

# WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

## LOCAL GOVERNMENT ELECTIONS WATCH



- On 18 May Patriotic Alliance leader Gayton McKenzie announced that the party intends contesting all 257 municipalities nationally in the upcoming Local Government Elections;
- On 19 May, the newly formed Service Delivery Party (SDP) announced former ANC Mpumalanga Treasurer Mandla Msibi as its National Convener and MMC, Mlungisi Mabaso, as its mayoral candidate for the City of Johannesburg ahead of the upcoming local government elections
- On 15 May, the ANC announced that it has opened its Public Nomination for the centralised selection of the ANC Mayoral candidates for the country's eight metropolitan municipalities and twenty-two secondary cities and town. The process will allow non-card-carrying members to nominate a fellow citizen, Provincial and Regional Executive Committees nominate through their structures, Alliance Partners – COSATU and SANCO, as well as CONTRALESA – nominate through the standing alliance compact, and the four Leagues of the Movement – the ANCWL, ANCYL, the ANCVL and MKLWV – nominate from within their constitutional mandate.

## ECONOMIC UPDATES

### Consumer Price Index (CPI)



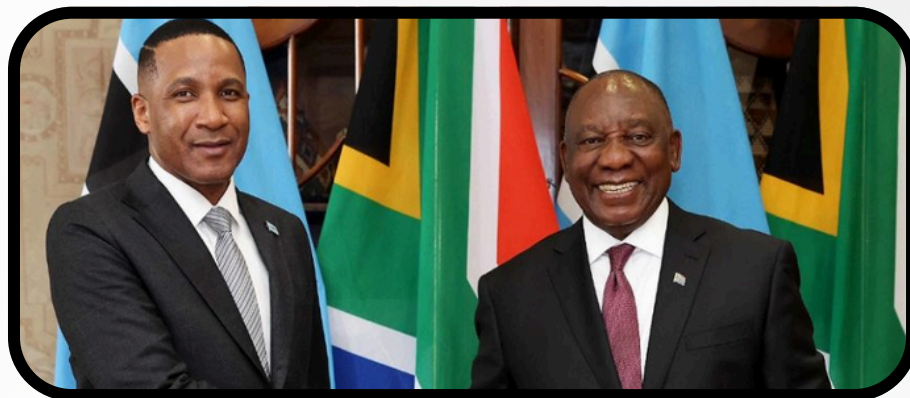
- On 20 May, Statistics South Africa (StatsSA) released the April 2026 Consumer Price Index (CPI), revealing that headline inflation rose sharply to 4.0% year-on-year from 3.1% in March; mayoral candidate for the City of Mbombela Municipality;
- This marked the highest inflation percentage since August 2024 and the highest monthly increase in the current CPI series since 2008, primarily driven by a surge in fuel prices amid global oil market volatility linked to the ongoing U.S.-Israel Iran conflict;
- Petrol prices increased by 15.2% and diesel by 35.4% month-on-month, with the fuel index rising 18.2%. The price of inland 93-octane petrol jumped from R20.19 per litre in March to R23.25 in April, the fifth-largest increase for this grade in 50 years, while diesel climbed from R21.28 to R28.80 per litre;
- Consumers were dealt a painful fuel price blow, pushing transportation costs higher and contributing to broader pressure on households already facing cost-of-living challenges;
- Core inflation also increased, reflecting the rippling effects of administered prices and external shocks, with the overall monthly CPI increase at 1.1%;
- The increase now puts inflation above the South African Reserve Bank's 3% target, raising concerns about potential interest rate hike next week. With the price of petrol projected to increase in June, there may be a further impact on taxi fares, food prices, and broader economic recovery, particularly for lower-income households.

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## GOVERNMENT UPDATES

### South Africa and Botswana BNC

- On 21 May, South Africa and Botswana participated in their 6th Binational Commission (BNC), where they discussed regional economic integration, capital and goods flows, as well as measures to improve coordination regarding migration, border management and labour systems;
- President Cyril Ramaphosa and his Botswana counterpart Advocate Duma Boko co-chaired the BNC, which culminated in the signing of four new bilateral instruments aimed at advancing sustainable economic growth and regional integration;
- The four new bilateral instruments are:
  - A Memorandum of Agreement (MoA) on the Joint Management of Water Quality and Aquatic Invasive Species in the Upper Limpopo River Basin;
  - An agreement on the Co-ordination of Aeronautical Search and Rescue Services;
  - An agreement on Cooperation in the Field of Energy;
  - A Memorandum of Agreement (MoA) on Cooperation in the Field of Correctional and Prison Services.
- To bridge the gap between policy formulation and implementation, both Heads of State directed the immediate establishment of a Coordination and Implementation Committee which will ensure the timely execution of BNC projects;
- For the private sector, improved regional energy and strategic minerals coordination, alongside infrastructure integration, bodes positively for long-term investment attractiveness across both sectors. Strengthened agricultural trade relations between the two countries may also bolster investor confidence across regional food-production, logistics and agro-processing sectors.



### Mashatile Replies to Questions in Parliament



- On 21 May, Deputy President Paul Mashatile answered questions from MPs in the National Assembly, addressing issues relating to the District Development Model (DDM), healthcare, industrialisation and public accountability, among others;
- Mashatile defended government's implementation of the DDM against allegations of inefficiency at municipal level, while also expressing confidence in the overall state of the healthcare sector despite persistent execution and service-delivery constraints at local level;
- He also dismissed questions relating to allegations of receiving gifts and associations with politically controversial figures;
- Mashatile called for accelerated African industrialisation, stronger regional integration and an end to xenophobic violence, while also outlining expanded support measures for small-scale farmers, including assistance relating to fuel, fencing, seeds and fertiliser;
- For business and investors, continued agricultural support measures and broader industrialisation efforts may reduce short-term operational risks across food-production and agro-processing sectors, while supporting longer-term regional economic integration objectives.

## POLITICAL UPDATES

### Ramaphosa Gets the ANC's Full Backing

- On 15 May, African National Congress (ANC) Secretary-General Fikile Mbalula briefed the media after a special National Executive Committee (NEC) meeting in Cape Town to respond to the Constitutional Court's procedural ruling on the Section 89 Phala Phala matter;
- The NEC unanimously reaffirmed its full support for President Cyril Ramaphosa, confirming that neither his resignation nor recall was discussed or considered at any stage;

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- Mbalula confirmed that Ramaphosa had “applied his mind” and decided to remain in office, with the party fully endorsing his plan to seek a judicial review of the independent panel report in the High Court;
- The ConCourt judgment declared National Assembly Rule 129i unconstitutional and ordered the panel report to be referred to an impeachment committee, but made no finding of guilt against the President;
- Parliament has since established a 31-member multi-party impeachment committee to consider the matter under the corrected rules;
- Opposition parties including the MKP, ATM and EFF have stepped up calls for Ramaphosa’s immediate removal, while the DA has confirmed it will participate constructively in the committee without backing premature no-confidence motions;
- The ANC emphasised that the parliamentary and legal processes will run their course without interrupting government work or preparations for the 4 November 2026 municipal elections.



### DA Appoints Breytenbach as Chief Whip



- On 18 May, Democratic Alliance (DA) parliamentary leader George Michalakis announced the appointment of Glynnis Breytenbach as the party’s new chief whip in the National Assembly and chief Government of National Unity (GNU) negotiator;
- Breytenbach, who has served as the DA’s justice spokesperson since entering Parliament in 2014, brings 12 years of parliamentary experience and decades as a senior state prosecutor to the role;
- The position became vacant after George Michalakis was elected parliamentary caucus leader earlier this month, with the appointment now serving as a direct bridge between the DA caucus and federal leader Geordin Hill-Lewis;
- Michalakis stated that Breytenbach will act as the custodian of Parliament’s rules and procedures on behalf of the DA and will work alongside him as the party’s chief negotiator within the GNU;
- She will oversee 13 National Assembly whips, 87 DA members in the National Assembly and 12 in the NCOP, with Bax Nodada continuing as deputy chief whip;
- The move reinforces the DA’s emphasis on safety and security as a top priority in Parliament, in line with Hill-Lewis’s vision, while underscoring the party’s focus on justice sector accountability;
- Breytenbach currently serves on both the ad hoc committee investigating alleged underworld infiltration of the criminal justice system and the multi-party impeachment committee examining the Phala Phala matter.

### ANC Announces Changes in Gauteng and Eastern Cape

- On 21 May, the African National Congress (ANC) announced a major leadership shakeup in Gauteng, appointing Premier Panyaza Lesufi as the new provincial convenor;
- Lesufi replaces veteran leader Amos Masondo, who has been moved to serve as an additional member of the provincial task team, while former Gauteng Legislature Speaker Ntombi Mekgwe was removed as deputy provincial convenor and replaced by Sochayile Khanyile;
- The changes come after the ANC National Executive Committee disbanded the Gauteng Provincial Executive Committee last year following the party’s poor performance in the 2024 provincial elections, which forced it into a coalition government with the EFF;



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- The changes come after the ANC National Executive Committee disbanded the Gauteng Provincial Executive Committee last year following the party's poor performance in the 2024 provincial elections, which forced it into a coalition government with the EFF;
- Additionally, on 15 May, the ANC dealt a significant setback to Eastern Cape provincial chairperson Oscar Mabuyane by disbanding the province's Provincial Executive Committee (PEC);
- The disbandment follows the collapse of the Eastern Cape's provincial conference in March 2026 after a court interdict halted proceedings due to unresolved branch disputes;
- Deep internal divisions persist in the Eastern Cape between factions aligned with Mabuyane and those supporting provincial secretary Lulama Ngcukayitobi;
- The Eastern Cape now joins KwaZulu-Natal and the Western Cape as provinces placed under task teams as the ANC intensifies its organisational renewal drive ahead of the 4 November 2026 local government elections.

## LEGISLATIVE/REGULATORY UPDATES

### ConCourt Ruling on Provisions of the NHA



- On 18 May, the Constitutional Court delivered a ruling striking down key provisions of the National Health Act related to the "certificate of need" scheme, declaring Sections 36 to 40 unconstitutional and severing them from the Act in a unanimous judgment that confirms a prior Gauteng High Court finding;
- The certificate of need would have required healthcare providers, facilities, doctors, and nurses to obtain state approval, valid for 20 years, dictating where they could practise or operate, with the aim of addressing spatial disparities in healthcare distribution but granting the Health Minister and Director-General broad, largely unconstrained discretionary powers;
- The Court found that the provisions unjustifiably limited the constitutional right to freely choose a trade, occupation, or profession, failed to rationally connect to the legitimate goal of equitable access, risked criminal sanctions for non-compliance, and did not adequately consider the personal, professional, financial, and property rights of healthcare workers and private providers;
- This ruling represents a major setback for aspects of the National Health Insurance (NHI) framework, as the certificate was viewed as a central pillar for greater state control and redistribution in the sector;
- Earlier in the month the Constitutional Court heard challenges to the broader NHI Act itself, brought by the Board of Healthcare Funders (BHF) and the Premier of the Western Cape, focusing on alleged deficiencies in the public participation process during its adoption by Parliament and the NCOP;
- Critics argued that consultations were inadequate, with insufficient or outdated financial modelling provided, turning the process into a "tick-box" exercise that failed to meaningfully address concerns around affordability, sustainability, economic impact, and feasibility;
- In response, the Department of Health issued a statement noting the judgment but clarifying that it does not relate to the NHI Act itself. The Department emphasised that the sections in question were passed by Parliament 23 years ago and have never been brought into effect, stating there is "no direct impact of the judgement on the NHI" and accusing some in the political and private health sector of misleading the public;
- The Department confirmed that "no section of the NHI has been declared unconstitutional" and affirmed it will "continue with all necessary health system strengthening preparations for the NHI as the mechanism for South Africa to realise universal healthcare coverage" in line with Section 27 of the Constitution.

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## AFRICA WATCH

### Nigeria – US Strikes Kill 175 ISIL Fighters in Northeast



- On 20 May 2026, Nigeria's Defence Headquarters announced that joint operations with the United States military's Africa Command (AFRICOM) had eliminated 175 ISIL fighters in the country's northeast as of 19 May assessments;
- The coordinated strikes targeted checkpoints, weapons caches, logistics hubs, military equipment and financing networks belonging to ISIL and its West Africa Province (ISWAP) affiliate;
- Among those killed was senior ISIL commander Abu-Bilal al-Minuki (also known as Abu-Mainok), described as the group's second-in-command and shadow commander for operations across the Sahel and West Africa, along with several of his lieutenants;
- Additional senior ISWAP figures eliminated included Abd-al Wahhab, who coordinated attack planning and propaganda, as well as Abu Musa al-Mangawi and Abu al-Muthanna al-Muhajir;
- President Bola Ahmed Tinubu publicly thanked US President Donald Trump for his support, commending the professionalism of forces on both sides and calling for continued decisive action against terrorist enclaves;
- The operation marks a significant escalation in US involvement, moving beyond previous advisory and training roles to direct combat strikes in support of Nigerian forces;
- The strikes come as ISIL has increasingly shifted its focus to Africa, which accounted for 86% of the group's global activity in the first three months of 2026.

### BRICS Foreign Ministers Meeting

- On 14 and 15 May, BRICS Foreign Ministers met in New Delhi to discuss the role of emerging economies within the evolving global order, with discussions centred on multilateral reform, geopolitical coordination and strengthening South-South cooperation;
- India's Chair's Summary reflected broad convergence around reforming global governance institutions, particularly regarding greater representation for emerging economies as part of efforts to advance a more multipolar international order;
- The meeting also reaffirmed cooperation across three strategic pillars, namely political and security coordination, economic and financial cooperation, and cultural and people-to-people exchanges, aimed at strengthening the bloc's long-term strategic partnership framework;
- There were disagreements regarding unanimous condemnation of the United States and Israel reportedly contributed to the absence of a joint declaration following the meeting;
- For investors, increasing complexity surrounding institutional consolidation and coordinated foreign policy may weaken the ease of doing business with other countries in the bloc over the medium term.



### Xi-Putin Summit

- On 20 May, Russian President Vladimir Putin and China's Xi Jinping held bilateral engagements to deepen cooperation across the energy, technology and media sectors, resulting in the signing of more than 40 agreements;
- On multilateralism and security, both countries criticised perceived Western unilateralism and external interference within sovereign states, with Xi Jinping warning against growing "hegemonism" and a return to the "law of the jungle."

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- China reiterated support for a diplomatic resolution in Ukraine while maintaining alignment with Russia's territorial position, whereas Russia reaffirmed support for China's One China Policy regarding Taiwan.
- Both countries also issued a joint strategic partnership statement condemning United States and Israeli strikes on Iran as violations of international law;
- Continued alignment between Russia and China on energy security, trade facilitation and broader geopolitical coordination may contribute toward relative stability within global energy markets over the short to medium term, while further accelerating fragmentation within the Western-led geopolitical order.

**END**

