MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA SOUVERAINETÉ
INDUSTRIELLE ET NUMÉRIQUE
Liberté
Égalité
Fraternité

Direction générale du Trésor

ECONOMIC WRAP-UP
Southern Africa

A publication from the Pretoria Regional
Economic Service, from September 26 to October 3, 2025

Ranking of South Africa's Largest Banks by Tier 1 Capital

SA Rank	*Global Rank*	*Bank*	*2024 T1C ($m)*	*2025 T1C ($m)*	*Change*
1	155	Standard Bank	11,923	13,001	+9.0%
2	175	FirstRand	9,669	11,107	+14.9%
3	212	Absa	7,912	8,456	+6.9%
4	281	Nedbank	5,620	5,856	+4.2%
5	501	Investec	2,301	2,582	+12.2%
6	519	Capitec	2,041	2,463	+20.7%
		Total	**39,466**	43,465	+10.1%

Source : BusinessTech

AGOA Expiration : An Opportunity to Diversify African Trade and Industry

Since 2000, the African Growth and Opportunity Act (AGOA) granted 32 sub-Saharan African countries preferential access to over 1,800 products on the U.S. market, representing nearly USD 10 billion in U.S. imports in 2023. The program's expiration at the end of September 2025, coupled with new U.S. tariffs imposed since August 7, has caused average duties for beneficiary countries to surge from 0.5% to nearly 30% for South Africa, threatening exports in key sectors such as textiles and agri-food, which are vital for employment and economic diversification. Lesotho, now subject to 15% tariffs, relies on AGOA for one-third of its exports, employing 30,000 to 40,000 people, mostly women.

In response to the loss of U.S. market access following AGOA's expiration, African countries could turn to intra-African trade through the African Continental Free Trade Area (AfCFTA). According to Joseph Lyimo, partner at PwC Tanzania, AfCFTA represents a major opportunity to boost regional trade and strengthen economic resilience, as intra-African trade still accounts for only 14% of the continent's exchanges, compared with 66% for Europe. Regional economic communities, such as SADC and ECOWAS, will be crucial in leveraging region-specific trade advantages while avoiding replacing dependence on the U.S. with increased reliance on China or Europe. PwC notes that even a partial shift of exports from the U.S. to African markets could support diversification, foster industrialization, and create new value chains across the continent.

Summary :

Southern Africa

- Negotiations underway for a potential pan-African bid to acquire diamond giant De Beers (Miningmx)
- L'Union européenne mobilise 545 M EUR pour accélérer la transition énergétique en Afrique *(Commission Européenne)*

South Africa

- The South African economy lost 80,000 jobs in Q2 2025 (StatsSA)
- Eskom returns to profitability with a net profit of ZAR 16 billion but still faces significant financial and operational challenges
- European Investment Bank mobilizes EUR 350 million to decarbonize Transnet under the Just Energy Transition Partnership (JET-P) (European Investment Bank)
- South African conglomerate Naspers, via its Dutch subsidiary Prosus, acquires leading French automotive platform La Centrale (Prosus)

Angola

- Raxio inaugurates a Tier III-certified data center in Luanda
- IMF forecasts a reduction in international reserves of USD 3.1 billion by 2026

Botswana

- IMF concludes its annual "Article IV" economic assessment mission in Botswana (IMF)

Mozambique

- Final Investment Decision of over USD 7 billion for the Coral North project

Zambia

- Afreximbank initiates arbitration on its debt restructuring (Bloomberg)
- Inflation slows in August (ZamStats)
- Announcement of a 30-year Chinese concession for the TAZARA logistics corridor (Tanzania-Zambia) worth USD 1.4 billion (Business Insider Africa)

Southern Africa

Negotiations on a Potential Pan-African Bid for Diamond Giant De Beers *(Miningmx)*

Angola has submitted an offer to acquire a minority stake in De Beers, aiming to create a Pan-African consortium including Angola, Botswana, Namibia, and South Africa. This announcement comes amid Anglo American's strategic review—De Beers' parent company—which seeks to divest its 85% stake, valued at nearly USD 4.9 billion. Prolonged weakness in diamond demand, along with the group's strategic refocusing and its ongoing merger with Canadian company Teck, are pushing Anglo American to find a potential buyer.

As a 15% minority shareholder, Botswana has already expressed its intention to take a majority stake in the company, now supported by Angola despite challenging financial conditions. However, Namibia, where De Beers also holds assets like Angola and Botswana, has been more cautious. Its Deputy Prime Minister, Natangwe Ithete, has called for prudence in the face of weakening global demand and the rise of synthetic diamonds, while reaffirming the strength of its partnership with De Beers through Namdeb and Debmarine.

De Beers is also attracting interest from Qatari funds and Indian investors, including billionaire Anil Agarwal. For context, over 80% of natural diamonds are cut and polished in India's Gujarat region.

European Union Mobilizes EUR 545 Million to Accelerate Africa's Energy Transition *(Commission Européenne)*

On 30 September 2025, European Commission President Ursula von der Leyen announced a EUR 545 million plan under the Scaling Up Renewables in Africa initiative, aimed at accelerating the continent's energy transition. The announcement was made alongside South African President Cyril Ramaphosa during the United Nations General Assembly and is part of the European Global Gateway investment plan.

This funding, combining loans, grants, and technical expertise, will support renewable energy production and transmission projects in several African countries. In Lesotho, EUR 25.9 million will be invested in renewable energy through the Renewable Lesotho program, and in Mozambique, EUR 13 million will support a low-carbon energy transition and encourage private sector involvement.

The Scaling Up Renewables in Africa campaign, supported by the International Energy Agency, aims to mobilize capital and expertise to triple renewable energy capacity and double energy efficiency across the continent. A major milestone is planned for the African G20 Heads of State Summit in South Africa at the end of November 2025. The initiative aims to create up to 38 million green jobs by 2030 while strengthening the resilience of African energy systems.

South Africa

The South African Economy Lost 80,000 Jobs in Q2 2025 *(StatsSA)*

According to the latest StatsSA labor market release, 80,000 jobs were lost in the non-agricultural formal sector in Q2 2025 (-0.8% compared to the previous quarter), which totals 10.51 million jobs. The decline primarily affected community services (-53,000 jobs, -1.9%), trade (-10,000, -0.4%), manufacturing (-9,000, -0.7%), construction (-7,000, -1.2%), transport (-2,000, -0.4%), and business services (-2,000, -0.1%). Conversely, employment increased in mining (+2,000, +0.4%) and electricity (+1,000, +1.6%).

Both full-time (-44,000, -0.5%) and part-time (-36,000, -3.2%) positions were affected. However, the average monthly wage for employees in the non-agricultural formal sector rose 3.4% to ZAR 29,290 (EUR 1,452), well above inflation for the period (0.8%), indicating strengthened household purchasing power.

Indicator	Weekly Change	Year-on-Year Change	Current Level
Change USD/ZAR	+0,44%	-1,08%	17,28
Change EUR/ZAR	-0,12%	+5,21%	20,17
Bourse (JSE ZAC)	+0,98%	+3,10%	12 880

Eskom Returns to Profitability with ZAR 16 Billion Net Income but Faces Major Challenges

Eskom posted a net profit of ZAR 16 billion (EUR 773 million) for the fiscal year ending March 2025, after a loss of ZAR 55 billion (EUR 2.66 billion) the previous year. This improvement results from reduced production costs, controlled expenses for open-cycle turbines (used to offset temporary power deficits), a 12.7% tariff increase, and a 14% reduction in primary energy costs. Load-shedding fell sharply, totaling only 175 hours for the year (compared with 6,367 hours the previous fiscal year).

The company plans to reinvest over ZAR 320 billion (EUR 15.8 billion) in infrastructure to boost production and modernize the grid. Challenges remain, notably municipal debt of ZAR 94.6 billion (EUR 4.68 billion, +27%) and significant gaps in internal controls. Eskom aims to regain an investment-grade rating within three to five years by maintaining financial discipline, reducing debt, and leveraging operational cash flows, with a gradual return to capital markets starting in 2028, including sustainability-linked bonds.

European Investment Bank Provides EUR 350 Million to Decarbonize Transnet under the Just Energy Transition Partnership (JET-P) *(Banque Européenne d'Investissement)*

The European Investment Bank (EIB) will grant Transnet a EUR 350 million loan, signed in November 2024, to fund its modernization program under the Just Energy Transition Partnership (JET-P). This financing, part of the EU's EUR 1.03 billion commitment made at COP26 in 2021, will support decarbonization of South Africa's transport and logistics sectors. The initiative is also part of the EU's Global Gateway strategy for sustainable infrastructure.

The funds will be used to rehabilitate rail and port infrastructure and develop a green hydrogen value chain. Technical assistance of EUR 16 million (expandable by EUR 4 million) will support project preparation and implementation, ensuring environmental and social compliance.

The operation aims to shift freight from road to rail, reduce transport externalities, and enhance the country's logistical competitiveness, while integrating Transnet into the energy transition supported by JET-P. France is a key member of this coalition in South Africa, contributing EUR 1 billion. Transnet plans roughly EUR 6.5 billion of investment by 2030, aiming to cover debt repayments over the next five years, preserve liquidity (net loss of EUR 350 million for FY 2023/24, debt of EUR 6.2 billion), and implement a major transformation of the national logistics operator. Transnet aims to increase throughput from 160 to 250 million tons by 2030 and improve port performance, which the World Bank recently ranked among the least efficient globally.

Prosus, Dutch Subsidiary of South African Conglomerate Naspers, Acquires Leading French Automotive Platform La Centrale *(Prosus)*

South African conglomerate Naspers, historically focused on media but now centered on digital technologies and e-commerce platforms, is expanding its global footprint. Through its Dutch subsidiary Prosus (57% ownership) and classifieds group OLX, Naspers announced the acquisition of La Centrale, a leading French automotive platform, from Providence Equity Partners for EUR 1.1 billion. The all-cash transaction is expected to close by year-end.

This acquisition reflects Naspers' strategy to build an integrated European ecosystem around e-commerce and high-margin digital services. It follows the purchase of meal delivery platform Just Eat Takeaway for around EUR 4.1 billion, confirming Prosus' expansion strategy.

Already present in eight countries via OLX, Naspers enters the French market, one of Europe's most dynamic for used vehicles. This move continues its 2021 attempt to acquire South African used-car leader WeBuyCars for around EUR 70 million, which was ultimately blocked by local competition authorities.

Founded nearly 60 years ago, La Centrale is a key player in the French automotive sector, attracting around 4.5 million unique monthly visitors and hosting over 350,000 active listings. Using data-driven and AI-based models, the platform already supports over 10,000 professionals in digital transformation. With this acquisition, Naspers aims to strengthen its position among global leaders in mobility-related digital services.

Through this purchase, Naspers becomes one of the few South African companies investing in France, joining players like pharmaceutical group Aspen and mining group Sibanye-Stillwater, which operate respectively via a generics production site in Notre-Dame-de-Bondeville near Rouen and a nickel refinery in Sandouville, Normandy.

Angola

Raxio Inaugurates Tier III Data Center in Luanda

Raxio inaugurated its data center in Luanda, attended by the Angolan Minister of Telecommunications and Raxio's Danish CEO. The project, launched in June 2022, represents a USD 30 million investment for its first phase (9,700 m^2 of built space). This is Raxio's sixth data center in Africa, following facilities in Uganda, Ethiopia, the DRC, Ivory Coast, and Mozambique.

The center has been certified Tier III by the Uptime Institute (certification levels range from Tier I to Tier IV, with IV being the most advanced), which measures reliability and redundancy. A Tier III data center is highly reliable, capable of maintaining service continuity even during maintenance. It is also "Carrier Neutral," meaning it is not tied to a single telecom operator—multiple operators and ISPs can connect, and hosted clients can freely choose their connectivity provider. This is the only Tier III data center in Angola.

The center will employ 15 staff, with operations starting immediately. Between 20 and 50 clients (including Angola Cables and banks) have already been identified. Raxio was founded in 2018, headquartered in Amsterdam, with its largest subsidiary in Dubai. Shareholders include U.S.-based Roha Group (47%) and French group Meridiam (47%), with the remainder held by employees.

IMF Forecasts Angola's International Reserves to Decline by USD 3.1 Billion by 2026

According to the IMF, Angola's international reserves are expected to decline sharply over the next two years, from USD 15.7 billion currently to USD 12.6 billion by 2026. This contraction of USD 3.1 billion, nearly 20% in one year, reflects the persistent fragility of Angola's economy, which remains heavily dependent on oil revenues.

Falling oil revenues are straining the availability of foreign currency, forcing the country to draw on reserves to support its external balance and financial commitments. The IMF warns that this trend poses risks to monetary stability and Angola's financial credibility. A significant weakening of reserves reduces the central bank's ability to defend the kwanza and complicates external debt servicing.

At the same time, the government is increasingly turning to short-term, high-interest financing backed by costly guarantees, which heightens budgetary vulnerability. In response, under the 2025 finance law, the government obtained an exemption allowing the National Bank of Angola (BNA) to lend up to USD 2 billion directly to the Treasury.

The IMF considers this exceptional measure concerning, as it risks weakening the BNA's independence and reducing investor confidence in Angola's monetary policy. Moreover, this authorization may be unnecessary, as the central bank law already allows lending of up to 10% of the previous year's current revenues. The provision also undermines the BNA's constitutionally guaranteed independence and could potentially violate the central bank law, which requires loans to the state to be repaid in cash within the year. Under the finance law exemption, repayment can be made with five-year debt securities.

The combination of declining oil revenues, increasing reliance on short-term debt, and weakening international reserves exposes Angola to macroeconomic imbalance risks.

To avoid compromising future stability, the IMF emphasizes the urgent need for stronger fiscal discipline, economic diversification, and reduced dependence on emergency financing.

Botswana

IMF Concludes Annual "Article IV" Economic Assessment Mission in Botswana *(FMI)*

Following its annual "Article IV" economic assessment mission, the International Monetary Fund (IMF) published its initial findings on Botswana's economic situation. After 3.2% growth in 2023, the economy contracted by 3% in 2024, weighed down by a sharp decline in diamond production revenues (–24%) amid increased competition from synthetic diamonds and weaker Chinese demand. Non-resource-related activity slowed to 2.8%.

The current account shifted from a surplus of 1.5% of GDP in 2023 to a deficit of 4.2% in 2024. Inflation remained within the 3%–6% target range set by the Bank of Botswana. The fiscal deficit widened to 7.1% of GDP for FY 2024/25, driven by lower mining revenues and higher current expenditures.

The IMF projects another GDP contraction of 1% in 2025. Over the medium term, growth could exceed 4% if the country implements structural reforms. The IMF specifically recommends full implementation of the 2023 Financial Sector Assessment Program, measures to increase domestic revenues, rationalize public spending and the wage bill, reform state-owned enterprises, improve the business climate, and deepen financial markets.

Mozambique

Final Investment Decision of Over USD 7 Billion for Coral North Project

On 2 October 2025, Italian energy company ENI and its partners (CNPC, Kogas, ENH, and XRG) made the Final Investment Decision (FID) to develop the Coral North FLNG offshore liquefied natural gas (LNG) project in deep waters off Cabo Delgado, northern Mozambique, with an investment exceeding USD 7 billion. The signing took place in Maputo in the presence of Mozambique's President Daniel Francisco Chapo and ENI CEO Claudio Descalzi.

Coral North FLNG is presented as an enhanced replica of the successful Coral South FLNG project, which began production at the end of 2022, following an EPC executed by Technip Energies. Coral North will have a liquefaction capacity of 3.6 million tonnes per annum (MTPA). Together with Coral South, Mozambique's total LNG production will exceed 7 MTPA, making the country Africa's third-largest LNG producer by the end of 2028.

The project is structured as a joint venture: ENI (50%), CNPC (20%), Kogas (10%), ENH (10%), and XRG, a subsidiary of ADNOC (10%). ENI has been active in Mozambique since 2006, discovering significant natural gas reserves in the Rovuma Basin between 2011 and 2014, including the Coral, Mamba Complex, and Agulha reservoirs, with approximately 2,400 billion cubic meters of gas in place. Coral South was the first LNG production project in the Rovuma Basin and in Mozambique. Notably, ExxonMobil is not listed among Coral North FLNG's active partners, unlike Coral South FLNG, which is 70% owned by Mozambique Rovuma Venture (MRV), a joint venture of ExxonMobil, CNPC, and ENI.

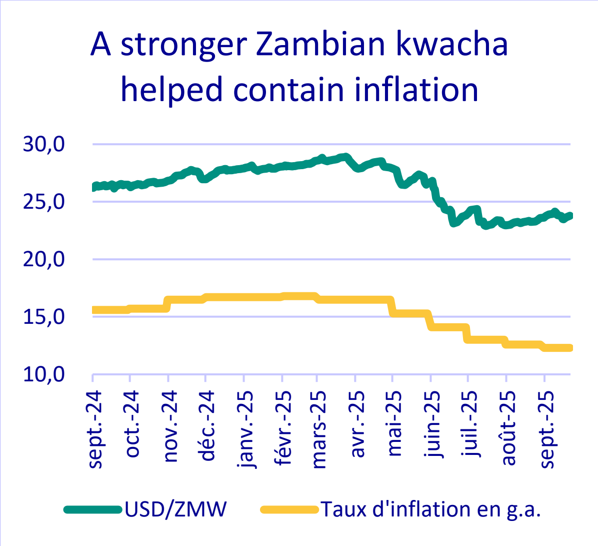
Zambie

Afreximbank Initiates Arbitration over Debt Restructuring *(Bloomberg)*

The African Export-Import Bank (Afreximbank) has initiated arbitration against Zambia in a dispute over the restructuring of a USD 50 million loan. The bank claims preferred creditor status, while Zambia seeks more favorable terms. This case could affect Zambia's ongoing debt restructuring efforts and serve as a precedent for other African countries seeking debt relief. It occurs as Zambia acts as a test case for the G20 Common Framework, a mechanism to help low-income countries restructure unsustainable debt.

Inflation Slows in August *(ZamStats)*

According to the Zambia Statistics Agency (ZamStats), year-on-year inflation reached 12.3% in September, down from 12.6% in August. The slowdown reflects lower food prices (14.6% YoY versus 14.9% previously) and non-food prices (9.0% YoY versus 9.3%). As Africa's second-largest copper producer, Zambia benefits from rising copper prices and a more favorable fiscal environment. These factors have led to a 17.3% appreciation of the kwacha against the U.S. dollar this year, making it the continent's second-best-performing currency tracked by Bloomberg. Most analysts anticipate a rate cut at the next Zambian central bank monetary policy committee meeting in November. The central bank expects inflation to return to its 6–8% target range by Q1 2026, with an average of 13.3% for 2025.



Confirmation of 30-Year Chinese Concession for TAZARA Logistics Corridor (Tanzania-Zambia) Worth USD 1.4 Billion *(Business Insider Africa)*

Following last year's signing of a Memorandum of Understanding (MoU) at the Forum on China-Africa Cooperation (FOCAC) on the TAZARA railway revitalization project, Tanzania, China, and Zambia finalized a USD 1.4 billion agreement. Under the terms, a 30-year Build-Operate-Transfer (BOT) concession has been awarded to the China Civil Engineering Construction Corporation (CCECC), a subsidiary of the state-owned China Railway Construction Corporation.

The first three-year phase includes track rehabilitation, modernization of signaling and safety systems, and upgrades to stations and workshops. The subsequent 27-year phase covers operation, maintenance, full management of the railway network, staff training, and provision of rolling stock. Investments include 32 locomotives, 762 new wagons, modern maintenance workshops, and a new digital communication and signaling system.

Originally built in the 1970s under China's Mao-era, this aging railway has gained renewed importance as regional corridor projects, such as the Lobito corridor supported by the EU and U.S., multiply. This trend reflects the increasingly central role of strategic minerals in the energy transition, notably copper, of which countries like Zambia have abundant reserves.

The French Treasury is present in more than 100 countries through its Economic Services.

To find out more about its missions and locations:
www.tresor.economie.gouv.fr/tresor-international

Head of publication: Pretoria Regional Economic Service, Luanda Economic Service, Maputo Economic Service
jade.plancke@dgtresor.gouv.fr, nicolas.viossat@dgtresor.gouv.fr

Editor: Pretoria Regional Economic Service

Subscribe: jade.plancke@dgtresor.gouv.fr, nicolas.viossat@dgtresor.gouv.fr