

Med-Or Notebooks

Special Report

South Africa, the G20 and Trump

A new opportunity
for Europe and Italy

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Context

On February 11, 2025, the Med-Or Italian Foundation hosted a seminar titled “*Towards the G20 in South Africa – Africa’s Major Challenges in Energy, Climate Change, and Development Potential*,” featuring Dr. Jakkie Cilliers from the Institute of Security Studies in Pretoria. This analysis incorporates insights from that event and reflects on subsequent developments in anticipation of the G20 Leaders’ Summit, scheduled for November 22-23, 2025, as well as the Europe-Africa Summit later this year.

This paper explores why 2025 is a pivotal year for Europe-South Africa relations. South Africa, not only a key player on the African continent but also a strategic bridge to the Global South, offers valuable avenues for future cooperation—including on a bilateral level with Italy.

Executive Summary

With Europe reassessing its strategic autonomy and transatlantic dependence, and with Donald Trump’s return to the White House, South Africa finds itself navigating an increasingly volatile international environment. Historically a close partner of the United States, Pretoria now faces unprecedented diplomatic tensions with Washington. Trump’s administration has openly criticized South Africa’s policy of land expropriation without compensation—interpreting it as discriminatory against the white population—and condemned the country’s decision to bring Israel before the International Court of Justice over alleged genocide in Gaza. Adding to the strain, Elon Musk, a South African-born U.S. citizen with considerable political influence in Washington, has voiced stark opposition to Pretoria’s policies.

In response to what it sees as escalating provocations, the Trump administration has suspended all development aid to South Africa, expelled its ambassador in Washington, and targeted the economy with new global duties, after pledging to impose a now-pending ad-hoc 30% tariff.

These tensions come at a particularly delicate time, as South Africa assumes the G20 presidency for 2025—a role that brings both visibility and responsibility on the global stage. Pretoria has built its G20 agenda around four critical pillars: strengthening responses to natural disasters, reforming global financial institutions, ensuring a just energy transition, and developing sustainable value chains for critical minerals. However, U.S. obstructionism—through blocked climate financing, vetoed IMF and World Bank reforms, and resistance to cooperative frameworks on raw materials—has significantly hampered South Africa’s ambitions. American resistance has also prevented early G20 ministerial meetings from reaching key agreements, undermining the group’s unity and momentum.

At the same time, Pretoria is increasing its alignment with Brussels. The European Union has taken advantage of the diplomatic void left by Washington to position itself as a strategic partner. In addition to the productive exchanges during the G20 framework, the March 13th EU-South Africa ministerial summit resulted in a €4.7 billion investment

pledge supporting key sectors: energy transition, infrastructure, connectivity, pharmaceuticals, and vaccine manufacturing. This reflects a growing convergence between the two actors on the importance of multilateralism, sustainable development, and regional peacebuilding.

On the geopolitical front, South Africa continues to balance between the G7 and BRICS. However, its recent fallout with the United States may accelerate its pivot away from Western alignment. Nonetheless, it remains Africa's most stable democracy. The outcome of the 2024 elections—the formation of a historic coalition government between the ANC and the Democratic Alliance—signifies a maturing political system and a step toward inclusive governance. Europe therefore has a strategic interest in keeping South Africa aligned with Western norms, rather than allowing it to fall deeper under Chinese or Russian influence.

From an economic standpoint, South Africa is the continent's most advanced market. It hosts one of the world's top 20 stock exchanges and maintains strong trade and investment ties with Europe. Yet it is also beset by structural vulnerabilities: high unemployment, daily power blackouts, and a fragile energy grid. These challenges present opportunities for European firms, particularly in renewables, infrastructure, and critical minerals.

South Africa can also serve as a regional hub for development cooperation and industrial projects across Sub-Saharan Africa. This role aligns well with the objectives of Italy's Mattei Plan and European efforts to promote sustainable value chains in Africa. As a regional leader in diplomacy—evidenced by its role in mediating conflicts in Tigray, Mozambique, and the DRC—South Africa offers an essential partner in stabilizing Africa's geopolitical environment.

In this fragmented global context, South Africa is not only a geopolitical test case—it is a strategic opportunity. For Europe and Italy, the current moment offers a rare chance to invest in a democratic, credible, and resource-rich partner capable of anchoring long-term cooperation across multiple domains.

A Turbulent Geopolitical Landscape

Since Donald Trump's return to the U.S. presidency in January 2025, relations between Washington and Pretoria have deteriorated to their lowest point in the post-apartheid era. The discord stems from fundamental disagreements on both geopolitical and domestic issues, further exacerbated by Elon Musk's alignment with Trump's inner circle. Musk, a South African-born entrepreneur, has become an outspoken critic of the South African government, intensifying the White House's hostility toward President Cyril Ramaphosa.

Trump's administration has vocally criticized South Africa's land expropriation policies, framing them as discriminatory against the white population. Pretoria counters this narrative by highlighting its inclusive coalition government, which encompasses the Democratic Alliance—a party representing a segment of the white Afrikaner community. However, the core of the conflict lies in South Africa's pro-Palestinian stance, particularly its legal action against Israel at the International Court of Justice concerning the situation in Gaza. In retaliation, the White House has suspended aid, terminated cooperation agreements, and expelled South African Ambassador Ebrahim Rasool from Washington, following his critical comments on the Trump administration.

But the most consequential move lies in trade. On April 2, President Trump imposed 30% duties on South Africa and, while they were later suspended, the country is still subject to the global 10% baseline tariff, plus the 25% tariff on the automotive sector. Whether the 30% duties are reactivated or not, the tariff on automotive is still going to impact heavily South Africa's manufacturing, being cars the second most exported item to the US, after minerals.

While tensions with the United States will have notable repercussions for bilateral relations, they might not result in a complete breakdown of ties. South Africa is currently in negotiations with Elon Musk's company Starlink to open its domestic market to the satellite internet provider's services. In the coming weeks, Starlink may receive the necessary regulatory authorizations to operate within the country. Such a development could mark the beginning of a diplomatic de-escalation between Washington and Pretoria.

Despite the Trump administration's threats to impose sanctions on South Africa, it is more likely that any punitive measures will be narrowly targeted at individuals from the previous government, rather than the country as a whole. This approach would preserve space for ongoing negotiations. Among the probable targets for such sanctions are former Foreign Minister Naledi Pandor and former Defense Minister Thandi Modise, both of whom played key roles in facilitating joint military exercises with Russia and China and in supporting the case brought against Israel at the International Court of Justice.

Adding credibility to this more pragmatic scenario are circulating rumors of informal talks regarding new trade agreements between the United States and South Africa. South Africa has recently appointed Mcebisi Jonas, a former finance minister, as its new Special Envoy to the US. However, these discussions remain complicated by the alleged ties between parts of the Trump administration and far-right South African groups opposed to the land expropriation law. Although these groups represent a minority both in parliament and in society, their privileged links to the White House are likely to influence the trajectory of U.S.-South Africa negotiations in the coming months.

Further straining bilateral ties, Washington has threatened to revoke South Africa's preferential trade access under the African Growth and Opportunity Act (AGOA), a move that could significantly impact Pretoria's economic strategy. For years, South Africa has pursued a policy of "equidistance," balancing its relationships between the G7 and BRICS+ blocs. The current rupture with the U.S. challenges this approach, potentially undermining its role as a bridge between Eastern and Western powers. US global tariffs are set to damage South Africa's economy more than any other on the continent, especially its thriving automotive industry.

In response to these challenges, Pretoria is strengthening its ties with traditional partners, notably BRICS nations and the European Union. Economically, BRICS members—especially China and India—offer substantial investment and trade opportunities, compensating for the waning economic engagement from Western countries. Diplomatically, the BRICS alliance supports South Africa's vision for reforming global governance structures and shares its priorities in energy transition and sustainable development.

The 2023 BRICS summit in Johannesburg marked a significant milestone, with six new members joining the bloc. This expansion bolstered Pretoria's bilateral relationships and enhanced its regional influence. Symbolic of the deepening security cooperation, South Africa conducted joint naval exercises with China and Russia off the Cape of Good Hope in 2023.

Despite these alignments, South Africa has maintained a neutral stance on the war in Ukraine, advocating for African-led peace initiatives while refraining from overt condemnation of Russia. Its support for United Nations resolutions promoting peace—without explicitly criticizing Moscow—illustrates this delicate balancing act. A recent resolution passed in February, incorporating European amendments, suggests a tentative opening toward closer alignment with EU positions.

Europe emerges as a crucial partner in this evolving geopolitical landscape. Both individually and collectively, EU member states represent a key pillar in Pretoria's efforts to diversify its alliances. South Africa perceives Europe as a vital ally on matters such as trade, international law, conflict resolution in Africa, food security, energy transition, and digital connectivity.

This realignment was underscored by the EU-South Africa summit held on March 13, where EU foreign policy chief Kaja Kallas emphasized that, in a time of global upheaval, "Europe is looking for new friends." The upcoming EU-Africa summit, led by a Lusophone triangle comprising European Council President Antonio Costa, African Union Chair João Lourenço, and UN Secretary-General António Guterres, promises to further deepen engagement between Pretoria and Brussels.

Domestic Challenges and Institutional Resilience

Alongside the geopolitical turbulence it faces, South Africa is also contending with deep-rooted internal challenges that complicate its post-apartheid development trajectory. The country is grappling with a financial crisis that has significantly reduced foreign investment and further exacerbated unemployment. Corruption and mismanagement have weakened state-owned enterprises, while soaring public debt has constrained the government's capacity to implement recovery strategies.

One of the most critical and symbolic problems is the ongoing electricity crisis. Daily rolling blackouts—referred to locally as “load shedding”—have become a persistent feature of life in South Africa. These power outages, caused by the deterioration of the public utility Eskom, have had a devastating impact on productivity, industrial output, and the overall quality of life for South Africans. Since 2023, the progressive collapse of the national grid has undermined investor confidence and strained households and businesses alike.

In an effort to address this crisis, the government has unveiled a major renewable energy plan, aiming to install 64 gigawatts of new capacity. However, while generation capacity is being added, insufficient investment in transmission and distribution infrastructure continues to hinder progress. As a result, many of the new energy projects under construction risk becoming bottlenecked, with their output unable to reach the areas most in need.

These economic difficulties have also shaken public confidence in the political establishment, especially the African National Congress (ANC), the party that has governed South Africa since the end of apartheid in 1994. For the first time in the democratic era, the ANC was unable to secure a parliamentary majority in the 2024 elections, paving the way for the formation of a coalition government. This watershed moment marks the end of single-party dominance and the beginning of a more fragmented and competitive political landscape.

While some observers see this as a sign of political instability, it also reflects the resilience of South Africa's democratic institutions. The new coalition, which includes the centrist Democratic Alliance—long associated with the white Afrikaner minority—signals a significant shift in the country's political maturity. Populist parties such as the Economic Freedom Fighters and the new party led by former President Jacob Zuma have gained ground, exploiting public frustration, but were ultimately kept out of government. This outcome suggests that, despite mounting discontent, South African voters remain committed to democratic norms and political pluralism.

The country's commitment to the rule of law was also reaffirmed during the 2023 BRICS summit, when South Africa's judiciary rejected a request to exempt Russian President Vladimir Putin from an arrest warrant issued by the International Criminal Court—of which South Africa is a signatory. This decision, despite considerable diplomatic pressure, underscored the independence of South Africa's legal system and its adherence to international obligations.

In sum, South Africa continues to present a complex yet promising profile for international partners. It remains Africa's second most democratic nation, following Botswana, and offers a relatively stable regulatory and financial environment. The country boasts some of the continent's most advanced infrastructure in both transport and digital connectivity, although underinvestment remains a limiting factor.

South Africa also stands out as a prime candidate for investment in strategic sectors such as automotive manufacturing, critical minerals, and agri-food, thanks to its relatively low risk profile compared to other African markets. For European and Italian actors seeking long-term partnerships grounded in shared democratic values and institutional reliability, South Africa continues to represent a credible and valuable interlocutor.

The South African Presidency of the G20

South Africa views its presidency of the G20—not only a first for the country but for the African continent—as a historic opportunity to reposition itself as a voice for the Global South and to champion reforms that address systemic inequalities in global governance. The summit, scheduled for November 2025 in Johannesburg, is envisioned by Pretoria as a platform to bridge the widening gap between developed and developing nations.

The South African presidency has identified four thematic priorities:

- **Responding to Climate Disasters and Strengthening Resilience**
South Africa has highlighted the disproportionate vulnerability of African and other developing countries to climate change-induced disasters. Pretoria is advocating for increased international funding for disaster preparedness and response mechanisms. It calls for a substantial expansion of the **Loss and Damage Fund** and for firm commitments to be upheld from the COP29 summit in Baku. The emphasis is on equitable distribution of resources and enhanced resilience in the face of recurring environmental shocks.
- **Reforming International Financial Institutions**
One of the most pressing demands is the transformation of global financial structures to better serve developing nations. South Africa has proposed the creation of a G20 Commission on the Cost of Capital, tasked with addressing the high interest rates and prohibitive borrowing costs that afflict African economies. The country is also pushing for a strengthening of the Common Framework for debt restructuring and is demanding greater representation for the Global South in decision-making processes within the IMF and World Bank.
- **Ensuring a Just Energy Transition**
South Africa, like many Global South countries, faces the dual challenge of decarbonization and energy access. Pretoria underscores the high costs and economic risks of transitioning to renewable energy in low-income countries where universal access to electricity remains elusive. Its message to the Global North is clear: the burden of the green transition cannot fall disproportionately on the shoulders of those least responsible for climate change. The call is for scaled-up financial support, technology transfer, and capacity building.

- Developing Sustainable Value Chains for Critical Minerals

As demand surges globally for minerals vital to the green and digital transitions—such as lithium, cobalt, and rare earths—South Africa is championing a model that prioritizes local processing and value addition within the continent. It seeks to move away from the historic pattern of exporting unprocessed raw materials. Pretoria has proposed a G20 framework for the sustainable and inclusive development of mineral resources, aimed at promoting industrialization and reducing dependency on foreign economies.

To give practical form to its presidency, South Africa has launched three high-level task forces on growth and employment, food security, and digital transformation—issues of central concern for both the African continent and the wider G20 agenda.

Yet, Pretoria's efforts have been repeatedly frustrated by resistance from Washington. The United States has actively blocked funding proposals related to climate and energy transition, and has pushed back against any reforms that would dilute its influence within the IMF and World Bank. U.S. Secretary of State Marco Rubio's absence from the G20 foreign ministers' meeting in early 2025 was a highly symbolic act of disengagement, undercutting discussions on major global security and diplomatic dossiers.

Moreover, the U.S. has sought to reorient the G20's focus back toward traditional economic and financial issues, resisting the broader, more inclusive agenda advanced by Pretoria. This obstruction has weakened the effectiveness of the early G20 ministerial meetings, with several failing to produce joint communiqués.

In this context, South Africa has increasingly turned to Europe to uphold the legitimacy and momentum of its G20 leadership. The notable participation of seven additional European invitees—Denmark, Finland, Ireland, Norway, the Netherlands, Portugal, and Switzerland—alongside Spain, a permanent G20 invitee, reflects Pretoria's strategic pivot. It also signals Europe's intent to play a more active role in preserving the multilateral fabric of the G20 in the face of U.S. retrenchment.

Europe and Italy: Strategic Alignment and Bilateral Prospects

South Africa remains the only African country with which the European Union has signed a Strategic Partnership. In today's geopolitical climate—marked by Washington's increasingly unilateral posture and the real risk of South Africa drifting closer to the Sino-Russian axis—it is more crucial than ever that the EU delivers on the ambitions of this partnership. The window of opportunity opened by U.S. disengagement can and should be seized to strengthen Europe's influence and cooperation with one of Africa's most important players.

The March 13th EU-South Africa summit was an important milestone. The meeting confirmed a mutual commitment to jointly address global challenges and affirmed shared objectives: support for multilateralism, adherence to the Paris Agreement, defense of free trade, and the pursuit of a just and lasting peace in both Ukraine and Gaza. One of the central topics of discussion was trade, where both sides expressed interest in lifting barriers to exchange—particularly in strategic sectors such as electric and hybrid vehicles, and agri-food products. Europeans need to take over market shares dismissed by the Americans, especially in South Africa, before China takes further strides in Africa's trade. This would show to Pretoria and other African capitals that Europe is a credible partner to diversify their relations beyond China.

Security cooperation was another key area. The EU and South African delegations emphasized the urgency of resolving conflicts in the Democratic Republic of Congo and the two Sudans. Given the scale of security threats across the African continent, closer collaboration with African powers like South Africa—well-equipped diplomatically and militarily—is essential for any effective international stabilization strategy. While recent missions in the DRC and Mozambique have faced setbacks, Pretoria has demonstrated operational capability. The EU can enhance this capacity through instruments like the European Peace Facility and other military cooperation programs.

On the economic front, the European Union announced a substantial investment package of €4.7 billion through its Global Gateway initiative. The funds aim to support South Africa and its neighbors in a range of strategic sectors. These include the expansion of local vaccine manufacturing, the development of digital and transport infrastructure, and critical investments in energy transition efforts—particularly in renewable energy and critical mineral supply chains.

For Italy, this evolving partnership presents significant opportunities. The Italian community in South Africa numbers over 40,000 people, and the country already hosts many major Italian companies, including Ferrero, Iveco, and Saipem. Given its comparatively low risk profile among African markets, South Africa offers a stable platform for Italian investments. Thanks to the involvement of Italy's Cassa di Risparmio di Roma (CDR), financing can be secured without relying on international intermediaries such as the World Bank or African Development Bank.

Moreover, South Africa's abundant reserves of critical minerals open the door to industrial and technological collaborations in strategic sectors like energy, automotive manufacturing, and defense. Through coordinated efforts with the Southern African Development Community (SADC), it would be possible to foster region-wide supply chains that link African resources to European manufacturing needs—particularly in alignment with Italy's Mattei Plan and initiatives like the Lobito Corridor.

The energy sector stands out as an especially promising area. South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) offers procurement and investment opportunities for Italian energy firms. Enel, already a key player in the market with multiple solar and wind plants in operation and development, is well positioned to lead this collaboration. While energy generation is on track to improve, distribution remains a bottleneck. Italy and the EU could help finance public-private partnerships for expanding and modernizing the electricity grid—not only nationally but across borders in Southern Africa, contributing to a more stable and integrated regional energy system.

Agribusiness is another fertile field for cooperation. With a well-developed and partially mechanized agricultural sector, vast tracts of underused arable land, and access to trade agreements like the African Continental Free Trade Area (AfCFTA), South Africa presents a lucrative opportunity for Italian exports—especially agricultural machinery and processing equipment. Italy's export promotion agency, ICE, can play a vital role in supporting large firms and SMEs entering this market. Collaboration with local partners would also allow for the development of sustainable agri-food systems in sectors critical to food security, such as maize—a crop increasingly exposed to trade tensions between the EU and the U.S.

Development cooperation may offer an additional channel. South Africa could serve as a hub for Italian triangulation efforts in neighboring countries like Angola and Mozambique, particularly in agriculture and fisheries, where Italy has longstanding interests.

Finally, the dynamism of South Africa's startup ecosystem presents an attractive prospect for Italian innovation. Supporting academic exchanges and partnerships between universities and tech hubs could foster mutual learning and create acquisition opportunities for high-potential startups, especially in sectors like fintech, greentech, and agri-tech.

Overall, shifts in the international landscape are creating new opportunities for cooperation with South Africa, in a strategic effort to diversify partnerships. Italy and Europe have clear political and economic incentives to accelerate this partnership and strengthen their framework of international alliances.



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