



13 MARCH 2026

WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

ECONOMIC UPDATES

GROSS DOMESTIC PRODUCT (GDP)



- On 10 March, Statistics South Africa (StatsSA) released the country's latest Gross Domestic Product (GDP) data, showing that the economy grew by 0.4% in the fourth quarter of 2025, following subdued growth in previous quarters;
- Annual economic growth reached approximately 1.1% for 2025, reflecting a modest recovery but still significantly below the levels required to accelerate job creation and economic transformation;
- Key drivers of the growth included finance, real estate and business services up 1.4%, trade, catering and accommodation up 0.9%, agriculture, and forestry and fishing at 0.4%;
- However, manufacturing declined by 0.6%, while the electricity, gas and water sector remained under pressure, highlighting the ongoing impact of energy constraints and infrastructure challenges on productive sectors of the economy;

- The GDP release also reflects continued weak domestic demand and structural economic constraints, including logistics inefficiencies, persistent unemployment and constrained investment levels;
- While the data signals gradual economic stabilisation, the low growth trajectory underscores the urgency of structural reforms particularly in energy security, logistics performance and infrastructure investment to unlock higher growth potential and improve investor confidence in the medium term.

WORLD BANK TO PROVIDE FUNDING FOR SA'S CGV

- On 9 March, the World Bank announced that it will provide funding of R5.6 billion to capitalise South Africa's Credit Guarantee Vehicle (CGV), a financial instrument designed to unlock private sector participation in infrastructure development;
- The CGV is designed to provide guarantees to lenders and investors, reducing financing risks and enabling greater private sector participation in infrastructure development across sectors such as energy, transport and water;
- The Development Bank of Southern Africa has been appointed to support the establishment and operationalisation of the facility, including helping structure the guarantee mechanism and coordinating with financial institutions;
- Government and development partners expect the initiative to influence significantly larger volumes of private capital, addressing South Africa's infrastructure funding gap while limiting pressure on the national fiscus;
- The mechanism forms part of broader efforts to expand blended finance instruments, combining public funds, development finance and private investment to accelerate infrastructure delivery;
- The Credit Guarantee Vehicle could become a key instrument for crowding in private infrastructure investment, though its impact will depend on the availability of bankable projects, effective governance structures and investor confidence in the regulatory environment.



GOVERNMENT UPDATES

RAMAPHOSA'S STATE VISIT TO BRAZIL

- On 9 March 2026, President Cyril Ramaphosa held high-level bilateral talks with President Luiz Inácio Lula da Silva during his two-day State Visit to the Federative Republic of Brazil, reaffirming South Africa's commitment to deepening this key strategic partnership;
- The engagements focused on expanding cooperation and advancing mutually beneficial programmes to support economic growth, development, and shared prosperity between the two countries;
- Discussions emphasised enhancing diplomatic and political relations; strengthening economic and commercial ties; and intensifying collaboration in agribusiness, aerospace, creative industries, defence, energy, mining, science and technology, sport, and tourism;
- Furthermore, President Ramaphosa stressed the importance of expanding economic linkages, particularly by improving reciprocal market access through the Preferential Trade Agreement between the Southern African Customs Union (SACU) and MERCOSUR (Southern Common Market);





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- Progress was achieved during the visit with the conclusion of a Memorandum of Intent on Agriculture and a Memorandum of Understanding on Basic Education, providing concrete frameworks for cooperation in these priority areas;
- Bilateral trade reached R32.5 billion in 2025, with South African exports at R5.2 billion (mainly chemicals, mineral products, machinery, iron and steel, and vehicles) and imports from Brazil totalling R27.3 billion (primarily mineral products, live animals, machinery, vegetables, and iron and steel products);
- This state visit and the deliberate push for trade diversification underscore South Africa's strategy to build stronger, more reliable partnerships in the Global South, positioning the country to better withstand global economic volatility while pursuing industrialisation, export growth, and inclusive development goals.

RAMAPHOSA ANSWERS QUESTIONS IN PARLIAMENT



- On 12 March, President Cyril Ramaphosa responded to oral questions in the National Assembly, covering a broad spectrum of pressing issues including anti-corruption measures, water security, economic targets, traditional governance, health reforms, and public safety deployments;
- Regarding the Commission of Inquiry into Criminality, Political Interference and Corruption in the Criminal Justice System, the President detailed his receipt of the interim report on 17 December 2025, which included referrals for immediate criminal investigations, urgent prosecutions, and employment recommendations such as suspensions for implicated officials in law enforcement and intelligence agencies;
- He explained that while a special investigations task team has been established under the National Commissioner of Police to pursue these matters and disciplinary actions are underway, the report remains withheld to protect ongoing testimonies, avoid jeopardising investigations, and ensure fairness, with full public release planned upon the Commission's final submission, subject to legal safeguards;
- Addressing economic progress, the President acknowledged the National Planning Commission's 2023 review concluding that NDP 2030 targets for poverty, inequality, and unemployment will not be met due to global crises, COVID-19, state capture, infrastructure failures, and state capacity issues;
- In addition, he highlighted the Medium-Term Development Plan's (MTDP) focus on poverty reduction via social protection, education, and skills development, alongside building a capable state through public service professionalisation and anti-corruption efforts;
- Finally, on health and security fronts, the President outlined NHI preparatory work including patient registration, digital systems like electronic medical records, infrastructure upgrades, and health worker recruitment, with Act sections unproclaimed pending May 2026 Constitutional Court rulings;
- The President also stressed that the SANDF deployments to support SAPS against gangsterism and illegal mining in specified provinces aims to reduce crime through high-risk operations, infrastructure security, and multi-disciplinary teams targeting criminal networks.

DOH LEADS BRIEFING ON SAFETY OF SANITARY PADS

- On 08 March, Health Minister Dr Aaron Motsoaledi led a joint media briefing with scientific and clinical experts to directly address growing public concerns about the safety of sanitary towels, following a University of the Free State (UFS) study that detected small quantities of endocrine-disrupting chemicals (EDCs) in tested menstrual products;
- The UFS research examined 16 sanitary towel samples and found that all contained at least two types of EDCs, with existing scientific literature suggesting potential associations with hormonal imbalances, fertility issues, endometriosis, and certain reproductive cancers;
- However, President of the South African Medical Research Council (SAMRC) Prof Ntobeko Ntusi clarified that the mere detection of these chemicals does not constitute evidence of actual harm, emphasising the crucial distinction between presence and proven risk to users;
- In addition, the CEO of the South African Health Products Regulatory Authority (SAHPRA) Dr Boitumelo Semete confirmed that SAHPRA has received no reports of adverse events linked to sanitary pads, and maintains that these products remain safe for public use based on current assessments;
- Furthermore, the World Health Organisation (WHO) supported this stance, noting it is unaware of any global cases where sanitary towels have been withdrawn due to health concerns related to EDCs;
- Meanwhile, the University of the Free State has issued a clarification that its study was not designed to establish direct causation between the detected chemicals and adverse health outcomes in women, leading the Department of Health to conclude that the findings do not warrant regulatory action or product withdrawal;
- This coordinated expert reassurance highlights the importance of distinguishing scientific detection from proven risk in public health communications, helping to restore consumer confidence while underscoring the need for ongoing vigilance and transparent research on everyday products affecting women's health.





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IEC ON PREPARATIONS FOR THE LOCAL GOVERNMENT ELECTIONS



- On 10 March 2026, the Electoral Commission of South Africa (IEC) convened a media briefing to outline ongoing preparations for the 2026/27 local government elections, highlighting steady advancements toward critical milestones while urging eligible voters to register at their ordinary residence to ensure seamless participation once the election date is proclaimed;
- The IEC confirmed a voter registration weekend set for 20-21 June 2026, designed to enhance accessibility and boost electoral inclusion by aligning with operational readiness assumptions, thereby providing procedural stability and compliance with legal requirements ahead of any formal election call;
- Emphasising the importance of timely action, the Commission noted that following registration closure, the Minister of Cooperative Governance and Traditional Affairs (CoGTA) is expected to proclaim the election date, which would trigger key timetable activities including voters' roll certification, inspections, objection adjudications, and candidate nominations;
- The IEC continued to appeal to individuals and corporate South Africa for contributions to the Multi-Party Democracy Fund, which received no donations for the second consecutive quarter; this persistent shortfall, attributed to factors such as donor preferences for direct support, and fiscal constraints;
- The IEC further announced that the number of registered political parties has grown to 508, with 20 new registrations added between October 2025 and February 2026, reflecting increasing political pluralism and contestation ahead of the elections;
- Registration trends showed a positive momentum, with 260,205 new entries from November 2025 to March 2026, split between 128,113 via Voter Management Devices and 132,092 online;
- These updates reflect solid, methodical progress by the IEC in building toward credible and inclusive municipal elections, though the zero contributions to the Multi-Party Democracy Fund for two straight quarters signals a genuine concern for the health of multiparty funding.

LEGISLATIVE/REGULATORY UPDATES

BUSINESS LICENSING BILL

- On 9 March, the Department of Small Business Development held discussions with stakeholders to share their inputs on the daft business licensing bill, aimed at reforming the country's fragmented business licensing framework and establishing a more uniform national system;
- The bill seeks to standardise licensing procedures, requiring certain businesses to obtain municipal licences before operating, with local governments responsible for approvals, monitoring and enforcement;
- Government has argued that the legislation will improve regulatory consistency and strengthen oversight, particularly in sectors where public health, safety and zoning compliance are critical;
- Critics worry the bill could add more red tape, increase municipal discretion, and raise barriers for small businesses rather than ease them. Some have argued that easing regulatory constraints and improving the overall business environment would be more effective in stimulating economic growth, investment and employment creation;
- The IMF recently called for lighter regulations to help small enterprises thrive, however, there is tension between simplifying rules and avoiding unintended consequences;
- The debate around the bill highlights a broader policy tension between strengthening regulatory oversight and improving ease of doing business, suggesting that the success of the legislation will depend heavily on how efficiently it is implemented at municipal level.



AFRICA WATCH

GUINEA'S JUNTA DISSOLVES 40 POLITICAL PARTIES

- On a late-night decree issued in early March 2026, Guinea's military junta under President Mamady Doumbouya dissolved 40 political parties, including the country's three largest opposition formations;
- The decree immediately stripped these parties of legal personality, status, and all rights to conduct political activities, while prohibiting the use of their acronyms, logos, emblems, and seizing control of their assets, ostensibly for failing to submit required financial statements;



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- Meanwhile, several dissolved parties have rejected this justification, insisting they had complied with all legal obligations and labelling the move as a deliberate effort to dismantle organised opposition ahead of any future electoral contest;
 - Building on this repressive pattern, Doumbouya, who seized power in the 2021 coup and was elected president in a tightly controlled December 2025 vote that excluded major opposition figures, has intensified crackdowns since assuming office, including widespread arrests, show trials, enforced disappearances, kidnappings of critics, protest bans, and restrictions on public gatherings;
 - As a result, Guinea's main opposition leader has declared that "direct resistance" to the coup leader-turned-president is now the only remaining path to political change following the junta's consolidation of control through this sweeping dissolution;
- This aggressive dismantling of the political opposition landscape signals the junta's determination to entrench one-man rule and eliminate institutional challenges, further eroding prospects for a genuine democratic transition in Guinea and raising alarms over deepening authoritarianism in West Africa.

25TH EAC HEADS OF STATE SUMMIT

- On 7 March 2026, the East African Community (EAC) convened its 25th Ordinary Summit of Heads of State in Arusha, Tanzania, hosted by President Samia Suluhu Hassan, with Kenyan President William Ruto presiding as outgoing Chairperson;
- The agenda centred on advancing regional peace, financial stability, trade facilitation, and deeper integration, with a key focus on receiving updates regarding the EAC-led Nairobi Process aimed at restoring stability in eastern Democratic Republic of Congo (DRC);
- In this regard, leaders acknowledged ongoing mediation efforts led by Presidents Ruto and Yoweri Museveni under the International Conference on the Great Lakes Region (ICGLR) framework, and consequently reiterated urgent calls for an immediate ceasefire among conflicting parties coupled with genuine commitment to inclusive dialogue;
- Building on these efforts, the summit formally requested the African Union (AU) to provide essential financial and logistical support to strengthen mediation initiatives and maintain momentum toward durable peace in the region;
- Shifting to economic priorities, heads of state directed the EAC Council of Ministers to eliminate all outstanding non-tariff barriers by 30 June 2026, develop a comprehensive joint action plan on trade relations incorporating private sector input, and report back at the next summit;
- Furthermore, the leaders launched the 7th EAC Development Strategy spanning 2026/27 to 2030/31, introduced the EAC Customs Bond to streamline cross-border trade, and assented to the EAC Appropriation Bill 2024 and the Statistics Bureau Bill 2025;
- As part of the leadership transition, Uganda was elected as the new Chairperson of the EAC Summit, with Rwanda appointed as Rapporteur;
- These decisions reflect the EAC's renewed emphasis on balancing security stabilisation in the DRC with accelerated economic integration, though the success of ceasefire appeals and non-tariff barrier removal will depend on sustained political will and effective follow-through by member states amid persistent regional tensions.



INTERNATIONAL AFFAIRS UPDATES

IMF WARNS OF GLOBAL INFLATION INCREASE



- On 9 March, the International Monetary Fund (IMF) warned that escalating geopolitical tensions in the Middle East could trigger renewed global inflationary pressures, particularly through higher oil and energy prices;
 - IMF Managing Director Kristalina Georgieva highlighted that energy markets remain highly sensitive to geopolitical instability, with disruptions to supply chains capable of quickly translating into higher transport and production costs globally;
 - According to the IMF's projections, a sustained 10% increase in oil prices could raise global inflation by approximately 0.4 percentage points, potentially complicating the disinflation process currently underway in many economies;
 - The warning comes as several major economies continue to navigate the delicate balance between controlling inflation and sustaining economic growth, with central banks closely monitoring energy price volatility;
 - Emerging markets are considered particularly vulnerable, as rising inflation can lead to currency volatility, higher borrowing costs and tighter monetary policy conditions;
- The IMF's warning underscores the extent to which geopolitical developments are increasingly shaping global economic conditions, with energy price shocks capable of reversing recent progress in stabilising inflation and potentially slowing global growth.



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SECURITY COUNCIL RESOLUTION ON IRAN

- On 11 March, the United Nations Security Council (UNSC) adopted Resolution 2817, addressing escalating regional tensions involving Iran and calling for restraint and de-escalation;
- The resolution strongly condemns Iran's "egregious attacks" on neighbouring countries, including missile and drone strikes on residential and civilian areas in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, the UAE, and Jordan, describing them as breaches of international law and threats to peace;
- The measure passed with 13 votes in favour, while Russia and China abstained;
- The resolution further stresses that Iran should stop such actions and provocations, while affirming the targeted states' right to self-defence. The resolution also calls for the protection of civilians and renewed diplomatic engagement, emphasising the need for international cooperation to prevent a wider regional conflict;
- The development occurs amid rising tensions in the Middle East that have raised concerns about potential disruptions to global energy supplies and trade routes;
- Prior to the adoption of this resolution, Iranian President Masoud Pezeshkian had apologised to neighbouring countries that have been affected by the strikes, however, warned against them joining the U.S-Israeli attacks on Iran;
- The Security Council's action reflects growing international concern that regional tensions could escalate into a broader conflict with significant geopolitical and economic ramifications, particularly for global energy markets and international stability;
- On the other hand, the resolution has raised questions about consistency, as Israel has not been condemned for its attacks on countries in the Middle East, including Iran.



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