



Resolve
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CHAIRMAN'S INSIGHT

SHAKEN AND STIRRED: NAVIGATING SOUTH AFRICA'S PLACE IN A WORLD UPENDED BY TRUMP

British Prime Minister, Sir Keir Starmer, rather understated things, perhaps appropriate for both his style and country, when he noted recently, “We’re facing a generational challenge.” And then some...

As we conclude the first quarter of 2025, the world has been —indeed, stirred—largely by the huge (a favourite Trumpian adjective) force and fury of the deeds and words of the US President Donald J. Trump.

He has served notice, midst a welter of executive orders, that one of his storied predecessors’ words, President Woodrow Wilson, no longer apply, even if they well described American intentions and actions for more than a century.

President Wilson offered in 1917, “The world must be safe for democracy. Its peace must be planted upon the tested foundations of political liberty.”

Trump has a radically different view of the meaning and scope of democracy, liberty and peace. This has had radical consequences, just two months into his presidency, on all countries — from Canada to Ukraine to Greenland, and on all international organisations — from NATO to the United Nations.

Any complacency encasing South

Africa — far away from Washington DC, was swept away in Trump’s executive order of February 7 targeting ‘egregious actions of the SA government’ followed the following month by the unprecedented expulsion of our Ambassador to the United States.

What the future might portend for the bilateral relationship was described in stringent terms by historian and author, Jonny Steinberg. Writing in Business Day (26 March 2025), he noted, “Trump could impose trade sanctions on SA, he could prohibit US institutions from buying SA’s sovereign debt...He could do unthinkable damage to SA by signing his name.”

One of the factors mitigating extreme anti-SA measures from an unpredictable, even vengeful, White House is the presence of non-ANC partners in the government of national unity. Even if Trump, and his circle, hold a negative view of ANC policies, it is harder to impose penalties against a SA government comprising parties less hostile to US Interests.

However, recent events have stress tested both the GNU itself and place questions marks around its longevity (at least in terms of its current composition). There is though now some hope that an accord on the 2025



budget will be reached. That however is simply a starting point for real progress of much promised, seldom realised, major reforms needed to drive growth and dent unemployment.

All companies and enterprises in SA have a compelling interest in understanding the local and international terrain, never so interconnected, yet at the precise moment when its very connectedness is under severe strain.

Resolve Communications and its team of experts assist clients navigate global and local complexities. Our goal is to both advance clients' interests and mitigate against worst case outcomes and help provide clarity of thought for consequential actions. Not an easy task, but then again, the hard asks offer the most interesting challenges!

- Tony Leon
Executive Chairman



CEO'S PERSPECTIVE



COMMUNICATIONS AS A STABILISING FORCE

A theme of the first quarter of 2025 has been one of uncertainty, both at a national and international level. We are operating in an era marked by geopolitical tensions, economic instability, and rapid technological change - this makes strategic communications arguably more vital than ever. During periods of global uncertainty, there is an even greater imperative for business to communicate with clarity, credibility, and purpose to maintain trust, navigate risks, and inspire confidence.

Strategic communication goes beyond simply disseminating information—it is about crafting messages that are aligned with long-term goals while being responsive to real-time challenges. When uncertainty creates fear or confusion, well-planned communication becomes a stabilizing force. It enables business leaders and organisations to shape narratives, address misinformation, and provide a sense of direction.

In crisis situations, the right message delivered at the right time can calm public or customer anxiety, and foster resilience. Consistency and transparency are key. Stakeholders—from citizens to investors, regulators and government—need to know what is happening, why decisions are being made, and what steps are being taken. This transparency builds trust and enhances the credibility of organisations.

Strategic communications also play a critical role in aligning internal teams, especially in decentralized or remote work environments. They ensure everyone is informed, motivated, and moving in the same direction, even when external conditions are volatile.

Furthermore, with social media and digital platforms accelerating the spread of both information and disinformation, communicators must be agile, proactive, and data informed. They need to listen actively, monitor sentiment, and engage meaningfully with diverse audiences.

Ultimately, in times of global and domestic uncertainty, strategic communication is not just a support function—it is a leadership function. It empowers organizations to remain resilient and adaptive, in a fast-changing world. Those who communicate strategically can better protect their reputation, build stronger relationships, achieve their strategic goals and lead with impact.

- Paul Boughey
Chief Executive Officer





ECONOMIC LANDSCAPE

South Africa's economic narrative in early 2025 is one of cautious optimism.

The Rand, a bellwether of sentiment, exhibited volatility against the US dollar in the first quarter, reflecting both global jitters and domestic policy shifts.

GDP growth projections for 2025 illustrate an expectation of modest growth. PwC South Africa forecasts a range of 0.5% to 1.3%, while the South African Reserve Bank (SARB) projects 1.7%, and the National Treasury strikes a more optimistic note with 1.9%. These predictions, though generally indicating an improvement on the SARB's 0.6% figure for 2024, are tempered by persistent supply-side frailties, notably in electricity provision and logistics, which cast a long shadow over growth prospects.

Fiscal policy, as outlined in the March 2025 National Budget, aims to navigate these challenges. The budget projects average GDP growth of 1.8% over the medium term, with a stated ambition to narrow the consolidated budget deficit to 3.5% of GDP by the 2027/28 fiscal year.

Public debt is forecast to stabilise at 76.2% of GDP in 2025/26, supported by an anticipated primary budget surplus of 0.9% of GDP. Revenue-raising measures are central to this strategy, with a proposed increase in the value-added tax (VAT) rate by 0.5 percentage points from 1 May 2025,

and a further 0.5 percentage point increase planned for 2026/27. This fiscal tightening, while intended to bolster public finances, carries the risk of disproportionately burdening lower-income households and the ongoing source of political disagreement in the GNU.

Inflationary pressures have moderated. Average consumer price inflation stood at 4.4% in 2024, dropping to 3.2% by January 2025 and remaining at that level in February. The SARB forecasts an average inflation rate of 3.6% for 2025, within its target band of 3-6%. The central bank's monetary stance has been focused on staying within its inflation target range, with a 25-basis point reduction in the repo rate to 7.5% in January 2025, followed by a decision to hold the rate in March.

The labour market presents a mixed picture. The unemployment rate saw a marginal improvement in the fourth quarter of 2024, declining to 31.9%. However, youth unemployment remains stubbornly high, and there are forecasts of a potential uptick in the overall unemployment rate for 2025. These structural challenges necessitate ongoing reforms, including those aimed at encouraging greater private sector participation in the economy.

External sector dynamics are also in flux. The Rand experienced volatility against the US dollar in early 2025, reflecting its sensitivity to global economic currents. After a period of



strengthening, South Africa's trade balance shifted to a deficit of R16.4 billion in January 2025, driven by a decline in precious metals and vehicle exports, and an increase in imports of capital goods. This contrasts with the widening trade surplus recorded in the preceding period.

Reforms in key state-owned enterprises are crucial to address systemic weaknesses. Transnet, the logistics parastatal, is undergoing restructuring to improve rail and port operations, with progress in corporatising the National Ports Authority (NPA).

However, the company faces financial challenges and legal disputes that continue to impede progress. Eskom has achieved a period of relative stability in electricity supply but must navigate the dual challenges of tariff adjustments and the transition to cleaner energy sources.

Ultimately, South Africa's economic landscape in early 2025 is characterised by tentative progress constrained by structural impediments. Fiscal consolidation, monetary caution, and reforms in key sectors are underway, but their efficacy in unlocking sustained growth remains to be seen.



POLITICAL PULSE

The initial optimism that followed the formation of the GNU, marked by a strengthening Rand and gains in the Johannesburg Stock Exchange (JSE), has been tempered by the realities of coalition governance.

While the GNU has been credited with some meaningful improvements in governance, which has been welcomed by many, the period between January and April 2025 has exposed the inherent tensions and challenges within this coalition.

One of the most prominent illustrations of these tensions was the unprecedented postponement of the 2025 national budget. This delay, a first in South Africa's democratic history, stemmed from disagreements among the GNU partners regarding the proposed fiscal framework.

The Democratic Alliance's (DA) opposition to a proposed increase in the Value Added Tax (VAT) rate without a commitment to cost containment and reforms aimed at economic growth, highlighted the divergent economic philosophies within the coalition, with the ANC historically favouring increased tax and social spending and the DA advocating for economic reforms to attract investment.

While President Ramaphosa characterised the delay as a demonstration of the GNU's commitment to thorough deliberation, it also generated

uncertainty among investors and financial markets. The revised budget, which included a staggered VAT increase, was eventually tabled in Parliament, but the DA reiterated its opposition, underscoring the ANC's challenge in securing the necessary parliamentary majority for its fiscal plans.

Beyond the budget, the GNU grappled with pre-existing policy disagreements, notably concerning the National Health Insurance (NHI) Act and the Expropriation Bill. The DA formally declared a dispute within the coalition over these issues in January 2025, citing constitutional concerns regarding the Expropriation Bill and budgetary implications for the NHI.

The Expropriation Act also drew international scrutiny, with US President Donald Trump issuing an Executive Order in February 2025 expressing concerns about potential expropriation of agricultural property from "ethnic minority Afrikaners". These policy clashes, particularly on historically and socially sensitive issues, continue to test the stability of the GNU.

The political landscape was further complicated by shifts in local electoral dynamics, as evidenced by by-election results between January and April 2025. While the ANC retained seats in certain areas, the Inkatha Freedom Party (IFP) made significant gains in KwaZulu-Natal, and the uMkhonto weSizwe (MK) party achieved its first-ever public



representation in the Western Cape. These results indicated a fragmentation of the political landscape and a weakening of the ANC's dominance in some regions.

Developments in US-South Africa relations also added another layer of complexity to the political climate. The period witnessed fraught bilateral relations with the USA, marked by diplomatic tensions and changes in aid policy.

US aid to South Africa faced significant disruption following President Trump's Executive Order in February 2025, which halted aid to the country, citing concerns over the Expropriation Act and South Africa's foreign policy stances. Furthermore, the US declared South Africa's ambassador to Washington persona non grata in March 2025, further straining diplomatic ties. While South Africa sought to strengthen trade ties with the US, these efforts were overshadowed by the broader tensions in the relationship.

In conclusion, the period between January and April 2025 highlighted the often precarious nature of South Africa's political landscape under the GNU. The coalition navigated internal disagreements, particularly regarding fiscal policy and key legislation, while also facing external challenges in its relationship with the United States. The ability of the GNU to overcome these challenges and maintain cohesion will be crucial for the country's political stability and its capacity to address pressing domestic issues.



SIGNALGATE – A MASTERCLASS IN HOW NOT TO CONDUCT CRISIS COMMUNICATIONS

There is no shortage of newsworthy drama unfolding in Trump's White House, with the most recent being national security officials casually discussing sensitive matters of strategic and military importance in a Signal group chat, which mistakenly included veteran editor Jeffrey Goldberg of *The Atlantic*.

This wasn't just a serious breach of security protocols but also a textbook example of how not to handle a crisis in the days that followed. The White House could have dealt with this quickly and used the opportunity to pivot to their agenda but instead threw fat onto the flame with their defensive approach. Trump feigned ignorance with his answer of "I don't know anything about it. You're telling me about it for the first time" which left various spokespeople to try see through the smoke and make sense of the mess.

The much better approach would have been to fully acknowledge the errors in judgement, reassure the public that there would not be a repeat of such conduct and the setting out of what action would be taken against those involved. Such an approach is in line with three general rules for effective crisis communication:

1. Mastery of the Facts – Know the Details Before Responding

Knowing the facts of the issue in a crisis ensures accurate, transparent communication, preventing misinformation and maintaining credibility. Clear, fact-based messaging helps manage public perception, reduce panic, and guide effective decision-making.

2. Take Responsibility – Accountability Earns Public Trust

Taking responsibility when communicating in a crisis is crucial because mistakes can happen and acknowledging them builds trust and demonstrates accountability. Owning up to errors and admitting them in full allows for corrective action, preventing further harm and ensuring clearer, more effective communication as the crisis unfolds in the media.

3. Remedial Action – Address the Core Issue, Not Just the Optics

An important principle in crisis communication strategy is to share the remedial action plan by outlining concrete steps to prevent it happening in the future. This is essential to rebuilding trust, restoring confidence and reinforcing credibility as it shows that lessons have been learnt and while improvements are being made, there is strong commitment to fixing the issue.



The events in the US over the last week have been a useful reminder that in times of crisis or peril, rather than the Trumpian “deny, deny, deny,” the best communication approach is to rather embrace than deflect the truth.

- Victoria Tompkins
Account Manager



WITHOUT MORE JOURNALISTS AND PLATFORMS, SA WILL SUFFER

Earlier this year, there were no physical copies of City Press or Rapport available to buy in stores. For many of us, this was terrible news, but the demise of printed news is not a new phenomenon. The first precursors to electronic news were already launched as early as 1983. A sobering fact. The revolution has been coming for a long time.

Whenever printed newspapers close or move online, you often hear the refrain: "journalism will just go digital, don't worry". And of course, things aren't that simple. The digital space is complex and the competition against free sources of facts, "facts", outright lies and opinion-as-facts is fierce. Because of this, news offerings in South Africa are shrinking, in quality and quantity.

In the current political climate, the collapse of the classic print media economic model and the rise of free user-generated content has affected few societal role-players as much as journalists. There has been a reaction - too often an overreaction - against these gatekeepers, who are sometimes seen as ideologues in charge of the Fourth Estate, painted as an elite class bamboozling the "average citizen".

Minimising the importance of journalism is dangerous, especially in a country like South Africa. Less journalism, less platforms, less variation decreases debate and limits access to truth. Without honest

perspectives on the big topics - from government policy to societal behaviour - a young democracy such as ours will simply not survive. State Capture, for instance, taught us all about the need for investigative journalism and brave opinion.

But the image of the journalist has been tarnished and the spaces in which journalists can function are decreasing rapidly. Perhaps news platforms can assist in disarming the fightback against mainstream media by allowing more varied voices to be heard on their platforms, ensuring that accusations of bias and unnecessary gatekeeping don't ring as true as they sometimes do when made on non-traditional media platforms.

Either way, the societal importance of journalists must be acknowledged. Because if their role in public debate continues to decrease, the average citizen, the one who posts and reposts online, will surely feel the consequences directly through bad government policy, secrecy, misinformation ...

The days of physical news are gone. The battle now is to make sure enough online platforms exist that successfully translate the old ink authority into digital authority.

- Loftus Marais
Senior Account Manager



TONY BLAIR AND HOW TO WIN THE COMMUNICATIONS WAR

The current Labour government in Britain is battling a welter of adverse conditions as dire as the English weather. Headed by Prime Minister Sir Keir Starmer, it sits atop a massive parliamentary majority which, due to the anomalies of its electoral system, masks the slender nature of its vote total (a very modest 33.7% netted it a whopping 411 MPs).

But that is not the only oddity: the very fact that Labour is back in power after 14 years in opposition, underlines the fact that Britain is, more often than not, a Conservative led country.

The scoreboard reminds us that since 1900, when Labour was formed, it has won only nine of 33 general elections since then. Starmer is just the fourth Labour leader to win a general election.

Only one leader, Tony Blair, has won three consecutive general elections. Thus, when Blair writes about what it takes to be a winning leader, people sit up and note.

Blair has published his new work, “On Leadership: Lessons for the 21st Century” and while his take on global politics and navigating its challenges is fascinating, what he writes about the art of communicating, has wider application especially in the world of business, where Resolve Communications and its clients operate. Here are some of his key takeaways, worth reprising:

- There is a difference between a narrative and a press release: Tactical communications are the press releases, ‘the what’ - everyday government [or company] business. “Strategic is the story you are telling ‘the why’”. On this crucial distinction, Blair reminds us that ‘every time government [or an enterprise] is announcing something significant it must announce the ‘why’ and not just the ‘what’.”
- He references his own communications guru Peter Mandelson, just announced as UK Ambassador to the US, who said: “Strategic communications is like a washing line running the length of government. Each individual policy or initiative must be attached to the line like an item of clothing.”
- No political or business leader, least of all Blair himself, who does controversial stuff will be immune from criticism, especially with the atomisation of media via social platforms. Here the former PMs advise is pithy: “If you come across something unpleasant or cruel that has been written about you: DON’T READ IT! If it’s a horrible headline, ignore it. If it’s an awful article, don’t look at it. And if you’re unwise to peruse it, don’t glance at the ‘comments’ section that follows.”



- This useful survival kit does not of course mean that you shouldn't listen to sensible and serious criticism. "You should. You can learn from it. But you won't learn anything from the stuff that's vomiting forth, that's written for clicks, that delights in its nastiness, that takes pleasure in inflicting pain."
- I have a much simpler solution to online keyboard warriors who pursue me on social media: "I block them!"

There's loads of useful stuff and pithy advice in the Blair how-to manual applicable to leaders in all fields. Worth the read.

- Tony Leon
Executive Chairman



ONE MINUTE TO MIDNIGHT: CAN SOUTH AFRICA AVOID CRISIS?

South Africa, as is often observed, is on the brink of some kind of existential crisis, at the proverbial one minute to midnight. Happily, we have, at numerous points in our history, confounded the naysayers and made significant progress. Despite achieving an extraordinary and relatively peaceful transition from Apartheid to a non-racial democracy, we seem to have lost the ability to make the reforms we need to ensure that all South Africans can thrive and prosper. All too often, we are left to contend with a government that is largely content to just muddle through problems, instead of taking decisive action.

As the world becomes increasingly uncertain and dangerous, this kind of strategic fuzziness has never been more foolhardy. The GNU now finds itself at an inflection point: does it choose to seize the opportunity to make a break with the stagnation and decline of the past decade, or does it continue to oversee a country in decline?

South Africa requires more than just pragmatic political compromise to deal with the demands of the here and now. It needs to implement the longer-term reforms necessary to address the deep structural impediments that are preventing domestic and international investment in the country. This means, amongst other things, that reforming education, liberalising the labour market, protecting property

rights, sound fiscal policy, and world-class public infrastructure are non-negotiable.

If the GNU can start to make progress in making SA a safe and reliable place to do business, then we can start to become a beneficiary and not just a victim of the machinations of major international actors such as the USA and China. We still have many positive assets: deep capital markets, strong institutions, vast mineral wealth, and, with the right energy, labour, and investment policies, we can become an economic success story.

The question that remains is: do we have the political will to stop the clock ticking past midnight? Only time will tell.

- Paul Boughey
Chief Executive Officer



MOTSOALEDI'S SUGAR RUSH: SWEET TAXES, SOUR CONSEQUENCES

It's helpful for politicians to sometimes have an enemy of sorts—a scapegoat or something to blame when media attention ratchets up or becomes negative. This is a strategy Health Minister Aaron Motsoaledi has mastered. When he was the Minister of Home Affairs, illegal immigrants were often a target of his attention.

In his first stint as Minister of Health, he frequently criticised private healthcare costs. At one point in 2016, he stated that South African private healthcare was more expensive than that of OECD European countries, which is simply not true.

Last year, he criticised corruption in the private sector, claiming it reached R228 billion—a figure far too high to be believable, accounting for more than half of private healthcare spending. Unfortunately, complex issues like health costs have complex causes and no easy solution exists.

Earlier this year, Motsoaledi, speaking at the World Economic Forum in Davos, attacked sugar in the same speech where he blamed tobacco and alcohol for rising lifestyle diseases. However, these are not comparable. While smoking combustible cigarettes is undeniably harmful, reasonable amounts of sugar are not. In fact, our food is broken down into sugars in our bodies—it is literally life-giving.

Motsoaledi has made it clear he wants to reduce drinking and sugar

consumption in South Africa. In both these cases, Motsoaledi has used taxes to try and reduce consumption of sugar in beverages and alcohol, with little evidence the taxes doing anything but harm the economy.

National Treasury's suggestion of increasing wine taxes is more likely to push people toward beer than stop South Africans drinking. The government needs to address health issues in a comprehensive manner that considers the economy and the people it serves rather than just hiking taxes. After all, poorer people have worse health outcomes, so weakening the economy is bad for population health.

Implementing a sugar tax reduces jobs—something that happened following the health promotion levy in 2018 under Motsoaledi's watch when over 16,000 jobs were lost. Increasing wine taxes will likely impact wine farms that employ unskilled agricultural labour with about half of wine farms already running at a loss.

Unfortunately, it is easier to have an enemy to blame rather than dealing with complexity. It is easy to think taxes will change behaviour.

In the case of sugar, there is no evidence sugar-sweetened beverages are the primary drivers of obesity and lifestyle diseases in South Africa or that the sugar tax has worked to improve health. In the case of alcohol, raising taxes on wine, when the



majority of drinkers drink beer, won't change drinking behaviour of the population but will weaken the agricultural economy. Motsoaeldi's need for an enemy and a simple solution of taxes is unlikely to work but it will kill the economy and jobs- at a time South Africa can least afford it.

- Katharine Child
Account Manager



CLEAR COMMUNICATION IN UNCERTAIN TIMES: WHY INDUSTRIES MUST ENGAGE GOVERNMENT TO SAFEGUARD JOBS AND GROWTH

The world is currently grappling with rapid political and potentially economic changes. South Africa, already facing the challenge of maintaining economic stability and growth, now has to navigate increasingly uncertain global conditions. The continuation of long-standing agreements, such as the African Growth and Opportunity Act (AGOA), which have bolstered trade between South Africa and the United States, are now under threat. U.S. President Donald Trump's executive orders imposing new tariffs on steel and aluminium imports and cutting financial assistance to South Africa have heightened concerns about the future of strategic and important trade relationships.

Such rapid policy changes are also increasingly happening outside of established protocols. The first port of call is social media, and traditional news outlets are left to unpack and understand information-scarce environments. This has created a highly volatile situation where information gaps can lead to a rise in misinformation.

We – as South African citizens, news organisations, and even government officials – have over the past few months been thrown in the deep end of this fast-changing political and economic landscape.

The risk of fast-moving information

environments at this scale is that it poses a significant threat to job security and economic growth. The uncertainty undermines business confidence, and potentially influences poor decision-making at both the government and business levels.

To combat misinformation or disinformation, industries must engage proactively with government officials, the media, and the public. As the drivers of economic growth, industries should be proactive in providing clear, factual data about the significance of international trade, local job creation, and economic policies. This is the only way to ensure that decisions are based on reality—not speculation.

A democratically-elected government must serve its people, and in South Africa our government has rightly placed their focus on creating employment and economic growth.

It is imperative for industries and companies to proactively communicate with government officials in the work that is already being done in this field, and opportunities that may exist. It is also important that industries flag the business risks of the current global uncertainty.

By utilising such channels, businesses can ensure that the national agenda remains focused on these key



imperatives. South Africa boasts a robust economy with significant potential for growth, particularly in sectors where we can serve as a net exporter, such as agriculture and mining. The ability to export and import goods is vital for these industries, and maintaining favourable trade agreements is essential.

Equipping government officials with clear and concise arguments is crucial. By providing accurate data and insights, industries can help policymakers make informed decisions that support economic growth and job creation. In a world of rapid information flow, proactive communication is key to protecting jobs and economic stability.

- Gerhard Mulder
Account Manager



BUDGET DELAY: A CONTINUING CONUNDRUM

The postponement of South Africa's 2025 budget until 12 March came at a difficult time when the country faces mounting fiscal pressures, sluggish economic growth, and decaying service provision. The rand depreciated against the US dollar and government bond yields also edged higher, signalling increased risk perceptions among foreign and domestic investors.

The postponement, however, reflected the realities of coalition government, and that the ANC had yet to come to terms with the reality that it could no longer simply force its agenda. The initial rejection by the other parties in the GNU to the proposed 2% VAT increase was evidently the primary stumbling block. Intensive negotiations then occurred, resulting in the proposed VAT increase being amended to a 1% increase, spread over two years. Subsequent discussions, leading up to the tabling of the revised budget on 12 March, highlighted the ongoing complexities of coalition governance, as full consensus was not reached.

As these discussions unfolded, close attention needed to be paid to how the parties agreed to confront the sober reality – South Africa had run out of fiscal room for manoeuvre. Any slippage in the country's debt-to-GDP ratio, through higher deficits or excessive borrowing, could lead to a downgrade from ratings agencies. This, in turn, would limit foreign investment, drive up borrowing costs,

weaken the rand and increase inflation.

To escape this economic doom spiral, the GNU needed to enact real reform. Currently, the vast bulk of the budget is spent on personnel, social grants and debt servicing, costs which are crowding out spending on capital projects and service provision.

This means that in the absence of increased borrowing or increased taxes (be it VAT or other taxes), the government will have to cut the size of a bloated and inefficient state (at all levels), reduce endemic corruption, reform labour legislation, expand public-private partnerships, abandon unaffordable programmes such as the NHI and ruthlessly prioritise economic growth supporting investment. This would place South Africa on a growth path above the current projection of an anaemic 1% and would allow for greater fiscal breathing room.

The stakes for South Africa could not be higher; at a time of heightened global instability and increased scrutiny of the country's governance, any further delay in passing the budget would have been catastrophic. Therefore, the South African tendency to simply muddle through was no longer sufficient. While March 12th marked the budget's tabling, the GNU's capacity to steer South Africa towards shared prosperity remains uncertain, as negotiations for its support continue. Parties such as the



DA, ActionSA, MK, and the EFF have expressed reluctance, and the ANC's success in securing the budget's passage is still in question. The alternative of taxing our way to prosperity is a prospect too ghastly to contemplate.

- Paul Boughey
Chief Executive Officer



NAVIGATING TRADE TURBULENCE: SA'S STRATEGIC COMMUNICATIONS CHALLENGE

Every now and then, on a business platform like LinkedIn or X, you'll read of a 'revolution,' a 'seismic shift,' or a 'sea change.' Often, these claims are overstated. However, one area where such claims are not exaggerated at present is international trade.

The new administration in the United States has ushered in a different approach to trade relationships. The America First approach – which, as just one example, uses tariffs as a tool to address trade imbalances and national security concerns – has specific implications for South Africa.

In times of change, it pays to be informed, and to be able to communicate your worth, so that you're not left behind. This is the challenge facing many South African producers and industry associations. Our country produces so much that is of worth, and the export economy is such a remarkable tool through which inclusive growth can be achieved. But the playing field is getting noisier and murkier. It isn't as easy as it was a few months ago to cut through the commotion and say to the American, or any other market, "You need my product".

What also makes South Africa unique is that the upheaval on the international scene is accompanied by an equally large upheaval on the

national scene. With the Government of National Unity we have in many senses entered terra incognita – as we saw with the Budget delay. Knowing how government processes work, knowing which levers can be used, knowing which arguments ring true in the new political reality, is essential for South African businesses who deal with any legislative and regulatory challenges.

Making the case for export-friendly decisions at home and abroad has gotten infinitely more urgent. The old playbook with the usual polished messages must be torn up. Unfortunately, in communicating their worth, many companies and associations respond to the fast-changing landscape with speed, while the right response is strategy. You shouldn't just react to the world, but bend it to your advantage.

The lay of the land, the unique character of an industry or sector, the argument that captivates – without finding these three elements, communication cannot exert influence. The changes afoot in international trade as well as the local legislative and political landscape are hastening the movement away from "public relations" or "corporate communications" to true strategic communication.

- Loftus Marais
Senior Account Manager



BIG PROMISES, GRIM REALITIES: TONY LEON ON SOUTH AFRICA'S ECONOMIC CROSSROADS

“CR likes big numbers,” a National Treasury official noted with respect to President Cyril Ramaphosa.

In this matter, his State of the Nation speech on 6 February did not disappoint. It was peppered with statistics and one eye watering spending commitment. This was the promise for R940bn to be spent over next three years on infrastructure.

With our shuttered ports, decaying roads and energy and water crises, few would doubt this need.

However, the same National Treasury in a table attached to the 2024 medium term policy statement, painted a far grimmer and more realistic number: R 389bn is spent every year on ‘debt-service costs’ now the number one item of expenditure of the state, exceeding health, education, defence and social services. So, you have to wonder how the R940bn for infrastructure will be magicked up.

More recently another grim statistic was released. Last year total GDP grew by a measly 0.6%, far below the population increase, simply meaning each South African gets poorer every year.

The real issue behind the budget impasse is not in fact the headline row, i.e. how to fund the R58bn budget gap between spending

commitments and revenue streams. Rather, and to avoid the recurrence of this political crisis, it is how to grow the economy.

We have run out of fiscal road and borrowing and taxing your way to prosperity has reached its limit.

The World Bank – a centre of caution in commenting on local politics, suggested that SA needs to relax both its labour laws and BEE requirements.

The Institute of Race Relations (IRR) is more forthright. Dr Gabriel Crouse of the IRR pointed out that the BEE procurement premium can add 25% to the cost of every tender for a road and a robot.

The logical approach is to cut the ideology and ramp up the common-sense approach to policy and spending. That seems, on past form, unlikely. However, if there is any advantage to the world of pain which a mercurial and powerful US President Donald Trump has unleashed on the world, including SA, it must be that the old ways no longer apply to the new epoch.

In Germany, the cherished ‘debt brake’ is being released as new Chancellor Friedrich Merz acts on the new reality that Germany must now pay for the defence umbrella previously offered by a now retreating US.



SA faces its own big losses -from aid to trade -from the Trump administration. Doubling down on old ideology and failed policy is no defence. If we don't adapt and change, that R389bn spent each year on debt costs will multiply and then the budget larder will be truly emptied. And true impoverishment will result.

- Tony Leon
Executive Chairman



DIPLOMACY ON THE ROCKS: THE COMMUNICATION BLUNDER THAT EXPELLED AN AMBASSADOR

In a striking reminder that diplomacy, like all human relations, is at its core a communications exercise, the recent expulsion of South Africa's ambassador from the United States has sent ripples far beyond Washington. Declared "persona non grata" by US Secretary of State Marco Rubio, Ambassador Ebrahim Rasool was denounced for purported "race-baiting" and anti-American rhetoric—a move that, in effect, has deepened an already fractured bilateral relationship.

The episode underscores a fundamental truth: in our interconnected and digital world, every word carries weight. Diplomatic language, ideally, is crafted to bridge divides, not exacerbate them. When public statements are ill-considered or haphazard, the reverberations can be felt in the corridors of power, boardrooms and trading floors alike. Indeed, miscommunication in international relations can translate into real economic losses—from destabilised markets to weakened investor confidence—and, more broadly, a diminution of a nation's soft power.

It is here that the principles of strategic communications become not just relevant, but indispensable. Strategic communication is about more than 'spin'—it is an exercise in precision, clarity, and audience

insight. A well-calibrated diplomatic message takes into account not only the immediate political context, but also the long-term ramifications for national reputation and economic stability. It requires an intimate understanding of the audience and the cultural nuances that shape perception. Furthermore, it requires an acknowledgement that a message can move beyond the intended audience, and a mastery of the channels through which messages are disseminated. In a landscape where a single tweet or offhand remark can spread like fire through fynbos, and in this case, ignite international outrage, the ability to convey ideas with nuance and restraint is essential.

This is a specialised task and firms such as ours excel at delivering comprehensive public relations and strategic communications services tailored to help businesses and individuals avoid the pitfalls of miscommunication. Effective communication strategies align with the core objectives of the institution or individual concerned—ensuring every message is not only clear and compelling but also crafted to build lasting relationships and shape public narratives. Whether it's navigating complex political waters or managing a corporate crisis, this kind of expertise ensures that the narrative developed supports, rather than undermines, strategic goals.



In today's volatile geopolitical and economic climate, no organisation can afford to leave its communications to chance. The lessons from the Rasool incident are clear: failing to tailor a message thoughtfully can lead to lasting damage, both reputationally and economically. By investing in robust, strategic communications, companies can safeguard their interests, enhance stakeholder trust, and, ultimately, avoid finding themselves on the wrong side of history—or declared *persona non grata*.

- Mauritz Venter
Junior Account Manager



THE WORLD HAS CHANGED, SO SHOULD WE

The start of 2025 has ushered in a new global reality. President Donald Trump's second term is not only reshaping the United States but also redefining its global position and the intricate interdependencies between nations. This shift forces us to confront a crucial question: how do we, as South Africa, adapt to a world that is rapidly changing?

When faced with seismic change, we have two choices—cling to outdated models or embrace a new approach. So far, many key players, both in the U.S. and South Africa, seem to be struggling with this decision. The private sector too seem to be grappling with the implications of the new global political reality, but also often have a far shorter timeframe to adapt. Exporters will feel the loss of preferential trade agreements immediately, and will continue to feel the impact over the many years it will take to replace or renegotiate treaties or market access

South Africa did not reach this crossroads with the election of US President Trump, but with the 2024 elections. The people of South Africa delivered a clear message: 30 years of ANC policy was not working and we demanded a new political direction. The formation of the Government of National Unity (GNU) has the potential to be a turning point. Yet, instead of crafting bold new policies, we seem stuck in a cycle of repeating past mistakes. At the heart of South Africa's challenges is the economy.

A stagnant economy cannot support a thriving nation.

Growing the economy and creating jobs should be the GNU's top priority. Instead, we see a continued reliance on overburdening an already small tax base. Finance Minister Enoch Godongwana acknowledges the need for economic growth, but the solution isn't higher taxes—it's expanding the tax base. That means job creation, business-friendly policies that enable people starting new businesses or expanding existing ones, and real investment and enabling policies in industries that can drive sustainable growth.

If the government is serious about change, it needs to focus on practical economic solutions. The government of national unity should have a unity of vision, and various departments should align to create policies that incentivise investment and unlock new business opportunities.

But domestic policy is one part of this puzzle. Just as our local context has changed since 2024, South Africa must recognise that the world stage has changed in just the past three months. Clinging to ideological positions of the past at the expense of economic opportunities is not a strategy — it's a risk.

We must ask: Are we engaging with the world as it is, or as we wish it to be? The global economic and political order has shifted. Maintaining our



moral high ground is important, but it cannot come at the cost of jobs, international trade, and economic stability.

We should aim to strengthen trade relationships across the board. South Africa is a country with immense growth opportunity, especially since we have the ability to export the fruits of our agricultural and industrial labour.

With domestic and foreign policy based on the singular principle to grow the economy, South Africa will be able to address many of our domestic social ills.

But economic growth won't happen in a vacuum. Companies and individuals that use strategic communication and targeted stakeholder engagement to advocate for growth-oriented policies, build partnerships, and drive investment will shape South Africa's future.

The GNU was formed out of necessity, but now it must prove its effectiveness in forging a new future for South Africa amidst unprecedented global shifts. We cannot afford to recycle policies that have failed before. Instead, we need leadership that is proactive, pragmatic, and prepared to navigate a new global reality whilst realistically dealing with the myriad of challenges locally.

The world has changed. So should we.

-Gerhard Mulder
Account Manager



SHAPING YOUR NARRATIVE IN UNCERTAIN TIMES

The theme of 2025 so far has been that of uncertainty. Whether this be at an international level with what appears to be the rapid unstitching of the post-World War Two rules-based international order, the growing impact of Artificial Intelligence on the future of work, or at a national level where there still remains uncertainty as to how a national budget will be passed. Everywhere one looks, there is a real sense of insecurity and rapid, often destructive change.

An unstable operating environment presents both opportunities and risks for the private sector. There is sometimes a tendency for businesses to adopt a passive posture when the environment is fast-moving, highly contested, or politically charged. While sometimes not saying anything is the right strategy, more often than not, the best way to manage risk is to use strategic communications to create a more conducive operating environment.

Effective communication can bridge the gap between business, government, and the public. Without it, misinformation can thrive, which in turn can breed more mistrust and instability. This is particularly evident in government policies, where a lack of engagement often results in resistance, protests, or policy failures. In South Africa's complex business landscape, companies need to be especially cognisant of the need for effective strategic communications and

stakeholder engagement strategies. Companies that ignore their stakeholders – be it customers, employees, investors, or communities – risk reputational damage, loss of market share, and even legal challenges. Moreover, in a time of digital communication, the power of social media and real-time communication simply cannot be ignored.

Misinformation is spreading faster than ever, making it essential for companies to proactively shape narratives or risk having those narratives defined for them. The good news for companies seeking to positively impact the public square is that there are powerful tools to help in this process. A relevant message and the use of data-driven insights can allow for cost-effective and targeted communication strategies that can reach the identified audience in a highly targeted manner.

Ultimately, even in times of growing uncertainty seemingly all around us, there remains enormous scope to manage and mitigate risk by adopting a clear-headed, proactive, and targeted strategic communications and engagement strategy. One thing is for certain – staying silent and keeping your head down will give companies no chance of influencing for the better an increasingly unstable world.

- Paul Boughey
Chief Executive Officer



RESOLVE COMMUNICATIONS

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We excel in setting the news agenda in top-tier print, radio, television, online and social media. We don't just make the news, we make a difference.

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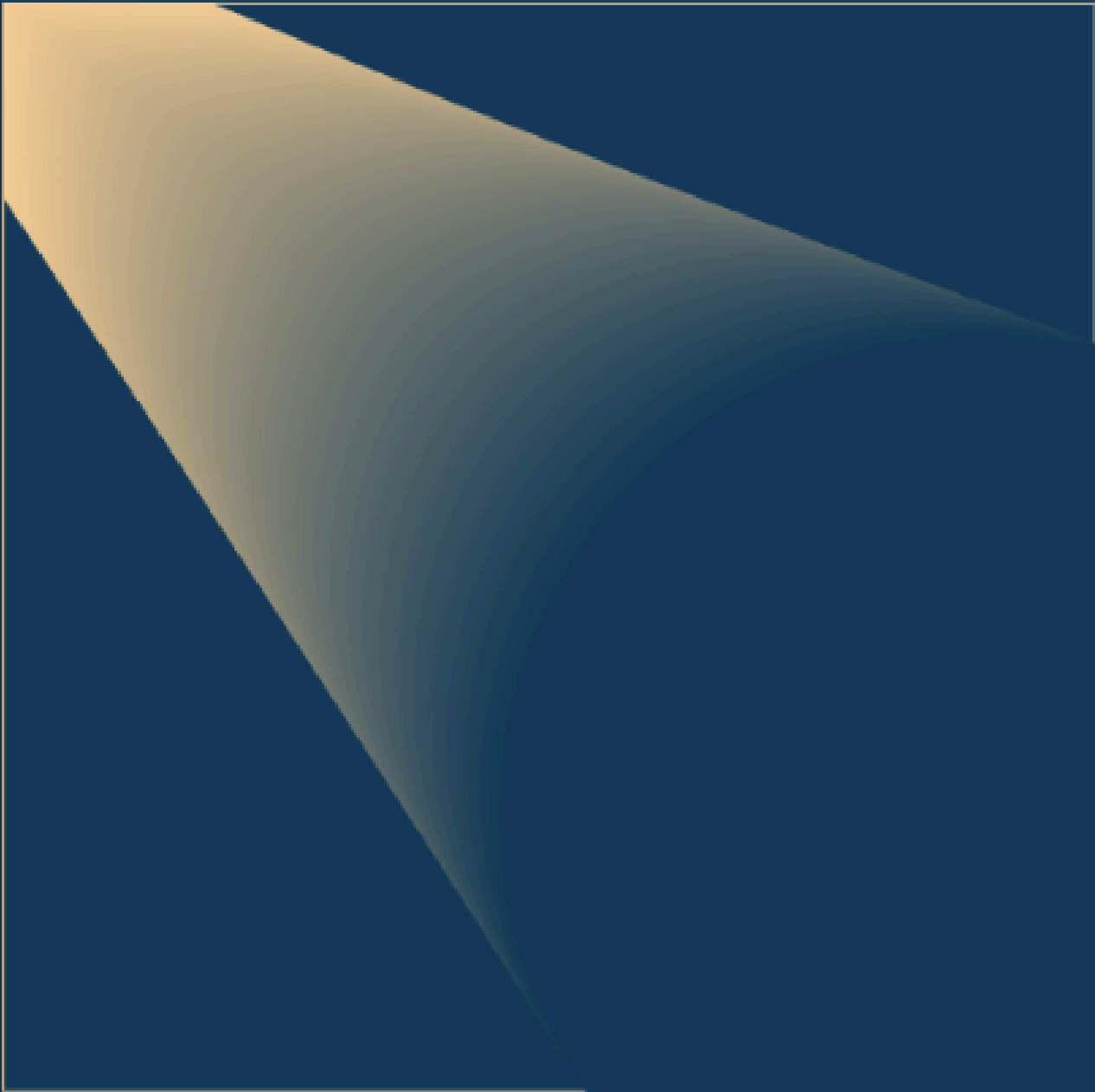
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