

Risk Report 2025/6



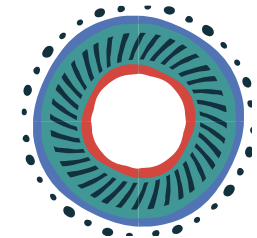
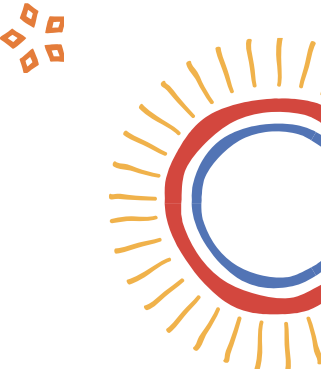


Sponsors



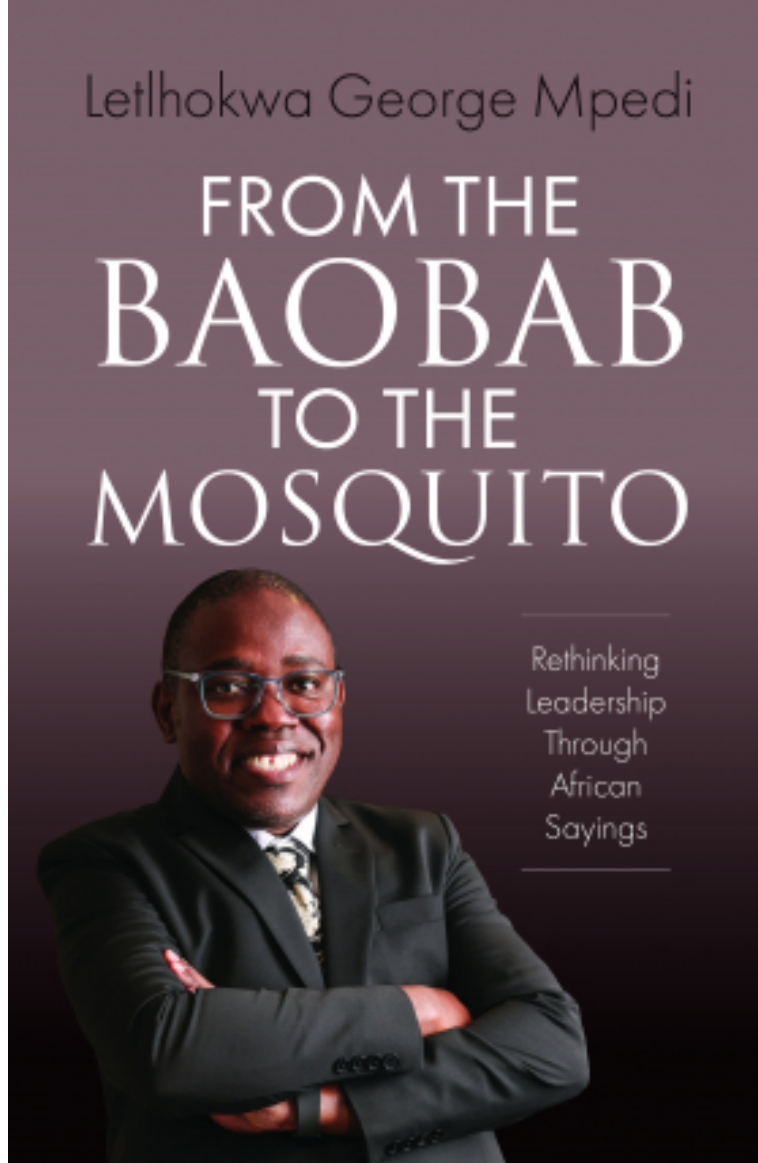
AGENDA

- Fundamental Principles and Methodology
- How to Read the Report
- National Risk Culture: South Africa First
- Top 6 National Priorities: From Leadership to Social Security
- Shaping the Future:
 - Risk-Based Scenarios, Opportunities, and Risks
 - Impact on our National Targets
 - Root Causes, Drivers, Pivots, Actions, and Outcomes
- Call to Action: Leadership
- Top 10 Risks and Opportunities
- Geographical Perspective
- 17 Economic Sectors
- Thank you



Fundamental Principles

Back to the Roots of Leadership



“
*Wisdom is like
a baobab tree;
you cannot
embrace it alone*
”



Fundamental Principles

“**Radical**” means -

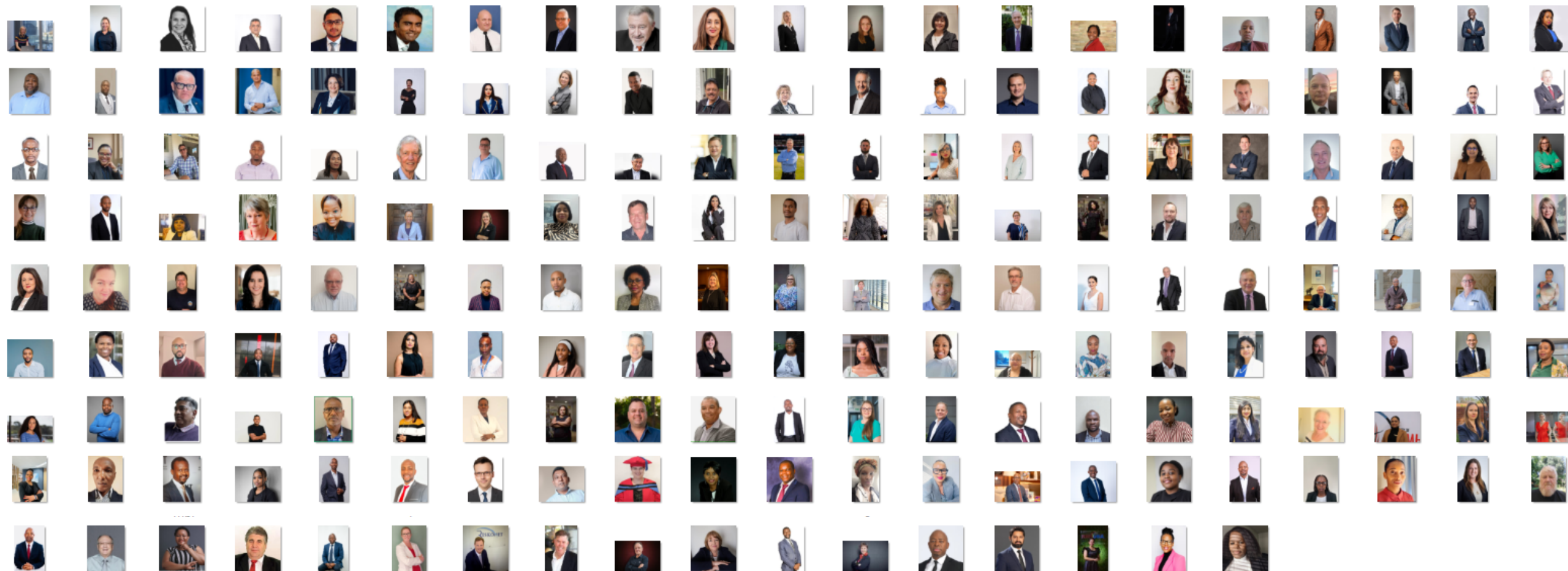
- the most basic and important parts of something; a complete and detailed view;
- vital, or fundamental to, or inherent in the natural processes of life; and/or
- advocating for or based on thorough or complete reform.



Radical Collaboration

The Report demonstrates how SA's risk culture can be fundamentally changed when people with diverse backgrounds, skills, and viewpoints find common ground and present a coherent view on how to proceed in the interest of the greater good.

#leadwhereyouare



#leadwhereyouare



AgricultSURE



OUTA



RISKONET



bestMed
medical scheme



RQI
The RQ Institute



Cashbuild



SILAS

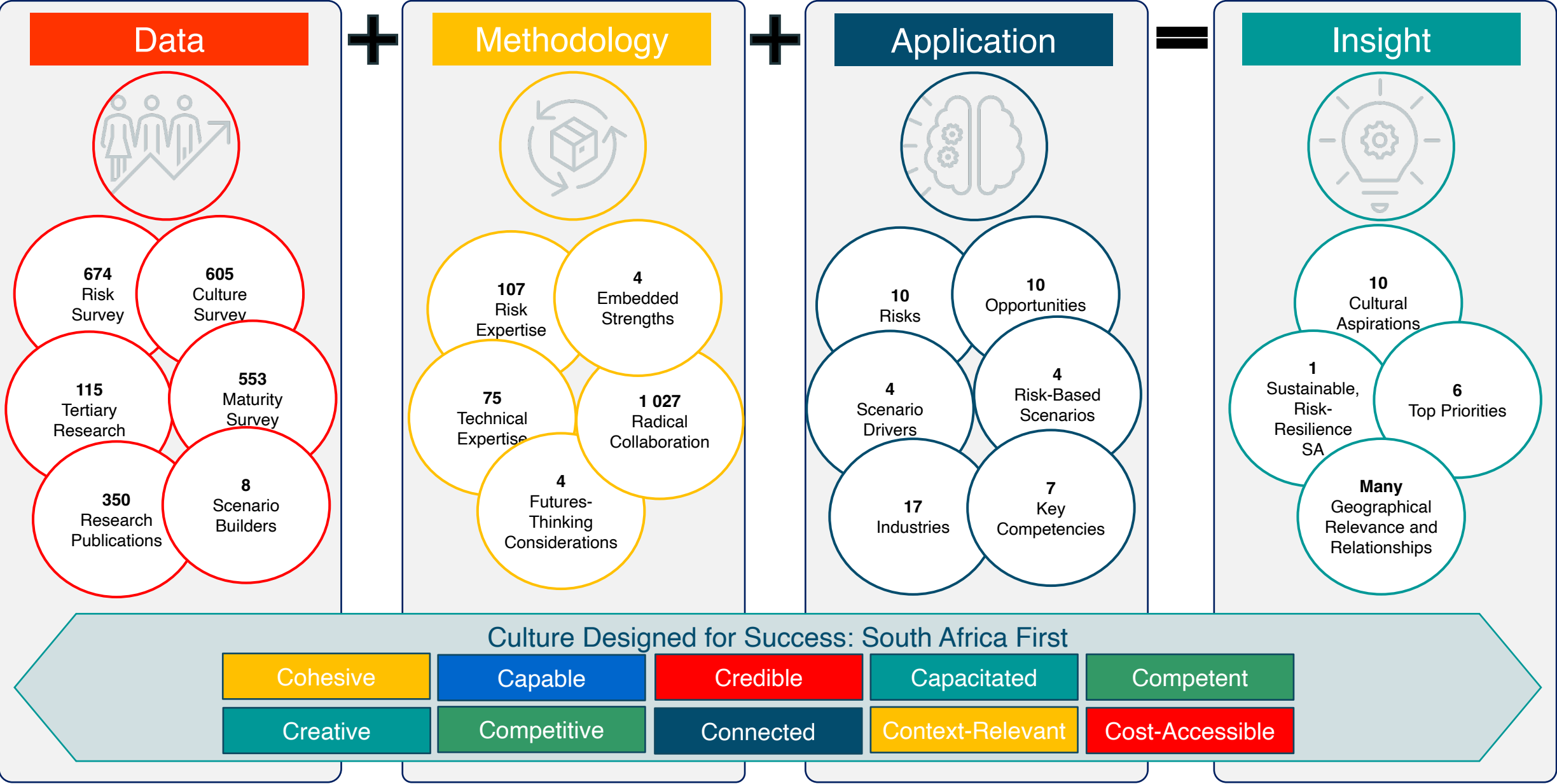


Telkom



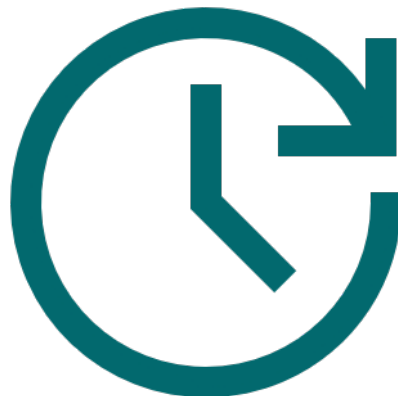
Methodology

Methodology



How to Read the Report

Leadership Perspectives, Location, and Relationships



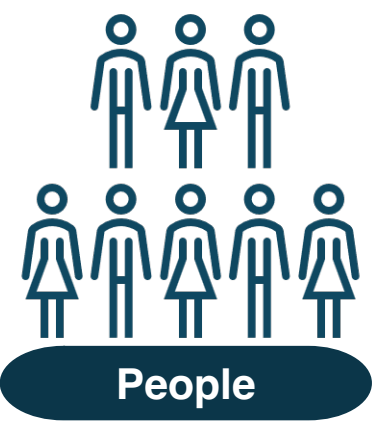
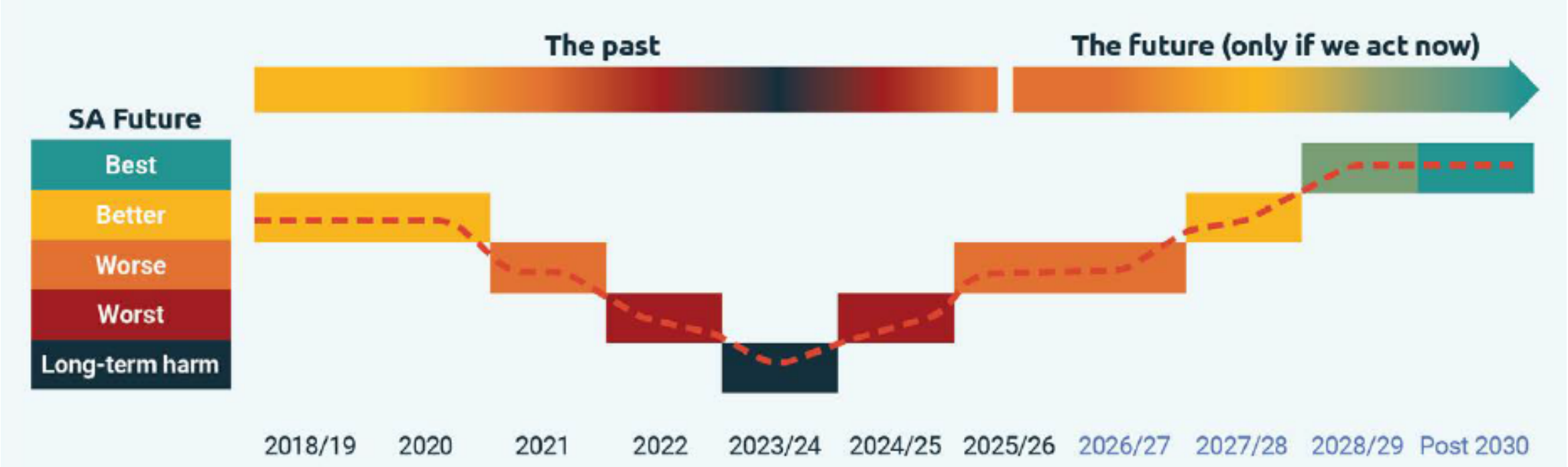
From
Siloed
Short-Term
Leadership
Thinking
Rooted in

Opportunity
y Integrated
Long-Term
Leadership
Thinking
Rooted in

Location, location,
location!

Foreign
Policy
SA's Interest
First
Bi- and
Multi-Lateral

Balancing history, reality, and prediction with what we have available now



National Risk Culture: South Africa First

National Risk Culture: South Africa First

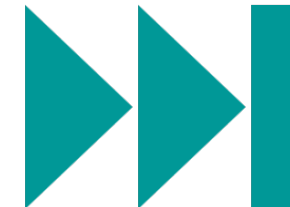
- With incapacitated institutions and leaders, we will not survive. With them, we will thrive.
- Quadruple helix collaboration can unleash transformational innovation and growth.
- Only deep investment in human capital will unlock real growth.
- Nutritional food security, nurturing ECD, R4M@Gr4, robust STEM skills, problem-based learning, design-thinking.



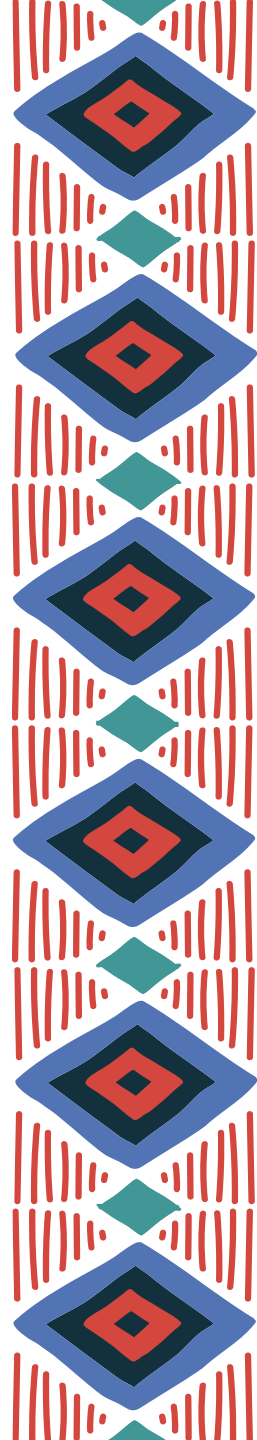
**Stop reverse
engineering
the future
(fixing
outcomes)**



**Continue
collaborating across
society, business,
the State and
academia**



**Start
redesigning
inputs to
address root
causes of
challenges**



Top Six National Priorities

Top 6 National Priorities

Leadership

Activate the most competent leaders in critical vacancies

SA's reality drives a level of risk that it cannot survive. Solutions must be deployed at speed to avoid a failed state.

- Fill critical vacancies
- Embed achievement of GNU Fundamental Principles and Minimum Programme of Priorities

Policy

Embed political cohesion through governance and policy reforms

Divisive politics is a leading indicator for delayed execution of recovery initiatives. If prolonged, SA will not survive post 2030 and will become a failed State.

- Implement investment friendly policies
- Resolve ideological policy differences
- Institutionalise PPPs
- Deepen social compact

Capability

Build State capability and strengthen the rule of law

State capability and lawful, ethical conduct is a foundational pivot for trust, investor confidence, and institutional capacity. Crime undermines this.

- Embed performance-based accountability in the State
- Operationalise NAC
- Accelerate FATF Greylist exit
- Capacitate NPA, SIU and judiciary

Infrastructure

Urgently re-capacitate public infrastructure

Infrastructure failures are structural drivers of economic regression and social fragmentation.

- Scale PPPs in network industries
- Ringfence capex with transparent delivery
- Expand PPP collaboration

Economic Growth

Drive inclusive economic growth

Economic regression makes SA increasingly poorer over time.

- Re-capacitate network industries through PPPs
- Drive economic growth to exceed population growth

People

Invest in people, e.g., reconciliation, healthcare, education

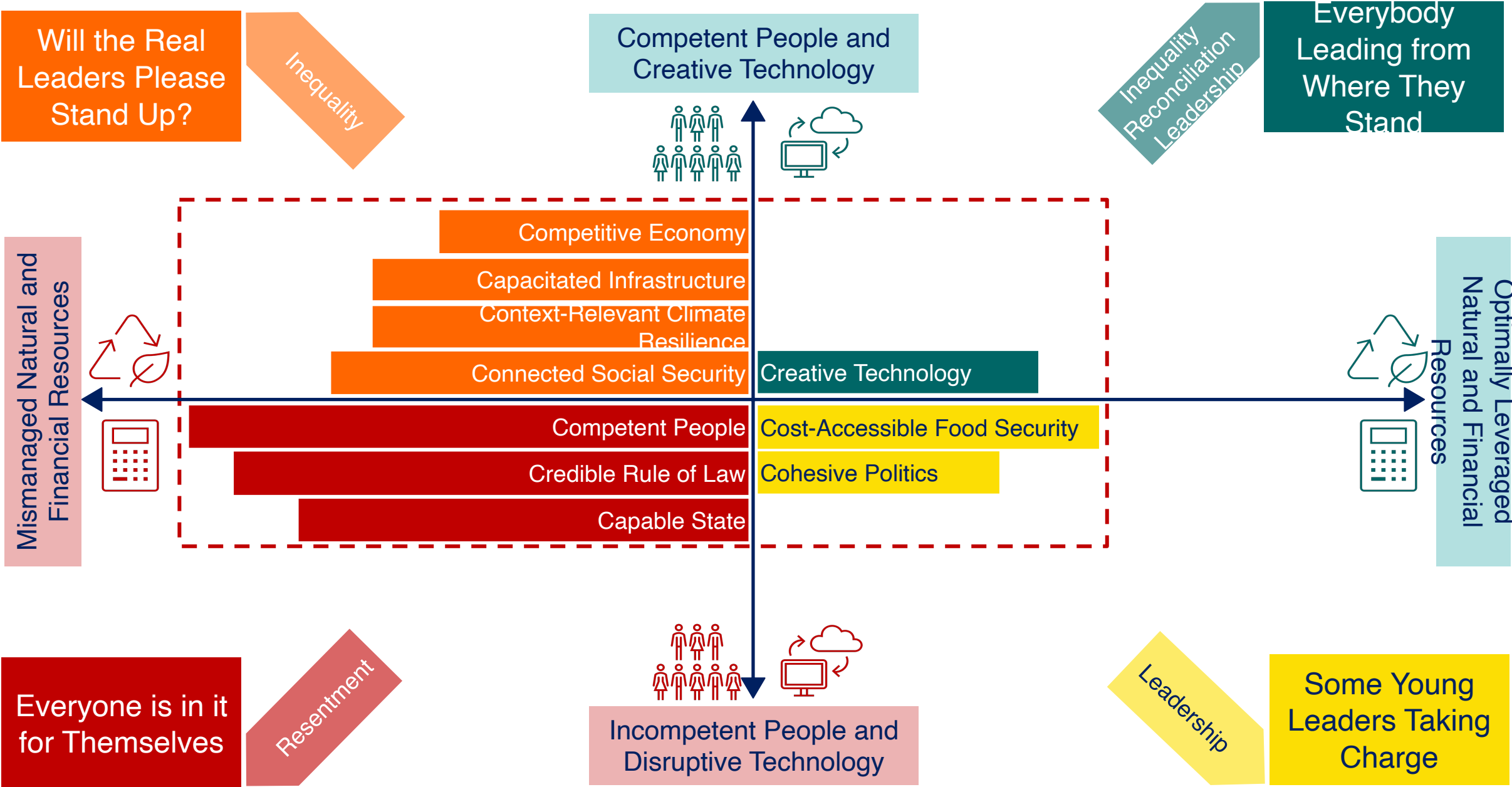
Insufficient human capital cause increased inequality and resentment. Competent people is the only pivot that can enable a better scenario.

- Prioritise ECD and R4M@Gr4
- Strengthen STEM and digital skills education
- Address teacher quality and accountability
- Attract and retain high-scarcity professional skills.

Shaping the Future

Risk Report
2025/6

Risk-Based Scenarios, Opportunities, and Risks





Target	Dimension	Value
Competitive Economy	Economic	3.5
Capacitated Infrastructure	Infrastructure	3.0
Context-Relevant Climate Resilience	Climate Resilience	2.5
Connected Social Security	Social Security	2.0
Cohesive Politics	Politics	2.0
Competent People	People	1.0
Cost-Accessible Food Security	Food Security	1.0
Credible Rule of Law	Rule of Law	0.5
Cohesive Politics	Politics	0.5
Capable State	State Capability	0.5

Respect for the Constitution and rule of law
Non-racialism and non-sexism
Social justice, redress, equity, and alleviate poverty
Human dignity and progressive realisation of socio-economic rights
Accountability, transparency, and community participation
Integrity and good governance
Evidence-based policy and decision-making

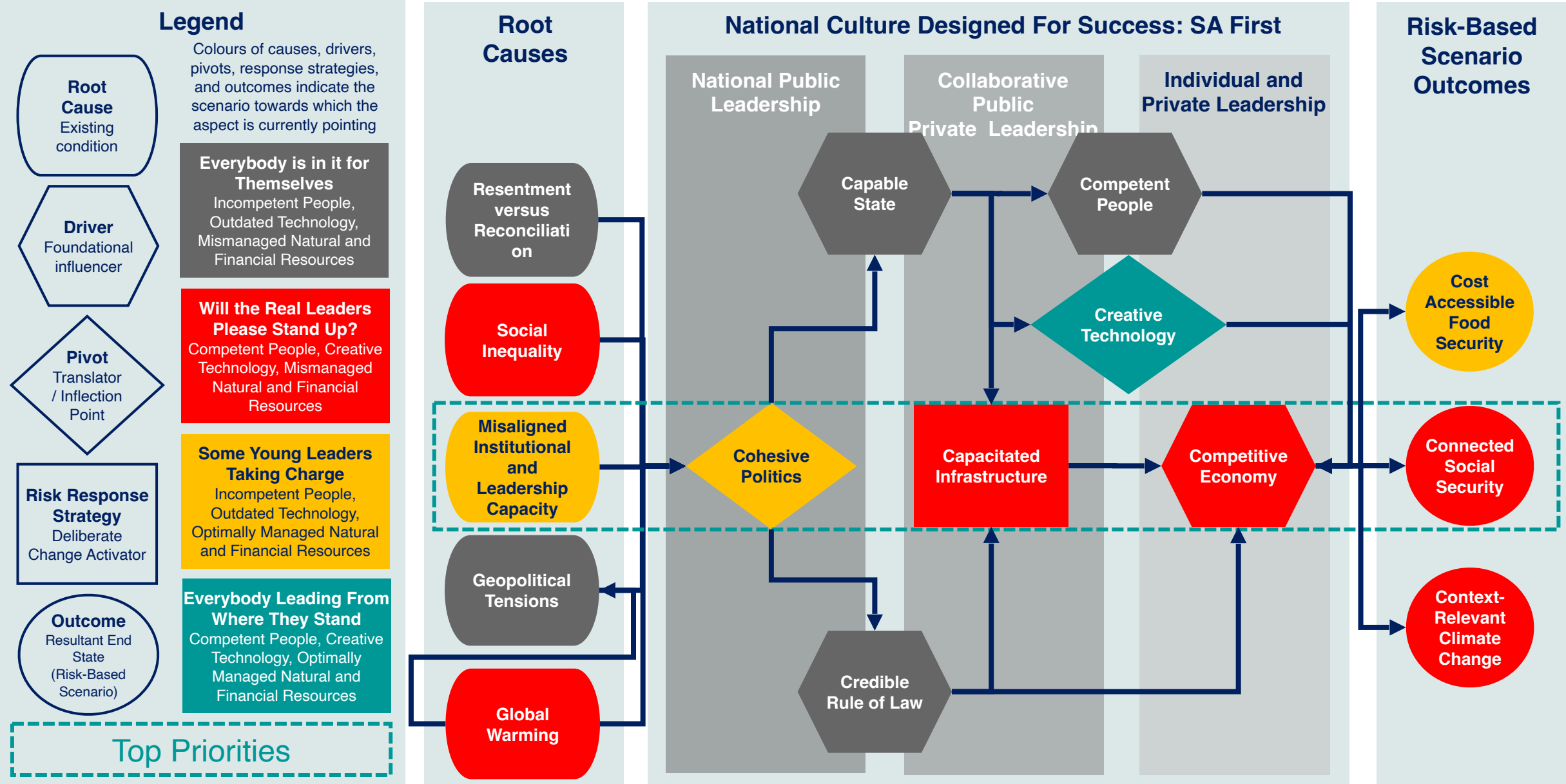
Rapid, inclusive, sustainable economic growth and job creation
Reduce poverty and tackle the high cost of living
Improve delivery of basic services and bring stability to local government
Investing in people through quality education and healthcare
Rebuild the capability of the State and create a professional public service
Strengthen law enforcement agencies to address crime and corruption
Social cohesion and nation building
Foreign policy based on human rights, constitutionalism, national interest

Competent People
Creative Technology
Capable State
Credible Rule of Law
Competitive Economy
Cohesive Politics
Capacitated Infrastructure
Cost-Accessible Food Security
Context-Relevant Climate Resilience
Connected Social Security

Everyone is in it for themselves	Will the Real Leaders Please Stand Up?	Some Young Leaders Taking Charge	Everyone Leading from where They Stand
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Root Causes, Drivers, Pivots, Actions, and Outcomes



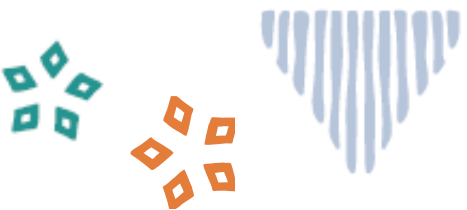
Call To Action

Develop, Embed, Maintain, and Improve 7 Key Competencies

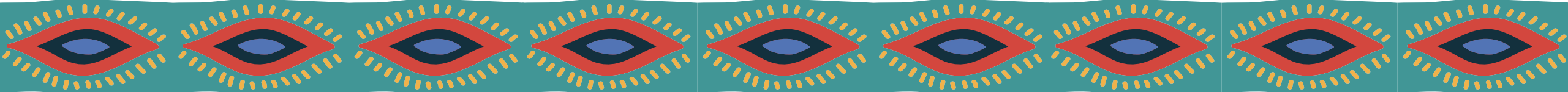
- Institutional and Leadership Capacity
- Good Governance
- Sustainability
- Risk Management Maturity
- Risk Response Strategies
- Risk Financing
- National Risk Culture Designed for Success



Call to Action: Leadership



Informal and Formal Leadership Capacity	Risk: Siloed Short-Term Leadership Thinking	Opportunity: Integrated Long-Term Leadership Thinking
Politicians	Misaligned ideological policy direction, self-interest, negative national discourse, exploitation of the majority’s vulnerabilities.	Cohesive policy, servant leadership, moral and ethical commitment, positive national discourse, creating foundational platforms for the majority to thrive.
Corporate Executives and Governing Bodies	Short-term performance and shareholder value, prioritising profits over ethics, internal focus versus sustainable corporate social responsibility.	Sustainability, ESG-focus, good governance and risk management, and inclusive stakeholder value prioritising ethics over profits, job-security, and inclusive growth.
Social Leaders (clubs, churches, schools)	Divisive public opinion, destructive mobilisation of communities.	Promote reconciliation, advocate for marginalised communities, build positive dialogue and peace.
Individual Citizens	Voter apathy, moral despondency, vulnerability to crime (victims and perpetrators), consumer choices, prioritising survival above education and investment.	Constructive civic duties (e.g., voting, demanding accountability, community support), ethical behaviours, support local businesses, invest in education.



Top 10 Risks and Opportunities

Top 10 Risks and Opportunities

Political instability



Cohesive Politics

Failed State



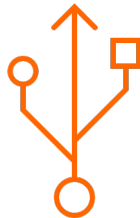
Capable State

Breakdown in the rule of law



Credible Rule of Law

Failed public infrastructure



Capacitated Infrastructure

Insufficient human capital



Competent People

Disruptive technology



Creative Technology

Economic regression / stagnation



Competitive Economy

Inequality and social fragmentation



Connected Social Security

Extreme weather events and changing weather patterns



Context-Relevant Climate Resilience

Long-term malnutrition and developmental stunting



Cost-Accessible Food Security

Geographical Perspective

Geographical Perspective

Assessment of high risk, low risk, and opportunity:

- WEF Global Risk Report
- Global Edge – Michigan State University and Coface
- ABSA African Financial Markets Index

Risks

Climate change, energy shortages, inflation, economic downturn, poverty, crime, armed conflict .

Opportunities

Agriculture, forestry, fisheries, minerals, oil & gas, tourism.

Strengths

Financial sector, attractive growth foundation, recognition of need for policy reform.

Resilience

SADC fairly stable despite external shocks delaying capital market advances.

Sustainability

23 countries introduced ESG considerations in market frameworks.

	Angola		Botswana		DRC		Kenya		Lesotho		Malawi		Mauritius		Namibia		South Africa		Zambia		Zimbabwe	
	2024	2025	2024	2025	2025	2025	2024	2025	2024	2025	2024	2025	2024	2025	2025	2024	2025	2025	2024	2025		
Armed Conflict (proxy wars)																						
Crime (Blot econ. activity)																						
Climate Adaptation Failure																						
Climate Mitigation Failure																						
Digital Inequality																						
Economic Downturn																						
Energy Supply Shortage																						
Extreme Weather Events																						
Food Supply Shortage																						
Household Debt																						
Health Chronic conditions																						
Inflation																						
Involuntary Migration																						
Labour / Talent Shortage																						
Poverty/Income Inequality																						
Public Debt																						
State Fragility																						
Unemployment																						
Water Supply Shortage																						

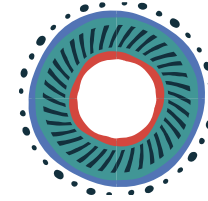
Risk Element	Angola	Botswana	DRC	Kenya	Lesotho	Malawi	Mauritius	Namibia	South Africa	Zambia	Zimbabwe
Country Risk Rating	C	B	-	D	D	C	C	D	A4	D	B
Business Climate Rating	D	A4	-	E	C	A4	B	A4	C	A4	E
Agriculture, forestry and fisheries											
Business attractiveness, trade agreements											
Climate change impacts, extreme weather											
Conflict, war, political stability, democracy											
Crime (including high levels of corruption)											
Commercial delinquency, e.g. China											
Dependence on RSA											
Disease											
Financial sector											
Food security											
Geographical location (isolated vs trade routes)											
Good governance and strong institutions											
Hydropower											
Industry (textile & clothing, diversified or not)											
Infrastructure											
Mineral resources											
Oil and natural gas											
Skills, human capital											
Tourism											
Unemployment, low wages, poverty											

	Rank		Score		Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5	Pillar 6
SADC Country	2023	2024	2023	2024	Market Depth	Access to Foreign Exchange	Transparency, Tax & Regulatory Environment	Capacity of Local Investors	Macroeconomic Environment & Transparency	Legal Standards & Enforceability
Angola	20	25	43	41	38	59	61	12	52	25
Botswana	7	6	58	59	56	68	58	58	58	10
DRC	26	28	35	35	22	48	50	18	73	10
Eswatini	13	13	46	47	26	50	60	57	79	10
Kenya	8	8	58	57	38	70	35	18	76	55
Lesotho	25	27	35	36	12	56	37	31	72	10
Madagascar	27	26	34	36	20	79	32	19	68	10
Malawi	18	17	43	44	26	46	60	12	70	55
Mauritius	2	2	77	77	56	76	95	64	62	100
Mozambique	22	20	41	43	35	47	45	15	74	40
Namibia	5	5	61	61	38	54	59	100	77	40
Seychelles	14	16	45	45	19	56	50	60	77	10
South Africa	1	1	87	87	100	87	99	66	78	100
Tanzania	12	12	50	52	49	60	77	19	85	55
Zambia	10	10	55	56	31	56	77	11	75	85
Zimbabwe	17	18	44	43	16	38	82	21	70	40
Average	14	15	51	51	36	59	65	35	74	41

Industry Sector Application



17 Industry Sectors



Agriculture, Forestry, and Fisheries

- Communication and Digital Economy
- Construction, Property, and Real Estate
- Education
- Energy
- Financial Services
- Healthcare
- Manufacturing

- Mining
- Non-Profit Entities
- Professional Services
- Public Service
- Small Micro and Medium Enterprises
- Sport and Recreation
- Retail, Trade, and Commerce
- Tourism and Hospitality



THANK YOU

