



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5111



@Treasury\_RSA



National Treasury RSA



National Treasury of South Africa



@treasuryrsa

[www.treasury.gov.za](http://www.treasury.gov.za)

---

# SPEECH BY THE MINISTER OF FINANCE AT THE OPENING OF THE MEETING OF COMMITTEE OF MINISTERS OF FINANCE AND INVESTMENT

---

**Honourable Ministers**

**Governors of Central Banks**

**His Excellency Mr. Elias Magosi, SADC Executive Secretary**

**Her Excellency Ms Angele Makombo N'tumba, SADC Deputy Executive Secretary for Regional Integration**

**Senior Treasury Officials**

**SADC Secretariat Staff**

**Representatives of the Media**

**Distinguished Ladies and Gentlemen**

I feel both honoured and privileged, in my capacity as Chairperson of the SADC Committee of Ministers of Finance and Investment and Co-Chairperson of the SADC Peer Review Panel, to warmly welcome you all to these important meetings. I also thank our gracious host, the Republic of Zimbabwe, for receiving all delegates warmly and hospitably, and providing facilities for productive discussions on these critical issues facing the SADC region.

Honourable Ministers and Distinguished Governors, the global outlook has deteriorated in a significant way. This negative on SADC, and Africa is due to outbreak of war in the Middle East since February 2026. The closure of the Strait of Hormuz, combined with damage to critical production facilities in that pose material risk to energy security and accumulating price pressures.



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

## SADC COMMITTEE OF MINISTERS OF FINANCE AND INVESTMENT

Regrettably, this comes after a year in which the global economy had already been tested by trade related uncertainties. Against this backdrop, the International Monetary Fund (IMF) projects global economic growth to moderate to 3.1 percent in 2026 and to 3.2 percent in 2027 and impacting varying according to obtaining conditions in different economies.

For Sub-Saharan Africa, economic growth has reached an estimated 4.5% in 2025, largely supported by effective macroeconomic stabilization policies that also contributed to sovereign upgrades in countries such as South Africa and Zambia respectively. However, economic growth is now forecast to moderate to 4.3% in 2026, reflecting the impact of the war on oil, gas and fertilizer prices which are critical inputs to the agriculture, mining, transport and tourism sectors. Looking ahead, growth is expected to pick up to 4.4% in 2027, driven by anticipated increases in public investment, improved agricultural output, and stronger export performance.

Persisting global uncertainties will continue to raise borrowing costs materially and force adjustment in countries with large refinancing needs.

The overall impact of the conflict is already being felt across the SADC region through the direct effects of rising fuel and fertilizer prices. This represents a classic negative supply shock, increasing the cost of energy-intensive goods and services, including agricultural output and food inflation.

**Honourable Ministers and Distinguished Governors,** Sub-Saharan Africa has entered a new phase of declining aid. Initial estimates by the IMF suggest a 16–28% contraction in bilateral aid starting in 2025. These cuts are donor-driven and broad-based in scope and not a reflection of individual country performance. Unlike previous downturns, the current reductions are large, and highly unpredictable, representing a systemic and potentially lasting shock rather than a temporary disruption. The poorest and most fragile countries will be disproportionately affected.

This shifting landscape calls for a structural transformation in development finance across the SADC region. Beyond protecting critical social sectors, there is an urgent need to pivot toward more sustainable and diversified financing models, leveraging blended finance, public–private partnerships (PPPs), and deeper private sector participation to offset declining donor flows.



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

## SADC COMMITTEE OF MINISTERS OF FINANCE AND INVESTMENT

SADC Member States should then consider adopting coordinated, and forward-looking economic and policy responses to cushion their economies against these exogenous negative shocks. Key amongst the various policy options available include positioning SADC as a competitive regional production hub. Importantly, this will require leveraging critical minerals to drive industrialisation, promoting food security through cooperation in agricultural production and agro-processing, deepening intra-regional trade integration, and strengthening resilient infrastructure and supply chains. As Ministers of Finance, we are looked upon to provide solutions that should enhance financial resilience whilst embracing innovation, improving climate resilience, and reinforcing strategic partnerships, especially with the private sector.

**Honourable Ministers and Distinguished Governors,** I would like to emphasize that all these initiatives require sustained political leadership, stronger institutional coordination, and a decisive shift from commitments to actual implementation. In this regard, Honourable Ministers and Central Bank Governors, we will need to prioritize on a select set of high-impact actions. Amongst these, for example, are the trade facilitation reforms, development of transport and logistics corridors, seamless transmission of digital payments, including reducing the cost of remittances across the region.

**Honourable Ministers and Distinguished Governors,** our meeting today will consider the report of the Senior Officials which discussed a number of issues including reviewing progress made in the implementation of our decisions and strategic programmes for the region as articulated in the Regional Indicative Strategic Development Plan.

Allow me to thank the Senior Treasury Officials and Experts for the thoroughness they exercised in preparing our documents. This will make our discussions easier and efficient. With these remarks, I would like to thank you for your attention and look forward to fruitful deliberations on the issues to be discussed and considered by the meeting.



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

**SADC COMMITTEE OF MINISTERS OF FINANCE AND INVESTMENT**

**Thank you very much!**

**Tinotenda!**

**Assante sana!**

**Muito obrigado!**

**Merci Beaucoup!**

**Ndiyabulela!**