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SOUTH AFRICAN ENERGY TURNS TO PUBLIC-PRIVATE PARTNERSHIPS

South Africa Considers PPPs to Finance the Country's Power grid.

SPECIAL BUSINESS REPORT

Kenya's Economic Revival will Trigger Growth in the EAC.

USA LIBERATION DAY TARIFFS TRUMP AFRICA

Increasing trade relations with AfCFTA should become Africa's priority.

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Dan Marokane, CEO, Eskom

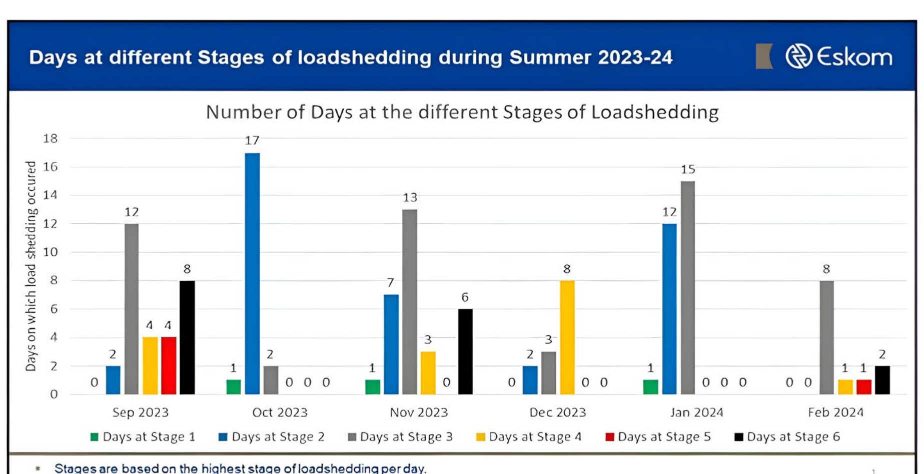
PRIVATE-PUBLIC PARTNERSHIPS COULD FINANCE POWER IN SOUTH AFRICA

***Dr. Kgosientsho Ramokgopa**, South African Minister of Electricity and Energy, has openly stated that private-public partnerships (PPP) could finance the country's power grid.*

South Africa's electricity sector is facing a severe crisis characterized by persistent load shedding, aging infrastructure, financial instability, and inefficiencies in power generation and distribution. The state-owned utility Eskom, which supplies over 90 per cent of the country's electricity, has struggled to meet demand due to operational failures, corruption, and a lack of investment in new generation capacity. This crisis has had far-reaching consequences for industries and businesses, leading to economic losses, reduced productivity, and declining investor confidence.

Whilst attending the Africa Indaba Energy in Cape Town, Dr. Kgosietsho Ramokgopa, South Africa's Electricity and Energy Minister, addressed investors about the state of the nation's power sector. The minister stated that for South Africa to develop and expand the country's electricity grid, another 14,000 kilometers of new power lines need to be put in place at a cost of more than 4 billion rand (US$214 million). It is common knowledge that the country's government cannot finance even a fraction of this cost. So, all eyes are on the private sector to get involved and help fund this development, but experts say the regulatory environment will need to improve for this to happen.

Private-public partnership will be the most effective approach. We have seen a few successful examples of public-private partnerships, not only in the power generation sector but also in other sectors of our economy. However, for that to happen, it will come down very much to policy change. Time and time again, this is the response we get when we talk to our clients facing energy challenges and wanting to bring energy to South Africa." Simon Van Wyk, the Director for Sustainability at Deloitte Africa, stated.



Energy sector stakeholders will be hoping that the finance minister touches on what frameworks will be put into place to make investments into the transmission grid expansion more feasible and what possible funding models may be proposed. "The minister has made it clear that they are looking for models to expand, for example, similar to what was done on South African roads where concession agreements were granted for toll roads, including the N4. They were established as part of broader transport corridors, like the Maputo Development Corridor, to facilitate trade and economic development by connecting South Africa with key markets and ports in neighboring countries such as Mozambique. Prices could be determined to attract consortiums comprising banks, construction and engineering companies, financial institutions, and even the public to participate in the funding process. We could subsequently charge tolls for the use of transmission corridors, which would attract new finance. Chris Yelland, an independent energy analyst, stated.

The minister indicated that if the country's finance minister didn't outline the funding framework for expanding the transmission grid, he would likely update the sector himself sometime after the presentation of the 2025 budget.

Loadshedding schedule for 24 – 26 January 2024
Published Wednesday, 24 January 2024
Eskom

Date	Day	Start time	End time	Stage
24 January 2024	Wednesday	-	16:00	-
		16:00	24:00	2
25 January 2024	Thursday	00:00	05:00	2
		05:00	10:00	1
		10:00	16:00	-
		16:00	24:00	2
26 January 2024	Friday	00:00	05:00	2
		05:00	10:00	1
		10:00	16:00	-
		16:00	24:00	1

Nuclear Part of the Energy Mix

Dr. Ramokgopa added that nuclear remains part of South Africa's energy mix. South Africa is committed to the just energy transition but on a pace and scale compatible with local dynamics. The pace and scale of the transition should take into account local conditions. There is no single definition of what that transition should be. However, it must find expression within the context of the parameters that each sovereign country can afford and achieve over periods determined by them. Global dynamics need bold intervention by the international community. We convene where multilateral cooperation is under increasing strain and global capital flows remain deeply unequal. Trade policies are increasingly politicized, and the commitments under the Paris COP agreement to sustainable development goals remain largely unfulfilled. The weaponization of trade and finance further exacerbates existing disparities, making it even more difficult for developing nations to access the resources required to transition to a sustainable development position. The minister said that South Africa will promote these issues during its G20 presidency in 2025. ■

South African Automotive Industry has been impacted by USA Tariffs

Industries

SOUTH AFRICA SEEKS NEW ALTERNATIVES TO DIVERT IMPACT OF US TARIFFS

*African economies needs to source and trade with new markets in order to counter the USA tariffs on their exports. By **Wandile Sihlobo**, Senior Fellow, Department of Agricultural Economics, Stellenbosch University*

The USA has been carrying a trade deficit since the end of the Veitnam war in the 1970s, and with the impasse in the proxy Ukraine war which has witnessed Russia withstand the political sanctions and military might of the USA and its European partners the deficit has grown even bigger and more telling prompting President Donald Trump to act, by taking radical action to impose universal tariffs on all nations. It signals the death of the global economy. And regardless of whether such drastic action including massive tariffs on Chinese goods will positively impact the US current trade deficit, they are sure to decrease the capacity of several economies in Africa including Lesotho and South Africa, the two worst hit economies. What follows is a response to the US tariffs on South Africa according to Wandile Sihlobo,

The South African government has underscored the urgent need to diversify the country's agricultural exports in the wake of the US decision to increase tariffs on its trading partners.

The progress of South Africa's agricultural sector has relied partly on exports, which now account for roughly half of the production in value terms. South Africa's agricultural exports reached a new record of US$13.7 billion in 2024, up 3 per cent from the previous year, according to data from Trade Map. South Africa also imports various agricultural products. In 2024, South Africa's agricultural imports amounted to US$7.6 billion.

The US accounts for 4 per cent of South Africa's agricultural exports. The biggest agricultural exports to the US are citrus, wine, grapes and nuts. These typically entered the US market duty free, and now fall under the tariff level of between 10 per cent and 31 per cent which Washington has levied on South Africa.

The Ministers of International Relations and Cooperation and of Trade, Industry and Competition said in a statement after Washington's move:
Efforts will intensify to diversify export destinations, targeting markets across Africa, as well as in Asia, Europe, the Middle East, and the Americas. Moreover, where deemed appropriate, such efforts will also involve bilateral arrangements that allow for the pursuance of our national interest.

As a medium to longer term strategy this makes sense in the context of the trade friction with the US and the overall growth of South Africa's agricultural sector. But export diversification will take time to achieve. New markets take time to open up because negotiations with countries, especially in agricultural products, are complex. For example, it took 16 years for South Africa to reopen Thailand for apple exports.

Moreover, trade agreements typically take a minimum of five years to conclude.

This means that, in the short term, the South African government will urgently be seeking to engage with Washington to maintain critical access to the US market. In their joint statement, the two departments managing the fallout said they would be seeking "additional exemptions and favorable quota agreements".

So what does the long-term strategy look like? And what are the building blocks that need to be put in place to secure diversified destinations for South Africa's agricultural products in the future?

China is the biggest opportunity, largely because of its population and economic size. It is the world's second largest economy after the USA and must feed 1.4 billion people.

As an agricultural economist who has looked at these issues for some time, I would recommend these three areas of focus.

Firstly, South Africa trade authorities should put resources into understanding the opportunities in dynamic markets in the Gulf and Asia. Saudi Arabia, the United Arab Emirates and Qatar are some of the key markets in the Gulf. Also, Asia, China, India and Vietnam should remain priorities.

Secondly, the agricultural sector and government need to develop better ways of working together. This will help ensure business relationships are cultivated in the countries that the government is engaging, and that there's alignment between the commercial and political interests of the country.

Thirdly, South Africa's agricultural sector – government and organized agriculture – must get its house in order. For example, promoting livestock products won't work unless the necessary disease controls are in place.

Opportunities

The African continent accounts for the biggest share of South African exports at 38 per cent. The EU accounted for a 19 per cent share in 2023. Asia and the Middle East accounted for a quarter of South Africa's agricultural exports in the same year.

Asia and the Far East, in particular China, have already been identified as key growth areas. Even though Asia and the Middle East are strong destination points, huge pockets of opportunity remain in terms of products and countries.

The BRICS Group remains crucial in this endeavor. Here, the South African government must have a sharper focus on lowering import tariffs and phytosanitary barriers in countries such as China, India and Saudi Arabia.

China is the biggest opportunity, largely because of its population and economic size. China, the world's second largest economy after the US, must feed 1.4 billion people. To do this, China is a huge importer, resulting in an agricultural trade deficit with the rest of the world of about US$117 billion. This suggests there's a gap for countries with good agricultural offerings.

Vietnam and India also have sizeable populations. Importantly, South Africa remains a small participant in their agricultural markets.

trade agreements require hard choices over which industries a country is prepared to place on the table for possible trade-offs while building long-term competitiveness

The sectors worth targeting include horticulture and wine producers. Expanding exports in these sectors has been a long-running talking point. Now there's a need for renewed energy and urgency from the government officials' side.

The livestock industry is also geared to promote its exports.

In the short term

Agricultural stakeholders can play a constructive role in supporting the government's efforts to engage the US. Stakeholders can assess the impact of the increased US tariff on their exports, mainly citrus, grapes, wine, and nuts, among other products, as well as the impact on jobs in their regions.

There is also scope to provide more flexibility for American products in the South African market to ease current trade tensions. For example, South Africa currently allows US exporters to sell over 70,000 tons of poultry products into the country without any tariff. However, US poultry producers have only used less than 60 per cent of this quota. One reason for this is the low-quality products that have not met the South African specifications. Hence the need to seek negotiating points.

Next steps

Trade is about trade-offs and backing the correct winners.

Both organized agriculture – commodity associations – and business must work together to define new priorities for the country and how these can be pursued internationally.

Negotiating free trade agreements should be the mainstay of trade policy.

South Africa has excelled in opening up new markets in the past 20 years, by concluding several free trade agreements with critical regional and international markets. These include

The US accounts for 4 per cent of South Africa's agricultural exports. The biggest agricultural exports to the US are citrus, wine, grapes and nuts.

deals with the Southern African Development Community countries as well as the region's agreement with the European Union and the African Continental Free Trade Area.

It needs to expand this list.

But free trade agreements require hard choices over which industries a country is prepared to place on the table for possible trade-offs while building long-term competitiveness in sectors that can be major drivers for growth.

Government must engage the various agricultural sectors about their key priorities and what trade-offs they're prepared to consider. ■

38 per cent of South Africa's exports goes to Africa

FUTURE-PROOFING AFRICA'S AUTOMOTIVE INDUSTRY TO ITS MINING INDUSTRY

*By **Martina Biene**, Managing Director and Chairperson, Volkswagen Group, Africa*

The mining and automotive industries are integral to South Africa's success. Future-proofing, in this context, refers to ensuring the sustainability and growth of these industries by anticipating and adapting to future changes and challenges. This means downstream buyers from various industries like automotive, electronics, and construction can benefit from consistent, sustainable, and ethical supplies of raw materials and metals essential to these industries. A stable mining industry allows downstream buyers to innovate, reduce costs, and support their E&P credentials, which supports our long-term business growth. The automotive sector contributes about 5 per cent of South Africa's GDP, and we expect its share to increase year by year. We heavily rely on a range of raw materials sourced from mining: And as the automotive industry evolves with the rise of EVs, the mining industry's minerals and role become even more crucial in the future.

The mining industry can benefit the automotive industry through a reliable supply of a range of minerals like steel, which is a primary component for car bodies made from iron ore; aluminum, which is used in engines, wheels, and body panels to reduce vehicle weight and improve fuel efficiency; copper, which is key for electric wiring, motors, and batteries; and, for electric vehicles, lithium, cobalt, and nickel, which are essential for batteries. A well-regulated and efficient mining sector helps stabilize the prices of key raw materials, providing more predictable costs in the automotive industry. Volatility costs in the prices of materials like nickel and steel can affect the production costs of vehicles, especially in automated investments in electric vehicle

We not only supply to South Africa but to the rest of the group; not only Africa for Africa but Africa to the world.

platforms. A strong mining industry near automotive manufacturing regions allows for the localization of critical supply chains, reducing transportation costs and minimizing the risks of delays.

Automotive manufacturers can rely on local, original mining operations to meet their raw material needs, enhancing efficiency and supply chain flexibility. The AfCFTA agreement, which includes automotive as one of its four key pillars and changes the rules of origin, is a significant breakthrough. It means that African content will soon be 40 per cent of the content in cars manufactured in Africa, providing a vast opportunity. Localization of the processing industry should be a priority. Approximately 80 per cent of local raw material content goes into vehicles manufactured in the East. It is an excellent opportunity for Africa to benefit from minerals locally. An example of this in South Africa is the PGM process, known as Platinum Group Metals, which has established a localized value chain from mining to original equipment manufacturers (OEMs), resulting in the creation of new industries, technologies, and skills; job creation; technology sharing; and independence from international suppliers. Such an outcome was possible in South Africa with government support, and in Volkswagen's case, volumes were leveraged to make the business valuable, which means that we supply to South Africa and to the rest of the group—not only Africa for Africa but Africa to the world. Governments and industries can collaborate to replicate this model for other manufacturing processes such as battery materials, nickel, cobalt, magnesium, lithium, and copper. The AfCFTA agreement, with our support, can pave the way for the future-proofing of the African mining industry over the short term to create strong and sustainable local industries in Africa. ■

AFRICAN MARKETS

Corporate Africa examines the trends affecting capital markets performance in Africa, particularly the impact of the USA Liberation Day Tariffs on South Africa and Nigeria.

The first quarter of 2025 has been a period of mixed performance for African stock markets, influenced by global economic trends, domestic policies, commodity prices, and investors' sentiment. Corporate Africa examines the performance of key African stock exchanges, including South Africa, Nigeria, Egypt, Morocco, Ghana, Mauritius, and the Bourse Régionale des Valeurs Mobilières (BRVM) from January to March 2025. The analysis highlights key trends, drivers of market movements, and prospects for the remainder of the year.

South Africa: Johannesburg Stock Exchange (JSE)

The Johannesburg Stock Exchange (JSE), Africa's largest bourse, experienced moderate growth in Q1 2025, supported by a rebound in commodity prices and improved investor confidence. The FTSE/JSE All Share Index (ALSI) rose by 5.2 per cent, driven by strong performances in mining and financial stocks. The resources sector benefited from higher platinum and gold prices, with Anglo American and Sibanye-Stillwater posting noticeable gains. Financial stocks such as Standard Bank, FirstRand saw a 4.8 per cent increase due to stabilizing interest rates. But the challenges of power outages and slow economic growth (projected at1.8 per cent for 2025) limited more aggressive gains on the country's stock markets.

The Johannesburg Stock Exchange (JSE), Africa's largest bourse, experienced moderate growth in Q1 2025, supported by a rebound in commodity prices and improved investor confidence

Nigerian Exchange Group (NGX)

Nigeria's stock market showed resilience despite macroeconomic pressures, including inflation and currency volatility. The NGX All-Share Index (ASI) grew by 7.1 per cent, supported by banking and consumer goods stocks. The banking sector (Zenith Bank, GTCO) surged due to improved forex liquidity and higher interest income. Dangote Cement and BUA Foods gained as construction activity picked up across the country. However challenges still prevails, including inflation which remains high at 28 per cent, putting the national currency, the naira under continuous pressure to depreciate.

Both these markets South Africa and Nigeria have been impacted by tariffs imposed by the USA under the Biden Administration during January 2025. The Biden administration introduced new tariffs on certain African exports, citing trade imbalances and national security concerns. These tariffs particularly affected South Africa and Nigeria, Africa's largest economies.

The Impact of US Tariffs on the JSE and NGX

Prior to departing Office President Biden of the USA imposed 10-15 per cent tariffs on South African steel, aluminium, and automotive exports. The move was partly motivated by geopolitical tensions over South Africa's trade relations with the USA rivals, China and Russia.

The tariffs also targeted platinum group metals (PGMs), a key South African export putting the mining sector under pressure: Anglo American, Sibanye-Stillwater, and Impala Platinum saw declines in share prices of 5-8 per cent in January. At the same time the FTSE/JSE Resources 10 Index dropped 4.3 per cent in Q1 due to weaker export demand.

Automotive and Industrial stocks were also hit with companies such as Naspers (via its Chinese holdings) and Toyota South Africa faced investor caution. The Industrial 25 Index fell 3.1 per cent as trade uncertainty weighed on manufacturing prospects.

The rand weakened by 6 per cent against the dollar in Q1, increasing inflation risks. Banking stocks (e.g., Standard Bank, FirstRand) were resilient due to higher interest margins but saw slower growth.

The South African government and businesses lobbied the US for exemptions under the African Growth and Opportunity Act (AGOA).Some mining firms shifted exports to Europe and Asia to mitigate losses.
Regardless of US taxes, the JSE All Share Index (ALSI) still grew by 5.2 per cent in Q1, but was lower than expected due to tariff pressures. Gold and renewable energy stocks (Gold Fields, Sasol) partially offset losses as investors sought safer havens.

The USA imposed 7.5 per cent tariffs on Nigerian crude oil exports because of Nigeria's refusal to cut production amid OPEC+ disputes with America. An additional 5 per cent tariffs on Nigerian cocoa and cashew exports were introduced by the USA, citing labor and environmental concerns.

The sanctions led to a decline in Nigeria's energy stocks. Seplat Energy and Aradel Holdings saw a 10-12 per cent drop in their share prices in February. And the NGX Oil & Gas Index fell by 6.8 per cent in Q1.

Agriculture stocks were also hit hard. Okomu Oil Palm and Presco Plc (palm oil producers) declined by 9 per cent due to reduced US demand. Cocoa processors (e.g., FTN Cocoa) struggled as export margins shrank.

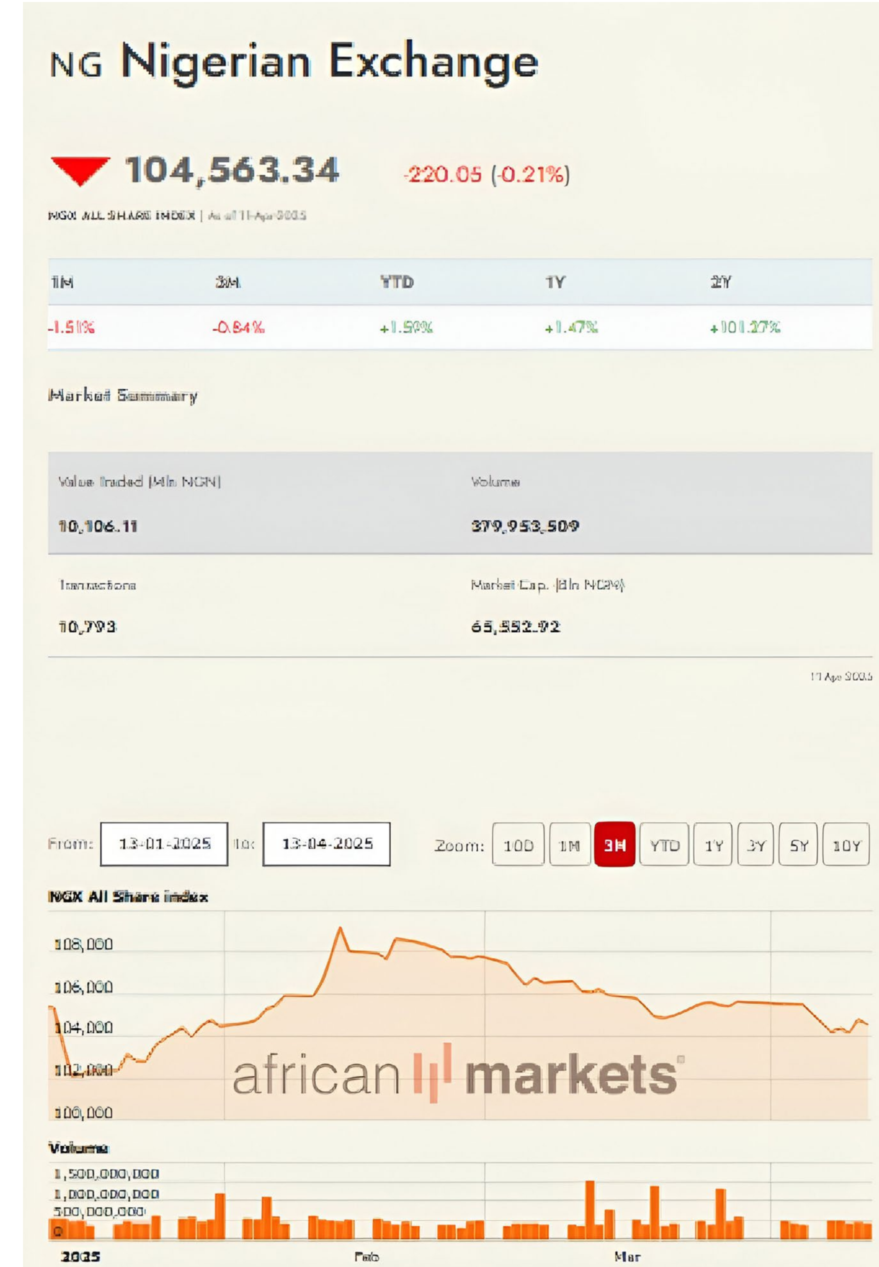
Banking and consumer goods sectors showed resilience with the shares of Zenith Bank, GTCO, and UBA rising by 8-12 per cent due to high-interest rates and forex reforms. Nestlé Nigeria and Dangote Sugar gained as domestic demand remained strong.

However, the Naira volatility worsened falling to ₦1,450 against the US dollar in March, increasing import costs. The Central Bank of Nigeria (CBN) also tightened forex controls which affected multinational corporations doing business in Nigeria.

Despite tariff pressures, the NGX All-Share Index (ASI) grew by 7.1 per cent, driven by banking and consumer stocks. Investors shifted focus to domestic-driven sectors in their markets to avoid US trade risks.

Future Outlook

Both South Africa and Nigeria may see longer-term export declines if tariffs persist, but domestic and alternative trade partnerships (e.g., BRICS, AfCFTA) could be the solutions required. South Africa is already a member of BRICS but almost all African nations are members of AfCTA which required commitment and investments if it is to be a viable channel for trade in the continent. For the time being, investors should monitor US trade policy shifts and African government responses for Q2 2025 and after to decipher trends.



Egypt's stock market saw a volatile Q1 2025, influenced by currency reforms and foreign investor movements. The EGX 30 Index declined by 3.5 per cent due to foreign outflows

Egyptian Exchange (EGX)

Egypt's stock market saw a volatile Q1 2025, influenced by currency reforms and foreign investor movements. The EGX 30 Index declined by 3.5 per cent due to foreign outflows amid global risk aversion.
Blue-chip stocks (e.g., CIB, EFG Hermes) faced sell-offs as the Egyptian pound weakened further.
On a positive note the government's privatization drive attracted several Middle Eastern investors.

Casablanca Stock Exchange (CSE)

Morocco's market has remained stable, with modest gains in key sectors. The MASI Index rose by 2.8 per cent, supported by banking and telecom stocks. Attijariwafa Bank and Maroc Telecom were top performers.
There were some challenges such as agricultural output fluctuations due to drought affected agribusiness stocks.

BRVM (West Africa – Francophone Region)

The Bourse Régionale des Valeurs Mobilières (BRVM), serving eight West African countries, recorded steady growth. The BRVM Composite Index increased by 6.3 per cent, led by Ivorian and Senegalese stocks. Sonatel (Orange) and Ecobank Transnational were top gainers. But there were challenges including political instability in some member countries (Burkina Faso) weighed on investors' sentiment.

Financial stocks such as Standard Bank, FirstRand saw a 4.8 per cent increase due to stabilizing interest rates

Ghana Stock Exchange (GSE)

Ghana's market rebounded slightly after a tough 2024, supported by IMF-led economic reforms.
The GSE Composite Index rose by 4.5 per cent, with banking stocks recovering. MTN Ghana and GCB Bank led gains as inflation eased to 22 per cent. However, despite IMF loans, public debt still remains a major concern and challenge.

Stock Exchange of Mauritius (SEM)

Mauritius continued to attract foreign investors due to its stable financial environment. The SEMDEX Index grew by 5.8 per cent, driven by tourism and offshore financial services. Lux Island Resorts and MCB Group performed well.

Kenya, Tunisia, and Botswana

Nairobi Securities Exchange (NSE): Kenya's market rose 3.2 per cent, supported by Safaricom and banking stocks. While Tunisia's BVMT: Declined by 2.1 per cent due to political uncertainty. Finally, Botswana Stock Exchange (BSE) Gained 4.0 per cent on diamond sector optimism.

Conclusion

The first quarter of 2025 saw varied performances across African stock markets. While both South Africa and Nigeria, despite US tariffs introduced in early 2025, had moderate but noticeable gains. The BRVM posted solid gains. Egypt and Tunisia struggled due to macroeconomic pressures. Commodity prices, currency stability, and government policies played crucial roles. Going forward, improved global risk appetite and domestic reforms could bolster African equities in the coming quarters. ■

A NEW DAWN FOR SOUTHERN AFRICA'S ENERGY FUTURE:

How Averi Finance Is Transforming the Landscape Through Private Investment

Markets

Southern Africa has long been recognized for its rich natural resources, immense economic potential, and growing markets. However, beneath the surface of rapid urbanization and resource abundance lie persistent challenges: insufficient power generation, unreliable grids, and energy poverty in both rural and urban communities. Bridging these gaps is crucial not only for economic prosperity but also for social development and environmental sustainability. Today, a new class of energy innovators is stepping up to meet these challenges head-on. One such trailblazer is Averi Finance—a company that has steadily risen to become one of the most significant private investors in the region's power sector. Through major transmission infrastructure projects between Angola and the Democratic Republic of the Congo (DRC), an impressive 3.5 gigawatts (GW) of power generation in South Africa, and a cutting-edge 500-megawatt (MW) electrolyzer capacity in Saldanha Bay, Averi is charting a new path toward a more reliable, inclusive, and sustainable energy future.

We take a closer look at Averi's growing portfolio, examining how its efforts epitomize the crucial role of private investment in transforming Southern Africa's power sector. From strengthening cross-border ties to embracing green hydrogen potential, Averi's work underscores both the challenges and opportunities inherent in fueling the region's ambitious aspirations.

Growing Demand and the Imperative of Energy Development

Southern Africa's population continues to expand at a rapid pace, accompanied by the swift growth of urban centers. Economic sectors—especially mining, manufacturing, and agriculture—are scaling up, intensifying the need for reliable and affordable electricity. Yet many parts of the region remain underserved or disconnected, leaving significant economic potential untapped. In Angola and the DRC, for instance, reliance on aging or inadequate grids has slowed industrial growth and blocked numerous households from realizing the region's promise.

Private sector investment has become indispensable in addressing these gaps. Government-led projects often grapple with limited budgets, bureaucratic delays, or competing development priorities. Private investors, by contrast, can be more nimble, leveraging global capital, expertise, and technology to expedite project timelines. Averi Finance's commitment exemplifies this paradigm shift. By injecting funds and technical know-how into critical energy corridors, the company not only alleviates pressure on public resources but also accelerates the development of infrastructure fundamental to economic progress.

In Angola and the DRC, for instance, reliance on aging or inadequate grids has slowed industrial growth and blocked numerous households from realizing the region's promise.

The Angola–DRC Transmission Lines: A Lifeline for Regional Integration

One of Averi's hallmark initiatives involves the development of private transmission lines between Angola and the DRC. Beyond mere engineering prowess, these cross-border lines represent a tangible move toward deeper regional integration. Power-sharing agreements and jointly managed infrastructure projects can substantially reduce both countries' vulnerabilities to blackouts and grid failures. Such connectivity fosters trade, stabilizes power supply, and helps attract large-scale industrial and mining investments.

In addition, the construction and financing of these lines create job opportunities and foster local workforce development. Skilled and semi-skilled labor from both Angola and the DRC benefit from technology transfer and capacity-building, outcomes that extend far beyond a single project's scope. Improved electricity access also yields downstream benefits for local communities, with schools, hospitals, and small businesses all standing to gain from a more reliable power supply.

Improved electricity access also yields downstream benefits for local communities, with schools, hospitals, and small businesses all standing to gain

Of course, cross-border projects in volatile settings come with their share of challenges: bureaucratic hurdles, political risk, and infrastructural fragility. Nevertheless, Averi appears to be navigating these complexities by collaborating closely with governmental bodies, maintaining transparent governance, and engaging local communities. As such, these projects serve as a roadmap for how private investment can balance commercial viability with long-term developmental impact.

South Africa's 3.5 GW Milestone: A Boost for the Southern Power Pool

South Africa's energy sector is noteworthy for its scale, complexity, and urgent need to diversify power sources. Eskom, the state utility, has long grappled with capacity shortfalls, aging infrastructure, and financial constraints. Against this backdrop, private-sector projects are emerging as vital solutions to fortify the nation's power supply and introduce alternative funding models.

Averi's 3.5 GW generation portfolio in South Africa represents a key development in this transition. By focusing on large-scale generation facilities—including renewable projects—Averi helps fill a growing gap in the national grid. A balanced energy mix creates resilience in a system too often plagued by load shedding and operational inefficiencies. Moreover, by integrating renewable energy sources, the company's initiatives reduce carbon emissions and signal a broader shift toward sustainability.

South Africa's role in the Southern African Power Pool (SAPP) cannot be overstated, as it frequently serves as an anchor market for neighboring countries. With adequate generation capacity, South Africa can export surplus power or assist in meeting peak demand across the region—another step toward an integrated power market. In this context, Averi's projects are not just boosting one country's electricity grid; they are contributing to the stability of an entire regional energy network encompassing countless households, businesses, and future infrastructure developments.

Saldanha Bay's 500 MW Electrolyzer: Southern Africa's Green Hydrogen Frontier

Perhaps the most forward-looking segment of Averi's portfolio is the 500 MW electrolyzer capacity in Saldanha Bay, located along South Africa's west coast. Green hydrogen—produced by splitting water into hydrogen and oxygen using renewable power—has garnered international attention as a key pillar in global decarbonization strategies. With the right blend of available land, abundant solar and wind resources, and robust logistical support, Southern Africa is well-positioned to carve out a significant place in the global green hydrogen economy.

Early investments in electrolyzer infrastructure provide a crucial first-mover advantage. By building up capacity now, Averi

Mr. Gaspar Lina and H.E. Honourable Bogolo Kenewendo, Minister of Minerals & Energy, Botswana

is preparing for a future in which carbon-neutral fuels may become mandatory for industries such as shipping, steel production, and long-haul transportation. Saldanha Bay, in particular, offers strategic access to maritime routes, thereby creating the potential for exporting hydrogen or green ammonia to international markets.

Overcoming Challenges: The Road Ahead

While Averi's projects and similar private initiatives provide hope for a more resilient energy sector, they also face hurdles. Regulatory frameworks need streamlining to ensure equitable tariffs, protect consumer interests, and attract investors over the long term. Political instability or sudden policy reversals can disrupt even the most carefully orchestrated plans. Financing large-scale energy projects often entails de-risking strategies—typically involving partnerships with development finance institutions and multilateral banks eager to share risk and offer concessional financing to close bankability gaps.

Southern Africa's energy future hinges on collaborations that balance commercial viability with social and environmental considerations

Moreover, infrastructure shortfalls—such as inadequate roads and ports—can inflate construction costs and extend timelines. Successful operation of cross-border lines hinges on reliable local grids in both countries, as well as ongoing policy coordination. Finally, social license to operate, especially in ecologically sensitive or historically marginalized areas, demands proactive community engagement and transparent impact assessments.

Conclusion: A Catalyst for Lasting Change

Despite these challenges, the private sector's expanding role in Southern Africa's energy transformation is unequivocally positive. Averi Finance's growing portfolio—in cross-border transmission lines between Angola and the DRC, large-scale generation projects totaling 3.5 GW in South Africa, and a 500 MW electrolyzer capacity in Saldanha Bay—illustrates the power of private investment and the vision it can bring. By partnering with governments, development agencies, and local communities, these ventures offer the potential to deliver enduring, sustainable results.

In an era defined by soaring energy demand, climate change pressures, and the urgency of regional cooperation, Averi demonstrates how private investment can serve as more than a mere profit-seeking venture. Southern Africa's energy future hinges on collaborations that balance commercial viability with social and environmental considerations. Averi's endeavors serve as a compelling example of how strategic private investment can illuminate industries, uplift communities, and pave the way to a more sustainable, prosperous tomorrow for the entire region.

USA CHAMPIONS INVESTMENT IN MOZAMBIQUE'S ENERGY SECTOR

The partnership between Exim Bank and the TotalEnergies LNG Cabo Delgado Project is a positive step for Africa's energy future, restoring confidence in the continent's fossil fuel reserves and a balanced mix of green and fossil fuels.

The US Export-Import Bank (Exim) loan of US $4.7 billion will support TotalEnergies' LNG project in Cabo Delgado, Mozambique. The project's focus on low-carbon zero energy, driven by the USA and its Western allies, is up and running and is set to bring abundant benefits to Mozambique and its economy for many decades.

The partnership between the USA Exim Bank and the TotalEnergies LNG project signals a positive turn for oil and gas in Africa and generates confidence in African energy economies.

The Trump presidency of the USA clearly had a hand in the revival of the LNG project. As part of the President's Government's Make America Great Again Policy, Mozambique LNG fits squarely, generating massive returns for American technology and finance, which are directly responsible for producing over 30 per cent of the project. The project also sees the USA take a firm foothold in Africa's energy investments, countering the Chinese and restoring American influence in the region's economies.

Commitment to Mozambique's Energy Sector

Mozambique, home to one of the world's largest untapped gas reserves, has long positioned itself as a key supplier in the global energy mix. The TotalEnergies Mozambique LNG project in Cabo Delgado was initially paused in 2021 due to security concerns. However, improved security conditions have enabled TotalEnergies to successfully engage financial backers, including the US Export-Import Bank (EXIM). Mozambique's Energy Minister, Estevão Pale, welcomed EXIM's decision, emphasizing the project's critical role in ensuring stable energy supplies worldwide. Despite a broader federal cost-cutting agenda and impositions of universal tariffs on all exports to the USA, President Trump had prioritized this energy deal, reinforcing his administration's commitment to securing access to critical energy resources. The move is likely to prompt other financial backers, including the UK and the Netherlands, to reaffirm their commitments to non-green energy in the African continent.

The Mozambique project would be transformative. The LNG sector promises vast economic potential and would position Mozambique as a major energy exporter. With this renewed support, other LNG ventures, including ExxonMobil's Rovuma liquefied natural gas (LNG) project, are now expected to commence in 2026.

While some environmental groups have raised concerns, their opposition appears detached from the reality of Mozambique's economic aspirations. The benefits of the project will uplift local communities, generate employment, and create long-term economic stability for decades to come. Ironically, critics who oppose the investment seem to prioritize ideology over tangible socioeconomic improvements for the population of one of the poorest and most underdeveloped regions in the world.

A Long-Awaited Commitment to Mozambique's LNG Sector

Speaking on the approval of TotalEnergies' project, Jim Cruse, acting president and chairman of US Exim Bank, emphasized the significance of the project, stating:

"I am pleased that in authorizing this amendment, the bank finally fulfills the commitment made nearly six years ago to the Mozambique LNG project, which is important to thousands of US employees working for US manufacturing and services companies."

The Mozambique LNG project, operated by TotalEnergies, is set to become Africa's largest private-sector investment, driving economic transformation, job creation, and infrastructure development in the region.

In addition to US Exim's $4.7 billion loan, TotalEnergies is also anticipating the finalization of a $1 billion commitment from the UK government, further strengthening the financial backing for the project's restart.

The Mozambique LNG project, one of Africa's most significant liquefied natural gas (LNG) ventures, is expected to:

- Boost Mozambique's GDP through LNG exports.
- Create thousands of jobs in both Mozambique and supplier countries.
- Enhance energy security by providing a reliable gas supply to global markets.
- Attract foreign direct investment and drive infrastructure development
- A New Era of Growth for Mozambique's Energy Industry

The partnership between the USA Exim Bank and the TotalEnergies LNG project signals a positive turn for oil and gas in Africa, and it generates confidence in African energy economies, according to Corporate Africa. And, with security conditions

The benefits of the project will uplift local communities, generate employment, and create long-term economic stability for decades to come.

improving and international financial backing secured, the Mozambique LNG project is on track to make Mozambique a significant player in Africa's energy mix and play a significant role in the USA and Mozambique's long-term economic growth and opportunities. ■

UNLOCKING OPPORTUNITIES FOR REGIONAL AND GLOBAL GROWTH

Djibouti Forum Calls for Optimism and Greater Collaboration amidst Global Turbulence

Global turbulence dominated discussions at the second edition of the Djibouti Forum. Nonetheless, business leaders appeared relatively optimistic, and this wakeup call may turn out to be a good omen for the continent.

This year's Djibouti Forum convened over 150 international guests from 51 countries, including institutional investors overseeing more than US$2.6 trillion in cumulative assets.

A common thread throughout the discussions was the need for greater strategic partnerships as well as a call for greater domestic resource mobilization, allowing pension funds and sovereign wealth funds to take greater risks.

Prime Minister Abdoulkader Kamil Mohamed declared that Djibouti was ready to diversify its economy beyond its well-established ports and logistics sector, which he described as "one of the most efficient and sophisticated in Africa."

"Renewable energy, the digital economy, tourism, and financial services are all at the heart of this next chapter. We're looking for access to capital, expertise, and partners who share our long-term vision."

The Prime Minister reassured investors of Djibouti's unwavering commitment to maintaining peace and fostering economic and political stability. "The pillar of our strategy in Djibouti is stability. Our currency, pegged to the dollar since 1949, offers investors a degree of stability that is rare in Africa," he remarked.

Dr. Slim Feriani, CEO of the Fonds Souverain de Djibouti (the country's sovereign wealth fund), emphasized the fund's readiness to co-invest alongside international investors in key projects. "The FSD will partner with all of you, taking equity stakes and essentially putting skin in the game. We want to double our assets under management in the next five years, and we know that we cannot do this alone," he noted.

Feriani highlighted the potential for attractive returns on investment for private players in Djibouti. "Investors here have seen positive returns," he explained, while acknowledging the need for sustained reforms to further attract private investment. "The private sector is a force for good, which needs positive regulations to create a conducive environment."

The two-day forum featured over 50 high-level speakers, engaging in discussions on topics such as privatization, public-private partnerships, and priority economic sectors including technology, connectivity, energy, tourism, financial services, and logistics. The event facilitated lively debates among leading economists, policymakers, and investors about the macroeconomic landscape in Djibouti and across Africa.

Dr. Acha Leke, Senior Partner & Chairman of McKinsey & Company, Africa, expressed optimism regarding Africa's economic prospects despite challenges such as high indebtedness and unequal economic growth across countries. "Despite all its challenges, Africa is home to approximately 345 businesses valued at over $1 billion, with cumulative revenues around $1 trillion," he stated.

Lionel Zinsou, former Prime Minister of Benin and co-founder of SouthBridge, identified the emergence of philanthropic capital as a crucial opportunity for Africa. "There is a new important partner in blended finance, which is the partnership of the public and private sectors with philanthropy. They are prepared to de-risk investments and to supply grants, which helps lower the costs and interest rates for projects," he said.

Dr. Samuel Maimbo, former World Bank Vice President, commended the FSD for creating a collaborative platform for institutional investors in Africa. "The idea of having an African sovereign wealth fund working with other SWFs is the start of a good conversation. We must stop this cycle of aid and debt. We know how the story ends. It is time to pivot to hope and prosperity."

The Djibouti Forum was hosted by the Sovereign Wealth Fund of Djibouti (Fonds Souverain de Djibouti), established in March 2020 and now under the stewardship of CEO Dr. Slim Feriani, a former Tunisian Minister with over 30 years of experience in international capital markets. ■

KENYA'S ECONOMIC REVIVAL SPELLS GROWTH IN THE EAC

The Kenya Bureau of Statistics has revealed that the East African Community (EAC) economies posted a 5.4 per cent growth in 2024, indicating a robust recovery and resilience in the face of global and regional economic concerns. Such growth makes the EAC Africa's fastest-growing economic region, increasing intra-regional trade, infrastructure investment, and a recovery in important sectors including agriculture, services, and manufacturing. The impressive growth is despite prevailing global and regional economic challenges. This performance not only positions the EAC as Africa's fastest-growing economic region but also highlights the critical role of increased intra-regional trade and substantial infrastructure investments. Furthermore, sectors such as agriculture, services, and manufacturing are experiencing a resurgence that bodes well for sustainable development. As these trends continue to unfold, they pave the way for a brighter economic future across East Africa, fostering greater collaboration and innovation within the community.

The EAC is also one of the fastest-growing regions in the world, an expansion occurring as the global economy wrestles with American tariffs, inflation, and massive debt. The EAC's growth rate reflects coordinated economic policies, free trade, improvements in cross-border trade facilitation, and continued implementation of the its Common Market Protocol.

Kenya is the largest economy in the EAC and the most populous country, with 50 million of the region's 300 million people. Its economy is the most strategic in the community due to its size and role as a regional investment gateway. It is also significant that Kenya's GDP does not feature in the community's five top-performing economies during 2024, a trend that has continued into 2025.

The articles forming this special report look at key organizations responsible for supporting Kenya's private sector business performance and its economy. The organizations featured include the Kenya Ministry of Trade, Investments, and Industry, Stanbic Bank, and the Kenya Private Sector Alliance. They each address the roles their organizations play to support Kenya's economy and the wider region, addressing issues of political stability, investor sentiment, lack of transparency, and strong and sustainable policies. And, despite its challenges, Kenya remains a key competitor in the region and continues to show that if given the right business environment, the private sector will make significant results not only in Kenya but across the entire EAC. ■

Rank	Country	Real GDP Growth 2024
1	Rwanda	7.0%
2	Tanzania	6.1%
3	Burundi	6.0%
4	Uganda	5.7%
5	Democratic Republic of Congo	4.7%

SGR double stack cargo reducs time and costs

Naivas Supermarket trades in all EAC countries

KENYA'S ECONOMY AND THE EAC

*Kenya's government plays a significant role in facilitating investments, supporting cross-border trade, and strengthening EAC integration. Corporate Africa speaks with **Hon. Lee Kinyanjui**, Kenya's Cabinet Secretary for Investments, Trade, and Industry, about the role the country plays in supporting trade in the EAC.*

Kenya has positioned itself as an economic hub in East Africa, leveraging government policies, infrastructure development, and regional integration to attract investments and expand trade within the East African Community (EAC) and beyond. The government has implemented various measures to facilitate foreign and domestic investments, support private sector expansion into EAC markets, and enhance infrastructure to boost trade connectivity. Additionally, Kenya is actively working with EAC members to deepen regional integration, strengthen the African Continental Free Trade Area (AfCFTA), and mitigate external trade barriers such as US tariffs on African goods. So Kenya's strategies promote investment facilitation, private sector support, infrastructure development, EAC integration, and investor engagement.

Kenya has introduced several policies and institutions to create a conducive environment for investors. Key initiatives include:

Kenya established investment promotion agencies, specifically theKenya Investment Authority (KenInvest). The agency serves as a one-stop shop for investors, providing information, licensing support, and incentives such as tax breaks and export processing zones (EPZs).

Kenya has established Special Economic Zones (SEZs).
Kenya has established SEZs in Mombasa, Kisumu, and Naivasha, offering investors tax holidays, reduced corporate tax rates (10 per cent for the first 10 years), and customs exemptions.

Business Reforms and Ease of Doing Business
The Ease of Doing Business Initiative has streamlined business registration, land acquisition, and tax compliance through digital platforms like eCitizen. The Companies Act (2015) and Insolvency Act (2015) have improved corporate governance and investor protection.

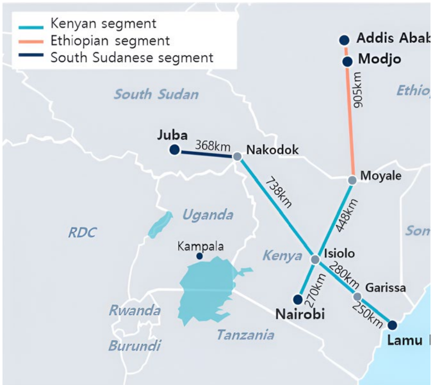
Public-Private Partnerships (PPPs)
The Public Private Partnerships Act (2021) encourages private sector participation in infrastructure projects, including roads, railways, and energy. Major PPP projects include the Nairobi Expressway, Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor, and Standard Gauge Railway (SGR). The SGR project, partly funded by China, has improved cargo movement from Mombasa to Nairobi and beyond, reducing transport costs and attracting logistics investors. It has also cut cargo transit time from Mombasa to Nairobi from 2 days to 8 hours, boosting Kenya-Uganda trade.

Financial and Tax Incentives
Tax breaks for manufacturing under the Big Four Agenda (affordable housing, manufacturing, healthcare, and food security). Double Taxation Avoidance Agreements (DTAAs) with over 20 countries to encourage foreign investments.

Policies supporting the private sector expansion into EAC markets
Kenya is the largest economy in the EAC, contributing over 40 per cent of the bloc's GDP. To enhance cross-border trade, the government has implemented

(i) EAC Common Market Protocol (2010)
It allows free movement of goods, services, labor, and capital across EAC states (Kenya, Uganda, Tanzania, Rwanda, Burundi, South Sudan, and DRC). Kenyan companies including Safaricom (M-Pesa), Equity Bank, and Bidco Africa have expanded into Uganda, Tanzania, and Rwanda. Safaricom has also entered Ethiopia, which, despite not being a member of the EAC, is the biggest country in East Africa, with a population exceeding 120 million.

(ii) Elimination of Non-Tariff Barriers (NTBs)
Kenya continues to work with the EAC Secretariat to reduce NTBs such as roadblocks, customs delays, and arbitrary fees. The EAC Single Customs Territory allows goods to clear customs once (e.g.,



at Mombasa Port) for seamless transit to Uganda, Rwanda, and DRC.

(iii) Export Promotion Programs
The Kenya Export Promotion and Branding Agency (KEPROBA) supports SMEs in accessing EAC markets through trade fairs and financing. African Growth and Opportunity Act (AGOA) benefits Kenyan exports such as textiles and handicrafts duty-free to the US, but diversification into EAC markets offsets AGOA uncertainties. Kenya's Naivas Supermarket has expanded into Uganda, while KCB Bank operates in all EAC states, boosting regional financial integration.

Infrastructure Development to Enhance Trade and Cultural Connectivity
Kenya is investing heavily in transport and energy infrastructure to link with neighboring EAC countries: Transport infrastructure such as the Standard Gauge Railway (SGR) connects Mombasa and Nairobi, with plans to extend to Uganda, Rwanda, and the DRC. The LAPSSET Corridor is a US$24 billion project linking Lamu Port to South Sudan and Ethiopia. It works to enhance northern trade routes in terms of time and costs. Road networks include the Northern Corridor (Mombasa-Kampala-Kigali), which is a key trade route, with ongoing upgrades.

Digital Infrastructure
Digital infrastructure includes Konza Technopolis, which is a Silicon Valley-style hub to attract tech investors and improve digital trade. Also M-Pesa Cross-Border Payments, which facilitates instant money transfers across the EAC, boosting trade with SMEs while reducing costs of transfers.

Energy Projects
Kenya is among Africa's leading nations when it comes to renewable energy. And projects like Lake Turkana Wind Power (Africa's largest wind farm) supply renewable energy to Kenya and the EAC regional grids. Kenya is also a global leader in geothermal power, ensuring stable electricity for industries.

Kenya and the EAC continue to work for deeper integration and a stronger AfCFTA to bolster regional and intercontinental trade. And to counter US tariffs (e.g., AGOA restrictions) and boost intra-African trade, Kenya and the EAC are:

1. Accelerating AfCFTA Implementation
Kenya was among the first to ratify AfCFTA (2020), enabling duty-free access to 1.3 billion Africans, and engage the National AfCFTA Implementation Strategy to identify key export sectors such as tea, coffee, textiles, and tech. Under AfCFTA, Kenya's avocado exports to Egypt and Morocco have grown, reducing reliance on European markets while increasing home market capabilities.

2. Strengthening EAC Monetary Union
The EAC plans to implement a single currency by 2031 to facilitate transactions among member states. Additionally, plans exist for an EAC Passport to allow visa-free travel and to boost labor mobility.


Cabinet Secretart, Lee Kinyanjui

3. Harmonizing Trade Policies
The EAC Common External Tariff (CET) protects local industries from cheap imports. This is supported by the EAC Digital Free Trade Area, which will work to enhance e-commerce.

Invest in Kenya and the EAC.
The Kenyan government invites investors to engage in its industries. Kenya is East Africa's gateway, with a robust private sector, world-class infrastructure, and access to 300 million EAC consumers. We offer investment in Kenya's SEZs, tech hubs, and manufacturing incentives; political stability; and a skilled workforce. The EAC and AfCFTA present limitless opportunities, and Kenya is a strong partner for growth in AfCFTA and Africa.

Conclusion
Kenya's investment-friendly policies, private sector support, and infrastructure developments strengthen its role as a leader in the East African Community (EAC). The country's numerous policies and institutions including KenInvest serves as a one-stop shop for investors, providing information, licensing support, and incentives such as tax breaks and export processing zones (EPZs). So by deepening regional integration and leveraging the African Continental Free Trade Area (AfCFTA), Kenya aims to offset external trade barriers and position Africa as a global trade powerhouse. For investors, Kenya and the EAC offer unparalleled growth potential in a rapidly integrating African market. ■

Patrick Mweheire Chief Executive, Stanbic Holdings PLC

With a heritage spanning more than a century, Standard Bank has been an integral player in Africa's story, empowering individuals, enterprises and communities with relevant solutions for growth. Throughout this period, we have remained purpose-driven, African focused, client led and digitally enabled.

As a Group, we recognize that East Africa stands at the forefront of economic transformation in Sub-Saharan Africa, characterized by remarkable resilience and growth potential. It is against this backdrop that we continue to invest in and catalyze key growth sectors including energy, manufacturing, agriculture and infrastructure.

We do this through strategic partnerships, financing, and capacity building initiatives designed to enhance economic stability and integration across the East African Community (EAC).

Strategic Infrastructure Development

Infrastructure remains the backbone of sustainable economic development. Recognizing its critical role, Standard Bank has actively participated in financing and advising on numerous key infrastructure projects across Kenya and the broader EAC region. One such project is the Nairobi Expressway, a land mark infrastructure initiative that has significantly improved urban mobility by reducing travel time from Jomo Kenyatta International Airport to Nairobi's central business district from approximately 90 to just 20 minutes.

Recognizing the power of partnership, we continue to collaborate with varied partners including partners such as China Road and Bridge Corporation (CRBC) and the Industrial and Commercial Bank of China (ICBC) to leverage on synergies and shared purpose to deliver niche solutions that drive infrastructure development.

Leveraging partnerships for growth

Standard Bank recognizes the vital role of partnerships in boosting domestic and foreign investment. To this end, we actively build trust by establishing strategic partnerships with leading regional and international institutions. Our enduring partnership with ICBC, for instance, has significantly boosted Africa-China trade and investment, facilitating projects valued at over US$43 billion. These collaborations greatly enhance the attractiveness of the EAC as a hub for global investment.

Further, our collaboration with British International Investment to finance Sun King's off-grid solar solutions underscores our dedication to expanding energy access and inclusivity. By supporting rural electrification projects, we have and continue to create tangible economic opportunities in underserved regions, effectively aligning international financing capabilities with local development objectives.

STANDARD BANK'S CONTRIBUTION TO KENYA AND THE EAC

*East Africa is at the forefront of economic transformation in Sub-Saharan Africa outpacing all other regions in Africa according to **Patrick Mweheire**, Chief Executive, Stanbic Holdings PLC*

Critically, we work with local governments to boost market confidence and manage sovereign risk. For instance, in the past few years we have been part of key sovereign transactionsincludingarranginga€500million (US$566 million) budgetfinance transaction totheGovernment of Uganda, andin 2024 where we successfully completed the repayment of Kenya's $1.5 billion Eurobond.

Supporting Sustainable Development and ESG Initiatives

As part of our broader commitment to sustainability, Standard Bank actively integrates Environmental, Social, and Governance (ESG) principles into our financing decisions. Our leadership in securing East Africa's largest-ever Sustainability Linked Loan underscores our commitment to sustainable finance and aligns to our aim to be a leading enabler of the just energy transition for Africa. Further, we actively support green and blue economy initiatives, recognizing environmental sustainability as foundational for long-term economic prosperity.

Onenotable initiative is one where Standard Bank Group through our subsidiaries Stanbic Bank Kenya and Stanbic Bank Uganda, acted as lead arranger for the largest syndicated sustainable finance facility in East Africa valued at a total of US$202 million, with US$165 million in Kenya and US$37 million in Uganda. The facility has unlocked credit to under-banked customers, driving financial inclusion and accelerating Kenya and Uganda's economic drive.

We are also deeply invested in agricultural SMEs, funding smallholder farmer schemes, and driving sustainable development within critical value chains including tea, horticulture, dairy, and nuts. These efforts directly contribute to achieving the United Nations Sustainable Development Goals (UN SDGs) in the region. With agriculture playing a critical role in the majority of the EAC countries, we are intentional about working alongside our agriculture clients to drive adoption of renewable, smart energy and smart water solutions, which improve resilience.

We also facilitate ESG training for our clients and employees in a bid to drive awareness and compliance across all our operations.

East Africa stands at the forefront of economic transformation in Sub-Saharan Africa, characterized by remarkable resilience and growth potential

Enhancing Regional Integration through Innovation

Standard Bank actively promotes deeper economic integration within the EAC, recognizing that regional collaboration is essential for sustained growth. With Intra-African trade cited as one of the continents greatest opportunities, we work with enterprises and the public sector to eliminate regional supply barriers. Our Africa China trade proposition for instance has been an enabler of trade between China and the region. In 2024, we facilitated trade flows to the value of US$4.8 billion between Africa and China, which reflects our commitment to enhancing access to broader international markets.

In addition, we have consolidated our operations across Kenya, Uganda, and Tanzania enhancing our ability to offer seamless cross-border banking services. This has been critical seeing as there is increased demand for goods and services in the EAC as well as a push for better utilization of natural resources to elevate the region as one strong economic block. To advance this interconnectivity, we leverage various channels including our borderless banking platform to align closely with continental economic integration frameworks such as the African Continental Free Trade Area (AfCFTA).

Championing Small and Medium Enterprises (SMEs)

With approximately 10 million small and medium enterprises and other commercial businesses spread across East Africa, Standard Bank recognizes SMEs as critical drivers of economic growth, innovation, and employment, which is why the Group makes concerted efforts to create ecosystems and solutions that eliminate market barriers, drive innovation and build resilience.

In Kenya for instance, with over 6 million SMEs, in 2024, we rolled out tailored solutions that responded to the SME financing, operation and innovation needs. During 2024, through short-term working capital solutions, hedging solutions and market access, we disbursed US$ 4 million to 283 clients across various sectors and provided training for over 3,650 MSME owners, which speaks to the appetite for relevant SME solutions.

There is increased demand for goods and services in the EAC as well as a push for better utilization of natural resources to elevate the region

Further, to effectively support SMEs, we leverage robust corporate relationships with key local corporates. By integrating SMEs into larger corporate supply chains, we not only enhance their business sustainability but also significantly mitigate lending risks.

Additionally, our incubator hubs in Uganda, Tanzania, and Mozambique are actively equipping SMEs with vital skills and resources needed to thrive in competitive markets.

Charting a Resilient Economic Future

As we look ahead, Standard Bank sees immense promise in the economic trajectory of Kenya and the wider EAC region. We consider East Africa as a high growth region and aim to further our investments in the region.

Leveraging demographic trends, rapid urbanization, and growing integration, we believe the region will continue to register resilience amid shifting market dynamics. And with an integrated approach, anchored by strong partnerships, prudent risk management, and strategic investments in SMEs, infrastructure, and sustainability, we are well positioned to drive growth and confidence in East Africa's economies, creating lasting value across the region. ■

KEPSA ADVOCATES A FAVORABLE ENVIRONMENT FOR BUSINESS

*In this exclusive interview with **Carol Kariuki**, the CEO of KEPSA (Kenya Private Sector Alliance), the national body that represents and promotes the interests of the nation's private sector, she emphasizes that a favorable economic environment is essential for businesses to fully exploit opportunities to reach their peak performance.*

Carole Kariuki, CEO, KEPSA

African governments are scrambling to negotiate with the USA following its Liberation Day Tariffs on international trade. African nations, recognizing that trade deals can take many years to negotiate and weary of further trade tariffs by Northern hemisphere economies, are eager to engage new trade partners inside their regional communities and with the BRICS plus, which share common interests including trade with purpose combined to profits.

Amid the uncertainty, Kenya's private sector, despite being recently affected by economic instability and new taxes to satisfy heavy foreign debts, remains strong and resilient. It is confident in exploiting new opportunities and deals in its key markets, the EAC (East African Community), and the wider African Continental Free Trade Area. And with new opportunities issuing from the Liberation Day Tariffs, and trade being negotiated between Presidents Ruto and Jinping, the future of Kenya's private sector appears to be strong.

Within this context, Corporate Africa met up with Ms. Carol Kariuki, the CEO of KEPSA (Kenya Private Sector Alliance), the national body that represents and promotes the interests of the nation's private sector, advocating on its behalf and supporting good policies and regulatory frameworks. Corporate Africa wanted to know how KEPSA and the private sector were working in an era that signals the end of the global economy to ensure that regional trade becomes paramount in the EAC, Africa's fastest-growing Regional Economic Community (REC).

Could you elaborate on the significance of KEPSA's services to the private sector in Kenya and how they align with KEPSA's goals relating to national industries and the economy?

KEPSA's services are highly significant to Kenya's private sector. As the apex body, KEPSA unites businesses across all industries and regions, from multinational corporations to small and medium-sized enterprises (SMEs) and startups. KEPSA currently represents over 2 million direct and indirect businesses. This unification enables KEPSA to coordinate the private sector and present a cohesive voice while engaging with the government, development partners, and other stakeholders on policies, laws, and regulations that affect the national private sector development.
KEPSA has been a pivotal force in the business landscape for two decades, focusing on investments, enterprise development, youth, and job creation. We have worked closely with three government administrations, representing the private sector's interests and emphasizing its role in fostering Kenya's economic growth. This active engagement creates a favorable business environment and promotes sustainable economic growth, instilling optimism in the business community.

How does KEPSA benefit private-sector companies in terms of networking, access to government, finance, regional and international trade, etc.?

We primarily utilize our established public-private dialogue mechanisms. We encourage the private sector to participate in KEPSA's structured discussions with key stakeholders, including the government, which we consider a social and economic partner on essential policy issues that impact business development and investment.

We have made remarkable progress over the years, resulting in significant economic

KEPSA currently represents over 2 million direct and indirect businesses.

growth. This has been primarily facilitated by our commitment to members to drive policy advocacy and ensure their voice is heard across Kenya's three branches of government: the Executive, Parliament, and Judiciary. This active engagement creates a favorable business environment and promotes sustainable economic growth.

Access to affordable financing remains a persistent hurdle for businesses, particularly SMEs and startups that drive innovation and job creation. High interest rates and stringent lending conditions limit their ability to grow and scale. While KEPSA has collaborated with the National Treasury to develop frameworks like the Green Fiscal Incentives Policy, unlocking sufficient funding for sustainable projects remains challenging.

Furthermore, KEPSA implements projects for the private sector and the country's socioeconomic development, including youth employment and climate change initiatives. We achieve this by serving as the central point of contact for all stakeholders and investors to access businesses in a coordinated manner. Through these projects, we support business development by providing training and capacity-building opportunities, networking, financial linkages, mentorships and coaching, market access, value chain enhancement, and investment opportunities with partners worldwide.

What criteria are required for a company to be eligible to be a member of KEPSA, and do SMEs and proprietors have access?

To become a KEPSA Member, a business must be registered and share KEPSA's mission of realizing an enabling business environment that delivers Kenya's global competitiveness. Businesses join us on this journey because they receive critical representation and are ready to contribute solutions to the private sector's everyday challenges. Yes, SMEs and proprietors also have access: Recognizing that SMEs constitute approximately 98 per cent of all business entities in Kenya, KEPSA welcomes this category of membership and further implements programs to support their growth.

Initiatives like the SME Accelerator Program provide training, mentorship, and market access, enabling small businesses to scale and compete effectively. Further, KEPSA has facilitated over 1,500 SME linkages with multinational corporations, expanding Kenya's participation in global supply chains. During the COVID-19 period, KEPSA championed programs such as the COVID-19 Recovery and Resilience Program, providing KES 42 million (US$325,000) in interest-free loans to MSMEs, with 78 per cent of the beneficiaries being women.

We are organized into 16 sector boards that mirror the structure of government ministries and reflect the economy's organizational framework. These include Mining and Blue

As the apex body, KEPSA unites businesses across all industries and regions, from multinational corporations to small and medium-sized enterprises (SMEs) and startups.

Economy; Trade and Industry; Education; Public Finance; Energy and Extractives; Land and Housing; Environment, Water and Natural Resources; Security; ICT and Digital Economy; Sports, Arts and Culture; Transport and Infrastructure; Agriculture; Tourism; Health; and Labor. Once businesses become members, they are also provided a platform through these sector boards tailored to their private dialogue needs. From the sector boards, we sift through and generate consensus on issues for direct engagement with policymakers through various Public-Private dialogue platforms with the government and other stakeholders.

KEPSA's incubation programs have been instrumental in nurturing startups and SMEs offering incubation services to help structure their business strategies. Some of the organizations KEPSA has incubated and helped revive in the past include the Kenya National Chamber of Commerce and Industry, the Kenya Tourism Federation (KTF), The Kenya Health Care Federation (KHF), the Agricultural Sector Network (ASNET), and the Business Process Outsourcing Association of Kenya (BPOAK). The Commercial Club of Africa is the latest organization to participate in our incubation program.

For many decades, Kenya has been the premier business center in East Africa and the home of major international investors. How is KEPSA working with its partners, including other business associations and governments, to ensure that Kenya remains a significant economic hub capable of motivating businesses and attracting new investments?

KEPSA plays a key role in maintaining Kenya's position as a leading economic hub in East Africa. With a projected GDP growth rate of 5.6 per cent in 2025, Kenya also presents a compelling investment destination for other East African countries due to several strategic advantages, including its strategic location and market access. It contributes nearly 50 per cent of the East African Community's GDP. The Port of Mombasa serves as a critical gateway for regional trade.


President Ruto witnesses the signing of investment deals

One way KEPSA works with its partners to ensure that Kenya remains a significant economic hub is through hosting and co-hosting trade and investment forums, both regional and international. For instance, KEPSA's annual EAC Secretary General Roundtable plays a pivotal role in driving regional economic integration, improving the business climate, and ensuring that the private sector's voice is heard in policymaking at the East African level.


Affordable house construction in Kenya

It underscores the importance of collaboration between the public and private sectors in achieving a more integrated and prosperous EAC region. This would ultimately enhance the ease of doing business and foster Kenya's competitiveness across the EAC region, Africa, and globally. The Community has recorded several achievements in implementing the different stages of integration, including the use of an electronic EAC Passport as a standard travel document, the removal of visa requirements for EAC citizens from one Partner State to another, issuance of gratis student passes, among others, implementation of the Single Customs Territory, and the adoption of a four-band structure. The region is projected to grow by 5.7 per cent in 2025, outpacing the global and Sub-Saharan African averages. KEPSA will continue positioning Kenya's businesses to contribute to this growth through expansion strategies and intra-regional trade and investment.

How does KEPSA leverage its corporate members' resources to ensure that local companies,especially those with fewer resources, can maximize benefits?

A key approach involves offering training and mentorship programs, which enable smaller enterprises to gain valuable skills and insights from seasoned professionals within the alliance. For instance, we use an approach where experienced industry leaders guide young businesses and handhold them through the growth process in the incubation program.

Beyond simply providing networking and mentorship opportunities, KEPSA also establishes financial linkages through programs like the Jiinue Growth Program, collaborating with financial institutions to help micro, small, and medium-sized enterprises (MSMEs) access tailored financial products and funding opportunities. By December 2024, the Jiinue Growth Program had successfully linked slightly over 4,500 enterprises to funding totaling Ksh.176.2 million (US$1.36 million). Through these comprehensive efforts, KEPSA

KEPSA has played a pivotal role in developing and implementing the Local Content Act, which mandates that at least 40 per cent of supplies be sourced locally

effectively harnesses the collective strength of its corporate members to cultivate an inclusive and thriving economic ecosystem throughout Kenya's businesses.

The Kenyan Government has recently announced plans to construct affordable houses for lower-income people and expand and refurbish Jomo Kenyatta Airport. Are KEPSA and its partners working to develop beneficiation value chains so its members can access these projects and generate tangible benefits before international tenders are called?

KEPSA has played a pivotal role in developing and implementing the Local Content Act, which mandates that at least 40 per cent of supplies be sourced locally. This initiative is essential to private sector players, particularly government projects in affordable housing and large-scale infrastructure projects such as road construction. The affordable housing project, in particular, heavily relies on the products and services of our informal sector, specifically the Jua Kali artisans, who have provided essential metal works for housing projects.

KEPSA continues to advocate for the formalization of small businesses to help them capitalize on these opportunities. The Jua Kali Federation, a member of KEPSA, has played a crucial role in ensuring that these artisans are considered for government projects. Consequently, KEPSA remains committed to mentoring small industry associations to formalize their operations and exploit emerging opportunities.
Additionally, for larger players, KEPSA has been crucial in streamlining the Public-Private Partnership (PPP) Act, enabling big players with the necessary capital to engage in public service projects, thus ensuring greater efficiency through PPPs.

Kenya's economy has recently slowed; some companies believe it is a by-product of government policies. Is KEPSA working with the national government to address issues such as taxes to ensure that business' interests are not undermined so that inclusive, sustainable development of Kenya's economy can continue?

We must acknowledge that enhancing competitiveness in Kenya remains a significant challenge today. The expenses of operating a business are substantial, influenced by high energy costs, logistical inefficiencies, and a constantly changing regulatory environment. Regulatory uncertainty further compounds these issues. Despite progress in streamlining regulations, businesses face a complex and often unpredictable tax regime, with frequent changes and inconsistent enforcement. This creates an environment of uncertainty that discourages investment and stifles innovation. These obstacles hinder our capacity to compete successfully in international markets.

To address these issues, KEPSA provides a roadmap for addressing the private sector's structural challenges through its National Business Agenda III (NBA III: 2022-2030). This agenda focuses on five key pillars: affordable utilities, access to affordable financing, skilled labor and productivity, reduced logistics and trade costs, and streamlined trade and investment policies.

For instance, the skills gap in Kenya's labor market demands urgent attention. While we have a youthful and dynamic workforce, the mismatch between education and industry needs results in low productivity and increased business operational costs. Another equally pressing challenge is climate change, which poses significant risks to Kenya's economy. With over 84 per cent of the country classified as arid or semi-arid, extreme weather events such as droughts, floods, and erratic rainfall disrupt supply chains, reduce agricultural output, and strain infrastructure. After several months of a dry spell, it's only been raining for a few days now, and parts of the country, such as Mombasa, are already experiencing flooding. Addressing these risks will require more significant investment in climate adaptation and sustainable practices, supported by increased access to green financing.

As we continue to advocate for practical reforms to reduce energy costs, streamline trade logistics, and enhance tax and regulatory frameworks, we aim to strengthen Kenya's participation in regional and global value chains, which are crucial for unlocking new markets for local businesses. We continue to work closely with various government agencies to address these barriers, enabling the private sector to unlock its full potential, attract more investment, and position Kenya as a competitive global player. We remain optimistic and committed to engaging our members, the government, and other partners to foster public-private dialogue to create a stable and predictable business environment.

Jobs in Information Technology and Artificial Intelligence are also trending in Kenya since they can be pursued from virtual offices. How does the Ajira Digital Project equip people with the skills to manage and create careers from this new trend?

The Ajira Digital Program equips participants with in-market-demand skills. The program achieves this by collaborating with AI and IT companies through work readiness and capacity-building programs, where participants tackle real-world problems and contribute to active projects. Ajira's curriculum also incorporates various courses related to IT and AI, with participants selecting AI and ML courses and other IT in-demand skills such as cybersecurity, Digital Marketing, Data Analysis, and Promp Engineering.

KEPSA has invested in youth through skills development and job creation, generating approximately One Million decent and productive jobs across various age groups, scaling over 30,985 SMEs, 51 per cent of which are women-owned, and linking more than 300,500 youth to employment opportunities through projects such as the Ajira Digital Program. These partnerships have underscored the private sector's role in enabling Kenya's economic growth.

KEPSA partnered with CTCN to help the governments of Zambia, Zimbabwe, and Malawi assess the current status of the circular economy in the waste sector

Is KEPSA involved in knowledge sharing and transfer with peer organizations in other African nations, such as Nigeria and South Africa, which have managed to leverage digital media, create jobs, influence culture, and attract global audiences and investors through the arts of music and filmmaking?

Indeed. For instance, we recently organized a key workshop in the education sector that brought together stakeholders from Kenya and Nigeria to discuss Sector Skills Councils and Recognition of Prior Learning. This initiative reflects our strategic effort to learn from Nigeria's experience, enhancing Kenya's work-based learning and competency assessment frameworks. Additionally, we have engaged in benchmarking activities with countries such as Somaliland, Senegal, and Sierra Leone, further strengthening Kenya's education system through regional partnerships. We are currently engaging the Ugandan High Commission to enable our members to be part of a potential Uganda-Kenya Coast Trade and Investment Mission to Uganda in June 2025. It aims to identify trade and investment opportunities in Uganda that benefit the Kenyan private sector and the Ugandan economy. The trade mission will also provide a platform for B2B networking with key public and private sector stakeholders and opportunities for learning and information sharing through site visits to industrial parks.

Despite progress in streamlining regulations, businesses face a complex and often unpredictable tax regime, with frequent changes and inconsistent enforcement.

In the climate change and sustainability space, we partnered with CTCN to help the governments of Zambia, Zimbabwe, and Malawi assess the current status of the circular economy in the waste sector. The project's primary objective was to develop a national roadmap for waste streams, with a key component being the development of pilot projects to demonstrate the feasibility and benefits of a more circular waste management system in a real-world setting. The project provided learning opportunities and knowledge sharing between Kenya and these countries and an investment opportunity for Kenya's private sector in the sustainable waste management space.

A declining global economy and slow growth have impacted many developing economies, such as Kenya. What is KEPSA's forecast for the economy in the medium term, and what can KEPSA members and the wider private sector do to support the national economy?

According to the World Bank, the global economic slowdown and regional conflicts have significantly impacted Kenya's economy, with growth expected to slow from 5.6 per cent in 2023 to 4.7 per cent in 2024. Despite these challenges, we remain optimistic about a gradual recovery, with projections indicating a rebound to 5.1 per cent in the medium term, provided we implement effective structural reforms. As KEPSA, we are committed to fostering resilience by championing initiatives that enhance local procurement, strengthen public-private partnerships, and drive innovation in key sectors such as digital transformation and renewable energy.

As a private sector apex body, we have a critical role in stabilizing and driving economic growth. We actively support SMEs through financing, mentorship, and training programs to ensure sustainability amid financial uncertainties. Additionally, we continue to engage in policy advocacy to improve the regulatory environment and create a business-friendly landscape. By working together and leveraging these strategies, we can mitigate economic downturns and position Kenya as a competitive hub for investment, job creation, and sustainable development.

How is KEPSA working with its members, stakeholders, and partners to prevent further investor departures from Kenya and court new investments?

We are actively working with our members, stakeholders, and partners to retain investors in Kenya while attracting new ones. A key part of our strategy is our partnership with the Kenya Investment Authority (KenInvest), where we are streamlining investment processes and advocating for policies that enhance Kenya's appeal as a top investment destination. By simplifying bureaucratic procedures and promoting a business-friendly environment, we ensure that Kenya remains competitive globally.

KEPSA has led efforts to promote trade facilitation, focusing on simplified customs processes and regulatory improvements. By implementing digital platforms for trade documentation, businesses have seen significant reductions in processing times and transaction costs, fostering a more conducive business environment for Kenyan and international investors.

Beyond policy advocacy, we are also strengthening the capacity of local enterprises to attract investment. Through our Jiinue Growth Program, we have trained numerous SMEs in investor readiness, equipping them with essential skills in financial management, strategic positioning, and innovation. Additionally, we actively engage in public-private dialogues, presenting memoranda to government ministries and working to remove legislative and policy barriers that hinder business growth. By fostering a more conducive business environment, we are boosting investor confidence and driving Kenya's long-term economic growth.

Can you tell us about the network activities planned for KEPSA members during the next twelve months? Are non-members invited?

We have a series of networking events and activities for the next 12 months designed to foster collaboration, knowledge sharing, and business growth among our members. From the SME Conference and Exhibition to our inaugural Annual CEO's Roundtable, the events are tailored to provide valuable opportunities for engagement and investment. We balance events open to the public, providing a chance to experience the value of being part of KEPSA and the exclusive ones, ensuring members benefit from our network.

Some of the exclusive ones at the public-private dialogue front include the Presidential Roundtables, which offer strategic engagement with the Head of state on national socioeconomic issues, the Speaker's Roundtable with the National Assembly and Senate to set the legislative interventions agenda for FY 2025/26 and drive sector-specific reforms.

And finally, do you have any words for the private sector in Kenya and would-be investors?

To the private sector in Kenya, we recognize the challenges businesses face in the current economic climate, but we also see immense opportunities for growth, innovation, and investment. Now more than ever, collaboration and resilience are keys to driving sustainable development. As KEPSA, we remain committed to advocating for a favorable business environment, supporting local enterprises, and fostering strategic partnerships to strengthen Kenya's position as a leading investment destination. To our Members, thank you for your continuous trust. We couldn't have made it for the last 20 years without you, and we look forward to more years of building a resilient, sustainable, and inclusive economy that benefits all Kenyans.

Thank you for this excellent interview. ■

Governments

CHINA AND KENYA UPGRADE TIES AMID GLOBAL CHAOS

*By **Farah Master**, Reuters, Chinese Correspondent.*

China and Kenya announced an upgrade in their diplomatic ties to a "new level" during a meeting between President Xi Jinping and Kenyan President William Ruto in Beijing. Both leaders pledged to establish an all-weather China-Africa community.

In a joint statement, the two presidents expressed their commitment to injecting more stability into the world through the certainty of China-Africa solidarity and cooperation. They noted that this partnership would support the "common interests of developing countries" and defend the multilateral system through "inclusive economic globalization."

President Xi was quoted in a separate media report stating that the decision to enhance China-Kenya relations was made "in the face of a turbulent international situation." Africa remains a central focus of Xi's ambitious Belt and Road Initiative (BRI), launched in 2013 to extend China's geopolitical and economic influence through global infrastructure development.

Kenya has been a significant recipient of BRI investments, having secured numerous loans from China to finance infrastructure projects, making China the East African nation's largest bilateral lender. Among the new initiatives announced by the Kenyan presidency, China plans to invest in extending a standard gauge railway to the border with Uganda, a project that has faced delays since 2019 due to funding issues.

Additionally, China will invest in expanding a major highway that connects Nairobi, the capital, to the Rift Valley city of Nakuru through a public-private partnership model. Ruto's office did not disclose specific details about the agreements, but previous Kenyan government estimates have valued them in the billions of dollars.

Both presidents emphasized that China-Africa solidarity contributes to global stability.

According to media reports, Xi and Ruto signed 20 documents on Thursday, including cooperation agreements in science and technology, vocational education, water resources, e-commerce, intelligent transport systems, and the railway sector.

Kenya has been grappling with a heavy debt burden and its associated costs. Ruto, who took office in September 2022, has vowed that his government will not default on external debt and has pledged to reduce waste and increase revenue to address these challenges. This visit marks Ruto's first official trip to China as president of Kenya.

Increased Cooperation

The joint statement from both presidents indicated that the two countries would continue to uphold the values of the World Trade Organization (WTO) and basic principles, asserting their opposition to new hegemonic tactics such as illegal unilateral sanctions, "decoupling and chain breaking," tariff barriers, and technological blockades. The two nations also expressed their intention to strengthen peace and security exchanges by enhancing cooperation in cultural exchanges, personnel training, the military industry, counter-terrorism, joint exercises, and training. ■

China and Kenya reaffirmed their commitment to WTO values against new hegemonic tactics, including tariffs and sanctions.

ETHIOPIA'S MARITIME DILEMMA

***Hassan Yusuf**, Specialist on Horn of Africa Affairs, states that Ethiopia's MoU with Somaliland risks diplomatic fallout, and undermines regional stability*

Ethiopia's quest for a seaport

While Adam Daud Ahmed "Ethiopia's Maritime Gamble: Seize Opportunity with Somaliland's Offer or Yield to Somalia's Pressure?" presents Ethiopia's Memorandum of Understanding (MoU) with Somaliland as a strategic breakthrough, a careful examination of the geopolitical, legal, and economic realities suggests otherwise.

Ethiopia's maritime ambitions must be grounded in international law and diplomatic engagement, not unilateral agreements that could provoke regional instability and diplomatic backlash. Ethiopia has every right to seek alternative maritime access, but its approach must align with recognized international norms and regional cooperation, rather than bypassing sovereign states and engaging in legally questionable agreements.

The opinion piece by Adam Daud Ahmed describes Somaliland as a "stable strategic partner," but it downplays a critical fact: no country in the world—including Ethiopia—officially recognizes Somaliland as an independent state. This fundamental reality means that any agreement concerning maritime access must involve the Federal Government of Somalia, which holds internationally recognized sovereignty over Somaliland's territory.

By bypassing Somalia and signing an agreement with an unrecognized entity, Ethiopia risks undermining its own diplomatic credibility. Worse still, Ethiopia's actions set a precedent that could be used against its own territorial integrity in the future. If Ethiopia endorses Somaliland's breakaway status through an MoU, what stops others from supporting separatist movements within Ethiopia itself?

This is not just a matter of diplomatic optics—it is a matter of legal responsibility. Ethiopia has long upheld the principles of territorial sovereignty, including its stance on Tigray and Oromia's self-determination debates. Yet, in this case, Ethiopia appears to abandon its traditional respect for sovereignty when it suits its own maritime ambitions.

Somalia's Sovereignty, Ethiopia's Legal Obligations

In his article, Adam Daud Ahmed argued that Somalia's opposition to the MoU is "an outdated defense of colonial borders," but this interpretation ignores the core principles of international law. Somalia is a recognized UN member state, and its territorial sovereignty is upheld by the African Union, the Arab League, and the United Nations.

Just as Ethiopia defends its borders against external interference, Somalia has the same legal right to oppose agreements that threaten its territorial unity. Ignoring Somalia's concerns could complicate Ethiopia's diplomatic engagements—not only with Somalia but also with international actors who support Somali sovereignty.

Furthermore, the African Union's principle of non-interference explicitly prohibits unilateral actions that undermine the sovereignty of a fellow African state. Ethiopia, as a key AU member, is contradicting the very principles it has historically defended.

Economic, Logistical Realities

While the MoU promises Ethiopia access to a 20-kilometer stretch of Somaliland's coast, the economic feasibility of this alternative route remains highly questionable. Ethiopia currently relies on Djibouti for over 95 per cent of its maritime trade, and Djibouti's ports provide world-class infrastructure with well-established global shipping routes.

Just as Ethiopia defends its borders against external interference, Somalia has the same legal right to oppose agreements that threaten its territorial unity."

Switching to Somaliland would require billions in investment to build new port infrastructure, trade corridors, and logistical networks—a process that could take decades. The idea that Somaliland could immediately replace Djibouti's strategic importance is not based on economic realities but rather on wishful thinking.

Moreover, Ethiopia's deepening economic ties with Djibouti mean that any abrupt shift in trade routes could lead to unintended financial and diplomatic consequences. If Ethiopia prioritizes Somaliland over Djibouti, Djibouti could retaliate by increasing tariffs, restricting Ethiopia's port access, or deepening its economic ties with Ethiopia's regional rivals.

In short, the MoU does not provide an immediate solution to Ethiopia's maritime challenges. Instead, it introduces new risks that Ethiopia may not be ready to handle.

Geopolitical Implications, Regional Stability

Ethiopia's decision to sign an MoU with Somaliland has already triggered diplomatic pushback from Somalia and its allies, including Turkey, Egypt, and the Gulf States.

Turkey, which has a strong security partnership with Somalia, could increase its military presence in Mogadishu in direct response to Ethiopia's actions.

Egypt, Ethiopia's historical rival, now has even more justification to deepen its ties with Somalia as part of its ongoing tensions with Ethiopia over the Grand Ethiopian Renaissance Dam (GERD).

The Arab League, which explicitly recognizes Somali sovereignty, could pressure regional and international actors to take a stronger stance against Ethiopia's unilateral moves.

Instead of strengthening its position in the Horn of Africa, Ethiopia risks increasing its diplomatic isolation by antagonizing key regional actors. Ethiopia's long-term security interests require stability and cooperation, not provocation and unilateralism.

Ethiopia's desire for maritime access is legitimate and understandable, but it must be pursued through internationally recognized legal frameworks and diplomatic engagement. Rather than viewing Somalia's objections as a barrier, Ethiopia should seek constructive negotiations that respect Somali sovereignty while also addressing Ethiopia's strategic and economic concerns.

To solve Ethiopia's long-term maritime challenges, multilateral engagement with Somalia, Djibouti, and regional stakeholders is necessary.

Furthermore, Ethiopia must invest in regional partnerships. These partnerships should ensure sustainable and legally sound maritime access. Ethiopia also needs to uphold its historical commitment to international law and principles of non-interference.

By taking a diplomatic rather than unilateral approach, Ethiopia can strengthen its leadership role in the Horn of Africa while securing stable, secure, and legal maritime trade routes. However, ignoring diplomatic norms and attempting to sidestep international legal frameworks will only create more instability and unnecessary geopolitical tensions.

Ethiopia stands at a critical crossroads. The country can either pursue its maritime ambitions through strategic, lawful, and cooperative means, or it can jeopardize its regional standing by engaging in legally questionable agreements that provoke conflict.

The choice is clear: Diplomacy, cooperation, and regional stability must come before unilateralism and short-term political gains. Ethiopia must reconsider its approach, engage in constructive dialogue, and seek a mutually beneficial solution that enhances regional security and economic prosperity. ■

ETHIOPIA LAND REFORMS LETS IN FOREIGNERS.

According to Reuters, Prime Minister Abiy Ahmed said on state TV last April that Ethiopia plans to pass legislation to let foreigners own real estate as part of the country's broader plan to open up the economy and attract investors. Currently, only Ethiopian citizens can own property in the country, either residential or commercial buildings. This is seen as a hurdle to ongoing efforts to attract foreign investment into the country.

State TV said Prime Minister Abiy told a meeting of large taxpayers in the capital, Addis Ababa, that his government was finalizing a new law to let foreigners own real estate, although he did not say when the legislation would be introduced in parliament.

"We will introduce a law which will allow foreigners to own property," he said, adding that the government also intended to amend existing laws to open up the country's retail sector, which is currently restricted to Ethiopians only.

"It (the economy) was closed, but now we will slightly open it. So we want you to be ready as well."

In recent years the Abiy government has been opening up parts of the tightly controlled economy such as telecoms and banking to foreign investment, as part of a plan to boost inflows of foreign capital to drive growth and create jobs for the country with an official population of more than 120 million people.

UNITED STATES PLANS TO CLOSE EMBASSIES IN AFRICA

*Among the embassies proposed for closure are those in Lesotho, Eritrea, the Central African Republic, the Republic of Congo, The Gambia, and South Sudan. By **Firdaous Naim***

The Trump administration is contemplating a sweeping overhaul of the US diplomatic network, with a proposal to shut down nearly 30 embassies and consulates across the globe.

This proposal is one of a larger strategy to reorganize the State Department, slash its budget by almost 50 per cent, and lower US foreign aid by about 75 per cent. The plan, which has raised alarm among policymakers and foreign diplomats, is likely to dramatically change the US presence in the world.

The proposed closures, outlined in an internal State Department document, involve diplomatic missions in well-established and lesser-known regions, with a particular emphasis on Africa and Europe.

Among the embassies targeted for closure are those in Lesotho, Eritrea, the Central African Republic, the Republic of Congo, The Gambia, and South Sudan. These countries, while not always in the global spotlight, have been significant in US foreign policy efforts, particularly in areas like counterterrorism and humanitarian aid.

Apart from closing the embassies, the plan also calls for the closure of several consulates in strategic locations. These include consulates in Durban, South Africa, and Douala, Cameroon, two cities that have served as focal points for American diplomatic and economic presence.

The closures, however, are not exclusive to Africa. Some European countries, such as Malta and Luxembourg, are also on the list for potential embassy closures. Consulates in major cities throughout France, Germany, and other regions of Europe and Asia are also being considered.

The Trump administration's push to downsize its diplomatic footprint comes at a time when global geopolitical dynamics are shifting. In Africa, for instance, US influence has been increasingly challenged by the growing presence of China, which has expanded its economic and political reach across the continent.

Closing that many embassies and consulates would also have long-term effects on US foreign aid. While the Trump administration moves ahead with its agenda to reduce the size of the federal government, the destiny of US foreign policy remains in limbo. The proposed shutting down of nearly 30 diplomatic missions is guaranteed to generate debate in Washington as well as globally, as many question the long-term price of America's diplomatic presence contracting on the world stage.

POWERLESS NIGERIA FACES ECONOMIC STAGNATION

*Well over 60 million Nigerians rely on generators to power their homes and businesses, while more than 40 percent of households spend approximately US$14 billion annually on fuel. Nearly half of the energy consumed in Nigerian homes is generated by these machines, and in some states, only 19 percent of people reported having access to electricity from the grid in 2022. In this context, the outgoing president of the African Development Bank, **Dr. Akinwumi Adesina**, predicts a bleak economic future for Nigeria. **Nume Ekeghe** explains.*

On previous visits to Nigeria, it was always noticeable just how industrious and hard-working Nigerians were despite chronic power outages and total lack of electric power in many communities. Upon questioning the reason for the absence of power across the country, the response was always that there are powerful business interests at work in the industry that want the gasoline generators to prevail.

It is clear that Nigeria needs visionary leaders with the ability to build structures and infrastructure to make the country a major economy after sixty-five years of independence. It was not surprising that the president of the African Development Bank, Dr. Akinwumi Adesina, on the eve of his departure from the role that he occupied for ten years, chose to address the topic of Nigeria's future as it relates to power and infrastructure in one of his final speeches. President Adesina has warned that Nigeria's economic trajectory risks long-term stagnation unless it urgently confronts its chronic infrastructure and power deficits head-on.

In his keynote address delivered at the 20th Anniversary Dinner of Chapel Hill Denham in Lagos, Adesina painted the picture of a country full of potential but hampered by policy inaction and weak execution. He urged Nigerian policymakers and investors to move boldly in reforming key sectors if the country was to reclaim its economic future.

"Without reliable power, Nigeria's economy will be locked in a never-ending, slow growth trajectory, without transformation" You cannot industrialize, you cannot compete, and you certainly cannot create jobs at scale if you don't have electricity; access to power is not just about lights, it's about productivity, competitiveness, and prosperity." Adesina stated.

Electricity access will be pivotal in unlocking Nigeria's digital economy, attracting data centers, enabling artificial intelligence applications, and lowering costs for small and large businesses. The digital economy cannot thrive on diesel generators. Nigeria must create a 21st-century grid, powered by clean, reliable, and scalable energy solutions. And for that, the private sector must be at the heart of the energy transition. Structural reforms are required to encourage greater private investment in Nigeria's energy sector. Areas needing improvement should be identified to include cost-reflective tariffs, enforceable power purchase agreements, and access to blended finance from multilateral institutions, like the AfDB and the World Bank.

The market must work; investors need clarity, certainty, and contracts that are bankable. With the right regulatory environment, Nigeria can become a hub for green energy, not just for itself but for West Africa. The AfDB, in partnership with the World Bank, had launched "Mission 300," an ambitious initiative to connect 300 million people in Africa to electricity by 2030. And Nigeria should position itself to be a major beneficiary of this; it is time to accelerate electrification with urgency and scale.

Beyond the power sector, Nigeria's broader infrastructure shortfall was impeding industrial growth and regional competitiveness. We need to renew our efforts to mobilize long-term capital, particularly pension and sovereign wealth funds, into infrastructure as an asset class.

Nigeria must build world-class infrastructure, from highways to railways, speed trains, airports, seaports, telecoms, and broadband connectivity.

If the country does not fix logistics bottlenecks, it will continue to lose in AfCFTA (African Continental Free Trade Area). Investors are unlikely to stay in a market where they cannot move goods efficiently or communicate seamlessly. Infrastructure is not a luxury. It is the foundation of every competitive economy.

Modern financing models should be developed, such as "originate-to-distribute," and de-risk infrastructure projects to make them more bankable, and deeper local capital markets and the expansion of local currency financing for large-scale projects.

Where manufacturing is concerned, Nigeria's industrial capacity is declining. Its manufacturing export value per capita stands at just $160, significantly lower than Vietnam's $3,600 and Malaysia's $7,100.

In the 1980s, Nigeria showed signs of becoming a manufacturing giant. It assembled cars, produced textiles, and processed agricultural goods. Today, much of that has vanished, and others have overtaken it. It has missed the opportunity to become an auto-manufacturing powerhouse, a role South Africa now plays on the continent. Nigeria must urgently industrialize by linking its raw materials to finished products, developing industrial zones, and improving the ease of doing business.

Every barrel of oil and every ton of cassava or cocoa should not just be exported raw, but value must be added. That is how you create jobs, grow GDP, and build economic resilience. The need is time-sensitive for a knowledge-driven economy built on science, technology, and innovation. It means investments in universities and research institutions and reversing the brain drain by creating an environment where talent can thrive at home.

Agriculture is a transformational opportunity for industrialization. Through initiatives like the Special Agro-Industrial Processing Zones (SAPZ), a US$1.3 billion program co-financed by the AfDB, Islamic Development Bank, and the International Fund for Agricultural Development, these zones will turn rural areas into economic zones of prosperity; they will create millions of jobs for youth and women and reduce rural-to-urban migration, the AfDB President explained.

NNPCL imports crude to satisfy demand in Nigeria

WILL THE APPOINTMENT OF FORMER SHELL DIRECTOR CURE NIGERIA'S ENERGY CRISIS?

By *Emeka Nwokocha*

There is no denying the fact that the challenges bedeviling the Nigerian petroleum sector are enormous and have remained intractable over the decades. The urgency of the nation's energy crisis, with the refineries struggling to function, is a stark reality that demands immediate attention.

In what may be likened to a crucial government effort to reform the nation's oil sector and improve its performance, President Bola Tinubu recently initiated a significant shake-up in the Nigerian National Petroleum Company Limited (NNPCL) management team.

President Tinubu boldly called the shots and fired Mele Kyari, the Group Chief Executive Officer (GCEO), and appointed Mr. Bashir Bayo Ojulari, a former Shell Managing Director, to take charge and replace the former GCEO.

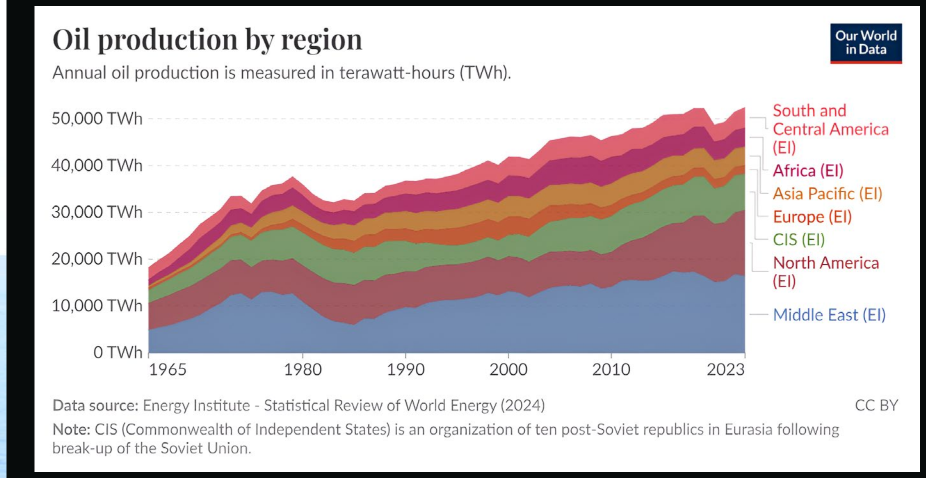
However, the recent overhaul of NNPCL's management team did not come as a surprise to many Nigerians. Obviously, there had been a plethora of calls by Nigerians for the replacement of Mele Kyari, who had since lost public trust for failing to address the challenges in the embattled oil sector occasioned by the nation's ailing refineries.

No doubt, the reactions that greeted the sacking of the Maiduguri-born Mele

A look at the profile of the new NNPCL boss, Mr. Bashir Bayo Ojulari, brings to the fore his towering experience and expertise in the oil industry

Kyari speak to the people's total loss of confidence in his capacity to breathe life into the country's four moribund refineries and get them back on stream to refine petroleum products and meet the citizens' energy needs.

A look at the profile of the new NNPCL boss, Mr. Bashir Bayo Ojulari, brings to the fore his towering experience and expertise in the oil industry. He is an engineer and expert in petroleum process and production engineering.



His legacy in the oil industry is foundationally tied to his achievements in Shell Nigeria Exploration and Production Company (SNEPCO), where he rose to the rank of managing director from 2015 to 2021.

Frankly speaking, with Ojualari's grounded experience in the oil sector, there is a glimmer of hope that the near-moribund Nigerian refineries would be given express attention and put in good shape to commence production of petroleum products soon.

While some may applaud President Tinubu for replacing Mele Kyari, discerning Nigerians may not get carried away by Mr. Ojulari's credentials. It stems from the apparent fact that, over the decades, Nigerians have seen phases of failure that trail the performances of past NNPCL management teams. It's understandable that there is a level of apprehension about whether Mr. Ojulari will be able to deliver on his promises, given the history of the sector.

In fact, it is commonplace for past Group Chief Executive Officers of NNPCL to woo Nigerians with inspiring resumes but later fail woefully to activate actions and technical ingenuity that would make the refineries work and sanitize the chaos-prone country's energy sector.

Consequently, massive importation of petroleum products has become a recurring decimal in the country's chequered socioeconomic history while the refineries rot away.

It's a stark reality that Nigeria, as the only OPEC member country that imports more than 90 to 95 per cent refined petroleum products, needs to take proactive steps

It's a stark reality that Nigeria, as the only OPEC member country that imports more than 90 to 95 per cent refined petroleum products

to address this shame and reduce its dependency on imports.

This time, Nigerians are apprehensive about the gross ineptitude that has severely stalled any meaningful development in the country's refineries over the years.

They are very eager to see their refineries working at full capacity to abate the torture they are currently inflicted with, resulting from the astronomical rise in the prices of refined petroleum products and the attendant high cost of food and other basic commodities that sustain life.

However, it's important to note that this task is not without its challenges. The refineries are in a state of disrepair, and reviving them will require significant investment, technical expertise, and time. There may also be resistance to change from within the organization. These challenges, if not addressed effectively, could prolong the country's energy crisis.

The nation's moribund refineries can be fixed timeously. No rocket science technology is needed to achieve this task. Only patriotism, competence, and determination will make the change a reality. ■

CREATING ENABLING BUSINESS ENVIRONMENTS FOLLOWING USA TARIFFS

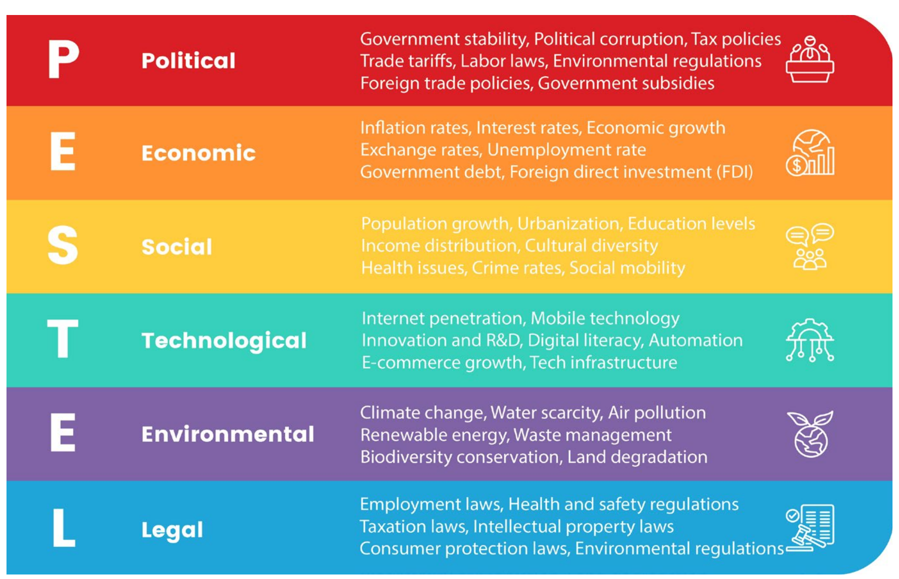
The need for Africa to urgently promote enabling business environments to attract investments and finance is paramount. This urgency is further heightened following the USA tariffs on the global economy, which has effectively killed AGOA: ***Michael Mishon****, Corporate Africa investigates.*

Current Affairs

Africa has immense economic potential, with a young population, abundant natural resources, and growing consumer markets. However, foreign direct investment (FDI) inflows remain inconsistent due to regulatory bottlenecks, infrastructure deficits, and trade barriers. Recent US tariffs on African exports under the African Growth and Opportunity Act (AGOA) and other trade policies have further complicated the investment landscape. African governments must implement strategic policies and regulatory reforms to counterbalance these challenges and create a business-friendly environment that attracts and sustains investors.

Countries like Botswana and Ghana have attracted investors due to their stable political climates, and other nations should engage their peers in these nations

It should include key policy and regulatory frameworks, such as Trade and Tariff Mitigation Strategies, Business Regulatory Reforms, Infrastructure Development, financial and Tax Incentives, political and economic stability, Digital Transformation and Innovation Support, and Public-Private Partnerships (PPPs).



Factors affecting businesses across South africa and Africa

By implementing these measures, African nations cannot only enhance their competitiveness but also mitigate external trade shocks, and foster sustainable economic growth. This potential for growth and stability should instill a sense of optimism in our audience.

Trade and Tariff Mitigation Strategies
The US has imposed tariffs on certain African exports, affecting key industries like textiles, agriculture, and minerals. To mitigate these effects, African governments should:
(i) Strengthen trade ties with the EU, China, India, and intra-African trade under the African Continental Free Trade Area (AfCFTA) to diversify export markets and reduce dependency on the US.
(ii) Enhance Value Addition instead of exporting raw materials. African countries should invest in local processing and manufacturing to increase export value and reduce vulnerability to external tariffs.
(iii) Leverage AGOA and Other Trade Agreements. Governments should pressure the US to negotiate favorable terms under AGOA while exploring alternative trade deals with other regions.
(iv) Reduce Non-Tariff Barriers (NTBs) by streamlining customs procedures, reducing bureaucratic delays, and harmonizing regional trade policies to facilitate smoother cross-border commerce.
(v) Business Regulatory Reforms: Cumbersome regulations deter investors. African governments must simplify business registration, licensing, and operational processes by implementing One-Stop Shops, centralizing business registration and permitting processes to reduce delays. Reducing Red Tape by cutting unnecessary bureaucratic hurdles that increase the cost and time of doing business: Strengthening property rights and contract enforcement to ensure that legal systems efficiently resolve commercial disputes to build investor confidence: And adopting transparent and predictable regulations to increase stability is a fundamental requirement for investors. Sudden policy changes discourage long-term commitments.

Transparency International's Corruption Perceptions Index shows corruption remains a significant deterrent across Africa

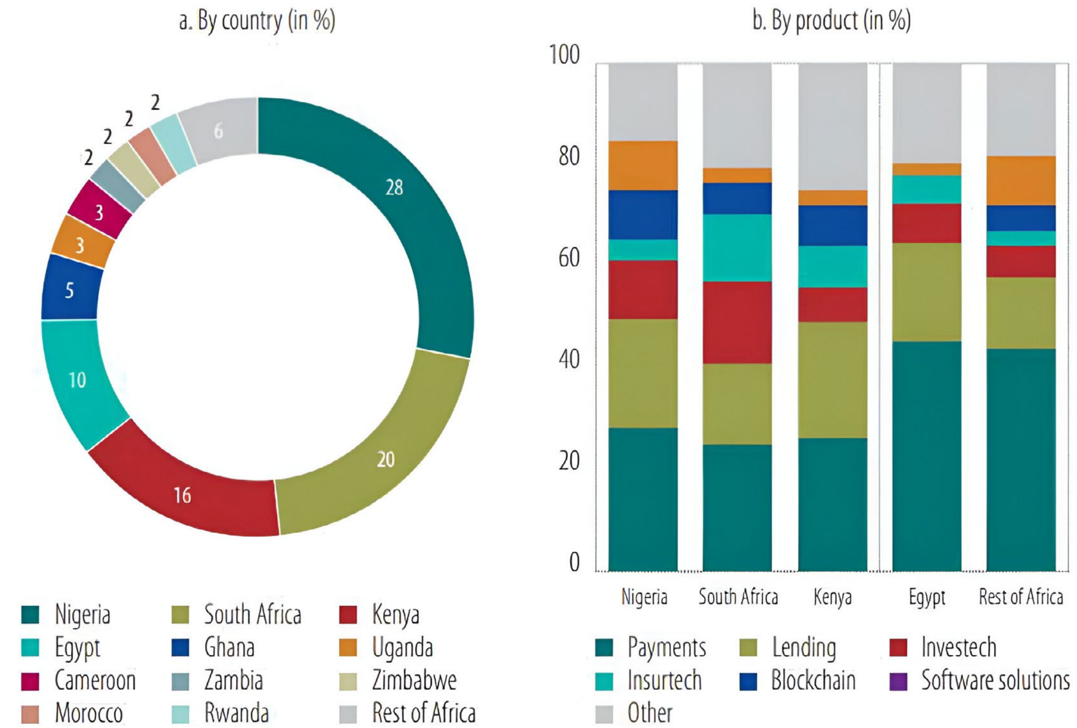
The World Bank's Ease of Doing Business report highlights that Rwanda and Mauritius have improved FDI inflows through regulatory reforms. Other African nations should not just emulate but also be inspired by these successful models.

Infrastructure Development
Poor infrastructure increases business costs. Key focus areas should include expanding transportation networks and expanding road, rail, and port infrastructure to facilitate logistics and reduce supply chain costs. Energy Supply and investing in renewable energy (solar, wind, hydro) will ensure reliable and affordable electricity for industries. Digital infrastructure is needed to expand broadband internet and digital payment systems to support e-commerce and fintech growth.
Public investment in infrastructure, supplemented by private sector participation, is crucial for economic competitiveness.

Financial and Tax Incentives
These are keys to attracting investors, and governments should offer: Tax holidays to temporarily exempt new businesses from corporate taxes to encourage startups and FDI: Reduced Import or Waiving Duties on essential machinery and raw materials for manufacturers. Export Incentives such as subsidies or tax rebates for export-oriented businesses to offset US tariff impacts: Grant Access to Affordable Credit and set up development banks and venture capital funds to support SMEs and startups.
Special Economic Zones (SEZs) with tax breaks and streamlined regulations have proven successful in Ethiopia, Kenya, and South Africa. These zones should be expanded across Africa.

Political and Economic Stability
Investors avoid regions with instability. Governments should strengthen

Distribution of digital financial services in Africa by country and by product



Africa Fintech companies triples in number

governance and Anti-Corruption Measures: Transparency International's Corruption Perceptions Index shows corruption remains a significant deterrent across Africa. More vigorous enforcement of anti-graft laws is needed. These support much-needed Macroeconomic Stability and control inflation, stable exchange rates, and prudent fiscal policies to enhance investor confidence. Conflict Resolution Mechanisms are much needed to address political unrest

South Africa's Renewable Energy Independent Power Producer Procurement Program (REIPPPP) is a successful PPP model that other African countries could replicate

and ethnic tensions through inclusive governance and dialogue.
Countries like Botswana and Ghana have attracted investors due to their stable political climates, and other nations should engage their peers in these nations to share their experiences.

Digital Transformation and Innovation Support
The digital economy presents new investment opportunities. Governments should promote tech startups and establish innovation hubs, incubators, and funding for small businesses and tech entrepreneurs.
Focus and enhance digital literacy by investing in STEM education to create a skilled workforce for the digital economy. Also, adopt Smart Regulations for fintech and e-commerce to encourage mobile banking, digital payments, and e-commerce growth through supportive policies.
Rwanda's Kigali Innovation City and Nigeria's thriving fintech sector (e.g., Flutterwave, Paystack) demonstrate Africa's massive potential in the digital space. These success stories should inspire confidence in the continent's ability to compete in the global economy.

Public-Private Partnerships (PPPs)
PPPs can drive infrastructure and industrial growth by attracting and encouraging Private Sector participation in infrastructure. Allowing private firms to build and operate roads, ports, and power plants under government oversight. Joint ventures in key sectors also allow for more collaboration with multinational agriculture, mining, and manufacturing firms to boost local capacity.
South Africa's Renewable Energy Independent Power Producer Procurement Program (REIPPPP) is a successful PPP model that other African countries could replicate to entertain new partnership opportunities.

Conclusion
African governments should implement comprehensive policy and regulatory reforms to counterbalance US tariffs and attract sustainable investment. Key strategies include diversifying trade partnerships, reducing bureaucratic hurdles, improving infrastructure, offering financial incentives, ensuring political stability, fostering digital innovation, and promoting PPPs.

Rwanda's Kigali Innovation City and Nigeria's thriving fintech sector (e.g., Flutterwave, Paystack) demonstrate Africa's massive potential in the digital space

By creating a favorable business environment, Africa can unlock its economic potential, attract global investors, and achieve long-term prosperity. The time for decisive action is now: Governments, private sectors, and regional bodies must collaborate to build a competitive and resilient African economy. The private sector, with its innovation and efficiency, will play a crucial role in implementing these reforms. ■

9th Nigeria - EU Business Forum

NIGERIA'S GROWING PLACE IN THE INVESTMENT MIGRATION LANDSCAPE

***Carolina Tenzer**, Consultant at Henley & Partners considers the challenges Nigerians face balancing the investment migration landscape.*

While a diverse investment portfolio can spread risk and create new opportunities to ensure longevity and the greatest value, many high-net-worth Nigerians still face significant barriers to global mobility and opportunity, due to the limitations of their passports. Because of this, Nigerian are increasingly seeking residency and citizenship options abroad, essentially diversifying not just their assets, but their geographical domicile options as well.

According to Henly & Partners, Nigerians were one of the top five nationalities to enquire about investment migrations options in 2024. They accounted for more enquiries than any other African country, with a 16 per cent year-on-year increase.

What are the drivers behind Nigerians seeking investment migration?

Savvy Nigerian entrepreneurs and investors understand that securing alternative residence or citizenship is a strategic step in both present-day wealth planning and long-term legacy management. As visa regulations and political landscapes shift, legitimate citizenship-by-investment programs offer lifelong security and multi-generational benefits.

Investment migration programs in sought-after destinations provide diverse options, including real estate acquisition, capital transfers, and enterprise investment, allowing investors to access stable economies, world-class healthcare, and premier education systems.

Expanding business opportunities and enhancing economic mobility are key motivations for Nigerian investors seeking global access. A stronger passport facilitates international business expansion, financial transactions, and greater participation in the global economy. According to the Henley Passport Power Index, a Nigerian passport currently provides visa-free or visa-on-arrival entry to only 45 destinations, covering just 1.4 per cent of global GDP. By obtaining alternative residence or citizenship, investors can significantly broaden their global reach, enabling them to establish transnational networks in stable, high-income economies while mitigating jurisdiction-specific risks and unlocking new markets.

By leveraging residence and citizenship by investment programs, Nigerian investors can protect their wealth, enhance their financial and business opportunities

Securing a stable and safe environment for their families in times of global volatility is also a top priority for many high-net-worth individuals. With increasing political and economic uncertainty, investors seek residence in secure and politically stable nations to safeguard their families and assets.

Accessing premier global education is a crucial factor for Nigerian investors who prioritize their children's future. By securing residence in countries with world-class educational institutions such as the UK, the USA, Canada, Australia, and several European nations, families open doors to unparalleled academic opportunities. Similarly, ensuring access to cutting-edge healthcare is a growing concern, with many investors seeking residence in countries like Australia, New Zealand, and Switzerland, which offer some of the world's most advanced medical facilities.

By leveraging residence and citizenship by investment programs, Nigerian investors can protect their wealth, enhance their financial and business opportunities, and provide their families with a secure and prosperous future.

Popular investment migration options for Nigerians

Caribbean programs such as Antigua and Barbuda's Citizenship by Investment Program and St. Lucia's Citizenship by Investment Program are popular with Nigerian investors who are seeking access to international markets, with passports that provide visa-free access to over 140 destinations including Hong Kong (SAR China), Singapore, the UK, and Europe's Schengen Area.

Caribbean programs such as Antigua and Barbuda's Citizenship by Investment Program and St. Lucia's Citizenship by Investment Program are popular with Nigerian investors who are seeking access to international markets

For those looking for greater access to Europe, the Portugal Golden Residence Permit Program offers the right to live, work, and study in Portugal, visa-free travel in Europe's Schengen Area, and a path to citizenship after five years of residence.

Many Nigerians investors are also interested in the Canada Start-Up Visa (SUV) Program which allows foreign entrepreneurs the opportunity to create an innovative business in Canada and apply for permanent residence.

The recently launched Nauru Economic and Climate Resilience Citizenship Program is also capturing attention as one of the most cost effective programs, with a passport that offers visa-free access to strategic destinations including Hong Kong (SAR China), Ireland, Singapore, the UAE, and the UK, improving travel flexibility.

In an increasingly unpredictable world, affluent individuals are actively diversifying and expanding their personal access rights to a range of different jurisdictions through residence and citizenship by investment. By leveraging programs tailored to their needs, Africa's wealthiest can ensure that their influence and impact are truly limitless, and the future and wellbeing of their family secured. ■

INVESTOR'S BRIEF

A comprehensive update on the latest developments in African business.

MAINSTREAM ENERGY SOLUTIONS

Mainstream Energy Solutions Limited is pleased to announce the successful rehabilitation and synchronization of the 80MW Unit 1G9 at the KainjiHydropowerPlant, marking a significant milestone in our efforts to enhance Nigeria's power infrastructure. This achievement demonstrates our team's unwavering commitment to delivering exceptional results, completing the project ahead of schedule through meticulous planning, efficient execution, and rigorous testing.

The two-year rehabilitation project involved the arduous replacement of critical components, the upgrade of electrical and mechanical systems, and meticulous implementation of advanced control systems to enhance operational efficiency and reliability. With this restored unit, the Kainji Hydropower Plant's installed capacity has increased from 520 MW to 600 MW, significantly boosting power availability and grid stability.

The achievement underscores our dedication to executing our CapacityExpansion and Recovery plans, which are designed to optimize the performance of our assets, improve operational efficiency, and contribute to Nigeria's energy security. It is our earnest desire that corresponding effort will be put into ensuring this power is transmitted and distributed to homes and businesses to bolster Nigeria's economy and industrialization aspirations. Our business is power!

Mainstream Energy Solutions Limited (MESL) was established in 2011 and licensed as a power-generating company. Through a concession agreement with the Federal Government of Nigeria, MESL acquired the Kainji and Jebba Hydro Plants (HPP) in November 2013, with a combined installed capacity of 1,338.4 MW. These two hydro plants are located 100 kilometers apart, with the Kainji dam positioned upstream of the Jebba plant.

AFRICA FINANCE CORPORATION

Africa Finance Corporation, the continent's leading infrastructure solutions provider, has announced its strongest financial performance to date with total revenues for the year ended 31 December 2014 surpassing US$1 billion for the first time in the corporation history.

CHEVRON DRILLS IN DRC AND ANGOLA

Chevron has pulled off a bit of a diplomatic coup. The US oil giant has brokered a deal to drill for oil in Africa that brings together two of the continent's top producers, Angola and Congo. For a region gushing with resource disputes, that's some feat. And with Africa supplying a quarter of the world's new oil, anything that could help resolve clashes over oil elsewhere is welcome.

The amicable 50-50 split between Angola and the Republic of Congo is encouraging. Joint development zones are not entirely new in Africa, but have mostly involved hydrocarbon minnows such as Senegal and Guinea Bissau. By contrast Angola is the continent's second-largest producer, pumping around 1.8 million barrels a day, while the Republic of Congo ranks lower.

MTN GROUP INVESTS US$10 BILLION IN NIGERIA

MTN Group has revealed that it has invested more than $10 billion in Nigeria's digital infrastructure since launching operations in 2001, highlighting its long-term commitment to the country. According to a statement from the company, MTN Group Chairman Mcebisi Jonas stated this during a high-level visit by South Africa's Minister of Trade, Industry, and Competition, Parks Tau, to its headquarters in Johannesburg. Mcebisi emphasized the importance of stronger bilateral ties between Nigeria and South Africa as the African continent stands on the brink of major transformation.

"MTN's journey exemplifies what is possible when two great nations collaborate. As Nigeria's largest South African investor, our presence has never been just a commercial venture but a platform for inclusive development.

"Since commencing operations in Nigeria in 2001, we have invested more than US$10 billion in the country's digital infrastructure. "Today, MTN Nigeria serves over 80 million subscribers, employs thousands directly, and supports hundreds of thousands of livelihoods across its extended value chain," he said. Despite its significant contributions, the MTN Chairman acknowledged that Nigeria's business environment poses ongoing challenges.

PUSH FOR EV'S ACROSS AFRICA

In 2025, there is a growing push for electric vehicle (EV) production in Africa, with several countries and companies aiming to establish local EV assembly plants and battery manufacturing facilities. Spiro plans to have three assembly plants and a battery facility by the end of 2025. Morocco aims for 100,000 EV production and battery factories by 2025, while South Africa is considering EV production starting in 2026. Morocco: Morocco is aiming for a major EV production hub, including 100,000 EV production and the establishment of battery factories, potentially positioning Africa as a major EV producer for the European market as well. South Africa: The country is exploring EV production, with the Trade Minister indicating possible first EV production in 2026. BMW has chosen South Africa as the exclusive production location for its hybrid X3. Kenya: Spiro, a company operating in multiple African countries, plans to have a battery manufacturing facility in Kenya by the end of 2025. Burkina Faso: Burkina Faso has unveiled its first locally produced electric vehicle, signaling a shift towards local EV production in some African countries.

General Trends: The EV market in Africa is projected to reach revenues of $210 million in 2025, with a forecast for significant growth in the coming years.

AFREXIMBANK'S $3BILLION ENERGY FACILITY TO CURB FUEL IMPORT DEPENDENCE

Afreximbank has announced a US$3 billion credit facility aimed at reducing Africa's dependence on imported fuels, a major drain on national budgets and trade balances. The initiative supports regional refining hubs and infrastructure projects, including Nigeria's Dangote Refinery and Angola's Lobito and Cabinda refineries.

The facility is expected to catalyze intra-African energy trade, boost self-sufficiency, and help stabilize fuel prices across the continent. From mineral-rich provinces to solar-powered cities, Africa is asserting its potential, generating reform, innovation, and empowered workforce.

EVENTS DIARY

A curated list of exhibitions and trade conferences showcasing and promoting key industries across Africa.

AFRICA OIL WEEK 2025

Date: 15-19 September 2025
Location: Accra, Ghana

AOW is the global platform for stimulating deals and transactions across African upstream sectors. For over 25 years, the event has brought together governments, national and international oil companies, independents, investors, the G&G community, and service providers. AOW prides itself on offering unrivalled opportunities that drive investment and deal-making across the continent, thus shaping the future of Africa. AOW connects 50+ ministers and government leaders, 300+ leading speakers, and over 2,000+ senior delegates across 5 days of pioneering industry-leading insight, delivering deals and transactions across our conference, exhibition, and elite networking platforms.

AFRICA ENERGY FORUM

Date: 17 – 20 June 2025
Location: Cape Town, South Africa

The Africa Energy Forum, to be held in South Africa and will feature a focused "Energy Systems of the Future balancing Africa's Needs with Global Goals.

NIGERIA OIL & GAS ENERGY WEEK

Date: 29 June to 3 July 2025
Location: ICC, Abuja, Nigeria

NOG Energy Week Conference & Exhibition generates robust and integrated conversations around how Nigeria can truly galvanize its universal energy mix. This will also engage and leverage a wider audience of stakeholders, financiers, investors and private sector across the entire oil, gas, LNG, renewables, power and energy spectrum.

POWER & ENERGY AFRICA

Date: 26 - 28 June 2025
Location: Kenyatta International Convention Center, Nairobi, Kenya

Power & Energy Africa is the only exhibition dedicated to the power and energy sector in the region. Being the largest power event in the industry, the event showcases products and services to the industry's largest gathering of qualified decision-makers, buyers, service providers, importers and distributors. International exporters choose Power & Energy Expo to make their mark in the East African region. Exhibitors get access to trade visitors from all over East & Central Africa as well as regional trade bodies in Kenya, Tanzania, Ethiopia, Uganda, Somalia, Mozambique & Congo.

WORLD BATTERY AND ENERGY STORAGE EXPO

Date: 8 – 10 August 2025
Location: China Import Export Fair, Guangzhou, China

The Top-class Exhibition of Battery Industry. Committed to promoting global market trade and battery industrial chain, WBE has developed into a professional international event attracting interests from all over the world.

MEDEXPO 2025

Date: 14-16 May 2025
Location: Sarit Expo Centre, Nairobi, Kenya

MEDEXPO Kenya is the region's most important medical and healthcare event for medical manufacturing products, equipment, machinery, services and solutions. The exhibition showcases innovative solutions from leading market players for the benefit of buyers from the medical technology industry, from across the East African region.