

AFRICA RISK CONSULTING

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South Africa Summary 27 February 2026

President Cyril Ramaphosa (2018-present) delivers the annual State of the Nation Address (SONA) to a joint sitting of Parliament, announcing several planned interventions, including deploying the military to crime hotspots and commitments to address the country's water crisis. Two weeks after the SONA, finance minister Enoch Godongwana delivers the Budget Speech. This speech is generally optimistic and indicates that South Africa has had success in its fiscal consolidation and revenue mobilisation efforts. Democratic Alliance (DA) leader John Steenhuisen announces that he will not seek re-election as party leader at the DA's conference in April, opening the way for a contestable leadership conference. Acting police minister Firoz Cachalia publishes the latest crime statistics, indicating a general decline in crime in quarter three (Q3) of 2025 compared with the same period a year prior.

Security and water crisis dominate State of the Nation Address

President **Cyril Ramaphosa** (2018-present) [delivered](#) the annual **State of the Nation Address (SONA)** to a joint sitting of **Parliament** on 12 February, touting the success of the ruling **Government of National Unity (GNU)** coalition and portray a positive outlook on the country. In pursuit of this, the president pointed to the four consecutive quarters of positive GDP growth and the government's two consecutive primary budget surpluses. This optimism is somewhat justified given that **South Africa** has experienced positive economic shifts over the past year; notable among these was South Africa's removal from the **Financial Action Task Force (FATF)** grey list, credit rating upgrades, nine consecutive months without load shedding, and the **Johannesburg Stock Exchange's (JSE's)** strong performance. This latter point is largely driven by the ongoing global commodities boom.

However, South Africa does still face significant economic and governance challenges, including sluggish economic growth, high levels of crime and unemployment, and declining infrastructure. As such, Ramaphosa was under pressure to present some viable plans to address these challenges in his SONA.

The most significant announcement was that Ramaphosa had approved the deployment of the **South African National Defence Force (SANDF)** to crime hotspots in the country. As per Ramaphosa, soldiers will be deployed to areas most affected by gang violence and illegal mining in the **Western Cape** and **Gauteng** provinces – this would later be [extended](#) to include high-crime areas in the **Eastern Cape**. The SANDF deployment was ordered in response to sustained lobbying by communities and interest groups who have lost faith in the police's ability to combat these violent criminal groups. The proposal likely appealed to Ramaphosa, as it was a highly-visible intervention that could be done on short notice. In fact, the first 450 soldiers [deployed](#) to Gauteng by 23 February to address a surge in illegal mining in that province's **West Rand** area. This announcement was generally well received by a crime-fatigued nation. However, it is debatable whether a military deployment will be a wide or effective intervention.

It has already been established that such a deployment is not a long-term solution; previous deployments to gang areas have failed to lead to a sustained decline in gangsterism. However, these past deployments have resulted in a temporary decline in public gang violence. As such, these moves should provide some relief at least. In addition, SANDF forces are not adequately trained in public policing and are poorly versed in the rights of the individual. This was underscored during the **Covid-**

19 pandemic lockdown, during which the SANDF was deployed to assist the police and enforce the lockdown. Soldiers were accused of abuse and violating citizens' rights during this time.

The SANDF is also facing severe funding constraints; this deployment will place further strain on the military's budget, which could further affect troop morale and efficacy. The military is already deployed domestically to support the police and provide security at national key points and power plants. If South Africa intends to use the SANDF so liberally, the government will need to increase military oversight and funding.

Ramaphosa also announced that the government would continue its police recruitment drive and would seek to recruit an additional 5,500 police officers in the coming year. However, this will need to coincide with structural reform within law enforcement agencies, including transforming senior police leaders, many of whom have been implicated during ongoing inquiries into the criminal justice system of criminal and corrupt activity.

Arguably, the second key crisis addressed by Ramaphosa was the country's ongoing water crisis. This issue was a matter of public focus ahead of the SONA due to [prolonged water disruptions](#) in South Africa's largest city and commercial hub, Johannesburg. Collapsing infrastructure and unreliable water supply are serious challenges individuals and businesses across the country face. The matter has the potential to emerge as a leading election issue in the upcoming local government elections and could cost the **African National Congress (ANC)** its leading position on major metro councils.

In an effort to address this crisis, Ramaphosa [announced](#) that the government would commit R156 billion (\$9.82 billion) to improve water and sanitation infrastructure over the next three years. The government will also introduce a **Water Services Amendment Bill** that will enable the state to hold water utilities accountable and compel municipalities to be more responsive to water challenges. The government has also introduced a R54 billion (\$3.4 billion) incentive for metros to reform their utilities. However, the national government is limited in its ability to address these challenges, given that much of the water crisis is the result of poor municipal and provincial governance and remains the purview of these other spheres of government.

Another noteworthy development included in the SONA was the planned creation of a state property [company](#) to "transform the 88,000 buildings and 5 million hectares of land owned by the state into professionally managed engines of growth and development". This could potentially result in substantial state assets becoming revenue-generating and job-generating. The company also appears to be supported by both major parties in the GNU – the ANC and the **Democratic Alliance (DA)**. During the post-SONA debate, the DA's **Dean Macpherson**, the public works minister, [touted](#) the proposed company as "the most significant reform in the management of state assets since 1994".

Regarding state-owned companies, Ramaphosa used his SONA to reiterate the government's commitment to create a new independent transmission company, which will take over the national transmission grid and pave the way for a competitive electricity market. This will soothe concerns that the government was backtracking on this commitment.

Ramaphosa's SONA naturally focused on domestic issues but he did use his address to affirm South Africa's foreign policy independence. In a thinly veiled message to the **United States (US)**, Ramaphosa [stated](#) that South Africa "will continue to respect the rights and sovereignty of other nations, but we must be equally clear that we will not be bullied by any other country". This was a clear pushback against the ongoing pressure from the US for South Africa to change its foreign and domestic policies to better align with the US government's objectives.

Finance minister presents optimistic budget

Although the SONA is Parliament and the government's highest profile annual event, the real insight into the government's actual priorities is revealed in the budget. As such, finance minister **Enoch Godongwana's** 25 February [Budget Speech](#) to Parliament was a closely watched affair.

The fact that the Budget Speech occurred at all was significant and indicated that Godongwana and the GNU learned from last year's mistakes when the budget had to be cancelled at the last minute due to a lack of consensus within the coalition (*See ARC Briefing South Africa Feb 2025*). Godongwana clearly ensured that GNU members were properly consulted this time and that the government was unified around the budget.

The 2026/27 Budget Speech was one of the more optimistic such addresses in recent years. Like Ramaphosa's SONA, Godongwana cited recent positive economic developments, such as the removal from the grey list and credit upgrades. Godongwana's speech was generally well-received as it included important inflation-related adjustments for income tax brackets, Value-Added Tax (VAT) thresholds, and capital gains exemptions.

The main takeaway from the budget is that South Africa has succeeded in its fiscal consolidation and revenue mobilisation efforts. Godongwana revealed that gross tax revenue for 2025/26 had been revised up by R21.3 billion (\$1.34 billion) compared to the estimate in the 2025 budget, allowing the **National Treasury** to scrap the R20 billion (\$1.26 billion) in tax increases provisionally earmarked for the coming year.

Godongwana seemed most proud of the fact that South Africa's debt burden has stabilised for the first time since 2009 and is projected to fall in the coming years. He highlighted that gross debt stabilised at 78.9% of GDP in 2025/26, and is forecast to fall further to 77.3% of GDP in 2026/27 and 76.5% by 2028/29. Similarly, the National Treasury revealed that the consolidated budget deficit narrowed to 4.5% of GDP in the 2025/26 financial year and is expected to fall to 4% in 2026/27 and 3.1% in 2027/28.

This indicates that South Africa has improved on this issue; this is particularly noteworthy as the debt burden is a leading concern of credit agencies, and declining debt levels may incentivise these agencies to issue further credit upgrades for the country. This will particularly be the case if South Africa can sustain and accelerate economic growth. The National Treasury is forecasting real economic growth of 1.6% in 2026, up from 1.4% in 2025. Growth is expected to average 1.8% over the medium term, reaching 2% by 2028. This is still insufficient to address the country's major challenges, especially the high unemployment rate, but it is measurably better than the economic growth recorded in recent years. Godongwana was honest about the fact that South Africa faces major challenges to growth, and cited persistent logistics bottlenecks, weak public infrastructure, and the recent outbreak of foot-and-mouth disease as some of the most significant risks to a positive economic outlook.

Importantly, the budget speech confirmed that the National Treasury was largely aligned with the Cabinet's stated priorities. Education and health were yet again the two largest expenditure items, and Godongwana reaffirmed the government's plan to mobilise R1 trillion (\$62.94 billion) for infrastructure spending over the medium-term - this was one of last year's hallmark budget items. In addition, Godongwana has ensured additional funding for peace and security, including an increased allocation for the SANDF. In fact, the police and the SANDF are set to receive R1 billion (\$62.94 million) apiece from the **Cara [Criminal Assets Recovery Account] Fund** for the fight against organised crime, which should help finance the SANDF's deployment to crime hotspots.

Godongwana also made a point to address poor utility services in the municipalities and specifically called out Johannesburg's poor management during his Budget Speech. He revealed that the City of Johannesburg generates R11.9 billion (\$748.97m) in water revenue, but that Johannesburg Water only receives R1.3 billion (\$81.82m) for capital expenditure, leading to the R64 billion (\$4m) backlog to water supply problems in the city.

To address poor municipal governance, Godongwana indicated that the government would reform the **Municipal Infrastructure Grant** to address underspending and would implement performance-linked reforms for metro trading services in electricity, water, sanitation and solid waste.

Democratic Alliance leader ends re-election bid

Agriculture minister and leader of the DA, **John Steenhuisen**, [announced](#) on 4 February that he would not run for re-election as party leader, effectively stepping down as the head of the party. Steenhuisen was widely expected to win the April elective conference and was not yet facing any real opponents. However, the DA leader had been at the centre of political scandals, including a public spat with former environment minister **Dion George**, who was also the DA's former finance chair. George [publicly resigned](#) from the DA in January, alleging that Steenhuisen was compromised and had him removed as environment minister to satisfy the wildlife trade lobby. George further claimed that as finance chair, he had had to confiscate Steenhuisen's credit card, allegedly due to irreconcilable transactions. The DA cleared Steenhuisen of wrongdoing in this matter, but reports did reveal that he had received an adverse court order for unpaid credit card debt, even though Steenhuisen has drawn a very decent salary for most of his adult career as a member of parliament (MP) and cabinet minister.

Steenhuisen has pushed back against this, claiming that his personal finances are irrelevant and that he has not been accused of financial wrongdoing. However, this is not true given that the DA leader's poor personal financial management raises security concerns about his dependence on his elected positions and his vulnerability to outside influence. This is particularly a concern for the DA's core middle-class voter base that places a premium on financial responsibility and propriety.

In his 4 February address, Steenhuisen claimed he was stepping down as leader because he had achieved everything he set out to do and that he wanted to focus on his duties as agriculture minister. However, this is clearly not the case, given how close to the elective conference he has resigned, the proximity of this decision to the recent scandals, and the fact that his allies and surrogates were adamant he was still running for re-election right up until his announcement.

This development has led to uncertainty within the DA. At present, **Cape Town** mayor **Geordin Hill-Lewis** is considered the frontrunner to replace Steenhuisen in April. Hill-Lewis announced his bid for the position on 27 February. A first-term mayor being the leading candidate underscores the lack of heavy political hitters within the party that have national name recognition who could be party leader. Hill-Lewis' supporters point to his popularity as Cape Town mayor and the generally strong media assessments of his performance.

However, it should be noted that Hill-Lewis has never spearheaded a contestable election. The DA's dominance in Cape Town and the lack of a real opposition in the city meant that his election in 2021 was more of a coronation than a meaningful contest. Even given the DA's dominance, under Hill-Lewis, the party's support fell to 58.22% in 2021 from 66.61% in 2016.

Although Hill-Lewis is Steenhuisen's most likely successor, the DA would benefit from a competitive leadership election that fully tests and vets the candidates. Whoever is elected as the new party leader will take over the party at a critical point and will need to navigate the intricacies of the GNU and the relationship with Ramaphosa while preparing the party for both the local government elections, expected between 1 November and 31 January 2027, and the 2029 general election where the party will be under pressure to grow its support despite facing increased pressure from identity-driven parties such as the **Patriotic Alliance (PA)** and the **Vryheidsfront Plus (VF Plus)**.

Latest crime statistics released

Acting police minister **Firoz Cachalia** [published](#) the third quarter (Q3) crime statistics on 20 February, covering the months October through December per the police calendar, indicating that there was a general decline in crime in Q3 2025 compared with the same period a year prior. Attempted murder, attempted sexual offences, and cash-in-transit robbery were the only crime categories to record increases during the review period. The most positive indicators in the statistics were that murder declined by 8.7%, robbery with aggravating circumstances by 11.3%, and assault with intent to commit grievous bodily harm fell by 7.5%. Although the decline in reported crime is a positive development, the crime rate and statistics are objectively high. There were still 6,351 murders during the three months, despite the 8.7% decline.

Crime remains one of the most significant operational threats in South Africa and a leading social concern. South Africa's police service remains under-resourced and negatively impacted by corruption. The country's capacity to effectively combat crime has been further undermined by the virtual collapse of the police's **Crime Intelligence Unit** over the past decade. This unit was central to state capture corruption and was deeply undermined by corruption and political interference. The poor state of the police is currently a major focus of the country due to the ongoing **Madlanga Commission of Inquiry** into allegations of criminality in the criminal justice system. This commission has heard substantial testimony indicating that senior police officials are working with and for organised crime syndicates in the country. As such, until the police undergo a substantive reform, it is unlikely that meaningful gains will be made in combatting crime.

Planner

Nov 2026 – Jan 2027 (**South Africa**) Local Government Elections;
Apr 2026 (**South Africa**) **Democratic Alliance** Elective Congress;

Chronology

25 Feb 2026 **Johannesburg (South Africa)** *News24*. Agriculture department announces the distribution of foot-and-mouth disease vaccines to livestock farmers across the country to combat the ongoing outbreak of the disease;

24 Feb 2026 **Pretoria (South Africa)** *The Presidency*. President **Cyril Ramaphosa** delays promulgating any sections of the **National Health Insurance (NHI) Act** until the constitutional court delivers its judgments in challenges to the act;

24 Feb 2026 **Pretoria (South Africa)** *The Presidency*. President **Cyril Ramaphosa** welcomes the return of South African men who were conned into fighting for **Russia** in **Ukraine**;

23 Feb 2026 **Cape Town (South Africa)** *News24*. Former **uMkhonto weSizwe Party (MKP)** parliamentary whip **Colleen Makhubele** resigns as a party member of parliament (MP) without publicly providing a reason for this decision;

23 Feb 2026 **Johannesburg (South Africa)** *EWN*. **Gauteng Province** premier **Panyaza Lesufi** delivers his **State of the Province Address (SOPA)** in which he announces plans to create a provincial infrastructure agency to centralise major projects in the province;

23 Feb 2026 **Pretoria (South Africa)** *Reuters*. New **United States (US)** ambassador to South Africa **Leo Brent Bozell III** presents his credentials to the department of international relations and cooperation;

23 Feb 2026 **Johannesburg (South Africa)** *Daily Maverick*. The **Special Investigating Unit (SIU)** reveals a corrupt scheme operated by officials in the department of home affairs in which visas and residence permits are being sold;

22 Feb 2026 **Johannesburg (South Africa)** *News24*. The **Economic Freedom Fighters (EFF)** opposition party files court papers seeking to nullify higher education and training minister **Buti Manamela**'s recent appointment of Sector Training Authorities (SETAs) CEOs;

22 Feb 2026 **Mbombela (South Africa)** *News24*. The **Directorate for Priority Crime Investigations (the Hawks)** arrest 27 suspects for corruption totalling over R100m (\$6.3m) in **Mpumalanga Province**'s department of basic education;

21 Feb 2026 **Johannesburg (South Africa)** *EWN*. Opposition **ActionSA** announces that its leader, former Johannesburg mayor **Herman Mashaba**, will be its mayoral candidate in the upcoming municipal election;

20 Feb 2026 **Johannesburg (South Africa) News24**. State-owned railways and ports operator **Transnet** confirms it has issued a tender for private partners to operate the **Richards Bay Dry Bulk Terminal** in **KwaZulu-Natal (KZN) Province**;

19 Feb 2026 **Johannesburg (South Africa) EWN**. The high-profile corruption case against former public enterprises minister **Malusi Gigaba** and former executives at state-owned **Transnet** is postponed until May;

18 Feb 2026 **Johannesburg (South Africa) News24**. The **South African Chamber of Commerce and Industry (SCCI) Business Confidence Index** falls slightly in January to 131.4 points from 133.2 in December 2025;

18 Feb 2026 **Johannesburg (South Africa) EWN**. Suspended deputy national police commissioner **Shadrack Sibiya** claims to the **Madlanga Commission of Inquiry** into criminality and corruption in the criminal justice system that the opposition **uMkhonto weSizwe Party (MKP)** is behind efforts to damage his reputation;

18 Feb 2026 **Bloemfontein (South Africa) EWN**. **Free State** high court rules that **Moroadi Cholota**, who was former Free State provincial premier **Ace Magashule's** personal assistant, can stand trial alongside Magashule in an ongoing corruption case;

18 Feb 2026 **Johannesburg (South Africa) StatsSA**. **Statistics South Africa (StatsSA)** reveals that annual consumer price inflation fell slightly to 3.5% in January from 3.6% in December;

17 Feb 2026 **Johannesburg (South Africa) News24**. **Statistics South Africa (StatsSA)** releases the **Quarterly Labour Force Survey (QLFS)** for the fourth quarter (Q4) of 2025, which indicates that the official unemployment rate fell by half a percentage point to 31.4%, the lowest level in over five years;

14 Feb 2026 **Mbombela (South Africa) News24**. Deputy small business development minister **Jane Sithole** is re-elected as the **Democratic Alliance's (DA) Mpumalanga** provincial leader;

11 Feb 2026 **Washington, D.C (United States) IMF**. **International Monetary Fund (IMF)** executive board concludes its **2025 Article IV Consultation** with South Africa, in which it commends the country for maintaining macroeconomic stability;

8 Feb 2026 **Pretoria (South Africa) The Presidency**. President **Cyril Ramaphosa** confirms he has withdrawn the **South African National Defence Force (SANDF)** from the **United Nations Organisation Stabilisation Mission in the Democratic Republic of Congo (MONUSCO)** after 26 years;

7 Feb 2026 **Beijing (China) EWN**. Trade, Industry and competition minister **Parks Tau** and China's commerce minister **Wang Wentao** sign a new framework agreement that paves the way for increased cooperation and bilateral duty-free trade;

2 Feb 2026 **Pretoria (South Africa) eNCA**. The new National Director of Public Prosecutions (NDPP), **Andy Mothibi**, officially assumes his duties;

30 Jan 2026 **Pretoria (South Africa) DIRCO**. Department of international relations and cooperation declares **Israel's** chargé d'affaires, **Ariel Seidman**, persona non grata, alleging that Seidman committed a series of "*unacceptable violations of diplomatic norms and practice which pose a direct challenge to South Africa's sovereignty*".

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