Plenary Intervention by Deputy Minister of International Relations and Cooperation, Honourable Alvin Botes, also a Member of the South Africa's Cabinet Economic Cluster

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Kgosi ba Rona

Leadership of industry

Guests from sister African countries

Ke lo dumedisa lothle

We recognized and appreciate the foresight of convening the African Minerals Expo (AMEX).

> *Kwame Nkrumah, First President of Ghana, reminded us that " Africa's problem is not a lack of wealth but a history of exploitation and unequal control of its resources by colonial powers and external interests". Africa is therefore not poor, its mineral endowments are often poorly managed.*

The international system is undergoing a profound structural transition.

This transition is not linear or orderly.

At the geopolitical level, competition among major powers has expanded well beyond traditional military rivalry. Strategic contestation now spans control over trade corridors, access to critical minerals, dominance in emerging technologies, influence within multilateral institutions, and the shaping of development finance and infrastructure norms. Rivalry between the United States (US) and China has become the central axis of this competition, but it increasingly intersects with the ambitions of

other actors, including Russia, middle powers, regional hegemons and coalitions such as BRICS and the G20.

For South Africa, this environment creates space for diplomatic leverage through diversified partnerships, while simultaneously narrowing the margins for strategic ambiguity as external actors compete for alignment, access and influence. The global economic context reinforces this complexity. World economic growth has slowed relative to the pre-2008 period, reflecting structural constraints such as high public debt, demographic ageing in advanced economies, productivity stagnation and geopolitical disruption.

Trade growth has decelerated and become more regionalised, with supply chains increasingly reorganised around geopolitical trust rather than pure efficiency. This shift toward “friend-shoring” and “near-shoring” has implications for developing economies, including South Africa, as access to markets, capital and technology becomes more conditional and politicised.

Trade and investment flows reflect these structural shifts.

While global foreign direct investment has become more volatile and unevenly distributed, competition for investment in strategic sectors — energy, digital infrastructure, minerals, and logistics — has intensified. Development finance has increasingly taken on geopolitical characteristics, with bilateral and multilateral lenders aligning funding with strategic priorities rather than purely developmental criteria. For Africa, this has translated into heightened external interest in infrastructure, energy and security partnerships, often accompanied by competing governance models and conditionalities.

Climate change represents a systemic stressor that intersects with all other global dynamics. Rising global temperatures, more frequent extreme weather events and accelerating ecological degradation are reshaping economic prospects, food systems and security environments worldwide. Climate finance, adaptation support and technology transfer have become central — and contested — elements of global diplomacy, exposing persistent asymmetries in power and responsibility.

Technological transformation associated with the Fourth Industrial Revolution (4IR) further compounds global inequality and strategic competition. Advances in artificial intelligence, digital platforms, automation and data governance are reshaping production, labour markets and state capacity.

Multilateralism, traditionally a stabilising feature of the global system and a cornerstone of South Africa’s foreign policy, is under increasing strain. Institutions such as the United Nations, the World Trade Organization,the International Monetary Fund, and the World Bank face legitimacy, effectiveness and representation challenges.

Peace and security trends mirror this institutional stress. Armed conflicts have increased in number and complexity, often driven by intra-state dynamics, proxy competition and the spillover effects of climate stress and economic exclusion.

The New Scramble for Africa: External Power Competition in a Multipolar Era

The result is a new phase of external engagement that can be described as a Second Scramble for Africa. External actors are competing to shape Africa's infrastructure networks, digital systems, security partnerships, regulatory frameworks and development pathways. At the apex of external engagement are a number of system-shaping actors whose economic scale and political resources allow them to influence the structural direction of African development.

China remains the most consequential external economic actor on the continent. Over two decades, Beijing has built a comprehensive presence through large-scale infrastructure finance, construction contracts, industrial parks and resource agreements under the Belt and Road Initiative. After a period of relative disengagement,Washington's renewed attention is driven by concerns over supply chain security, geopolitical competition with China and the need to secure access to critical minerals required for the US' energy transition. Initiatives, such as the Partnership for Global Infrastructure and Investment, seek to mobilise private capital for energy, digital and transport projects, while expanded security cooperation. The European Union (EU) and its major member states remain Africa's largest trading partners and development financiers. Through initiatives such as the Global Gateway, Europe is seeking to reposition its long-standing engagement around green energy, climate adaptation, digital connectivity and sustainable infrastructure. Together, China, the US and the EU constitute the primary structural forces shaping Africa's external economic environment. Their competition is likely to intensify over the next decade, particularly in critical minerals, green energy and digital governance.

Beneath the system-shaping powers is a second tier of rapidly expanding middle powers whose influence derives less from economic size than from agility, strategic focus and sustained political engagement. India has steadily deepened its presence through pharmaceutical exports, digital services, capacity-building programmes and strong diaspora networks in East and Southern Africa. Its emphasis on South–South cooperation and relatively low-cost technology solutions makes its development model particularly attractive to African governments. Turkey represents one of the most dynamic new entrants. Over the past decade, Ankara has expanded its diplomatic footprint dramatically, combined with a strong commercial push in construction, aviation and defence exports. The Gulf states, have emerged as major financial actors, leveraging sovereign wealth funds to acquire strategic assets such

as ports, logistics hubs and agricultural land. Their investments are concentrated along key maritime corridors, especially around the Red Sea and the Horn of Africa.

Russia's presence is more limited economically but disproportionately influential in fragile and conflict-affected states, through security assistance, military partnerships and political advisory networks. A third tier of actors exerts influence through specialised capabilities rather than broad economic engagement. Japan has focused on quality infrastructure and industrial development through the Tokyo International Conference on African Development (TICAD) framework, emphasising sustainability and long-term capacity building. South Korea has prioritised digital economy partnerships, smart cities and technology cooperation, positioning itself as a partner for Africa's emerging knowledge sectors. Canada maintains a significant footprint through mining investment and governance standards. Brazil, after a period of reduced engagement, is gradually rebuilding its presence through agricultural cooperation and South–South diplomacy. Switzerland provides a particularly instructive example of a small but strategic actor.

Africa: The premier investment choice

Demographically, Africa is the fastest-growing and youngest continent globally. With a population already exceeding 1.4 billion and projected to double by mid-century, Africa's median age of under 20 contrasts sharply with ageing populations in Europe, East Asia and parts of North America. This demographic profile represents both a future dividend and a structural risk. On the one hand, Africa's expanding working-age population and accelerating urbanisation will generate growing consumer markets, labour supply and demand for services, infrastructure and manufactured goods, creating significant opportunities for South African exporters, investors and service providers. On the other hand, without sustained job creation, skills development and inclusive growth, demographic pressure risks translating into social instability, irregular migration, and heightened political volatility, with direct spillover effects for South Africa. The emergence of new megatrends in the continent such as demographic shifts, increasing urbanization, new continental initiatives espoused in the African Union (AU) Agenda 2063, technological developments, new political developments, and the transition to green economies, among others, necessitate a recalibration of South Africa's approach to Africa.

Finally, diplomacy must produce results that tangibly contribute to growth and transformation, and, in so doing, improve people's lives. Foreign policy outcomes — whether trade agreements, investment facilitation frameworks, or development cooperation — should explicitly create pathways for domestic job creation, value-added industrial activity, and equitable participation in regional value chains. Infrastructure development, mining and mineral beneficiation and climate resilience and green energy: Africa needs a robust infrastructure network, a clear mining policy

that prioritises the beneficiation and value-addition for the continent's mineral resources and a more proactive approach to fighting climate change and embarking on a broad-based and rigorous transition to green economies.

Africa's mineral and natural resource endowments add a further strategic dimension. The continent holds a disproportionate share of minerals critical to the global energy transition and advanced manufacturing, including platinum-group metals, manganese, cobalt, lithium and rare earth elements. These endowments position Africa as a central arena in emerging geopolitical competition over supply chains, industrial policy and strategic autonomy.

South Africa's contribution towards Agenda 2063 – Economic Prosperity and Integration

South Africa's trade with the continent increased from just R9 billion in 1994 to R759 billion in 2024; almost 400 South African companies have invested over US$48 billion in over 40 African countries. South Africa's development finance institutions have established a significant footprint across Africa promoting continental aspirations of regional integration and industrial development. Peace, security and governance trends in Southern Africa further reinforce the region's strategic salience. While the sub-region has avoided large-scale interstate conflict, several member states face persistent internal political instability, governance deficits and legitimacy crises. These conditions undermine investor confidence, strain regional solidarity and increase the likelihood of episodic crises requiring diplomatic intervention. For South Africa, regional instability is not a distant concern but a proximate risk that affects border management, trade corridors, energy cooperation and migration flows. Consequently, stabilisation, mediation and institutional strengthening in Southern Africa are not discretionary acts of solidarity, but investments in South Africa's own national resilience. The depth of integration offers pathways for shared growth, industrialisation and regional value creation, but also means that failure elsewhere in the sub-region rapidly becomes a domestic South African problem.

In addition to being part of SACU, South Africa is also part of several trade arrangements, including the SADC Free Trade Area (SADC FTA), the Common Market for Eastern and Southern Africa-East African Community-Southern African Development Community Tripartite Free Trade Area (COMESA-EAC-SADC TFTA), and the African Continental Free Trade Area (AfCFTA). Under these free trading arrangements, South Africa has, in the spirit of regional integration, opened up its markets to African countries by eliminating tariffs and non-tariff barriers to trade to facilitate the free movement of goods. Under the SADC FTA, except for a few goods, most of the goods imported into South Africa from SADC countries are duty-free. Under the TFTA, South Africa is working towards total liberalisation of its tariff lines

while under the AfCFTA, it has undertaken to liberalise 90% of its non-sensitive tariff lines over a period of 5 to 10 years beginning in January 2021. An additional 7% of sensitive tariff lines will be liberalised over 10 to 13 years. Participating in these trade arrangements reflects South Africa's commitment to market integration in Africa.

For South Africa, this presents a dual opportunity and threat. There is potential to anchor regional beneficiation, processing and manufacturing value chains that support domestic industrialisation and job creation. Regional integration is therefore a decisive variable. The African Continental Free Trade Area (AfCFTA), now operational …the AfCFTA is not merely a trade agreement but a strategic platform to scale manufacturing, services, logistics and financial exports across the continent.

An Afro-centric Global Butterfly Trade Strategy

South Africa's current trade with the rest of Africa stands at R759 billion, which is just under 20% of its total global trade of R3.8 trillion. This clearly demonstrates that South Africa, perhaps because of circumstances which may be beyond its control, depends more on extra-African trade rather than intra-African trade. This dependency on external markets, which is reinforced by perpetual neocolonial global economic structures, poses a huge geopolitical risk.

What is to be done ?

The role of the business community : The business community has long played a central role in South Africa's relations with fellow African countries. South African businesses have investments in more than 40 African countries in various economic sectors employing tens of thousands of people. Businesses have a footprint in almost every corner of the continent. South Africa's has a significant FDI stock across Africa, making it a key source of FDI for African countries. Businesses play a crucial role in the implementation of trade agreements and have to be consulted in the negotiation of these agreements. In 2024, South African businesses exported R569 billion worth of goods to the continent. While this figure is huge by any measure, there is still scope for more exports, especially now that the AfCFTA is slowly kicking into action. The government will have to engage the business sector in order to fully utilise and maximise the country's trade gains under the new trade arrangement. It goes without saying that the full utilisation of the AfCFTA's preferential terms of trade will boost job creation and poverty eradication, especially since most of South Africa's exports to Africa are value-added.

Critical Minerals and Economic Prosperity

Minerals are central to Africa's economic transformation and South Africa's diplomatic engagement across the continent. As global demand for critical minerals

intensifies, driven by the energy transition, digitalisation, and industrialisation, South Africa's mineral endowment and mining expertise position it as a strategic leader in shaping Africa's collective response. Africa's economic diplomacy strategy must therefore leverage minerals not only as economic assets but also as instruments of regional integration, industrial development, and geopolitical influence. South Africa's integration strategy in mining has evolved from a narrow extractive orientation toward a broader vision linking mineral endowments to industrial development, value addition and regional value chains. Africa holds 30% of known world's mineral reserves; the continent's mining sector contributes over 10% to GDP in several countries and accounts for more than 70% of export earnings in many mineral-rich countries.

The continent's mining ecosystem, with linkages extending from exploration through to downstream processing and export logistics.The global shift toward renewable energy and electric mobility has created unprecedented demand for critical minerals. The G20 Framework on Critical Minerals underscores the need for transparent, sustainable, and resilient supply chains. South Africa's mining and mineral-beneficiation engagement is closely aligned with the AU's Africa Mining Vision and Agenda 2063, which seek to transform Africa's mineral wealth from an extractive base into a foundation for industrialisation, value addition and inclusive growth.

Taken together, Africa's engagement in mining and mineral beneficiation illustrates both the promise and the complexity of regional and continental integration. Minerals remain among Africa's most powerful assets for transformation, yet their developmental impact depends on how value is captured, distributed and reinvested. South Africa's experience — as both a mining power and an industrialising economy — situates it at the centre of Africa's ongoing struggle to convert mineral wealth into inclusive growth, industrial capability and social cohesion.

In this sense, mining and beneficiation are not peripheral to integration; they are among its most consequential testing grounds.

Africa's risks are mainly perceived and not real. Unfortunately for us in Africa we are not really very good at telling our own story (Aliko Dangote, Nigerian Business Magnate). The time has arrived to tell the truth, masked no difficulties and pursue Africa's industrialisation, through a shared appreciation that critical minerals' value-addition is at the epicentre of this ambition.

I thank AMEX for forging a conversation amongst governments and business in mining.

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