



FRONTLINE AFRICA
— ADVISORY —

WEEKLY POLITICAL AND ECONOMIC HIGHLIGHTS

23 October 2026

LOCAL GOVERNMENT ELECTIONS WATCH



- On 17 and 18 October, African National Congress (ANC) President Cyril Ramaphosa led the party's campaign trail in the Western Cape, meeting with residents and conducting door-to-door engagements in Cape Town;
- On 18 October, the uMkhonto weSizwe (MK) Party held a mini-rally in Umgababa, attended by First Deputy President Duduzane Zuma and eThekweni mayoral candidate Reverend Mxolisi Phakathi, where Zuma called on illegal immigrants to respect South African laws;
- On 17 October, Economic Freedom Fighters (EFF) Commander-in-Chief (CIC) Julius Malema addressed his fourth community meeting in the Free State, promising functional municipalities under his party's leadership;
- On 18 October, EFF CIC Julius Malema led the party's door-to-door campaign in Soweto, expressing confidence in the party's electoral prospects and outlining his position on the future of the Government of National Unity (GNU);
- On 17 October, Al Jama-ah launched its national manifesto in Soweto, pledging to prioritise basic service delivery, digital governance, youth development and land tenure rights, while urging voters to support the party's Johannesburg mayoral candidate, Ashley Mama.

ECONOMIC UPDATES

SEPTEMBER CPI



- On 21 October, Statistics South Africa (Stats SA) released September's consumer inflation figures, showing an increase to 4.5% from 4.4% in August;
- The Consumer Price Index (CPI) tracks changes in the prices of goods and services purchased by households, with prices increasing by 0.4% between August and September;
- Transport was the largest contributor to annual inflation, with prices rising by 10.8%, while fuel prices were 27.9% higher than a year earlier;
- Housing and utilities were another major contributor, with prices increasing by 5.2% annually;
- Meanwhile, food and non-alcoholic beverage prices rose by a comparatively modest 1.2% annually and declined by 0.1% over the month;
- Higher fuel costs make deliveries more expensive, while rising living costs could leave customers with less to spend, putting pressure on profits as businesses risk losing sales if they raise prices.

RAMAPHOSA INAUGURATES GAMSBERG PHASE II PLANT

- On 16 October, President Cyril Ramaphosa inaugurated Vedanta's Gamsberg Phase II concentrator plant in Aggeneys, Northern Cape;
- The plant processes mined ore into zinc-rich concentrate, which is then refined to produce zinc used in manufacturing, including protecting steel against corrosion;
- The expansion doubles annual ore-processing capacity from approximately 4 million to 8 million tonnes, increasing zinc-in-concentrate production capacity to approximately 500,000 tonnes a year;
- Construction employed more than 1,500 people, while the expanded operation is expected to sustain between 800 and 1,000 operational jobs;
- Ramaphosa also welcomed Vedanta's ambition to establish a zinc smelter in the province, highlighting the need for competitively priced electricity and reliable infrastructure to support the investment;
- For businesses, increased production could create opportunities to supply equipment, maintenance and transport services, while a future smelter could support local manufacturing, making affordable electricity and reliable infrastructure essential to turning the mining expansion into wider industrial growth.





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GODONGWANA TABLES MTBPS



- On 21 October, Finance Minister Enoch Godongwana tabled the 2026 Medium-Term Budget Policy Statement (MTBPS) in Parliament;
- The statement updates government's economic forecasts and public finances, while setting spending priorities ahead of the annual Budget;
- Treasury lowered its 2026 economic growth forecast from 1.6% to 1.2%, with growth expected to reach 1.6% in 2027;
- The budget deficit is projected at 3.9% of gross domestic product in 2026/27, slightly better than February's 4% estimate, while expected tax revenue increased by R17.1 billion;
- Temporary fuel-levy reductions of R3 per litre for diesel and R1.50 for petrol will apply from 4 November to 1 December, followed by smaller reductions until 5 January 2027;

- Meanwhile, government's infrastructure support agency is assisting projects with a potential investment value exceeding R217 billion, aimed at attracting private investment and accelerating delivery;
- Improving public finances could strengthen investor confidence and ease borrowing costs over time, but weaker growth points to continued pressure on sales, with fuel relief providing only temporary support.

GOVERNMENT UPDATES

RAMOKGOPA APPROVES EKURHULENI ELECTRICITY PROCUREMENT

- On 19 October, Electricity and Energy Minister Kgosientsho Ramokgopa announced a Section 34 determination enabling Ekurhuleni to procure 2,400 megawatts of new electricity generation capacity from independent power producers;
- The determination provides ministerial approval under the Electricity Regulation Act for the municipality to purchase electricity from new generation projects, expanding its sources of supply;
- The planned mix includes 1,237 megawatts of solar power, 780 megawatts of natural gas, 183 megawatts of waste-to-energy and 200 megawatts allocated to innovative energy technologies;
- The programme aims to reduce reliance on Eskom, although Ekurhuleni will remain connected to the national grid;
- Furthermore, the city projects R36 billion in bulk electricity savings over 20 years, although these remain estimates rather than confirmed reductions in customer tariffs;
- For business, the approval creates opportunities to develop, finance and supply electricity projects, while manufacturers stand to benefit from more reliable and affordable power, although the savings passed on to customers will depend on purchase prices and municipal tariffs.



SA AND MOZAMBIQUE STRENGTHEN POLICE COOPERATION



- On 16 October, South Africa's police ministry held bilateral talks with Mozambique's Interior Minister Paulo Chachine to strengthen cooperation against organised crime operating across national borders;
- The talks followed a regional ministerial meeting involving South Africa, Mozambique and Tanzania through the Trilateral Planning Cell, a mechanism for coordinating efforts against drug trafficking and organised crime;
- The regional framework was expanded to include Angola and Uganda, broadening cooperation between participating law enforcement agencies;
- During the bilateral talks, Ministers adopted an operational report outlining progress, challenges and areas requiring further intervention, and committed to implementing agreed activities;

- For businesses operating across the border, stronger police coordination could help protect staff and goods, as well as reduce disruption from organised crime, but the meeting provides no basis yet to assume lower security risks or reduce spending on protective measures.



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3RD SA-UGANDA JCC

- On 20 October, International Relations and Cooperation Minister Ronald Lamola and Uganda's Foreign Minister Adonia Ayebare convened the third South Africa–Uganda Joint Commission for Cooperation (JCC) in Pretoria;
- The JCC reviews bilateral cooperation and advances work across political, security, economic and social matters, building on the previous session held in Kampala in 2022;
- The Ministers identified opportunities in manufacturing, agro-processing, mining, energy, telecommunications and financial services, while calling for action on regulatory barriers and high logistics costs;
- Lamola highlighted a proposed Joint Working Group on Trade and Investment to identify opportunities and monitor challenges facing existing investors, alongside cooperation on trade procedures and standards;
- Ayebare proposed trade missions and business forums to connect companies and investors, while both ministers called for stronger implementation of bilateral commitments;
- Progress on easing trade and investment barriers remains limited despite years of engagement, with the real benefit of the latest talks depending on whether both governments finally implement measures to improve market access and resolve regulatory obstacles.



POLITICAL UPDATES

IEC BRIEFING ON CONCOURT JUDGEMENT



- On 16 October, Electoral Commission of South Africa (IEC) Chairperson Mosotho Moepya briefed the media on the Commission's response to the Constitutional Court's 15 October order to include 181 African National Congress (ANC) candidates in six municipalities for the 4 November local government elections;
- This follows the ANC's candidates having been left off the lists due to the party not completing its candidate-list submissions as per the IEC's interpretation, a decision the Constitutional Court overturned on appeal;
- Moepya said the Commission resolved to extend the order to 32 similarly situated parties, which intended to contest in 121 municipalities and had nominated compliant candidates and paid deposits but not finalised their lists, while 13 others were found ineligible for reasons that included unpaid deposits and failure to meet voters' roll registration requirements;
- The Commission would proceed to contact the 32 parties to confirm participation and run a truncated nomination process, needing 33 million ballots in total, of which 27 million are already printed and 6.6 million were held back pending the ruling at no cost;
- Importantly, Moepya said the 4 November date is not expected to change although logistics are severely compressed;
- Moepya's statement that legal advice was sought but the extension was a policy decision to protect even-handedness shows the Commission applying the ruling beyond its text, while the 13 rejections confirm that deposit and registration requirements are still enforced;
- Businesses should treat 4 November as fixed and plan for operational contingencies around a compressed election window, while tracking IEC updates on which of the 32 parties proceed.

MKP DISMISSES SIBONELO NOMVALO

- On 22 October the office of the President of the uMkhonto weSizwe (MK) Party announced the dismissal of Sibonelo Nomvalo as Secretary-General;
- The change takes effect from 22 October 2026, in line with the party's Constitution and the applicable internal procedures;
- The statement attributed his dismissal to concerns related to the councillor selection process, internal factionalism as well as matters concerning dual remuneration;
- In addition to this, further concerns included delays in campaign materials, the non-communication of changes within the party's parliamentary caucus and administration and establishment of high-level deployment committees without the knowledge of the Party leadership structures;
- Nomvalo will be replaced by Deputy Secretary-General Lindiwe Mtshali, with party National Chairperson Sifiso Mahlangu also assuming additional responsibilities associated with the Deputy Secretary-General;
- Taken together, the dismissal reflects ongoing concerns regarding stability and democracy within the MKP and how the party will act in government. MKP is projected to lead the eThekweni metro following the 4 November elections.





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LEGISLATIVE/REGULATORY UPDATES

SARS OUTLINES TAX LAW CHANGES



- On 16 October, the South African Revenue Service (SARS) published the explanatory summary of the Tax Administration Laws Amendment Bill (TALAB), 2026, which the Minister of Finance formally introduced in the National Assembly on 21 October;
- The summary served as the notice that National Assembly Rule 276 requires before a bill is introduced, and it shows the Bill amends the Income Tax Act, Customs and Excise Act, Value-Added Tax (VAT) Act, and Tax Administration Act;
- In income tax and customs, the Bill adjusts the taxable-income threshold for provisional-tax underestimation penalties, excludes certain exempt entities from the definition of “provisional taxpayer”, adds a requirement to non-resident employers’ obligation to withhold employees’ tax, and provides for international carnets, carbon-tax refunds, and a narrower Commissioner discretion over duty rebates;
- In VAT and tax administration, the Bill expands documentation for second-hand goods, removes the distinction between VAT return-submission and payment dates for electronic and non-electronic filers and requires banks to report amounts they reasonably suspect relate to tax offences, among other things;
- The proposals pair tighter documentation and reporting obligations, notably the bank reporting duty and the narrowed rebate discretion, with targeted relief such as interest remission and collection pauses, so compliance burdens rise while some dispute-resolution routes improve;
- Businesses should review customs, rebate, second-hand goods and VAT-timing changes for documentation and cash-flow impacts, financial institutions should assess the suspicious-deposit reporting obligation, and business must treat these proposals as a Bill currently before Parliament, which is not yet binding law.

WHITE PAPER ON LOCAL GOVERNMENT

- On 22 October, President Cyril Ramaphosa launched the revised White Paper on Local Government, nearly three decades after the original 1998 policy established the framework for democratic and developmental local government;
- Building on the 2022 Presidential Local Government Summit and Operation Vulindlela’s reform agenda, the White Paper seeks to address systemic weaknesses, including unreliable service delivery, deteriorating infrastructure, unsustainable municipal finances and weak administrative capacity;
- It proposes differentiating municipal powers and functions according to municipalities’ size, capabilities and performance, while also seeking to integrate local government into a coordinated system by strengthening cooperation between national, provincial and municipal governments, alongside state-owned entities;
- The paper also proposes improving municipal financial sustainability through stronger revenue collection, reduced financial losses and better spending, as well as professionalising municipal administrations through merit-based appointments, stronger accountability, improved council oversight and consequences for corruption;
- Finally, it introduces a stronger regulatory framework for water and electricity provision by separating service authorities from service providers and requiring providers to obtain licences;
- These are to be implemented in a coordinated phases through a time-bound Local Government Transition Management Body and a single transition plan, with possible legislative and constitutional amendments;
- Altogether, the reforms could improve service-delivery reliability and investor confidence by aligning municipal responsibilities with available capacity, strengthening financial accountability and protecting infrastructure investment;
- However, implementation will require coordinated intergovernmental action, with potential legislative and constitutional amendments needed to reassign municipal functions and operationalise the differentiated governance model.





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AFRICA WATCH

TANZANIA ASSESSES ELECTRICITY GRID LOSSES



- On 16 October, the African Energy Commission (AFREC) and Tanzania's Ministry of Energy concluded a five-day assessment in Dodoma to identify electricity distribution losses and prepare measures to reduce them;
- AFREC is the African Union's specialised energy agency, with the assessment forming part of its Denmark-supported Efficiency First initiative for 2024–2028;
- More than 60 engineers and technicians collected technical and operational data to identify priority interventions and develop plans suitable for investment;
- Tanzania's electricity utility reported that grid losses had declined from approximately 25% in the early 1990s to around 14–15% in recent years, with an ambition to bring transmission and distribution losses below 10%;
- The assessment builds on similar work in Malawi and supports Tanzania's National Energy Efficiency Strategy for 2024–2034;
- Reducing grid losses could improve electricity reliability and help contain costs, while investment in upgrading the network could create opportunities for engineering, metering and equipment suppliers.

INTERNATIONAL AFFAIRS UPDATES

EU SUMMIT TARGETS COMPETITIVENESS

- On 15–16 October, European Union (EU) leaders met in Brussels for a two-day European Council summit and adopted conclusions on competitiveness, Ukraine, the Middle East, European defence, migration, enlargement and the EU's 2028–2034 long-term budget;
- The European Council, which brings together EU heads of state and government to set political direction for the Commission and co-legislators, used the summit to review its "One Europe, One Market" roadmap for deepening the Single Market and cutting red tape, against a backdrop of rising energy prices and the ongoing review of the Emissions Trading System (ETS), the EU's carbon market;
- On competitiveness and energy, leaders called for key 2026 deliverables, including the digital and environmental simplification packages, to be concluded by the end of 2026, urged faster permitting and fewer reporting burdens, welcomed a prolonged state-aid framework for the most exposed industrial sectors, and called for a predictable ETS that protects competitiveness while preserving the carbon price signal;
- Leaders also warned that Middle East tensions risk lasting disruption to energy, fertiliser and food supply chains, condemned acts threatening shipping at the Strait of Hormuz, and reaffirmed Ukraine support with further measures to cut Russia's energy revenues among other conclusions;
- The package signals a shift toward short-term price relief and deregulation without abandoning the carbon market, while geopolitical shocks to shipping and energy supply are now treated as direct threats to European industrial costs;
- South African manufacturers companies should assess exposure to European production-cost swings and energy, fertiliser and food supply disruption, while telecommunications and finance firms with European operations or counterparties should monitor the digital simplification work and the evolving sanctions environment.



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