



Gulf Research Center
Knowledge for All

South Africa - GCC Relations



November 2024

Key Domestic Developments

South Africa, officially known as the Republic of South Africa, is a constitutional democracy with a three-tier system of government composed of national, provincial, and local levels. The country operates under a parliamentary system, with the President serving as both the head of state and government. The National Assembly, the main legislative house of South Africa's bicameral Parliament, elects the president to serve concurrently with its five-year terms. Parliament can vote to replace the president at any time, and presidents can serve a maximum of two terms of five years each.

South Africa's political history is deeply shaped by its past under apartheid, which officially ended in 1994 with the first democratic elections, leading to the dominance of the African National Congress (ANC) in the country's political scene. The 2024 elections were highly anticipated, marking a significant moment in South Africa's political landscape. The ANC, led by President Cyril Ramaphosa, faced increasing challenges from opposition parties, primarily the Democratic Alliance (DA) and the Economic Freedom Fighters (EFF).

The ANC's support has waned over recent years due to growing public dissatisfaction with the government's handling of issues like corruption, unemployment, and the ongoing energy crisis. In fact, despite the ANC's historical dominance, the 2024 elections were fiercely contested, ultimately resulting in the ANC coalition losing its majority for the first time since 1994 by securing only 40% of the votes. The DA and EFF followed with 22% and 14% of the votes, respectively. As the ANC could not form a government on its own, President Ramaphosa had to form a centrist coalition government with the DA and other smaller parties. Out of the 34 Cabinet ministers, ANC now holds 22 appointments while the DA holds 6.

Outside of the political context, South Africa faces several economic challenges. One of the most pressing issues is regular electricity provision with load shedding (power outages) taking place 289 days in 2023, a significant increase from 157 in 2022. South Africa's energy production relies on power plants built decades ago. As such, they are prone to breakdowns and lack efficiency, causing Eskom, the state-owned power utility company, to turn off power to prevent their collapse. Furthermore, the growing population outpaces Eskom's ability to meet demand. Although the government has tried



to attenuate these issues by investing in new plants such as the Medupi or Kusile plants, mounting debt at 21 billion USD, rampant corruption, and economic mismanagement continue to stymie these efforts. Power outages have dire impacts on the economy and increase operating costs for businesses, as many have to rely on diesel generators or go without power for up to six hours each day in some cases.

The energy crisis remains a severe issue in South Africa, diluting investor confidence. The crisis is projected to continue as efforts to diversify energy sources, including a push towards renewable energy, have been slow to materialize on a scale sufficient to resolve the crisis. Meanwhile, other structural challenges have increased in transport and logistics due to the mismanagement of other state-owned companies like Transnet, which has constrained South Africa's export capacity.

South Africa's economic woes are further aggravated as the mining sector decelerates, having a negligible impact on growth. The growth rate fell to 0.6% in 2023 from 1.9% due to lower global demand; however, manufacturing, service sectors, and domestic trade supported the limited growth. Unemployment is a critical issue; as of 2023 the unemployment rate stood at 32.4%, with women and youth suffering the most.

Corruption remains a significant issue in South Africa, affecting various levels of government and public institutions. The Ramaphosa administration has made efforts to combat corruption, but still, high-profile corruption cases, particularly those linked to state-owned enterprises like ESKOM, have eroded confidence in the ruling party and government institutions. Given the high unemployment rates, economic hardship, and distrust in the government, social unrest

prevails throughout society in the form of increased protests, strikes, and violent crime.

South Africa's public health and education systems are also under strain. The healthcare system, while relatively advanced compared to some of its African neighbors, struggles with inequality in access and quality of care. Education faces similar challenges, with significant disparities in resources and outcomes between wealthy and impoverished areas.

Key Economic and Social Data

GDP: 373.23 billion USD (2024)

GDP Per Capita: 5,975 USD (2024)

Unemployment Rate: 32.4% (2023)

Annual Growth Rate: 0.6% (2023)

Population: 64 million (2024)

Credit Rating: Fitch—BB with a stable outlook; Standard & Poor's—BB with a stable outlook; Moody's--Ba2 with a stable outlook

South Africa's Foreign Policy

South Africa's foreign policy under the ANC government has been marked by non-alignment and the strengthening of the Global South through multilateral institutions. The nation maintains relations with Western governments, Russia, China, Iran, and Cuba, at times to the ire of Western governments. The country has adopted a more defined stance for the Israeli-Palestinian conflict, by leading a case at the International Court of Justice accusing Israel of violating international law and committing genocide against the people of Gaza.

South Africa's role in the BRICS group of countries seeks to prioritize the interests of the Global South as the global system perpetuates extractive policies that can limit developing countries from reaping the benefits of these resources. Through BRICS, countries in the Global South can work together to improve their economies. Under the stewardship of the ANC, South Africa has advocated for a permanent African seat in the United Nations Security Council. The nation emphasizes economic development, peace, and stability in the region, aiming to strengthen partnerships within Africa and contribute to the continent's prosperity. This

is evidenced by its membership in the Southern African Development Community, the African Union, and the African Continental Free Trade Agreement.

With the recent appointment of Ronald Lamola as Minister of International Relations and Cooperation, promoting national economic interests is becoming a hallmark of South Africa's foreign policy. Notably, he is expected to promote green financing and equitable global economic governance reform as South Africa will host the G20 in 2025

South Africa Trade in Goods with GCC Countries in 2023 (USD)

Country	Export Value (USD millions)	Import Value (USD millions)	Balance of Trade (USD millions)
Bahrain	21	1,520	-1,499
Kuwait	88	235	-147
Oman	49	2,500	-2,451
Qatar	76	365	-289
Saudi Arabia	435	3,100	-2,665
United Arab Emirates	2,530	4,000	-1,470

Source: Comtrade

Establishment of Diplomatic Relations:

Bahrain: 1993

Kuwait: 1995

Oman: October 1995

Qatar: May 10, 1994

Saudi Arabia: May 29, 1994

United Arab Emirates: 1994

Current Diplomatic Representation:

Kuwait:

South African Ambassador to Kuwait - H.E. Dr. Manelisi Genge

Kuwaiti Ambassador to South Africa - H.E. Salem Al-Shebli

Oman:

Representation accredited from Saudi Arabia

Omani Ambassador to South Africa – vacant, Charge d’Affaires -Mr. Ali Kathiri

Qatar:

South African Ambassador to Qatar - H.E. Mr. Ghulam Asmal

Qatari Ambassador to South Africa - H.E. Ben Nasser Al- Khalifa

Saudi Arabia:

South African Ambassador to Saudi Arabia – H.E. Mr. Mogobo Magabe

Saudi Ambassador to H.E. Mr. Faisal Al-Habri

United Arab Emirates:

South African Ambassador to UAE – vacant. Charge d’affaires Mr. LP Malati

Emirati Ambassador to South Africa- H.E. Mr. Mahash Alhameli

Key Officials with Responsibility for the Gulf

Minister of International Relations and Cooperation: H.E. Mr. Ronald Lamola

Deputy Minister of International Relations: Mr. Alvin Botes

Minister of Defense: Mrs. Angie Motshekga

Minster of Trade and Industry: Parks Tau

Key Research Centers and Think Tanks

South African Institute of International Affairs (SAIIA)
New South Institute
South African BRICS Think Tank

Institute for Economic Justice
The Brenthurst Foundation
Institute for Security Studies

Key Regional Experts

Dr. Greg Mills (The Brenthurst Foundation)
Jakkie Cilliers (ISS)
Elizabeth Sidiropoulos (SAIIA)
Yacoob Abba Omar

Key Developments in South Africa-GCC Relations

South Africa has pursued economic and political ties with the GCC as they demonstrate several mutual interests in trade, investments, and regional stability. South Africa serves as a key exporter of minerals and agricultural products to the GCC, especially to the UAE. Meanwhile, South Africa has served as a beacon for GCC investments in mining, energy, infrastructure and tourism. The frequent power outages in South Africa present opportunities for energy cooperation. Notably, the Oryx Gas to Liquid project is a partnership between South African Sasol and Qatar Petroleum and demonstrates the long-standing economic relations between the GCC and South Africa.

On the political front, South Africa and the GCC share a common interest in promoting regional stability in Africa and the Middle East and have a particular interest in advancing the cause of the Palestinian people.

South Africa - UAE

- June 2024: Emirati Ambassador to South Africa H. E. Mahash Alhameli oversaw the signing of an MOU between the UAE Chamber of Commerce and the SMME Chamber of Commerce by H.E. Humaid bin

Salem and Noah Debeila, the President of South Africa's Chamber.

- April 2024: DP World acquired a majority of BP Southern Africa's transport assets.
- April 2024: AMEA Power signed a 20-year power purchase agreement (PPA) for 120 million USD with Eskom, the South African utility company, for the 120MW Doornhoek Solar Photovoltaic Project.
- June 2023: The Emirati embassy opened the Dubai Chamber offices in Johannesburg.
- April 2023: AMEA Power signed a power purchase agreement (PPA) between Africa GreenCo Group through its southern entity, GreenCo Power Services (Pty) Limited for the 85MW PV power plant.
- Infinity Power acquired 100% of Lekela Power's shares for an unspecified figure, completing the biggest renewable energy deal in Africa's history.

South Africa - Saudi Arabia

- August 2024: South Africa's Vice President Paul Mashatile received the Saudi Ambassador to South Africa H.E. Faisal bin Falah Al-Harbi to discuss cooperation in various fields and presented his credentials.
- June 2024: The Saudi Foreign Minister met with Foreign Ministers of BRICS countries in Russia to discuss common interests and current global challenges.
- March 2024: The Vice Minister for Foreign Affairs, Eng. Waleed bin Abdulkarim El-Hereiji, received South African Ambassador Mogodo Magabe in Riyadh to enhance bilateral relations.

- February 2024: South Africa's sense and aerospace company Milkor received approval to manufacture drones in Saudi Arabia and is in high-level talks with Saudi Arabian officials to secure order as part of a defense initiative.
- January 2024: The South African-Saudi Arabia Business Council held a conference to boost trade and identify investment opportunities for energy, tourism, hospitality, mining, and agriculture.
- January 2024: Saudi Arabia lifted a 20-year ban on meat imports from South Africa.
- November 2023: Deputy President Mashatile led South Africa's delegation to the Saudi-Africa Summit.

South Africa - Qatar

- August 2024: Qatari Ambassador Al Khalifa met with senior leaders of Sasol, one of the largest energy producers in South Africa, to discuss further cooperation between the energy company and Qatar, as Qatar Petroleum is in partnership with them.
- August 2024: Ambassador Al-Khalifa met Former President Mbeki in 2024, demonstrating bilateral relations' strength and longevity.
- August 2024: Qatar Airways acquired a 25% stake in Airlink, South Africa's largest regional airline.
- November 2023: H.H. Sheikh Tamim bin Hamad Al Thani hosted President Ramaphosa for a state visit. The President delivered remarks at the Qatar--South Africa Business Roundtable and held discussions with the Qatar Business Association and the Qatar Chamber of Commerce.

South Africa - Kuwait

- July 2024: South African Amb. to Kuwait H.E. Manelisi Genge inaugurated the “Lulu Proudly South Africa” campaign in Kuwait’s hypermarket, which celebrated the diversity of South African food, culture, and community.
- June 2024: Following President Ramaphosa’s election, H.H. Amir Sheikh Al-Sabah sent a congratulatory cable to the President, demonstrating their continued and positive bilateral relations.
- May 2024: South African to Kuwait Ambassador Genge emphasized his commitment to facilitating visa applications from Kuwaiti travellers by exempting them from visa fees.
- April 2024: Kuwaiti ambassador to South Africa, Salem Al-Shebli, presented his credentials to President Ramaphosa and discussed areas of cooperation between the two countries.

South Africa - Oman

- April 2023: H.H. Sayyid Fahd bin Mahmoud Al Said, Deputy Prime Minister for the Council of Ministers, received Thabo Mbeki, the former President of South Africa.

South Africa – Bahrain

- March 2021: The chairman of the Bahrain Chamber of Commerce and Industry Mr. Sameer Nass received the Riyadh-based South African Ambassador to Bahrain His Excellency Cosbert Themba Rubushe. The two lauded the friendly ties between Bahrain and South Africa, especially with regard

to business and investment. The meeting was meant to highlight the opportunities that are available to expand their relations in the areas of tourism, education, and health.

Supporting Documents

- *New Alliances: The 2024 BRICS Summit and Its Strategic Implications for the Gulf Region November 2024*
- *Araa Magazine Issue 193 January 2024*
- *South Africa- GCC Relations January 2023*
- *GRM Workshop 2009: The Gulf and Africa: Developing a New Strategic Partnership*
- *GRM Publication 2015: Africa and the Gulf Region: Blurred Boundaries and Shifting Ties*