



# WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

20 March 2026

## ECONOMIC UPDATES

### CONSUMER PRICE INDEX (CPI)



- On 18 March, Statistics South Africa (StatsSA) released the February 2026 Consumer Price Index (CPI), showing that headline inflation decreased to 3.0% year-on-year from 3.5% in January;
- Key influences for the decrease were the fuel prices, which fell 3.1% month-on-month and 10.1% annually, reducing transportation costs by 2.1% over the year. Food and non-alcoholic beverages inflation also eased to 3.7% from 4.4%, while health costs decreased to 4.4%;
- Conversely, housing and utilities, food, and insurance/financial services were the main upward drivers;
- Goods inflation dropped to 1.9% and services to 3.8%, with core inflation (excluding food, fuel and energy) also landing at a comfortable 3.0%;

- Although the number is in line with the South African Reserve Bank's target, we are unlikely to see a rate cut next week, due to the ongoing U.S-Israel war with Iran, which has pushed the oil price to record highs and will impact the price of other goods and services in the coming months.

### OIL AND GAS CONFERENCE

- On 16 March, the Southern Africa's Oil and Gas conference took place in Cape Town under the theme "Oil & Gas without Borders: Unlocking Southern Africa's Shared Future";
- Delivering the keynote address, Minister of Petroleum, Mineral Resources, Gwede Mantashe highlighted that the ongoing Middle East war will have major implications for the South African economy with the petrol price potentially increasing by around R4 per litre for petrol and as much as R6.75 for diesel in the upcoming April adjustment, given South Africa's reliance on foreign supplies and exposure to international fluctuations;
- To help manage short-term availability, Mantashe stated that his department is working closely with industry stakeholders to explore alternative sourcing options, steering clear of tapping into national strategic stockpiles right away;
- The minister also outlined several government initiatives set to reshape the country's energy sector: finalising regulations under the Upstream Petroleum Resources Development Act to streamline oversight of oil and gas activities separate from mining rules, advancing updates to petroleum product legislation for fairer market access and self-reliance, launching the South African National Petroleum Company as a key state player in resource development, and expanding domestic refining beyond current operations such as those at Natref, Astron Energy, and Sasol's Secunda site;
- Regional cooperation emerged as a central theme of the conference with Southern African countries, all of which have oil or gas potential, emphasising the need to build shared infrastructure, coordinate regulatory frameworks and strengthen regional value chains.
- Additionally, the conference reinforced momentum for increased investment and regional energy integration, potentially increasing employment, reducing import dependence, and enabling greater stability in fuel supply for South Africa and its neighbours if regulatory hurdles are minimized. However, ongoing tensions between fossil fuel expansion and climate/environmental priorities could cause further debates or obstacles, while persistent global volatility risks keeping prices elevated in the short-term and negatively impacting households.



## GOVERNMENT UPDATES

### NATIONAL TRANSPORT CONFERENCE SETS REFORM AGENDA



- On 16–18 March, the Department of Transport hosted South Africa's inaugural National Transport Conference in Johannesburg under the theme "Transport: The Driver for Growth, Job Creation, Inclusivity and Sustainability," convening government, SADC delegates, business, labour and industry stakeholders;
- President Cyril Ramaphosa opened the event, stressing that efficient, affordable and safe transport is vital for unlocking opportunity, boosting competitiveness, reducing inequality and connecting communities to jobs and markets;
- The conference highlighted freight inefficiencies, with road transport dominating at around 69 percent of goods moved and costing the economy nearly R1 billion daily, reinforcing the push to restore rail as the logistics backbone;



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- Rail progress was a key focus, including open access reforms awarding slots for 24 million tonnes annually to 11 private operators, a 2029 target of 250 million tonnes of rail freight, and PRASA reviving 37 priority corridors with over 300 new locally built train;
- Ramaphosa proposed the establishment of a permanent 'transport council' to bring together government and the private sector across all the transport modes of land, air and sea;
- Amongst various stakeholders, the taxi industry welcomed the proposal, saying it will help address issues between taxi operators, e-hailing services, and scholar transport. Over the past years, there has been deadly clashes and tensions between e-hailing and taxi operators over routes.

## POLITICAL UPDATES

### ANC REJECTS JOHANNESBURG REC'S ATTEMPT TO RECALL MAYOR MORERO



- On 19 March, ANC Secretary-General Fikile Mbalula stated that the party's Johannesburg Regional Executive Committee (REC) had overstepped its authority by attempting to recall Mayor Dada Morero from his position, following a special weekend meeting where the REC allegedly resolved to remove him as mayor;
- Mbalula emphasised that Morero remains the legitimate mayor of Johannesburg and has not been formally notified of any recall, as only national leadership structures hold the power to affect such a decision in metropolitan municipalities;
- In a clear rebuke during a briefing in Johannesburg on Wednesday, Mbalula affirmed that regional structures are no longer permitted to make recommendations or decisions on the removal of metro mayors, underscoring that such authority rests exclusively with national leadership;

- The National Working Committee (NWC) has reinforced this position, directing Mbalula to meet with the Johannesburg region to convey that the REC's actions were improper and should not be repeated;
- Morero himself confirmed he has received no official communication from the party regarding any recall, allowing him to continue in office pending any further national level determination;
- This intervention by the ANC national leadership highlights ongoing internal tensions within the Johannesburg region, where factional differences and power struggles have persisted despite the party's broader efforts to maintain discipline and unity ahead of local government elections.

## LEGISLATIVE/REGULATORY UPDATES

### TOURISM ACT ON SHORT-TERM RENTALS

- On 15 March, Tourism Minister Patricia de Lille gazetted and invited public comments on the Draft Code of Good Practice for Short-Term Rentals, an interim, non-binding framework issued under Chapter 2 of the existing Tourism Act 3 of 2014;
- The code aims to promote responsible conduct and accountability among hosts, guests, and booking platforms, like Airbnb and similar home-sharing services, by encouraging compliance with municipal by-laws, tax obligations, property and body corporate rules, safety standards, noise regulations, refuse management, and clear communication of guest policies;
- It addresses growing complaints about the sector's impact on local communities, such as noise, service delivery strains, and contributions to housing shortages, particularly in high-demand areas like Cape Town, where short-term rentals dominate parts of the CBD and thousands of units are listed;
- De Lille described short-term rentals as "a growing and established feature of South Africa's tourism landscape" that expands accommodation options, supports geographic spread of tourism, enables access to diverse destinations, and creates income opportunities for households and small owners;
- She framed the draft as an interim solution while the department reviews the Tourism Act following Cabinet approval of the 2024 White Paper on tourism development, which targets policy gaps including short-term rentals;
- She emphasised that the changes are intended to balance tourism growth with concerns around housing availability, consumer protection, and municipal oversight, while also improving data collection within the industry;
- However, stakeholders within the short-term rental sector have raised concerns that stricter regulations could negatively impact livelihoods, deter investment, and reduce South Africa's competitiveness as a tourism destination.





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## PREVENTION AND COMBATING OF CORRUPT ACTIVITIES AMENDMENT BILL



- On 13 March, ActionSA MP Dereleen James gazetted the notice to introduce the Prevention and Combating of Corrupt Activities Amendment Bill, commonly called the Zero Tolerance Corruption Bill, as a private member's bill. Public comments are open until 12 April 2026;
- The bill seeks to amend the 2004 PRECCA Act by introducing mandatory minimum prison sentences: 18 years in High Court cases, with possible life imprisonment; 15 years in regional court cases, minimum 5 years' imprisonment for magistrate court cases;
- Doubling fines for blacklisting disclosure failures and lowering the mandatory reporting threshold for financial crimes from R100 000 to R30 000;
- It aims to make penalties "effective, proportionate and dissuasive" in line with international best practice and builds on State Capture Commission recommendations;

- The bill represents a push for significantly tougher anti-corruption measures, building on ongoing efforts to strengthen frameworks post-State Capture Commission recommendations, though it is still in early stages as a private member's initiative.

## AFRICA WATCH

### SASSOU NGUESSO RE-ELECTED FOR FIFTH TERM IN CONGO

- On 17 March, Congolese Interior Minister Raymond Mboulou announced that President Denis Sassou Nguesso had won a fifth consecutive term in the Republic of Congo's presidential election;
- The vote unfolded amid deep economic difficulties, including high public debt, soaring youth unemployment, and over half of the 5.7 million population living in poverty, with nearly half under 18 years old;
- Two major opposition parties boycotted the election citing unfair practices, while prominent figures General Jean-Marie Michel Mokoko and Andre Okombi Salissa have been imprisoned for nearly a decade on charges widely viewed as politically motivated;
- In the pre-election period, authorities imposed the usual internet blackout during presidential votes and restricted traffic in the capital Brazzaville, limiting information flow and opposition activity;
- Human rights activist Joe Washington Ebina reported to Reuters that several opposition parties were suspended, public gatherings heavily monitored, and numerous activists and defenders arrested ahead of polling;
- Sassou Nguesso, leader of the Congolese Party of Labour, first took power in 1979, ruled until 1992, regained control via militia after a 1997 civil war, and secured indefinite eligibility through a 2015 referendum that removed age and term limits;
- His victory fits a regional pattern of entrenched long-term leadership in Central Africa, seen in figures like Cameroon's Paul Biya and Equatorial Guinea's Teodoro Obiang Nguema Mbasogo, often sustained by constitutional changes, opposition crackdowns, and controlled electoral environments;
- The outcome reinforces ongoing concerns about democratic backsliding in the region, where prolonged rule, economic hardship, and restricted political space continue to limit genuine competition and accountability.



## INTERNATIONAL AFFAIRS UPDATES

### U.S.-CHINA TRADE TALKS



- On 16 March, U.S-China trade talks were held in Paris between U.S. delegation led by Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng;
- Both sides described the discussions as "constructive", "candid", "in-depth" and "very good", focusing on tariff arrangements, promoting bilateral trade and investment, preventing escalation, and maintaining existing consultation mechanisms;
- Key areas covered included agriculture where China showed openness to boosting purchases of U.S. farm goods like poultry, beef, and non-soybean row crops, while reaffirming its commitment to buy 25 million metric tons of American soybeans annually for the next three years, and proposals for new formal mechanisms to manage trade and investment;
- These include ideas for a U.S-China "Board of Trade" to promote more balanced flows in products and sectors and a "Board of Investment" to handle specific issues;



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- The talks were seen as laying groundwork for potential “deliverables” at a planned high-profile summit between President Donald Trump and President Xi Jinping in Beijing, originally scheduled for late March to early April 2026. However, Trump announced he has requested a delay of about a month, citing the need to remain in Washington as commander-in-chief amid the ongoing US-Iran conflict;
- There were reports of Trump threatening to postpone talks with China if they did not help in reopening the Strait of Hormuz, but U.S. Treasury Secretary Scott Bessent clarified that any delay stemmed from war coordination, not trade disputes or Hormuz issues;
- China’s foreign ministry spokesperson Lin Jian confirmed ongoing communication about rescheduling, stressing the irreplaceable role of leader-level diplomacy for strategic guidance;
- Although the delay introduces uncertainty and complicates preparations for the summit, it is unlikely to cause a major issue. Both sides remain committed to stability, China values predictability for its export economy, and the US sees value in steady ties amid broader geopolitical pressures.

**END**