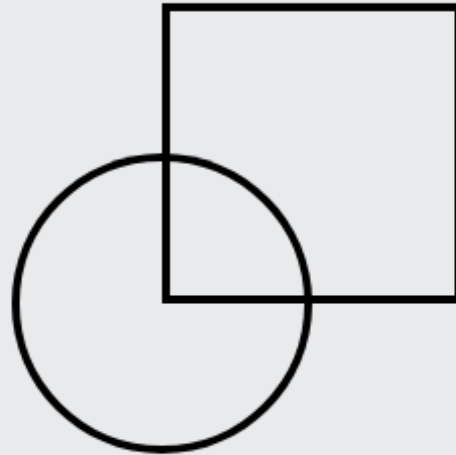


COUNTRY PROFILE – La Ligne Fine



LA LIGNE FINE

Institut

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Summary

South Africa remains the structuring power of Southern Africa. It combines a more diversified economy than most countries on the continent, strong constitutional institutions, a significant industrial and financial base, and a diplomatic capacity superior to its regional environment¹².

But this regional centrality rests on a weakened internal base. The country has entered a new political phase since 2024: the ANC remains the largest party, but lost its absolute majority for the first time since 1994, with 40.18% of the vote in national elections, which led to the formation of a Government of National Unity³⁴. This transition does not mean a crisis of the regime, but the end of the cycle of undisputed domination of the historic party.

The strategic node of the country is economic and social. Growth remains too weak to reduce unemployment, poverty and inequality in the long term. The World Bank projects growth of 0.9% in 2025, an insufficient pace to absorb labour market imbalances, while the official unemployment rate stands at 31.4% in the fourth quarter of 2025⁵⁶. South Africa is not a broken state; it is in a trap of stagnation with a high social cost.

Geopolitically, Pretoria is seeking to position itself as a middle power autonomous, anchored in Africa, active in the BRICS, visible in the G20 and claiming a political voice in the name of the Global South⁷⁸. This strategy gives it more diplomatic weight than its recent economic performance, but it also creates a tension between external ambition and internal fragility.

The main risk is therefore not collapse, but stalemate: institutions that are robust enough to avoid rupture, but not yet effective enough to put the country back on an inclusive growth path. The main lever lies in the GNU's ability to transform already identified reforms — energy, logistics, investment, mining, public governance — into visible results in the short and medium term (IMF, *2025 Article IV Consultation*, 2026; National Treasury, *Budget Review 2026*, 2026).

*World map. (n.d.). Map of South Africa: Geographical and demographic information.
<https://www.mappemonde.net/carte-afrique/afrique-du-sud/>*

¹ gov.za, *Structure and functions of the South African Government*, 2025

² World Bank, *South Africa MPO*, 2025

³ IEC South Africa, *National Ballot Results Report*, 2024

⁴ Presidency, *Government of National Unity*, 2025

⁵ World Bank, *South Africa MPO*, 2025

⁶ Statistics South Africa, *QLFS Q4 2025*, 2026

⁷ DIRCO, *Strategic Plan 2025–2030*, 2025

⁸ G20 South Africa, *G20 Presidency*, 2025



1. Identity and general positioning

South Africa is a constitutional democracy with three spheres of government — national, provincial and local (with an independent judiciary). Its institutional architecture remains one of its main comparative assets in the African landscape. Its population is estimated at 63.1 million in 2025⁹.

The country occupies a unique position: it is at the same time an emerging economy, a post-apartheid

democracy with a strong historical charge, an African regional power and a second-rate global player. This singularity is due to the coexistence of relatively consolidated institutions and extreme socio-economic fractures. The World Bank continues to qualify South Africa as one of the most unequal countries in the world, if not the most unequal in some measures of consumption and opportunity^{10,11}.

Its regional weight remains considerable. South Africa remains the largest industrialized economy in Southern Africa, a major logistical and financial hub, and a leading diplomatic hub on the continent. But its influence is no longer hegemonic. It is now more contested, both by its internal limits and by the rise of other African poles. Strategically, Pretoria remains unavoidable, but less dominant than in previous decades.

1. Political situation

The decisive turning point came in the May 2024 elections. The ANC won 40.18% of the vote in the national election and 159 seats out of 400, losing its autonomous parliamentary majority for the first time since the end of apartheid. This result opened a new phase, marked by the need for coalitions at the national level.

The institutional response was the formation of a Government of National Unity. According to the South African presidency, this GNU will bring together ten political parties by the end of 2025. Politically, this reflects both the adaptability of the democratic system and a growing fragmentation of the party landscape.

The strategic significance of this recomposition is twofold. On the one hand, it reduces the risk of partisan hyper-dominance and can foster a more negotiated culture of power. On the other hand, it complicates trade-offs, slows down decisions and can increase programmatic instability, especially if the coalition partners diverge sharply on economic, social and institutional issues. The central risk is not an authoritarian break, but a slowed down governability.

However, the system retains several shock absorbers: a robust constitutional framework, an independent judiciary, competitive elections, real parliamentary life, an active media and a dense civil society. The country's fragility is therefore not primarily institutional; it is more due to the gap between the relative quality of the rules and the weakness of the public results perceived by the population.

⁹ Statistics South Africa, *Mid-Year Population Estimates 2025*, 2025

¹⁰ World Bank, *Inequality in Southern Africa: Country Brief South Africa*, 2024

¹¹ World Bank, *Poverty and Equity Brief: South Africa*, 2025

The point to watch is clear: GNU's credibility will depend less on its survival than on its ability to deliver tangible results on electricity, jobs, daily security, logistics, and utilities. If this coalition fails to transform political compromise into government efficiency, fragmentation could worsen before the next elections.

2. Economic situation

South Africa maintains a diversified productive base, with mining, industrial, financial, agricultural and service sectors more developed than in most African economies. However, this structure no longer translates into sufficient growth. The World Bank projects GDP growth of 0.9% in 2025, with an average of 1.2% over the medium term, which is still well below the pace needed to significantly improve employment and per capita income¹².

The IMF confirms this diagnosis of under-exploited potential. In its 2025 Article IV consultation published in February 2026, it highlights that the post-pandemic recovery has been hampered by repeated external shocks and domestic structural constraints, including debt, low productivity, global trade uncertainty, and slowing domestic reforms¹³. South Africa's problem is therefore not the absence of assets, but the persistent inability to convert them into sustained growth.

The labour market remains the most sensitive breaking point. Statistics South Africa indicates an official unemployment rate of 31.4% in the fourth quarter of 2025. Youth unemployment remains particularly high, fuelling long-term social vulnerability¹⁴. In a country already marked by extreme inequality, this situation feeds the risk of a prolonged erosion of the social contract.

The budgetary constraint remains high, even if the situation has partially stabilised. The Treasury's 2026 Budget Review indicates that gross public debt stabilises at 78.9% of GDP in 2025/26 before declining slightly in the medium term. This stabilisation improves macro-financial credibility, but leaves little fiscal space in a context of high social expectations, investment needs and pressure on public services¹⁵¹⁶.

Productive bottlenecks are well identified. Electricity has shown signs of relative improvement, to the point that the South African government welcomed the World Bank's reading in early 2026 that more reliable power had supported 2025 growth¹⁷¹⁸. But the energy constraint has not been lifted; it has only been partially loosened. Similarly, rail and port logistics remains a major weakness, although Operation Vulindlela notes progress in Transnet's performance, the concession of the Durban Pier 2 terminal and the gradual opening up to more private participation¹⁹.

All in all, the South African economy remains that of a country with high structural potential but insufficient political and social returns. As long as growth remains below the threshold needed to absorb mass unemployment and reduce inequality, macroeconomic stability alone will not be sufficient to produce a truly consolidated trajectory (World Bank, *South Africa MPO*, 2025; IMF, *2025 Article IV consultation*, 2026).

3. Geopolitical positioning

South Africa is pursuing an autonomous middle power line. Its diplomacy is based on a constant triptych: African roots, active multilateralism and the defence of a relatively

¹² World Bank, *South Africa MPO*, 2025

¹³ IMF, *2025 Article IV Consultation*, 2026

¹⁴ Statistics South Africa, *QLFS Q4 2025 and Media Release QLFS Q4 2025*, 2026

¹⁵ National Treasury, *Budget Review 2026*

¹⁶ National Treasury, *Government Debt and Contingent Liabilities*, 2026

¹⁷ GCIS, *Government on World Bank forecast*, 2026

¹⁸ World Bank, *Global Economic Prospects – SSA*, 2026

¹⁹ National Treasury, *Operation Vulindlela Q3 Report*, 2026

independent margin of manoeuvre vis-à-vis the great powers. The DIRCO places this orientation in line with the doctrine "Ubuntu – Better Africa, Better World" and the defence of South African interests in bilateral and multilateral forums.

South Africa's presidency of the G20 in 2025 was a highlight of this strategy. The official website of the G20 presidency highlights four political priorities: resilience to disasters, debt sustainability for low-income countries, mobilization of finance for a just and inclusive energy transition, and exploitation of critical minerals for inclusive and sustainable growth²⁰. This confirms that Pretoria intends to use the G20 to project an agenda linking African interests, economic justice and global governance reform.

South Africa also continues to value its place in the BRICS and its political proximity to several non-Western powers, without breaking with Western partners. This balancing act gives it significant diplomatic visibility, but exposes it to a recurring criticism: wanting to speak as a pivotal power even though its economic and administrative base remains constrained. It is a diplomacy of influence more than hard power.

The case brought before the International Court of Justice against Israel has accentuated this visibility. The ICJ confirms the registration of the litigation "Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v. Israel)" and the adoption of provisional measures in 2024²¹. This initiative has strengthened Pretoria's image in part of the Global South as a state ready to mobilize international law on a highly sensitive issue. It has also increased its diplomatic exposure and hardened certain Western perceptions.

On the continent, Pretoria retains a major but more contested role. It remains a key player in African forums, but its regional authority is less automatic than before. His ability to convert his diplomatic activism into lasting influence will increasingly depend on his domestic performance. A stagnant South Africa at home is likely to see its relative international status eroded in the long term.

4. Risks and vulnerabilities

The central vulnerability is that of prolonged stagnation. Weak growth, even if it is macroeconomically stabilised, will not be enough to absorb unemployment, broaden the tax base and reduce social frustrations. This is the main trajectory risk.

The second vulnerability is social. The World Bank points out that South Africa is one of the most unequal countries in the world, with insufficient progress in poverty reduction for more than a decade. In this context, massive unemployment is not only an economic indicator; it is a factor of political and territorial fragility.

The third vulnerability is political. The GNU broadens the basis of government, but it also institutionalizes fragmentation. This creates a risk of dilution of responsibilities, ineffective compromises and slowed reforms. The coalition is a response to the ANC's loss of majority; it is not in itself an automatic solution to the problem of governance.

The fourth vulnerability concerns critical infrastructure. The relative improvement in the electricity and logistics situation should not hide the fact that these sectors remain structural constraints to competitiveness and investment. A relapse in electricity or a slowdown in logistics reforms would have immediate effects on growth and the government's credibility.

Finally, there is a strategic coherence vulnerability. South Africa is seeking to play an ambitious diplomatic role in the G20, the BRICS and in major international legal causes. This posture reinforces its visibility, but it can become costly if the country does not manage to restore economic and administrative capacities in line with this ambition.

5. Opportunities and dynamics to watch

²⁰ G20 South Africa, *G20 Presidency, 2025*

²¹ ICJ, *Box 192* ; ICJ, *Provisional Measures, 2024*

The first opportunity lies in consolidating the structural reforms already underway. The IMF stresses the importance of avoiding "reform fatigue" and pursuing growth-friendly reforms, particularly in network sectors and in public governance. If the GNU manages to maintain a minimal reform course despite the coalition, it could produce significant cumulative gains.

The second opportunity concerns infrastructure. Recent progress on electricity and logistics remains partial, but it has a multiplier effect that is potentially greater than many other sectoral policies. A credible and sustainable improvement in electricity supply, ports and rail freight would have a direct impact on investment, exports and confidence.

The third opportunity is mining and industrial. The official strategy on critical minerals published in 2025 highlights key resources such as manganese, PGMs, vanadium, rare earths and lithium, with the explicit ambition to better capture the added value of the global energy transition. The real issue is not only extraction, but the ability to transform this geological advantage into a credible industrial policy.

The fourth opportunity is diplomatic. The G20 presidency has shown that Pretoria can still set part of the international agenda on topics where African interests are underrepresented, including debt, climate finance and critical minerals. If this capacity for agendas is articulated with a domestic economic strategy, it can strengthen the country's position as an interface between Africa, emerging markets and advanced economies.

6. Points of vigilance

The GNU's ability to last without being paralyzed must be monitored as a priority, because formal political stability is only as good as it produces decision.

We need to monitor the real evolution of growth in 2026–2027, because a mere marginal improvement will not be enough to change the social and electoral landscape.

It is important to observe the trajectory of unemployment, and in particular that of young people, because it remains one of the best leading indicators of social fragility. (Statistics South Africa, *QLFS Q4 2025, 2026*).

It is necessary to check whether the improvement in electricity and logistics is confirmed in the long term or whether it has only been a short-term respite.

We must monitor the effective implementation of the strategy on critical minerals, because it can become either a lever for moving upmarket or a new missed opportunity.

Finally, we must measure the gap between diplomatic visibility and domestic capacity, because it is on this tension that part of South Africa's real rank in the years to come will depend.

7. Strategic reading

South Africa's most likely trajectory in the short to medium term is one of **relative political stabilization without a rapid recovery**. The country does not seem to be threatened by a major institutional breakdown. Its constitutional, judicial and administrative shock absorbers remain real. On the other hand, it remains exposed to prolonged stagnation, socially corrosive and politically exhausting.

The main strategic crux is simple: **South Africa must transform a defensive political coalition into an effective reform capacity**. As long as the country does not produce more robust growth, based on energy, logistics, investment and better public efficiency, it will remain a leading regional power but chronically underperforming.

What must be monitored as a priority is therefore not so much the stability of the regime as the **conversion of political compromise into material results**. If Pretoria succeeds, it can once again become a rising middle power, capable of aligning diplomatic influence with internal credibility. If it fails, it will remain a central player on the continent, but increasingly defined by its blockages rather than its strengths.