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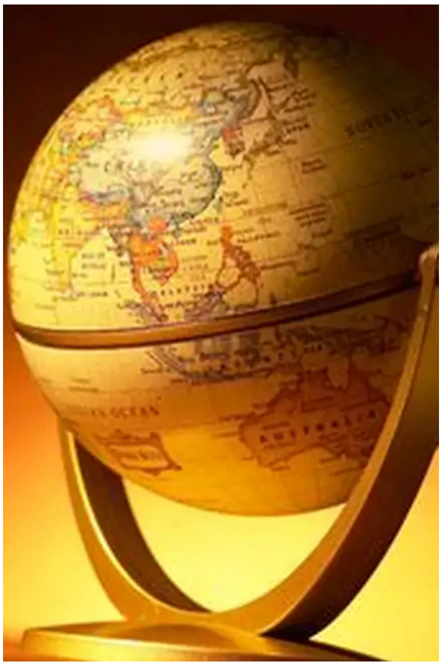

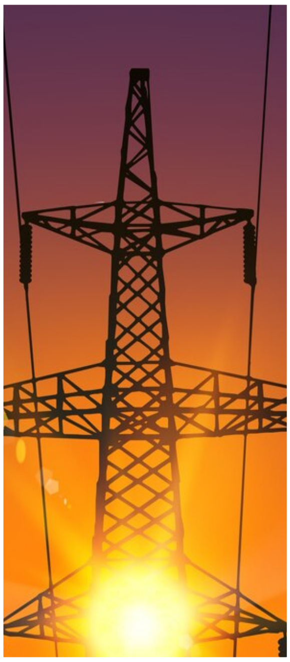

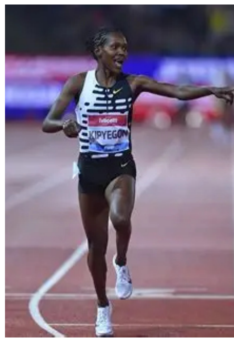

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Dear Reader,

US Tariffs Pose Risks for South Africa, Limited Fallout for Rest of Africa

Global trade tensions will weigh on Africa's growth outlook for 2025-26, though the impact on overall output should be limited. South Africa, along with Lesotho, Liberia and Madagascar, is most exposed to US tariffs, while most African economies remain shielded as their key exports are exempt or their US trade links are minimal. The larger risk lies in weaker global demand from rising trade barriers, but baseline expectations suggest commodity prices and export volumes will remain relatively resilient.

Africa's AI Readiness Gap Limits Growth Potential

Africa's economic opportunities are being constrained by low preparedness for artificial intelligence (AI). Despite progress in sectors like business process outsourcing (BPO), the global shift from cheap labour to cheap, scalable AI threatens future gains. Countries such as Ghana, Kenya, Nigeria and South Africa lack the digital infrastructure, skilled workforce and supportive ecosystems needed to compete. With AI already automating more than half of call centre tasks, Africa's limited readiness risks cutting short growth prospects and deepening the competitiveness gap.

Fiscal Strains to Deepen as IMF Tightens Standards Across Sub-Saharan Africa

With foreign funding constrained, most African economies are expected to enter IMF programmes. While conditionality has eased, many countries will still face difficult fiscal adjustments to restore external balance. The IMF's willingness to lend into arrears has offered temporary relief, but stricter standards are likely ahead, influenced by US policy. Unlike the early 2000s, coordinated debt relief is unlikely, leaving countries to pursue reforms to reduce debt burdens. Pressure will be greatest in Southern Africa, where reforms have lagged, and in North Africa, where high debt has increased momentum for private-sector-driven growth.

Geopolitics, Debt and Food Insecurity Weigh on Africa's Economic Outlook

African economies face near-term turbulence from internal and external shocks, but most are expected to sustain growth over the medium term. Resource-rich and commodity-exporting countries will benefit from strong demand, while looser monetary policy and lower capital costs provide some support. A systemic debt crisis is unlikely, though high debt burdens will constrain growth and stability in many countries. Risks from geopolitical instability, conflict, and food insecurity remain significant.

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 SECTION

Botswana will prioritize water-transfer project

In July 2025, the President of Botswana visited Lesotho, the intended location of the Lesotho-Botswana Water Transfer Project. The Orange-Senqu River Commission (ORASECOM) developed the project consisting of a dam on the Lesotho Makhaleng River and a 700 km pipeline supplying 150 million of water annually through South Africa, as well as a potential hydropower facility[1]. This was in response to El Niño that caused the 2023-24 drought, which destroyed crops and depleted water reserves. ORASECOM expects to complete feasibility studies by 2026.

The project financing costs approximately $3 billion. Financing is expected to be secured by 2028, with support from the African Union, the African Development Bank and the World Bank. Nevertheless, the government may still need to provide funds in the form of land acquisition and preparatory funding, potentially putting pressure on its fiscal space. Thus, construction may not start until 2029, exacerbating water scarcity due to changes in climatic, population, and economic demands.

An end to water insecurity would enable the long-term planning and development of agriculture and manufacturing. The project also encourages investment and employment in Lesotho, South Africa and Botswana. The potential hydropower facility would produce clean energy for domestic consumption and exports, supporting economic diversification efforts and energy security.

On the contrary, prolonged implementation poses risks to food security, productivity, and amity. The project's successful execution relies on adequate funding and coordinated, cross-border collaboration.

NaMIbia Targets capital market expansion via new strategies

Namibia has launched major initiatives to expand and deepen its capital markets through a ten-year financial sector transformation strategy. The plan includes introducing new financial instruments annually, increasing the number of registered investors by up to 70%, and expanding the stock market's asset value from 17.3% of GDP to 75% by 2035.

1. EIU. (2025). Botswana will prioritise water-transfer project. https://viewpoint.eiu.com/analysis/article/862166086

This ambitious strategy aims to diversify investment options, enhance market infrastructure, and expedite local listings to foster broader participation in Namibia's financial markets. Expanding instruments and listings will create more choices for investors and issuers, helping to build a more dynamic and inclusive capital market ecosystem.

To support the transformation, Namibia launched its first Bloomberg Finance Lab at the Namibia University of Science and Technology in early 2025. The facility provides researchers, professionals, and students with access to advanced financial tools and data, thereby strengthening financial literacy, professional training, and investment skills. These efforts align with Namibia's Vision 2030 goals for economic growth and human capital development.

GHANA DISCARDS $1.2BN BAUXITE AGREEMENT, SEEKS NEW PARTNERSHIP OVERSEAS

Ghana has cancelled a $1.2 billion bauxite lease agreement with local firm Rocksure International. The joint venture involved Rocksure, the state-owned Ghana Integrated Aluminium Development Corporation (GIADEC), and the government, covering approximately 376 million tons of bauxite at the Nyinahin Hills in central Ghana, one of West Africa's richest bauxite deposits and a key resource for aluminium production.

Ghana's cancellation of the Rocksure deal stems from one key issue: a 2019 Supreme Court ruling that declared any mining lease not ratified by Parliament null and void. Since the Rocksure agreement was never ratified, it was legally invalid.

With the deal scrapped, Ghana is shifting strategy to attract global players with the technical expertise and financial capacity to develop its vast reserves. Potential partners include Dubai-based Emirates Global Aluminium (EGA) and several Chinese companies. EGA has expressed interest in Ghanaian projects as part of its efforts to diversify its supply base, although no binding agreement has been signed.

The government and GIADEC are now focused on securing international partners to invest in mining and refinery infrastructure. The goal is to better capitalize on Ghana's estimated 900 million tons of bauxite reserves and advance the complete alumina value chain. [2]

NIGERIA REBASES GDP TO 2019

In July 2025, Nigeria's National Bureau of Statistics (NBS) completed a GDP rebasing, updating the reference year from 2010 to 2019. The exercise aimed to reflect current economic realities, including technological advancements, structural changes, and shifting production and consumption patterns. As a result, Nigeria's GDP rose by about one-third to ₦372.8 trillion ($250 billion) in 2024,up from ₦277 trillion ($182 billion) in 2023. Despite this increase, Nigeria remains Africa's fourth-largest economy, with the continent's largest population.[3]

The rebasing added new activities such as digital services, pension fund administration, modular refineries, and more detailed estimates of the informal sector. It revealed that informality accounts for 42.5% of the economy, with agriculture almost entirely informal. The data also highlighted continuing de-industrialization, as industry's GDP share declined relative to agriculture and services. Services contributed 50.22% of GDP, while real GDP grew 3.1% in Q1 2025, down from 3.8% in Q4 2024 but slightly above the 2.98% growth in Q1 2024. The revision also showed that COVID-19 caused a sharper contraction of -6.96%, compared to the earlier estimate of -1.92%.

Regionally, the rebasing reshaped economic rankings and perceptions of fiscal space. Nigeria's per capita GDP rose to 33rd place in Africa from 42nd. However, its debt-service-to-revenue ratio remains high at about 70%, underscoring severe fiscal pressure. The changes also impact neighboring countries by altering their comparative economic positions, with potential implications for investor confidence, trade relations, and regional cooperation.

2. Dorcas Agambila. April 2025. Ghana Bauxite Company targets 6 million tonnes by 2025 with $123 million investment. Business Insider Africa. https://africa.businessinsider.com/local/markets/ghana-bauxite-company-targets-6-million-tonnes-by-2025-with-dollar123-million/nrdlphh
3. National Bureau of Statistics. July 2025. Rebasing of Gross Domestic Product (GDP): 2019 as Base Year (Final report). https://microdata.nigerianstat.gov.ng/index.php/catalog/147/download/1256/GDP_Rebasing_2025_%20Final.pdf

SOUTH AFRICA DEEPENS AFRICAN TRADE LINKS AMID US TARIFF

In August 2025, the United States slapped a 30% tariff on most South African exports, covering automotive, agricultural, and textile goods.[3] The move, which was part of broader US trade protection policies, occurred despite ongoing trade negotiations aimed at preserving relations. The tariffs have distorted South Africa's access to one of its biggest export markets, jeopardizing thousands of jobs and increasing costs for exporters. As of Q2 2025, South Africa's unemployment rose to 33.2%, with top automobile companies like Ford planning for layoffs.

In an effort to protect its industries, South Africa is intensifying its efforts to diversify its trade partners. An effective strategy would be to strengthen trade within Africa through the African Continental Free Trade Area)[4]. This will help reduce the nation's dependence on external markets such as the US.

The tariffs carry both advantages and challenges. The upside is that South Africa is prompted to deepen intra-African economic cooperation and strengthen local industries. However, the immediate consequences include potential job losses, reduced export revenues, and increased economic uncertainty in the nation's vulnerable sectors.

BOTSWANA'S BID FOR MAJORITY STAKE IN DE BEERS

Botswana plans to raise its stake in De Beers, a diamond mining and trading company, to a controlling majority. The nation currently has a 15% stake in De Beers and 50% ownership of Debswana, a joint venture that accounts for about 70-75% of De Beers' diamond output.[5] The change marks a move away from a historic profit-sharing partnership to assert national sovereignty over a

3. Polity (2025) South Africa faces 30% US tariff from Aug 7 after failing to reach trade deal, 1 August. https://www.polity.org.za/article/south-africa-faces-30-us-tariff-from-aug-7-after-failing-to-reach-trade-deal-2025-08-01
4. Yadeka, J.O. (2025) 'Shifting Tides: US-South Africa Trade Relations Under Trump's New Policy', Trade Knowledge Exchange, 27 June. https://www.trade-knowledge.net/commentary/shifting-tides-us-south-africa-trade-relations-under-trumps-new-policy/

strategic asset. However, the sale is complicated by Botswana's transparency rules and the need for government approval, which gives it veto power.

Control over De Beers would enable Botswana to derive greater value from its natural resources and achieve complete control of the company and its diamond marketing value chain. This would allow the country to carry out economic development via diversification projects such as the Diamonds for Development Fund while also encouraging local beneficiation of diamonds.[5] On the international diamond market, Botswana's control could alter the diamond marketing environment and achieve stabilization for a market currently struggling with competition from synthetic diamonds and dwindling demand from key markets, such as China. However, doubts are growing over Botswana's ability to buy a controlling stake in De Beers, given economic headwinds like mining sector contraction, depressed diamond exports, global tariff uncertainties, and mounting fiscal pressures. Diamond prices have also fallen by 18.4% between 2023 to 2025 for GIA-certified 1.0ct - 2.0ct stones.[6]

ZAMBIA SHINES AS AFRICAN NEW SOLAR POWERHOUSE

The Zambian-owned state electricity supply company and Lusaka-listed private utility Copperbelt corporation are embarking on an accelerated programme to develop a significant quantity of utility-scale, greenfield solar PV capacity.[7]

Zambian president Hakainde Hichilema on June 30, 2025, in Lusaka, opened the country's biggest grid-connected solar power plant, built by PowerChina, which will supply electricity to copper miner First Quantum Minerals The 100-megawatt Chisamba project is expected to reduce the Southern African country's reliance on electricity imports from its neighbors, South Africa and Mozambique.

At the end of 2024, Zambian cumulative solar capacity is expected to have reached 196MW, according to figures from the International Renewable Energy Agency (IRENA). The Zambian government introduced a policy on solar projects, reducing the approval period for solar project applications from over six months to 48 hours to encourage private sector investment in renewable energy.[8] This also removes lengthy administrative delays that previously hindered solar power project development.

The change in Zambian policy reforms serves as a turning point in the country's resolve to improve electricity supply to the citizens. Zambia is rapidly evolving into a solar powerhouse in Africa, moving away from hydropower's vulnerabilities towards a secure, diversified energy future.

7.Chiwoyu Sinjangwe, 2025. Zambia: Zesco and CEC to jointly develop 500MW of solar capacity | African Energyhttps://www.africa-energy.com/news-centre/article/zambia-zesco-and-cec-jointly-develop-500mw-solar-capacity
8. Mike Eze, 2024 Zambia slashes approval period for solar projects to 48 hours for investors. Energy Africa. https://africa-solarenergy.com/zambia-slashes-solar-project-approval-time-to-48-hours-in-push-for-renewable-expansion/

$4.2 BILLION AIRPORT UPGRADE TO PREPARE MOROCCO FOR WORLD CUP

Morocco unveiled a plan to upgrade its airports ahead of co-hosting the FIFA World Cup in 2030, together with Portugal and Spain. The country is aiming to increase airport capacity from 38 million to 80 million passengers per year by the end of the decade. The expansion and refurbishment plans concern airports in Marrakech, Agadir, Tangier, and Fez, with special focus on Morocco's largest airport, the Mohammed V International Airport, in Casablanca. There, authorities are planning to add a new terminal and runway, which could cost $2.5 billion.s.[9]

Tourism plays a central role in Morocco's development strategy. The country broke records in 2024 by attracting over 17 million international visitors, and officials have set an ambitious target of reaching 26 million or more tourists annually by 2030. The World Cup is expected to act as a powerful catalyst for further tourism growth, with Morocco hosting matches as part of the celebration across multiple continents.[10]

9.Redaction Africanews. Ahead of hosting FIFA World Cup: Morocco to modernise airports for $4.2 billion | Africanews
10.News Morocco. Faster and bigger: Morocco's airports gear up for 2030 FIFA World Cup - 7news Morocco


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TRUMP'S TARIFFS CHANGE SSA TRADE DIRECTION

Trump's 2025 global tariff is vastly reforming the framework of international trade, with Africa finding itself in the spotlight as a target and a bellwether. The new policy, which broadly initiates a 10% import tariff on most goods, with particular "priority" African countries receiving punitive rates exceeding 40%, signals a withdrawal from decades of U.S.-Africa trade relations. These tariffs effectively countermand the AGOA (African Growth and Opportunity Act), a legislation that the U.S. Congress approved in May 2000 to support the economies of sub-Saharan Africa and enhance economic relations between the United States and the region. Hereby, truncating windows of opportunity for dominant sectors ranging from manufacturing to textiles, as well as terminating duty-free access for African goods.[11]

The repercussions have been dire for many African countries. Export-dependent economies, such as those of South Africa, Mauritius, Lesotho, Madagascar, and Nigeria, now face diminished competitiveness, job cuts, and a decline in foreign exchange earnings. Textiles and apparel, once the flagship industries of AGOA, have seen contracts cease and factory closures become inevitable. While some oil and critical minerals remain excluded as Washington seeks to secure its own supply chains, most manufactured and agricultural goods key to broader economic development are sanctioned under the new governance.[12]

Africa's GDP growth will likely fall by half a percent due to the consequent slump, as concerns grow over steeper losses as the continent wrestles with investor flight and currency depreciation. African governments are looking to accelerate their trade diversification, pivoting towards Asia, Europe, and intra-African markets to counter the acts imposed by the US. Trump's trade war, once focused on China, now indicates a broader decoupling, persuading Africa to rethink its position in the global economic order and underscoring the urgent need for greater regional integration and resilience.

11. U.S.-Africa Trade Commission. A Global Assessment of President Trump's Tariffs: Economic Implications for African Countries | U.S.-Africa Trade Commission https://www.usafricatrade.org/wp-content/uploads/2025/05/6e-Position-Paper-04072025-A-Global-Assessment-of-President-Trumps-Tariffs-Economic-Implications-for-African-Countries.pdf
12. IDOS Research. Killing AGOA softly? The impact of Trump's tariffs for Sub-Saharan Africa | IDOS Research https://www.idos-research.de/en/policy-brief/article/killing-agoa-softly-the-impact-of-trumps-tariffs-for-sub-saharan-africa/

KENYA PIPELINE PRIVATIZATION MOVE AMID ECONOMIC REFORMS

Kenya plans to sell a 65% stake in the Kenya Pipeline Company through an Initial Public Offering (IPO) on the Nairobi Securities Exchange, as part of the government's privatization efforts for KPC. The government plans to raise approximately $1.15 billion from this initiative to finance the 2025/2026 national budget, as part of a broader effort to boost private sector growth and reduce public sector spending. KPC is a key player in energy infrastructure in East Africa, managing over 1,700 kilometers of pipelines and transporting more than 90% of the petroleum sent to neighboring nations. When complete, the government expects that (privatizing the system) will make things work better, allow investment in new technologies, and provide ownership to others for what has long been a Soviet-style monopoly.

The privatization plan has faced resistance from KPC workers, who are concerned about potential job losses and legal issues arising from the sale process. On August 15, 2025, the High Court temporarily halted the sale pending a review petition. The government has promised that the IPO will not change fuel prices or result in job cuts, highlighting the regulatory oversight by the Energy and Petroleum Regulatory Authority. Even though there is a legal hold, the privatization aims to replicate the success of previous public listings of state-owned companies, which have improved management and supported Kenya's economic growth.

TANZANIA TIGHTENS RULES ON FOREIGN BUSINESS OWNERSHIP

Recently, the Tanzanian government issued a directive regarding business licensing to restrict foreign involvement in various sectors of the economy. Businesses such as wholesale/retail trade, media operations, and tour guiding, among others, are off-limits to non-citizens.

The initiative aims to support and favor domestic businesses by reducing external competition in core economic sectors, empowering local businesses, and providing opportunities for their growth. The licensing authorities have been given a direct order to halt the issuance as well as the renewal of licenses to barred businesses for non-citizens. This order came along with penalties ranging from fines to jail sentences for the offenders.

Although this notion has been passed, existing non-citizen businesses are permitted to continue operating until their licenses expire. This is to prevent disruption in economic activities and facilitate a smooth transition.

This policy outlines Tanzania's macroeconomic plan to promote local business development, which is expected to have a long-term impact on its foreign investment. Therefore, the balance of foreign interests as well as promoting domestic businesses is to be assessed

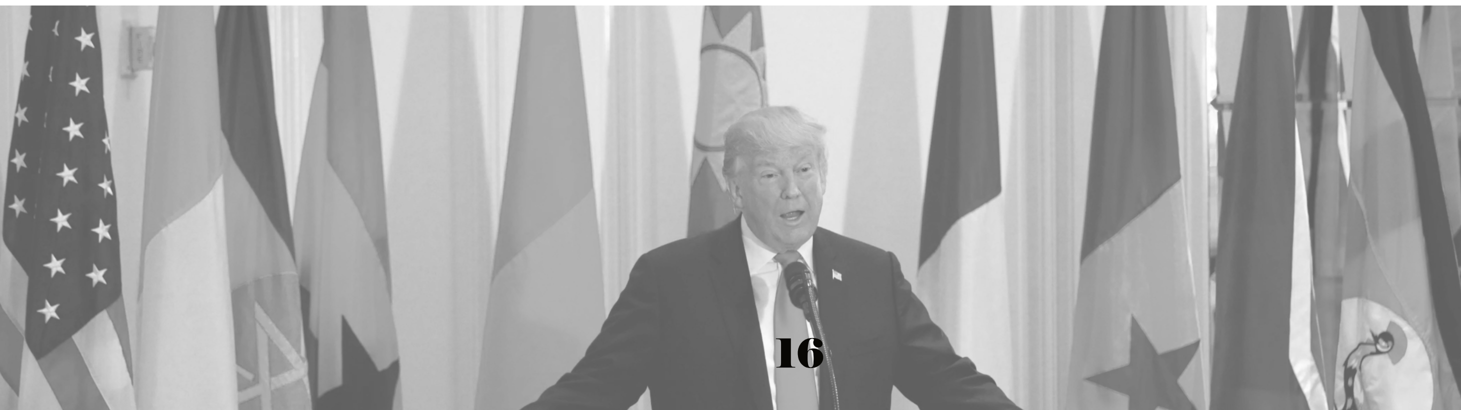
TRUMP PRESSES AFRICAN LEADERS TO TAKE DEPORTED MIGRANTS

Donald Trump, since being elected for a second tenure, has shown his intention through actions to deport migrants by prompting African countries to accept them, irrespective of whether the individual has an affiliation with Africa or not. In an attempt to contract African countries in a third-world country deportation agreement, a summit was recently held in Washington,US to propose a strategy. This strategy involves using African countries as storage, where migrants await asylum or deportation, instead of sending them to their homeland.

The deal consists of an agreement for Rwanda to accept as many as 250 deportees, making them the third participant, after South Sudan and Eswatini. They are to evaluate each migrant, as well as to provide necessities such as health care and housing. In addition, they are to support them with job training.

This policy by the United States is aimed at criminals convicted of serious felonies. In one case, about five criminals who committed offences as grave as rape and murder were deported to Eswatini. Reportedly, none of them are from Eswatini; rather, they are from Jamaica, Cuba, Yemen, Vietnam, etc. As for the reason of the deportation , the US alleges that the home countries refuse to take them back.

Accusations have been made against Donald Trump's administration for turning Africa into a sort of "trash can" for the world,emphasizing the resource burden on them. Raising more questions about their ethics, the US Supreme Court approved these actions.



GHANA TO GRANT LICENSES TO CRYPTO ORGANISATIONS AS DIGITAL ASSET DEMAND RISES

Ghana plans to introduce its first cryptocurrency regulatory framework in September 2025, an asset class used by millions in West African nations. The central bank of Ghana seeks to bolster economic growth, advance digital financial innovation, and ensure Ghana is in line with global fintech practices.[13]

Approximately 3 million Ghanaians, or 17% of the country's adult population, use cryptocurrencies, which generated $3 billion in transactions between July 2023 and June 2024. This shows Ghana owns 2.4% compared to Nigeria's $59 billion, which accounted for nearly half of sub-Saharan Africa's $125 billion.[14]

The central bank seeks to legalize cryptocurrency use to improve financial data gathering and stabilize the cedi, which gained 48% over the previous year after a 25% decline previously.[15]

Currently, the country has a benchmark interest rate of 25% after a 300-basis-point cut, marking the first of such magnitude in its history, and inflation eased to 12.1% in July. However, this gap highlights economic imbalances that the Bank of Ghana aims to solve through enhanced data collection and expanded financial inclusion.[16]

This regulation will enable Ghana to generate revenue by collecting taxes and charging fees on cryptocurrency and related activities, which are not yet included in the formal economy. It will also help to manage inflation, currency, and monetary policy.

13. Meiazagan. 2025. "Ghana plans to license bitcoin firm as Demand surges". Bitget. https://www.bitgetapp.com/news/detail
14. Moses Mozart Dzawu. 2025. "Ghana to license crypto firms as digital asset demand surges". Bloomberg. https://www.bloomberg.com/news/articles/2025-07-24/ghana-to-license-crypto-firms-as-digital-asset-demand-surges
15. Oscar Zarraga Perez. 2025. "Ghana to License Bitcoin & Crypto Platforms Amid Rising Adoption Across Africa". Nasdaq. https://www.nasdaq.com/articles/ghana-license-bitcoin-crypto-platforms-amid-rising-adoption-across-africa
16. Cryptopolitan. 2025. "Ghana regulators move forward to cover $3 billion domestic crypto sector". Mitrade insights. https://www.mitrade.com/insights/news/live-news/article

GUINEA'S SIMANDOU MINE SET TO BEGIN IRON ORE EXPORTS BY END-2025

In mid-July, the UK-Australian mining company Rio Tinto announced that the first shipment of iron ore totalling between 500,000 and 1 million tonnes will be shipped to China. This would be transported from Guinea's Simandou mine (Simfer block 3 and 4) by November 2025.

The Simandou project has reached several key milestones in recent months, including the completion of laying all tracks in their bedding along the entire 650km Trans-Guinea Railway (TRG) from the mine. Plans to build a deepwater port in Moribayah, intended to enable direct loading of iron ore onto large vessels, have been abandoned due to cost and operational constraints. Instead, the consortium developing the Simandou project is constructing port infrastructure that will enable loading iron ore onto barges for transfer to ships anchored offshore.

Guinea's ruling junta had earlier promised that the railway would be used for transporting iron ore and providing public transit through major cities and economic hubs. However, the decision to route the track away from large cities such as Kindia and Mamou suggests that it will be used exclusively for ore delivery. Given the highly politicised nature of the Simandou agreement and the lack of transparency surrounding the deal, the military leadership has taken a hardline stance against local criticism of the project.

The consortium developing the Simandou project has come under immense political pressure from the junta's leader, General Mamadi Doumbouya, who has threatened to "take back" the project should it fail to meet the stipulated deadline.[17]

17. Economic Intelligence Unit. 2025 "Guinea's Simandou mine to ship first iron ore by end-2025" Guinea's Simandou mine to ship first iron ore by end-2025 | Events | EIU

$35 BILLION ISRAEL-EGYPT NATURAL GAS ACCORD INKED DESPITE GAZA TENSIONS

Israel and Egypt have signed a landmark $35 billion natural gas export deal, the largest in Israel's history, aimed at strengthening energy cooperation between the countries. This comes despite ongoing regional tensions. Supplies are scheduled to begin in early 2026, following the completion of new pipeline connections. Israel is expected to supply 130 billion cubic meters (bcm) of Leviathan gas to Egypt by 2040 under the new deal.[18]

NewMed Energy and its Leviathan gas partners presently deliver Egypt with about 4.5 bcm annually, with hopes that it will reach 12 bcm by 2033, which will deepen Egypt's reliance on Israeli gas.[19]

LNG imports to Egypt cost about $13.5 per million British thermal units (mmBtu), while Israeli pipeline gas is priced at $7.75, aside from expenses for floating storage and regasification. This could save Egypt millions in LNG import costs, and solve its ongoing energy crisis, as well as help to meet rising demand.

The International Monetary Fund projected that Egypt's GDP will expand by 3.8% in 2024–2025, while the Central Bank forecasts 4.3%, up from 2.4% in the previous fiscal year. However, supply risks persist due to regional instability.

18.]Ayankayode Ayantoye. 2025. "Israel, Egypt sign record $35bn gas deal, set to boost regional energy ties. BizWatchNigeria.ng.https://bizwatchnigeria.ng/israel-egypt-sign-record-35bn-gas-deal-set-to-boost-regional-energy-ties

19. Middle East Eye. 2025. "Egypt signs record $35bn gas deal with Israel, paying 14 percent more for imports". Middle East Eye. https://www.middleeasteye.net/news/egypt-signs-record-35-bn-gas-deal-israel-paying-14-percent-more-imports

SENEGAL TARGETS DOMESTIC FUNDING FOR ITS REFORM

Senegal is among the West African countries battling with mounting debt. The government's account, audited in February 2025, revealed an understated fiscal deficit of 7% of GDP, pushing the actual Q4 2023 deficit to almost 100% of GDP, far above the initial estimate of 74%. Debt servicing costs surged by 44.5% year-on-year to $1.4 billion (CFA 822.32 billion) in Q4 2024 and rose by 23.98% in Q1 2025 when compared to Q1 2024. The misreported debt and the massive deficit led to difficulty in attracting external funding, as the external grants declined by 71.49% year-on-year, and the International Monetary Fund (IMF) froze disbursement on the country's $1.8 billion credit facility.[20] In this response, Senegal is embarking on a bold economic recovery plan under Prime Minister Ousmane Sonko, who pledged to fund 90% of the initiative through domestic resources.

The adopted measures include merging state institutions to save approximately CFA 50 billion, eradicating tax exclusions in specific sectors that involve digital platforms such as online gaming, and increasing tobacco taxes to 100% from 70%. Visa fees are projected to generate CFA 60 billion; contract renegotiations in the oil, mining, and telecom sectors could bring in over CFA 1 trillion. Also, inefficient energy subsidies will be substituted for better-targeted social programs to reduce the revised budget deficit of 12% in 2024 to 3% by 2027, but at the risk of social unrest. [21] Although the plan aims to rebalance Senegal's economy toward sustainability and self-reliance, without effective communication and transparency, the plan will be challenging to execute. The misreported fiscal data has dented the government's credibility, which could make people skeptical about the new reform. In this view, public support and investor confidence will significantly influence the success of the plan.

20. Colleen Goko. 2025. Senegal's debt surges amid fiscal pressures as government struggles to balance spending. Reuters. https://www.reuters.com/world/africa/senegals-debt-surges-amid-fiscal-pressures-government-struggles-balance-spending-2025-06-24/

21 Anait Miridzhanian. 2025. Senegal unveils recovery plan to rely on domestic funding. Reuters. https://www.reuters.com/world/africa/senegal-unveils-recovery-plan-rely-domestic-funding-2025-08-01/

NIGERIA COLLABORATES WITH S&P GLOBAL TO SET THE WEST AFRICAN PETROLEUM PRICE INDEX

Nigeria, a key OPEC member and Africa's largest crude oil producer, is cooperating with S&P Global to develop localized pricing indices for West African refined petroleum products. The initiative was unveiled at the West African Refined Fuel Conference, held in Abuja on July 22-23, 2025. Historically, West African countries relied on global benchmark prices used by the US or Europe for their refined oil products (petrol, diesel, aviation fuel, and liquefied petroleum gas). However, the adopted price scales don't often mirror the regional realities, such as market dynamic forces, supply chain disruptions, and economic conditions. The development of regional price indices is expected to improve price transparency, attract investment, and enhance energy security in both Nigeria and the broader region.

Nigeria's refining capacity is growing, with Dangote refinery, which has a capacity of 650,000 barrels per day. Dangote refinery commenced operations in 2024, supplying the domestic market and beyond. It began exporting refined fuel to India and other African countries in 2025. Currently, Nigeria accounts for about 31% of West Africa's refined fuel supply, and it's projected to rise, strengthening Nigeria's position in Africa and global energy markets. [22] Though regional infrastructure bottlenecks, limited market integration, political and economic instability facing most countries in the region may hinder the adoption of the new benchmarks.

22. Isaac Anyaogu. 2025. Nigeria partners with S&P Global for West African petroleum price index. Reuters. https://www.reuters.com/sustainability/boards-policy-regulation/nigeria-partners-with-sp-global-african-petroleum-price-index-2025-07-22/

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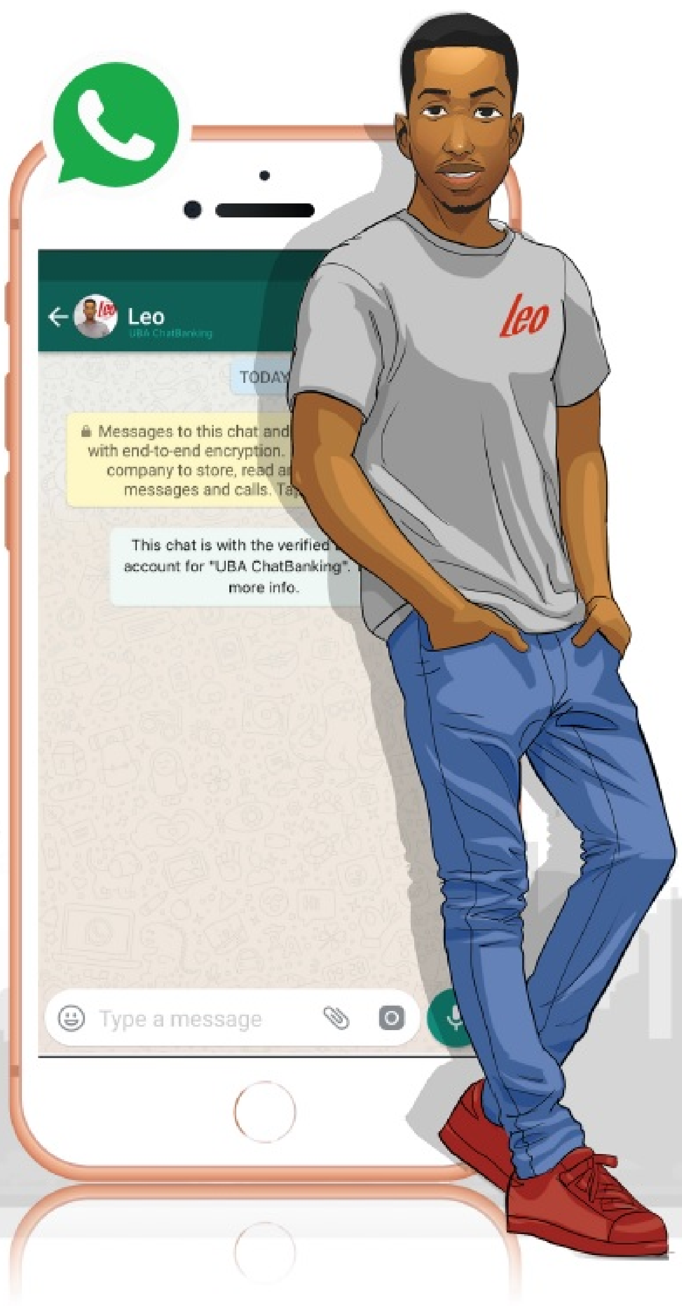

Check Account Balance?

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POLITICAL SECTION

GAMBIAN PARLIAMENT VOTES DOWN CONSTITUTIONAL REFORM PROPOSAL

In July 2025, the Gambian parliament rejected a motion on a new draft constitution, marking the third failure of constitutional reform efforts. This rejection primarily came from opposition lawmakers who argued that the draft constitution undermined essential checks and balances on the executive branch and lacked clarity on the retroactive application of a two-term presidential limit. The failure to pass the reform highlights deep political divisions in a hung parliament and raises significant concerns about the upcoming December 2026 presidential election. [23]

The rejected draft included presidential term limits, but the provisions were structured to benefit the incumbent, President Adama Barrow, by excluding retroactive enforcement. Barrow, who first took office in February 2017 and was re-elected in 2021, is expected to seek a third term despite the controversy surrounding term limits. Opposition parties strongly oppose his third-term bid and continue to push for constitutional protections that would ensure stronger democratic governance, executive accountability, and human rights safeguards.

The ruling National People's Party, holding the largest number of parliamentary seats in coalition with smaller parties, is using its influence to shape legislation. Recently, the parliament raised the presidential nomination fee to D100 million (approximately $13,890), up from D10,000 ($ 138.90), effectively restricting candidacy to wealthier contenders and narrowing political competition. With constitutional reforms stalled and growing public frustration, Gambia faces an elevated risk of political instability and public protests as it approaches its presidential elections in December 2026.

23. Economic Intelligence Unit. 2025 "Gparliament rejects constitutional reform motion" https://viewpoint.eiu.com/analysis/article/522166852/

SOCIAL STORY

KENYA'S KIPYEGON BREAKS OWN 1,500 METERS WORLD RECORDS

Faith Kipyegon, a three-time Kenyan Olympic gold medallist in the 1500m race, broke her official world record at the Eugene Diamond League in Oregon in July 2025. The previous world record was held by her at 3:49.04 from the Paris Diamond League last year. She beat the record by 0.36 seconds to now hold at 3:48.68.[24]

The record was secured by an impressive feat from Kipyegon, who finished the last 300 metres in 44 seconds. Ethiopia's Diribe Welteji came in second at 3:51.44, followed by Australia's Jessica Hull at 3:52.67. [25]

The record was broken a mere eight days after the dashed Nike "Breaking 4" event held in Paris, in honour of Kipyegon's attempt to break the female sub-four-minute mile record. During the event, she broke another world record of hers as well: fastest women's mile record at 4:06.42. However, the accomplishment would not be recorded as the race utilized pacemakers and advanced technology, including Wavelight pacing technology, a custom aerodynamic kit, and notable carbon-fiber running spikes.

The 31-year-old has silenced doubts after the Eugene meet and reclaimed triumph after turning the shortfall in Paris into another landmark in middle-distance running history.

24.Reuters. (2025). Kenya's Kipyegon breaks own 1,500 metres world record. https://www.reuters.com/sports/athletics/kenyas-kipyegon-breaks-own-1500-metres-world-record-2025-07-05/
25. Ingle, S. (2025). Faith Kipyegon breaks her 1500m world record as Beatrice Chebet smashes 5,000m mark. The Guardian. https://www.theguardian.com/sport/2025/jul/05/faith-kipyegon-breaks-her-1500m-world-record-as-beatrice-chebet-smashes-5000m-mark

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MACRO-ECONOMIC INDICATORS

Macroeconomic Indicators

Country	GDP Annual Growth Rate (%)	Inflation (%)	Life Expectancy (Years)	Unemployment Rate (%)	Interest Rate (%)
Angola	3.5 (Q1'25)	19.48 (Jul'25)	62.84	29.40 (Q1'25)	19.5 (Jul'25)
Botswana	-0.2 (Q1'25)	1.1 (Jul'25)	70.14	23.10 (Dec'24)	1.9 (Aug'25)
Cameroon	3.1 (Q4'24)	3.3 (Jun'25)	64.25	3.5 (Dec'24)	4.5 (Aug'25)
Ethiopia	8.1 (Q4'24)	13.7 (Jul'25)	68.43	18.9 (Dec'22)	15 (Aug'25)
Eritrea	2.9 (Q4'24)	6.4 (Dec'23)	68.07	5.6 (Dec'24)	N/A
Gabon	3.2 (Q4'24)	0.7 (Dec'24)	67.37	20.1 (Dec'24)	4.5 (Aug'25)
Ghana	5.3 (Q1'25)	11.5 (Aug'25)	65.89	3.0 (Dec'24)	25 (Jul'25)
Guinea	5.9 (Q4'23)	2.2 (Apr'25)	61.06	5.2 (Dec'24)	10.25 (Aug'25)
Ivory Coast	6.5 (Q4'24)	-0.8 (Jul'25)	62.28	2.4 (Dec'23)	5.25 (Aug'25)
Kenya	4.9 (Q4'25)	4.5 (Aug'25)	67.93	5.4 (Dec'24)	9.50 (Aug'25)
Liberia	4.8 (Q4'24)	9.9 (Jun'25)	62.47	2.9 (Dec'24)	17.25 (Jul'25)
Mozambique	-3.9 (Q1'25)	3.96 (Jul'25)	62.88	3.53 (2024)	10.25 (Jul'25)
Nigeria	3.13 (Q1'25)	21.88 (Jul'25)	56.36	4.3 (Q2'24)	27.5 (Jul'25)
Rwanda	7.8 (Q1'25)	7.2 (Jul'25)	70.54	13.4 (Q2'25)	6.75 (Aug'25)
Senegal	12.1 (Q1'25)	1.8 (Jul'25)	69.35	21.7 (Q1'25)	5.25 (Aug'25)
South Africa	0.8 (Q1'25)	3.5 (Jul'25)	64	33.2 (Q2'25)	7 (Jul'25)
Tanzania	4.9 (Q1'25)	3.3 (Jul'25)	66.94	8.9 (Dec'23)	5.75 (Jun'25)
Uganda	8.6 (Q1'25)	3.8 (Aug'25)	64.96	2.9 (Dec'24)	3.8 (Aug'25)
Zambia	4.5 (Q1'25)	12.6 (Aug'25)	65.22	12 (Dec'23)	14.5 (Aug'25)
Zimbabwe	2 (Q4'24)	93.8 (Aug'25)	62.67	8.6 (Dec'24)	35 (Jun'25)