five-year terms for the presidency;
- This decision marks this as his final term, as he follows a legal framework that seeks to curb extended leadership, which has characterised Zimbabwe's political history, notably during Robert Mugabe's nearly four-decade reign that severely undermined democratic practices;



- Contrarily, the ruling ZANU-PF party continues to advocate for an extension of Mnangagwa's presidency until 2030, coinciding with the culmination of the government's Vision 2030 initiative aimed at fostering sustainable economic growth through modernisation efforts in various sectors, including industry and agriculture;
- The resolution, reportedly supported by all of ZANU-PF's provincial structures, implies a push for a third term for Mnangagwa, suggesting a significant faction within the party is resistant to the constitutional limits:



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- Elections are held every five years in Zimbabwe, and while Mnangagwa's declaration appears to show commendable compliance with governance norms, it also raises questions about the authenticity of his commitment to stepping down after his term expires;
- This scenario signals a critical juncture for Zimbabwe as it reflects a potential shift towards greater respect for constitutional governance and law, constituting a break from a longstanding tradition of entrenched power;
- If he indeed relinquishes power in 2028, it could pave the way for meaningful democratic reforms and a more stable political landscape;
- Conversely, if factions within ZANU-PF successfully override this decision, it could perpetuate the
 cycle of autocratic rule, undermining democratic integrity, thereby impeding the aspirations for
 genuine reform that have long been desired by the Zimbabwean populace.

South Sudan's Machar's Trial for Treason Commences



- On 22 September, the trial of former South Sudan Vice President Riek Machar commenced in Juba, where he faced serious criminal charges related to an alleged attack on government troops earlier this year, resulting in over 250 casualties;
- The government claimed Machar directed the attack, which has led to accusations of conspiracy, crimes against humanity, destruction of public property, and murder;
- Following the charges, President Salva Kiir suspended Machar, who had previously been under house arrest amid investigations into his connections. This trial is taking place under a backdrop of historical animosity between Kiir and Machar, both of whom have a long-standing rivalry and are key political actors that has fuelled civil conflict in South Sudan.
- The trial carries profound implications for the already fragile political landscape of South Sudan, especially regarding the upcoming elections. Originally scheduled for December 2024, the elections have been postponed to 2026, reflecting ongoing governance crises and the failure of peace processes;
- With Kiir and Machar's relationship increasingly strained, the possibility of conducting fair elections is further jeopardised. Their rivalry, rooted in ethnic divisions between the Dinka and Nuer groups (Kiir hails from the Dinka, the largest ethnic group, while Machar hails from the Nuer, the second largest), heightens the risk of renewed violence and instability, raising concerns about a potential resurgence of civil war;
- The current political inertia illustrates a significant disconnect between the signed agreements aimed at fostering peace and actual governance. The Revitalised Transitional Government of National Unity (R-TGoNU), established to facilitate the transition toward elections, has seen its mandate extended to 2027, despite its inability to advance critical components of the peace agreements;
- This suggests that rather than achieving stability, South Sudan appears stuck in a cycle of delay and discord, with leaders failing to leverage their agreements effectively;
- The repeated postponements of elections underscore deeper structural issues within the political framework, diminishing prospects for a democratic and peaceful future;
- The trial of Machar, coupled with the continued power struggles, likely exacerbates these issues, casting a long shadow over the possibility of free and inclusive elections and perpetuating a cycle of conflict and uncertainty in South Sudan. The court adjourned until 29 September.

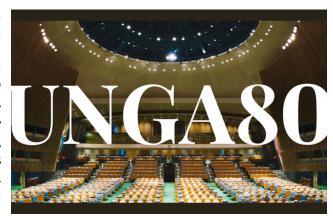


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INTERNATIONAL AFFAIRS

80th UN General Assembly Session (UNGA 80)

- On 22 September, heads of states gathered in New York for the 80th United Nations General Assembly (UNGA);
- UN Secretary-General António Guterres urged global leaders to make "five essential decisions" to bolster multilateralism: prioritize peace through international law, eliminate impunity (which he termed as the "mother of chaos"), reform the UN Security Council to overcome its paralysis, tackle financial deficits (such as U.S. funding reductions), and improve global governance to address emerging challenges like artificial intelligence;



- President Donald Trump emphasized U.S. leadership in managing migration flows and fostering energy independence, while minimizing commitments to renewable energy and promoting bilateral agreements over multilateral arrangements;
- Brazilian President Luiz Inácio Lula da Silva advocated for a revitalized United Nations to tackle
 issues of inequality and hunger, stressing the importance of Global South priorities such as debt
 relief and equitable trade to close financing gaps for the Sustainable Development Goals (SDGs).
 He called for more robust climate action, using Brazil's efforts to preserve the Amazon as a
 model, and urged a collective responsibility to address the great power competition that
 threatens cooperation;
- French President Emmanuel Macron along with Canada, the UK, Australia and several other countries recognized Palestine as a sovereign and independent nation and called for the urgent realization of a two-state solution for Palestine, denouncing the expansion of Israeli settlements and demanding an immediate ceasefire in Gaza to facilitate humanitarian assistance;
- In spite of a U.S. visa ban, Palestinian President Mahmoud Abbas delivered a virtual address condemning Israel's actions in Gaza as "genocide" and called for accountability regarding war crimes. He urged international support for Palestinian statehood, pointing out the shortcomings of previous resolutions and the necessity for enforceable UN measures to safeguard civilian lives;
- Benjamin Netanyahu defended Israel's military actions in Gaza as acts of self-defense against Hamas, contending that unilateral bids for Palestinian statehood jeopardize the prospects for a negotiated peace. He urged the UN to concentrate on regional stability, identifying Iran's influence as a significant threat, and opposed ceasefire proposals that lacked security assurances.

Zelenskyy's Meeting with Trump at UNGA

- On 23 September, President Volodymyr Zelenskyy met with U.S. President Donald Trump on the sidelines of UNGA;
- Zelenskyy expressed his gratitude to Trump for his "personal efforts" aimed at bringing an end to the Russia Ukrainec conflict and provided an update on the latest developments on the battlefield. This included a Ukrainian counteroffensive in the Dobropillia and Pokrovsk regions, which advanced 360 kilometers and resulted in the capture of over 1,000 Russian troops;



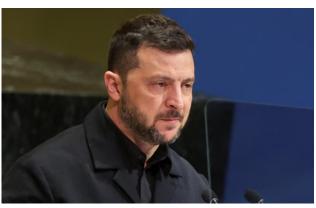
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 A significant emphasis was placed on the repatriation of Ukrainian children who had been abducted by Russia, with over 19,000 verified cases according to UN data. Zelenskyy also thanked U.S. First Lady Melania Trump for her engagement in this matter; the First Ladies conducted a separate discussion regarding this humanitarian concern;



- The leaders discussed "promising ideas to promote peace," anticipating "prompt results," and highlighted the importance of executing the Partnership for Ukraine Reconstruction and Longterm (PURL) initiative a NATO-launched program from August 2025 that has already directed over \$1 billion from European allies for U.S.-sourced weaponry to Ukraine;
- Following the meeting, Trump shared on Truth Social that Ukraine possesses the "potential to reclaim all its territory from Russia," labeling Russia a "paper tiger" due to its ongoing military and economic difficulties. He conveyed optimism regarding Ukraine's ability to restore its pre-war borders through coordinated support from the EU and NATO, urging Kyiv to "fight and WIN all of Ukraine back in its original form." This represented a significant shift from Trump's previous skepticism regarding Ukraine's territorial goals and NATO obligations.

Zelenskyy's Address to UNGA



- On 24 September, Zelenskyy addressed the UNGA General Debate, centering his speech on the global security threats arising from Russia's invasion, with the central message: "No one can feel safe" in a world where aggression remains unchecked;
- He urged the international community to "invest in weapons, not words" to assist Ukraine, stressing that peace "depends on all of us" and necessitates tangible actions from the U.S., Europe, and allies rather than mere rhetoric;
- President Zelenskyy spoke favorably about his recent discussion with President Trump, stating: "Yesterday, we had a productive meeting with US President Donald Trump... Naturally, we are making every effort to ensure that Europe genuinely assists us, and we are also relying on the USA. I am grateful for the support we are receiving";
- His broader appeals encompassed the importance of maintaining international law, putting an end to impunity for war crimes (such as child abductions), and the collective responsibility to avert escalation into larger conflicts similar to those occurring in the Middle East or Asia.

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