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Meta Title:
How Ramaphosa’s Foreign Policy Affects Jobs & Cost of Living

Meta Description:
How does Ramaphosa’s foreign policy affect South African jobs, fuel prices and the cost of living? Explore Iran, Palestine, trade, inflation and unemployment.

Alt text:

Ramaphosa’s Foreign Policy: Impact on SA Jobs & Cost of Living

How Does Ramaphosa's Foreign Policy Affect Jobs and the Cost of Living in South Africa?

South Africa's unemployment rate has climbed to 33.6%, with about 8.5 million people unemployed, according to the latest Quarterly Labour Force Survey from Statistics South Africa (Stats SA). The official unemployment rate increased from 32.7% in the first quarter of 2026 to 33.6% in the second quarter.

For South Africans dealing with unemployment, expensive food, higher transport costs and pressure on household budgets, foreign policy can seem like a distant issue.

It is not.

South Africa may be thousands of kilometres from the Middle East, but geopolitical conflicts involving the United States, Russia and Iran can affect South Africans through oil prices, fuel costs, shipping routes, food prices, inflation, trade and investment.

Unemployment has remained above 30% for years and reflects longstanding structural weaknesses in the domestic economy.

The more useful question is different:

How does Ramaphosa's foreign policy affect the ability of South Africa's economy to withstand international shocks — and how can those shocks ultimately affect jobs and the cost of living?

The answer runs through a chain that connects international relations to everyday household expenses:

Foreign-policy tensions → oil and shipping disruption → higher fuel costs → higher transport and business costs → inflationary pressure → weaker household purchasing power → pressure on economic activity and jobs.

South Africa's unemployment rate reaches 33.6%

Key South African labour-market statistics

Indicator	Q1 2026	Q2 2026	Change
Official unemployment rate	32.7%	**33.6%**	+0.9 percentage points
Unemployed people	About 8.1 million	**8.5 million**	+345,000
Employed people	About 16.7 million	**16.7 million**	-16,000
LU3 labour underutilisation	43.7%	**43.8%**	+0.1 percentage point
LU4 labour underutilisation	46.3%	**46.3%**	Unchanged

Stats SA reported that the number of unemployed people increased by 345,000 to 8.5 million in Q2 2026, while employment decreased by 16,000 to 16.7 million. The broader LU3 measure, which includes unemployed people and the potential labour force, reached 43.8%.

Did the Iran war cause South Africa's unemployment rate to rise to 33.6%?

South Africa's unemployment crisis is structural and predates the current Middle East conflict. The International Monetary Fund has repeatedly identified slow growth, infrastructure constraints, labour-market rigidities, high public debt and other domestic weaknesses as barriers to stronger employment creation.

The Iran conflict should therefore be understood as an additional external shock hitting an already vulnerable economy, rather than the single cause of South Africa's unemployment problem.

How can a war involving Iran affect South African jobs?

The simplest explanation is the relationship between energy, logistics and employment.

Consider this chain:

Iran conflict → oil-market disruption → higher fuel prices → higher transport costs → higher business costs → weaker consumer demand and investment → pressure on employment.

South Africa does not need to participate directly in a war for its economy to feel the consequences.

The country is integrated into global energy and shipping markets. When a conflict threatens supplies or major maritime routes, international oil prices can rise. Those higher costs can then reach South Africa through fuel imports, transport and production.

The impact can be particularly significant because diesel is deeply embedded in the South African economy.

Research published by Polity in May 2026, based on analysis by researchers at the Bureau for Economic Research, estimated that higher fuel prices could add approximately R45 billion in additional fuel costs to the South African economy during Q2 2026 alone. Almost 70% of that additional burden was estimated to come from diesel rather than petrol.

That matters because diesel is not only used by motorists.

It powers trucks, agricultural machinery, mining operations, generators and other parts of the logistics network.

Why diesel matters to the cost of living

Fuel shock	**Economic mechanism**	**Potential effect on South Africans**
Higher crude oil prices	Fuel becomes more expensive	Higher petrol and diesel prices
Higher diesel prices	Freight becomes more expensive	Higher transport costs
Higher farming costs	Machinery and logistics cost more	Pressure on food prices
Higher mining costs	Production becomes more expensive	Pressure on investment and jobs
Higher logistics costs	Businesses pay more to move goods	Higher consumer prices
Higher inflation	Purchasing power falls	Households cut spending
Lower consumer spending	Businesses face weaker demand	Potential pressure on hiring

The effect therefore goes far beyond what motorists see on the petrol station price board.

Diesel → trucks → food → supermarkets

Diesel → agriculture → production costs → food prices

Diesel → mining → operating costs → investment

Diesel → logistics → imported goods → consumer prices

Polity's analysis found that diesel prices in Q2 2026 were almost 60% higher than in Q1, compared with an increase of about 25% for petrol. It also noted that roughly 80% of South African grain is transported by road, illustrating why diesel costs can become a food-price issue.

Why fuel prices matter more than the price at the petrol station

When international oil prices rise, the immediate concern is usually petrol.

But the larger economic effect can come through diesel.

A trucking company paying substantially more for diesel has to recover that additional cost somewhere. The same applies to farmers operating machinery, mines moving material, food distributors transporting products and businesses relying on generators or other fuel-intensive equipment.

Those costs can eventually feed through supply chains.

This means that an international conflict can influence the price of products that have never been anywhere near the battlefield.

This is why foreign policy can become an economic issue.

Does South Africa's position on Iran put its economy at risk?

Renewed US-Iran tensions in late August and early September 2026 pushed oil prices higher, with Brent crude rising to about [$91 a barrel on 1 September] amid renewed concerns about Middle Eastern supply disruptions and the Strait of Hormuz.

The economic lesson for South Africa is straightforward:

Foreign-policy decisions do not determine global oil prices on their own, but South Africa's exposure to global energy markets means geopolitical instability can have domestic economic consequences.

What does South Africa's Palestine policy have to do with jobs and the cost of living?

South Africa's foreign policy toward Palestine is another part of the wider geopolitical picture.

The relevant question is whether South Africa's positions on Palestine and the broader Middle East affect its relationships with countries that matter to South African trade, investment, tourism, finance and market access.

That is particularly important because the United States remains an important economic partner, while South Africa is simultaneously trying to diversify its international relationships through BRICS, China, India, the Middle East and other markets.

South Africa's position on Palestine can therefore become economically relevant when it intersects with trade policy, diplomatic tensions, investment decisions and relations with major economic powers.

What about South Africa's relationship with Iran and Hamas?

Iran also matters because its regional relationships are part of the wider Middle East geopolitical network.

Hamas has been described by Reuters as an Iran-aligned Palestinian militant group, designated or proscribed as a terrorist organisation by the United States, the United

Kingdom and the European Union. During the 2026 conflict, Hamas publicly expressed solidarity with Iran.

For South Africa, the relevance of these relationships lies in the wider geopolitical context. South Africa's diplomatic positions on Palestine, Israel and Iran intersect with its relationships with major international powers and trading partners. At the same time, conflict involving Iran and its regional relationships can affect global energy markets, shipping routes and fuel prices, creating potential economic consequences for South African households and businesses.

What does the Iran conflict mean for ordinary South Africans?

1. Petrol and diesel prices

A disruption to global oil supplies can increase international crude prices, which can place upward pressure on South African fuel prices.

2. Food prices

Food has to be produced, processed and transported. Higher diesel and fertiliser costs can therefore increase the cost of the food supply chain.

3. Transport costs

Trucking and logistics are particularly exposed to diesel prices. Higher freight costs can affect both businesses and consumers.

4. Inflation

Fuel is an important input across the economy. A sustained energy-price shock can create broader inflationary pressure.

5. Interest rates

If an external energy shock pushes inflation higher for long enough, monetary policy becomes more complicated because policymakers must balance inflation control against economic growth.

6. Employment

Businesses facing higher input costs and weaker consumer demand may delay investment, reduce expansion or become more cautious about hiring.

7. Household purchasing power

When necessities absorb more of a household's income, less money is available for discretionary spending.

This is how an international conflict can eventually become a household economic issue.

Conclusion: Foreign policy can reach the household budget

South Africans do not need to live in the Middle East to feel the economic consequences of a Middle Eastern conflict.

Ramaphosa's foreign policy matters economically because South Africa is exposed to the consequences of international energy shocks, trade disputes, diplomatic tensions and changing global alliances.

The challenge for government is to balance diplomatic principles with economic resilience: maintaining international relationships, protecting market access, diversifying trade, strengthening energy security and reducing the domestic vulnerabilities that make external shocks more painful.

Ultimately, the question is not whether foreign policy affects South Africans.

It does.

The question is whether South Africa can build an economy resilient enough that the next geopolitical shock does not translate into another increase in the cost of living, or another lost opportunity to create jobs.