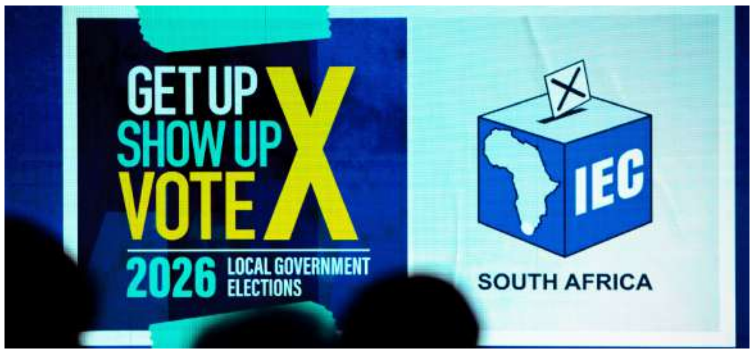
# WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

FRONTLINE AFRICA ADVISORY

**14 August 2026**

## LOCAL GOVERNMENT ELECTIONS WATCH




- On 7 August, the Electoral Commission (IEC) published the election timetable for the 2026 Local Government Elections, formally setting out key acts to be performed by the Electoral Commission, the Chief Electoral Officer and registered parties among others, in the lead up to 4 November.
- On 7 August, Minister of Cooperative Governance and Traditional Affairs Velenkosini Hlabisa formally gazetted 4 November 2026 as the date for the Local Government Elections.
- On 8 August, ActionSA announced several mayoral candidates for municipalities in KwaZulu-Natal, including Zwakele Mncwango for eThekwini, Halalisani Ndlovu for KwaDukuza and Zwe Nxumalo for Newcastle.

## ECONOMIC UPDATES

### STATS SA RELEASES Q2 LABOUR FORCE SURVEY REPORT

- On 11 August, Statistics South Africa (Stats SA) released the Quarterly Labour Force Survey for the second quarter (Q2);
- The official unemployment rate increased to 33.6%, up from 32.7% in the first quarter (Q1), while the number of unemployed people increased by 345 000 to 8.5 million;
- Total employment declined by 16 000 to 16.7 million between Q1 and Q2, while the labour force increased by 329 000;
- Employment losses were concentrated in community and social services, mining, agriculture, manufacturing and utilities, while gains were recorded in trade, construction and finance;
- 36.4% of young people aged 15 - 24 were not in employment, education or training (NEET), an increase of 1.2 percentage points compared with the same quarter in 2025;
- The figures point to continued weakness in employment absorption, with rising unemployment and limited employment growth likely to sustain pressure on government's employment creation and youth economic participation efforts.


### STATS SA RELEASES JUNE MANUFACTURING DATA

- On 11 August, Statistics South Africa (Stats SA) released the June 2026 Manufacturing Production and Sales report;
- The report showed that manufacturing production fell by 1.7% year-on-year in June 2026, despite increasing by 0.9% from May on a seasonally adjusted basis;
- Furthermore, manufacturing production fell by 1.5% between the first quarter (Q1) and second quarter (Q2) 2026, with seven of the ten manufacturing divisions recording declines;
- Similarly, Manufacturing sales fell by 2.3% year-on-year in June 2026, while seasonally adjusted sales declined by 1.6% from May;
- In contrast, manufacturing sales increased by 0.6% between Q1 and Q2 2026, driven mainly by petroleum, chemical products, rubber and plastic products, and motor vehicles, parts and other transport equipment;
- The figures point to continued weakness in manufacturing activity, with production under pressure despite modest sales growth over Q2, thereby limiting the sector's near-term contribution to economic growth.

### PAYINC JULY ECONOMIC ACTIVITY INDEX

- On 13 August, PayInc reported that economic activity increased by 0.3% in July, following declines of 0.9% in June and 2.0% in May, with the PayInc Economic Index reaching 102.7;
- PayInc attributed part of the July improvement to lower petrol and diesel prices, noting that higher fuel prices have been linked to weaker economic activity since March. It warned that renewed volatility in global oil markets could push fuel prices higher and weigh on economic activity;

- The report highlighted continued caution among households and businesses, reflected in delayed investment, weaker spending on durable goods and limited workforce expansion, while Q2 labour market data showed the impact of weak economic conditions on employment;
- The July increase provides some evidence of a modest recovery in economic activity following the weakness recorded in May and June, although the limited 0.9% year-on-year growth and continued caution among businesses and households suggest that the broader recovery remains fragile and vulnerable to renewed cost pressures, particularly from fuel prices.

# GOVERNMENT UPDATES

## NATJOINTS MEDIA BRIEFING

- On 7 August, the National Joint Operational and Intelligence Structure (NATJOINTS) briefed the media on the national security situation, anti-illegal immigration operations, public order, border security and government's readiness for upcoming national events;
- NATJOINTS reported that protest activity linked to anti-illegal immigration campaigns had declined significantly, although Gauteng, Mpumalanga and KwaZulu-Natal continued to experience isolated and localised demonstrations;
- Enforcement operations have intensified, with more than 16 208 undocumented foreign nationals arrested in July through Operation Shanela and related multidisciplinary operations, bringing the 2026 total to 59 947;
- Government also reported 77 184 undocumented foreign nationals repatriated as of 3 August and 18 816 formal deportations between April and July;
- Government is continuing a whole-of-government compliance approach, including 6 317 labour inspectors conducting workplace inspections, spaza shop compliance inspections and joint border enforcement involving the Border Management Authority (BMA), South African Police Service (SAPS), South African National Defence Force (SANDF) and South African Revenue Service (SARS);
- Ahead of the Local Government Elections, NATJOINTS has activated an extensive election security plan covering visible policing, intelligence gathering, protection of election infrastructure and rapid response;
- The briefing points to a sustained and more coordinated enforcement posture, suggesting continued regulatory and operational scrutiny, particularly in areas affected by multidisciplinary inspections and enforcement operations.

## ESKOM REPORTS IMPROVED ELECTRICITY AVAILABILITY FACTOR

- On 7 August, Eskom reported that its financial year-to-date Energy Availability Factor (EAF) had improved to 67.24% for 1 April to 6 August, up from 60.05% during the corresponding period in 2025 and representing Eskom's strongest year-to-date EAF performance since November 2020;
- The improvement has been supported by stronger generation fleet performance, with Eskom reporting that approximately 5.9GW of generating capacity has returned to the grid compared with the same period three years ago, while more than 85% of the coal fleet is operating at EAF levels between 70% and 92%;
- Average unplanned outages fell by 28.3% year-on-year to 7 718MW between 31 July and 6 August, while the Unplanned Capacity Loss Factor declined to 16.12% from 22.60% over the same period, indicating improved generation reliability;
- Improved fleet performance has also reduced Eskom's reliance on diesel generation, with year-to-date diesel expenditure falling by 83.44% to R948.46 million, compared with R5.73 billion in the corresponding period last year;
- The sustained improvement in generation availability, together with lower unplanned outages and reduced diesel dependence, points to a strengthening power system and improved operational efficiency. While this supports greater reliability for households and businesses and reduces the cost pressures associated with emergency generation, the continued focus on maintenance and the elimination of localised load reduction remain important to sustaining these gains.

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# POLITICAL UPDATES

## DA RELEASES ELECTIONS MANIFESTO

- On 8 August, at the Democratic Alliance's (DA) launch rally at Mary Fitzgerald Square, the party's City of Johannesburg mayoral candidate Helen Zille outlined its 2026 Local Government Elections Manifesto, and the six election promises it contained.
- These included building a corruption-free and professional administration; getting municipal water systems and electricity working; creating safer communities, clean municipalities and healthy residents; and building growth-enabling local economies that create jobs;
- The DA aims to achieve these promises through merit-based appointments, reinvesting water and electricity revenue into infrastructure, empowering communities to fight crime, and leveraging private-sector investment and expertise, while also enabling informal traders to operate legally and restoring neglected public spaces such as clinics and libraries;
- The manifesto also proposes reliable public infrastructure and transport to connect residents to jobs;
- Coming just three months ahead of the 4 November Local Government Elections, the manifesto reflects local and immediate service-delivery grievances, while framing ANC-governed municipalities as characterised by unreliable and failing services;

# LEGISLATIVE/REGULATORY UPDATES

## PORTFOLIO COMMITTEE RECEIVES BRIEFINGS

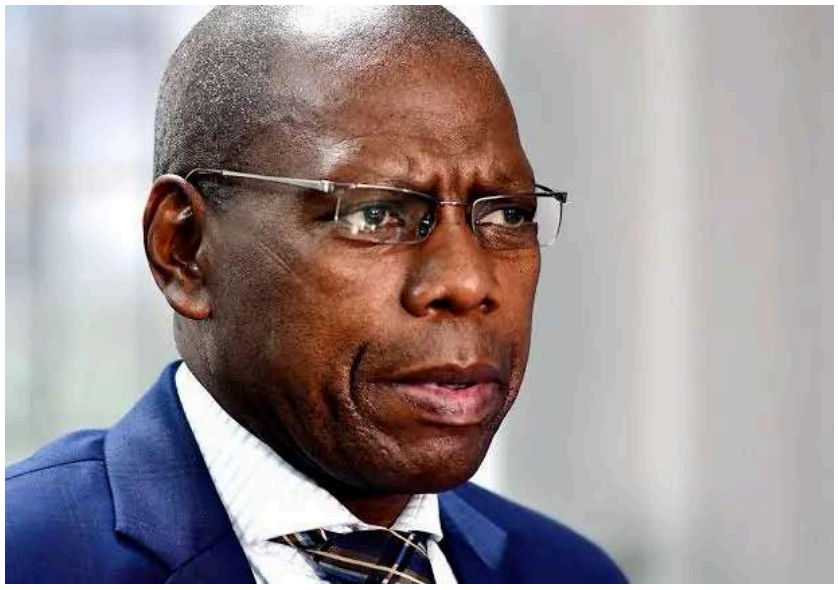

- On 11 August, the Portfolio Committee on Home Affairs was briefed by the Department of Home Affairs (DHA) and the Border Management Authority (BMA) on the repatriation and deportation of undocumented foreign nationals, including the number of persons processed, associated costs and implementation of the programme;
- As of the close of business on 6 August, the DHA reported that 82,875 people had been processed for repatriation and deportation;
- The department's associated costs amounted to approximately R292.77 million, including R203.50 million for buses used to transport foreign nationals, R48 million for the establishment of a temporary repatriation centre in Musina and approximately R4 million in overtime costs for officials involved in the process;
- Meanwhile, the BMA outlined the activation of the Migration and Stability Response Plan, alongside active monitoring and direct support for Port Management Committees (PMCs) by the Border Security and Operational Committee (BSOC);
- Members of Parliament raised questions on the recovery of repatriation costs from receiving countries, and longer-term plans to address migration hotspots;
- Taken together, the DHA and BMA presentations reflect the scale of the repatriation and deportation programme, while highlighting the financial burden placed on government and the importance of interdepartmental cooperation in its implementation;
- The development also underscores the resource pressures associated with managing immigration, with the Committee raising concerns over the DHA's expenditure and the BMA's continued underfunding, which may constrain the capacity of both institutions to sustain effective border and immigration management.

## JUSTICE MINISTER DETAILS APPROVED BILLS

- On 11 August, the Minister of Justice and Constitutional Development and Deputy Minister briefed the media in detail on four bills recently approved by Cabinet – namely the General (Mining) Laws Amendment Bill, the Legal Practice Amendment Bill, the Regulation of Trusts Bill, and the Conspiracy, Instigation and Incitement to Commit Offence Bill;
- On the General (Mining) Laws Amendment Bill, the Minister clarified that while illicit mining is already prohibited, illicit mining and activities associated with it are not currently criminal offences, with the Bill therefore proposing amendments to the Criminal Procedure Act, Diamonds Act, Mineral and Petroleum Resources Development Act and Precious Metals Act to create relevant offences and penalties;

- For the Legal Practice Amendment Bill, the Minister highlighted amendments intended to address practical gaps in the Legal Practice Act, including expanding the Legal Practice Council's functions, strengthening access to justice and legal training, and addressing uncertainties around admission to the profession, including provisions concerning persons holding a baccalaureus procurationis and the cut-off period for admission under section 115, among others;
- Regarding the Regulation of Trusts Bill, the Minister highlighted shortcomings in the existing framework that can allow trustees to evade accountability, limit the Master's oversight and leave beneficiaries inadequately protected, while also creating risks of trust structures being misused for money laundering and other criminal activities; the Bill would therefore strengthen trustee accountability, transparency and oversight, including through annual financial statements and greater protection for vulnerable beneficiaries;
- Lastly, on the Conspiracy, Instigation and Incitement to Commit Offence Bill, the Minister described the existing Riotous Assemblies Act as outdated, with many of its provisions having already been repealed, leaving only the preamble and sections 16, 17 and 18 in operation; the Bill would repeal the remaining Act and establish a modern framework governing conspiracy, instigation and incitement to commit criminal offences;
- Altogether, the developments indicate legislative implementation aimed at strengthening law enforcement over mineral wealth, bolstering the legal profession and access to justice, improving transparency and accountability in the administration of trusts, and modernising the legal framework governing conspiracy, instigation and incitement.

## NATIONAL ASSEMBLY PASSES DEMARCATION BILL



- On 11 August, the National Assembly plenary considered and then passed the Independent Municipal Demarcation Authority Bill, as tabled by the Portfolio Committee on Cooperative Governance and Traditional Affairs (COGTA);
- The Bill provides for the establishment of an Independent Municipal Demarcation Authority, which will replace the current Municipal Demarcation Board under a new legislative framework;
- Chairperson of the Committee Dr. Zweli Mkhize added that several clauses were amended, principally Clause 5 concerning public participation and ensuring that the public is made aware of the Authority's mandate, and Clause 3 concerning the independence and impartiality of the Authority;
- Most political parties, including the EFF, IFP and RISE Mzansi, called for the adoption of the Bill, while the ANC ultimately supported it after initially calling for the matter to be deferred to the following week;
- The MK Party expressed concern that the Bill does not provide for a fully independent Authority and subsequently rejected it, while the DA opposed the Bill, citing scope for political influence;
- The House nevertheless proceeded to adopt the Committee's report. Taken together, this could create further political contestation over the Authority's independence and credibility, particularly as future municipal boundaries and ward demarcations are undertaken ahead of subsequent electoral cycles.

# AFRICA WATCH

## ABSA AND DIRCO AMBASSADORIAL BREAKFAST ENGAGEMENT


- On 7 August, the Department of International Relations and Cooperation (DIRCO) and ABSA hosted an Ambassadorial Breakfast Engagement;
- The engagement focused on Africa's demographic growth, mineral wealth, economic integration and stronger partnerships between government and business, with International Relations Minister Ronald Lamola using the occasion to reflect on the continent's economic prospects and challenges;
- Lamola noted that Africa's young and growing population presents a significant economic opportunity, but warned that realising this potential will depend on the continent's ability to expand employment, create meaningful economic opportunities and strengthen public institutions and service delivery;

- He emphasised Africa's strategic importance to the global energy transition given its concentration of critical minerals, while cautioning that the continued export of unprocessed minerals limits the continent's ability to capture greater value, technology, jobs and wealth from its resources;
- Intra-African trade and integration were highlighted as priorities, with Lamola pointing to the implementation of G20 outcomes on intra-Africa payment systems and South Africa's addition of the Angolan Kwanza to a cross-border regional payment system;
- Lamola also cited findings that only 13% of Africans surveyed had heard of the African Continental Free Trade Area (AfCFTA), despite more than six in ten believing that easier trade with other countries would benefit their economies;
- The meeting called for greater business responsibility in addressing irregular migration, arguing that employers who exploit irregular migration to evade labour and immigration laws undermine labour standards, disadvantage compliant businesses and contribute to social tensions;
- For South African businesses operating across the continent, this places greater emphasis on responsible employment practices, participation in regional economic integration and alignment with broader African development objectives.

# INTERNATIONAL AFFAIRS UPDATES

## SAUDI ARABIA, TÜRKIYE AND PAKISTAN SIGN DEFENCE AGREEMENT

- On 7 August, Saudi Arabia, Türkiye and Pakistan signed the Mecca Joint Defence Agreement, committing to regard an armed attack against one of the three states as an attack against all, establishing a clear mutual defence obligation;
- The three countries committed to strengthening collective security while promoting peace and stability in the region and beyond;
- As such, the agreement stands to strengthen collective deterrence against acts of aggression, while providing for the enhancement of all aspects of defence cooperation among the three states covering military, strategic and operational domains;
- According to Pakistan's Deputy Prime Minister and Foreign Minister, Ishaq Dar, the agreement remains open to other countries in the region and is not directed against any particular country;
- Collectively, the agreement indicates deepening security cooperation between the Middle Eastern and South Asian states, with potential implications for regional deterrence and the broader security architecture of both regions.

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