

Weekly Political and Economic Highlights

12 December 2025

ECONOMIC UPDATES

Quarterly Financial Statistics (QFS)

- On 11 December, Statistics South Africa (StatsSA) released the Quarterly Financial Statistics (QFS) for September. Turnover across all surveyed industries reached R3 742 682 million in Q3 2025, marking a 4.6% increase from Q2 2025 and an 8.0% rise year-on-year from Q3 2024;
- Quarter-on-Quarter turnover saw strong gains in electricity, gas and water supply +12.5%, manufacturing +6.4%, mining and quarrying +4.5%, transport, storage and communication +4.5%, trade +4.2%, and construction +1.2% and real estate and other business services +0.6%. However, there was a slight decline in community, social and personal services -0.1%;
- Year-on-Year all industries showed growth, led by construction +18.4%, manufacturing +12.9%, and electricity, gas and water supply +10.0%;
- Total inventories stood at R1 497 941 million at the end of Q3 2025, up 3.5% from Q2 2025;
- Quarter-on-Quarter inventory showed increases in electricity, gas and water supply +9.1%, mining and quarrying +6.1%, manufacturing +3.9%, trade +2.8%, construction +2.2%, and community services +0.9%. There were decreases in real estate and other business services -10.4% and transport, storage and communication -2.2%;
- These outcomes suggest a strengthening South African formal business sector amid economic recovery, with broad turnover growth potentially boosting GDP contributions and investor confidence.



Quarterly Employment Statistics (QES)



- On 11 December, Statistics South Africa (StatsSA) released the Quarterly Employment Statistics (QES) for September, showing that total employment rose by 29 000 jobs approximately +0.3% quarter-on-quarter to 10 549 000 in Q3, but fell -0.7% year-on-year from Q3 2024;
- Full-time employment declined by 21 000 quarter-on-quarter to 9 405 000, down 72 000 year-on-year;
- Community & Social Services added 39 000 jobs, Trade +6000, Mining & Quarrying +5000;
- Business Services lost 18 000, Manufacturing -4000, Construction -1000 full-time, Electricity and Transport unchanged;
- Average monthly earnings increased to approximately R29 500, +3.5% quarter-on-quarter, supported by adjustments in trade and mining sectors;
- This signals a tentative labour market recovery, yet insufficient to dent the high 31.9% unemployment rate, exacerbating inequality and calling for targeted measures to close the unemployment gap.

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Eskom's MoU to Save the Ferrochrome Sector

- On 08 December, Eskom finalised a Memorandum of Understanding (MoU) with Samancor Chrome and the Glencore–Merafe Chrome Venture to jointly develop a long-term, sustainable intervention for the distressed ferrochrome sector, following engagements with the Minister of Electricity and organised labour;
- The MoU creates a multi-stakeholder task team (Eskom, government, and producers) tasked with proposing a solution within three months, balancing industrial competitiveness with the need to avoid burdening other electricity customers;
- Both smelters currently operate under Negotiated Pricing Agreements (NPAs), but activated hardship provisions due to worsening market conditions. National Energy Regulator of South Africa's (NERSA) temporary waiver of take-or-pay obligations provided short-term relief but emphasised the need for a sustainable solution;
- Eskom emphasises that any solution must remain lawful, economically sustainable, and protective of households and small businesses, with Dan Marokane highlighting the value of cross-sector collaboration;
- NERSA is reviewing an interim tariff adjustment, while government develops a complementary pricing-support mechanism and once approved, smelters will suspend Section 189 retrenchments and restore roughly 40% of furnace capacity during the interim period;
- This coordinated intervention signals stronger government willingness to use tailored tariff structures to preserve industrial capacity, which may set a precedent for other energy-intensive sectors seeking relief. However, careful balancing will be needed to prevent escalating costs for general consumers and businesses.



GOVERNMENT UPDATES

Search for new NDPP Commences

- On 10 December 2025, the Advisory Panel for the selection of the National Director of Public Prosecutions (NDPP) began public interviews in Pretoria with six shortlisted candidates to succeed Advocate Shamila Batohi, who retires at the end of January 2026;
- The two-day process, chaired by Minister of Justice and Constitutional Development Mmamoloko Kubayi, follows a nomination round that attracted 32 applicants and was reduced to those meeting the statutory requirement of at least ten years' prosecutorial experience;



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- The panel appointed by President Ramaphosa includes the Chairpersons of the South African Human Rights Commission and Commission for Gender Equality, the Auditor-General, the Public Service Commission Chairperson, and senior representatives from the Black Lawyers Association and National Association of Democratic Lawyers;
- Interviews proceeded despite a formal submission by Freedom Under Law declaring Advocate Menzi Simelane not fit and proper for the position – citing the 2012 Constitutional Court ruling that set aside his previous NDPP appointment as irrational – and a parallel Johannesburg Society of Advocates application to have him removed from the roll for dishonesty;
- On 07 December, the Democratic Alliance instructed its lawyers to deliver a letter to the Ministry of Justice threatening urgent court action to interdict the entire interview process unless Simelane is removed from the shortlist, claiming the panel's refusal to disqualify him renders the exercise unlawful and irrational;
- There were also objections to the candidacy of National Prosecuting Authority (NPA) Investigating Directorate (ID) advocate Andrea Johnson. ActionSA Parliamentary leader Athol Trollip noted that most public comments submitted on the suitability of the candidates showed that they objected to Johnson's candidacy, which ActionSA believed demonstrated a lack of public confidence in her.
- The panel is expected to submit three ranked names to the President before the end of January, allowing an appointment ahead of the statutory vacuum, while the NPA continues to face a backlog of more than 500 priority state-capture and grand-corruption dockets, chronic budget shortfalls, and a leadership credibility crisis.

Cabinet Approves White Paper on Citizenship and Immigration



- On 10 December 2025, Cabinet released a statement confirming that it had considered and approved a range of policy matters spanning economic growth, international relations, and legislative reforms, chief among them the Draft Revised White Paper on Citizenship, Immigration and Refugee Protection (CIRP) for public consultations;
- This revision builds on the Final White Paper on CIRP approved by Cabinet in 2024, updating certain policy propositions and adding detailed guidance on proposals contained in the original version;
- Key enhancements include integration of recommendations from Operation Vulindlela's report on visa policy reforms, as well as additional clarity and detail to strengthen implementation of immigration and citizenship policies;
- The policy further advances the First Safe Country principle, which encourages refugees to seek protection in the first country they reach that is considered safe;
- There have been growing frustrations among South Africans on the immigration issue blaming some of the major challenges South Africa faces to an over influx of immigrants, mostly from countries not even bordering South Africa.
- This is further supported by Northern Cape Premier Zamani Saul, who publicly stated that there are more than 2 million jobs currently occupied by undocumented immigrants in South Africa;
- The approval of this white paper, illustrates the Government of National Unity's emerging capacity to forge cross-party consensus, including the Democratic Alliance finding common ground with the ANC on border enforcement and immigration policy.

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POLITICAL UPDATES

ANC Maintains Hard Line on Dual Membership

- On 10 December, African National Congress (ANC) Secretary-General Fikile Mbalula told reporters on the sidelines of the party's National General Council (NGC) in Ekurhuleni that the ANC remains resolute in its demand to end dual membership with the South African Communist Party (SACP);
- Mbalula confirmed that the ANC had failed to persuade the SACP leadership to abandon their decision to contest the upcoming local government elections, stating bluntly that SACP members will now be forced to choose between remaining in the ANC or retaining full membership of the Communist Party;
- The ANC also announced that an Alliance Summit including the ANC, SACP, COSATU and the South African National Civic Organisation will be convened in the first quarter of 2026 to finalise the break;
- SACP spokesperson Mbulelo Mandlana immediately rejected any unilateral termination of dual membership, describing it as a "violation of historic tradition" and the party would mobilise against any enforced split;
- ANC national spokesperson Mahlengi Bhengu confirmed that several NGC commissions were actively debating the issue and that their recommendations would be consolidated into binding resolutions before the council closes on 13 December;
- ANC President Cyril Ramaphosa, closing the National General Council, announced that the party has resolved that members of the SACP may no longer serve on any ANC election committee and must recuse themselves immediately from all discussions relating to electoral strategies;
- The escalating standoff is the most serious rupture in the Tripartite Alliance since 2009, exposing the deepening fragility of the ANC-led coalition at a moment when the party's electoral support has fallen to 40%.



Court dismisses MK Party challenge of Mchunu's Leave



- On 09 December 2025, the Pretoria High Court dismissed an urgent application by former President Jacob Zuma and the uMkhonto weSizwe Party (MKP) to set aside President Cyril Ramaphosa's decision to place Police Minister Senzo Mchunu on special leave;
- The ruling also rejected the MKP's parallel challenge to Ramaphosa's appointment of Professor Firoz Cachalia as Acting Police-

Minister and the establishment of the Madlanga Commission of Inquiry into allegations of corruption and interference within the South African Police Service (SAPS);

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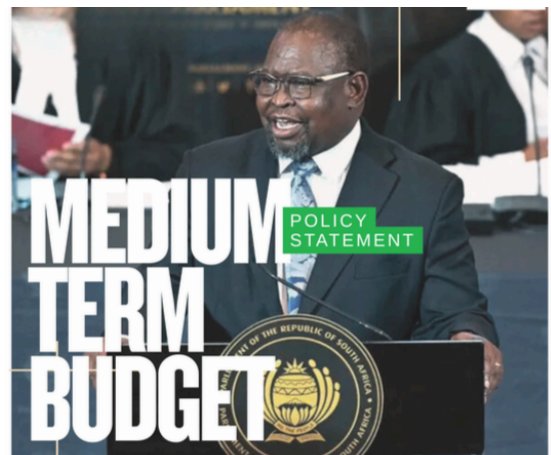
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- The full bench held that Ramaphosa possesses an implied constitutional power to suspend a minister on special leave when facts are unverified, and a threat to public confidence in the executive;
- The court further affirmed the Madlanga Commission as a rational and legal interim measure to investigate the veracity of the allegations before any permanent executive action;
- This marks the third consecutive judicial setback for Zuma and the MK Party against Ramaphosa's authority since July, following Constitutional Court denial of direct access and a prior interdict attempt.

LEGISLATIVE/REGULATORY UPDATES

Public Hearings on the 2025 MTBPS

- On 8 December, the Standing Committee on Appropriations held public hearings on the 2025 Medium-Term Budget Policy Statement (MTBPS), Adjustments Appropriation Bill, and Appropriation Bill;
- The Congress of South African Trade Unions (COSATU), welcomed significant state turnarounds under the African National Congress (ANC)-led government including Eskom's end to load-shedding, Transnet and Metro Rail stabilisation, South African Revenue Service (SARS) revenue recovery, exiting the Financial Action Task Force (FATF) grey list, credit-rating upgrades, and 250,000 new jobs created yet criticised the budget for lacking the boldness needed to lift South Africa's stagnant 1% growth and tackle 12 million unemployed persons in the country;
- COSATU supported key allocations such as the R356 million for agricultural infrastructure, R861 million for land reform, R2.7 billion for early childhood development, increased defence and primary healthcare funding, Home Affairs modernisation, and social-grant expansions;
- However, it condemned cuts to labour inspectorates, water and road infrastructure, the failure to offset the United States's tariff impacts, and the critical R7.2 billion shortfall in replacing lost President's Emergency Plan for Aids Relief (PEPFAR) funding, evidently only R754 million allocated, which threatens 500,000 patients and thousands of non-government organisations and community health-worker jobs;
- COSATU called for abandoning austerity, raising the Social Relief of Distress grant to the food poverty line, filling public-sector vacancies, boosting industrial financing, and integrating donor aid into domestic budgets;
- Committee members questioned growth projections, spending priorities, revenue sources, and post-PEPFAR strategies, prompting COSATU to advocate efficiency gains, better tax compliance, and public employment programmes;
- The committee will adopt its reports on 18 December;



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- The hearings highlighted widespread frustration that fiscal policy remains too timid for the scale of South Africa's economic crisis, amplified labour's influence in shaping the Government of National Unity budget debates and exposed the looming healthcare catastrophe if the PEPFAR funding gap is not urgently closed.

Draft Gas Bill Approved by Cabinet



- On 10 December, the South African Cabinet approved the submission of the draft Gas Bill to Parliament for further processing;
- The Bill repeals the outdated Gas Act of 2001 and replaces it with a modernised framework that incorporates recent technological advances in gas transportation, storage, liquefaction, re-gasification, and low-carbon gases (including hydrogen blends, Liquefied Natural Gas (LNG), and Compressed Natural Gas (CNG));
- It addresses long-standing enforcement and implementation weaknesses while aligning the sector with global best practices and South Africa's energy security priorities;
- For example, the legislation significantly strengthens the National Energy Regulator of South Africa (NERSA) by empowering it to license all major gas activities, set and monitor distribution tariffs, regulate prices to prevent excessive charging, manage a streamlined registration regime, and determine appropriate licence durations;
- Crucially, it introduces centralised strategic planning powers for the Minister to fast-track new transmission pipelines and re-gasification terminals essential for large-scale gas imports and bulk transportation;
- For South Africa's energy crisis, the Bill is a game-changer since it enables rapid private-sector investment in gas-to-power projects, promotes third-party access to infrastructure, curbs monopolistic pricing, and facilitates LNG imports and domestic/Mozambican gas supply;
- By providing regulatory certainty and enforceable competition rules, it paves the way for flexible gas-fired generation that can reduce load-shedding, diversify the coal-dominated mix, lower industrial energy costs, and support the just energy transition, making gas a vital bridge to greater renewable penetration and enhanced grid stability;
- While the final document is not immediately available, its content draws from the Draft Gas Amendment Bill.

AFRICA WATCH

Benin's Attempted Coup

- On 7 December, a military faction calling itself the Military Committee for Refoundation, led by Lieutenant Colonel Pascal Tigri, stormed Benin's state television in Cotonou, announcing the dissolution of the government and the removal of President Patrice Talon, citing worsening jihadist threats in the north as justification;
- The coup attempt collapsed within hours, with loyalist troops, lauded for their republican loyalty, swiftly retaken all key positions amid heavy gunfire and helicopter patrols over the capital;

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- Regional and continental responses were immediate, with the Economic Community of West African States (ECOWAS) strongly condemning the attempt, deploying standby forces from Côte d'Ivoire, Ghana, Nigeria and Sierra Leone, and warning the plotters of personal responsibility for any harm caused;
- African Union Chairperson Mahmoud Ali Youssouf denounced the action as a direct affront to democratic principles, urged the mutineers to return to barracks, and reaffirmed unwavering support for Benin's constitutional authorities;
- Benin's rapid republican response and robust regional backing prevented the country from becoming the latest victim in Africa's deepening 2025 coup wave;
- This year alone, the continent has recorded at least four successful takeovers, the highest annual total this decade, including Madagascar in October, where soldiers ousted President Andry Rajoelina amid protests over power cuts and corruption, and Guinea-Bissau in November, where the military seized power days after parliamentary elections;
- These events have extended the Sahel's coup belt further east and south, fuelled by prolonged junta rule, jihadist insurgencies, and economic despair;
- Despite African Union suspensions and a declared zero-tolerance policy, the trend shows no signs of slowing.



Developments on the DRC-M23 Conflict



- On 6 December, M23 rebels captured the strategic town of Luvungi in South Kivu province, near the Burundi border, and several surrounding villages, marking a rapid push southward after seizing Goma and Bukavu nearly a year earlier;
- Congolese Armed Forces (FARDC) spokespersons confirmed a tactical withdrawal from Luvungi to minimise civilian casualties and infrastructure damage, while accusing Rwandan forces of shelling the Ruzizi Plain, which killed civilians and destroyed schools, health centres, and homes;
- The offensive displaced around 200,000 people, with thousands fleeing into Burundi; a local official reported over 8,000 daily arrivals in recent days, totalling 30,000 in a week, leaving refugees without adequate food or medical aid, as corroborated by the United Nations High Commissioner for Refugees (UNHCR) sources;
- As a vital commercial hub serving as a lakeside port, road junction, and customs point, Uvira channels essential goods like cement, industrial input, food and fuel from Burundi and Tanzania into the Democratic Republic of Congo (DRC) interior, making its potential fall a severe blow to regional trade and military logistics;
- The escalation prompted a stern joint statement on 9 December from the International Contact Group for the Great Lakes (ICG), which comprises the United States (US), Belgium, Denmark, the European Union, France, Germany, the Netherlands, Sweden, Switzerland, and the United Kingdom, expressing profound concern over the violence's destabilising potential;

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- The ICG group urged M23 and the Rwanda Defence Force (RDF) to immediately cease operations in eastern DRC, particularly South Kivu, and demanded RDF withdrawal in line with United Nations Security Council Resolution 2773, while calling on all parties to honour recent Doha and Washington accords and protect civilians;
- M23's advances exacerbate a three-decade conflict in the mineral-rich east, posing acute political risks by eroding President Félix Tshisekedi's authority, amplifying perceptions of state fragility, and deterring investors and international partners;
- With control over revenue-generating towns, the rebels would face little incentive to negotiate, compelling Kinshasa to bargain from weakness;
- These developments threaten broader regional stability, risking spillover violence into Burundi and Rwanda, straining humanitarian resources across borders, and undermining fragile peace processes amid accusations of Rwandan violations of US-brokered deals.

INTERNATIONAL AFFAIRS

EU-US Relations

- On 08 December, European Council President António Costa, speaking at the Jacques Delors Conference in Paris, issued a firm rejection to the Trump administration's newly released US National Security Strategy, which criticises EU policies on migration, free expression, and sovereignty as leading to Europe's civilisational erasure;
- Costa stressed that while the US remains an ally and partner the EU must preserve its sovereignty. He emphasised that allies should not threaten or interfere in each other's democratic choices, highlighting that Europe must chart its own course domestically and internationally;
- The US strategy had depicted Europe as at risk of “civilisational erasure” due to regulation, migration policy, and shifting values, positioning the US as a corrective influence. Costa condemned that characterisation, rejecting the idea that the US should help Europe change its trajectory;
- However, alongside the rebuke, Costa reaffirmed Europe's commitment to multilateralism, to freedom of speech and information, and to addressing global challenges like climate change, implicitly rejecting what he portrayed as the US pivot toward unilateralism and nationalist populism;
- Costa's remarks represent the strongest official EU pushback yet against the Trump doctrine, signalling a potential shift in transatlantic relations by prioritizing European sovereignty over traditional alliance deference. That suggests a potential redefinition of the US–EU relationship, one where Europe asserts greater strategic autonomy.



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