

Weekly Political and Economic Highlights

07 November 2025

ECONOMIC UPDATES

ABSA's Manufacturing Purchasing Managers' Index

- On 03 November, ABSA announced that its Manufacturing Purchasing Managers' Index (PMI) declined to 44.9 points in October 2025 from 45.8 in September, remaining below the 50 neutral threshold and signaling continued contraction in South Africa's manufacturing sector;
- Business Activity Index decreased to 45.2 in October from 46.1 in September, reflecting weaker output levels amid subdued domestic demand;
- New Sales Orders Index fell to 43.1 in October from 44.9, highlighting deteriorating sales conditions and export challenges;
- Employment Index 43.2 in September, decreased to 42.5 points in October indicating ongoing job shedding in the sector;
- Supplier Deliveries Index improved slightly to 52.3 in October rising by 0.5 points, suggesting minor easing in supply chain pressures;
- Inventory Levels: Purchasing and raw materials inventories both edged lower, at 48.7 and 47.9 respectively, pointing to cautious stock management;
- October's PMI decline underscores persistent headwinds in manufacturing, driven by weak demand and high input costs.



Operation Vulindlela Q2 Progress Report



- On 31 October, the Presidency and National Treasury released the Q2 2025/26 Operation Vulindlela progress report, highlighting the steady advancements in Phase two reforms across key sectors like energy, logistics, digital communications, water, and local government, building on the successes of Phase one;
- **Electricity Sector Reform:** National Energy Regulator of South Africa (NERSA) held a public hearing on 30 September 2025 for the National Transmission Company of South Africa's (NTCSA) Market Operator license application, with a decision expected in November 2025. The revised Market Code for the wholesale electricity market was finalised after stakeholder consultations September. Grid Capacity Allocation Rules are slated for completion by end-2025, and Electricity Trading Rules by January 2026;
- **Freight Logistics System Reform:** Continued collaboration with the Department of Public Enterprises, Transport, and Transnet to refine the freight logistics roadmap, focusing on port and rail efficiency to alleviate growth bottlenecks post-load shedding. 11 private train operators allocated slots across 41 freight-rail routes;

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- **Visa and Immigration Reform:** Backlog of over 300,000 visas cleared. The Trusted Tour Operator Scheme (TTOS) has supported approximately 35,000 tourists from China & India and more than 1,230 jobs created. The Electronic Travel Authorisation (ETA) launched on 18 September, and biometric checks and remote application being implemented;
- **Water and Sanitation Reform:** The Water Services Amendment Bill has been introduced in Parliament; the establishment of the National Water Resources Infrastructure Agency (NWRIA) is advanced by the National Assembly. At the Africa Water Investment Summit, held in August, US\$12 billion commitments for 80 projects, with 36 from South Africa, secured, signaling investor interest;
- **Local Government Reform:** Review of the White Paper on Local Government underway with 266 responses to the Discussion Paper received. The Public Service Commission Bill has been passed in the National Assembly and the Metro Trading Services Reform Programme is in full implementation;
- **Spatial Integration and Housing Reform:** A comprehensive review of national, provincial, and municipal laws and policies has been completed to identify reforms that can reduce development costs in urban areas and promote affordable housing and densification. Work is well advanced on designing a new demand-side housing subsidy, building on existing instruments like the First Home Finance programme, with pilot implementation planned for 2026/27;
- **Digital Public Infrastructure Reform:** South Africa is emerging as a Global South leader in developing open, inclusive, and rights-based Digital Public Infrastructure (DPI) that is secure and interoperable. Work has begun on a national Digital Government Standards Framework. The Digital Services Unit (DSU) has developed a working prototype of MyMzansi, successfully demonstrating a digital driver's licence renewal integrated with National administration traffic information system (NaTIS). The Payments Ecosystem Modernisation (PEM) programme is progressing, with design validation underway for government-to-person (G2P) payments and a beneficiary-preference tool to make payments more seamless and citizen-centric;
- While the report showcases tangible milestones in regulatory approvals and planning, the momentum appears to be slowing in implementation-heavy areas like local government and logistics, where tangible on-ground impacts remain limited amid political and bureaucratic hurdles.

GOVERNMENT UPDATES

R12 billion Indigenous Crops Potential Unlocked

- On 6 November, Agriculture Minister John Steenhuisen officially approved the inclusion of indigenous crops and medicinal plants, such as Buchu, Hoodia, and Sutherlandia on the list of declared agricultural products under the Marketing of Agricultural Products Act;
- These plants are traditionally used for treating urinary tract infections, appetite suppression, and immune support, respectively;



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- The decision aims to unlock substantial economic opportunities for small-scale farmers, traditional healers, and rural communities dependent on these natural resources for livelihoods;
- According to the National Agricultural Marketing Council (NAMC), the traditional medicinal plant sector generates approximately R3 billion annually, while indigenous crops contribute around R9 billion, which is mostly in informal markets;
- By formalising these value chains, an estimated additional R12 billion could flow into the regulated economy through structured trade;
- Minister Steenhuisen emphasised that outdated legislation has long stifled innovation, and profitability in agriculture;
- This decision by the Minister of Agriculture signals a growing effort by government departments to help grow the economy, decrease unemployment and deal with revenue generation.

Ramaphosa Defends NDPP Selection Panel



- On 6 November, President Cyril Ramaphosa defended his establishment of an advisory panel to assist in selecting the next National Director of Public Prosecutions (NDPP) during oral replies in the National Assembly;
- While acknowledging no legal requirement exists for such a panel, Ramaphosa emphasised its role in ensuring transparency, inclusivity, and public confidence in an appointment of national significance;
- Addressing criticism over the panel's perceived lack of legal and prosecutorial expertise, the President confirmed the list remains open and can be expanded to include additional qualified individuals;
- The panel will evaluate applications, conduct interviews, and submit a shortlist of recommended candidates to the President for final consideration and appointment;
- The NDPP vacancy follows Shamila Batohi's term ending amid intense scrutiny of the National Prosecuting Authority's (NPA) handling of State Capture-related prosecutions and failure to secure convictions against high-profile figures;
- This process reflects heightened political and public pressure on the NPA to restore credibility, with the selection seen as a litmus test for prosecutorial independence and accountability under Ramaphosa's administration.

POLITICAL UPDATES

GNU Leaders' Retreat

- On 03 November 2025, the leaders of all ten political parties represented in the Government of National Unity (GNU) concluded their two-day retreat in Gauteng;
- During the retreat, party leaders addressed a range of critical issues, including the coalition's current state, economic challenges, and a review of key achievements to date;



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- A pivotal outcome was the ratification of the Terms of Reference for the GNU Clearing House mechanism, establishing a structured process for internal dispute resolution;
- The adopted Terms of Reference specify that the Clearing House serves as a recommending body, convenes monthly, and escalates unresolved matters to the Political Leaders Forum;
- Leaders also received a briefing from the Minister of Finance on the economy's status, which carries particular weight ahead of the mid-term budget speech scheduled for 12 November;
- Now 16 months into the GNU, the participating parties are advancing efforts to formalise and professionalise their collaboration, even amid ongoing challenges;
- A more comprehensive view of the retreat can be read [here](#).

ANC Western Cape Leaders Defect to DA



- On 5 November, former African National Congress (ANC) Western Cape provincial secretary Neville Delpont, along with ward councillors Daniel Baadjies and Paul Strauss, announced their defection to the Democratic Alliance (DA);
- The move follows the ANC's National Executive Committee's (NEC) decision last week to disband the party's Western Cape Provincial Executive Committee (PEC) and establish a Provincial Task Team (PTT) led by former chairperson Ebrahim Rasool;
- Delpont cited the sidelining of "coloured" representation in the new PTT as a primary grievance, alongside broader frustrations with internal divisions;
- The DA has swiftly integrated Delpont, assigning him a key role in mobilising support ahead of the 2026 local government elections;
- Baadjies and Strauss's resignations from their council seats will trigger by-elections in Langeberg and Cederberg municipalities, which will provide an early indicator of the defections' electoral impact.

MKP Suspends Deputy President Hlophe

- On 5 November, uMkhonto weSizwe Party (MKP) President Jacob Zuma suspended Deputy President and parliamentary caucus leader Dr John Hlophe from all leadership roles with immediate effect, pending a full investigation into his conduct;
- The suspension stems from Hlophe's unilateral decision to remove Collen Makhubele as chief whip and appoint Des van Rooyen in her place;



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- Zuma nullified Hlophe's reshuffle, reinstating Makhubele and declaring van Rooyen's appointment void;
- However, In response to a parliamentary question from Economic Freedom Fighters MP Omphile Madume, National Assembly Speaker Thoko Didiza confirmed she had not yet received formal notification of Hlophe's suspension;
- These events underscore persistent internal fractures within the MKP, 17 months after their historic electoral performance in 2024.

LEGISLATIVE/REGULATORY UPDATES

ICASA Regulations on Political Broadcasts and Advertisements



- On 31 October, the Independent Communications Authority of South Africa (ICASA) declared its intention to amend the Municipal Party Elections Broadcasts and Political Advertisements Regulations, 2011;
- Key changes include independent candidates in political election broadcasts (PEBs) and advertisements (PAs), following the 2020 Constitutional Court ruling allowing independents in national and provincial contests;
- Definitions are streamlined, PEB duration reduced from 50 to 40 seconds, daily slots increased from 10 to 12 for equitable access, and low-power broadcasters are excluded due to limited reach and programming restrictions;
- Submission deadlines are relaxed with up to a 48-hour grace period for political parties/independent candidates to resubmission, complaints are extended from 48 hours to five days for fairness, and electronic submissions are permitted to ease administrative burdens;
- Broadcasters must use a single concluding disclaimer for PEBs and notify ICASA within 21 days of intent to air political content;
- These updates enhance inclusivity for independent candidates, promote fairer media access amid a fragmenting political landscape, reduce costs for broadcasters, and strengthen procedural transparency, potentially levelling the playing field in municipal contests while aligning regulations with technological and democratic advancements.

Online Intermediation Platform Guidance Note

- On 31 October, the South African Competition Commission released the Online Intermediation Platforms Guidance Note, a pivotal advisory document stemming from its 2021-initiated Market Inquiry (OIPMI);
- This note targets dominant digital marketplaces like Airbnb, Takealot, Uber Eats and app stores, outlining prohibited practices that stifle fair competition;



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- Drawing from the 2023 final OIPMI report, it flags issues such as self-preferencing, where platforms favour their own products, unfair fee structures, data hoarding, and opaque ranking algorithms that disadvantage smaller sellers;
- By clarifying these unfair competition practices, the guidance empowers the Commission to intervene swiftly under the Competition Act, promoting transparency and accountability without awaiting full investigations;
- For South Africa's SMMEs and black-owned enterprises, the implications are transformative since these entities often rely on platforms for market access but face exploitative terms that erode margins and visibility, exacerbating apartheid-era inequalities;
- The note fosters nurturing by mandating equitable treatment, such as non-discriminatory search results and affordable commissions, enabling SMMEs to compete on merit;
- It bolsters Broad-Based Black Economic Empowerment (B-BBEE) goals by curbing barriers to entry for historically disadvantaged firms, potentially unlocking billions in revenue.

One-Stop Border Post Bill



- On 4 November, the National Assembly (NA) passed the Portfolio Committee on Home Affairs' report on the One Stop Border Post Bill;
- This legislation creates a legal framework for establishing shared border posts with neighbouring countries, featuring common control zones where officials from both nations can enforce their respective laws in a coordinated and efficient way;
- These zones aim to streamline trade facilitation and the movement of people while enhancing security and cooperation at entry points;
- The bill supports the Southern African Development Community (SADC) Protocol on the Facilitation of Movement of Persons, advancing economic cooperation, regional integration, and sustainable development in the SADC region;
- Upon enactment, it is anticipated to greatly boost intra-African trade and investment by improving border efficiency, easing the flow of goods and people, and fostering stronger economic ties;
- It aligns with the African Continental Free Trade Area's objectives by promoting modernised border management systems that can stimulate local economies and generate jobs across the continent;
- After review, the Portfolio Committee on Home Affairs advised the National Assembly to pass the bill without changes, and it will now proceed to the National Council of Provinces for concurrence.

AFRICA WATCH

International Bodies Weigh In on Conflict in Sudan

- On 4 November, the UN Security Council (UNSC) released a strongly worded statement voicing deep alarm at the surging violence in Sudan, especially in Khartoum and Darfur, where renewed heavy fighting between the Sudanese Armed Forces (SAF) and Rapid Support Forces (RSF) has forced more than half a million people from their homes since September;
- The Council demanded that all sides shield civilians, respect international humanitarian law, and grant immediate, unimpeded access for aid deliveries;

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- It reiterated full support for Sudan's sovereignty, explicitly rejecting any move to create a parallel government in RSF-held areas.
- The UNSC statement followed Sudan's military commander, General Abdel Fattah al-Burhan, declaring the SAF's pullout from El Fasher, its final stronghold in Darfur, just days earlier;
- The RSF captured the city after an 18-month siege, now controlling every Darfur state capital;
- This has sparked fears of de facto partition along an east-west divide, although Sudan's ambassador to the United Kingdom, Babikir Elamin, insisted partition enjoys minimal backing inside Darfur itself and that the immediate priority is halting the massacres in El Fasher, not just securing a ceasefire;
- African Union Commission Chairperson Mahmoud Ali Youssouf condemned reported atrocities and alleged war crimes in El Fasher, including ethnically targeted killings, declaring that no military victory can resolve the crisis and urging dialogue toward an inclusive political settlement.
- Meanwhile, the International Criminal Court Prosecutor's Office voiced profound horror at credible accounts of mass killings, rapes, and other grave crimes committed during the RSF assault on El Fasher, citing the acts fit a wider pattern of Darfur violence since April 2023 and could, if proven, amount to war crimes and crimes against humanity;
- The Office is urgently gathering and preserving evidence for future prosecutions;
- With the RSF now dominating the entire western Darfur region, home to vital cross-border trade routes and mineral resources, the conflict risks spilling into Chad, the Central African Republic, and beyond, potentially igniting a wider Sahel crisis, intensifying arms flows, and triggering one of the largest refugee waves in modern African history.

South Africa Becomes Interim SADC Chairperson

- On 31 October, South Africa's Cabinet approved a request from the Southern African Development Community (SADC) Executive Secretary, Elias Mpedi Magosi, for the country to take on interim leadership of the regional body, prompted by political turmoil in Madagascar;
- This arrangement requires South Africa to host all SADC meetings starting from November 2025 and to manage interim duties until the next Summit formally resolves the chairmanship, in accordance with Articles 9A(2)(b) and 10(4) of the SADC Treaty, which allow the incoming chairperson to step in when the current one cannot fulfil its role;
- To ensure effective coordination, an Inter-Ministerial Committee will be formed to oversee the preparations and execution of these responsibilities;
- The decision followed Madagascar's official announcement that it would forgo its scheduled rotating presidency, which was originally set to be held by former President Andry Rajoelina until July 2026;



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- Reasons cited by Madagascar include the dissolution of key state institutions by the armed forces, and the establishment of a military-backed transitional government prioritising national restructuring over regional obligations;
- Although Madagascar has withdrawn from the chairmanship due to this instability, it has reaffirmed its commitment to SADC and regional unity;
- For the Southern African region, this shift means enhanced stability in SADC operations under South Africa's experienced leadership, potentially accelerating decision-making on shared challenges like economic integration, security, and climate resilience;
- However, it also underlines the fragility of democratic processes in member states, risking delayed initiatives if the Madagascar crisis prolongs, while reinforcing South Africa's influential role in fostering dialogue and preventing broader regional spillover from political unrest.

Tanzanian Election Outcome



- On 1 November 2025, Tanzania's National Electoral Commission announced that incumbent President Samia Suluhu Hassan had secured a resounding victory in the presidential election, capturing an overwhelming 97.66% of the total votes cast;
- This outcome, which extends her leadership for another five-year term, was underpinned by a reported voter turnout of 87%, inferring strong public participation on the surface;
- However, the election unfolded against a backdrop of significant curbs on civil liberties, including a nationwide curfew imposed by authorities for the preceding three nights and deliberate restrictions on internet access;
- These measures not only hampered domestic communication but also caused disruptions to international flights, casting a shadow over the electoral process;
- The victory has been marred by accusations of illiberal democratic practices, characterised by the systematic suppression of dissent;
- Compounding these issues is the widespread view that the electoral commission lacks true independence, further eroding trust in the results;
- Demonstrators highlighted the exclusion of the president's two most formidable challengers as evidence of orchestrated exclusion, framing the election as a facade of democracy rather than a genuine contest;
- The international response has been markedly divided, reflecting geopolitical fault lines. Opposition groups in neighbouring Kenya, along with Tanzanian dissidents, joined the European Parliament, the European Union, the United Kingdom, Canada, and Norway in voicing alarm over reported irregularities and instances of violence;
- These entities have urged the outright cancellation of the results and the formation of an inclusive transitional government to pave the way for new, fair elections;
- In contrast, figures such as the President of Somalia and the African Union Commission extended congratulations to President-elect Hassan, endorsing the outcome and emphasising continuity in regional leadership;
- This election underlines a deepening erosion of democratic pluralism in Tanzania, where overwhelming majorities mask the marginalisation of alternative voices and institutional biases, potentially entrenching authoritarian tendencies under the guise of stability.

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UNSC Formally Endorses Morocco's Autonomy Plan

- On 31 October, the United Nations (UN) Security Council extended the mandate of its peacekeeping mission in Western Sahara (MINURSO) for another year while, for the first time, explicitly designating Morocco's 2007 autonomy plan as the exclusive framework for ending the protracted conflict over the territory;
- The United States' drafted resolution passed with eleven votes in favour and three abstentions from Russia, China, and Pakistan. While Algeria, the Polisario Front's primary supporter, did not participate in the vote;
- The text abandons the UN's long-standing call for a mutually acceptable solution through direct talks between Morocco and the Polisario; instead, the council enshrines Rabat's proposal as the sole foundation for a fair and lasting resolution;
- Algeria's ambassador criticised the language for deviating from the UN's decolonisation principles, while South Africa's deputy ambassador warned that peace cannot emerge from an exclusionary process;
- A Polisario representative rejected any implication of Moroccan sovereignty and vowed that the Sahrawi struggle for self-determination would persist;
- Morocco's King Mohammed VI hailed the decision as a diplomatic triumph and renewed calls for dialogue with Algeria's President Abdelmadjid Tebboune;
- The resolution urges all parties to negotiate based on Morocco's autonomy plan, which has gained backing from the United States since the 2020 Trump recognition, most European Union nations, and an increasing number of African states, while pointedly omitting any reference to a self-determination referendum, the option long demanded by the Polisario, Algeria, Russia, and China;
- By renewing MINURSO for the thirty-fourth consecutive year and framing Morocco's plan as the only viable path forward, the Council has deepened Western Sahara's diplomatic isolation from the Polisario and heightened regional tensions;
- Politically and regionally in North Africa, this endorsement strengthens Morocco's strategic leverage across the Maghreb, emboldening its integration of Western Sahara while straining relations with Algeria to potentially destabilising levels, risking renewed proxy confrontation, border closures, or competition for influence in the Sahel and among African Union members.



INTERNATIONAL UPDATES

Manufactures Struggling Amid US tariffs and Low Demand

- On 03 November, it was reported that the world's major manufacturing economies faced significant challenges in October, with S&P Global PMI indicating subdued factory activity due to weak U.S. demand and President Donald Trump's tariffs impacting export orders;
- PMI data for the euro-zone showed manufacturing stagnated, new orders flatlined, headcount fell, and growth was largely driven by domestic demand rather than exports;

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- Germany's production growth slowed and German engineering orders dropped in September;
- In France and Italy manufacturing remained weak or contracted, while Spain showed some improvement in factory output;
- In Asia, major manufacturing hubs also showed signs of weakness. China's factory activity contracted for the seventh consecutive month, South Korea saw falling export orders;
- Some exceptions included India whose manufacturing gained momentum thanks to strong domestic demand. Other Asian regions like Vietnam and Indonesia also picked up manufacturing growth, whereas Malaysia and Taiwan saw declines;
- The October PMI data underscores the tariffs' role in exacerbating global trade fragmentation, potentially dragging down the GDP growth by 0.5-1% in affected economies which rely significantly on exports from the US.



US-China Trade Deal



- On 04 November, The White House announced a 'historic' US-China trade agreement aimed at de-escalating ongoing trade tensions and fostering bilateral economic;
- The agreement states the following: China will halt the shipment of certain precursor chemicals used to make fentanyl into the U.S. and strictly control exports of other relevant chemicals globally;
- China will suspend new export controls on rare-earth elements and related materials such as gallium, germanium, antimony, graphite that it announced earlier, and issue general licenses for those exports to benefit U.S. end-users;
- China will open its market further to U.S. agricultural exports: purchase at least 12 million metric tons of U.S. soybeans in the final two months of 2025 and at least 25 million metric tons annually in 2026-28; resume imports of U.S. sorghum and certain logs;
- China will suspend all retaliatory tariffs it announced since March 4, 2025, on U.S. farm goods like chicken, wheat, corn, cotton, sorghum, soybeans, pork, beef, aquatic products, fruits and vegetables, dairy and remove non-tariff countermeasures such as U.S. firms being listed on end-user/unreliable-entity lists;
- The U.S. will reduce tariffs on Chinese goods that were tied to fentanyl-precursor measures, removing 10 percentage points from the cumulative rate starting 10 November;
- The U.S. will pause for one year (starting 10 Nov 2025) the implementation of certain new export-rules targeting affiliates of black-listed Chinese firms, and also suspend new trade actions while negotiations continue;
- This deal marks a significant de-escalation of one of the more intense phases of the U.S.–China trade conflict, potentially averting a greater trade war.

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