

MEDIA RELEASE	PSA calls for decisive domestic action in response to global economic headwinds
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The Public Servants Association (PSA) has noted with concern the recent remarks by South African Reserve Bank (SARB) Governor Lesetja Kganyago in the Bank's 2024/25 annual report. The Governor's assessment that South Africa is entering a more fragmented and less growth-friendly global environment highlights the urgent need for strong domestic economic policies and leadership.

The PSA agrees that South Africa benefited in the past three decades from a relatively favourable global economic order. However, this period of support has come to an end, and the current international climate, characterized by rising protectionism, trade tensions, and geopolitical uncertainty, poses serious risks to South Africa's economy. The looming imposition of a 30% tariff on South African exports to the United States, one of the country's largest trading partners, is a clear and immediate threat to key sectors such as automotive and agriculture.

While President Ramaphosa has attempted to reassure the public that these tariffs may be reconsidered, no confirmation has been received to date. The PSA urges the government to take these developments seriously and engage transparently with stakeholders, including labour, on efforts to mitigate the impact of such tariffs. Workers in export-dependent industries face the risk of job losses and wage stagnation, and the country could experience further economic contraction.

The PSA fully supports the Governor's call for South Africa to get its domestic policies right. However, we remain concerned that the government has not acted decisively enough to implement long-promised structural reforms. Persistent challenges such as unreliable energy supply, failing logistics infrastructure, corruption, and a bloated public debt burden continue to undermine economic recovery and growth. Without bold policy implementation and improved governance, South Africa risks deepening its economic stagnation and further weakening its position on the global stage.

Furthermore, while the SARB plays a critical role in anchoring macroeconomic stability, it cannot drive economic growth on its own. A coordinated and urgent whole-of-government approach is needed to create an environment conducive to investment, innovation, job creation, and inclusive development. This includes restoring capacity and morale within the public service, ensuring fair labour practices, and protecting the rights and welfare of public servants who are essential to the state's ability to deliver services and support economic transformation.

The PSA calls on the government to demonstrate leadership, transparency, and urgency in its response to the challenges outlined in the SARB report. The path forward requires more than economic rhetoric; it demands tangible, people-centered action that secures the livelihoods of South Africans and restores confidence in the country's economic future.

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