

Weekly Political and Economic Highlights

05 December 2025

ECONOMIC UPDATES

Gross Domestic Product (GDP)

- On 2 December, Statistics South Africa (Stats SA) announced that the Gross Domestic Product (GDP) for the third quarter of 2025 (July–September), increased by 0.5% quarter-on-quarter, following a revised 0.9% rise in Q2 2025; year-on-year growth reached 2.1%, exceeding expectations of 1.8%;
- Household final consumption expenditure grew by 0.7%, driven by higher spending on transport, food, housing, and furnishings;
- Gross fixed capital formation grew by 1.6%, its first increase in a year, led by transport equipment, ICT, and non-residential buildings; exports rose 0.7%, boosted by vegetable and mineral products, while imports increased 2.2%;
- Nine of ten industries recorded growth, with mining and quarrying leading at +2.3%, agriculture, forestry, and fishing rose 1.1%, trade, catering, and accommodation grew positively, transport, storage, and communication increased 0.5%; construction edged up 0.1%; the only decline was in electricity, gas, and water supply at -2.5%, due to reduced electricity production and water usage;
- The Q3 results signal a tentative recovery in South Africa's economy, however, the deceleration from Q2 underscores the fragility of this upturn, emphasizing the critical need for sustained policy interventions in infrastructure and logistics to convert these "green shoots" into more robust, inclusive growth exceeding 2% annually and reducing unemployment vulnerabilities.



GOVERNMENT UPDATES

Ramaphosa Concludes Working Visit to Mozambique



- On 03 December, President Cyril Ramaphosa concluded a Working Visit to Mozambique, where he co-chaired the 4th Session of the South Africa–Mozambique Bi-National Commission (BNC) alongside President Daniel Chapo;
- The BNC serves as the primary structured framework for strengthening and advancing bilateral relations between South Africa and Mozambique;
- The Commission was preceded by a Senior Officials Meeting, followed by the Ministerial Meeting on 02 December, while the South Africa–Mozambique Business Forum took place on the margins of the main session;
- During the engagements, the two Presidents reviewed progress achieved since the 3rd Session of the BNC held in Pretoria in 2022 and identified measures to accelerate cooperation across multiple sectors;
- President Ramaphosa and President Chapo signed several new Memoranda of Understanding, which the South African President described as a significant milestone, stressing the urgent need to translate agreed decisions into swift implementation, unlock new investment opportunities and deliver tangible mutual benefits;

Weekly Political and Economic Highlights

05 December 2025

- The renewed cooperation framework places particular emphasis on priority sectors critical to economic transformation, including energy, mining, infrastructure development, agriculture, tourism, telecommunications, health and financial services;
- These agreements further reinforce South Africa's commitment to the African Continental Free Trade Area (AfCFTA) by deepening practical collaboration with neighbouring states, removing barriers to trade and investment, and accelerating intra-African trade for the shared prosperity of the continent.

Treasury Avails R2.2 billion for Ithala Bank Repayments

- On 03 December, the National Treasury announced it will allocate up to R2.2 billion to enable the repayment of verified depositors of Ithala Bank, with the payout process commencing on 08 December 2025;
- This decision follows months of intensive intergovernmental engagements involving the Office of the Presidency, National Treasury and the KwaZulu-Natal Provincial Government;
- Last year, the Prudential Authority (PA) filed an application at the Pietermaritzburg High Court to liquidate Ithala Bank due to solvency issues and regulatory breaches, forcing the institution to cease operations as a bank in January 2025 and leaving more than 270,000 depositors unable to access their life savings;
- National Treasury confirmed that, once recipients have been verified at First National Bank (FNB) branches with FNB appointed as the payout bank to facilitate secure access to funds nationwide and no payouts occurring at Ithala branches;
- Depositors will have until 2028 to claim their funds, allowing for a phased and orderly resolution amid the ongoing liquidation proceedings, which remain unaffected by this intervention;
- The continued distress and failure of state-owned entities like Ithala ultimately translates into direct and unplanned pressure on the national fiscus, as government is repeatedly compelled to step in with taxpayer-funded bailouts to mitigate the human and political fallout from prolonged mismanagement and regulatory non-compliance.



POLITICAL UPDATES

ANC Johannesburg Regional Conference



- On 03 December, the African National Congress (ANC) Johannesburg Region commenced its 16th Regional Elective Conference at the Cedar Woods Hotel in Sandton;
- Johannesburg Executive Mayor Dada Morero, the incumbent Regional Chairperson, is seeking re-election to the top position against Loyiso Masuku, Member of the Mayoral Committee for Finance and current Regional Deputy Secretary, in a closely watched leadership battle;

Weekly Political and Economic Highlights

05 December 2025

- The Region has operated without an elected executive structure for the past six months, following the ANC Gauteng Provincial Task Team's disbandment of the previous Regional Executive Committee led by Morero in June, with an interim Regional Task Team appointed to oversee preparations and stabilise operations;
- Delegates, representing multiple branches across the city, will also deliberate on key organisational, political and financial reports, with elections for the full Regional Executive Committee scheduled for Friday, enabling the ANC to consolidate its position ahead of the 5th National General Council in Ekurhuleni;
- The leaders elected at this Conference will guide the ANC Johannesburg Region until the next elective gathering in 2028, while positioning the successful Chairperson as the party's frontrunner for the mayoral candidacy in the 2026 local government elections.

ANC Extends KZN Provincial Task Team Mandate

- On 02 December, The African National Congress (ANC) National Executive Committee (NEC) extended the mandate of the KwaZulu-Natal Provincial Task Team (PTT) beyond its original expiry date;
- The extension will run until the next ordinary NEC meeting at the end of February 2026, at which point the NEC will review progress and decide on any further interventions needed in the province;
- The PTT was originally established in February 2025 when the NEC dissolved the elected KwaZulu-Natal Provincial Executive Committee (PEC) citing leadership failures and prolonged internal conflicts, a step the ANC then termed a "decisive intervention to renew the movement";
- In the same letter sent to the PTT extending their mandate, The NEC also directed the PTT to reconvene the Provincial General Council (PGC) in a manner that addresses earlier complaints about legitimacy and procedural irregularities; failure to do so will result in KwaZulu-Natal being excluded from the upcoming National General Council (NGC);
- As a direct consequence of the province's underperformance and bleeding members, the ANC KZN delegate allocation to the NGC has been reduced to 130, a sharp drop from previous national conferences and general councils, marking a clear sharp decline of the province's formal influence inside the ANC's national structures at this stage.



LEGISLATIVE/REGULATORY UPDATES

Political Funding Act Extended to Independent Candidates

- On 28 November, the Electoral Commission of South Africa (IEC) issued amendments to the regulations under section 24(2) of the Political Funding Act 2018, broadening their application to encompass not only political parties but also independent representatives and candidates;
- What this means is that independent candidates and representatives are subject to the same disclosure thresholds, donation reporting requirements, record-keeping standards, and prohibitions on certain donations as political parties;

Weekly Political and Economic Highlights

05 December 2025



- They must now appoint accounting officers, keep proper financial records in line with generally recognised accounting practice, and submit audited statements and detailed donation reports to the IEC within strict deadlines;
- Quarterly disclosure of donations above the prescribed threshold (minimum R200,000 and maximum R30 million annually donation limit per donor per party) is mandatory for all parties, independents, and candidates alike, and the IEC has been granted stronger enforcement powers, including the ability to suspend funding allocations, issue compliance notices, and impose penalties of up to R500 000 or imprisonment for non-compliance;
- 2024 general elections saw independent candidates for the first time contesting for seats in provincial legislatures and Parliament, thanks to the 2020 Constitutional Court ruling allowing independents to contest elections;
- The Political Funding Act regulations amendment naturally reflects these political developments by promoting transparency in the sense that it aligns with the Constitution's equality clause, which emphasises that opaque funding undermines voters' rights under Section 19 (political rights);
- Therefore, extending the Act prevents independents from becoming a backdoor for unregulated influence, promoting a level electoral playing field;
- Moreover, the Zondo Commission's findings on state capture highlighted how secret donations erode public institutions. Independents, post-2024 elections, may wield real power in coalitions;
- By mandating independents to use audited bank accounts, to disclose donations quarterly and adhere to the same limits as political parties, fortifies anti-corruption measures, reducing risks of State Capture 2.0 where independents may act as proxies for private interests.

Responses by Treasury and SARS on the TLAB and TALAB Submissions

- On 2 December, the Standing Committee on Finance convened a virtual session where officials from the National Treasury and the South African Revenue Service (SARS) addressed public submissions on the Taxation Laws Amendment Bill (TLAB) and the Tax Administration Laws Amendment Bill (TALAB);
- The National Treasury and SARS's responses to public submissions were a careful balance between fiscal necessity and stakeholder concerns, accepting or partially accepting over 40% of the recommendations from over 100 submissions from stakeholders like the South African Institute of Chartered Accountants (SAICA), South Africa Institute of Tax Professionals (SAIT) and industry bodies while firmly closing loopholes that could cost the fiscus billions;
- Take, for instance, the carbon tax budgeting under Section 12 of the Carbon Tax Act, specifically clause 58, saw SAICA supporting extension to December 2025;



Weekly Political and Economic Highlights

05 December 2025

- National Treasury and SARS accepted the extension to 2025, but rejected proposals to extend beyond that date in favour of boosting carbon offset allowances from an example of 5% to 10% for process emissions to foster market development without prolonging budgets;.
- Regarding the ring-fencing of assessed losses under section 20A of the Income Tax Act in Clause 12 of the Draft TLAB, SAIT raised concerns that decreasing the income threshold from R1 million to R500,000 could unfairly affect small businesses and hobby farmers, proposing a phased implementation or exemptions for startups;
- Treasury rejected the proposal for exemptions for startups but partially accepted the phasing, delaying full implementation to 1 April 2027, and will introduce a trade genuineness test to protect legitimate small enterprises while closing abuse avenues estimated at R5 billion annually;
- Generally, Treasury and SARS accepted stakeholder inputs such as extending carbon budget allowances, clarifying retirement fund taxation, and refining value-added tax (VAT) treatment of airtime vouchers, demonstrating genuine responsiveness without compromising revenue targets or anti-avoidance measures critical for debt sustainability in an economy facing a projected debt-to-GDP ratio of 75.3%;
- This response matters immediately because it secures essential revenue through retained excise hikes, carbon tax reforms, and tighter business tax rules, while simultaneously providing certainty to taxpayers and investors through clarifications on hybrid instruments, assessed loss ring-fencing, and retirement reforms changes that reduce litigation risk and support compliance in a modernising tax administration;
- Most significantly for South Africa, the process and outcome reinforce democratic accountability and inclusive growth: public submissions visibly shaped the final bills, environmental taxation advances such as the Just Energy Transition, and targeted incentives promote investment in renewables, housing, and job creation ensuring that tax policy serves not only as a revenue tool, but as a lever for equitable and sustainable development in one of the world's most unequal societies.

AFRICA WATCH

Algiers Declaration on Criminalising Colonialism

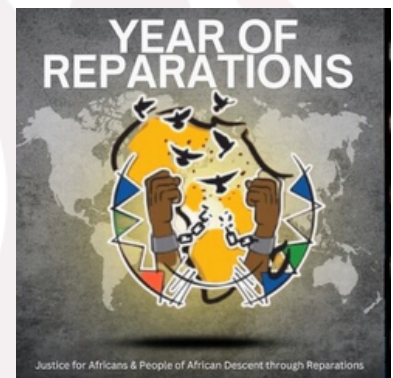


- On 1 December, African foreign ministers, jurists, historians, Pan-African Parliament members, and representatives of the Caribbean Community (CARICOM) met in Algiers, Algeria and unanimously adopted the Algiers Declaration on the Crimes of Colonialism in Africa;
- The document declares apartheid, colonialism, transatlantic slavery and the deportation of Africans to be crimes against humanity and, in certain cases, acts of genocide as crimes that are imprescriptible under international law;

Weekly Political and Economic Highlights

05 December 2025

- For the first time at continental level, African states have committed themselves to pursuing the explicit codification and criminalisation of colonialism itself within international legal instruments, urging the United Nations, the International Court of Justice, the International Criminal Court, and African regional courts to recognise the systemic violence of colonial rule as falling squarely within the legal definitions of crimes against humanity and genocide;
- The Declaration's significance for Africa is profound and multilayered. It transforms the moral and political demand for reparatory justice into a structured legal and diplomatic campaign, providing the continent with a unified platform to challenge the lingering impunity of former colonial powers;
- By calling for public acknowledgement of colonial crimes, the unconditional restitution of plundered cultural artefacts and human remains, the creation of Pan-African digital archives, reform of school curricula, and a continental audit of colonialism's economic and environmental damage, the Declaration lays the groundwork for a decade-long programme of memory, truth, and reparations;
- New African Union bodies, namely the Committee of Experts on Reparations, the Legal Expert Reference Group, and a proposed Pan-African Committee on Memory and Historical Truth, will drive research, harmonise narratives, and develop model laws to support prosecution and restitution claims;
- This shift opens pathways for litigation at national, regional, and international levels, strengthens demands for debt cancellation, compensation for extracted wealth, and targeted funding for environmental rehabilitation, especially in areas scarred by nuclear testing, and places unprecedented diplomatic pressure on former colonial powers to return stolen heritage and archives;
- Coupled with the strengthened Africa-CARICOM partnership and solidarity with still-colonised peoples, including Palestinians, the Algiers Declaration marks a decisive turning point: Africa is no longer merely remembering colonialism's crimes; it is in fact organising to ensure they are judged, punished, and repaired under the full weight of international law.



ECOWAS Mission in Guinea-Bissau

- On 1 December, a high-level delegation from the Economic Community of West African States (ECOWAS) arrived in Guinea-Bissau's capital, Bissau, for urgent mediation talks aimed at restoring constitutional order following a military coup that ousted President Umaro Sissoco Embaló;
- Led by ECOWAS Chairman and Sierra Leone President Julius Maada Bio, the mission included the presidents of Togo, Cape Verde, and Senegal, as well as the ECOWAS Commission president, and sought to engage coup leaders headed by newly installed transitional President General Horta Inta-a on reinstating civilian rule and completing the disputed 23 November presidential election process;
- This visit came against the backdrop of heightened regional pressure, after ECOWAS suspended Guinea-Bissau from its decision-making bodies on 27 November and warned of potential sanctions under its protocols on democracy and good governance;
- The delegation also met with the National Electoral Commission, which reported it could not finalise results due to a break-in on 26 November that destroyed ballots, servers, and vote tallies, leaving incumbent Embaló and opposition candidate Fernando Dias da Costa both claiming victory;



Weekly Political and Economic Highlights

05 December 2025

- Despite the talks being described as fruitful by Sierra Leone's Foreign Minister Timothy Musa Kabba, the mission yielded no immediate breakthrough, with ECOWAS condemning the coup as a violation of democratic principles while the junta defended it as necessary to counter narcotics trafficking threats and ensure stability;
- The delegation pledged to continue discussions at the ECOWAS Conference of Heads of State on 14 December, where further decisions on sanctions or troop deployments could be made, and emphasised the release of detained officials, including electoral authorities and opposition figures;
- Guinea-Bissau's new Foreign Minister João Bernardo Vieira affirmed ongoing collaboration with ECOWAS, noting a proposed one-year transition period would be subject to the ECOWAS summit's outcome;
- Meanwhile, Nigeria provided asylum to Dias da Costa at its embassy in Bissau in the thick of threats to his life, requesting ECOWAS security support, accenting the bloc's role in mitigating escalation in a nation plagued by over a dozen coups since independence in 1974.

INTERNATIONAL UPDATES

United States G20 Sherpa Meeting

- On 1 December, the United States formally assumed the G20 presidency from South Africa, amid heightened tensions stemming from the U.S boycott of the 2025 Johannesburg Leaders' Summit;
- The G20 Sherpa meetings constitute the Sherpa Track, where senior personal envoys appointed by G20 leaders, handle preparatory discussions, agenda drafting, and consensus-building on pressing global issues such as economic stability, trade barriers, climate action, and sustainable development, paving the way for Leaders' Summit decisions;
- The inaugural Sherpa meeting of the U.S presidency is set for 15–16 December 2025 in Washington, D.C., involving delegates from the G20 members to shape the 2026 G20 agenda. However, President Trump had recently stated that South Africa would not be invited to the upcoming meeting, with invites having been sent to all G20 members except South Africa;
- The exclusion of South Africa from the Washington Sherpa and the subsequent 2026 Leaders' Summit in Miami represents an unprecedented sidelining of a core G20 member, restricting its advocacy for African-centric issues outlined during South Africa's G20 Presidency, while exacerbating strained US-South Africa relations;
- This exclusion not only fractures the G20's foundational principle of inclusive multilateralism, creating an instance for selective participation that could alienate other emerging markets, but also amplifies global North-South divides, diminishing the forum's legitimacy on development agendas.



END