FRONTLINE AFRICA ADVISORY

# WEEKLY POLITICAL & ECONOMIC HIGHLIGHTS

## 13 NOVEMBER 2026

## LOCAL GOVERNMENT ELECTIONS WATCH




- On 11 November, the Independent Electoral Commission (IEC) authorised a revote at Bongani Gemeenskapsaal, voting district 65400027, ward 3 of Siyancuma Local Municipality, Northern Cape, scheduled for 18 November;
- The registered parties and ward candidates eligible to contest the revote remain those certified by the Commission on 16 September 2026.
- On 12 November, the IEC outlined the remaining steps to conclude the 2026 Local Government Elections, including finalising candidate lists, gazetting the names of elected councillors and filling the remaining 994 district council seats through elections by local councillors, with municipal managers required to convene the first council meetings within 14 days of councillors being declared elected, paving the way for the election of municipal leadership and the formation of new administrations.

## ECONOMIC UPDATES

### Unemployment Rises to 33.7%

- On 10 November, Statistics South Africa (Stats SA) released its third-quarter Quarterly Labour Force Survey, showing that the official unemployment rate rose slightly from 33.6% to 33.7%;
- Employment increased by 101 000 to 16.8 million, but the labour force, which includes people who are working or actively looking for work, grew by 198 000, resulting in 97 000 more unemployed people and bringing the total to 8.6 million;
- The finance sector, which includes insurance, real estate and business services, recorded the largest employment increase of 111 000, followed by manufacturing with 33 000 and mining with 31 000, while private households lost 68 000 jobs, agriculture 34 000 and construction 8 000;
- Formal-sector employment increased by 268 000, although these gains were partly offset by losses of 98 000 jobs in the informal sector and 68 000 in private households, showing that employment growth was uneven across the economy;
- Meanwhile, discouraged jobseekers, who have stopped looking for work because they believe they are unlikely to find employment, increased by 70 000 to 3.7 million, while 35.7% of young people aged 15-24 were neither employed nor in education or training;




- Despite the quarterly increase, South Africa still had 215 000 fewer people employed than a year earlier, while the number of unemployed people had increased by 571 000 over the same period, highlighting the continued weakness in the labour market;
- For businesses, the modest employment gains do not offset the persistently high unemployment and continued job losses in parts of the economy that constrain household spending, leaving retailers and other consumer-facing businesses with little room to raise prices without risking lower sales, particularly of non-essential goods and services.

### September Manufacturing Figures



- On 10 November, Statistics South Africa (Stats SA) released its September manufacturing figures, showing that production declined by 3.5% compared with the same month last year, following a 4.1% annual decline in August;
- The largest contributors to the decline were motor vehicles, parts and other transport equipment, where production fell by 15%, and wood, paper, publishing and printing, which contracted by 11.2%, while furniture and other manufacturing declined by 19%;
- After adjusting for regular seasonal changes, manufacturing production remained unchanged from August, following a 3% decline that month, indicating that factory output had stopped falling but had yet to recover;

- Despite September's weak performance, manufacturing production increased by 0.9% in the third quarter compared with the second quarter, driven mainly by a 4.9% increase in food and beverages, including a 10.2% rise in beverage production, although only five of the ten manufacturing divisions recorded growth;
- Manufacturing sales declined by 2.2% in September compared with August, although sales across the third quarter increased by 3.2% compared with the previous quarter, with the figures reflecting changes in sales value rather than production volumes;
- For businesses, the uneven performance could weaken orders for suppliers to the automotive, paper and metals industries, while stronger food and beverage production offers some support to related businesses, although sustained weakness across much of manufacturing could discourage investment and hiring until demand improves more broadly.

# GOVERNMENT UPDATES

## Southern Africa-Canada Chamber of Commerce Business Leadership Engagement

- On 6 November, Minister of International Relations and Cooperation Ronald Lamola addressed the Southern Africa-Canada Chamber of Commerce's Business Leadership Engagement, calling for closer cooperation between government and business to strengthen trade and investment between the two countries;
- Lamola outlined South Africa's "Five Plus One" economic diplomacy framework, identifying agriculture, critical minerals, science and innovation, infrastructure, services and investment as priorities for expanding commercial partnerships with Canada;
- He encouraged the Chamber and its members to work with government institutions to develop commercial projects in these areas, strengthen business networks, expand links between Canada and South African provinces, and involve research institutions and investors in developing new opportunities;



- The engagement builds on a growing commercial relationship, with bilateral trade in goods reaching C$4.12 billion (approximately R52.7 billion) in 2025, of which C$3.61 billion (R46.2 billion) came from South African exports to Canada and C$510 million (R6.5 billion) from Canadian exports to South Africa, with higher gold exports driving much of the growth;
- The economic relationship extends beyond goods to include trade in commercial and transport services, alongside investment in both directions, with Canadian investments in South Africa concentrated in mining and extending to transport, food processing and information and communications technology;
- The two countries are also exploring a potential Foreign Investment Promotion and Protection Agreement, following discussions initiated on the sidelines of the G20 Leaders' Summit in Johannesburg in November 2025 and advanced at bilateral consultations in May 2026;
- Closer cooperation with Canada could open opportunities to diversify export markets, expand trade in services and attract investment, technology and expertise in priority sectors, particularly mining, agriculture and infrastructure, while a future investment protection agreement could provide greater certainty for companies investing in either country.

# POLITICAL UPDATES

## Parties Begin Coalition Negotiations

- From 8 November, major political parties, including the ANC, DA, MKP, EFF, and ActionSA, began exploratory coalition negotiations following the Local Government Elections (LGE), with most initially indicating openness to engagements without blanket preconditions;




- To facilitate this, the Department of Cooperative Governance and Traditional Affairs (CoGTA) issued interim Coalition Guidelines, outlining principles for stable coalition agreements, dispute resolution and municipal administrative continuity;
- The ANC convened a special National Executive Committee (NEC) meeting on 12 November to establish a mandatory negotiating framework;
- In a departure from its position prior to the LGE, the DA has written to a number of parties, including the EFF and MKP to initiate coalition talks;
- The Council of the Left consisting of the SACP, EFF, MKP amongst others, called for the ANC to join the grouping, but with the condition that it cuts ties with the DA and Freedom Front Plus, essentially meaning a reformation of the GNU;
- ActionSA has pursued exploratory engagements with the ANC, BOSA, FF Plus, MKP, PA and DA, despite Herman Mashaba's insistence that Hellen Zille should not be the DA's candidate for Johannesburg;
- The PA agreed to support ActionSA's mayoral candidate in Laingsburg, Western Cape, in an early coalition agreement combining four of the municipality's ten council seats;
- Overall, the initial negotiating period has demonstrated general willingness to engage across political divisions, alongside potential agreements and firm political conditions;
- However, ideological differences, mayoral disputes and competing coalition priorities could complicate negotiations, particularly across Gauteng's three metropolitan municipalities.

## COGTA Issues Coalition Guidelines

- On 11 November, the Department of Cooperative Governance and Traditional Affairs (COGTA) released the Guidelines for Stable Coalitions in Local Government, outlining a framework for managing coalition governance across approximately 138 municipalities that did not produce an outright majority for a single political party in the LGE;

- The guidelines come amid previous instances in which prolonged coalition instability and negotiations have delayed decision-making, disrupted municipal administration and ultimately undermined service delivery to communities;
- The document provides mechanisms for political collaboration before and after elections, outlines key legal aspects surrounding coalitions – including the election of speakers and other municipal office-bearers, executive arrangements and motions of no confidence – and provides guidance on administrative continuity;
- Importantly, the guidelines provide direction on the formulation of written coalition agreements, including their proposed structure, shared policy priorities, the allocation of political positions, internal decision-making procedures and dispute-resolution mechanisms, while emphasising addressing sources of instability at an early stage;




- In addition, the guidelines further recommend measures to preserve administrative continuity during periods of political instability;
- It is important to note that the guidelines provide non-binding guidance, with the Constitution, relevant local government legislation and lawful municipal instruments remaining determinative;
- For local governance, their practical value will depend on the adoption of the guidelines by political parties and municipalities, but adherence could facilitate more structured coalition negotiations, quicker government formation and greater administrative stability across municipalities without outright majorities.

## NUMSA Leadership Disputes Continue

- On 11 November, regional leaders of the National Union of Metalworkers of South Africa (NUMSA) outlined further action against the union's national office bearers (NOBs), amid an escalating leadership dispute involving both General Secretary Irvin Jim and President Andrew Chirwa;




- The dispute originated in disagreements between regional office bearers and the national leadership over the Mpumalanga regional congress and delegate representation, subsequently escalating into competing claims over the constitutional authority and conduct of the union's leadership;
- Regional leaders confirmed at an earlier press briefing that their executive committee had resolved to suspend the NOBs, citing alleged dereliction of duty, constitutional violations, conduct bringing the union into disrepute and wasteful expenditure, while pursuing court action to remove them as signatories to NUMSA's bank and investment accounts;
- NUMSA Mpumalanga Regional Chairperson Nkosinathi Makhanya confirmed that the central committee had approached the Labour Court, as well as the Gauteng Division of the High Court in Johannesburg for an order to remove the national office bearers as signatories from the Union's banking and investment services;
- In a subsequent interview, Jim rejected the legitimacy of the opposing faction, and stated that individuals linked to NUMSA's investment company were financing litigation against the elected leadership and that the company's chief executive had improperly acquired a 60% shareholding using union assets;
- Jim further maintained that the union's national congress could not proceed until outstanding disputes in four regions, including Mpumalanga, KwaZulu-Natal and the City of Johannesburg, had been resolved, leaving the previously anticipated 30 November–4 December congress dates uncertain pending a Central Committee decision;
- Overall, the dispute increasingly threatens NUMSA's institutional governance, financial oversight and organisational continuity, with competing claims over investment structures, banking authority and constitutional legitimacy potentially prolonging uncertainty for the union and its members.

# LEGISLATIVE/REGULATORY UPDATES

## Finance Committees Adopt Revised Fiscal Framework

- On 11 November, the Standing Committee on Finance and Select Committee on Finance adopted their respective reports on the 2026 Revised and 2027 Proposed Fiscal Framework, concluding the parliamentary committee stage before consideration by the National Assembly and National Council of Provinces (NCOP);
- The reports acknowledged progress in stabilising public finances, including gross loan debt stabilising at 78.4% of GDP in 2025/26, a growing primary surplus, a narrowing budget deficit and revenue projections improving by R54.1bn against the 2026 Budget estimate;
- However, the committees raised concerns about subdued economic growth, with National Treasury revising its 2026 GDP growth forecast from 1.6% to 1.2%, against unemployment of 33.6% in the second quarter;
- Subsequently, members called on National Treasury to report to Parliament, in the 2027 Budget Review, on how the framework supports the Medium-Term Development Plan's growth and employment targets;
- Committees also questioned the proposed fiscal anchor and warned that R38.1bn in planned savings must not undermine critical health and education services;



- Municipal financial distress also featured prominently, with committees highlighting unfunded budgets, weak revenue collection, infrastructure underspending and R27.6bn owed to municipalities by other government institutions;
- As such they called for enforcement measures and deadlines to recover outstanding payments;
- For business, the committees' concerns over weak revenue collection, municipal financial distress and the recovery of outstanding government payments highlight continued uncertainty around the implementation of fiscal and enforcement measures;
- Meanwhile, temporary fuel levy relief could ease diesel-related operating costs for freight and agricultural producers in the short term.

# AFRICA WATCH

## SADC Advances Madagascar Liaison Office Plans

- On 7 November, the Southern African Development Community (SADC) Ministerial Committee of the Organ on Politics, Defence and Security Cooperation approved the terms of reference for a liaison office in Madagascar's capital, Antananarivo, advancing regional efforts to support the country's return to democratic governance;

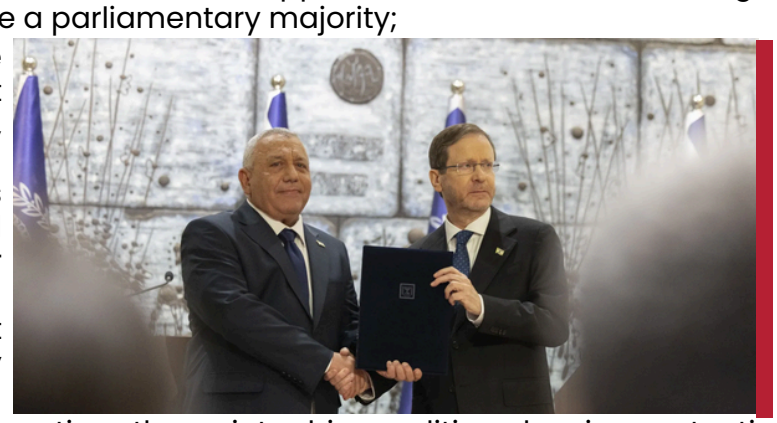


- Madagascar has been undergoing a political transition since October 2025, when the military took power following widespread youth-led protests over water and electricity shortages, poor governance and corruption, leading to the removal of President Andry Rajoelina;
- The decision builds on the 29 June SADC Summit's approval of the liaison office to support Madagascar's Refoundation Process, which encompasses national dialogue, institutional and electoral reforms, a referendum and general elections, with SADC emphasising that the transition must be inclusive and lead to the restoration of constitutional order within a defined timeframe;
- The office will coordinate regional assistance, facilitate engagement between Malagasy authorities and other stakeholders, and provide technical advice on reforms, complementing the mediation and reconciliation efforts of SADC's Panel of Elders, led by former Malawian President Joyce Banda;
- The Committee also endorsed a draft agreement governing the office's presence in Madagascar and recommended that the SADC Council of Ministers approve funding for its establishment and operations from November 2026 to March 2027;
- An expanded mandate and budget will be considered by the Council of Ministers in March 2027, with the latest decisions advancing preparations for the office but not yet confirming that it has become operational;
- For businesses operating in or trading with Madagascar, a sustained SADC presence could help reduce political uncertainty and the risk of disruptions to commercial activity, although a more predictable investment environment will depend on progress with institutional reforms, credible elections and the establishment of a democratically elected government.

# INTERNATIONAL AFFAIRS UPDATES

## Eisenkot to Form Coalition Government

- On 7 November, Israeli President Isaac Herzog tasked Gadi Eisenkot, leader of the Yashar-led opposition coalition, with forming a government following the 27 October elections, giving him six weeks to secure a parliamentary majority;



- Yashar's ten-point programme prioritises strengthening the Israeli Defense Forces and maintaining a solid Jewish majority, while separately, Eisenkot has explicitly rejected Palestinian statehood and the two-state solution, labelling it delusional.
- On Iran, Eisenkot has praised United States President Donald Trump's decision to launch military strikes alongside Israel, and endorsed continued economic pressure on Tehran while expressing warnings against its nuclear ambitions;
- His Yashar-led bloc secured 48 of the Knesset's 120 seats, against Netanyahu's 53, leaving both short of the 61 required for a parliamentary majority;
- Although Arab-led parties endorsed Eisenkot, he has ruled out incorporating them into his coalition, leaving potential arrangements with ultra-Orthodox parties or a Government of National Unity;
- Domestically, Eisenkot and his parliamentary allies have introduced proposed legislation to establish a state commission of inquiry into the 7 October attacks and impose prime-ministerial term limits, signalling potential changes to Israel's governance and institutional framework;
- An Eisenkot-led government could therefore introduce changes to Israel's domestic governance and international engagement, while his proposed approach to the Palestinians suggests a continuation of Israeli control over the West Bank rather than a negotiated path to Palestinian sovereignty;
- In addition, his stated position on Iran suggests continuity in Israel's opposition to Tehran's nuclear ambitions and support for military deterrence.

**END**