AFRISCOPE

JULY EDITION

WHAT IS IN THIS EDITION?

Dangote Ends Nigeria's Run as Africa's Biggest Fuel Importer

Congo's Flooded Mine Is the Latest Threat to World Copper Supply

Africa Ascends at Cannes 2025

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COVER NOTE

Africa Advances in FATF Reforms as Key Economies Eye Grey List Exit

African countries are making notable progress in implementing Financial Action Task Force (FATF) reforms. Several nations, including Senegal, Ghana, Uganda, Tanzania, and Mali, have already exited the grey list following substantial improvements in anti-money laundering and counter-terrorist financing (AML/CFT) measures. Meanwhile, key economies such as South Africa, Côte d'Ivoire, the DRC, and Nigeria are undergoing on-site assessments, with possible delisting expected by October 2025 if evaluations are favourable. A successful exit would enhance financial credibility, attract more capital, and reduce transaction costs, while any shortfalls could extend their grey-listed status into 2026.

Africa Gains Duty-Free Access to China's $17 Trillion Market

On June 11th, 2025, China hosted the latest ministerial Forum on China-Africa Co-operation (FOCAC), concluding with a landmark commitment: full duty-free access to 100% of tariff lines for all 53 African countries with diplomatic ties. This marks a shift from selective preferences to broad market access, offering new export potential, especially beyond mining. It also comes as the United States imposes average tariffs of 14–18% on most African exports, highlighting a stark contrast in trade posture between Beijing and Washington.

While the move reflects strong political alignment and growing trade volumes, structural imbalances remain. African economies still face competitiveness gaps in manufacturing and agriculture. However, China's parallel investments in industrial capacity, green sectors, and digital infrastructure signal

AfDB Sounds Alarm on Africa's Currency Woes in 2025

The African Development Bank projects that 21 African currencies will depreciate against the U.S. dollar in 2025, citing weak export earnings, elevated borrowing costs, and geopolitical headwinds. Major economies like Nigeria, and Egypt are expected to see 6% or more declines. In contrast, Kenya, Morocco, and CFA franc zone countries may register moderate gains, supported by stable macroeconomic conditions and stronger capital inflows. The trend reflects growing divergence in currency performance, with implications for inflation, debt servicing, and the pace of economic recovery across the continent.

Ghana Beats IMF Debt Target Ahead of Schedule

Ghana's debt-to-GDP ratio dropped to 55% in January 2025, surpassing the IMF's target of 55% by 2028 under its $3billion Extended Credit Facility (ECF) program. The improvement is driven by economic expansion and tighter fiscal policy under President Mahama, who took office in January 2025. The government aims to cut the budget deficit to 3.1% of GDP in 2025, down from 7.9% in 2024. While nominal debt rose slightly in January, the overall trend reflects improved debt sustainability and stronger macroeconomic management.

In this edition of the FDC Afriscope, we analyze burning macroeconomic and political issues in Africa, offering insights and strategies for policymakers.

Enjoy your read

ECONOMIC ARTICLES

DANGOTE ENDS NIGERIA'S RUN AS AFRICA'S BIGGEST FUEL IMPORTER

Nigeria is no longer Africa's biggest fuel importer, a title now held by South Africa due to shrinking refining capacity, according to energy consultancy CITAC (Burkhardt, 2025). This shift follows the ramp-up of Aliko Dangote's 650,000-barrel-a-day refinery, which began production in January 2024. The plant aims to end Nigeria's reliance on processing crude abroad.[1]

South Africa imported 4.2 million tons of refined products in the first quarter of 2025, compared to Nigeria's 3.1 million tons. Full-year estimates place South Africa's imports at 15.5 million tons, nearly twice as much as Kenya (8.9 million) and Nigeria (6.4 million).

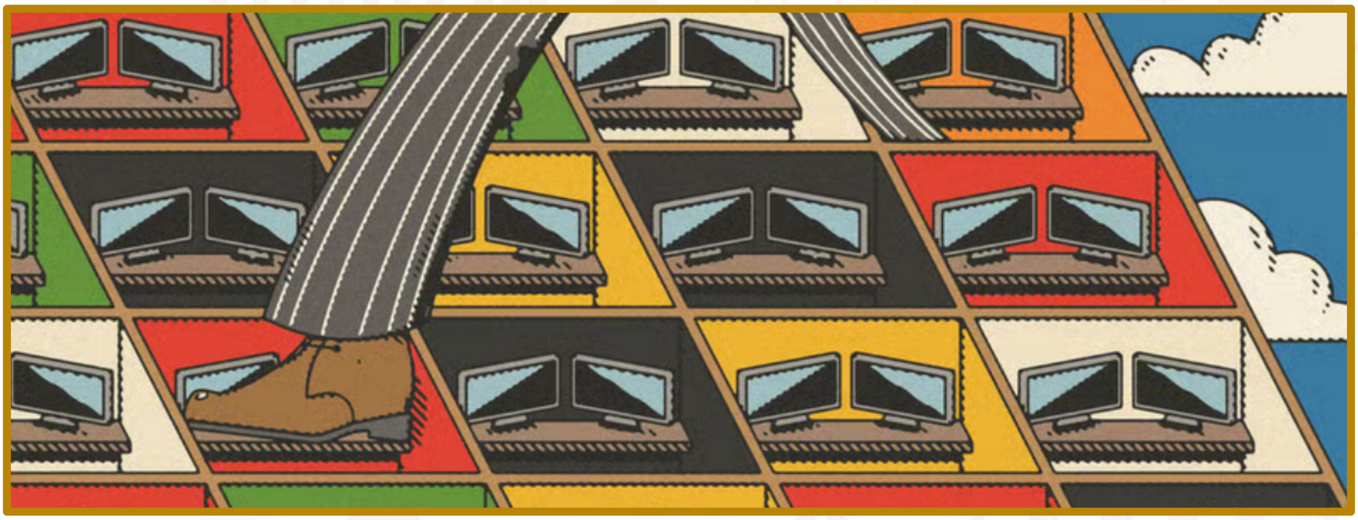
The shift highlights growing efforts across Africa, especially in Uganda, Mozambique, and Nigeria, to expand domestic refining capacity. However, this has proved difficult, even for Dangote, whose $20 billion project exceeded budget and faced delays.

A collapse in local refining has driven South Africa's dependence on imports. Since 2020, several refineries have shut down due to accidents and underinvestment, resulting in a capacity reduction of nearly half. According to Transnet SOC Ltd., imports now meet over 60% of domestic demand. The government has taken over the dormant Sapref refinery from Shell and BP to reverse this trend. Meanwhile, traders like Glencore, Vitol, and Gunvor continue to seize market opportunities in South Africa.

1. Paul Burkhardt. 2025. "Dangote Ends Nigeria's Run as Africa's Biggest Fuel Importer". Bloomberg. https://www.bloomberg.com/news/articles/2025-05-28/dangote-ends-nigeria-s-run-as-africa-s-biggest-fuel-importer

CALL CENTRES COULD BE A GOLD MINE FOR AFRICA

Culled from the Economist



Mercy Mugure first heard about business-process outsourcing (BPO) in the mid-2000s. Word of how the practice was transforming India, its global champion, reached Africa, which had largely missed out on the fruits of globalisation. "We thought: why not us?" says the Kenyan entrepreneur. With a friend, she set up one of Kenya's first BPO firms in 2006, hoping to tap into the job-creating potential of an industry that covers anything from picking up phones and processing insurance claims to flagging illegal or violent content on social media.

Today Ms Mugure's company, Adept Technologies, remains something of an exception. Policymakers' hopes that Africa would replace India and the Philippines as the world's back office have not been realised. Yet things may be changing. As increasing demand for workers to train algorithms and annotate digital data brings a boost to the industry, a growing share of the work in the coming years is expected to be done by Africans.

The jobs are sorely needed. Three-quarters of young Africans report they cannot find adequate work. Traditional manufacturing, which helped spur growth by providing mass employment in countries such as South Korea and Vietnam, requires ever more complex machinery but ever fewer humans to operate it, making it less useful as a source of plentiful good-quality jobs.

Outsourcing could fill some of that gap. Currently just 1m Africans work in BPO, about 2% of the industry's global workforce. Yet between 2023 and 2028 the industry is expected to grow by around 14% a year in Africa, nearly twice as fast as the global BPO growth rate of 8% and four times Africa's annual growth rate, which the World Bank expects to reach 3.5% this year. In Kenya, which hosts some of the world's largest outsourcers, the BPO growth rate is projected to be even higher, at 19%, according to Genesis Analytics, a consultancy. "Africa is the next frontier," says Martin Roe, chief executive of CCI Global, whose newest call centre in Kenya seats 5,000 workers.

Anglophone Africa, in particular, has always had some advantages in attracting BPO firms. Its youthful population is increasingly well educated, with strong English-language skills. Bosses claim many Western customers prefer the sound of what they say are more "neutral" African accents to those of Indian English-speakers. The continent's time zones are convenient for businesses in America and Europe. In the past, all that was not enough to tip the scales away from Asia. Yet this time may be different.

One factor is labour-cost arbitrage, notes Mark Graham, co-author of "The Digital Continent". Wages and other costs in Kenya are 60-70% lower than in America, Europe and Australia. Workers in India and the Philippines, meanwhile, are getting richer, and therefore more expensive to hire. The Fairwork project at Oxford University, which evaluates tech companies' work standards, found workers at a foreign BPO firm in Kenya made $233 a month. Their peers at a comparable company in the Philippines earned $284.

More targeted sweeteners from governments help, too. Kenya's long-awaited national BPO policy, due to be unveiled in July, aims to create 1m jobs in the sector over the next five years. Nigeria launched its "Outsource to Nigeria" scheme in 2024. Both offer generous tax breaks and subsidies; South Africa's even doles out cash grants for new jobs. "You have to incentivise the sector deliberately," says John Kiria, Kenya's digital-economy tsar.

Structural changes in the global economy also work in Africa's favour. With labour forces in many parts of the world shrinking, demand for African labour is growing. In May the German government hosted an event in Berlin that aimed to connect German and European companies with African BPO firms.

The BPO boom is not a panacea. Critics are concerned about the quality of new BPO jobs, especially in content moderation for social media and annotation for artificial intelligence (AI). Workers complain of being forced to stare at disturbing text or images without adequate psychological support, or perform monotonous tasks without sufficient breaks. In Kenya former moderators have sued Meta, a social-media giant, and Sama, a Californian BPO company briefly hired by Meta, over working conditions. (Sama denies wrongdoing and says it no longer offers content moderation. Meta argues Kenyan courts do not have jurisdiction and that the complainants were not employed by Meta itself.)

A related issue is hyper-mobility. Faced with negative publicity or tricky governments, companies at the top of a BPO supply chain can go elsewhere. A recent investigation by the Bureau of Investigative Journalism, a London-based outfit, found that Meta had quietly moved its content-moderation work from Kenya to Ghana following litigation in Kenya. (Meta says it chose to keep the new location secret to protect clients and the moderators themselves, and that it takes the support of moderators seriously.) "For the client, it's an overnight decision," says Mr Kiria. "By tomorrow morning, 8am, they're in India."

The biggest challenge is AI. Many basic tasks have already been automated. A decade ago Graham Parrott, a British entrepreneur, founded one of Ethiopia's first BPO firms, which closed during the pandemic. Now he fears the country "may have already missed the boat". Bobby Varanasi, a consultant, argues that the industry is being "completely hollowed out at the bottom". A report by Genesis Analytics for the Mastercard Foundation estimates that more than 40% of tasks in the BPO industry in Africa are at risk of automation.

But tasks are not the same as jobs. Wendy Gonzalez, the boss of Sama, says that when the company set up in Africa in 2008, data labelling meant answering questions like "Is there a cat in this photo?". These days it involves more sophisticated tasks, such as ensuring that writing suggestions from AI models are grammatically correct. Mr Roe of CCI argues that there will be continued demand for more "complex and emotional" services only humans can deliver. Such work could be better paid.

That means that in the long term, gaining a bigger share of global outsourcing may ultimately be about securing the highest-value jobs. Ms Mugure of Adept Technologies does not offer content moderation. Instead, she is looking to expand into "knowledge-based work", which will require more Kenyan graduates trained in AI and computer science. For governments, investing in education may be the best hedge against being left behind.

MIDDLE-INCOME COUNTRIES DWINDLE AS A SHARE OF AFRICA'S GDP.

Low levels of investment combined with global shocks will keep economies trapped in low- and middle-income groups.

Middle-income countries (MICs) in Sub-Saharan Africa (SSA) now contribute a declining share of regional GDP, dropping from 84% in 2005 to 73.8% in 2024, despite their rising number of countries attaining middle-income status. Most remain stuck in the lower-middle-income range, reflecting limited progress due to global shocks and deep-rooted structural constraints. The commodity price crash (2015–16) and the COVID-19 pandemic hit MICs hardest due to their integration into international markets. Though recovery followed, growth has remained insufficient to drive transitions to higher income levels.[2]

Domestically, premature deindustrialisation, weak infrastructure, and poor regulatory environments limit value-added investment and productivity. Only Namibia and Seychelles have progressed to higher income status in the past 20 years, while Mauritius briefly became high-income before regressing to upper-middle-income status. SSA's real GDP has grown by 4.2% annually since 2005, above the global average, but not enough to eradicate poverty or elevate most economies beyond middle income.

Low-income countries (LICs) contribute more to SSA's GDP, but their growth remains too slow to drive income transitions. Many SSA economies have skipped industrialisation, focusing instead on services and agriculture, which lack productivity gains. In contrast, Asian economies advanced by developing competitive export-led manufacturing.

While Africa's MICs face external headwinds such as rising tariffs and declining aid, long-term prospects lie in reforms, industrialisation, and regional integration. Opportunities include intra-African trade under AfCFTA, growing demand for transition minerals, and cross-border infrastructure development. However, without structural reforms, income mobility across African economies will remain limited over the medium term.

2. EIU. 2025. "Middle-income countries dwindle as share of Africa's GDP." https://viewpoint.eiu.com/analysis/article/1172151717

EXCHANGE RATE SHOCKS AHEAD: AFDB WARNS OF AFRICAN CURRENCY STRUGGLES IN 2025

Africa's currency markets are likely to experience turbulence in 2025. According to the African Development Bank's 2025 Africa Economic Outlook, 21 out of 54 African nations, including Ghana and Nigeria, are expected to face significant currency depreciation, largely driven by weakening export earnings and deepening global uncertainty.[3]

Nigeria's naira, impacted by devaluation after removing currency controls, faces renewed headwinds as oil prices remain volatile, threatening forex inflows in Africa's top crude exporter.[4]

The AfDB warns that countries like Egypt, Ethiopia, Ghana, and Zimbabwe could see their currencies fall by 6% or more. At the same time, Kenya and Morocco may enjoy modest appreciation thanks to strong investor sentiment and sound macroeconomic fundamentals.[5]

The implications of the expected currency performance are weighty, as it means costlier imports, rising inflation, and weak purchasing power. For fragile African economies still reeling from pandemic shocks and debt burdens, this could mean heightened fiscal distress and social unrest if not urgently managed.

Structural reforms, fiscal discipline, improved productivity, and transparent forex regimes are no longer optional. They are the continent's survival strategy.

3. AfDB. 2025. African Development Bank (2025). Africa Economic Outlook 2025. https://www.afdb.org/en/knowledge/publications/african-economic-outlook

4. Alli, W. 2025. Naira, cedi among currencies to slip in 2025, says AfDB. BUSINESSDAY. https://businessday.ng/news/article/naira-cedi-among-currencies-to-slip-in-2025-says-afdb/#:~:text=Nigeria's%20naira%20and%20the%20Ghanaian,in%20its%202025%20economic%20outlook.

5. Agbetiloye, A. 2025. 21 African currencies projected to fall against U.S. Dollar in 2025. BUSINESS INSIDER AFRICA. https://africa.businessinsider.com/local/markets/21-african-currencies-projected-to-fall-against-us-dollar-in-2025/hwzvzzy

SOVEREIGN SETBACK: DJIBOUTI'S WEALTH FUND LIQUIDATION SIGNALS BROADER RISKS

Five years after its inception, Djibouti abruptly dissolved its sovereign wealth fund, the Fonds Souverain de Djibouti. On April 27th, President Ismail Omar Guelleh signed a decree liquidating the fund without parliamentary consultation, citing underperformance and leadership instability.[6]

Once heralded as a cornerstone of Djibouti's Vision 2035 development agenda, the FSD aimed to diversify the economy, manage state assets like Djibouti Télécom, and attract high-return investments.[7] However, mounting external financing challenges, expropriation risks, and regional instability, particularly in neighboring Ethiopia, undermined investor confidence.[8] The fund's few ventures, such as a solar plant and a crowdfunding platform, fell far short of transformative ambitions.

The liquidation reflects deeper structural issues across Africa: overdependence on state-led development, fragile institutions, and exposure to geopolitical volatility. For a continent seeking financial sovereignty, the fall of the FSD underscores the critical importance of transparency, institutional stability, and investor trust.[9]

This move sends a chilling signal to private investors and multilaterals, especially in fragile economies banking on sovereign wealth funds as buffers against shocks. While the FSD hoped to emulate Singapore's Temasek, its demise now serves as a cautionary parable.

Unless governance and fiscal reforms accompany fund creation, other African nations may find that building sovereign wealth without sovereign stability is merely a house of cards.

6. The Economist Intelligence Unit. 2024. Djibouti liquidates its sovereign wealth fund. https://viewpoint.eiu.com/analysis/article/572149057?source=search

7. Miriri, D. 2025. Djibouti's sovereign wealth fund aims to double assets in a decade, CEO says. Reuters. https://www.reuters.com/world/africa/djiboutis-sovereign-wealth-fund-aims-double-assets-decade-ceo-says-2025-03-28/

8. AfricScope. 2025. Djibouti's Sovereign Wealth Fund Expansion: A Model for Africa's Economic Future. https://africscope.com/djiboutis-sovereign-wealth-fund-expansion-a-model-for-africas-economic-future/

9. EIU. 2025.

FROM TAX HAVEN TO WEALTH HUB - MAURITIUS REINVENTS ITSELF

Mauritius is poised to transform its longstanding reputation as a tax haven into a flourishing hub of wealth and investment, with the aim of riding the wave of a global wealth boom with renewed vigor and strategic vision. According to a recent Bloomberg report, the island nation is leveraging its unique position at the crossroads of Africa and Asia to attract high-net-worth individuals and multinational corporations seeking a stable, business-friendly environment.

For some decades now, Mauritius has been known mainly for its low tax rates and favorable regulatory framework. This has drawn significant foreign capital and made it a preferred destination for offshore financial services. However, the government now seeks to swivel from being a tax shelter to becoming a comprehensive wealth management center, set to offer sophisticated financial products, robust legal protections, and cutting-edge fintech innovations.

This ambition aligns with the global trend of increasing wealth accumulation, particularly in emerging markets, where investors are hungry for secure, efficient platforms to preserve and grow their assets. Mauritius's strategic initiatives include enhancing transparency to comply with international standards, investing in digital infrastructure, and cultivating a skilled workforce to support complex financial services.

Moreover, the country's political stability, strong rule of law, and commitment to sustainable development add layers of appeal for discerning investors. By embracing this multifaceted approach, Mauritius aims to sustain its economic growth and elevate its global standing as a premier wealth management destination.

SOUTH AFRICA AT A CROSSROADS - HIV TESTING FALTERS AS USAID DRIES UP

South Africa, home to the world's largest population of people living with HIV, is challenged by a deepened healthcare crisis after a halt in US funding. In April, HIV viral load testing plunged by 11.4% year-on-year.

This decline follows a significant pushback of financial assistance by the US Agency for International Development, a decision that originated under the Trump administration. Once a cornerstone of South Africa's HIV response, US funding, particularly through the President's Emergency Plan for AIDS Relief, previously contributed R7.9bn ($440m), making up nearly a fifth of the national HIV/AIDS budget. The effect has been swift and grueling, as over 8,000 President's Emergency Plan for AIDS Relief supported healthcare workers have lost their jobs.

Testing has been the hardest hit among the most vulnerable. Year-on-year, the number of tests has declined alarmingly: 21.3% for pregnant women, 19.9% for infants, and 17.2% for young people. These figures portend a potential resurgence of a crisis South Africa has fought to contain amidst overstrained public services.

The government, yet to outline a firm response, faces pressure to act decisively. Redirecting domestic resources is critical following the 2025/26 budget. Failure to do so could usher in a public health relapse with devastating human and economic costs.

US PRIORITIZE TRADE WITH AFRICA OVER AID, SAYS ENVOY

The United States has unveiled a new Africa strategy prioritizing commercial partnerships over traditional aid. Under the Trump administration, the focus has shifted from aid to investment, emphasizing infrastructure and business deals aligned with the "America First" foreign policy.[10]

In Abidjan, Côte d'Ivoire, senior official Troy Fitrell announced that U.S. ambassadors will now be evaluated based on trade and investment deals they facilitate. He noted that 33 agreements totaling $6 billion were secured within Trump's first 100 days, marking a significant shift in U.S engagement with Africa.[11] The U.S.-Africa Leaders' Summit, held from June 22 to 25, highlighted a six-point plan aimed at expanding opportunities for American businesses across the continent.

Historically, African nations have been major recipients of U.S. aid, mainly through the U.S. Agency for International Development (USAID). However, this funding may be reduced in Trump's second term, signaling a new approach on how Washington engages with the continent.[12]

Despite Trump's spending cuts, the U.S. approved a $550 million loan for the Lobito rail corridor to bypass China-linked routes. Meanwhile, Nigeria has secured a $652 million China Exim Bank loan for a highway connecting Lekki Port and Dangote refinery, to several southern states.[13]

While aid remains part of U.S. foreign policy, it's being redefined to prioritize economic partnerships based on mutual interests, better aligning with the aspirations of modern African economies.

10. Ayenat Mersie. 2025. "Inside the United States' new 'trade, not aid' strategy in Africa". Devex. https://www.devex.com/news/inside-the-united-states-new-trade-not-aid-strategy-in-africa

11. Editorial staff. 2025. "'Trade over aid' now US Africa policy". Africa Briefing. https://africabriefing.com/us-africa-trade-strategy-2025

12. Menkiti Onyebuchi Bernie. 2025. "U.S. Shifts Diplomatic Focus in Africa from Aid to Trade". Diplomatic Watch. https://diplomaticwatch.com/u-s-shifts-diplomatic-focus-in-africa-from-aid-to-trade

13. Colleen Goko. 2025. "US shifting Africa strategy to 'trade, not aid', envoy says". Reuters. https://www.reuters.com/world/africa/us-shifting-africa-strategy-trade-not-aid-envoy-says

CONGO'S FLOODED MINE IS THE LATEST THREAT TO WORLD COPPER SUPPLY

The flooding at the Kamoa-Kakula copper mine, which occurred in May 2025 in the Democratic Republic of Congo (DRC), has caused a significant global copper supply chain disruption. As one of the world's largest copper producers, accounting for 10% of global supply, the mine plays a critical role in meeting global demand, particularly as copper is essential for infrastructure, electronics, and the renewable energy transition. The flood led to a partial shutdown of operations, with the Kakula section, which contributes about 70% of the DRC's copper output, halting production. This disruption has emerged when global copper supply is already tight (due to labor shortages, increased demand for green energy transitions, and strikes) intensifying concerns about market stability.[14]

The production halt introduces significant uncertainty. The full extent of the damage remains unknown, and there is no clear timeline for when full operations will resume. Although the joint venture can temporarily rely on surface stockpiles, this is not a sustainable solution, and a reduced output appears likely. The supply interruption could lead to increased market volatility and upward pressure on copper prices in the near term, especially as other mines such as Chile and Peru are also experiencing disruptions.

Furthermore, the incident could have broader implications for the global energy transition. Copper is a critical input for electric vehicles, power grids, and renewable energy systems. Any prolonged constraint in supply risks delaying or increasing the cost of clean energy projects, making it more difficult for countries to meet decarbonization goals.

14. William Clowes, Thomas Biesheuvel, and Jack Farchy.2025. "Congo's Flooded Mine is Latest Threat to World Copper Supply" . Bloomberg. "https://www.bloomberg.com/news/articles/2025-05-29/flooded-mine-in-congo-is-latest-threat-to-global-copper-supply"

SENEGAL SEEKS TO WOO $1.7 BILLION INVESTMENT FOR DIGITAL ECONOMY.

Senegal has set an ambitious digital strategy, the "New Deal Technologique," aiming to position the country as a leading regional and global tech hub by 2030. This comprehensive plan seeks a $1.7 billion in investments to transform the digital landscape through enhanced infrastructure, public service digitization, innovation, and digital sovereignty.[15] Based on public and private funding, CFA950 billion ($271.25mn) has been secured so far. The strategy emphasizes reducing reliance on foreign technologies and ensuring that sensitive national data is stored locally.

A key component is the digitization of 90% of public services, including electronic identities and digital signatures, which will streamline citizen access, promote transparency, and improve efficiency. The strategy also targets economic diversification by expanding the digital economy, aiming to provide high-speed internet to 95% of the population and create over 150,000 jobs. It includes support for more than 500 certified tech startups and aspires to elevate Senegal into Africa's top three digital service exporters.

Senegal's approach tackles youth unemployment and boosts resilience in key sectors such as health, education, and agriculture. However, the remaining funding gap of CFA155 billion ($271.25mn) poses a challenge to achieving these goals. If fully implemented, the New Deal Technologique could redefine Senegal's economic future and serve as a transformative model for inclusive digital development across Africa.

15. Yinka Ibukun. 2025. "Senegal Seeks to Woo $1.7 Billion Investment for Digital Economy". Bloomberg. "https://www.bloomberg.com/news/articles/2025-05-12/senegal-seeks-to-woo-1-7-billion-investment-for-digital-economy"

CABO VERDE SECURES IMF EXTENSION AS ECONOMIC REFORMS GAIN MOMENTUM

On May 13, 2025, the IMF agreed with Cabo Verde to extend two key financial programmes—the Extended Credit Facility (ECF) and the Resilience and Sustainability Facility (RSF)—until December 2026. The ECF, initially approved in 2022 for $63 million, has been expanded to $70.9 million. The RSF, started in December 2023 with $31 million, will continue. This extension, which had been under discussion for some time, is a stabilising tool ahead of national elections in 2026.

The IMF found that Cabo Verde met all targets under the ECF and is making solid progress with reforms under the RSF. The government has improved its public finances, beating its 2024 budget targets and aiming for a small surplus in 2025 and 2026. These improvements are driven by better tax collection and more efficient spending.[16]

Cabo Verde also restored a positive interest-rate differential with the European Central Bank, encouraging capital to stay in the country and helping rebuild foreign reserves.

The IMF extension signals confidence in Cabo Verde's economic management. It boosts the country's credibility with investors, donors, and development partners. Stronger public finances and growing foreign reserves will help the government better navigate global shocks and support growth, particularly in tourism.

16. The Economist Intelligence Unit. 2025. "IMF approves programme extension for Cabo Verde" IMF approves programme extension for Cabo Verde | Events | EIU

EU-BASED FIRMS RENEW INVESTMENT PLEDGE IN ZIMBABWE.

At the EU-Zimbabwe Business Forum held on May 20th – 22nd in Harare, more than 60 European companies expressed interest in mining, renewable energy, and horticulture. While no explicit financial commitment was made, the renewed investment interest from the EU to boost trade and investment relations with Zimbabwe, despite a long-standing history of fraught relations, is a welcome development. The European Investment Bank has disbursed nearly $100 million to Zimbabwean commercial banks over the past five years, and more funding will be offered to support mining, renewable energy, and agriculture projects.

In 2023, Zimbabwe's trade with the EU reached $881 million. The country continues to enjoy the advantages of the EU's Economic Partnership Agreement, which grants duty-free access to EU markets for nations in Eastern and Southern Africa. Given the trade uncertainties created by the US's imposition of global reciprocal import tariffs in April, this serves as an important diplomatic leverage for the EU.

However, the relationship between the EU and the Zimbabwean government will remain tense, despite the transactional focus on critical minerals. This is owing to the country's poor commitment to political reforms and its very high level of debt. Zimbabwe's total public debt stock as of end-2024 was estimated at $21 billion, with approximately $4 billion owed to the Paris Club creditors, most of whom are European. This will likely keep Zimbabwe excluded from accessing external funding.

Looking ahead, support from the EU will nonetheless boost Zimbabwe's overall economic growth. However, the country's poor business environment could likely prevent it from reaping the full economic potential gains arising from the EU's diplomatic shift.[17]

17. Economic intelligence Unit. 2025. EU-based companies renew commitment to invest in Zimbabwe
EU-based companies renew commitment to invest in Zimbabwe I Events I EIU

MOZAMBIQUE SEEKS TO STRENGTHEN REGIONAL ENERGY STABILITY.

The government of Mozambique signed a Memorandum of Understanding (MoU) with the governments of Zambia and Zimbabwe at the 11th Mozambique Mining and Energy Conference (MMEC) on May 8, 2025. This development aimed to boost Mozambique's transshipment of fuel through new storage infrastructure and existing pipelines and electricity exports, strengthening the country's position as an energy corridor in the Southern African Development Community (SADC) region.

The MoU with Zambia is focused on developing a 1,400km petroleum products pipeline and storage infrastructure, linking the port of Beira, in Mozambique, to the city of Ndola, in Zambia. The proposed budget is $1.5 billion, which, upon completion (targeted within the next four years), is expected to facilitate the transportation of 3.5 million tonnes of petroleum products annually. The pipeline is also expected to enhance the utilization of the fuel terminal at the port of Beira, stimulating local economic activity and creating job opportunities in Mozambique.

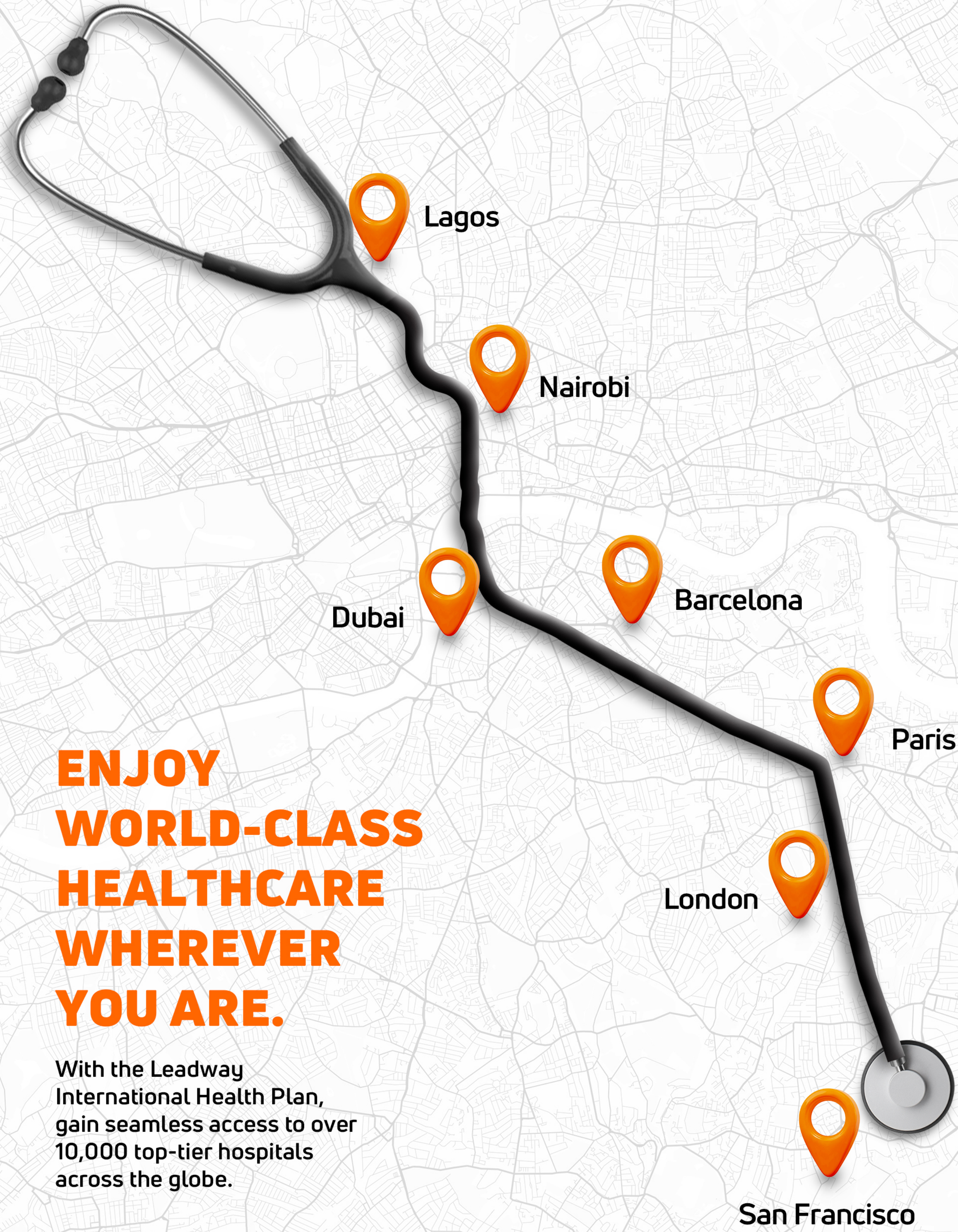
The MoU with Zimbabwe aims to boost the country's fuel and electricity imports from Mozambique while deepening bilateral cooperation across the energy value chain. Mozambique targets increasing the annual fuel volume transported through the pipeline to Zimbabwe from the current 3 billion litres to 5 billion litres by 2027. Although specific plans under the MoU remain unclear, the growing energy partnership indicates that Mozambique's role in supplying electricity to Zimbabwe could potentially increase.

The MoUs are a positive step toward regional cooperation and energy infrastructure development. However, Zambia-Mozambique pipeline financing remains unsecured, casting uncertainty over the project's ability to meet its deadline. [18]

18. Economic Intelligence Unit. 2025. EU-based companies renew commitment to invest in Zimbabwe
Mozambique looks to boost regional energy security | Events | EIU

LEADWAY Health HMO

2023 & 2024
NHEA AWARDS
HMO OF THE YEAR



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NIGERIA WILL OPEN TWO LITHIUM PROCESSING PLANTS WORTH $800 MILLION IN 2025.

Nigeria has numerous mineral resources, including lithium. Despite half a dozen states endowed with high-grade lithium based on Nigeria's Geological Survey Agency research in 2022, the mining and quarrying sector (excluding crude oil) contributes less than 1% to GDP. In a strategic pivot toward value addition to mineral resources, two Chinese-funded lithium processing plants are set to open for operation in 2025. According to the Minister for Mining, Dele Alake, a $600 million (mn) lithium processing plant along the Kaduna-Niger border will be commissioned in June, while another at the outskirts of Abuja (estimated at $200 mn) is about to be completed.[19]

In addition, two more projects are taking off in Nasarawa State by Q3 2025. This marks a shift from exporting raw lithium to processing and refining it locally. Chinese firms, including Jiuling Lithium Mining Company, Canmax Technologies, and Ming Xin Mineral Separation Nig Ltd, are funding more than 80% of the four lithium plants. At the same time, local partner Three Crown Mines holds minority stakes. This push aligns with new government reforms to transform Nigeria's underutilized mining sector into a significant economic driver. Other reforms include, banning the export of unprocessed minerals and formalizing artisanal mining operations, and investors can own up to a 75% stake in state mining firms.[20]

As lithium becomes a linchpin of clean energy and EV technology, Nigeria could become a key strategic supplier in global green energy markets, placing it in a strong bargaining position internationally. The involvement of foreign partners will bring opportunities like technology transfer, capacity building for local workers, and future potential for local battery production. However, Chinese ownership of over 80% of the stake may leave the country vulnerable to external influence or economic imbalance. Without strict policies, communities may benefit less than corporations. Thus, this could be one of Nigeria's most consequential industrial moves in recent decades if managed transparently and sustainably.

19. Isaac Anyaogu 2025. Nigeria to open two Chinese-backed lithium processing plants this year. Reuters. https://www.reuters.com/business/energy/nigeria-open-two-chinese-backed-lithium-processing-plants-this-year-2025-05-26/

20. Adekunle Agbetiloye 2025. Nigeria to open $800m Chinese-funded lithium processing factories this year. Business Insider Africa. https://africa.businessinsider.com/local/markets/nigeria-to-open-dollar800m-chinese-funded-lithium-processing-factories-this-year/ecb9x3t

MALAWI INCREASES THE MINIMUM WAGE BY 40%

In response to soaring inflation, the Malawian government raised the minimum wage by 40% to MKz126,000 ($72) monthly, effective July 01, 2025. This follows the previous wage hike in 2024, reaching MKz90,000 from MKz50,000 in 2021. The Malawi Congress of Trade Unions had pushed for a 100% increase to MKz180,000, citing the worsening cost of living due to deficit monetization, a weak currency, high global commodity prices, and a prolonged drought condition.[21] Although the latest wage growth surpasses the current inflation rate of about 30% year-on-year, it won't truly restore the real value of wages eroded by inflation and currency depreciation.[22]

Also, despite periodic wage adjustments, only the workers in the formal sector will enjoy the benefit, while those in the informal sector may not. Given that minimum wage laws are often unenforced in informal sectors, which constitute about 90% of Malawi's workforce, most companies may not adhere to the wage increase.[23] Those businesses that willingly adopt the new wage will likely pass the increased labor costs onto consumers, potentially fuelling inflation. As the wage hike offers relief to some workers, broader economic challenges such as spiraling inflation, enforcement issues, restricted access to credit, foreign currency shortages, frequent power outages, and political instability may limit the effectiveness of the wage modifications.

Public frustration over declining living standards has already led to widespread protests. With elections approaching in September 2025, authorities may resort to temporary inflation control measures, such as subsidies, but fiscal constraints make lasting solutions difficult. Political instability and economic hardship will likely persist as the wage increase improves income in nominal terms but fails to enhance real purchasing power.

21. Economic Intelligence Unit. 2025. Malawi increases minimum wage. https://viewpoint.eiu.com/analysis/article/692150269

22. National Statistical Office of Malawi. 2025. April Consumer Price. Index.https://www.nsomalawi.mw/news/april-consumer-price-index

23. Economic Intelligence Unit. 2025. Malawi increases minimum wage. https://viewpoint.eiu.com/analysis/article/692150269

GHANA'S DEBT-TO-GDP RATIO HITS IMF TARGET EARLY

Ghana's debt-to-GDP ratio has fallen to 55% as of March 2025, reaching the International Monetary Fund's (IMF) threshold three years ahead of the original 2028 target under its $3 billion Extended Credit Facility program. This significant reduction from 61.8% at the end of 2024 reflects the new government's fiscal consolidation efforts, including curbing borrowing, narrowing the budget deficit to around 1% of GDP, and achieving a primary surplus. The Bank of Ghana confirmed this decline in its economic and financial data summary.[24]

Ghana's comprehensive debt restructuring has been central to this progress. The government completed domestic debt restructuring in 2023 and finalized a Eurobond exchange in October 2024. It also reached agreements under the G20 Common Framework with official creditors, with bilateral agreements expected by mid-2025. These measures have improved debt sustainability and reduced financing pressures.[25] Although Ghana is currently classified as at high risk of debt distress due to near-term fiscal vulnerabilities, the IMF projects a moderate risk by 2028 as all debt sustainability targets, including reducing the present value of total debt-to-GDP and external debt service-to-revenue ratios, are expected to be met. The IMF emphasizes the need for continued fiscal discipline, enhanced revenue mobilization, and structural reforms to maintain this trajectory.[26]

This milestone marks a pivotal step in Ghana's economic recovery, signaling improved investor confidence and a more sustainable fiscal path amid ongoing global economic uncertainties.

24. Bank of Ghana (2025) 'Ghana's Debt-to-GDP Ratio Falls to IMF Threshold Ahead of Schedule'https://bondblox.com/news/ghanas-debt-to-gdp-ratio-falls-to-imf-threshold-ahead-of-schedule

25. International Monetary Fund (2024) 'Ghana - Debt Sustainability Analysis', IMF eLibrary https://www.elibrary.imf.org/view/journals/002/2024/334/article-A002-en.xml

26. African Sovereign Debt Justice Network (2025) 'Ghana's Sovereign Debt Landscape Post December 2024 Elections', AfroNomics Lawhttps://www.afronomicslaw.org/category/african-sovereign-debt-justice-network-afsdjn/one-hundred-and-twenty-eight-sovereign-debt

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SOCIAL ARTICLES

Benin Welcomes Home the Katakle — A Victory for Africa's Stolen Heritage

After over a century in the hands of foreigners, a royal stool from the historic Kingdom of Dahomey is finally back in Benin Republic—and the return was nothing less than historic. The three-legged ceremonial stool, the katakle, stolen by the French in 1892, resurfaced at Finland's National Museum and was returned in an emotional ceremony in Cotonou. For Benin culture minister Jean-Michel Abimbola, this is not just a repatriation, it's a symbol of healing and hope for the continent's cultural rebirth.[27]

Africa's riches have long been stored on the shelves of other individuals' museums. However, things are changing. This Finnish repatriation is not just about a stool, it is about rewriting history, reclaiming identity, and reclaiming dignity. Finland's culture minister, Mari-Leena Talvitie, called it "the power of modern rightful cultural policy". Western museums have long resisted restitution, claiming African countries can't properly care for such pieces. But Benin's rejection shows that Africa won't let its heritage walk over it.[28]

Africa Ascends at Cannes 2025

At the 2025 Cannes Film Festival, Africa's creative vitality came to the fore. While Iranian director Jafar Panahi won the Palme d'Or for It Was a Simple Accident, African talent left a lasting impression on screens and within the festival's juries. Congolese filmmaker Dieudo Hamadi served on the main competition jury, bringing a powerful African voice to the event's highest-level discussions. Nigerian-British director Akinola Davies Jr. earned a Special Mention in the Caméra d'Or category for his debut feature My Father's Shadow, underscoring the global appeal of contemporary African storytelling.[29]

Meanwhile, South African creatives Andisa Ntsubane and Xolisa Dyeshana led large juries at the Cannes Lions International Festival of Creativity—Dyeshana as a Jury President and Ntsubane as a jury member in the Entertainment category. This brings African voices to one of the world's most renowned platforms for advertising, brand storytelling, and innovation.[30]

27. Xinhua (2025) 'Benin to retrieve historical artifact from Finland', Xinhuanet, https://english.news.cn/africa/20250507/b7149bbcdd274accbac16648d9cc076c/c.html

28. Xinhua (2025) 'Finland returns historic artifact to Benin', Xinhuanet, https://english.news.cn/africa/20250514/42351de54f2d48f8970d46f8753c5fc2/c.html

2025 BET Awards: Ayra Starr Makes History as African Stars Shine Bright

It was a massive night for Afrobeats as Nigerian star Ayra Starr took home the highly coveted Best International Act at the 2025 BET Awards. At the ceremony, which was held at the Peacock Theatre in Los Angeles, the African acts swept the international categories and asserted their dominance in the world. In the Best International Act, African artists led the nominations: Ayra Starr (Nigeria), Tyla (South Africa), Rema (Nigeria), Black Sherif (Ghana), and Uncle Waffles (Eswatini) were all nominated. Of these outstanding nominees, Ayra Starr emerged as the winner, joining the league of African legends like Burna Boy, Tems, and Tyla, who have previously won.[31]

Burna Boy, a Nigerian sensation, was nominated for Best Male Hip Hop Artist. He was matched against global heavyweights like Drake, Future, and Kendrick Lamar. African performances also took over the Best New International Act category, with Abigail Chams (Tanzania), Dlala Thukzin (South Africa), Maglera Doe Boy (South Africa), Shallipopi (Nigeria), and TxC (South Africa) receiving nominations. However, none of the African acts in this category won.

Ayra Starr's win and the numerous African nominees are proof that the continent's music is conquering the globe. With every award season, African stars keep shattering glass ceilings and making records!

29. Film Efiko (2025) 'Congo's Dieudo Hamadi: Cannes gives "visibility" to African cinema', Film Efiko, https://filmefiko.com/news/dieudo-hamadi-cannes-visibility-africa/

30. Cannes Lions (2025) 'Cannes Lions announces 2025 Awarding Jury line-up', Cannes Lions,https://www.canneslions.com/news/cannes-lions-announces-2025-awarding-jury-line-up

31. BET Awards (2025) 'Ayra Starr wins Best International Act at 2025 BET Awards', BET Awards, https://www.bet.com/article/ayra-starr-best-international-act-2025

SOUTH AFRICA'S HISTORIC WTC VICTORY AT LORD'S

South Africa clinched their first major cricket title in 27 years by winning the 2025 ICC World Test Championship, defeating defending champions Australia by five wickets at the iconic Lord's Cricket Ground in London. The final, held from June 11 to June 14, 2025, saw South Africa chase a challenging target of 282 runs on the fourth day, marking one of the highest successful fourth-innings chases in Lord's 141-year Test history.

Outstanding performances from key players powered the victory. Opener Aiden Markram played a match-winning unbeaten century, scoring 124 runs to anchor the chase. Captain Temba Bavuma, despite battling a hamstring injury, contributed a crucial 66 runs and led the team with remarkable resilience and composure. Kagiso Rabada was instrumental on the bowling front, taking nine wickets across both innings to keep Australia under pressure.

This triumph ended a long wait for South African cricket fans, with the last major ICC title dating back to the 1998 Champions Trophy. The win also marked a significant milestone for the team, which topped the WTC 2023-25 league table with a points percentage of 69.44%, edging out Australia's 67.54%. The victory brought immense joy and pride to the nation and symbolized a new era of success and resilience for the Proteas.

With this historic win, South Africa has firmly established itself as a dominant force in Test cricket. It will look to build on this momentum in the upcoming World Test Championship cycle starting later in 2025.

MACROECONOMIC INDICATORS

MACROECONOMIC INDICATORS

Country	GDP Annual Growth Rate (%)	Inflation (%)	Life Expectancy (Years)	Unemployment Rate (%)	Interest Rate (%)
Angola	3.5 (Q1'25)	20.74 (May'25)	62.84	29.40 (Q1'25)	19.5 (May'25)
Botswana	-2.0 (Q4'24)	1.9 (May'25)	70.14	23.10 (Dec'24)	1.9 (Jun'25)
Cameroon	3.0 (Q3'24)	5.3 (Jan'25)	60.90	3.7 (Dec'23)	4.5 (May'25)
Ethiopia	7.9 (Q4'23)	14.4 (Apr'25)	68.43	18.9 (Dec'22)	15 (May'25)
Eritrea	2.9 (Q4'23)	6.4 (Dec'23)	68.07	5.9 (Dec'24)	N/A
Gabon	3.2 (Q4'24)	0.7 (Dec'24)	67.37	20.1 (Dec'24)	4.5 (May'25)
Ghana	5.3 (Q1'25)	18.4 (May'25)	65.41	3.0 (Dec'24)	28 (May'25)
Guinea	5.9 (Q4'23)	2.2 (Apr'25)	63.22	5.2 (Dec'24)	10.25 (May'25)
Ivory Coast	6.5 (Q4'24)	-0.1 (May'25)	60.05	2.4 (Dec'23)	5.25 (Jun'25)
Kenya	5.1 (Q4'24)	3.8 (May'25)	67.93	5.4 (Dec'24)	9.75 (Jun'25)
Liberia	4.8 (Q4'24)	11.6 (Apr'25)	65.50	2.9 (Dec'24)	17 (May'25)
Mozambique	-4.9 (Q4'24)	4.00 (May'25)	62.88	3.53 (2024)	11 (May'25)
Nigeria	3.84 (Q4'24)	22.97 (May'25)	56.36	4.3 (Q2'24)	27.5 (May'25)
Rwanda	7.8 (Q1'24)	7.7 (May'25)	70.54	11.1 (Q1'25)	6.5 (May'25)
Senegal	11.6 (Q4'24)	0.3 (May'25)	69.35	20 (Q424)	5.25 (Jun'25)
South Africa	0.8 (Q1'25)	2.8 (May'25)	65.32	32.9 (Q1'25)	7.25 (May'25)
Tanzania	5.2 (Q4'24)	3.2 (May'25)	66.94	8.9 (Dec'22)	6 (Apr'25)
Uganda	8.6 (Q1'25)	3.8 (May'25)	64.96	2.9 (Dec'24)	9.75 (Jun'25)
Zambia	8.6 (Q4'24)	14.1 (Jun'25)	65.22	12 (Dec'23)	14.5 (May'25)
Zimbabwe	2.0 (Q4'24)	92.1 (May'25)	62.67	8.6 (Dec'24)	35 (Feb'25)


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