GPC POLICY BRIEF

JULY 2025

SOUTH AFRICA STEERS THE G20 THROUGH A FRACTURED GLOBAL ORDER

Dr. Philani Mthembu,
Executive Director, Institute for Global Dialogue, associated with UNISA

South Africa's G20 presidency is situated within a changing and fragmented geopolitical landscape, where multilateralism faces a crisis in the midst of efforts to undermine the original mandates of key multilateral institutions, at times led by the very actors that were at the forefront of establishing them. The following provides an overview of the country's overall G20 priorities, and ways in which tensions with the US have been managed thus far. It also looks ahead and provides a few recommendations related to managing existing challenges while also identifying opportunities presented by a shifting geopolitical landscape.

Global Policy Center
School of Politics, Economics and Global Affairs, IE University

GPC Policy Brief
JULY 2025

INTRODUCTION

South Africa finds itself at the tail end of a succession of Global South presidencies of the G20, with the aim of consolidating what has been an agenda influenced by leading Global South countries working alongside counterparts in the Global North. Like the previous few presidencies, challenges relating to a fragmented geopolitical landscape are likely to impact the country's presidency, making it difficult to find consensus on some areas contained in its overall priorities.

> While geopolitical cleavages have brought significant challenges, there is also a call for state and non-state actors to identify potential opportunities in navigating an increasingly complex geopolitical terrain.

The past few years have thus tested the diplomatic skills of leading Global South countries, who have consistently sought to ensure that geopolitics does not lead to a complete breakdown of the G20 and its various processes. While geopolitical cleavages have brought significant challenges, there is also a call for state and non-state actors to identify potential opportunities in navigating an increasingly complex geopolitical terrain.

During South Africa's presidency of the G20, there are thirteen recognised engagement groups outside of the state, including structures such as the Think Tanks 20 (T20, Business 20 (B20, Women's 20 (W20, Labour 20 (L20, Youth 20 (Y20, Urban 20 (U20, Civil Society 20 (C20, amongst others. These all contribute to the G20 ecosystem, shaping important policy discussions and taking the G20 beyond state actors. While geopolitical tensions may directly impact engagement at the state level, non-state actors are often able to navigate these tensions without being constrained by the official positions of their respective countries, at times even creating unofficial channels to ease tensions and listen to different perspectives.

With South Africa handing over the G20 presidency to the US at the end of the year, the country has sought to exercise restraint in the manner in which it engages with the US, despite being at the receiving end of several policies from the Trump administration – such as USAID cuts, tariff increases, reduced financing for the country's just energy transition, and a sustained disinformation campaign targeting land reform and transformation policies aimed at redressing the socio-economic impact of hundreds of years of colonialism and decades of Apartheid. Despite the negative US policies, South Africa has also sought to use the G20 presidency as an opportunity to expand its engagement in Africa, the Global South and with like minded countries from the Global North. It has thus sought to champion the importance of building bridges between middle powers in the Global North and South, while seeking alternative markets, sources of finance, and expanding the tourism footprint of the country as its spreads the various working group, sherpa, and ministerial meetings across the country throughout the year.

AN OVERVIEW OF SOUTH AFRICA'S G20 PRIORITIES

The first G20 foreign ministers meeting and the finance track meetings early in the year provided an opportunity for South Africa to outline and expand on its priorities during 2025. South Africa's diplomacy was once again under close scrutiny, with the world's attention firmly fixated on the country as it navigates geopolitical storms in the midst of growing pressure on multilateral institutions.

GPC Policy Brief
JULY 2025

Notably absent from the two meetings was US Secretary of State Marco Rubio and Secretary of the Treasury Scott Bessent. Their absence should not be construed as a boycott, as they were represented by officials, including personnel from the US embassy in Pretoria. For some however, it sent a message that the United States is not prioritising the G20, as it pursues an 'America First' policy and reviews its international commitments and partnerships. This took place at the start of the Trump administration – a period many viewed as chaotic, with key department roles still unfilled. It is not far-fetched to argue that, in the midst of sweeping changes at the State Department and elsewhere, the US had not yet concluded how it intended to approach its role in the G20, especially knowing it was due to take over the presidency after South Africa. This trend has continued, even after the Oval Office meeting between President Ramaphosa and President Trump, with the US not sending their Sherpa to the 3rd Sherpa Meeting of the G20 in June 2025.

> As the summit is hosted on African soil, it has also been important to introduce innovations and new focus areas, most notably critical minerals, which are essential for digital transformation and addressing challenges such as climate change and the just energy transition.

Following the foreign ministers meeting, South Africa's Minister of International Relations and Cooperation, Ronald Lamola delivered the chairperson's summary, which confirmed that G20 foreign ministers had endorsed South Africa's presidency priorities. These include sustainable development, debt sustainability for low-income countries, and reforms to global financial governance. The meeting also confirmed the establishment of three task forces aligned with these priorities:

- **Task Force One**: Inclusive economic growth, industrialisation, employment, and reducing inequality.
- **Task Force Two**: Food security.
- **Task Force Three:** Artificial intelligence, data governance, and sustainable development innovation.

In addition to the task forces, Minister Lamola introduced additional measures that include a review of the G20's work, a cost of capital assessment, a broadened Compact with Africa 2.0, and a new initiative on critical minerals. With South Africa completing the first cycle of G20 presidencies, it was thus seen to be important that the country reviews how effective the work of the G20 has been over the past 20 years while consolidating progress in key areas that have remained consistent across presidencies.

As the summit is hosted on African soil, it has also been important to introduce innovations and new focus areas, most notably critical minerals, which are essential for digital transformation and addressing challenges such as climate change and the just energy transition. These challenges will require new technologies and innovation in renewable energy sources. The focus on minerals aligns with South Africa's emphasis on developing regional value chains and creating the incentives and conditions for beneficiation on the African continent. Many of these initiatives were also endorsed at the EU-South Africa Summit in March, which made commitments towards new financing mechanisms for the just energy transition and inviting a discussion on critical minerals and the creation of regional value chains. This is important as South Africa seeks to ensure that its focus is not overly consumed by the US, but also by opportunities presented from its relationship with the EU and the G7 countries. Indeed, there has also been close cooperation with Canda, which holds the G7 presidency and is also interested in cooperation on critical

minerals, peace and security, and closer coordination between the G7 and G20.

South Africa has also placed additional emphasis on addressing the cost of capital, particularly for African countries and others in the Global South. This remains a priority as COVID-19 and recent wars have disrupted economic activity and supply chains – leaving developing countries burdened with unsustainable interest payments on loans they received in US dollars. This has been further exacerbated by rising interest rates and currency fluctuations, pushing many African countries in debt distress.

MANAGING THE SA-US DYNAMIC

South Africa took on the presidency of the G20 at a time when its relationship with the US had already been deteriorating, primarily due to its non-aligned position on the war in Ukraine, its perceived relationship with China and Russia in the eyes of the West, and its case against Israel in the International Court of Justice (ICJ). This led to the US launching a review process of relations with South Africa in the legislature, which was initiated in 2024 under the Biden administration. Less frequently acknowledged, however, is that since South Africa's first democratic elections in 1994, the country has consistently sought to manage its relationship with the US – a relationship marked by both convergence and divergence, particularly in international forums.

The Trump administration was thus sworn in during a period that had already demonstrated bipartisan support against some of South Africa's international positions. It is important not to attribute the deterioration of relations solely to President Trump, even though his administration has introduced its own point of tensions, most notably a misinformed campaign targeting South Africa's transformation policies.

South Africa has sought to downplay the non-attendance of the US Secretary of State at the first foreign ministers meeting, as well as the absence of the Secretary of the Treasury during the finance ministers meeting. While these absences cast a shadow over the country's G20 presidency, they must not distract from the core diplomatic and policy work that is underway. South Africa has kept the door open to high-level representation in upcoming meetings, and US stakeholders continue to participate in the various G20 engagement groups such as think tanks, labour, civil society, business, youth, and women.

South Africa will need to continue building consensus with all G20 members, regardless of the positions adopted by the United States. It must also prepare for the possibility that the US may not endorse key elements of the negotiated Leaders' Declaration, for example on topics like multilateralism, climate change and finance, and reforming the international financial architecture. If the vast majority of G20 members adopt the final text, any refusal to do so on the part of the US will likely reflect its own retreat from multilateralism rather than signal a failure of South Africa's presidency. Efforts to get the US onboard will however continue to be pursued.

> South Africa will need to continue building consensus with all G20 members, regardless of the positions adopted by the United States.

While South Africa should not respond to everything coming out of the White House and those associated with the administration, it cannot ignore the misinformation campaign being driven by high-profile figures such as President Trump and Elon Musk. The executive order directed at South Africa, mischaracterises South Africa's laws which seek to redress the imbalances of its colonial and apartheid past. Many argue that South Africa's strong stance on Israel

– particularly its International Court of Justice (ICJ) case regarding the war in Gaza – is the real reason behind these punitive measures.

Still, South Africa must respond with restraint. It is not alone: even longstanding US allies have found themselves on the receiving end of disinformation and punitive trade measures. South Africa must continue to adapt, especially given that it is not dependent on aid for its national development programmes. It will also need to advocate for its continued inclusion in the African Growth and Opportunity Act (AGOA), which is under review in September 2025. However it must also prepare for the now likely scenario of no longer being eligible for AGOA trade benefits. In fact, more than being excluded from AGOA, South Africa is also preparing for a complete termination or overhaul of the AGOA programme, which will have a larger impact in line with the administration's trade policy reset. This shift is already evident: some tariffs introduced by the Trump administration effectively cancel out certain AGOA benefits, particularly in the auto manufacturing sectors.

Despite the announcement of wide ranging tariffs that negatively impact South Africa and many other US trading partners, it is important to note that approximately 50 percent of trade between the US and South Africa is in metals and minerals – many of which are considered strategic by the US Department of Defense. These products have thus been exempted from tariffs, reflecting the interconnectedness of the two economies. While these exemptions have received little media coverage, they underscore the US reliance on South Africa for critical minerals, including the platinum group of metals and roughly 97 percent of its chromium supply.

The May 2025 meeting at the White House between President Ramaphosa, President Trump, and their respective delegations is widely seen in South Africa as an important moment in the attempt to reset bilateral relations. President Trump's tentative commitment to attend the G20 Summit in South Africa has been viewed as a diplomatic win. Despite enduring uncomfortable moments in the Oval Office, the South African delegation has stated that their core objectives were largely achieved and that a foundation has been laid for a continued process to improve relations. Decision makers in South Africa must however ensure they do not take an overly positive position given the unpredictability of the Trump administration.

> South Africa should continue to make use of the opportunities presented by hosting the G20 and not be distracted by the political noise that may occasionally come from the White House or those close to the Trump administration.

With the US not sending its Sherpa to the 3rd Sherpa meeting at the end of June, not much has changed in its position on the G20 as the State Department has not yet rescinded an earlier note verbale for US officials to discontinue their participation in G20 activities. This in itself reveals much about its evolving engagement with South Africa's G20 presidency. This continues a pattern of the US withdrawing from a number of international processes, including the Financing for Development Summit in Spain, which takes place under the auspices of the United Nations.

MAXIMIZING SOUTH AFRICA'S STRATEGIC INFLUENCE DURING ITS G20 PRESIDENCY

South Africa should continue to make use of the opportunities presented by hosting the G20 and not be distracted by the political noise that may occasionally come from the White House or those close to the Trump administration. With US allies also worried about President Trump's America First

policies, South Africa should use the time to reinforce its strategic partnerships, especially with key actors such as the EU and leading European countries. Having announced a revived Compact with Africa 2.0, this presents an important opportunity for Germany, which initiated the Compact with Africa during its G20 presidency in 2017.

With Spain hosting the Financing for Development Conference, and Canada holding the G7 Presidency, South Africa should also work closely with these partners to coordinate and build consensus on areas that overlap with the G20 priorities. In addition, it will need to proactively enhance relations with Scandinavian countries while consolidating ties with BRICS partners in support of its presidency. These efforts should form part of a broader strategy to build bridges amongst middle powers in both the Global South and the Global North.

> South Africa must work alongside reform-oriented countries to deliver a successful G20 presidency – one that contributes meaningfully to strengthening the resilience of global governance institutions, including the international financial architecture.

The African Union's (AU) membership also bodes well for South Africa in building greater support and consensus around key priorities outlined, and the country must work to strengthen the AU's ability to engage substantively in the various working group meetings, and in the Sherpa and finance track meetings, to ensure that key African perspectives are amplified beyond the current presidency.

Such coalition-building efforts, when rooted in inclusive diplomacy, will prove vital in driving progress on urgent issues such as debt sustainability, critical minerals governance, and inclusive economic growth. They will also help South Africa to assert its leadership – not just as a G20 host but as a broker of consensus in an increasingly fractured global landscape.

KEY RECOMMENDATIONS

Policymakers must carefully navigate the shifting geopolitical landscape that is being shaped by the return of the Trump administration, and redouble efforts to safeguard the best elements of multilateralism. South Africa must work alongside reform-oriented countries to deliver a successful G20 presidency – one that contributes meaningfully to strengthening the resilience of global governance institutions, including the international financial architecture.

At the same time, middle powers across the Global South and the Global North must collaborate, closely, in affirming the principles of multilateralism and refocusing the world's attention back to achieving the Sustainable Development Goals. South Africa's approach must therefore continue to focus on building bridges and fostering consensus, especially among those middle powers that converge on key priorities around inclusive development, fair financial governance, and climate action. Such convergence offers the greatest hope of navigating an increasingly fragmented global order, marked by deepening divisions between major powers.

While building close government-business relations at home, South Africa should also use the G20 presidency to build longer lasting ties with the business community across the G20 countries and regions while continuing the approach of drawing from non-state actors organised around the various engagement groups. Rather than this being a consultative architecture specific to the G20 presidency, it should be used to repurpose previous ideas such as the creation of a South African Council on International Relations, drawing from expertise and resources outside of government to strengthen the country's place in the world.

Global Policy Center
School of Politics, Economics and Global Affairs
IE University

IE Tower
Paseo de la Castellana 259E.
28046, Madrid, Spain
www.ie.edu/gpc/
GlobalPolicyCenter@ie.edu
+34 915 689 600

GPC Policy Brief
JULY 2025