

Weekly Political and Economic Highlights

17 October 2025

ECONOMIC UPDATES

G20 Finance and Central Bank Ministerial Meeting

- On 15 October, the Fourth G20 Finance & Central Bank Ministers meeting convened on the sidelines of the Annual Meetings of the International Monetary Fund (IMF) and World Bank in Washington, DC, United States;
- A central topic of discussion was global debt sustainability, with participants noting that debt burdens are rising in both developing and advanced economies;
- The OECD delivered a tax report covering progress in Base Erosion & Profit Shifting (BEPS) implementation, and proposed a framework for automatic exchange of information on real estate to enhance tax transparency;
- On the BEPS and Two-Pillar agenda, debates are ongoing on how to balance global minimum tax rules with preserving tax sovereignty and avoiding double taxation;
- The meeting also touched on issues related to tax transparency and revenue mobilization, including proposals on immovable property information exchange;
- South African Reserve Bank Governor Lesetja Kganyago emphasised that global debt is no longer primarily a developing country problem but a systemic issue affecting major economies, and that debt pressures threaten financial stability;
- Strengthened tax and financial cooperation could boost revenue for developing nations and global resilience.



SA's Latest Economic Data



- On 14 October, Statistics SA released Mining output data showing a decline of 0.2% year-on-year in August 2025, with a drop of 3.0% in Platinum Group Metals (PGMs), gold 3.6%, and manganese 3.4%, offset by an increase in coal of 4.1%; seasonally adjusted production fell 1.2% month-on-month;
- Quarterly mining production rose 3.3% from the prior quarter, led by PGMs and coal, suggesting potential stabilization;
- On the other hand, retail trade sales data showed a 2.3% year-on-year increase for August 2025, a decrease from 5.7% in July, seasonally adjusted sales fell by 1.2% month-on-month;
- Retail sectors showed mixed results: general dealers increased by 0.8%, textiles, clothing, footwear by 1.6%; furniture, appliances by 6.2%; hardware, paint, glass by 8.1%; other retailers by 7.9%; and pharmaceuticals by 4.1%; but food, beverages, tobacco dropped by 3.7%

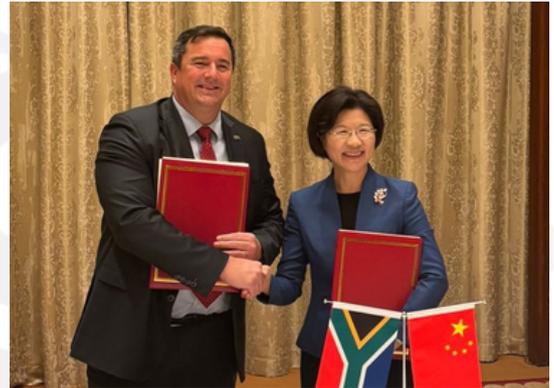
Weekly Political and Economic Highlights

17 October 2025

GOVERNMENT UPDATES

South Africa and China Sign Landmark Agreement

- On 16 October, South Africa and China signed a historic trade protocol, granting Chinese market access to five types of South African stone fruit: apricots, peaches, nectarines, plums, and prunes;
- This marks the first time China has approved multiple stone fruit varieties from a single country under one comprehensive agreement;
- The deal aligns with South Africa's trade diversification strategy, which Minister Steenhuisen hailed as a major breakthrough for agricultural resilience;
- Beyond diversification, the protocol supports efforts to lessen reliance on traditional export markets amid ongoing global trade disruptions;
- Minister Steenhuisen projected that access to the Chinese market could generate approximately R400 million in exports over the next five years, rising to R800 million within a decade;
- China's demand for peach and plum imports has surged, with last year's volumes exceeding 21 million cartons of peaches and nectarines and 20 million cartons of plums, surpassing South Africa's total seasonal stone fruit exports.



SA-Türkiye Bi-National Commission



- On 15 October, Deputy President Paul Mashatile undertook a working visit to Türkiye, where he co-chaired the first-ever Bi-National Commission (BNC) session in Ankara;
- The BNC aims to strengthen political and economic ties between South Africa and Türkiye, building on a 2012 agreement that established high-level talks at the deputy president and vice-president levels;
- Mashatile's visit coincides with record-high bilateral trade with Türkiye, amid shifting global dynamics, with the BNC poised to unlock new investment opportunities in sectors ranging from mining technology to renewable energy;
- Paul Mashatile's visit to Türkiye follows President Cyril Ramaphosa's recent trip to Ireland and the European Union, focused on enhancing investment and trade relations;
- Following the BNC, the Deputy President travelled to Istanbul for key economic diplomatic engagements, including delivering an address at the 5th biennial Türkiye-Africa Business and Economic Forum (TABEF);
- South Africa's involvement in TABEF seeks to elevate trade relations with Türkiye and reinforce its status as Türkiye's leading trading partner in Sub-Saharan Africa.

Weekly Political and Economic Highlights

17 October 2025

POLITICAL UPDATES

MKP Files Motion of No Confidence on KZN Premier



- On 13 October, uMkhonto weSizwe Party tabled a motion of no confidence on Premier Thami Ntuli, accusing the Premier's Office of suffering from an "absence of decisive leadership" and claimed Ntuli's administration had lost direction;
- KwaZulu-Natal Premier Thami Ntuli responded to the motion by defending the achievements of the Government of Provincial Unity (GPU);
- Ntuli highlighted the GPU's successes since its formation, including attracting R80 billion in investments, with another R90 billion in the pipeline, alongside progress in crime reduction, service delivery, and infrastructure development;
- The motion's significance is amplified by the GPU's razor-thin majority of 41 seats against the MKP's 39 (including potential EFF support), heightening uncertainty over the outcome if the Speaker accepts it for debate;
- This development unfolds against strained IFP-ANC relations in the province, the lowest since the GPU's inception, sparked by the IFP's successful no-confidence motion removing ANC's Siphile Mdaka as Umkhanyakude District mayor;
- Any ANC decision to exit the GPU would require approval from Luthuli House and the party's National Executive Committee, given its potential ripple effects on the national Government of Unity; the ANC has yet to take a formal position;
- The motion awaits the Speaker's finalisation, with no debate date set as of yet.

ANC Suffers Losses in Latest By-Elections

- On 16 October, ActionSA claimed its first-ever by-election win in Ward 7 of the Ramotshere-Moiloa Local Municipality, North West, edging out the African National Congress (ANC) by a razor-thin margin of just two votes, with ActionSA's Moshe Moumakwa elected as the new councillor;
- Ramotshere-Moiloa has long been an impregnable ANC bastion, with the party dominating all 19 wards since 2006; this marks the first time post-1994 that any opposition has captured a ward here;
- The outcome underscores ActionSA's rising traction as one of South Africa's few opposition parties steadily eroding ANC dominance, bolstered by its recent merger with Forum 4 Service Delivery and strategic groundwork ahead of the 2026 local government elections;



Weekly Political and Economic Highlights

17 October 2025

- Coinciding on the same day, the Patriotic Alliance (PA) seized Ward 29 (Noordgesig, Soweto) from the ANC in Johannesburg, electing Ismael Steenkamp as councillor and potentially shifting the delicate power balance in the City of Johannesburg council;
- While the ANC held onto several wards in other provinces, its steep losses in core strongholds like Ramotshere-Moiloa and Soweto amid fragmented voter support are bound to spark alarm at Luthuli House as the 2026 elections loom;
- Though the ANC's national support has waned progressively, it has historically leaned on these rural and urban votes to clinch victories; their erosion now heightens the an already dire situation for the party ahead of the upcoming polls.

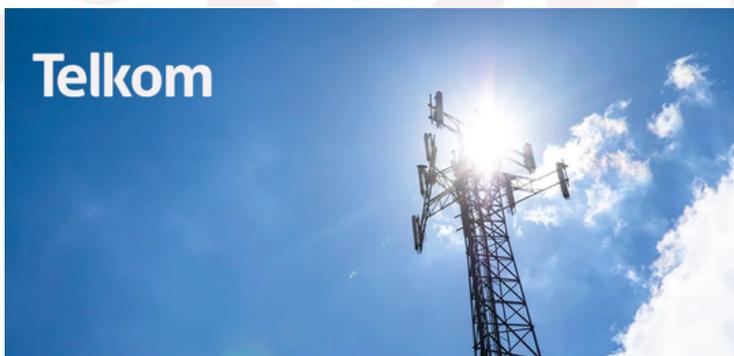
LEGISLATIVE/REGULATORY UPDATES

Cabinet Approved Bills

- On 15 October, the Cabinet approved several bills including the Defence Amendment Bill, 2025, and the Military Discipline Supplementary Measures Amendment Bill, 2025;
- The bills are a proactive and coordinated step towards rectifying critical constitutional flaws in South Africa's military justice system, as mandated by the 2024 Constitutional Court ruling in O'Brien N.O v Minister of Defence and Military Veterans and Others;
- Both bills target the independence of the Court of a Military Judge and the Court of a Senior Military Judge under the 1999 Act, ensuring compliance through targeted clause amendments that enhance alignment with democratic principles, fairness, and judicial autonomy, which are instrumental for a robust defence framework;
- On the other hand, Cabinet also decided to withdraw the Merchant Shipping Bill, 2023 from Parliament to allow the Department of Transport to complete the necessary NEDLAC consultations, thereby strengthening stakeholder buy-in for this ambitious overhaul of the 1951 Act aimed at revitalising the merchant shipping sector and bolstering economic growth through maritime revival;
- The next step for the amendments bills is parliamentary introduction and debates, whereas the Merchant Shipping Bill is due for NEDLAC finalisation.



Telkom USAO Amendments



- On 10 October, the Independent Communications Authority of South Africa (ICASA) proposed an amendment to Telkom SA SOC LTD's Universal Service And Access Obligations (USAOs);
- Initially set in 1997, Telkom's USAOs included basic service provision, public pay-telephone services, emergency

Weekly Political and Economic Highlights

17 October 2025

- services, services for users with special needs, and directory services;
- Due to changes in the telecommunications market, particularly the rise of mobile telephony, ICASA deems some of these obligations obsolete and proposes replacing them with a requirement for Telkom to provide internet connectivity to 171 Thusong Service Centres, one-stop hubs for government services;
- Telkom must submit a detailed rollout plan within 30 days of the final notice, outlining the connection of these centres with a minimum speed of 30 Mbps, uncapped bandwidth, and necessary hardware (routers, firewalls, cabling) within three years, starting six months from the notice's publication;
- Public Wi-Fi hotspots will be installed at each centre, with usage capped at 300 MB daily and 2 GB monthly per consumer, provided free of charge;
- Telkom is responsible for installation, maintenance, and bi-annual compliance reporting, with fines up to R1,000,000 for non-compliance. The amendments remove most legacy obligations but retain public payphone services for correctional facilities and maritime emergency services, pending further arrangements by relevant departments;
- This initiative aims to enhance digital access to government services, aligning with ICASA's goal to bridge the digital divide.

AFRICA WATCH

Cameroon Presidential Elections

- On 12 October, voters in Cameroon went to the polls in a presidential election that is widely expected to see 92-year-old Paul Biya, Africa's longest-serving leader, extend his 42-year rule for another seven years;
- Biya faces 11 opponents, including former employment minister Issa Tchiroma Bakary, 79, who has generated unexpected enthusiasm among voters in the central African nation, where half the population is under 20;
- Bakary, who resigned from the government in June to join the opposition after 20 years at Biya's side, is the leading challenger after top opponent Maurice Kamto was barred from the race;
- Kamto came second in the 2018 presidential election but was banned from standing this year by the Constitutional Council, a move that rights groups, including Human Rights Watch, said undermined the credibility of the electoral process;
- If victorious, President Biya would be 99 years old by the end of his new term, continuing his reign in a nation grappling with profound security and economic challenges;
- The government has authorised 55,000 local and international observers to monitor the vote, including representatives of the African Union;
- The Constitutional Council has until 26 October to announce the final results.



Gabon's Second Round of Parliamentary Elections

- On 11 October 2025, the Democratic Union of Builders (UDB), led by Gabon's President Brice Oligui Nguema, secured a parliamentary majority by winning 55 seats in the 145-seat National Assembly following a second round of legislative elections, as reported by the national electoral body;

Weekly Political and Economic Highlights

17 October 2025



- The run-off vote occurred in 77 constituencies where no candidate achieved an absolute majority in the first round on 27 September, which was marred by "major irregularities" according to the interior ministry, prompting postponements in some areas;
- The Gabonese Democratic Party (PDG), previously led by ousted President Ali Bongo Ondimba and now aligned with Nguema, gained three seats, while the UDB also dominated local and municipal councillor positions in the initial round;
- This election marks the conclusion of a political transition following the August 2023 coup that ended the Bongo family's 55-year rule in the oil-rich Central African nation;
- The implications of this electoral outcome for Gabon are multifaceted, consolidating Nguema's grip on power while raising questions about democratic progress and long-term stability;
- The UDB's parliamentary majority strengthens Nguema's ability to push through legislative agendas, potentially stabilising governance in the post-coup transition by aligning national and local institutions under his control;
- This could facilitate reforms to address economic challenges in a country heavily reliant on oil revenues, which have been strained by global market fluctuations and past mismanagement under the Bongo regime;

Seychelles Presidential Vote

- On 11 October, voters in the Seychelles participated in a closely contested presidential run-off election, pitting incumbent President Wavel Ramkalawan of the Linyon Demokratik Seselwa party against opposition challenger Patrick Herminie of the United Seychelles party, with official results announced the following day declaring Herminie the victor;
- Polls, which opened for early voting on 9 October and continued through the weekend for the nation's main islands, saw Herminie secure 52.7% of the vote to Ramkalawan's 47.3%, marking a narrow but decisive return to power for the United Seychelles party after its historic defeat in 2020 that ended 43 years of uninterrupted rule since 1977;
- Ramkalawan, a former Anglican priest who became the first non-United Seychelles president in over four decades by championing democratic reforms and economic recovery from the COVID-19 pandemic, conceded gracefully, praising his administration's legacy while congratulating his successor;
- Patrick Herminie's presidential victory on 12 October 2025, restoring United Seychelles' dominance after a five-year hiatus, has profound implications for Seychelles, a tourism-reliant nation of over 100,000;
- The win enables unified governance to enact pledges like lowering the retirement age to 63, cutting bus fares by 40%, and enhancing social services, addressing cost-of-living and post-pandemic challenges.
- However, it risks reverting to centralised rule, echoing pre-2020 authoritarianism, which could undermine multiparty gains, curb press freedoms, and disengage youth, eroding trust in institutions.



Weekly Political and Economic Highlights

17 October 2025

Madagascar Suspended by AU After Military Coup



- On 15 October, the African Union (AU) suspended Madagascar with immediate effect hours after military coup leader Colonel Michael Randrianirina announced his swearing-in as transitional president on 17 October via the High Constitutional Court, emphasising that the rule of law must prevail over the rule of force;
- U.N. Secretary-General António Guterres also condemned the unconstitutional change of government in Madagascar and called for the return to constitutional order and the rule of law;
- The coup, sparked by youth-led protests over corruption, economic hardships, and frequent electricity and water outages, forced President Andry Rajoelina, who has been in power since 2023 after a prior 2009-2014 term, to flee to France three days earlier;
- His involuntary departure came amid widespread army defections, including by the elite CAPSAT unit that had propelled his 2009 rise but now joined marchers in Antananarivo;
- The army disbanded his administration, caused over 22 deaths in heavy-handed crackdowns, ignored superior orders, installed new military heads for the army and gendarmerie, all while seizing control;
- Echoing the 2009 coup that ousted Marc Ravalomanana and triggered prior AU-SADC suspensions, this upheaval, while Rajoelina condemned it as an attempted coup d'état and rebuffed youth demands despite offers for talks, prompted SADC Chair of the Organ on Politics, Defence and Security, Malawi President Peter Mutharika, to express alarm at the takeover threatening Madagascar's peace, stability, and democratic order;
- In a statement released a day after Rajoelina left Madagascar for France, Mutharika urged all stakeholders to exercise calm and restraint, respect the rule of law, engage in inclusive dialogue and safeguard citizens' rights;
- Mutharika also announced SADC's immediate deployment of a Panel of Elders mission for fact-finding and to facilitate dialogue in collaboration with national authorities and partners to restore institutional normalcy and national cohesion;
- The unsanctioned military interference in democratic norms undermines Madagascar's SADC chairmanship, diverts focus from regional priorities like DRC conflict resolution and economic integration, erodes democratic trust through sidelined civilian leadership, and risks authoritarian trends, although joint AU-SADC mediation could restore dialogue and norms.

INTERNATIONAL UPDATES

The Beginning of the end of the Israel-Gaza War?

- On 13 October, Hamas released 20 remaining living Israeli hostages under a U.S.-brokered ceasefire deal, ending over two years of captivity, the deal also included the handover of the deceased hostages' bodies;

Weekly Political and Economic Highlights

17 October 2025



- In exchange, Israel began releasing approximately 250 Palestinian prisoners and 1,700 others detained in Gaza, the freed prisoners were welcomed in the West Bank and Gaza, marking the first phase of a broader 20-point Gaza Peace Plan;
- That same day, U.S. President Donald Trump visited Israel, addressing the Knesset and declaring the war over;
- Trump praised Israel's military achievements, calling it a historic dawn for a new Middle East, while Netanyahu gifted him a golden dove symbolising peace and nominated him for Israel's highest civilian honor, the event was briefly disrupted by two lawmakers protesting for Palestinian recognition;
- Trump then travelled to Egypt, for a multilateral summit with over 20 world leaders to formally sign the ceasefire agreement, co-chaired with President Abdel Fattah el-Sisi, announcing the deployment of 200 U.S. troops to monitor compliance and initiating Gaza rebuilding efforts;
- However, the end to hostilities and attacks have not stopped with Israel accusing Hamas of deliberately not releasing some bodies and President Trump warning that he would endorse attacks on Hamas, effectively breaking the ceasefire between Israel and the Palestinian group, if it continues to target gangs and alleged Israeli collaborators in Gaza;
- Israel also attacked Hezbollah infrastructure in Lebanon, despite a ceasefire deal in place since November last year;
- These events could potentially reshape Middle East geopolitics by ending a protracted conflict, and opening pathways for Gaza reconstruction and regional stability, though implementation risks such as Hamas disarmament disputes and unresolved Palestinian statehood could present a challenge to long-term peace if not addressed through continued multilateral engagements.

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