



NEC Lekgotla 24-25 January 2026

**Commission Report: Economic
Transformation, Growth and Jobs**



Brief Overview of what the Commission must deliver in 2026 in line with Jan 8 Theme and Tasks, 5th NGC Outcomes, MTDP Implementation, Priorities:

- Fixing local government and restoring reliable water and electricity services as the foundation for economic recovery.
- Accelerating economic transformation, inclusive growth and job creation through industrialisation and infrastructure-led growth.
- Driving re-industrialisation and localisation in strategic sectors, including steel, automotive, agro-processing, energy-intensive industries and critical minerals.
- Implementing energy pricing and network industry reforms to reduce administered prices for households and producers.
- Restoring freight rail and ports as strategic enablers of growth through corridor-based recovery.
- Strengthening macro-economic coordination to align fiscal, monetary, trade and industrial policy behind growth and employment.
- Scaling support for SMMEs, township and rural economies, with a bias towards South African-owned enterprises and informal sector integration.
- Advancing youth and women's economic inclusion, integrating skills, employment, enterprise and care economy interventions.
- Defending domestic industry and expanding exports through AfCFTA, BRICS and strategic trade instruments



SUMMARY OF KEY PROPOSED

ACTIONS -POA 2026

Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
1. Freight rail and ports: recover logistics capacity to unlock growth			
Lock in 250 mt freight target by 2029 while targeting 170 - 174 million tonnes freight on Transnet network in 2026.	DoT / Transnet / Presidency / Operation Vulindlela	2026	Transnet to move 170 – 174 mt of freight in 2026.
Sustain and strengthen the “Transnet War Room” as the operational engine for weekly problem-solving, performance tracking, and escalation.	DoT / Transnet	Immediate – 2026	Functional weekly war-room with published performance dashboards and escalation logs
RFP for Richards Bay Dry Bulk Terminal	DoT / Transnet	by Feb 2026	RFP issued for Richards Bay Bulk Terminal;
RFP for the Manganese Corridor (Northern Cape → Port of Ngqura	DoT/ Transnet	by May 2026	RFP Issued for Manganese Corridor.
RFP for the Container Corridor (Durban → Gauteng	DOT/ Transnet	by November 2026	RFP Issued for the Container Corridor
Raise port productivity to international benchmarks: drive to 30 gross crane moves/hour by 2030, with an immediate recovery programme from the 12–15 range in 2026.	DOT / Transnet / Presidency / Operation Vulindlela	2026	Achieve gross crane moves/hour to between 12 – 15 range in 2026.
Accelerate Durban Port Terminal 2 upgrade.	TNPA / Transnet	2026	Terminal 2 construction contracts active with visible on-site implementation
2. Passenger rail: scale PRASA restoration and remove signalling constraint			
Fast-track PRASA signaling upgrades, new trains sets still to be acquired, continue rail-line and rail station development.	DoT / PRASA	2026	Signaling contractors installed and commissioned on Gauteng and Durban priority lines
Scale passenger rail usage from 77 million passenger trips in FY24/25 to 116 million passenger trips in FY25/26.	PRASA / DoT	FY25/26	Annual passenger journeys increased to at least 116 million
3. Aviation: restore compliance capacity, unlock passenger and airfreight growth			



Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
Complete aviation flight-procedure compliance	DoT / SACAA / ACSA	FY25/26	All network and secondary airports compliant with updated flight procedures
Reform licensing council and foreign operator permits system. Digitise/modernise submissions, increase technical processing capacity, and set turnaround time standards.	DoT / SACAA	FY25/26	Digitised licensing system with defined turnaround times operational.
Fix electronic landing gear for bad weather aircraft landing	DOT / ACSA	FY25/26	Improved landing of aircrafts in smaller airports as well.
4. Road safety: legislate, enforce, and professionalise scholar transport			
Legislate and enforce “zero alcohol” (move toward no consumption before driving).	DoT / Parliament	FY25/26	Draft Bill by the end of 2026.
<ul style="list-style-type: none"> • Amend Section 42 regulations (National Traffic Act) for scholar transport: <ul style="list-style-type: none"> ○ Mandatory advanced driver training for anyone transporting children. ○ Mandatory vehicle tracking systems. ○ Establish a dedicated national database of scholar-transport vehicles (DoE + DoT). ○ Enforce compliance with existing requirements (operating permits, licensing as passenger vehicles). 	DOT	FY25/26	Achieve a national database of scholar transport vehicles operational; mandatory training and tracking/telematics requirements enforced
5. Roads maintenance, MIG/conditional grants, and municipal/provincial delivery			
Fix Municipal Infrastructure Grant (MIG) and road maintenance under-spending.	COGTA / NT / Provinces	FY25/26	Reduced return of conditional grants and approved reform proposals for rural municipalities



Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
<ul style="list-style-type: none"> Identify why funds are returned (capacity, co-funding rules, planning failures). Where co-funding rules block poor/rural municipalities, table a reform option (e.g., differentiated/cohort-based MIG conditions). 			
6. Energy: pricing reform, municipal surcharges, free basic electricity, and transmission build			
<p>Fast-track an energy, logistics, fuel and other administered pricing policy intervention so tariff outcomes change materially before local government elections.</p>	DEE / NERSA / Cabinet	by end of 2026	Revised administered pricing framework approved and implemented
<ul style="list-style-type: none"> Address municipal electricity surcharges and uneven prepaid regimes that deepen cost-of-living pressures in townships. Including addressing load reduction towards its elimination. Addressing electricity theft and post use payment regimes. Reducing municipal debt to Eskom, 	ESKOM / DEE / Municipalities	FY25/26	Ensure electricity pricing is reduced in townships and ensure stable and consistent supply of electricity. Roll out of prepaid meters.
<ul style="list-style-type: none"> Fix underutilisation of the Free Basic Electricity grant: <ul style="list-style-type: none"> Build municipal capability to claim/apply it (only R2bn of R10bn reportedly used). 	DEE/ Municipalities	FY25/26	Increased utilization of the Free Basic Electricity grants as budgeted. Increase the threshold for the grant.



Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
<ul style="list-style-type: none"> Review and increase the Free Basic Electricity threshold (from 50kWh to a higher, evidence-based level). 			
Accelerate transmission infrastructure build.	Eskom / DMRE / NT	2025–2026	Annual transmission build targets published and under construction
7. Distressed and strategic industries: steel/ferroalloys, autos, and localisation enforcement			
Conclude the strategic intervention for AMSA (majority acquisition via IDC) while preparing an operating model.	dtic / IDC	FY25/26	IDC-led majority acquisition concluded with operating model approved
Rebuild ferroalloy and smelting capacity (chrome, manganese, etc.) using a package approach: <ul style="list-style-type: none"> Electricity price interventions and targeted incentives. Export control measures where appropriate. Fix scrap export orientation: reduce incentives to export scrap and strengthen domestic recycling-to-steel inputs. 	dtic / DEE / ITAC	FY25/26	Gazette final export control ('permit') system for chrome. Secure 62c/kwh tariff agreement through MOU process between Eskom and smelters (as a starting point to similar processes in other energy-intensive beneficiation sectors). Review and consult on reform to energy pricing policy (EPP). Begin consultations on extending price preference point system (beyond 31 July 2027), considering extension of materials to e-waste, waste of rare earths and critical minerals and other strategic and high value industrial materials and wastes.
Close policy loopholes undermining localisation in strategic sectors like the automotive sector: <ul style="list-style-type: none"> Stop misuse of tax-free parts regimes. Stop trading/import certificate arbitrage that enables imports while undermining local production. 			Review functioning of duty credit framework in the auto-industrial policy, including restrictions to the sale, trade and circulation among intermediaries of such certificates [imports under such certificates, now constitute close to a fifth of auto imports by value].



Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
8. Development finance institutions and mobilisation of external finance			
Implement Afreximbank country package.	NT / dtic / Afreximbank	FY25/26	Afreximbank and ECIC to finalize discussion on the incubation of the Export Credit and Capacity Agency.
Launch Transformation Fund	dtic / NT / ETC	by March 2026	Transformation Fund launched with governance framework and project pipeline
Capitalise and scale NYDA impact through coordination, not only budget: <ul style="list-style-type: none"> Ring-fence co-funding from DFIs (IDC/NEF/PIC) into youth enterprise support through the National Youth Fund. 	NYDA / IDC / NEF / PIC	FY25/26	Ensure that regulations governing 'designation' of goods and services in line with section 20 of the Procurement Act, have 'set asides' for co-funding and asset management services owned by youth (such as National Youth Fund)
9. Trade, investment, and external economic relations			
Execute the "Butterfly" trade strategy's Africa focus, through practical AfCFTA implementation and export support into African markets.	dtic / ECIC/ DFIs		Finalize the auto and textile protocols from AFCFTA. Increase exports of South African good into the region and continent.
Run parallel negotiations with major partners with clear red lines and domestic industrial outcomes: <ul style="list-style-type: none"> Manage US negotiations (possible formal talks in February) pragmatically, without sacrificing strategic interests. Finalise China engagement (duty/quota free access) while addressing standards, SPS barriers, and competitiveness realities. Implement the EU Clean Trade and Investment Partnership model focused on beneficiation/industrialisation at source. 	dtic / DoA / NT	FY25/26	Finalization of negotiations and signing of trade agreements.



Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
<ul style="list-style-type: none"> Continue engagements with India, AfCFTA partners, Mercosur, and Canada. 			
10. Transformation: accelerate implementation, defend the agenda, and use procurement power			
<p>Complete regulatory refinements by end-March (e.g., “Statement 400” and other measures enabling contributions and compliance),</p> <p>Finalize public consultation process for the Public Procurement regulations, in particular section 20 on ‘designation’ of goods and services.</p>	NT / dtic	FY25/26	Finalise designation regulations (section 20), review of statement 400 and similar measures. Issue codes of good practice in manufacturing sub-sectors
The ETC must engage meet with progressive business and civil society organizations to build a progressive bloc in defence of transformation.	ETC/ Provincial ETCs	by April 2026	Building of a progressive bloc (including mass democratic movement structures) in defense of transformation policies
11. Mining rights access and local beneficiation participation (especially rural/traditional areas)			
Finalize the mining rights/cadastral application system to unlock investment and reduce bureaucracy-driven exclusion.	DMPR	FY2526	Functional digital cadastral system reducing approval backlogs
Accelerate artisanal mining formalisation by completing the regulatory package and issuing the first expanded cohort of artisanal mining permits/licences, paired with a joint plan to disrupt criminal networks.	DMRE, SAPS/Intelligence, DHA, Justice; Presidency (security cluster coordination)	Q1–Q2 2026: regulatory package finalised; Q2–Q4 2026: licence roll-out and enforcement	By end-2026: functional artisanal mining permitting system with expanded licences issued; joint enforcement outcomes against syndicates with published statistics.



Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
12. Water and sanitation: targeted delivery now, R&D pipeline for the medium term			
Water & sanitation treated as an economic constraint (not only a local government matter), with practical delivery interventions in the 10-point plan framework.	ETC / DWS	2025–2026	ETC to engage with the Department of Water and Sanitation on urgent intervention for 2026.
13. Agriculture and food systems: industrial parks, market access, and inputs			
Revive agricultural/industrial parks as a near-term deliverable through dtic + provincial alignment and DFI funding.	dtic / DoA / Provinces / IDC	by October where possible.	Secure commitments from national and provincial governments for budget to revive agricultural-industrial parks.
<p>Land access programme support:</p> <ul style="list-style-type: none"> ○ Audit and publish underutilized state land suitable for emerging farmers. ○ Resolve communal land access constraints through structured agreements with traditional authorities and finalise land rights to labour tenants lodged since 1998 <p>Integration of Land Reform programme to mass nutrition and food security interventions</p>	DRDLR / DPW / Provinces / COGTA / Land Bank	FY25/26	Expedite land rights to labour tenants, co-ordinate post-settlement support for redistribution beneficiaries. Link products produced by land reform beneficiaries to mass nutrition and food security programmes such as national school nutrition programme
14. Coordination and Execution			
Align mass public employment programmes (PYEI, CWP, EPWP, NARYSec, War on Leaks and so on) by	DEL/DTIC/Presidency/NYDA	FY25/26	Finalise National Pathway Management System and National Employment Policy.



Action / Activity	Responsible Structure	Time Frame	Output by End of 2026 (Verifiable Result)
improving labour market intelligence, demand planning, skills and training, with industrial and sectoral strategies. Linking this work to the project preparation gaps of technical projects at local government level.			DEL to table (or implement?) National Labour Migration Policy to ANC for broad discussion, amendment and adoption.
Adopt a strict 'no-returned-funds' accountability rule for ANC-deployed mayors/municipal leadership: municipalities returning grants must report to ANC structures with corrective plans, and repeated failure triggers deployment review.	ANC structures (NEC/PEC/REC), SALGA, COGTA, Municipal councils; National Treasury (early warning)	Q1 2026: accountability protocol; Q2–Q4 2026: quarterly reviews and interventions	By end-2026: quarterly ANC municipal performance reviews conducted; reduced grant returns; documented corrective actions and deployment decisions where failures persist.
Review of funding model of local government	ANC NEC Subcommittee on Local Government/ COGTA/Presidency/National Treasury		Funding model for subnational sphere (province, district is finalized, with clear distribution of functional authority and nationally collected revenue, informed by revised White Paper on Local Government. Review also includes aligning territorial boundaries to economic and taxable base in local sphere
Transnet process of offloading 'non-core assets' and network asset reorganization (such as closure of branch lines and railway sidings in Transnet)	ANC ETC/DoT/Dept of Energy		Rationalisation and offloading of non-core assets and reorganization of network assets, takes into account local need and repurposing of functions of that infrastructure within the local economic development plans and DDM One Plans of municipalities and metros
Macro-economic policy is aligned to trade, industrial and other micro-elements of the broader economic strategy	ANC ETC/Economic Cluster		ANC ETC convenes an Alliance workshop macro-economic co-ordination and the strengthening of co-ordination mechanisms in government (reintroduction of PCAS, functioning of MINMEC and IGR) to harmonize implementation



ECONOMIC TRANSFORMATION

2026 CONSOLIDATED KPI DASHBOARD

Aligned to 2026 Strategic Priorities

A. CORE DELIVERY AND ECONOMIC RECOVERY INDICATORS

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Local Government & Services	% utilisation of Free Basic Electricity (FBE) grant	Significant increase from baseline; under-spending reversed	DEE / Municipalities
Local Government & Services	Approved increase in FBE threshold	New threshold approved and implemented	DEE / Cabinet
Local Government & Services	% MIG & road grants spent	Reduction in returned grants YoY	COGTA / NT
Local Government & Services	Priority water projects delivered	Annual delivery targets met	DWS / Municipalities
Local Government & Services	WASH R&D funding	Dedicated funding stream established	DSI / DWS



B. INFRASTRUCTURE-LED GROWTH & JOB CREATION

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Inclusive Growth	Large infrastructure projects	Projects under active construction	Presidency / Line Depts
Inclusive Growth	Jobs created via infrastructure	Net new jobs reported	DEL / dtic
Inclusive Growth	National Employment Policy	Finalised and adopted	DEL
Inclusive Growth	National Pathway Management System	Operational nationally	Presidency / DEL
Inclusive Growth	Alignment of public employment programmes	EPWP/CWP/PYEI aligned to sector demand	DEL

C. RE-INDUSTRIALISATION & LOCALISATION

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Strategic Industries	IDC-led AMSA acquisition	Majority acquisition completed	dtic / IDC
Strategic Industries	Smelters stabilised	Facilities operational or secured	dtic / DEE
Strategic Industries	Export permit systems	Chrome & manganese permits gazetted	dtic / ITAC
Automotive	Duty credit framework	Reviewed and loopholes closed	dtic / NT
Agro-processing	Agro-industrial parks	Priority parks revived	dtic / Provinces



D. ENERGY PRICING & NETWORK

REFORMS

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Energy Reform	Energy pricing framework	Approved and implemented	DEE / Cabinet
Energy Reform	Electricity tariff vs inflation	Tariff path moderated	NERSA
Energy Reform	Transmission build	Annual targets published & under construction	Eskom
Energy Reform	Municipal prepaid regimes	Greater standardisation achieved	DEE / Municipalities

E. FREIGHT RAIL, PORTS & LOGISTICS

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Logistics	Freight volumes moved	170–174 million tonnes	DoT / Transnet
Logistics	Transnet War Room	Weekly dashboards & escalations	DoT / Transnet
Logistics	Corridor RFPs	Bulk, Manganese & Container RFPs issued	DoT / Transnet
Ports	Crane productivity	12–15 moves/hour sustained	Transnet
Ports	Durban Port Terminal 2	Construction milestones achieved	TNPA



F. MACRO-ECONOMIC COORDINATION

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Macro Coordination	Export Credit & Capacity Agency	Institutional design completed	NT / dtic
Macro Coordination	Afreximbank–ECIC package	Operational arrangements concluded	NT / dtic
Macro Coordination	Policy alignment reports	Regular inter-ministerial reporting	Presidency

G. SMMEs, TOWNSHIP & RURAL ECONOMIES

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
SMMEs	DFI co-funding mobilised	Increased funding to SMMEs	IDC / NEF
SMMEs	Procurement to SA-owned firms	Share increased	NT / dtic
Rural Economy	Productive land released	State land audited & allocated	DRDLR
Informal Economy	Informal firms integrated	Value-chain participation increased	dtic

H. YOUTH & WOMEN'S ECONOMIC INCLUSION

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Inclusion	Transformation Fund	Fund launched & operational	dtic / NT
Inclusion	Youth enterprise funding	Funding flows increased	NYDA / DFIs
Inclusion	Procurement set-asides	Section 20 regulations finalised	NT



Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Inclusion	SETA fund utilisation	Utilisation rates improved	DEL
Inclusion	Public sector vacancies	Vacancy-filling delays reduced	DPSA

I. TRADE, EXPORTS & DEFENCE OF DOMESTIC INDUSTRY

Priority Area	KPI	2026 Target / Measure	Responsible Cluster
Trade	AfCFTA protocols	Auto & textile protocols finalised	dtic
Trade	Exports to Africa	Measurable growth achieved	dtic
Trade Defence	Import penetration	Reduced in designated sectors	dtic / ITAC
Trade Strategy	Market diversification	Expanded export destinations	dtic
Beneficiation	Value-added exports	Share of beneficiated exports increased	dtic

NOTE: This dashboard is designed for quarterly reporting to the NEC/ETC, Cabinet clusters, and provincial structures, with each KPI supported by a short narrative and traffic-light status.



CONSEQUENCE MANAGEMENT MEASURERS

Area of Non-Implementation	Corrective / Consequence Management	Responsible Structure
Persistent municipal failures in water provision, maintenance, billing and revenue collection	Deploy targeted technical support; ring-fence maintenance funding; invoke consequence management for repeated non-performance	COGTA; DWS; Provincial Governments
Grid and transmission constraints delaying new generation and industrial expansion	Accelerate transmission build programme; enforce localisation requirements; quarterly delivery tracking	DPE; Eskom; DEE; Presidency
Rising electricity and water tariffs exceeding inflation	Finalise and implement energy pricing reforms; review tariff-setting frameworks to protect households and industry	DEE; NERSA; Cabinet
Weak coordination across government on infrastructure rollout	Centralise project preparation and execution oversight; align spheres through Presidency-led coordination	Presidency; National Treasury
Continued industrial distress in steel, automotive and agro-processing sectors	Implement trade remedies, export controls and strategic state intervention (including IDC action); time-bound sector recovery plans	dtic; IDC; ITAC
Delays in defending domestic industry against unfair imports	Strengthen and fast-track trade defence instruments; tighten export permit regimes	dtic; ITAC



Area of Non-Implementation	Corrective / Consequence Management	Responsible Structure
Underperformance of freight rail and port systems despite partial recovery	Corridor-based recovery plans; Transnet war-room oversight; consequence management for missed targets	DoT; Transnet; Presidency
Weak mobilisation of unutilised financial capital for infrastructure and industrialisation	Pool public and private capital; strengthen DFI alignment; unlock blended finance instruments	National Treasury; IDC; NEF
Limited access to finance for SMMEs, township and rural enterprises	Scale DFI funding; align procurement; regularise informal sector participation	dtic; DFIs; Provincial Governments
Structural exclusion of youth and women from productive employment	Integrate skills, employment and enterprise programmes; operationalise Transformation Fund	DEL; dtic; National Treasury
Fragmentation caused by multiple overlapping economic plans	Enforce Ten-Point Economic Action Plan as single implementation framework	Presidency; Cabinet
Weak state capacity in infrastructure planning and project execution	Strengthen project preparation capacity; deploy skilled technical teams	Presidency; National Treasury
Poor governance and underperformance of SEZs and industrial parks	Strengthen governance, align to provincial strategies; performance-based management	dtic; Provinces



Area of Non-Implementation	Corrective / Consequence Management	Responsible Structure
Slow progress on land reform linked to productive use	Accelerate release of productive land; link land to enterprise and agro-processing	DRDLR; Provinces
Inadequate response to worsening food insecurity and hunger	Implement integrated food security response linking social protection, production and township food systems	DSD; DALRRD; Provinces
Ideological and legal attacks on BBBEE and localisation	Coordinate political, legal and policy defence; link BBBEE to industrialisation outcomes	ANC NEC; dtic; Presidency
Weak coordination in portfolios led by non-ANC Ministers	Strengthen political oversight through ANC Deputy Ministers and Presidency coordination	Presidency; ANC NEC