

## Weekly Political and Economic Highlights

03 October 2025

### ECONOMIC UPDATES

#### Eskom Updates

- On 29 September, Eskom announced that Unit 6 of the Kusile Power Station has officially entered commercial operation. This milestone coincides with Eskom's reporting of a R16 billion after-tax profit, its first profit in eight years;
- Kusile, in Mpumalanga, is one of the world's largest coal-fired power stations and forms part of Eskom's plan to expand its capacity amid rising demand;
- The station comprises six units, each with a nominal capacity of 800MW, for a total output of 4,800 MW, enough to power millions of households and industries;
- Key drivers of the profit include:
  - **Tariff Adjustments and Revenue Growth:** A 12.74% electricity tariff hike boosted regulated revenue.
  - **Cost Reductions:** Primary energy costs dropped 14%, with savings on diesel by curbing reliance on expensive open-cycle gas turbines (OCGTs). Improved coal plant performance also played a role.
  - **Debt Management:** Eskom's gross debt fell from R412 billion to R372 billion, aided by equity injections and operational efficiencies;
- The convergence of Kusile Unit 6's commissioning and Eskom's profitability injects optimism into South Africa's energy landscape;
- Unit 6's integration pushes Eskom's Energy Availability Factor (EAF) above 70% for the first time in years. Combined with Medupi Unit 4's return to service in July 2025, this fulfills Eskom's goal of adding 2,500 MW by March 2025, reducing unplanned outages and reflecting a stabilized power system;
- Kusile Unit 6's operation and the R16 billion profit mark Eskom's emergence from crisis mode, paving the way for a surplus era that could redefine South Africa's energy narrative.



#### Quarterly Employment Statistics (QES)

- On 30 September, Statistics South Africa (StatsSA) released the Quarterly Employment Statistics (QES) which revealed a reduction in formal non-agricultural employment for the second consecutive quarter;
- Other key findings indicate a net loss of 80,000 jobs quarter-on-quarter, influenced by a decrease in jobs for the following sectors: Community Services with -53,000 jobs (full-time -14,000, part-time -39,000), Trade with -10,000 jobs (full-time -6,000, part-time -4,000), Manufacturing with -9,000 jobs (full-time -8,000, part-time -1,000), Construction with -7,000 jobs (full-time), Transport had -2,000 jobs (full-time), and Business Services: -2,000 jobs (full-time -9,000);

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- Mining with +2,000 jobs (full-time) and Electricity with +1,000 jobs (part-time) were the sectors that showed growth;
- Overall YoY total employment decreased by 229 000 between June 2024 and June 2025;
- The Q2 2025 QES underscores a fragile labour market, with the 80,000 job losses signaling persistent structural weaknesses despite the 0.8% GDP growth noted in September.

### NWU Policy Uncertainty Index (PUI)

- On 30 September, The North-West University (NWU) Business School released its Policy Uncertainty Index (PUI) for the third quarter of 2025;
- With readings above 50 indicating a high uncertainty, the PUI, which tracks perceived policy-related uncertainty in South Africa, increased by 6.1 points to 81.0 points in Q3, up from 75.9 in Q2 2025. This marks the highest level of uncertainty since the index's inception in 2016;
- Main contributors from a domestic standpoint are: AGOA which expired on 30 Sept, however there are speculations of it being extended by a year; Eskom's 12.74% tariff hike; and ongoing governance issues that undermine confidence and investment;
- From a global perspective: IMF forecasting global growth at 3.0% in 2025 and 3.1% in 2026 vs OECD's 2.9% both years;
- Among these are positives of Q2 GDP rising to 0.8%; Eskom projects no load-shedding for next six months, offering a form of energy stability;
- High policy uncertainty could hinder overall growth and negatively affect an already fragile employment rate.



### South African Reserve Bank's Quarterly Bulletin



- On 30 September, The South African Reserve Bank (SARB) released its Quarterly Bulletin providing a detailed analysis of domestic economic developments in the second quarter of 2025;
- Growth and Expenditure: Real GDP rose to 0.8% in Q2 up from 0.1% Q1, supported by broad sectoral gains; gross domestic expenditure increased to 1.1%, with household consumption at 0.8%;
- However, gross fixed capital formation fell -0.5%, marking a third straight contraction;

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- Inflation and Labor Market: Headline CPI rose to 3.3%, driven by food and administered prices. Unemployment climbed to 33.2%, with youth unemployment at 62.2%;
- Fiscal and Monetary Conditions: Government posted a R19.7 billion primary surplus, while gross loan debt hit R5.82 trillion (78.1% of GDP). Credit growth increased, with private sector loans up 6.5%;
- Current account deficit widened to 1.1% of GDP. External debt rose to US\$173.1 billion;
- The September QB highlights the high unemployment and weak investment, while pointing to a stabilizing South African economy, with Q2's GDP growth indicating resilience amid global dynamics.

### GOVERNMENT UPDATES

#### Ramaphosa Convenes Cabinet Lekgotla

- On 30 September, President Cyril Ramaphosa, convened an extended Cabinet Lekgotla, bringing together ministers, deputy ministers, premiers, and mayors, with a focus on inclusive growth, reforms and delivery;
- At the Lekgotla, the Department of Trade, Industry and Competition (DTIC) and National Treasury, presented a combined plan that covered government's immediate priorities, to achieve growth;
- However, Minister in the Presidency, Khumbudzo Ntshavheni asserted that the national treasury and the DTIC were consolidating already adopted strategies rather than creating new ones;
- Despite this being the first cabinet lekgotla since the U.S. Tariffs imposed on South Africa, notwithstanding the uncertainty around the African Growth and Opportunity Act (AGOA), the lekgotla is not expected to present a new plan to address this crisis.



### POLITICAL UPDATES

#### Patriotic Alliance Remains in the GNU



- On 1 October, the Patriotic Alliance's (PA) deputy president Kenny Kunene confirmed that the Minister of Sports, Arts and Culture and leader of the PA, Gayton McKenzie, will remain in the Government of National Unity (GNU);
- This comes after McKenzie threatened to withdraw from the GNU due to the ANC's reported refusal to reassign the MMC of transport position in the City of Johannesburg back to Kenny Kunene;



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- Kunene resigned from his position as Transport MMC in the city of Johannesburg, pending an internal investigation after he was found in the house of murder-accused Katiso 'KT' Molefe at the time of his arrest;
- The confirmation that Mckenzie would remain in the GNU, came after the PA reached common ground with the ANC during their talks in Johannesburg on Tuesday night;
- However, it is still unclear what the ANC and the PA agreed on. However, Kunene stated that they did not only settle one issue, but a range of issues.

### Malema Found Guilty in Gun Case

- On 1 October, Economic Freedom Fighter's (EFF) leader Julius Malema was found guilty of multiple firearm charges including the illegal possession of a gun and reckless endangerment;
- Malema was accused of firing shots from an assault rifle during the EFF's fifth birthday celebrations in Mdantsane, Eastern Cape, in 2018;
- Malema has vowed to appeal the case and is prepared to go all the way to the constitutional court to overturn his conviction;
- AfriForum and the Democratic Alliance welcomed the conviction, stating that it restores confidence in the judiciary that no one is above the law;
- Malema's conviction has raised questions about his role as a member of parliament (MP). According to section 47 of the constitution, a person sentenced to more than 12 months without an option of a fine, would be barred from being an MP for 5 years;
- Sentencing has been scheduled for 23 January 2026.



## LEGISLATIVE/REGULATORY UPDATES

### Special Appropriation Bill

- On 26 September, the Minister of Finance introduced a bill to the National Assembly, aimed at appropriating additional funds for the health sector in the 2025/26 financial year;
- This move is a response to a significant shortfall resulting from the withdrawal of international donor funding, specifically aid from the United States earlier this year. The US Supreme Court's decision to extend an order freezing over \$4 billion in foreign aid, initially allocated by Congress but deemed wasteful by the Trump administration, has contributed to this funding gap;



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- The bill is classified as a money bill, meaning it follows a specific parliamentary process under Section 75, granting the National Assembly greater control over its approval. If passed, the health sector stands to benefit from a substantial capital injection targeting key areas;
- These include initiatives to combat communicable and non-communicable diseases, focusing on developing national policies and implementing strategies to reduce associated morbidity and mortality, as well as efforts to decrease maternal and child mortality rates;
- Another critical aspect is the advancement of National Health Insurance, which strives for universal health coverage through enhanced service quality and coverage, underpinned by policy development and health financing reforms;
- The approval of this bill is expected to bolster South Africa's health interventions, addressing pressing healthcare challenges and working towards more comprehensive coverage for its citizens.

### Water Services Amendment Bill 2025



- On 1 October 2025, the Minister of Water and Sanitation Penny Majodina, announced the intention to introduce the Water Services Amendment Bill, 2025 (the “Bill”) into Parliament;
- The Bill amends the Water Services Act, 1997 (Act No. 108 of 1997) (the “Act”) with the following objectives;
- Addressing the Decline in Service Provision by tackling ongoing challenges in the delivery of water and sanitation services, ensuring improved access and reliability for communities;
- Enhancing Accountability of Water Service Providers by introducing measures to hold water service providers accountable, promoting greater responsibility and efficiency in service delivery;
- Strengthening Compliance Enforcement by reinforcing mechanisms to ensure compliance with the Water Services Act, fostering stricter adherence to regulatory standards;
- This amendment seeks to strengthen the framework for water and sanitation services, ensuring sustainable and equitable access for all.

## AFRICA WATCH

### AGOA Expires After 25 Years

- On 30 September, the African Growth and Opportunity Act (AGOA), a key U.S. trade initiative enacted in 2000 to foster economic ties by granting duty-free access to American markets for billions of dollars in goods like automobiles, apparel, and other products from eligible African nations, officially lapsed;



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- Before its expiry, more than 32 African countries benefited from these preferential terms, which shielded exports from additional country-specific or sectoral tariffs beyond standard most-favoured-nation (MFN) rates;
- Without renewal, these nations now default to MFN tariffs, which are typically higher baseline duties applied to non-preferential trading partners, compounded by any unilateral tariffs imposed by the U.S. administration;
- While there are indications that the Trump administration favours a short-term, 12-month extension to maintain duty-free access for select products, no formal U.S. government announcement has confirmed reauthorization, leaving the program's future in limbo amid ongoing congressional proposals;
- AGOA has been a cornerstone of U.S.-Africa economic relations for over two decades, enabling African exporters to access the world's largest consumer market with reduced barriers and driving diversification away from raw commodity dependence toward value-added sectors like textiles, agriculture, and light manufacturing;
- Its expiration, even if temporary, introduces immediate uncertainties that could ripple across the continent, exacerbating vulnerabilities in an already fragile global trade environment marked by rising protectionism;
- The program's non-renewal would not only revert trade to less favourable MFN terms but also layer on recent U.S. tariff hikes under the Trump administration, potentially slashing export competitiveness and triggering widespread economic fallout;
- Economically, the situation is tough for smaller African exporters depending on AGOA. The United Nations Conference on Trade and Development (UNCTAD) says that if AGOA is not renewed, nine African countries - many among the least developed - would face average U.S. tariffs above 15%;
- Nations like Cabo Verde, Kenya, Lesotho, Madagascar, and Tanzania, which specialise in apparel and agricultural goods, could see trade-weighted tariffs balloon to 20% or more, effectively pricing them out against competitors from developed economies that enjoy lower barriers;
- This reversal would undermine AGOA's original goal of integrating African economies into global value chains, instead reinforcing a neocolonial dynamic where the continent's exports face steeper hurdles than those from wealthier trading partners;
- For South Africa, Africa's top exporter to the U.S, the citrus sector alone risks over 35,000 job losses, while Madagascar's vanilla and textile industries could absorb a punishing 47% tariff hit, crippling production scales and forcing factory closures or relocations;
- Broader ripple effects include reduced foreign direct investment (FDI), as U.S buyers pivot to Asian or Latin American suppliers, leading to factory slowdowns, unemployment spikes, and diminished household incomes in export-dependent regions - potentially fuelling social unrest in countries like Kenya and Lesotho, where apparel employs hundreds of thousands, predominantly women.





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### Gabon Local and Legislative Elections

- On 27 September, Gabon held its first legislative and local elections since a 2023 coup ended the Bongo family's over 50-year rule, marking a crucial step toward stabilising the country's political transition;
- Over 20 political parties participated, including the newly formed Democratic Union of Builders (UDB), led by President Brice Oligui Nguema, and the Gabonese Democratic Party (PDG), established by former President Omar Bongo;
- In the first round of legislative elections, the UDB secured 55 of 145 National Assembly seats, while the PDG won only three, with four seats shared by both through joint tickets;
- The UDB's strong performance reflects President Oligui Nguema's popularity, fuelled by post-coup reforms like anti-corruption efforts and infrastructure projects, as well as the military's organisational edge;
- Whereas the PDG's weak showing, with just three seats, highlights its diminished influence without state backing, joint tickets suggest tactical alliances persist.
- A second round on 11 October will decide the 77 remaining constituencies, primarily between the UDB and PDG, shaping the parliament's final composition;
- Following the coup, Gabon reinstated a presidential system after Oligui Nguema's landslide victory in April 2025, enabled by a debated electoral code allowing military figures to run;
- Though the legislature has limited authority, this election is a vital measure of Gabon's progress toward constitutional governance.



### Seychelles General Elections Outcome

- On 25 - 27 September, the general election in Seychelles took place, with an 82% voter turnout;
- Subsequently, the electoral commission announced that neither of the top two candidates secured the 50% threshold required by the Constitution of Seychelles for any presidential candidate to win;
- Incumbent President Wavel Ramkalawan received 46.4% of the vote, while opposition leader Patrick Herminie achieved 48.8%, meaning both fell just short by narrow margins;
- This necessitates a presidential runoff scheduled for 9-11 October 2025;
- Herminie's United Seychelles party previously dominated Seychelles' politics from 1977 to 2020 before losing power five years ago, sparking interest in a potential regime change;
- The political balance has shifted back to the older party, which, according to polls, has gained a parliamentary majority this year. Out of 35 seats, the United Seychelles party secured 19 seats in the unicameral National Assembly, outperforming Ramkalawan's Linyon Demokratik Seselwa (LDS) party, which won 15 seats;



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- A stark contrast to 2020, when the LDS held a majority with 25 seats and the US gained 3,695 more votes than in 2020 (from 42.3% to 49.5%);
- There has been mounting opposition to Ramkalawan's party leading up to the elections, notably when activists filed a constitutional case against the government to contest a recent decision to grant a long-term lease of a portion of Assomption Island, Seychelles' largest island, to a Qatari company for a luxury hotel project, which includes rebuilding an airstrip to support international flights;
- Critics argue that the deal prioritises foreign interests over Seychelles' national welfare and sovereignty, sparking widespread public backlash;
- The presidential runoff between Herminie and Ramkalawan will decide the leader for the next five years. Albeit it would not be far off to conclude that the old guard is bound to return to the presidency.

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### DRC Congo: Kabila Sentenced to Death



- On 30 September, a military tribunal in the Democratic Republic of Congo (DRC) issued a death sentence in absentia against former President Joseph Kabila for charges of treason;
- The 54-year-old Kabila, absent from the proceedings in Kinshasa and without legal representation, was convicted of aiding the M23 rebel faction - an insurgent group that, with alleged Rwandan assistance, has captured significant territories in the mineral-abundant eastern regions of the country;
- Kabila departed the expansive Central African nation in 2023 but made a brief, unsettling appearance in the unstable eastern city of Goma in May, raising alarms in the capital;
- Having governed the DRC from 2001 until 2019, Kabila has rejected the accusations, asserting that the judicial process was tainted by political bias;
- The court's presiding officer, Lieutenant General Joseph Mutombo Katalayi, invoked Article 7 of the military penal code to apply the harshest penalty available, the death penalty, during the verdict announcement in Kinshasa. Additionally, Kabila was mandated to compensate the state and affected victims with roughly \$50 billion;
- These ruling risks exacerbating existing fractures in the enormous, resource-laden Central African state, which has suffered from prolonged warfare over many years;
- While the verdict aims to hold a high-profile figure accountable for alleged collaboration with M23, with accusations linked to atrocities like murder, sexual assault, and torture, it is widely viewed as politically motivated, potentially deepening national divisions rather than resolving them;
- From a governmental perspective, the outcome signals a crackdown on perceived threats, reinforcing narratives that Kabila masterminded M23's advances and collaborated with Rwanda, which has denied involvement despite UN reports of its critical role;
- This could bolster Tshisekedi's domestic support among those frustrated by eastern insecurity, but it risks alienating Kabila's lingering base, including politicians and communities in the east who see the trial as a vendetta to neutralise opposition.



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### INTERNATIONAL UPDATES

#### The China K-Visa

- On 1 October, the China K-Visa officially launched, designed to attract young foreign talent in science, technology, engineering, and mathematics (STEM) fields;
- It complements the existing R visa, introduced in 2013 for high-level experts requiring sponsorship, by lowering barriers for early-career professionals, promoting activities like education, research, cultural exchange, entrepreneurship, and business;
- Unlike traditional work visas, it does not mandate employer sponsorship, offering greater flexibility to foster innovation and international collaboration in China's tech ecosystem;
- Eligible applicants include STEM graduates (bachelor's degree or higher) from renowned universities or research institutions. Young professionals engaged in STEM education or research. No prior work experience is required;
- The K-Visa's introduction signals China's pivot toward global talent acquisition, aiming to position itself as a STEM hub rivaling Silicon Valley, particularly as the U.S. H-1B reforms with a \$100,000 fee under Donald Trump policies deter applicants, leaving many looking for alternatives;
- The introduction of the K-Visa could mean a heightened U.S.-China talent rivalry, resulting in fragmented global STEM flows.



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