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ECONOMIC UPDATES

PMI™

by S&P Global

S&P GLOBAL PURCHASING MANAGERS' INDEX (PMI)

- On 7 April, S&P Global released its South Africa Purchasing Managers' Index (PMI) for March, showing that PMI has risen to 50.8 from 50.0 in February, marking the first upturn in six months, with four of five sub-components contributing positively despite external pressures from the Middle East war;
- Output expanded at the fastest rate in six months, driven by new project starts and renewed stock-building efforts, employment increased as firms boosted staffing capacity and stocks of purchases rose for the first time in four months, reflecting precautionary inventory accumulation amid uncertainty;
- New orders declined for a second consecutive month, led by a sharp fall in export sales, as foreign-client hesitancy, exchange-rate fluctuations and war-related disruptions weighed on demand;
- Supplier delivery times lengthened to a 16-month high due to sea-freight constraints linked to the Strait of Hormuz, while input-price inflation increased sharply, driven by rising fuel costs, a stronger US dollar pushing up import prices and higher wage pressures from the minimum-wage increase, in turn increasing output charges;
- Business confidence weakened amid concerns over the severity and duration of the middle east conflict;
- Senior Economist at S&P Global Market Intelligence, David Owen, described South Africa's PMI as reflecting "a bifurcated trend" in the country's private sector, with domestic resilience through output, hiring and stock-building contrasted against mounting external pressures that exacerbated supply-chain bottlenecks, export weakness and cost inflation, noting that the duration of the war will determine the extent to which South African companies are impacted, including the degree to which foreign demand decreases and its impact prices filtered through to domestic activity.

GOVERNMENT UPDATES



RAMAPHOSA RECEIVES CREDENTIALS FROM NEW AMBASSADORS

- On 9 April, President Cyril Ramaphosa received letters of credence from heads of mission-designate representing 20 countries, formally accrediting them as ambassadors to South Africa and confirming their diplomatic status;
 - Among those presenting credentials was the new United States Ambassador Brent Bozell, who has publicly stated that a central part of his mission is to pressure South Africa to drop its genocide case against Israel at the International Court of Justice (ICJ) among other priorities;
 - Addressing the new Ambassadors, President Ramaphosa reminded them that they should refrain from criticising their host countries and urged them instead to focus their tenure on fostering trade, investment, and closer bilateral relations with South Africa;
- This formal accreditation allows the diplomats to begin their duties officially.



GAUTENG INVESTMENT CONFERENCE

- On 8 April, the 2026 Gauteng Investment Conference officially opened in Sandton, convening national, provincial and local government leaders, global investors and development finance institutions to showcase opportunities and strengthen partnerships in the province;
 - The event builds on last year's inaugural conference, which attracted investment pledges worth R312.5 billion, many of which have already moved into implementation;
 - Speaking at the opening, Deputy President Paul Mashatile urged investors to remain confident in South Africa, pledging a collaborative working relationship and declaring that South Africa was open for business and Gauteng was ready for execution;
- In his recent budget speech, former MEC for Economic Development Lebogang Maile reinforced this drive by prioritising infrastructure expansion, reindustrialisation and investment facilitation, with an ambitious target of R800 billion in new commitments over the medium term;
 - The conference takes place against the backdrop of rising living costs and recent fuel price hikes that continue to strain businesses and households;
 - Gauteng provincial government used the platform to reaffirm its commitment to shortening regulatory timelines, cutting red tape and creating a genuinely conducive environment for both local and foreign investment;
 - Organisers aim to translate new pledges into tangible projects that accelerate industrialisation, job creation and inclusive economic growth in the country's economic heartland;
 - The gathering forms part of Government's broader push to rebuild investor confidence and sustain recovery ahead of the 2026 local government elections.

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POLITICAL UPDATES



EFF OUTLINES ELECTION STRATEGY

- On 9 April, the Economic Freedom Fighters (EFF) held a press briefing to announce the full activation of its election machinery ahead of the 2026 local government elections;
- The party confirmed that all its structures have been converted into Election Task Forces, with the Central Command Team becoming the Central Election Task Force chaired by party President and coordinated by the Secretary General;
- Provincial, sub-regional, branch and voting-district structures have also been reconfigured, with top leadership deployed to specific provinces and all Central Command Team members required to lead campaigns in their home regions;
- On other matters, the EFF welcomed the Chief Justice's indication that the long-delayed Phala Phala judgment will be delivered within a month, while criticising civil society organisations for their selective silence on the 495-day delay;
- The party also condemned government's handling of the Foot-and-Mouth Disease outbreak and demanded compensation for affected farmers, slammed recent fuel price increases, and called for the full removal of fuel levies together with long-term cost-of-living relief;
- The EFF further highlighted recent municipal successes including large-scale insourcing of workers and praised the appointment of Nkululeko Dunga as Gauteng MEC for Finance;
- Unlike parties such as the DA and ActionSA, the EFF stated that it will not centre its 2026 local government elections campaigns on individual leadership figures.

AFRICA WATCH



MADAGASCAR DECLARES STATE OF EMERGENCY

- On 7 April, the government of Madagascar declared a nationwide state of energy emergency for 15 days, citing severe disruptions to energy supply triggered by the ongoing conflict in the Middle East and the resulting surge in global oil prices;
- The declaration empowers authorities to take exceptional and urgent measures to restore energy supply and guarantee the continuity of essential public services across the country;
- Madagascar, which generates much of its electricity from imported oil, is heavily dependent on fuel shipments from the Middle East, making it particularly vulnerable to prolonged supply shocks despite the recent two-week ceasefire;
- This latest crisis mirrors responses by several other African governments, which have already introduced sharp fuel price increases, energy-saving measures, or electricity rationing in reaction to the same global oil price spike;
- However, specific interventions under the 15-day emergency remain unclear, with detailed actions to stabilise power generation and distribution yet to be communicated;
- The move follows last year's persistent power and water shortages, which sparked youth-led protests that rapidly escalated into broader political unrest and ultimately contributed to a military takeover;
- The current energy emergency therefore carries heightened political risk, as renewed blackouts could quickly reignite public discontent in an already fragile post-crisis environment;
- The declaration highlights how external shocks continue to threaten both energy security and political stability across the African continent.

INTERNATIONAL AFFAIRS UPDATES



UNITED STATES AND IRAN ANNOUNCE TWO-WEEK CEASEFIRE

- On 8 April, the United States and Iran agreed to a conditional two-week ceasefire, with Iran ensuring the complete, immediate and safe reopening of the Strait of Hormuz, coordinated under Iranian military management and potential transit fees directed toward Iran's reconstruction;
- Iran submitted a 10-point plan as a basis for negotiations, including lifting of all U.S. sanctions, release of frozen Iranian assets, payment of compensation for war damages, U.S. military withdrawal from the Middle East, acceptance of Iran's nuclear enrichment programme (in the Farsi version), an end to attacks on Iran and its allies across the region, and ratification of any final deal via UN Security Council resolution;

WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS



FRONTLINE AFRICA
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- Trump described the plan as containing good points and a good starting ground for talks, while insisting on no Iranian nuclear weapons and warning that the U.S remains ready to resume strikes if terms are not met;
- The truce suspends U.S and Israeli attacks on Iran, though Israel has stated it does not extend to Lebanon, where Israeli strikes since the ceasefire have killed over 200 people and injuring many, drawing international condemnation from the UN and raising doubts about the ceasefire's durability and scope;
- Global oil prices dropped in response to the ceasefire, with Brent crude falling to around \$92-95 per barrel and West Texas Intermediate (WTI) crude oil similarly dropping to about \$94-96, reversing recent war-driven increases that had pushed prices above \$110 and threatened further fuel cost increases;
- Further talks are scheduled to begin in Islamabad on 11 April, with US delegations led by Vice President JD Vance expected to attend, aiming to convert the interim pause into a longer-term agreement amid ongoing regional tensions, and continued scepticism in Tehran.

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