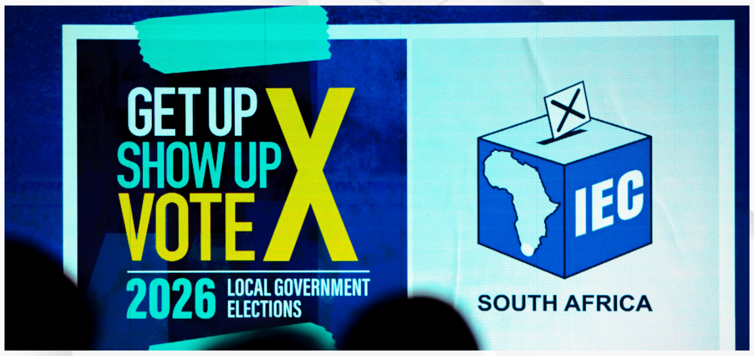
WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

11 SEPTEMBER 2026

LOCAL GOVERNMENT ELECTIONS WATCH

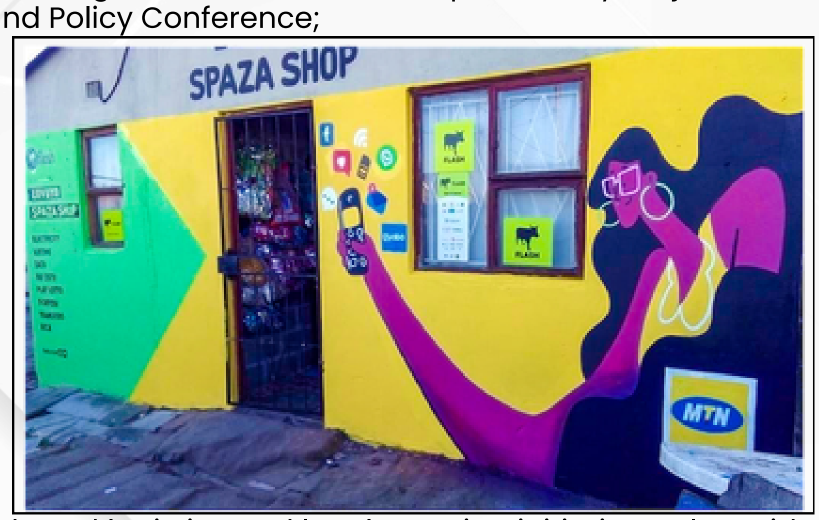


- On 3 September, ActionSA'announced Councillor Thamsanqa Mthiyane as the party's mayoral candidate for the uMhlathuze Local Municipality, while also presenting its Ward councillor candidates for the municipality.
- On 4 September, the Electoral Commission (IEC) gazetted the Electoral Code of Conduct Countering Disinformation in the Local Government Elections, which also designated Real 411 as its online complaints' mechanism for disinformation.

ECONOMIC UPDATES

COMPETITION COMMISSION: TOWNSHIP ECONOMY REPORT

- On 3 September, the Competition Commission launched its inaugural Rural and Township Economy Project 2026 report during its 20th Annual Competition Law, Economics and Policy Conference;
- The report found that weak market access, high procurement costs and regulatory "red tape" are key constraints limiting the growth and formalisation of township and rural businesses;
- Moreover, smaller and informal businesses face particular challenges in accessing major retailers, formal retail space and online platforms due to compliance, cost, infrastructure and scale requirements;
- To address these barriers, the report recommended simplifying and standardising regulatory requirements, improving access to information and engaging municipalities, the South African Local Government Association (SALGA), national departments and agencies to reduce compliance burdens;



- On procurement, it recommended exploring buyer groups, shared logistics and local sourcing initiatives, alongside scrutiny of potentially discriminatory supply and procurement arrangements affecting Small, Medium, and Micro Enterprises (SMMEs) and historically disadvantaged businesses;
- The report indicates that formalisation and access to efficient supply and distribution channels will increasingly shape commercial viability. As such, firms that can meet compliance requirements and access formal retail, digital platforms or buyer groups are likely to benefit as barriers ease, while informal firms risk further marginalisation.

STATS SA RELEASES Q2 2026 GDP REPORT

- On 8 September, Statistics South Africa (Stats SA) released the Gross Domestic Product (GDP) report for the second quarter of 2026;
- Real GDP contracted by 0.2% quarter-on-quarter (q/q) in Q2, following 0.4% growth in Q1, with the decline driven primarily by weaker activity in trade, manufacturing and mining;
- The trade, catering and accommodation sector declined by 1.9%, while manufacturing fell by 1.8% and mining by 3.0%; together, these industries were the largest negative contributors to overall GDP growth;
- Several service-sector industries recorded growth, including transport, storage and communication by 0.9%, finance, real estate and business services by 0.3%, general government services by 1.0% and personal services by 0.6%;

WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

- On the expenditure side, household consumption increased by 0.4% and government consumption by 0.4%, while gross fixed capital formation declined by 0.2%;
- Net exports were a significant drag, contributing -1.1 percentage points to GDP growth as imports rose 4.9%;
- The contraction points to continued fragility in the productive economy, with weak industrial activity and declining capital formation constraining growth despite relatively resilient household consumption and services. For business, this suggests limited near-term momentum in investment and goods-producing sectors, while service-oriented segments remain comparatively better positioned.

GOVERNMENT UPDATES

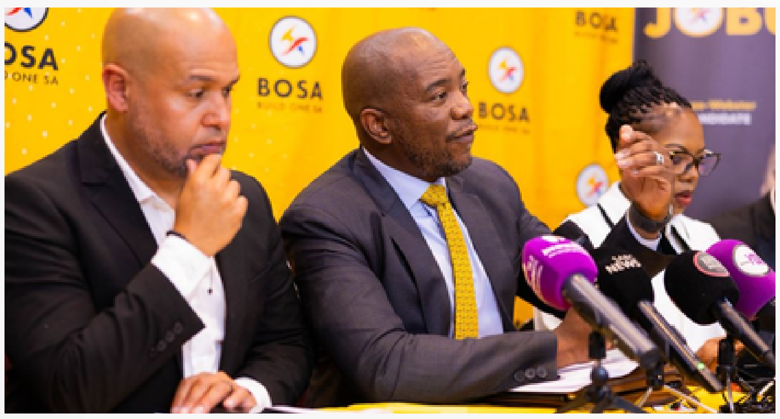
NEDLAC 31ST ANNUAL SUMMIT

- On 4 September, the National Economic Development and Labour Council (Nedlac) convened its 31st Annual Summit at the CSIR International Convention Centre in Pretoria under the theme “Advancing Inclusive Growth and Decent Work in the Age of AI”;
- Nedlac is South Africa's statutory social dialogue forum where government, business, labour, and community constituencies negotiate and build consensus on socio-economic and labour policies;
- Addressing the Summit, Employment and Labour Minister Nomakhosazana Meth called for a social compact on AI and the future of work, including measures on skills development, worker and enterprise support, and safeguards against job displacement;
- Meanwhile, Electricity and Energy Minister Kgosientsho Ramokgopa warned that AI could deepen inequality where workers and communities lack the skills and infrastructure to participate in the digital economy;
- Labour tensions remained evident, with the Federation of Unions of South Africa (Fedusa), the Congress of South African Trade Unions (Cosatu) and Cosatu Free State issuing section 77 notices over medical aid costs, job losses in the smelter industry, and unreliable municipal water and electricity supply;
- A Section 77 notice is a formal notification issued by a trade union under South Africa’s Labour Relations Act to initiate legally protected protest action over broader socio-economic and public policy issues;
- For business, the discussions point to rising pressure on employers and government to prepare for AI-driven workforce changes while addressing skills and infrastructure gaps, alongside continued labour and service-delivery risks that could affect operating costs and business continuity.

POLITICAL UPDATES

BOSA RELEASES LGE MANIFESTO

- On 5 September, Build One South Africa (BOSA) released its local government elections manifesto for 4 November;
- The ‘BOSA Plan for Municipalities That Work’ outlines five focal areas, namely reliable services, local jobs and growth, safe communities, clean government and accountable leadership;



- The party promises working water, sanitation, electricity and infrastructure, while also placing emphasis on support for Small, Medium and Micro Enterprises (SMMEs), entrepreneurs and township economies;
- The party’s also highlighted its commitment to end corruption, cadre deployment and wasteful spending, alongside its promise to provide councillors who serve, report back and deliver, The manifesto also touches on partnering municipal youth programmes with local TVET colleges to mitigate high youth unemployment, as well as provisions for incorporating Artificial Intelligence (AI) into local government;
- These commitments indicate a focus on improving the reliability of municipal services, reducing administrative barriers and strengthening local economic activity.

ANC CHALLENGES IEC DECISION

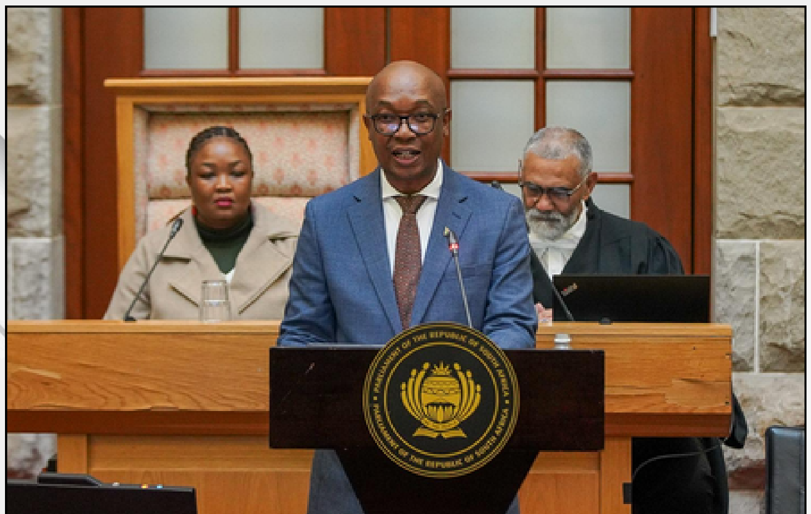
- On 4 September 2026, the African National Congress (ANC) filed an application in the Electoral Court seeking leave to appeal the Electoral Commission of South Africa's (IEC) decision to reject its candidates across six municipalities;
- The dispute follows the disqualification of 181 ANC candidates (51 wards and 130 proportional representation councillors) across Mangaung, Walter Sisulu, Sundays River Valley, uMshwathi, Ingquza Hill and Port St Johns after the party was unable to complete the final electronic confirmation of its candidate lists before the deadline;

- In its application, the ANC asked the court to set aside the IEC's decision, declare that its candidate lists were lawfully and timeously submitted under Sections 14 and 17 of the Municipal Electoral Act, and direct the IEC to treat the lists as submitted for the 4 November elections;
- In a media briefing, ANC Secretary-General Fikile Mbalula argued that uploading the candidate lists onto the IEC's system before the deadline constituted submission, and that the party is therefore seeking to have the affected candidates recognised for the elections rather than an extension of the nomination period or permission for late submissions;
- In its answering affidavit, the IEC argued that the ANC had failed to submit its candidate lists through the Online Candidate Nomination System (OCNS) by the prescribed deadline, that by the operation of the law, those candidates were not submitted, and subsequently, the ANC cannot obtain relief;
- The dispute has also drawn intervention from the Democratic Alliance (DA), which filed papers in the Electoral Court seeking leave to intervene, to which the ANC has indicated that it will oppose the DA's application;
- The dispute has since widened beyond the six municipalities cited in the ANC's court papers. Speaking at a KwaZulu-Natal (KZN) ANC media briefing on Thursday, provincial task team coordinator James Nxumalo confirmed that eThekwini and Ray Nkonyeni were also affected by technical errors, including candidates being incorrectly matched to wards. The revelation indicates that the candidate-list problems extend beyond the municipalities currently before the Electoral Court and could have broader implications for the ANC's electoral preparations in KZN;
- The dispute places the IEC's candidate nomination processes and the legal requirements governing the submission of candidate lists under close scrutiny. The IEC's defence of its position reinforces its role as an institution responsible for applying the electoral rules consistently and safeguarding the integrity and fairness of the candidate registration process. For the ANC, however, an unsuccessful application would leave the affected candidates excluded from the 4 November elections, potentially weakening its electoral prospects in the affected municipalities.

LEGISLATIVE/REGULATORY UPDATES

DTIC PUBLISHES AMENDMENT BILL

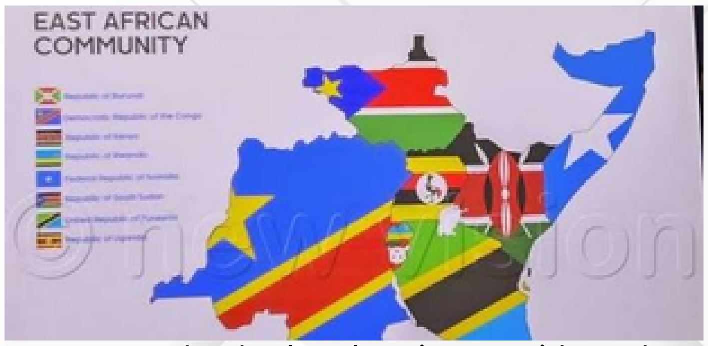
- On 3 September, Trade, Industry and Competition Minister Parks Tau published the National Building Regulations and Building Standards Amendment Bill, 2026 for public comment; written submissions are invited within 60 days;
- The Bill amends the 1977 Act that governs municipal building-plan approvals and occupancy certificates;



- The Act would bind the State. Surface buildings, including those used as mining facilities or standing on industrial and mining land, would fall under the Act. Only underground mine-operation buildings supervised by the Chief Inspector would stay exempt;
- Appeals against a municipality's building decision would go to that municipality's executive authority within 21 days, not to the old national Review Board struck down by the Constitutional Court;
- A new Coordinating Committee for the built environment (10–20 members from dtic, NRCS, SABS, other organs of state, professional bodies and organised local government) would advise the Minister on national building regulations and related matters;
- The Bill also updates definitions (including occupancy certificates and competent persons) and would allow future regulations on sustainability and universal access. Penalties could include a fine or imprisonment of up to two years;
- These changes sit alongside, but are not the same as, Operation Vulindlela's wider review of land-use and building rules to support densification and housing closer to jobs;
- For business, the live issues are coverage and process, not a new building code. Mining and industrial operators should check which surface assets would need municipal plans; developers and state contractors should expect appeals to stay local and uneven; construction and professional firms can still shape the draft in the comment window. Predictability of approvals will still depend on municipal capacity, not on the Committee.

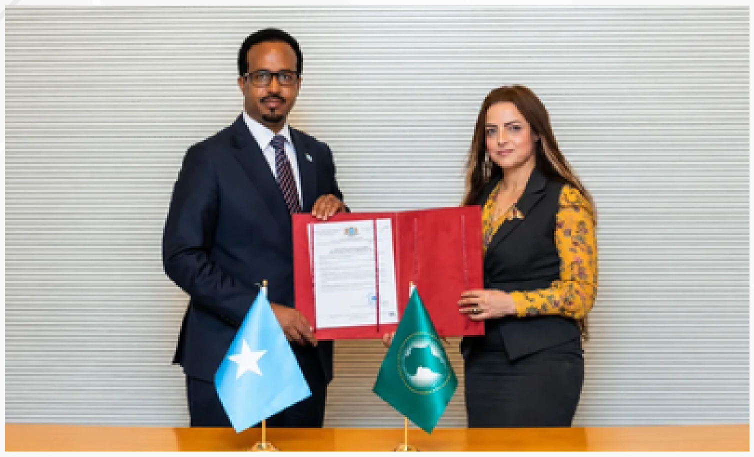
AFRICA WATCH

EAC CUSTOMS ENFORCEMENT AND DUTY REMISSION MEASURES



- On 4 September, the East African Community (EAC) published Gazettes Vol. AT 1 Nos. 24 and 25, two separate legal notices containing firm-specific duty-remission grants;
- An EAC Gazette is the official register that makes Council of Ministers customs decisions legally effective; it is not a new industrial-policy statement.
- For Kenya's manufacturing sector, the Council of Ministers approved a 12-month duty remission for Kevian Kenya Limited, allowing specified food and beverage manufacturing inputs to enter at a 10% duty rate;
- For Uganda, the legal notice provides a broad package of duty-remission measures covering inputs for exercise books, food and beverages, sanitary products, textiles, furniture, electrical equipment, motorcycles, packaging and medical products, with several inputs receiving 0% duty rates and others receiving preferential rates of 10% or 25%;
- The measures also include corrigenda - official published corrections used to amend errors or omissions in previously printed public records - to earlier duty-remission notices, including additional allocations for Tanzania Printers Ltd and Kilimanjaro Cables (T) Ltd, indicating ongoing adjustments to approved regional tariff concessions;
- The Gazettes point to targeted tariff relief for domestic manufacturing, concentrated in priority production and assembly sectors. For businesses operating across the EAC, this reinforces the importance of monitoring product-specific duty-remission schedules, eligibility conditions and changes to the Common External Tariff.

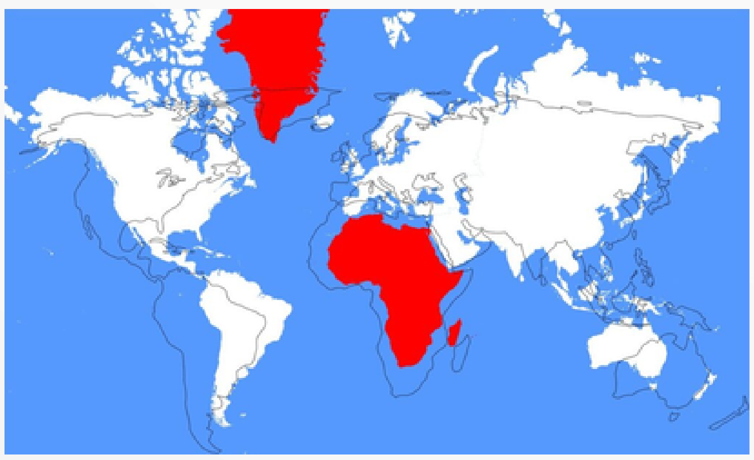
SOMALIA JOINS AFCFTA



- On 4 September, Somalia deposited its instrument of ratification with the Chairperson of the AU Commission in Addis Ababa, becoming the 50th State Party to the AfCFTA and completing its formal accession process;
- The accession gives Somali businesses the right to trade under AfCFTA preferences, subject to applicable rules of origin and certification, strengthening Somalia's participation in the continental market;
- South Africa already maintains an asymmetric trade relationship with Somalia, exporting manufactured goods, equipment and consumer products, the AfCFTA therefore creates a framework to formalise and potentially expand an existing trade relationship through preferential rules;
- However, preferential trade is not yet fully operational as Somalia still needs to transpose the AfCFTA electronic tariff book into its national system and configure the applicable preferential tariffs through customs before qualifying consignments can receive preferences;

INTERNATIONAL AFFAIRS UPDATES

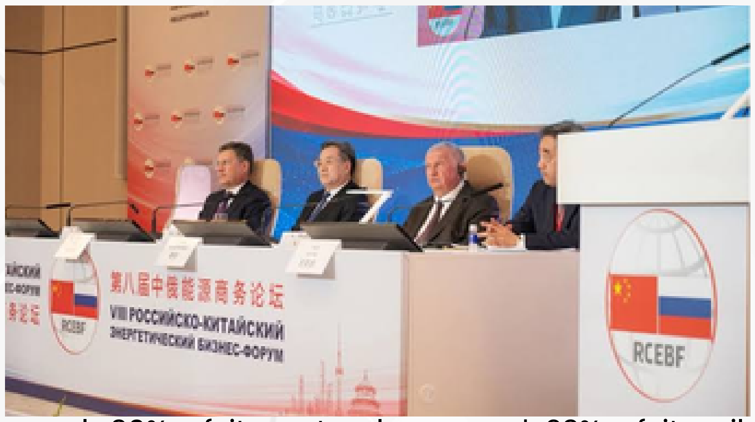
UN BACKS EQUAL EARTH WORLD MAP; US VOTES NO



- On 4 September the UN General Assembly voted on a world-map resolution, "Correct the map", about how continents are drawn on a flat page. The text asks governments, schools and organisations to use equal-area projections so landmasses appear closer to their true size.
- The familiar Mercator map, made in 1569 for navigation, stretches countries near the poles and shrinks those near the equator; Africa looks far smaller than it is. The resolution passed 164–1–6. The United States cast the only "no.";
- Deputy U.S. Representative to the UN Economic and Social Council Yaryna Ferencevych rejected the resolution, describing it as a radical ideological project, and argued that it contributed to the erosion of the institution's credibility;

- In addition, the European Union supported the text's objective, while concerns about its shortcomings regarding sovereignty, territorial status and delimitation point to potential points of contention among member states, particularly given the backdrop of the Russia-Ukraine, as well as the Middle Eastern conflicts, among others;
- The development, though non-binding, has implications for the portrayal of countries in educational textbooks and geographical materials, boding well for print and geographical education-related businesses.

CHINA-RUSSIA BUSINESS FORUM



- On 4 September, the eighth China-Russia Energy Business Forum was held in Vladivostok, Russia, bringing together more than 100 major Chinese and Russian energy and related companies, financial institutions, scientists and industry expert;
- The annual forum included letters of congratulations from both countries' presidents and highlighted the strategic dimensions of their energy trade and cooperation;
- It also provides a platform for strengthening China-Russia energy cooperation, with the two countries collectively accounting for approximately one-third of global energy production;
- Simultaneously, Russia supplies approximately 20% of China's coal, 30% of its natural gas and 23% of its oil, highlighting the importance of the bilateral energy relationship;
- In his letter, Chinese President Xi Jinping said China was ready to work with Russia to continuously deepen energy cooperation and jointly safeguard the stability and smooth flow of energy supplies;
- Russian President Vladimir Putin similarly highlighted the strategic importance of energy cooperation, pointing to Russia's position as a major supplier of oil and natural gas to China, the construction of Russian-designed nuclear power units in China, and joint technological innovation in the hydrocarbons sector;
- The forum also noted broader market implications, with China's reduced oil imports this year said to have helped stabilise global oil markets by easing competition for supplies and limiting upward pressure on prices. Secure energy supplies from the bilateral relationship could additionally support China's expanding data-centre sector;
- Financial cooperation was another area of discussion, including the use of national currencies for bilateral settlements, which could support greater resilience in China-Russia trade and reduce reliance on third-party currencies;
- The deepening partnership is strategically significant for both countries, as China's large and growing energy requirements align with Russia's extensive oil, coal and natural-gas reserves, creating a mutually reinforcing relationship across energy supply, infrastructure, technology and finance.

END