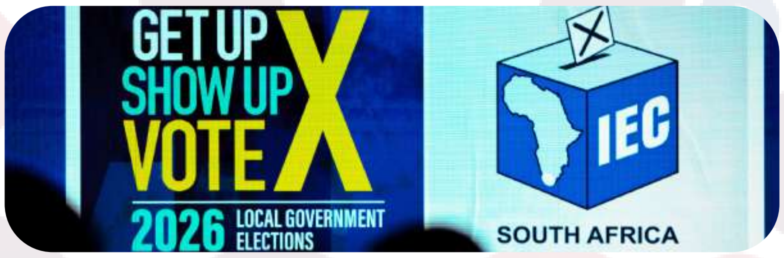
WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

28 AUGUST 2026

FRONTLINE AFRICA ADVISORY

LOCAL GOVERNMENT ELECTIONS WATCH



- On 22 August, Build One South Africa (BOSA) announced Martha Moshiga as its mayoral candidate for the City of Tshwane.
- On 22 August, ActionSA announced mayoral candidates for eight municipalities across Mpumalanga, including Martin Rankapole for Dr JS Moroka Local Municipality, Daniel Maseko for eMakhazeni Local Municipality, Terror Mwelase for Emalahleni Local Municipality, and Gugu Thwala for the City of Mbombela Local Municipality, among others.

ECONOMIC UPDATES

STATS SA JULY PPI

- On 27 August, Statistics South Africa (Stats SA) released the Producer Price Index (PPI) for July;
- The data shows a moderation in annual producer price inflation for final manufactured goods;
- Annual producer price inflation for final manufactured goods slowed to 5.7% in July, from 7.5% in June, while the index declined by 1.0% monthly;
- The annual increase was driven primarily by coke, petroleum, chemical, rubber and plastic products, which rose by 15.7% annually and contributed 3.4 percentage points to the headline rate;
- Annual inflation for intermediate manufactured goods also moderated, to 9.8% from 12.4% in June, while mining producer inflation fell sharply to 9.9% from 18.4%;
- Annual Electricity and water inflation increased to 7.5% from 5.5%;
- Agriculture, forestry and fishing remained in annual deflation, although the rate improved to -4.5% from -7.9% in June, with the index increasing by 2.4% monthly;
- The July figures indicate easing producer-price pressures across manufacturing and mining, largely reflecting lower petroleum-related prices during the month, while elevated intermediate-goods and utility costs remain potential sources of upstream cost pressure.

GOVERNMENT UPDATES

OUTCOMES OF 4TH SA–ZIMBABWE BNC

- On 21 August, South Africa hosted the Fourth Session of the SA–Zimbabwe Bi-National Commission (BNC) in Pretoria, co-chaired by Presidents Cyril Ramaphosa and Emmerson Mnangagwa;
- The BNC focused on strengthening bilateral cooperation across political, economic, infrastructure, energy, migration and security matters, with emphasis on trade, investment and business opportunities;
- Several agreements and Memoranda of Understanding (MoU) were signed, including: MoU on collaboration between the Zimbabwe Foreign Service Institute and the Diplomatic Academy of the Department of International Relations and Cooperation of South Africa, Agreement on correctional services, MoU on women's empowerment and gender equality, Agreement on cooperation in agriculture, Agreement on arts, culture and heritage, and the BNC Rules of Procedure;
- A draft MoU on Economic Cooperation was advanced but not finalised, with leaders directing ministers to address the trade imbalance and expand two-way trade and investment;
- Priority infrastructure projects included the Third Limpopo Bridge and full operationalisation of the Beitbridge One Stop Border Post;
- A Joint Technical Committee on Trade and Industry was established to advance cooperation on industrial value chains, special economic zones, industrial parks, trade, tourism, transport and logistics;
- The outcomes point to deepened institutional cooperation and a clear implementation agenda, though tangible economic gains will depend on operationalising signed instruments and advancing the economic cooperation framework to narrow the trade deficit.

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ISA HOSTS THE 5TH SIDSSA

- On 23-25 August, Infrastructure South Africa (ISA) hosted the 5th Sustainable Infrastructure Development Symposium of South Africa (SIDSSA) at the Century City Convention Centre in Cape Town;
- The symposium focused on strengthening government's capacity to build future-ready, resilient and sustainable municipal infrastructure, and on improving project preparation, financing and delivery at local government level;
- President Cyril Ramaphosa delivered the keynote address on 25 August, stressing that infrastructure investment is central to economic growth, job creation and regional integration;
- Ramaphosa said the estimated capital value of the portfolio of Strategic Integrated Projects (SIPs) has grown from about R340 billion in 2020 to more than R1.67 trillion, comprising 195 projects, with 32 completed and 55 under construction;
- Government identified project preparation as a key challenge, with ISA's R600 million facility supporting 26 projects, including municipal infrastructure and an Adopt-a-Municipality pilot targeting R7 billion in investment;
- The symposium featured the release of the 3rd Edition of the Construction Book, showcasing more than 170 funded and investment-ready projects worth an estimated R264 billion, with government committing to quarterly progress reporting to track delivery;
- The symposium marks a shift toward a coordinated, project-preparation-driven pipeline, but the emphasis on "ready" projects and quarterly reporting underscores that the real test will be translating the R264 billion pipeline into on-the-ground delivery and sustained economic impact.

RAMAPHOSA ANSWERS NATIONAL ASSEMBLY QUESTIONS

- On 25 August, President Cyril Ramaphosa answered oral questions in the National Assembly on migration, Madagascar, the water crisis, municipal governance and infrastructure;
- Regarding migration, Ramaphosa reaffirmed government's rejection of xenophobia and said addressing migration requires greater regional cooperation through the Southern African Development Community (SADC) and the African Union;
- South Africa used the 46th SADC Summit to place migration on the regional agenda, while continuing efforts to strengthen border management and address corruption in the immigration system;
- On Madagascar, Ramaphosa said SADC would continue supporting the country's return to constitutional governance through diplomatic engagement, mediation and oversight;
- Addressing the water crisis, Ramaphosa said government was applying the approach used to address the electricity crisis to the National Water Action Plan and will target service-delivery failures, corruption, infrastructure theft the so-called water tanker mafia;
- Ramaphosa acknowledged weaknesses in municipal accountability and said government was strengthening interventions in poorly performing municipalities;
- Infrastructure was presented as a central pillar of government's economic programme, with Ramaphosa arguing that infrastructure constraints are contributing to weak economic growth, unemployment and deteriorating service delivery. He said increased investment in roads, rail, ports, electricity and other infrastructure could unlock private-sector investment, create jobs and support economic growth despite fiscal constraints;
- The Q&A underscored government's emphasis on coordinated state intervention, infrastructure investment and stronger accountability in responding to migration, municipal governance and water challenges, while highlighting continued political pressure over implementation and accountability.

POLITICAL UPDATES

ANC LAUNCHES LGE MANIFESTO

- On 23 August the African National Congress (ANC) released its Local Government Elections (LGE) Manifesto, anchored on six core pillars, including actions concerning basic services, safety and sanitation, corruption mitigation, as well as various actions concerning municipal funding, investment and community participation;
- The party promised action on providing affordable, reliable and accessible basic services, including water, sanitation and municipal infrastructure. These provisions would prioritise maintenance, leak repairs, eliminating sewage spills, and building on successes in mitigating load shedding, among others;
- The ANC then touched on safety, cleanliness, and health, with a focus on prominent issues including gender-based violence and femicide, strengthening community policing forums, and promoting social cohesion;

- Further action included the party's promise to fight corruption by choosing the right people to lead, hinting at a shift toward more rigorous vetting for leadership positions within the party's control;
- The remaining actions pertained to turning municipalities into investment-ready engines of local development, reviewing the municipal funding model to build modern, efficient and financially sustainable municipalities, as well as placing communities at the centre of municipal planning, budgeting and decision-making while making councillors accessible and accountable between elections;
- The manifesto appears aimed at addressing some of the issues that have contributed to declining support for the ANC at local level, particularly poor service delivery, municipal dysfunction, corruption and weak accountability. The emphasis on leadership quality and anti-corruption measures is particularly significant, as it speaks directly to concerns over the ANC's ability to translate its political control into effective municipal governance ahead of the LGE

LEGISLATIVE/REGULATORY UPDATES

COMPETITION COMMISSION PUBLISHES DRAFT GUIDELINE

- On 21 August the Competition Commission South Africa published the draft Guidelines on Repair, Service, and Maintenance Aftermarkets, and invited public comments by 21 September 2026;
- The guidelines were formulated after concerns emerged regarding competition in repair, service and maintenance aftermarkets for technical goods, including electronic devices, appliances, equipment and other durable goods that require repair and maintenance throughout their useful lives, creating a need for guiding principles to support the pro-competitive development of these markets;
- Consequently, they touch on the characteristics of repair and maintenance markets, the legal framework governing the relationship between Original Equipment Manufacturers (OEMs) and maintenance providers, and the definition of relevant markets and assessment of market power;
- The guidelines further address restrictions on competition in repair and maintenance markets, including restrictions on access to spare parts, other anti-competitive conduct, practices that foreclose or disadvantage Independent Service Providers (ISPs), and practices that discourage or penalise consumers for using independent service providers;
- Lastly, the guidelines address justifications for certain restrictions in repair and maintenance markets;
- The draft has implications for OEMs, ISPs, consumers, and other stakeholders in the electronics, appliances, equipment, and durable goods industries. They could influence competition, consumer choice, and the cost and availability of repair and maintenance services for businesses and consumers reliant on goods in the affected industries.

ELECTRICITY DEPARTMENT INVITES COMMENTS ON PAPER

- On 21 August, Minister of Electricity and Energy, Kgosientsho Ramokgopa, published the Electricity Sector Market Transformation Position Paper, 2026, for public comments within 30 days of its publication;.
- The paper covers the rationale for sectoral transformation, its guiding principles, an overview of the proposed changes, as well as a timeline;
- The paper also outlines its vision for the future of the electricity sector by establishing a competitive wholesale electricity market and bringing together various electricity initiatives already underway into a single, coherent agenda for market transformation, including changes to participation in the market and the institutions involved in its operation;
- Guiding principles for sectoral transformation include stimulating competition and innovation through market mechanisms, creating incentives for new investment, as well as promoting competitive neutrality, among other principles regulating participation and consumer protection;
- The proposed changes are overarching, including participation from generators, traders and eligible customers in the wholesale electricity market. This will also see a network of service providers at the transmission and distribution levels, a System Operator, a Market Operator, a Central Purchasing Authority, and a regulator (the National Energy Regulator of South Africa);
- Government is targeting the regulatory framework by the end of 2026 and a wholesale-market launch in 2027, with a gradual opening to participants beyond Eskom. Ordinary household supply is expected to continue as now; the immediate change is at wholesale level for generators, traders, eligible customers and municipalities;
- The paper therefore matters for generators, transmitters, distributors, traders, municipalities, policymakers and large energy users that may become eligible wholesale customers.

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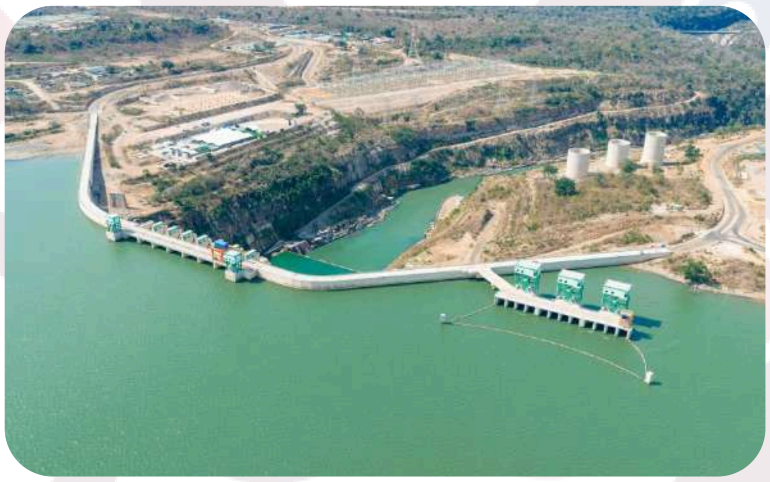

TANZANIA INAUGURATES JULIUS NYERERE HYDROPOWER PLANT

- On 22 August, President Samia Suluhu Hassan officially inaugurated and commissioned the 2,115 Megawatt (MW) Julius Nyerere Hydropower Project (JNHPP), Tanzania's largest power plant;
- The plant increased Tanzania's installed generation capacity to 4,646 MW, creating a surplus of about 2,375 MW over peak demand of 2,271 MW;
- The extra power is already being absorbed by industry rather than sitting idle. The World Bank has linked the generation increase to stronger activity in mining, cement, and agro-processing, and new transmission, including the 400 kV Chalinze–Dodoma line, lifted recorded peak demand within days of coming online. That is the signal businesses need: supply is rising, and so is usable industrial demand;
- JNHPP now supplies nearly half of electricity to the national grid and is expected to form the backbone of Tanzania's power system;
- The commissioning closes a long period of generation shortfalls and economically damaging blackouts. For companies weighing a Tanzania expansion, that is an operations point as much as an energy point: factories, mines, cold chains, and processing plants can plan around grid power instead of pricing in generators, lost shifts, and unreliable uptime;
- The project cost approximately TZS 7.45 trillion (US$2.84 billion) and was fully financed by the Tanzanian Government from domestic revenues;
- Built by an Egyptian consortium, Arab Contractors and Elsewedy Electric, the project employed a workforce that was more than 95% Tanzanian;
- The commissioning marks a significant shift in Tanzania's energy landscape, with hydropower accounting for around 60% of generation and surplus capacity supporting plans to export electricity to neighbouring countries, including Kenya and Zambia.

INTERNATIONAL AFFAIRS UPDATES

ISRAELI SETTLEMENT PLAN DRAWS INTERNATIONAL OPPOSITION

- On 21 August, the European Commission, Greece, Austria, Spain, Australia, New Zealand, Sweden and Belgium added their signatures to a joint statement opposing the Israeli Government's decision to publish construction tenders for the E1 settlement project in the West Bank, with six further European countries subsequently joining the statement;
- The E1 area covers approximately 12 square kilometres, with the United Nations warning that its development could effectively sever the connection between the northern and southern West Bank, while the statement argues that the settlement would undermine the prospect of a two-state solution;
- The joint statement also warns businesses against bidding for the construction tenders, citing legal and reputational consequences;
- On 25 August, US Representative Gregory W. Meeks, Ranking Member of the House Foreign Affairs Committee, called on President Donald Trump to intervene and demand that the plans be halted, while on 26 August, the issue was raised during a UN Security Council briefing, where the Palestinian observer argued that the release of tenders represented a move towards full-blown annexation and called on Member States to act against businesses and financial institutions contributing to the settlement enterprise;
- The developments indicate that the E1 plan is becoming a focal point of international pressure over the viability of a contiguous Palestinian state, while creating potential legal and reputational exposure for businesses participating in the project.

END