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ECONOMIC WRAP-UP
Southern Africa

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Economic Service from July 18 to 25, 2025

Eskom sentenced to compensate Framatome for delays on work at the Koeberg plant *(BusinessLive)*

The high court of the Western Cape province has ordered Eskom to pay more than 1 billion ZAR (50 million EUR) to the French nuclear supplier Framatome, a subsidiary of EDF. This sentence confirms shortcomings observed in the management, by Eskom, of a crucial project to replace steam generators at the Koeberg nuclear plant, near Cape Town.

The dispute dates back to 2022, when the second reactor of Koeberg had been shut down for five months in order to replace three steam generators. Eskom had then unilaterally interrupted the work entrusted to Framatome, leading to a compensation claim for breach of contract from the French company.

Eskom had contested responsibility for the delays, but refused to fully cooperate during the adjudication procedure, leaving Framatome's figures uncontested. The court judged its arguments "artificial and unconvincing" and therefore ordered Eskom to compensate Framatome.

These delays had caused in 2022 the suspension of several project managers and worsened the power cuts, reaching stage 6 of load shedding. Koeberg, Africa's only nuclear power plant, provides 1.8 GW of electricity and remains a key infrastructure for the national grid.
However, despite significant delays, the steam generator replacement work was able to be completed with the reconnection on 31 December of the second unit of the plant, thus adding 930 MW of capacity to the national electricity grid. Similar work had been carried out on unit 1 and completed at the end of 2023.

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Southern Africa

Airbus strengthens its presence in Southern Africa with the inauguration of a new service center in Johannesburg *(Engineering News)*

Airbus has inaugurated a regional customer support center in Johannesburg, intended to provide technical assistance to airlines in the region, notably covering the fields of maintenance, reliability, repairs, and technical documentation.

Located within the campus of South African Airways Technical (SAAT), this initiative aims to meet the growing demand for after-sales services, in a context where the fleet of Airbus aircraft operated in sub-Saharan Africa has increased by 40% over the past ten years, with 265 aircraft currently in service across 36 airlines.

This establishment is part of a broader development strategy in Africa, where Airbus foresees, according to its projections, a need for 14,000 new pilots and 21,000 technicians within the next twenty years. It also coincides with the 30th anniversary of Airbus Helicopters in Southern Africa, whose Midrand site hosts a maintenance and assembly center and a logistics center. On a global scale, the aircraft manufacturer forecasts a fleet of 18,000 Airbus aircraft in service by 2030.

South Africa

Annual inflation reaches 3.0% in June *(StatsSA)*

According to the national statistics agency (StatsSA), annual consumer price inflation rose from 2.8% in May to 3.0% in June. This increase is mainly explained by the rise in housing costs (+4.4%, or a contribution of 1.0 point), food and non-alcoholic beverages (+5.1%, or a contribution of 0.9 point), notably linked to higher meat prices due to supply disruptions caused by outbreaks of foot-and-mouth disease, as well as alcoholic beverages and tobacco (+4.4%, or a contribution of 0.2 point). Conversely, prices declined in the transport sector (-3.3%, or a negative contribution of 0.5 point), due to a drop in fuel prices (-11.2% year-on-year). Inflation thus remains below the midpoint (4.5%) of the South African Reserve Bank's target range.

Despite this slight uptick in the index to 3.0% in June, analysts remain optimistic about a possible 25 basis point cut to the repo rate at the next Monetary Policy Committee (MPC) meeting, scheduled for Thursday, 31 July 2025. As a reminder, at its last meeting in May, the Reserve Bank had lowered its repo rate to 7.25%.

U.S. lawmakers propose bill providing for possible sanctions against South Africa

On 23 July, the Foreign Affairs Committee of the U.S. House of Representatives adopted (by 34 votes to 16) a bill aiming to reassess the bilateral relationship with South Africa, due to growing disagreements on foreign policy. The text, titled the *U.S.-South Africa Bilateral Relations Review Act,* notably provides for a comprehensive review of bilateral relations and the possibility of imposing sanctions on certain South African officials accused of corruption or human rights violations. The bill reproaches Pretoria for its close ties with Russia, China, Iran and Hamas, as well as its action before the International Court of Justice against Israel, accused of genocide in Gaza. It should be noted that the bill still needs to be adopted by both the House and the Senate before being enacted. President Ramaphosa said he is following developments around the bill, but hopes that "diplomacy will prevail."

This vote illustrates rising tensions between Washington and Pretoria, in a context marked by the threat of a 30% tariff increase on South African exports to the United States from 1 August (absent a deal by then) and accusations of "anti-white racism" relayed by Donald Trump.

The South African Competition Tribunal gives green light to the acquisition of MultiChoice by Canal+ *(MyBroadband)*

The South African Competition Tribunal has approved, under conditions, the acquisition of MultiChoice, the South African pay-TV giant, by the French group Canal+. This decision marks an important step in the financial operation, which should be finalized before 8 October 2025, according to the timeline announced by both parties.

As a reminder, Canal+ is offering to acquire the MultiChoice shares it does not yet own at a price of 125 ZAR per share (around 6 EUR), valuing the company at 55 billion ZAR or 2.6 billion EUR. Currently, Canal+ owns 45.2% of MultiChoice's share capital.

Canal+ and MultiChoice have submitted a set of public interest commitments to obtain the authorities' approval. These include promoting the participation of historically disadvantaged persons and small and medium enterprises in the audiovisual industry. Investment in South African content – notably general entertainment and sports – will be maintained to support and develop local creators. These commitments should represent investments worth an estimated 1.28 billion EUR (26 billion ZAR) over the next three years.

The next step for Canal+ and MultiChoice will be to carry out the necessary restructuring to comply with South African rules on foreign ownership of broadcasting licenses and Broad-Based Black Economic Empowerment (BBBEE) obligations. As such, MultiChoice is expected to create a separate entity, provisionally named LicenceCo, which will hold the broadcasting license and the subscriber base in South Africa.

To complete this acquisition, several regulatory approvals are still needed, including from the JSE (Johannesburg Stock Exchange), the South African Communications Authority (Icasa), the Takeover Regulation Panel and the Financial Surveillance Department.

Draft audiovisual reform to regulate local content quotas for streaming platforms *(MyBroadband)*

South Africa's Minister of Communications, Solly Malatsi, has published a draft White Paper aiming to regulate audiovisual and online services, including local content quotas for streaming platforms such as Netflix and Disney+. The text, open to comments, also addresses the taxation of these platforms, deemed to be less taxed than local broadcasters.

The implementation plan, spread over 24 months, breaks down into three phases: finalization of the policy framework and consultations (6 to 12 months), regulatory reform and development of a code of conduct (12 to 18 months), then drafting of a bill. The possibility of increased taxation of over-the-top (OTT) content services and their obligation to fund local production will be examined in the first two phases.

The initial proposal suggests that local content quotas be calculated across all of a broadcaster's channels and, if needed, replaced by a financial contribution proportional to revenue to support South African production. On-demand services could be subjected to the same obligations within 12 to 18 months. Such a project should benefit local content producers, notably the platform Showmax, co-owned by MultiChoice (70%) and NBC Universal.

The South African government had already mentioned in 2021 a 30% local content quota, a proposal criticized by Netflix, which argued it could reduce the quality and diversity of its catalogue.

South Africa's Ministry of Electricity and Energy announces renewable energy suppliers selected under bid window 7 *(Engineering News)*

The IPP Office, which reports to the Ministry of Electricity and Energy, has selected six solar photovoltaic projects (525 MW) under the 7th stage (bid window 7) of the Energy Infrastructure Procurement (EIP) accelerated power supply programme. These projects, located in the Northern Cape, Eastern Cape and Mpumalanga provinces, are expected to be commissioned in 2026. Eight additional projects — including four wind farms — remain under negotiation, with a potential capacity of around 1,000 MW.

Two companies have each secured three projects. Red Rocket is a South African renewable energy company with French, Dutch, and European capital. Scatec is an international company based in Norway, specializing in renewable energy, including solar, wind, and hydroelectric power.

The EIP, which aims to support the deployment of renewable capacity, provides a streamlined procedure for projects with a grid connection point, with shortened evaluation and contracting timelines. This measure responds to difficulties encountered in previous bidding rounds, notably bid window 6 of the REIPPPP, where several projects – especially wind – could not proceed due to grid constraints.

To address these blockages, the government also plans to launch in Q4 2025 the Independent Transmission Programme (ITP), which aims to mobilize private investment to build 14,000 km of high-voltage transmission lines. This effort is intended to enable the integration of 20 GW of renewable capacity by 2030 (compared to 7.2 GW installed in 2023). South Africa's energy strategy is to be detailed in the Integrated Resource Plan, whose release has been repeatedly delayed.

South Africa's Competition Commission conditionally approves the acquisition of Renergen, a natural gas and helium producer, by American firm ASP Isotopes *(BusinessLive)*

On 24 July 2025, the South African Competition Commission gave its conditional approval to the acquisition of Renergen, a South African producer of natural gas and helium, by U.S.-listed company ASP Isotopes (ASPI).

ASPI plans to acquire all issued shares of Renergen, a transaction supported by over 35% of shareholders, with completion expected in Q3 2025. Renergen will then become a 100% subsidiary of ASPI, while retaining its current management team.

The deal is backed by USD 750 million in financing from the U.S. Development Finance Corporation (DFC), aimed at expanding helium production, a strategic gas for the microelectronics and semiconductor industry.

Renergen is currently pursuing phase 2 of its Virginia Gas project in the Free State province, in collaboration with the He4u consortium (Chart Industries, WBHO, Aurex Constructors), which will oversee the design and construction of necessary infrastructure. Renergen is South Africa's pioneer in onshore natural gas exploration and production. The company began producing LNG at the end of 2022 and started liquefying helium in early 2023.

Transnet signs a 10-year rail contract with UMK, a company linked to Russian oligarch Viktor Vekselberg *(MoneyWeb)*

On 16 July 2025, Transnet signed a 10-year rail contract with United Manganese of Kalahari (UMK) to transport several million tonnes of manganese from the Northern Cape province to South African ports (Cape Town and Saldanha Bay), as part of the Manganese Export Capacity Allocation (MECA) programme aimed at securing the country's mining export capacity.

UMK is 49% owned by New African Manganese Investments (Nami), an entity linked to Russian billionaire Viktor Vekselberg, who is under international sanctions, and 51% by a South African consortium, which includes Chancellor House, the ANC's political funding vehicle.

This month, former Transnet executives Siyabonga Gama and Brian Molefe were arrested for fraud, money laundering, and corruption by the Investigating Directorate Against Corruption (IDAC) in connection with a 93 million ZAR (4.46 million EUR) contract for the purchase of 1,064 locomotives dating back to 2014.

Angola

Slight uptick in monthly inflation in June despite continued annual deceleration

The national consumer price index (CPI) rose by 1.21% between May and June 2025, interrupting the trend of monthly deceleration observed since the beginning of the year (+1.17% in May). Year-on-year, inflation stood at 19.73% in June, a sharp decrease of 11.27 points compared to June 2024, confirming the gradual slowdown in the twelve-month inflation rate that began a year ago.

The largest contribution to monthly inflation came from the "housing, water, electricity and fuels" category, which rose by 2.50%. This was followed by increases in the communications sector (+2.01%), miscellaneous goods and services (+1.89%), and food and non-alcoholic beverages (+0.98%).

At the same time, construction material prices continued to decline for the second consecutive month. The construction materials price index (IPMC) recorded a moderate increase of 1.1% in June, compared to 0.8% in May, according to data published by the National Institute of Statistics.

The central bank maintains its key interest rate at 19.5%

Meeting on 17 and 18 July 2025, the Monetary Policy Committee of the National Bank of Angola (BNA) decided to maintain its key interest rate at 19.5%, while lowering the mandatory reserve ratio in national currency from 19% to 18%. This decision reflects a compromise between persistent uncertainties in the international environment and internal inflationary pressures linked to price adjustments.

The reduction in the reserve requirement ratio aims to improve liquidity conditions in the interbank market and encourage financing of the productive sector. It forms part of a broader strategy to support economic activity without compromising price stability objectives.

At this meeting, the BNA also published several short-term indicators:

(i) The stock of international reserves stands at USD 15.65 billion, representing 7.8 months' worth of imports of goods and services.

(ii) Monthly inflation slightly increased to 1.21% in June (compared to 1.17% in May).

(iii) Broad money supply (M2) in national currency increased by 1.8% in June, bringing cumulative and annual growth rates to 6.5% and 10.78%, respectively.

Fiscal revenues from oil exports dropped by USD 758 million in the first half of 2025

Fiscal revenues from oil exports fell by 14% in the first half of 2025, dropping from USD 5.423 billion to USD 4.665 billion, a decline of USD 758 million compared to the same period in 2024.

The decrease in exported volume (less than 17 million barrels) and the drop in the average price per barrel, which fell from USD 81.9 to USD 71.7, are the main causes of the revenue decline. This situation has led to increased domestic borrowing to finance the state budget. As a result, the stock of domestic debt surged by 20% between December 2024 and June 2025, reaching the equivalent of USD 16.7 billion, while the stock of external debt slightly decreased by 1% over the same period, reaching USD 45.24 billion in June 2025.

Botswana

Botswana aims to take a majority stake in De Beers

In a context of strategic review by Anglo American, which is seeking to divest its 85% shareholding in De Beers, Botswana has expressed its intention to take a majority stake in the company. Currently holding a 15% stake, the Botswanan government wishes to strengthen its economic sovereignty over a strategic sector that accounts for a substantial portion of its fiscal revenues (nearly one-third), exports (almost 80%) and GDP (about one-quarter).

The Minister of Mines, Bogolo Kenewendo, emphasized the need for increased control, including over the marketing and value chain aspects. The sector is currently facing a decline in global demand, due notably to competition from synthetic diamonds. Botswana also criticized the lack of transparency in the divestment process initiated by Anglo American, underlining the importance of a partner aligned with the country's long-term interests.

Mozambique

The World Bank supports the Mphanda Nkuwa hydropower project

During a visit to Mozambique, the President of the World Bank, Ajay Banga, confirmed the Group's commitment to supporting the development of the Mphanda Nkuwa (MNK) hydroelectric dam, although he did not specify the total amount of the contribution at this stage.

This support will take the form of a financial arrangement combining loans, equity stakes, risk guarantees, and insurance. The entire project, which includes the hydroelectric power plant itself and a 1,300 km long electricity transmission line, is estimated at USD 1.4 billion.

The International Bank for Reconstruction and Development (IBRD), a branch of the World Bank specializing in loans to developing countries, will provide risk guarantees, while the International Development Association (IDA), another branch of the Group, will focus on concessional financing for transport infrastructure. At the same time, the Multilateral Investment Guarantee Agency (MIGA) will provide coverage against political risks.

The future MNK dam, with an installed capacity of 1,500 megawatts, will be located on the Zambezi River, 70 km downstream from the Cahora Bassa power station. Its commissioning is scheduled for around 2031. The project will be carried out by a consortium bringing together Électricité de France (EDF), TotalEnergies, and Sumitomo Corporation, alongside the Mozambican State and the public company Hidroeléctrica de Cahora Bassa.

The EU and France invest EUR 145 million to strengthen Mozambique's rail infrastructure

Portos e Caminhos de Ferro de Moçambique (CFM) and the French Development Agency (AFD) signed three financing agreements aimed at doubling the Maputo–Ressano Garcia railway line (at the South African border) and modernizing its signaling system. The goal is to shift freight transport from road to rail, while consolidating Mozambique's role as a major logistics hub in Southern Africa.

The total investment amounts to around EUR 145 million, including two non-sovereign loans granted by AFD for a combined amount of EUR 133 million, supplemented by a EUR 30 million grant from the European Union.

This financing will significantly increase the capacity of the Ressano Garcia line (88 km), which would rise from 14.9 million tonnes per year currently to 44.6 million tonnes after the completion of the project's second phase. This line corresponds to the Mozambican section of the Maputo Corridor, which connects the Mozambican port to South Africa. This corridor is mainly used for transporting minerals, including magnetite, chrome, and coal.

The next steps include hiring two consulting firms: one for project management assistance in terms of design and supervision of the works, and the other for overall project management. Delivery of the new infrastructure is expected around 2030.

Namibia

Launch of a development plan to accelerate economic transformation by 2030

On 21 July, President Netumbo Nandi-Ndaitwah launched the Sixth National Development Plan (NDP6), an economic roadmap for the 2025–2030 period. It follows the main guidelines of the electoral manifesto of the South West Africa People's Organisation (SWAPO), the ruling party since independence, which won the 2024 elections.

The stated goal is ambitious: to achieve an average annual growth of 7% in order to elevate the country to upper-middle-income status by 2030, with a per capita income above USD 6,000. To achieve this, the government is relying on a structural transformation of the economy, leveraging high-potential sectors such as green hydrogen, renewable energy, and value-added manufacturing. The plan aims to raise the share of manufacturing in GDP to 18% (compared to 15.6% currently).

Financing will be based on a hybrid model combining public funds, private investment, and international partnerships. The NDP6 marks a break with the previous plan (NDP5), whose results were hindered by the pandemic, drought, and budgetary constraints.

Zambia

Zambia signs a USD 1.1 billion refinery project with a Chinese company to reduce reliance on imported refined petroleum products *(Agence Ecofin)*

The Zambian government signed, on 21 July, an agreement with the Chinese company Fujian Xiang Xin Corporation for the construction of an energy complex in Ndola (in the Copperbelt Province), estimated at USD 1.1 billion. The project includes a 60,000 barrels/day refinery, a 130 MW power plant, a liquefied petroleum gas (LPG) packaging unit, a bitumen unit, and a lubricant blending plant. It aims to reduce the country's dependence on imported refined petroleum products.

As Zambia has no domestic oil production, crude oil will be imported from the Middle East via the Tanzanian port of Dar es Salaam, as is already the case for local market supply, currently dominated by imports of refined fuels. In 2023, these imports amounted to USD 1.79 billion, or 18% of total imports.

While commissioning is planned as early as 2026, the technical and financial details remain unclear. No information has been provided on the financing arrangement or the progress of engineering studies. The tight schedule and this lack of transparency raise doubts about the project's feasibility.

Zimbabwe

Sharp increase in lithium exports in H1 2025 despite price collapse

According to the Minerals Marketing Corporation of Zimbabwe (MMCZ), Zimbabwe exported 586,197 tonnes of spodumene concentrate, a lithium-rich mineral, in the first half of 2025, up 30% from the 451,824 tonnes exported in the same period in 2024. As Africa's leading lithium producer, the country is experiencing strong export growth despite the collapse in global lithium prices (nearly -90% in two years), due to oversupply. Despite this bearish context, medium-term prospects remain positive, driven by the global energy transition and growing battery demand.

As a reminder, Zimbabwe's lithium sector is largely dominated by Chinese companies (Huayou, Sinomine, Chengxin, Yahua, Tsingshan), which have invested more than USD 1.4 billion since 2021 in acquiring and developing assets. However, in order to promote local processing, the government plans to ban the export of lithium concentrate starting in 2027. In anticipation, Huayou is building a lithium sulfate production plant with a capacity of 50,000 tonnes per year, while Sinomine has announced a USD 500 million investment project at its Bikita site.

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