

40 days that changed the world 2025

7 March

It is now just more than 40 days since Donald Trump became president. In those 40 days he has changed the world order fundamentally - for the worse.

Fulfilling Henry Kissinger's warning - turning on friends

Probably one of the most significant American diplomats of the last 50 years, Henry Kissinger, once remarked, 'To be an enemy of America is dangerous, to be a friend fatal.' It has never been as true as now.

From Ukraine to that most loyal of all neighbours, Canada; from Europe to the millions kept alive by USAID funding; from the Middle East to Southeast Asia, all can now attest to the profound accuracy of Kissinger's words.

Trump is tearing up agreements and relationships agreed over decades. He re-negotiated the North American trade agreement with Canada and Mexico in his first term. Now, he claims it was a bad agreement and simply slaps 25% import tariffs on both. Breaking agreements breaks trust, respect and power. The 'rules-based international order' the Americans are so fond of preaching, is out of the window.

The envisaged land grabs of Greenland, Panama, Canada and Gaza are beyond breathtaking. Very rich then to complain about so-called land grabs in SA.

No wonder that on Trump's 36th day in office, the middle-of-the-road Financial Times had a headline: 'America is now an enemy of the West'. It is an astonishing headline, but very apt. And all that in less than 40 days!

Withdrawing from the world

In 2017, when Trump was first elected, he withdrew the US from the TPP, the Trans-Pacific Partnership, on his first day in office. The TPP was a group of 12 nations on the Pacific that negotiated the gold standard of trade agreements complete with labour, environmental and intellectual property protection. For a while the US withdrawal had a paralysing effect on the remaining members, some saying it was impossible to proceed without the US. However, the countries pulled themselves together, ratified the agreement, ironically minus the intellectual property provisions the US fought for, and re-birthed the TPP under a new name. China, the UK and South Korea have applied for membership. The world moved on.

This time round, Trump did the same by withdrawing from the World Health Organisation, the Paris accord, the trade accord with Canada and Mexico, and probably the G20. The rest of us must take our cue from the TPP countries and find a way forward without America.

Where does it leave South Africa?

In 2012 the National Development Plan (NDP), compiled by Trevor Manuel and the first Planning Commission, postulated that power in the world is shifting from West to East. It emphasised diversified global partnerships to drive economic growth and development. In short, maintain relations with the old and build relations with the new. This has happened and today South Africa's exports look like this:

Asia (China, India and the ASEAN states)	35% (minerals, metals, coal)
Africa (largely SADC)	25% (manufactures, food, fuel)
Europe	25% (automotive, metals)
North America (Canada & US)	8% (gold, platinum, vehicles)
Middle East	4% (gold, agricultural products)

South America & Oceania

3% (minerals, agricultural products)

TOTAL

100%

These numbers make nonsense of the often-repeated idea that SA must 'choose between the US and China'. Maintain the old, build new.

It clearly isn't possible to retain relationships with all the old partners. The US is gunning for South Africa and likely also for Africa. It is only realistic to expect the AGOA benefits to end and the US to levy South African exports.

Top-rated economist Elna Moolman has run the numbers and estimated what effect a 10% levy on all trade between the US and its trading partners will have (assuming they all reciprocate with a 10% levy). The cumulative effect to GDP will be:

GDP levels	In 2025	In 2026
World	0,5% lower	0,8% lower
US	1,1% lower	1,3% lower
SA	0,1% lower	0,2% lower

This is, of course, a macro distribution. On the micro level, some SA exporters will be hit very hard (eg, vehicles and citrus exports from the Western Cape), others less so (eg aluminium). Exporters will have to develop different export destinations. The Africa Free Trade Agreement and expanding trade to other destinations will help to cushion the blow. Export diversification is never easy, but it can be done. Ethiopia was dropped from AGOA and immediately diversified its exports, substantially growing its exports to China.

Aid not trade

Where SA is more vulnerable, and where the US axe has already fallen, is in direct aid. This year SA would have received \$439 million in various aid programmes. At an exchange rate of R18,50 that would come to about R7,2 billion.

A lot of the aid was under PEPFAR (the President's Emergency Plan for AIDS Relief), a United States government initiative launched in 2003 by George Bush to address the global HIV/AIDS epidemic, primarily in countries with high infection rates. PEPFAR provides funding, treatment, and support for HIV prevention, care, and antiretroviral therapy, particularly in sub-Saharan Africa. That money was cut off in the last week of February, leaving many, many people to die.

Although SA provides 83% of the funds needed for our AIDS programs ourselves, about 17% came from PEPFAR. For the people treated in programs funded by the 17%, Kissinger's words may literally come true - it could be fatal!!

In addition the US has also withdrawn from the Just Energy Partnership globally. The impact on SA is that about R1,1 bil will be forfeited - about 9% of the JET funding raised from international partners.

The US Food office in Southern Africa has also been closed down.

SA's reaction

South Africa's reaction to Trump's wrecking ball has been remarkably muted. Collective discipline was clearly imposed on Gwede Mantashe after his comment on not exporting minerals to the US. A 'strategic silence' has been maintained by all government people. That is welcome. Let the diplomats and back-channels do their work.

In a parliamentary debate several ministers made the point that Trump owes South Africa nothing and that the country must learn to stand on its own feet.

In some liberal and far-right circles in our politics, there is a panting desire for Trump to do for them what they cannot do for themselves here. They are in for a severe disappointment. In fact, they could cause a

backlash. Canada's Trump-leaning Conservatives, supposed to be a shoo-in in the coming elections, are suddenly struggling. The opposition may still win, but it is no longer the slam dunk it was before Trump insulted the Canadians. It has happened time and again in politics that an external bogeyman galvanises internal support. Trump himself used immigrants to galvanise support. Apply the dynamic here and it would be the ultimate irony if Trump helps the ANC to claw back support towards 50%! Those who pine for Trump must be careful what they play with.

This changed world requires us to tackle the work we must do as a country with a greater sense of urgency. Structural reform in electricity transmission, ports and railways is taking too long. The budget must reflect hard choices. Hunger is a blemish we must ban. Economic growth must be restored to grow jobs and budget resources.

So what?

- The accepted world order has changed fundamentally. We must face that and find a way forward with like-minded partners.
- The idea that SA has to choose between the US and China is completely misguided. It ignores the NDP conclusion of 2012, and the reality that has already developed on the ground.
- The chainsaw that Trump has brought to US relationships with the world, particularly Europe, the Middle East and the Far East, may well open up new opportunities for SA.
- It is important to note that Trump is on the attack not just against South Africa but the world. Tariffs are levied all over and USAID has been dismantled everywhere.
- Losing US support will force SA to get its house in order - we must display a greater sense of urgency in doing what we must do.