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# ECONOMIC WRAP-UP
# Southern Africa


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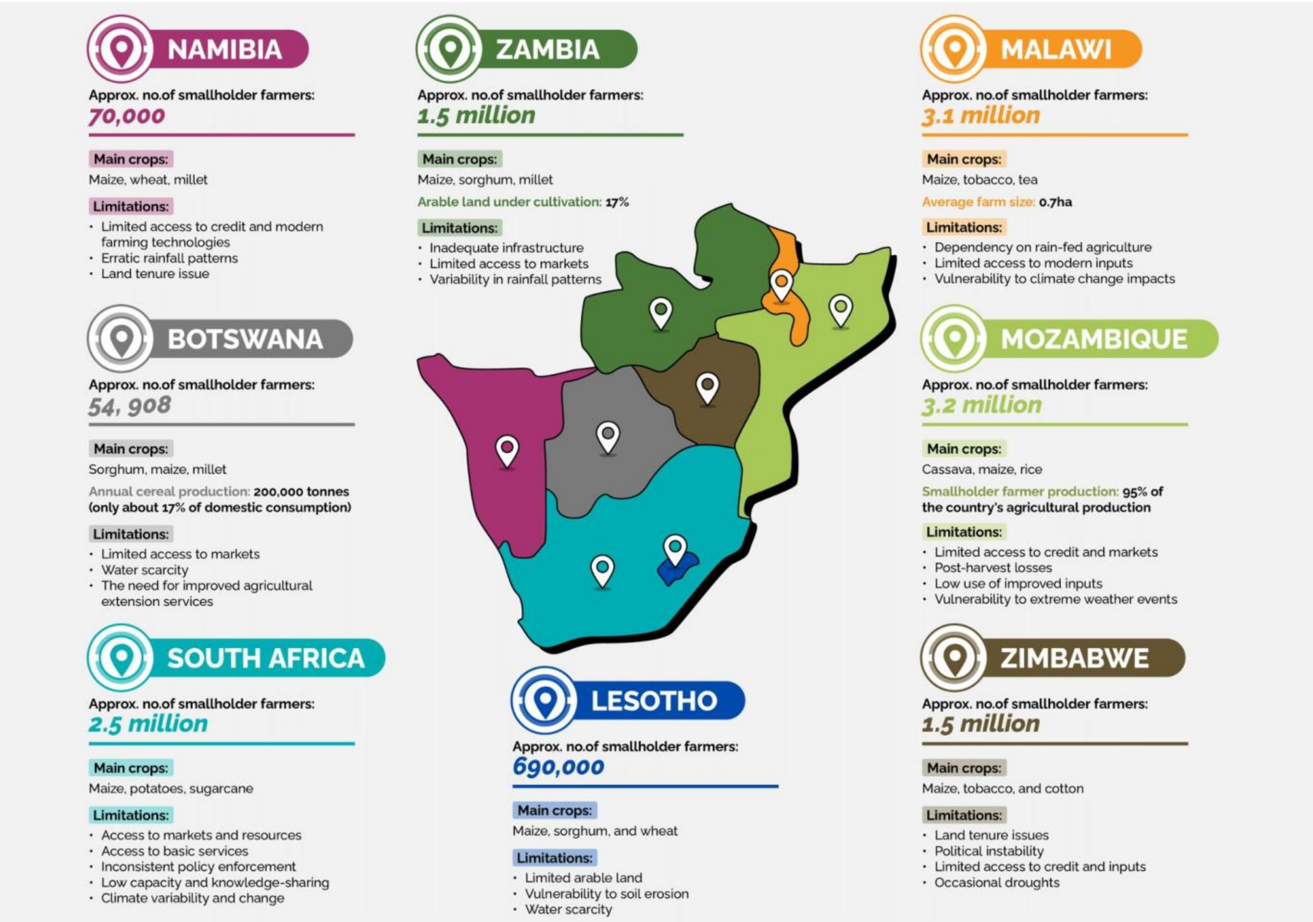
## Small-Scale Farmers : Key Players in Food Security in Southern Africa




Source : *Legion Exim*

In Southern Africa, small-scale farmers play a central role in ensuring food security. By cultivating small plots of land - often for their own subsistence - these farmers nonetheless face numerous challenges, ranging from climatic and technical to structural constraints.

# The Return of Major Western Banks to the Angolan Financial System

In October 2025, Angola's banking sector reached a major milestone in its reintegration into international financial networks with the conclusion of two strategic agreements.

Standard Bank Angola (SBA) became the first bank in the country to officially reestablish the presence of U.S. banks within the national financial system, after obtaining approval from J.P. Morgan to open correspondent accounts in both U.S. dollars and euros. This agreement—resulting from two years of negotiations and compliance procedures—ends nearly a decade of interruption following the restrictions imposed in 2015 for reasons related to transparency and anti–money laundering measures.

At the same time, Banco de Fomento Angola (BFA) entered into a similar partnership with Deutsche Bank, becoming the first Angolan bank to reestablish direct correspondent banking relations with a European institution since the widespread withdrawal of Western correspondents. The agreement will help secure foreign currency transactions and strengthen the sector's capacity to operate in accordance with international standards of compliance and supervision.

These two simultaneous developments illustrate the gradual return of confidence among major Western financial institutions in the strength and transparency of Angola's banking system, while reinforcing the country's position on the path toward the full normalization of its international financial relations.

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# Southern Africa

## Revision of Multilateral Institution Frameworks: An Additional USD 600–800 Billion in Sovereign Lending Potential for African Development Banks

In its Supranationals 2025 report, S&P announced that revisions to the framework governing multilateral lending institutions could raise risk-adjusted capital ratios by 10%, thereby unlocking between USD 600 and 800 billion in additional sovereign lending capacity for African development banks. These revisions will allow the banks to lend more while maintaining financial strength. The African Development Bank (AfDB), East African Development Bank (EADB), African Trade Insurance Agency (ATI), and the Arab Bank for Economic Development in Africa (BADEA) are identified as key players. S&P forecasts an increase in regional lending to bridge financing gaps, particularly in climate and infrastructure sectors.

# South Africa

## Launch of a Request for Information (RFI) for Private Sector Participation in Passenger Rail Transport *(Government of South Africa)*

On October 26, 2025, Transport Minister Barbara Creecy announced the launch of a Request for Information (RFI) - open until December 15 - for private sector participation in passenger rail services currently managed by the state-owned Passenger Rail Agency of South Africa (PRASA). This initiative marks a key step in implementing the 2022 National Rail Policy and Freight Logistics Roadmap, both of which aim to modernize and gradually open the rail and port sectors to private investment.

The new RFI invites private actors to contribute to several major projects: developing an intermodal "tap-and-go" smart ticketing system; modernizing the Braamfontein and Wolmerton train depots (Gauteng); monetizing PRASA's fiber-optic network; developing fast interregional trains linking Johannesburg, Durban, and Polokwane; and leasing/managing new and old train fleets manufactured at the Gibela plant in Nigel (a joint venture led by Alstom).

These RFIs are not tenders but preparatory steps before issuing Requests for Proposals (RFPs). The goal is to assess market capacity and identify innovative solutions to improve network reliability, digital connectivity, and efficiency—ultimately achieving 600 million passenger trips annually by 2030.

PRASA collapsed in 2020 during the Covid-19 pandemic after looters vandalized most of its 580 stations and stole overhead power cables, rendering about 95% of its network unusable. In 2024/25, PRASA carried 77 million passengers, and 35 of its 40 passenger corridors had been restored.

Minister Creecy also presented results from the first RFI on port and freight rail, launched in March 2025. It received 162 submissions, including 52 from foreign companies across 12 countries (including France), highlighting strong international private-sector interest. The first RFPs are expected before the end of 2025, followed by three more in early 2026. The Development Bank of Southern Africa (DBSA) and National Treasury will oversee implementation through a dedicated Private Sector Participation Unit (PSP Unit).

## Strong Controversy Over the Renewal of Leases for the Durban Port Oil Terminal *(MoneyWeb)*

Transport Minister Barbara Creecy faces sharp criticism after renewing 25-year leases for fuel storage facilities at the Transnet Island View Precinct (IVP) in Durban Port, granted to major domestic and international oil companies such as Bidvest Tank Terminals, Vopak, Engen, TotalEnergies, Sasol, and Astron Energy. These renewals, authorized under Section 79 of the National Ports Authority Act, bypass traditional tenders on grounds of "national interest."

Several Black Economic Empowerment (BEE) stakeholders denounce exclusion from consultations and claim the process undermines economic transformation policies. They demand a full review, arguing that the 15% capacity allocation to the state-owned Central Energy Fund (CEF)—set to rise to 30% over ten years—remains insufficient for meaningful participation by emerging Black operators.

Mineral Resources and Energy Minister Gwede Mantashe also voiced discontent, calling it "unacceptable" that transformation be limited to symbolic inclusion of the CEF. Parliamentary committees on Trade, Industry, and Transport have called for further consultations before any legal proceedings.

Creecy defended her decision, arguing it ensures fuel supply security, promotes long-term investment, and will progressively open infrastructure access through the CEF. The controversy highlights ongoing tension between the need for foreign capital and domestic demands for stronger national participation in the energy sector.

## South Africa Launches a USD 135 Million Fund to Combat Youth Unemployment

South Africa will launch on Friday a Youth Fund worth ZAR 2.5 billion (USD 135 million) to tackle youth unemployment, which affects nearly half of those aged 15–34. Managed by the National Youth Development Agency (NYDA), the fund will support youth-led SMEs with equity investments and loans ranging from ZAR 750,000 to 2 million. It targets key sectors such as renewable energy, mining, agriculture, and manufacturing, with the goal of developing sustainable enterprises—some potentially listed on the Johannesburg Stock Exchange (JSE).

## Trade Negotiations: Cyril Ramaphosa Expresses Cautious Optimism Over Talks with the United States

During his state visit to Switzerland, President Cyril Ramaphosa expressed measured optimism regarding ongoing trade negotiations with the United States, now at the text-drafting stage—a key milestone toward formalizing bilateral agreements. Talks aim to reverse the 30% tariffs imposed by former President Donald Trump on South African exports, particularly in the automotive and citrus sectors, which threaten jobs and industrial output.

## Social Conflict Over the Future of ArcelorMittal South Africa (AMSA) Intensifies *(Business Day)*

The National Union of Metalworkers of South Africa (NUMSA) has called on the government to nationalize AMSA—the South African subsidiary of Luxembourg-Indian steel giant ArcelorMittal and the continent's largest steel producer—after nearly 4,000 job cuts at its Newcastle and Vereeniging plants. The decision, driven by poor economic conditions, logistical and energy issues, and competition from low-cost Chinese imports, was suspended by the Labour Court on October 21, which ordered the reinstatement of workers and renewed consultations.

NUMSA, led by Irvin Jim, denounces the process as "unilateral" and urges intervention from the Presidency, the Department of Trade, Industry and Competition (DTIC), and the Industrial Development Corporation (IDC) to prevent layoffs and preserve local industry. If talks fail, NUMSA threatens to seek business rescue proceedings.

Facing cumulative losses of ZAR 1.7 billion (EUR 85 million) since 2023, AMSA had already idled its long-steel operations in January 2025 despite public support—ZAR 1.7 billion from the IDC and over ZAR 400 million in wage subsidies.

NUMSA argues that nationalization is now the only viable solution to save jobs, restart domestic production, and support the country's reindustrialization strategy. Discussions with stakeholders—including Eskom, Transnet, and IDC—are ongoing, though no long-term solution has been reached. A takeover offer worth ZAR 7 billion (EUR 340 million) was reportedly rejected by ArcelorMittal as too low. The IDC, currently holding 8.2% of AMSA's capital, may propose a ZAR 8 billion (EUR 400 million) offer including debt.

# Angola

## Angola Bids to Acquire De Beers via Endiama

State-owned Angolan diamond company Endiama has formally submitted an offer to acquire Anglo American's majority stake in De Beers, valued at approximately USD 4.9 billion. The move aims to position Angola more prominently within the global diamond value chain, beyond its traditional role as a producer.

If successful, the deal would strengthen Luanda's regional standing vis-à-vis Botswana—already a De Beers shareholder—while consolidating technical cooperation between Endiama and the group. Financially, Angola must avoid excessive public debt, favoring a mixed financing structure involving private and institutional investors.

Success will hinge on governance: Endiama must secure guarantees on skills transfer, local job creation, and transparency. The bid reflects Angola's ambition to become a key global player in diamond governance while balancing industrial aspirations with fiscal prudence.

## Angola to Introduce Unemployment Benefits from 2027

Angola plans to introduce an unemployment benefit system in 2027, according to Samuel Mulaza, administrator of the National Social Security Institute (INSS). This marks a major step forward in the country's social protection policy.

The system will support workers facing involuntary unemployment by providing temporary income until re-employment. To ensure financial sustainability, the INSS plans to raise total social contribution rates from 11% to 15%, split between employees (3% to 5%) and employers (8% to 10%).

However, success will depend on increased labor formalization, as social security revenues rely heavily on contributions. The reform aligns with the INSS's 2023–2027 strategic plan to expand social protection coverage to over two million workers.

While praised for its ambition, observers stress that the contribution hike must be accompanied by improved governance and greater transparency in public fund management.

# Malawi

## Malawi Bans the Export of Unprocessed Minerals *(Agence Ecofin)*

Malawian President Peter Mutharika has signed a decree banning the export of raw minerals. The measure aims to promote domestic value addition and make mining a key growth driver—potentially contributing up to 10% of GDP by 2063, compared to 0.7% in 2023 (World Bank).

The ban applies to all minerals extracted domestically—including uranium, rare earths (Songwe Hill), and graphite (Kasiya)—unless processed or refined locally. Australian company Lindian Resources confirmed its Kangankunde rare earths project complies with the new rule, as it includes an initial concentration stage prior to export.

Malawi thus joins a growing African trend, following examples such as Zimbabwe's lithium policy, requiring local mineral processing to capture more value. While this could boost industrialization, it poses challenges in technical capacity and investor attractiveness.

## IMF Expected to Discuss a New Economic Program *(RMB)*

An IMF mission will soon visit Malawi to negotiate a new support program as President Mutharika seeks urgent financial assistance to stabilize an economy burdened by debt, fiscal imbalances, and foreign currency shortages.

Finance Minister Joseph Mwanamvekha ruled out short-term currency devaluation, arguing it would hurt the poor without addressing supply issues. The IMF described its talks with Malawian authorities as "productive" and reaffirmed its willingness to support the country's economic reforms.

# Namibia

## President Nandi-Ndaitwah Dismisses Minister of Industry, Mines, and Energy *(Reuters)*

On Sunday, October 26, President Netumbo Nandi-Ndaitwah dismissed Minister and Deputy Prime Minister Natangue Ithete, head of the Ministry of Industry, Mines, and Energy (MIME), without notice. The Presidency later cited "failure to follow presidential directives," alleging that he extended several oil exploration licenses without authorization. Ithete retains his seat as MP.

This marks the second ministerial dismissal since her March 21, 2025 inauguration—the first involved the Agriculture Minister, removed amid allegations of sexual assault. Initially, Nandi-Ndaitwah announced she would temporarily assume MIME's leadership, sparking opposition backlash.

She later appointed Defence Minister Kapofi as acting MIME head, with Deputy Minister Gaudentia Kröhne remaining in her post. The incident highlights growing scrutiny over management of Namibia's emerging oil and gas industries, which report directly to the Presidency.

### Policy Shift After Repayment of USD 750 Million Eurobond

La Namibie a annoncé qu'elle privilégierait désormais les marchés locaux pour financer ses besoins d'emprunt à court terme, après avoir récemment remboursé son plus gros Eurobond, d'un montant de 750 M USD, émis en 2015. Namibia announced it will now favor domestic markets for short-term borrowing after repaying its largest Eurobond—USD 750 million issued in 2015. Finance Minister Ericah Shafudah stated that no new Eurobond issuance is planned. Currently, 85% of Namibia's funding comes from domestic sources, with 15% from external debt—90% of which is denominated in South African rand.

The repayment was mostly funded domestically: USD 444 million from a central bank redemption fund and USD 306 million raised from local lenders, including Standard Bank Namibia, First National Bank Namibia, and Bank Windhoek, in partnership with Absa.

This reflects a broader African trend toward local financing amid global interest rate uncertainty and geopolitical volatility. According to S&P Global, emerging-market sovereign debt issuance fell 16% from 2023 and remains about one-third below 2024 levels. However, concentrating public debt in local banks could strain those institutions and restrict credit availability.

## Zambia

### Possible Agreement to Avoid Arbitration with Afreximbank *(CNBC)*

Zambia may avoid arbitration with the African Export-Import Bank (Afreximbank) over a disputed debt restructuring, following talks at the IMF–World Bank Annual Meetings. Treasury Secretary Felix Nkulukusa said a third party approached Afreximbank in August expressing interest in assuming the debt. Zambia agreed to the debt transfer, allowing restructuring under the comparability-of-treatment principle. Afreximbank, which had previously threatened arbitration, has yet to comment.

### Le ralentissement de l'inflation se confirme en octobre *(ZamStats)*

According to Zambia's National Statistics Agency (ZamStats), annual inflation fell to 11.9% in October, down from 12.3% in September—its lowest level since August 2023 (10.9%) and slightly below forecasts (12.0%). The decline was broad-based, affecting both food and non-food categories. Food inflation eased to 14.1% (from 14.6%), driven by a 28.9% drop in maize prices, while non-food inflation fell to 8.7% (from 9.0%), supported by an average 14.8% decrease in fuel prices.

In light of this slowdown, several analysts expect the Monetary Policy Committee to cut the policy rate by 100 basis points to 13.5% at its next meeting on November 12..

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