

Regional Outlook

Economic relations between the EAIO region and France

Economic relations between France and the countries of East Africa and the Indian Ocean (EAIO) have strengthened significantly in recent years. They are underpinned by complementary drivers: a growing financial commitment to development, an expanding business presence in strategic sectors, and increasing trade flows. In a rapidly transforming regional environment, France is positioning itself as a key long-term economic partner.

A leading role as a bilateral donor, at the core of regional development financing

France now plays a central role among bilateral donors in the region, primarily through the *Agence française de développement* (AFD) Group, whose commitments have increased rapidly and significantly over the past decade (see Figure 1). Specifically, France ranks as the leading bilateral donor to the Comoros, the second-largest in Kenya, Uganda and Tanzania, and third in Madagascar.

Committed volumes illustrate this trend: over EUR 1.8 billion mobilised in Kenya over fifteen years, around EUR 1.5 billion in Tanzania, more than EUR 1.4 billion in Uganda, approximately EUR 1.1 billion in Mauritius, and close to EUR 1 billion in Ethiopia. AFD Group operations in the region focus on sectors that are strategic for partner countries. Energy accounts for the largest share of commitments, particularly in Kenya, Tanzania, Uganda, Ethiopia and Mauritius, through projects such as power networks and energy transition initiatives. Water supply and sanitation represents another major area of intervention, particularly in Djibouti, the Comoros, Tanzania and Kenya, where it has a significant social impact. AFD also finances transport infrastructure and urban development, as well as projects in sustainable agriculture and biodiversity (Madagascar, Kenya, Tanzania, Rwanda, Comoros). Human capital support is especially prominent in Rwanda (health, education), while support for economic reforms and the private sector is growing in countries such as Ethiopia, Madagascar, Rwanda, Mauritius and Uganda (see Figure 2). This initiative is part of a broader trend in which climate issues and sustainable finance are gaining prominence. Operations remain limited in Seychelles due to its high-income country status.

France's engagement is characterised by strong coordination with international donors (European Union, World Bank, African Development Bank, European Investment Bank), notably through co-financing and "Team Europe" mechanisms aimed at maximising the impact of external assistance. It also mobilises complementary instruments (Treasury loans, FASEP, FEXTE, Expertise France, Proparco), combining public financing, technical assistance and private sector support.

An expanding French economic presence driven by strategic sectors and flagship projects

In terms of foreign direct investment (FDI), France holds a leading position in several economies in the region. It is the largest foreign investor in Mauritius (excluding Gobaal Business - a resident company, often owned by non-residents, which operates internationally) accounting for over 40% of the FDI stock (see Figure 3). France also ranks among the main investors in Madagascar (4th) and Kenya (5th). In Uganda, France is expected to become the leading investor in terms of FDI inflows, accounting for more than 40% of projected inflows between 2024 and 2027. While French investment remains more limited in Tanzania and Ethiopia, it is increasing: France is the third-largest European investor in Ethiopia and focuses primarily on energy and infrastructure in both countries. Although still modest in Seychelles and the Comoros, French investments are also rising, particularly in tourism, transport, energy and fisheries.

The network of French companies is expanding across the region. Kenya is the main hub, with around 140 companies, followed by Rwanda, Tanzania and Ethiopia, each of which has between 40 and 50 companies. In Uganda, the number of French firms has nearly quadrupled over 15 years, rising from around 10 in the early 2010s to approximately 35 today. In Madagascar and Mauritius, the French presence is longstanding, with some firms established for several decades. These companies contribute significantly to local job creation, generating tens of thousands of direct jobs and substantial spillover effects. They rely on a structured support ecosystem (bilateral chambers of commerce, business clubs, Foreign Trade Advisors, French Tech communities, Business France, Bpifrance), which facilitates their establishment and growth in the region.

French companies play a key role in large-scale projects, particularly in energy, infrastructure and logistics. The energy sector is a major focus, illustrated by strategic projects such as the EACOP oil pipeline in Uganda and Tanzania, as well as investments in power networks and renewable energy in Kenya, Tanzania and Uganda. French groups are also heavily involved in transport infrastructure, engineering and urban development. In island economies,

the French presence is especially strong in tourism, services, finance and retail, reflecting close human and economic ties.

The ties between France and the region's economies are also reflected in significant remittance flows and a strong presence of French tourism. These flows are particularly important in island and diaspora-driven economies. In Madagascar, remittances from France account for approximately 85% of total inflows (see Figure 4), while French tourists represent nearly one in two visitors. In Mauritius, France is also the leading tourism market, accounting for more than one-third of arrivals (including La Réunion and Mayotte). In the Comoros, remittances from the diaspora in France represent 92% of total inflows and play a key macroeconomic role by supporting household income and exchange rate stability.

Dynamic and broadly balanced trade, driven by complementary areas of expertise

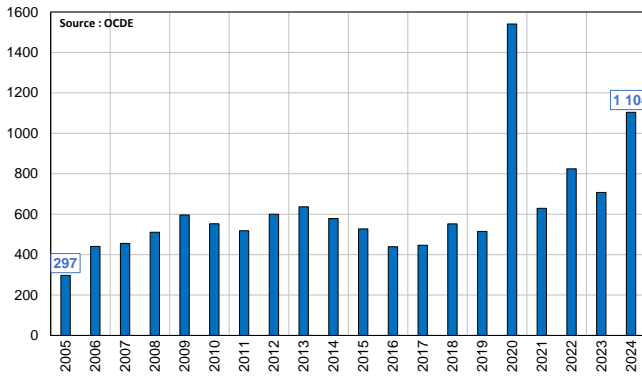
Trade between France and EAIO countries is relatively balanced and has been growing overall, although with differing dynamics across countries. Total trade reached EUR 3.4 billion in 2025, with Madagascar, Ethiopia and Mauritius as France's main regional partners. France ranks among the top trading partners in several countries: second in Madagascar and third in the Comoros and Seychelles (see Figure 5). While trade balances vary across countries, they overall tend toward a relative equilibrium at the regional level. France records surpluses with several countries (Djibouti, Mauritius, Rwanda), while partners such as Madagascar and Seychelles run surpluses in their favour. In countries such as Kenya and Uganda, rising local exports are contributing to a gradual rebalancing.

Trade patterns reflect strong complementarity. French exports mainly consist of high value-added goods, including transport equipment (30.9%), agri-food products (13.4%) and chemicals and pharmaceuticals (8.6%). Ethiopia (notably due to Airbus deliveries), Mauritius and Madagascar are the main export destinations. French imports are dominated by agricultural products and agri-foods products, which account for 64,4 % of imports (see Figure 6), alongside textiles, clothing, leather and footwear (20.4 % of imports). Madagascar, Mauritius and Kenya are France's main suppliers.

Economic Partnership Agreements (EPAs) concluded between the European Union and several countries in the region (Kenya, Madagascar, Mauritius, Seychelles) **provide a structuring framework for the gradual liberalisation of trade and are expected to support development over the medium to long term.**

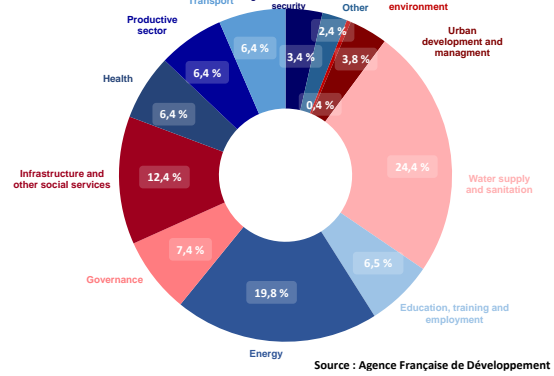
Socially Responsible and Sustainable Investments

Figure 1 : evolution of French aid
- in millions of USD, gross -



Help with reading: Over the past 20 years, socially responsible and sustainable investments in the EAIO region have quadrupled. In 2024, they amounted to EUR 1.1 billion.

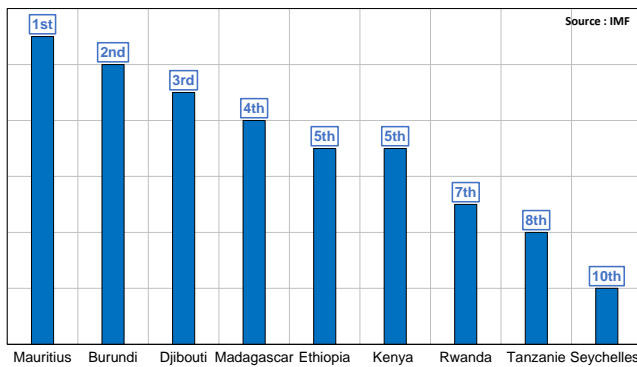
Figure 2 : breakdown of projects funded by AFD
- between 2019 and 2025 -



Help with reading: Between 2019 and 2025, the sectors that received the most funding from the Agence Française de Développement in EAIO were water and sanitation, energy, and infrastructure.

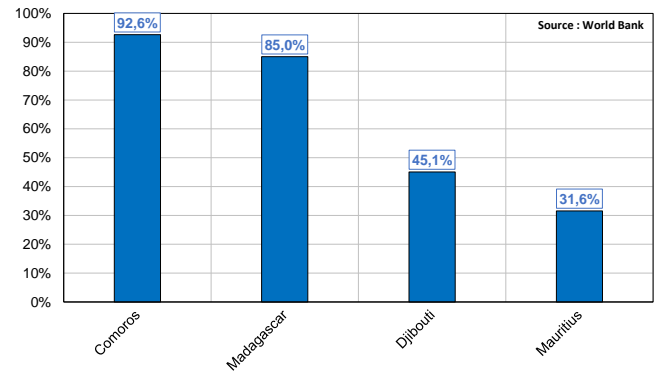
Private Investment and Human Connections

Figure 3 : France's ranking among foreign investors
- within each country -



Help with reading: In 2024, France was the top foreign investor in Mauritius, the second-largest in Burundi, and the third-largest in Djibouti. Note: This ranking does not take into account Global Business companies – i.e. companies, often owned by non-residents, that operate on an international scale.

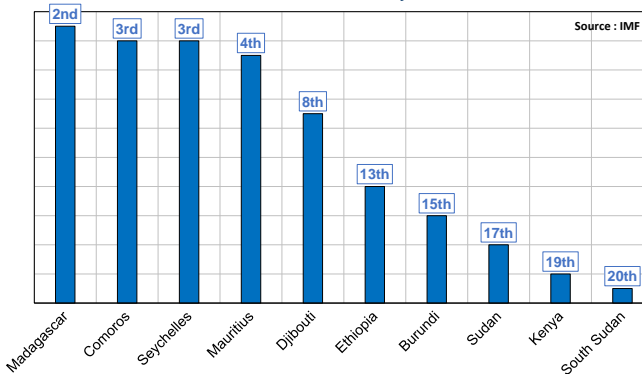
Figure 4 : France's share in remittances
- as a % of the total -



Help with reading: According to the World Bank, France accounts for 92.6% of remittances received by the Comoros, 85.0% of those received by Madagascar, and 45.1% of those received by Djibouti.

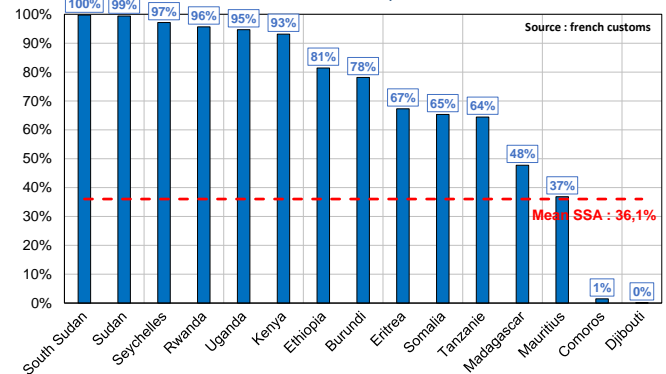
Trade

Figure 5 : France's ranking among trading partners
- within each country -



Help with reading: In 2025, France ranks as Madagascar's second-largest trading partner, the third-largest for the Comoros and the Seychelles, and the fourth-largest for Mauritius.

Figure 6 : share of agri-food products in French imports
- as a % of total imports -



Help with reading: In 2025, 100% of French imports from South Sudan consisted of agricultural products or products from the food industry.