



WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

19 JUNE 2026

LOCAL GOVERNMENT ELECTIONS WATCH



- On 12 June, Parliament's Portfolio Committees on Home Affairs and Cooperative Governance, together with the Select Committee on Security and Justice, received a briefing from the Electoral Commission (IEC) on preparations for the 2026 Local Government Elections.
- On 14 June, ActionSA leader Herman Mashaba announced Member of Parliament Dereleen James as the party's mayoral candidate for the City of Cape Town, at a launch event in Hanover Park in the Cape Flats;
- On 17 June, BOSA announced Nobantu Hlazo-Webster as the party's mayoral candidate for the City of Johannesburg, running against Helen Zille of the DA, Herman Mashaba of ActionSA, Lukhona Mnguni of Rise Mzansi, and Mlungisi Mabaso of the IFP.

ECONOMIC UPDATES

STATS SA RELEASES CONSUMER PRICE INDEX REPORT

- On 17 June, Statistics South Africa (Stats SA) released the Consumer Price Index (CPI) report for May 2026, showing that annual consumer inflation increased to 4.5%, up from 4.0% in April. The figure was below market expectations of 4.7%, easing concerns about a sharper rise in price pressures;
- The increase in headline inflation was driven primarily by higher fuel costs. Fuel inflation accelerated to 28.7% year-on-year in May, up from 11.4% in April, exerting upward pressure on transport costs and overall consumer prices;
- Food price inflation continued to moderate, slowing to 1.9% from 2.9% in April. This helped offset some of the upward pressure from fuel and transport costs, limiting the overall increase in consumer inflation;
- Core inflation, which excludes food and energy prices, increased to 3.8% from 3.6% in April, suggesting that underlying inflationary pressures remain relatively contained despite the rise in headline inflation;
- The lower-than-expected inflation outcome reduces pressure for further monetary tightening in the near term and may strengthen expectations that the South African Reserve Bank (SARB) will keep interest rates unchanged at its July Monetary Policy Committee (MPC) meeting. However, rising fuel and transport costs continue to place pressure on household budgets despite broader inflation remaining under control.



IDC WEIGHS OPTIONS ON SOUTH32

- On 10 June, the Industrial Development Corporation (IDC) issued a Request for Proposal (RFP) for an independent commercial and technical advisor to assess its options for the Mozal aluminium smelter in Mozambique, in which IDC holds 32.48% stake;
- The advisors are to conduct due diligence and evaluate strategic options, including acquiring South32's 63.7% shareholding stake, restructuring ownership with new partners, or exiting its own investment;



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- The IDC's interest reflects broader regional industrialisation objectives and a desire to preserve strategic manufacturing capacity, underscoring the growing link between industrial policy, energy security and economic development in Southern Africa;
- Whether Mozal can resume operations rests on securing sustainable electricity solutions, as ownership changes alone may not resolve the underlying commercial challenges facing the smelter.
- The development follows South32's decision to place the smelter under care and maintenance in March 2026 after challenges to secure a commercially viable long-term electricity supply agreement. The smelter's operations have been severely affected by rising power costs, highlighting the dependence of energy-intensive industries on affordable electricity;
- Mozal is one of Mozambique's largest industrial projects, contributing nearly 3% of the country's GDP, and the second largest aluminium smelter in Southern Africa, making its future a matter of strategic importance for both Mozambique and the broader Southern African region;

GOVERNMENT UPDATES

IMC ESTABLISHES STANDING MIGRATION MANAGEMENT ARCHITECTURE

- On 14 June, the Inter-Ministerial Committee (IMC) on Migration set out an implementation plan that shifts government's response from ad hoc operations to a permanent coordinating structure of weekly meetings, defined workstreams and oversight visits;
- Building on this foundation, the committee is seeking to expand beyond its traditional security core, by requesting the addition of the departments of Trade, Industry and Competition, Transport, and Social Development. This move reframes migration as an economic and service-delivery matter rather than a purely policing one;
- As part of the new standing framework judicial infrastructure is also being strengthened, with a dedicated court at Lindela and a priority immigration court at OR Tambo. These measures point to durable enforcement capacity rather than a temporary surge;
- The workstreams have further been extended to include to small-business, the registration of small businesses, informal-sector registration and a review of asylum procedures, with direct implications for the informal economy and the legal basis on which asylum seekers operate;
- In essence, the government is putting in place lasting institutional and economic-policy machinery around migration, which points to regulatory change across labour, the informal sector and the asylum regime well beyond the current unrest.



SA-NAMIBIA WORKING VISIT

- On 12 June, President Cyril Ramaphosa hosted Namibian President Dr Netumbo Nandi-Ndaitwah for a working visit aimed at strengthening bilateral cooperation between South Africa and Namibia.



- The Presidency noted that the relationship is underpinned by strong political ties, economic interdependence and shared membership of Southern African Development Community (SADC) and Southern African Customs Union (SACU);
- The two leaders reaffirmed the strategic importance of the Namibia-South Africa Bi-National Commission (BNC), which serves as the primary mechanism for advancing bilateral cooperation and implementing agreed programmes.



- The two leaders further, highlighted the more than 150 agreements signed between the two states, covering areas such as diplomacy, defence, trade and economic cooperation;
- The leaders exchanged views on regional, continental and global developments, reiterating their commitment to coordinating positions within SADC and SACU and advancing shared priorities for the Global South;
- The visit underscores the depth of South Africa-Namibia relations and the growing emphasis both countries place on economic integration, regional cooperation and collective responses to shared development challenges.

MASHATILE RESPONDS TO ORAL QUESTIONS

- On 18 June, Deputy President Paul Mashatile responded to oral questions from members of the National Council of Provinces (NCOP), which focused largely on corruption within the South African Police Service (SAPS), and measures to manage migration;
- On corruption within SAPS, Mashatile announced that senior managers are currently undergoing vetting by the State Security Agency (SSA) to strengthen integrity.
- He also highlighted internal measures within the Police Service, such as audit programmes and oversight committees meant to improve accountability.
- Mashatile further provided an update on mechanisms to assess the progress of the District Development Model (DDM) One Plans, where he outlined how government is using these plans to drive coordinated development and improve service delivery across districts and metropolitan municipalities;
- Lastly, the Deputy President emphasised the President's five-pillar plan for migration management in response to questions on preventing lawlessness amid grassroots protests against undocumented migrants;
- Overall, the replies reflect stepped-up government efforts to address lawlessness, especially at local and municipal levels, while tackling related challenges such as gangsterism and police corruption, . If sustained and effectively implemented, these actions could strengthen law enforcement and improve public safety.



POLITICAL UPDATES

HILL-LEWIS PROPOSES CABINET RESHUFFLE

- On 17 June, Democratic Alliance (DA) Leader Geordin Hill-Lewis formally wrote to President Cyril Ramaphosa proposing changes to the party's representation in the Government of National Unity (GNU), including the replacement of Minister of Agriculture John Steenhuisen with Willie Aucamp and Steenhuisen's redeployment as Deputy Minister of Trade, Industry and Competition;



- Presidential spokesperson Vincent Magwenya confirmed receipt of the proposed changes, noting that they relate to DA representatives in the National Executive and that the President would communicate a final decision in due course;
- The proposed changes would also see David Maynier appointed Minister of Forestry, Fisheries and the Environment, Alexandra Abrahams moved to Deputy Minister of Electricity and Energy, Yusuf Cassim appointed Deputy Minister of Higher Education and Training, replacing Mimmy Gondwe, and Jack Bloom appointed Deputy Minister of Water and Sanitation;
- On the same day, organisations including the Freedom Front Plus (FF+) and AgriSA welcomed Aucamp's proposed appointment as Agriculture Minister, with agricultural stakeholders expressing optimism regarding his sectoral experience and farming background;
- While the DA has framed the proposed reshuffle as an effort to strengthen its contribution to government, the replacement of Steenhuisen follows sustained criticism of the Department of Agriculture's handling of the Foot-and-Mouth Disease outbreak, suggesting an attempt by the party to reset relations with key agricultural stakeholders;
- For the agricultural sector, the proposed appointment of Aucamp may improve stakeholder confidence and policy engagement during a period in which disease containment, export market access and biosecurity management remain key industry priorities.

ELECTORAL COURT HEARS MKP ARGUMENTS

- On 17 June, the Electoral Court heard arguments in the uMkhonto weSizwe (MK) Party's challenge to the 2024 National and Provincial Election results, with the party maintaining that the electoral process was compromised and the outcome may not reflect the true will of voters;
- The case stems from the temporary failure of the IEC's election results dashboard and leaderboard during vote counting, which the MK Party argues created an opportunity for potential vote tampering, while the IEC maintains the technical glitch had no impact on the integrity of the results;



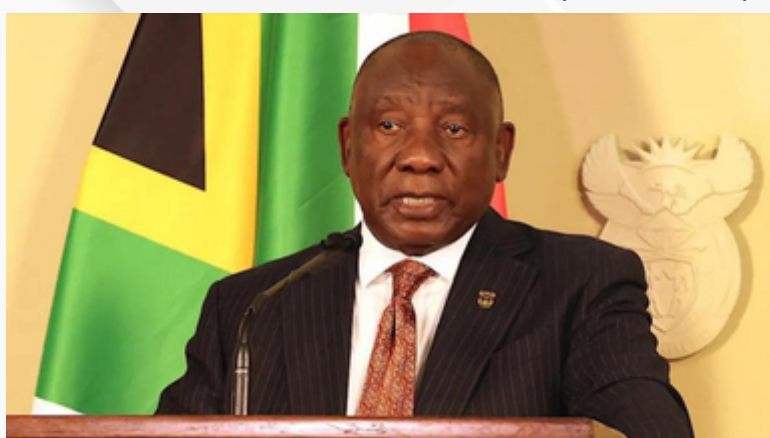
- During proceedings, the MK Party argued that the matter should be tested through independent expert evidence rather than relying solely on the IEC's explanation, with the party applying for oral evidence on whether the malfunction could have compromised the system;
- IEC Chief Executive Officer Sy Mamabolo reiterated that the Commission had demonstrated the elections were free, fair and credible, adding that the case comes at a sensitive period as preparations intensify for the 2026 Local Government Elections (LGEs);
- Continued scrutiny of the IEC in the MK Party dispute is likely to harm the Commission's public image and credibility ahead of the 2026 LGEs.



LEGISLATIVE/REGULATORY UPDATES

IMPEACHMENT COMMITTEE TO OPPOSE RAMAPHOSA INTERDICT APPLICATION

- On 18 June Parliament's Impeachment Committee resolved to oppose President's Ramaphosa's application to interdict Parliament's Section 89 impeachment process at the Western Cape Division of the High Court.
- The Committee further requested National Assembly Speaker Thoko Didiza to join the committee in opposing the President's application.
- The committee further maintained that it has a constitutional obligation to continue with the inquiry and will proceed with preparations, including consideration of its terms of reference and the appointment of evidence leaders on 24 June;
- In his court papers, Ramaphosa argued that allowing the impeachment inquiry to proceed before the lawfulness of the panel report being tested in court would expose him to irreparable harm and undermine constitutional protections afforded during the impeachment process;
- In response the African Transformation Movement (ATM) parliamentary leader Vuyo Zungula filed an affidavit opposing the matter in court, arguing that the parliamentary report Ramaphosa is challenging is only one step in a multi-layered process. he argued that the report is preliminary in nature and thus not reviewable by the court;
- If the President's application is successful, it would prolong the legal and political contestation surrounding the Phala Phala matter, with the potential to generate renewed tensions between GNU partners and opposition parties while keeping questions of executive accountability firmly in the public spotlight ahead of the 2026 Local Government Elections.



TREASURY EXTENDS PUBLIC COMMENT PERIOD ON PROCUREMENT REGULATIONS

- On 10 June, National Treasury announced a 30-day extension to the public comment period for the draft General Public Procurement Regulations, moving the submission deadline to 15 July 2026;
- The extension follows requests to Treasury for additional time to assess the regulations, which are intended to operationalise the Public Procurement Act of 2024 and establish a single framework governing public procurement across the state;
- The draft regulations place significant emphasis on strategic procurement planning, supply-chain management, and the alignment of procurement decisions with broader government development priorities, including the Medium-Term Expenditure Framework;
- Given the central role of public procurement in state expenditure and infrastructure delivery, the final regulations are likely to have important implications for the construction, infrastructure, manufacturing and broader services sectors.





AFRICA WATCH

IMF KEEPS MOZAMBIQUE FINANCING REQUEST UNDER REVIEW

- On 12 June, the International Monetary Fund (IMF) concluded a five-day mission to Maputo, during which it discussed Mozambique's request for a fund-supported arrangement, which is a tailored economic program established between the IMF and a member country facing financial difficulties



- The IMF's Mission chief Pablo Lopez Murphy described a "challenging economic situation," in Mozambique noting that economic activity was recovering from a 2025 contraction, but that growth remained subdued;
- In February the Fund assessed Mozambique's public debt as unsustainable under current policies. It's 2025 Article IV consultation gave no indication of a new financing programme, with any support understood to hinge on a substantial currency devaluation alongside fiscal and wage reforms;
- In parallel, Maputo also sought World Bank budget support. However, the Bank's Development Policy Operation will activate only once Mozambique meets benchmarks on macroeconomic and debt sustainability which will be assessed in coordination with the IMF;

- With both Washington institutions anchoring their support to the same conditions, Maputo's fiscal relief now hinges on reforms it has repeatedly deferred.

EQUATORIAL GUINEA'S CABINET RESIGNS

- On 17 June, Equatorial Guinea's Prime Minister Manuel Osa Nsue Nsuga submitted the Cabinet's collective resignation to President Teodoro Obiang Nguema Mbasogo;
- The move followed an internal assessment which found that the government had achieved only around 10% of its stated objectives;
- Vice President Teodoro Nguema Obiang Mangue announced the resignation, citing poor government performance despite the availability of significant financial, human and material resources;
- Equatorial Guinea remains heavily dependent on hydrocarbons and has struggled to diversify its economy despite decades of oil revenues, with economic growth failing to translate into broad-based improvements in living standards;
- A new cabinet is expected to be announced in due course, tasked with accelerating delivery on the government's economic and development objectives.



INTERNATIONAL AFFAIRS UPDATES

EU FOREIGN AFFAIRS COUNCIL DISCUSSES FOREIGN POLICY CHALLENGES



- On 15 June, European Union (EU) foreign ministers met in Brussels to review a broad range of foreign policy challenges, including the Russia-Ukraine war, developments in the Middle East, as well as EU-China relations;
- Discussions on Ukraine reaffirmed the EU's support for Kyiv, while expanding sanctions against six individuals "responsible for actions aimed at destabilising, undermining or threatening the sovereignty and independence of the Republic of Moldova";



INTERNATIONAL AFFAIRS UPDATES

- The ministers also evaluated relations with China, highlighting deep concerns over trade imbalances, critical mineral dependencies, and Beijing's economic and military support for Russia. While the Council committed to boosting European security, these mineral dependencies complicate regional strategy;
- Collectively, the discussions reflect the EU's increasing focus on strategic competition, supply-chain security and geopolitical risk management, with implications for global energy markets, international trade routes, defence industries and broader investor confidence.

US-IRAN SIGN MOU

- On 17 June United States (U.S.) President briefed the media on the sidelines of the G7 Summit in France, announcing the signing of a Memorandum of Understanding (MoU) between the U.S. and Iran;
- The agreement encompasses critical issues including a ceasefire between the countries, the reopening the Strait of Hormuz and Iran's denuclearisation;
- The development comes after months of war which has sent the global oil market and general economic indicators into a sharp decline;
- Israeli Prime Minister Benjamin Netanyahu responded with strong objection to the MoU, expressing that Israel will continue to seek the denuclearisation and elimination of Iran's proxies in the region;
- The MoU quickly elicited positive developments, such as the planned reopening of the Italian embassy in Iran on 19 June and the potential lifting of sanctions on Iran by France, the United Kingdom, Germany, and Italy;
- Strategically, this also lays the foundation for resupplying 20% of global oil, lowering operational risks for local energy, logistics, and other oil-dependent sectors.



G7 MEETING OUTCOMES

- On 17 June, G7 leaders concluded their annual summit in France, where they agreed to work towards safeguarding global energy and trade flows, and improving the resilience of critical mineral supply chains amid rising geopolitical uncertainty;



- The Leaders also committed to increasing military support for Ukraine, which will include additional air defence systems, long-range capabilities and energy infrastructure assistance, while also pledging to intensify sanctions on Russia's oil and gas, signalling continued efforts to raise the economic and military costs of the conflict for Russia;
 - The summit also welcomed the U.S.-Iran Memorandum of Understanding (MoU) and called for the unrestricted reopening of the Strait of Hormuz, emphasising that secure energy transit is essential for global economic stability;
 - The Leaders further launched a non-binding Critical Minerals Resilience and Production Alliance aimed at diversifying supply chains, reducing strategic dependencies and supporting investment across critical mineral value chains;
- The alliance will form part of a broader effort to secure inputs essential for defence, technology, renewable energy and advanced manufacturing industries.

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