Local Political and Economic Report

October 2025

FRONTLINE AFRICA ADVISORY

Introduction

- South Africa is preparing to hand over the G20 Presidency to the United States on 22–23 November 2025. Under the theme *"Solidarity, Equality, and Sustainability,"* South Africa's G20 Presidency has sought to elevate Africa's voice in global governance while aligning its priorities with the African Union's Agenda 2063. Pretoria's international engagements, however, coincide with heightened domestic pressures: slow economic growth, high cost of living and persistent high unemployment.
- Former President Jacob Zuma was recently ordered by the High Court to repay the government over R28 million in legal fees, a ruling that reinforces judicial accountability but could inflame ANC factional tensions.
- Concurrently, ActionSA has introduced the Electoral Laws Amendment Bill, 2025, as a Private Member's Bill, inviting public commentary on reforms that could reshape South Africa's electoral framework ahead of the 2026 Local Government Elections.
- President Cyril Ramaphosa's week-long tour of Southeast Asia and Switzerland further underscores South Africa's strategic efforts to diversify international partnerships amid rising U.S. pressures under Donald Trump. These diplomatic and domestic developments collectively frame a critical period in which South Africa balances continental leadership ambitions with domestic political and economic realities.

G20 PRESIDENCY AND GLOBAL DIPLOMACY

- South Africa's G20 Presidency, which runs from December 2024 to November 2025, has positioned the country as a pivotal advocate for African interests. This Presidency marks a symbolic and strategic milestone - the first time Africa hosts and shapes the global economic agenda from within. Through over 130 high-level engagements, Pretoria has sought to reframe Africa's global role from that of a recipient of aid to a co-author of global policy, championing themes such as green industrialisation, energy transition, and debt sustainability.
- Yet, beneath the diplomatic choreography lies tension between continental ambition and structural constraint; between the aspiration to lead and the domestic, financial, and institutional limits that define South Africa's geopolitical reality.

Reclaiming Global Voice Amid Fragile Domestic Ground

- Through initiatives like the Africa Energy Efficiency Facility (AfEEF) - targeting $3 billion in investment, one million green jobs, and a 300-million-tonne CO_2 reduction by 2040 - South Africa has advanced a narrative of innovation-led growth anchored in sustainability. Similarly, the AI Initiative for Africa and the G20 Nuclear Energy Ministerial reflect efforts to position Africa within the new industrial frontier.
- However, execution capacity remains a critical constraint. Energy insecurity and logistics challenges, fiscal consolidation pressures, and governance fragility erode South Africa's credibility as a model for the very transition it advocates. The risk is that policy ambition outpaces institutional delivery, leaving a credibility gap between the continent's aspirations and its administrative capacity to implement.

Debt Sustainability and Financial Reform: The Hard Politics of Development

- One of the more substantive achievements of South Africa's G20 term has been its alignment with the African Union's push for debt restructuring and fiscal space. With nearly half of sub-Saharan African countries at high risk of debt distress, the G20 Presidency has served as a platform to amplify calls for multilateral debt reform, fairer credit ratings, and access to concessional finance.
- Pretoria has championed the Africa Debt Sustainability Compact - proposing a hybrid financing model combining concessional lending, private capital mobilisation, and green bond frameworks. Working alongside the African Development Bank and the United Nations Economic Commission for Africa (UNECA), South Africa has pushed for the operationalisation of the Common Framework for Debt Treatments and greater representation of African finance ministers in global macroeconomic coordination.
- While South Africa has pushed for operationalisation of the Common Framework, progress is constrained by differing creditor priorities. China, as Africa's largest bilateral lender, often prefers case-by-case negotiations and maintains strategic leverage through bilateral agreements, rather than fully participating in multilateral restructuring frameworks. Similarly, private bondholders, who hold increasingly large shares of African sovereign debt, tend to resist standardised restructuring approaches, citing contractual and market-risk concerns. These divergences have slowed consensus on debt treatment and illustrate the political as well as financial challenges inherent in advancing Africa's debt sustainability agenda.

Diplomatic Balancing in a Fractured Order

- Pretoria's diplomacy during its Presidency has required strategic balance: maintaining solidarity within BRICS and the Global South, while preserving dialogue with Western partners increasingly wary of South Africa's geopolitical leanings.
- Tensions with Washington, particularly around Russia and Middle East policy, have tested Pretoria's diplomatic dexterity.
- Nonetheless, South Africa has managed to embed African priorities - debt reform, energy access, and value-chain localisation - in several G20 working groups, signalling a subtle but meaningful shift in agenda-setting power.
- This balancing act, while commendable, also underscores the limits of middle-power diplomacy in a polarised international environment: influence without leverage, visibility without veto.

Substance or Symbolism

- The Johannesburg Heads of State Summit will test whether Africa's newfound visibility can translate into material outcomes. The agenda - spanning trade, climate finance, and critical minerals - places Africa at the nexus of global supply and sustainability debates. But the risk of performative inclusion remains high. Unless mechanisms for accountability and implementation are institutionalised within the Ubuntu Legacy Framework and Africa Engagement Facility (2025–2030), these initiatives could fade into the rhetoric of rotating presidencies.
- The decision by U.S. President Donald Trump not to attend the Johannesburg G20 Summit, delegating representation to Vice President JD Vance, is highly symbolic and geopolitically revealing.
- For Washington, it signals a de-prioritisation of multilateralism and a continuation of Trump's transactional, America-first diplomacy; one sceptical of global forums that dilute U.S. sovereignty.
- For Pretoria and the continent, it conveys that Africa, even as host, remains peripheral in U.S. strategic calculus, overshadowed by Washington's domestic agenda and its focus on China and Europe.
- Vance's presence, though ensuring formal representation, lacks the executive authority and symbolic weight a sitting president would bring to a first-ever African-hosted G20 Summit.
- The optics are profound: as African leaders gather to articulate a collective global vision, the U.S. - the world's largest economy - appears present but disengaged, reinforcing perceptions of a fractured Western commitment to inclusive global governance.
- This creates both a risk and an opportunity for South Africa. The risk is that diminished U.S. engagement could weaken Western buy-in for debt and climate finance reform - key pillars of Pretoria's Presidency.
- The opportunity is that this allows South Africa to deepen its leadership of the Global South, strengthening coordination between the AU, BRICS+, and other Global South blocs in setting post-G20 reform agendas.
- Yet, Pretoria must tread carefully: overplaying the "Global South" card could alienate Western investors and development partners, especially amid its already tense bilateral relations with Washington.

Africa's Agency or South Africa's Projection?

- A deeper critique centres on whose Africa the G20 Presidency represents. While Pretoria has positioned itself as the continent's voice, smaller and debt-distressed economies often feel peripheral to the agenda. Genuine continental agency demands distributed ownership; ensuring that the Presidency's outcomes reflect collective African priorities, not merely South Africa's diplomatic ambitions.

Opportunity Wrapped in Paradox

- South Africa's G20 Presidency has elevated Africa's global standing. Yet its success will hinge on execution, credibility, and continuity beyond its term.
- For Pretoria, the challenge is not only to lead but to institutionalise Africa's presence in global decision-making structures - to move from advocacy to architecture.
- Only by ensuring that initiatives like the AfEEF and the Debt Sustainability Compact outlast its Presidency, can South Africa claim to have transformed symbolism into substance, and visibility into voice.

Ramaphosa’s Southeast Asia and Switzerland Visits

- President Ramaphosa’s diplomatic visits to Indonesia, Vietnam, Malaysia, and Switzerland over one week are strategically significant.
- In Southeast Asia, he pursued partnerships in green industrialisation, digital economy initiatives, and maritime trade, while in Switzerland he focused on innovation, biotechnology, and sustainable finance.
- These engagements serve three purposes. Firstly, they diversify South Africa’s economic and political partnerships beyond traditional Western allies. Secondly, they facilitate technological upgrading and access to global expertise. Thirdly, they help balance South Africa’s diplomacy amid U.S.-led pressure, particularly concerning trade benefits under AGOA and investment flows. Together, these trips complement the country’s G20 agenda, reinforcing its credibility as both a global and continental actor.

GOVERNANCE AND INSTITUTIONAL ACCOUNTABILITY

Jacob Zuma's Court Case in the Context Aspirational Accountability

- Governance challenges remain highly salient. The recent High Court ruling requiring former president Jacob Zuma to repay government over the R28 million incurred during his decades-old Arms Deal case signals a resurgence of judicial accountability at a critical moment. This follows heightened scrutiny of the criminal justice system after KZN Police Commissioner Nhlanhla Mkhwanazi’s explosive allegations in July, which exposed vulnerabilities within law enforcement.
- Adding to institutional scrutiny are yet-to-be-tested claims that certain judges may be influenced by criminal syndicates, raising questions about the impartiality and resilience of the judiciary. While unproven, such allegations could erode public confidence in courts, particularly at a time when the National Prosecuting Authority (NPA) and the South Africa Police Service (SAPS) are under intense political and public scrutiny.
- The NPA, long criticised for perceived weakness and politicisation, is entering a pivotal transition. Director Shamila Batohi’s term is nearing its conclusion, and the search for her successor is under intense scrutiny. The appointment of a credible, independent, and assertive leader will test the Government of National Unity (GNU) and President Ramaphosa’s commitment to impartial, effective law enforcement.
- A strong, credible appointment could restore confidence in prosecutions, particularly as the parliamentary inquiry and the Madlanga Commission into SAPS corruption intensifiy. Conversely, a politicised choice or any perception of judicial compromise risks undermining the justice system, reinforcing narratives of selective accountability and potentially emboldening criminal networks.
- Zuma’s case also heightens political risks too. Zuma retains significant sympathisers both within the ANC and broader society, despite forming the MKP in December 2023. Opinions remain sharply divided: some argue Zuma is too old to be legally pursued, while others insist that the rule of law must prevail. Renewed legal assertiveness may therefore exacerbate ANC factional tensions, particularly in KZN.
- Zuma’s incarceration in July 2021 for contempt of the Zondo Commission of Inquiry into State Capture triggered an unrest in KZN, Gauteng and, to a limited degree, in Mpumalanga, demonstrating how judicial action against high-profile political figures can catalyse mass mobilisation and social unrest.
- KZN remains a politically volatile province, where the risk of violence is persistently high. Renewed accountability, while necessary, must be accompanied by careful monitoring of social tensions and early-warning mechanisms, especially during politically charged periods such as this one, with the local government elections around the corner.

Regulating Political Opinion Polls: ActionSA’s Electoral Laws Amendment Bill, 2025

- The integrity of electoral democracy relies on fair, transparent, and informed citizen participation. In South Africa, political opinion polling has emerged as a critical instrument influencing voter perception, media narratives, and campaign strategies.
- Yet, recent events - including a controversial March 2024 poll linked to Rapport, City Press, and News24 - have exposed significant vulnerabilities. The poll was anonymously commissioned, with methodological flaws that prompted ActionSA to lodge a complaint with the Press Ombudsman, which subsequently ruled that Rapport had violated the Press Code. Such incidents underscore the absence of formal regulation governing pre-election political polling, creating avenues for misinformation, manipulation, and electoral interference.

- In response, ActionSA, through MP Lerato Ngobeni, has introduced the Electoral Laws Amendment Bill, 2025, as a Private Member's Bill, inviting public commentary. The Bill seeks to regulate the conduct, publication, and dissemination of political opinion polls and exit polls during election periods, with a view to protecting electoral integrity and voter confidence.
- The Bill proposes amendments to the Electoral Commission Act (1996) and the Electoral Act (1998), aiming to create a regulatory framework aligned with international best practices. Its central features include the establishment of the Office of the Polling Ombud, the regulation of polling entities, transparency requirements, and publication restrictions.
- The Polls Ombud would act as an independent oversight body within the IEC, tasked with registering polling entities, enforcing compliance, issuing fines, and ensuring methodological transparency. Mandatory disclosure by polling entities, including sponsorship, sample methodology, and timing, would mitigate the risks associated with push polling or deliberately misleading surveys.
- Additionally, the Bill introduces a seven-day pre-election blackout period during which no political opinion poll may be officially published. This measure is designed to prevent the manipulation of voter sentiment immediately prior to elections, a period when public opinion is most vulnerable to distortion.
- The Bill has several significant implications for South Africa's electoral landscape. First, it enhances transparency and accountability, ensuring that voters and political actors have access to credible, verifiable data. Second, by curbing manipulative practices such as undisclosed or methodologically flawed polling, it protects the integrity of voter choice and reinforces public confidence in election outcomes.
- From a governance perspective, the legislation aligns with the broader democratic imperative of fair competition. By making polling entities accountable and providing oversight, the Bill reduces the undue advantage of wealthier parties or politically connected actors, creating a more level playing field for smaller parties and independents. The regulatory framework also empowers civil society and media organisations to monitor and challenge misleading polling practices, fostering participatory democracy and electoral oversight.
- Moreover, the Bill addresses a critical gap in South African law. While section 109 of the Electoral Act restricts exit poll publication during voting hours, no legislation governs the broader landscape of pre-election polling, leaving voters susceptible to information manipulation. By institutionalising the Polling Ombud and mandatory disclosure mechanisms, the Bill introduces a professionalised, accountable structure for political surveys, aligning South Africa with global standards for electoral integrity.
- Despite its potential benefits, the Bill faces operational and political challenges. The establishment of a Polling Ombud and the enforcement of disclosure rules require substantial IEC capacity, including trained personnel, adequate funding, and clear procedural frameworks. Political resistance is likely from parties that benefit from the current unregulated environment, who may challenge the legislation on grounds of stifling freedom of expression or media rights.
- Enforcement will also be critical. Without effective monitoring and sanctions, undisclosed or offshore polling entities could circumvent the rules, undermining the Bill's objectives. Furthermore, the seven-day pre-election publication blackout may spark legal contestation, particularly in a context where access to information is constitutionally protected.
- In summary, ActionSA's Electoral Laws Amendment Bill, 2025 represents a proactive attempt to safeguard the integrity of South Africa's electoral democracy. By establishing the Polling Ombud, mandating transparency from polling entities, and restricting last-minute poll publications, the Bill addresses significant vulnerabilities in pre-election political opinion polling.
- If implemented effectively, these measures could enhance public confidence, protect voters from manipulation, and promote fairer electoral competition, particularly ahead of the 2026 LGE. Success will depend on legislative adoption, IEC capacity, rigorous enforcement, and stakeholder engagement, including media, political parties, and civil society. Ultimately, the Bill seeks to institutionalise accountability in political polling, transforming South Africa's electoral landscape from one susceptible to manipulation into one grounded in transparency, professionalism, and democratic legitimacy.

ECONOMIC UPDATES

JSE De-listings

- The country's economy faces a mix of opportunities and structural challenges. Q2 2025 recorded a net FDI outflow of R73.5 billion, largely due to Anglo American's Valterra Platinum spin-off, though inflows in manufacturing and renewables offer resilience. Also, the Gauteng High Court has issued a final liquidation order against Murray & Roberts Holdings, bringing to a close the 123-year history of the company. The Johannesburg Stock Exchange (JSE) is experiencing delistings - including MultiChoice and Adcock Ingram - highlighting strong global interest but raising concerns over market liquidity and regulatory predictability.

Infrastructure and Industrial Investment are Progressing

- Transnet announced a R127 billion rail and port upgrade, co-funded by the private sector, crucial for coal and iron ore exports. The Department of Transport (DoT) has also kickstarted a request-for-information (RFI) process for private companies interested in investing in South Africa's passenger-rail system.
- Eskom reported a R16 billion profit, improved operational efficiency, and is advancing the Integrated Resource Plan (IRP 2025), which aims to stabilise energy supply, expand renewables, and support GDP growth above 3% by 2030.

ANC's 10-Point Economic Plan

- The ANC's 10-point economic plan, unveiled at the conclusion of the party's National Executive Committee (NEC) early in October, continues to spark debate amongst various organisations: COSATU supports inclusive growth, SAFTU critiques limited structural reform, the Black Business Council emphasises finance and skills access, and the DA endorses infrastructure initiatives while advocating race-neutral policies.

Labour Market Pressures Remain High

- In Q2, official unemployment rose to 33.9%, from 33.2%. Expanded rate >45%, youth unemployment 62.2%, with formal non-agricultural employment declining by 80,000. Household incomes are constrained by declining bonuses, limited overtime, and stagnant wages.

IMF revised South Africa's Growth Forecast

- The IMF's October 2025 World Economic Outlook (WEO) projects a moderation in global growth, slowing from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. While slightly above the July WEO update, this remains 0.2 percentage points below pre-October 2024 projections, reflecting persistent headwinds from policy uncertainty and protectionism, though tariff impacts are smaller than initially anticipated.
- Advanced economies are expected to grow around 1.5%, with the U.S. at 2.0%, while emerging and developing economies are projected just above 4%. Global inflation is forecast to ease to 4.2% in 2025 and 3.7% in 2026, though risks remain uneven across regions. World trade growth is estimated at 2.9% over 2025–26, constrained by trade fragmentation despite some front-loaded gains in 2025.
- South Africa's growth is projected at a modest 1.1% in 2025 and 1.2% in 2026, weighed down by structural bottlenecks in energy and logistics, subdued investment, and external pressures including higher U.S. tariffs. Inflation remains within the SARB's 3–6% target band, with core inflation stable around 3%. While public investment and domestic demand provide limited support, unlocking sustainable growth will require coordinated reforms across energy, infrastructure, and regulatory frameworks to boost investor confidence, productivity, and long-term macroeconomic stability.

Monetary Policy

- The South African Reserve Bank (SARB) left the policy rate at 7% in the September Monetary Policy Committee (MPC) meeting with core inflation stable at 3%. This move has supported borrowing conditions and enhanced macroeconomic stability. In its October Monetary Policy Review, the SARB reported domestic GDP growth of 0.8% quarter-on-quarter in Q2 2025, while projections for the remainder of the year remain modest at 0.4% per quarter, constrained by weak investment and higher U.S. tariffs. Analysts note that unlocking sustainable growth will require coordinated reforms across energy, logistics, and regulatory frameworks.

- Looking ahead to the November MPC meeting, most analysts expect the SARB to maintain the current policy rate, citing the ongoing need to support domestic demand amid subdued investment and external headwinds. Some commentators suggest that a modest cut remains possible if economic indicators deteriorate further, particularly if inflation continues to track below target and GDP growth underperforms expectations. Overall, the MPC is likely to signal a cautious, data-dependent stance, balancing macroeconomic stability with efforts to stimulate investment and broader economic activity.

POLITICAL AND ECONOMIC RISKS FORECAST

Category	Risk/Development	Potential Impact	Likelihood	Mitigation / Notes
Political	Jacob Zuma legal case (R28m repayment, Arms Deal)	Could inflame ANC factional tensions, spark unrest in KZN and Gauteng; undermine confidence	High	Monitor KZN security; communicate judicial independence; coordinate early-warning mechanisms
Political	Allegations of judicial compromise by criminal syndicates	Erodes public trust in courts; potential selective accountability	Medium	Strengthen transparency, reinforce judicial independence, monitor high-profile cases

FRONTLINE AFRICA ADVISORY

Category	Risk/Development	Potential Impact	Likelihood	Mitigation / Notes
Political	NPA transition (Shamila Batohi's term ending)	Weak or politicised appointment could undermine prosecutions, encourage impunity	High	Ensure transparent, merit-based successor selection; public communication to reinforce credibility
Political / Electoral	ActionSA Electoral Laws Amendment Bill, 2025	Potentially reshapes polling regulation, improves electoral transparency; political pushback possible	Medium	IEC capacity development; stakeholder engagement; rigorous enforcement of Polling Ombud mandates
Economic / Investment	Net FDI outflow R73.5bn (Anglo American spin-off)	Short-term capital loss; may affect investor sentiment	Medium	Promote inflows in manufacturing & renewables; highlight investment incentives
Economic / Market	JSE de-listings (MultiChoice, Adcock Ingram)	Liquidity constraints; regulatory predictability concerns	Medium	Monitor market stability; communicate policy clarity to investors
Economic / Infrastructure	Transnet R127bn rail & port upgrades	Improves commodity logistics; supports industrial growth	High	Secure private co-funding; phased project delivery
Economic / Energy	Eskom profitability & IRP 2025	Stabilises energy supply; enables renewable expansion; supports GDP >3% by 2030	High	Maintain regulatory oversight; monitor implementation and maintenance
Economic / Policy	ANC 10-point plan	Mixed stakeholder reception; potential friction between inclusivity and structural reform	Medium	Engage labour, business, civil society to ensure buy-in
Economic / Labour	Unemployment high: 33.2% official, >45% expanded, youth 62.2%	Social discontent; pressure on public services; reduced domestic demand	High	Skills development programs; incentivise job creation in private sector
Economic / Growth	GDP growth: 1.7% (2025), 1.9% (2026)	Slow recovery; vulnerable to external shocks	Medium	Enhance public investment, export competitiveness, and macro stability

Category	Risk/Development	Potential Impact	Likelihood	Mitigation / Notes
Economic / Inflation	SARB inflation target revised to 3%; policy rate -50bps	Supports borrowing & macro stability	Medium	Maintain disciplined fiscal and monetary policy; sectoral reforms to address administered pricing inefficiencies
Economic / Trade	Higher US tariffs on exports	Slower GDP growth; reduced investor confidence	Medium	Diversify trade partners (SE Asia, Switzerland, Africa); strengthen AGOA negotiations
Geopolitical / Diplomacy	US representation at G20 Summit by VP JD Vance instead of President Trump	Signals diminished US engagement; potential weaker Western support for African debt & climate initiatives	Medium	Leverage Global South leadership; coordinate with AU, BRICS+, G77+China; balance diplomacy with Western investors
Governance / Execution	Capacity constraints in implementing AfEEF, Debt Sustainability Compact, IRP 2025	Risk of credibility gap between ambition and delivery	High	Strengthen project management, intergovernmental coordination, and accountability frameworks

END