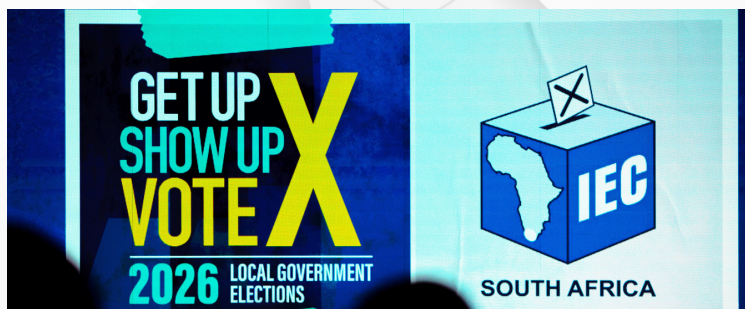




WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

21 AUGUST 2026

LOCAL GOVERNMENT ELECTIONS WATCH



- On 14 August, DA Johannesburg mayoral candidate Helen Zille launched the party's candidates for the Johannesburg Council ahead of the November Local Government Elections.
- The South African Communist Party (SACP) used its 105th anniversary as a Launchpad for its election campaign which they characterised as a new era in the class struggle.

ECONOMIC UPDATES

STATS SA RELEASES JULY CPI

- On 19 August, Statistics South Africa (Stats SA) released the July 2026 Consumer Price Index (CPI), showing that annual headline inflation slowed to 4.3% in July, down from 5.0% in June;
- While consumer prices increased by 0.2% month-on-month, down from 0.7% in June, marking the first cooling of inflationary pressures in five months;
- The slowdown was driven primarily by softer food and non-alcoholic beverages inflation, lower municipal tariff increases, and a decline in fuel prices;
- Food and non-alcoholic beverages inflation fell to 0.9%, the lowest rate in more than 16 years (since June 2010), mainly due to cereal products (-2.0%) and meat (slowed to 1.5% from 5.1%), with unprocessed beef recording sharp annual declines while some processed meats rose;
- Fuel prices retreated, with petrol decreasing by 7.1% and diesel by 11.7% month-on-month, pulling annual fuel inflation down to 20.6% from 34.3% and transport inflation to 8.9% from 12.7%;
- Municipal tariffs implemented in July were generally softer than in 2025, with electricity rising by 8.1% (down from 10.4%), water by 10.2% (down from 12.1%) and refuse removal by 4.7% (down from 6.6%), although sewerage increased by 7.8%;
- The defining implication is that the recent decline in inflation is being driven primarily by easing cost pressures, particularly in food, fuel and selected municipal tariffs, rather than broad-based weakness in consumer demand;
- While the slowdown provides welcome relief to households, residual elevated fuel prices and ongoing utility costs could still keep headline inflation above the South African Reserve Bank's preferred 3% objective in the near term. This is likely to support a continued cautious monetary policy stance, though sustained disinflation may gradually open limited scope for interest rate cuts.



GOVERNMENT UPDATES

RAMAPHOSA BILATERAL MEETINGS ON THE MARGINS OF SADC

- On 16 August, President Cyril Ramaphosa held bilateral meetings with the Prime Minister of the Kingdom of Lesotho Samuel Ntsokoane Matekane, and Colonel Michaël Randrianirina, President of the Refoundation of the Republic of Madagascar, on the margins of the 46th Ordinary Summit of Southern African Development Community (SADC) Heads of State and Government in Durban;



WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS



- With Prime Minister Matekane, the leaders reaffirmed the deep historical, cultural, economic and people-to-people ties between South Africa and Lesotho;
- They discussed strengthening cooperation in water security, infrastructure development, migration management, health and economic cooperation, with particular focus on advancing Phase II of the Lesotho Highlands Water Project;
- The two sides also committed to developing a sustainable and mutually beneficial migration management framework and to deepening collaboration within SADC and the African Union;

- With President Randrianirina, the discussions centred on Madagascar's refoundation process and efforts to restore constitutional order, including SADC's support for an inclusive national dialogue, institutional reforms and free, transparent and inclusive elections;
- The leaders further agreed to expand cooperation in infrastructure development, agriculture, tourism, mining and the development of small, medium and micro enterprises, while creating an enabling environment for increased bilateral trade and investment;
- South Africa and Madagascar, which established diplomatic relations in 1994, reaffirmed their commitment to strengthening political, economic and people-to-people ties;
- The defining outcome of the bilaterals was the reaffirmation of South Africa's role in supporting regional stability and practical cooperation, while advancing mutually beneficial economic partnerships within the broader SADC framework.

PRESIDENT LAUNCHES PHASE THREE OF GOVERNMENT-BUSINESS PARTNERSHIP

- On 20 August, President Cyril Ramaphosa launched Phase Three of the Government-Business Partnership at Summer Place in Hyde Park, Johannesburg, convening ministers and senior business leaders to set out a shared plan to accelerate economic growth and strengthen South Africa's position as an investment destination;



- The partnership, established in 2023, has progressed through distinct phases: Phase One focused on stabilisation during the energy, logistics and greylisting crises, while Phase Two concentrated on reform, delivering measurable results including more than a year without load shedding, improved rail freight volumes and port performance, exit from the Financial Action Task Force (FATF) greylist, and credit rating upgrades by S&P and Fitch;
- Phase Three is positioned as the growth phase, with its central framework defined as "Inclusive Growth, Jobs and Confidence";
- The President stated that "Phase Three must be about growth. The Partnership must be about converting the progress we have made into investment, productive activity and jobs";

- He further emphasised that "Confidence must lead to investment. Investment must lead to production. Production must lead to jobs. And jobs must lead to better lives";
- The immediate objective is to lift economic growth above 3 per cent, with growth that is labour-intensive, expands industrial capacity, supports small and medium enterprises (SMEs), black industrialists, women-owned and youth-owned businesses, and reaches rural communities, townships and smaller towns;
- Priority sectors for expanded partnership work under Phase Three are tourism, agriculture and agro-processing, and mining, with particular emphasis on critical minerals, beneficiation and localisation to leverage global demand linked to the green energy transition;
- The defining outcome is the clear shift from stabilisation and reform to delivery of inclusive growth, with the partnership now focused on turning progress into productive activity, jobs and shared prosperity through disciplined execution, measurable targets and closer collaboration between government and business.



POLITICAL UPDATES

ANC REVIEWS 2021 MANIFESTO RECORD

- On 16 August, the African National Congress (ANC) released its review of the implementation of its 2021 Local Government Elections Manifesto, describing the exercise as an act of political accountability and identifying achievements, incomplete implementation and weaknesses in delivering its commitments;
- On housing and human settlements, the ANC shared its efforts in providing serviced land, accelerating informal-settlement upgrading, the provision of title-deeds and building economically-integrated human settlements;
- Regarding water and sanitation, the Congress expressed that by 2025, 91.3% of households had access to water, nationally, while 85.6% had access to sanitation;
- The party also acknowledged the 2021-2023 electricity crisis, though highlighted improvements in the electricity system, chiefly, more than 450 consecutive days without loadshedding;
- The review admitted that government and the ANC had fallen short of public expectations, contributing to frustration and, in some communities, a loss of confidence, while committing to strengthen accountability and rebuild municipal capacity;
- Taken together, the review presents the ANC's assessment of its 2021 local-government commitments as one of partial progress alongside significant unfinished work, with the party seeking a renewed mandate on the basis of its stated programme to address those shortcomings.



PARTIES DEMAND DA MP'S REMOVAL

- On 17 August 2026, the ANC Parliamentary Caucus and the EFF called for Democratic Alliance MP Mark Burke (who is also the party's Federal Finance Chairperson) to be removed from his parliamentary committee positions;
- This followed details from a South African Reserve Bank affidavit involving Kastelo Proprietary Limited, a fintech company founded and chaired by Burke that is currently under SARB investigation for alleged breaches of exchange-control regulations;
- The parties raised concerns over alleged financial and exchange-control irregularities involving Kastelo, including the possible circumvention of exchange-control regulations in relation to approximately R4 billion in funds;
- The ANC Parliamentary Caucus specifically argues that Burke's continued tenure on the Standing Committee on Appropriations and as an alternate member on the Standing Committee on Finance creates an untenable conflict of interest;
- The EFF characterizes the allegations as constituent elements of financial crime, emphasizing the unauthorized use of client funds and identities to deceive regulators;
- Following this, the DA announced that Burke had recused himself from the finance cluster and would no longer serve on the Standing Committee on Finance while the SARB inquiry involving a company in which he is a beneficiary is ongoing, with DA MP Kingsley Hope Wakelin taking over as Finance Spokesperson;
- Taken together, the political interventions demonstrate the seriousness of regulatory enforcement actions, as well as their potential to escalate into institutional and political vulnerability for parliamentary leaders, and their political parties.



LEGISLATIVE/REGULATORY UPDATES

IEC INVITES PUBLIC COMMENT

- On 18 August the Electoral Commission (IEC) published its intention to amend the Municipal Electoral Regulations, and invited interested parties to submit written comments on the proposed amendments by 16 September 2026;
- The proposed amendments concern Regulations 22 and 24, which relate to the accreditation of Voter Education Providers and the handling of disputed votes, respectively;
- They also propose amending Regulations 28C and 28D, which relate to the handling of special votes, as well as 28F which deals with objections to the determination of the final results of the voting;





- Overall, the proposed amendments indicate continued government attention to electoral regulation ahead of the 2026 Local Government Elections, on 4 November;
- In addition to this, the amendments to the special-voting provisions will also have implications for physically infirm, disabled, pregnant, or otherwise eligible voters who are unable to vote at the voting stations where they are registered on Election Day.

AFRICA WATCH

SOUTH AFRICA HOSTS THE 46TH SADC SUMMIT



- On 17 August, South Africa hosted the 46th Ordinary Summit of the Southern African Development Community (SADC) Heads of State and Government at the Durban International Conference Centre, chaired by President Cyril Ramaphosa;
- The Summit elected President Ramaphosa as Chairperson of SADC and the President of the Republic of Zambia as the Incoming Chairperson, while His Majesty King Mswati III of the Kingdom of Eswatini was elected Chairperson of the Organ on Politics, Defence and Security Cooperation;
- Leaders reviewed progress in implementing the Regional Indicative Strategic Development Plan (RISDP) 2020–2030 and SADC Vision 2050, and urged Member States to deepen regional integration, strengthen trade and investment, remove non-tariff barriers, and improve cross-border logistics;
- The Summit approved the Agreement Establishing the SADC Tourism UNIVISA and called for its signature by Member States to facilitate seamless travel, boost tourism and promote regional economic integration;
- On peace and security, the Summit reaffirmed support for efforts to restore stability in the eastern Democratic Republic of the Congo, northern Mozambique and Madagascar, and approved the appointment of former Presidents Mokgweetsi Masisi of Botswana and Joaquim Chissano of Mozambique to the SADC Panel of Elders;
- The Summit also advanced the operationalisation of the SADC Regional Development Fund and called for accelerated ratification of key legal instruments to enhance resource mobilisation for infrastructure and industrialisation projects;
- The defining outcome was South Africa's assumption of the SADC Chairmanship under a clear industrialisation-focused agenda, with renewed commitment to implementation, regional value chains and practical measures that deliver tangible benefits for citizens across the region.

INTERNATIONAL AFFAIRS UPDATES

U.S. SANCTIONS ICC PERSONNEL

- On 18 August, U.S. Secretary of State Marco Rubio released a statement announcing U.S. sanctions against International Criminal Court (ICC) Judge Tomoko Akane and senior lawyer Abdoulaye Seye, for their direct engagement in efforts by the ICC to investigate, arrest, detain or prosecute officials whose governments have not consented to ICC jurisdiction;
- The U.S. justified the sanctions on the grounds that the ICC has no authority to investigate U.S. or Israeli nationals, arguing that neither country is a party to the Rome Statute;
- This follows previous U.S. sanctions against ICC personnel, most recently in December 2025 against two judges over their votes to investigate, prosecute and arrest Israeli soldiers, which the U.S. similarly characterised as unwarranted;
- Opposition to the sanctions has included a lawsuit filed by the American Friends Service Committee, the Center for Constitutional Rights, Human Rights Watch and the Open Society Institute, part of the Open Society Foundations, challenging President Donald Trump's February 2025 executive order sanctioning ICC officials and judges over preliminary investigations concerning U.S. and Israeli personnel;
- Further opposition came from the ICC itself, which stated that it remained undeterred by the sanctions and firmly supported its personnel;
- Taken together, the development raises implications for the authority of the ICC and the application of international law, particularly regarding the Court's ability to investigate alleged crimes against humanity and other international crimes.



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