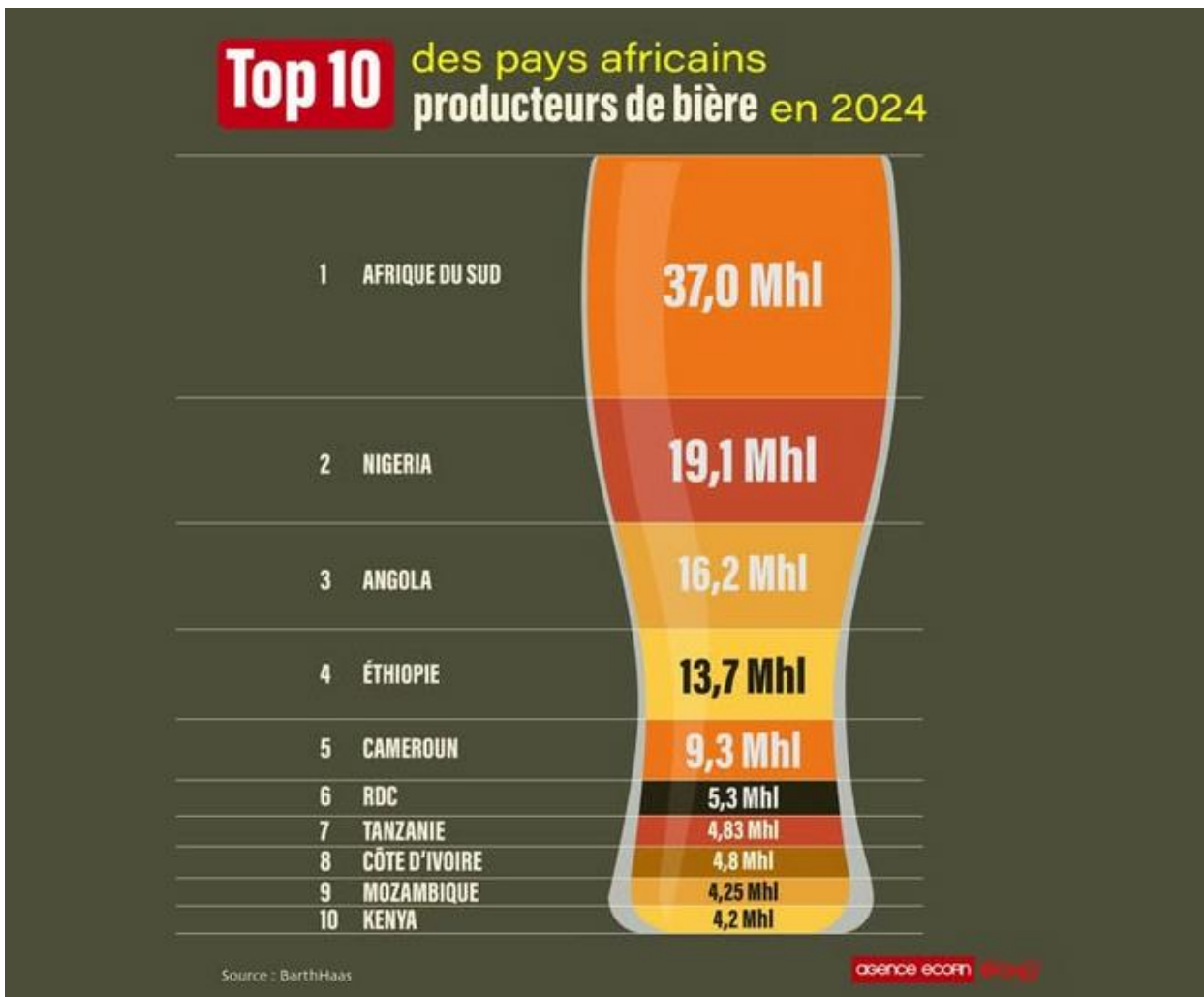


ECONOMIC WRAP-UP Southern Africa

A publication from the Pretoria Regional
Economic Service, from October 20 to October 24, 2025

Top 10 African beer-producing countries in 2024 (Agence Ecofin)



As a reminder, the main consumers of beer in Africa are Namibia (6th largest consumer per capita worldwide with 95.5 litres), followed by Gabon (67 litres), South Africa (60 litres), the Democratic Republic of Congo, Kenya, Tanzania and Uganda.

Minister of Electricity and Energy Kgosientsho Ramokgopa unveils Integrated Resource Plan (IRP) 2025, the country's new energy strategy

Minister of Electricity and Energy Kgosientsho Ramokgopa has unveiled the new Integrated Resource Plan (IRP 2025), which will mobilise ZAR 2.2 trillion (EUR 110 billion) in domestic and international investment by 2039. The aim is to radically transform South Africa's energy landscape by 2039 after more than a decade of load shedding and to enable sustained growth (target of 3% by 2030).

This ambitious new plan calls for 105 GW of new capacity by 2039, compared to the current capacity of around 50 GW. The new mix should end the dominance of coal (currently 58% of installed capacity but 83% of consumption) in favour of clean energy. Specifically, the plan calls for an additional 25 GW of solar photovoltaic capacity by 2039, 34 GW of wind power, 8.5 GW of battery storage and 5.2 GW of nuclear power. Six GW of gas-to-power capacity is also planned by 2030, rising to 16 GW by 2039. Questions remain about South Africa's ability to implement the necessary reforms and mobilise the technical capacity and adequate funding to achieve this goal on time.

With regard to nuclear power, IRP 2025 specifies that if the South African nuclear programme is successfully relaunched (the country has the 1.8 GW Koeberg nuclear power plant built in the 1980s), a total of 10 GW of nuclear capacity would be envisaged. So-called 'clean coal' technologies aimed at reducing pollutant emissions and improving coal combustion efficiency will also be explored.

The plan sets a target of reducing emissions to 160 MtCO₂e by 2030, i.e. approximately -25% compared to the 2019 IRP target (210 MtCO₂e), and then 142 MtCO₂e by 2035. This figure appears to be in line with the target range of 350 to 420 MtCO₂e/year for 2030 and 320 to 380 MtCO₂e/year for 2035 presented in the country's new 2025 National Determined Contribution (NDC).

Summary:

Southern Africa

- The French Development Agency (AFD), PROPARCO and the Development Bank of South Africa (DBSA) extend their partnership until 2030 (*AFD*)

South Africa

- South Africa removed from FATF grey list (*BusinessTech*)
- Inflation rises slightly in September (*StatsSA*)

Angola

- Angolan mining registry launches digital platform (*Cadastro Mineiro*)
- Angolan government has paid more than 75% of its estimated debt service for 2025 to date (*Ministry of Finance*)
- Angola's first major copper mine begins production (*Zone Bourse*)
- Contraction of M0 money supply in September (*Mercado*)
- Angola named 'Best Tourism Investment Destination 2025' (*Angop*)

Botswana

- Moody's downgrades Botswana's sovereign rating due to crisis in diamond sector (*Miningmx*)

Mozambique

- Mozambique officially removed from FATF Grey List (*Folha de Maputo*)

Namibia

- Mid-term budget review: public finances under pressure (*The Namibian*)

Zambia

- A 110 MW solar project, developed as part of a public-private partnership, begins operations in Zambia (*Lusaka Times*)

Zimbabwe

- China's Huayou to produce lithium sulphate from 2026 at its plant in Zimbabwe, a new step towards local processing (*Mining.com*)

Southern Africa

The French Development Agency (AFD), PROPARCO and the Development Bank of South Africa (DBSA) extend their partnership until 2030 (AFD)

On 16 October 2025 in Washington D.C., the DBSA, AFD and PROPARCO signed a new memorandum of understanding (MoU) extending their cooperation until December 2030. This partnership, which has been in place for over 25 years, aims to intensify collaboration in climate finance, sustainable infrastructure and biodiversity-friendly investments.

Since 1994, the three entities have mobilised more than €526 million through this partnership, financing renewable energy, basic infrastructure and climate resilience projects benefiting more than 3 million people. Notable successes include the issuance of the DBSA's first green bond in 2021 (€200 million), fully subscribed by AFD.

The new agreement identifies five strategic priorities: support for municipalities and provinces, notably through the World Bank's new municipal support programme; financing for public enterprises in key sectors (transport, energy), with AFD lending EUR 300 million to Transnet; support for the private sector; the Just Transition Financing Mechanism (AFD is disbursing EUR 1 billion to South Africa under the JETP) and nature-positive infrastructure combining climate and biodiversity benefits.

The partners will also strengthen their synergies through innovative financial instruments (credit guarantees, impact bonds, climate insurance products) and technical cooperation on the integration of climate and natural risks into investment decisions. They will also collaborate within the International Development Finance Club (IDFC), particularly around the Global Guarantee Platform, which aims to mobilise

private capital for sustainable development.

Finally, the agreement provides for biannual meetings of operational teams and an annual strategic dialogue between leaders to identify new opportunities and strengthen joint advocacy for sustainable finance.

South Africa

South Africa removed from FATF grey list (*BusinessTech*)

South Africa has been removed from the Financial Action Task Force (FATF) grey list after strengthening its measures to combat money laundering and terrorist financing.

The FATF praised the reforms undertaken by the country to improve financial transparency and strengthen the supervision of financial flows. For the record, South Africa had been placed on this list in February 2023.

This removal from the grey list is a positive signal for foreign investors and could boost market confidence. Following the announcement, the yield on South Africa's benchmark 10-year bond fell by 4 basis points to 8.9%, while the rand appreciated by 0.6% against the dollar. According to experts, although this decision does not directly affect growth prospects, it strengthens the country's institutional soundness and may help to reduce debt financing costs.

Being on the grey list made it difficult for citizens working abroad to send funds to South Africa and could discourage some foreign investment. Its removal should therefore facilitate and reduce the cost of currency transfers and encourage new international investment.

According to the FATF's assessment schedule, South Africa could be subject to an on-site visit in April 2027 to be assessed under the new methodology of the fifth round of reviews.

Inflation rises slightly in September (StatsSA)

According to Statistics South Africa (StatsSA), consumer price inflation (CPI) rose slightly in September, from 3.3% in August to 3.4% year-on-year. The main items contributing to this annual inflation rate are 'housing, water and electricity' (+4.5%, a positive contribution of 1.1 percentage points) and 'food and beverages' (+4.5%, 0.8 points). However, food price inflation is slowing, with annual food inflation at 4.4% compared to 5.2% in the previous month, reflecting lower agricultural prices on international markets and the appreciation of the rand.

However, some products such as meat remain at high levels, largely due to livestock epidemics.

This slight upturn in inflation could prompt the Central Bank's Monetary Policy Committee to keep its key interest rate at 7% at its meeting on 20 November, in order to guide inflation towards its 3% target.

Angola

Angolan mining registry launches digital platform (Cadastro Mineiro)

At the 2025 international mining conference held in Luanda, the Angolan authorities launched an online platform for the Angolan mining cadastre. This South African software allows users to interact directly with the National Agency for Mineral Resources (ANRM) to register mining rights and provides broad access to maps, existing mining titles and their details (area, period of validity, etc.), as well as a wide range of information on technical and legal regulations in the sector. This platform was developed with the aim of complying with international standards and best practices in terms of access to mining rights, transparency and compliance,

thereby promoting improved conditions for national mining development.

Angolan government has paid more than 75% of its estimated debt service for 2025 to date (Ministry of Finance)

Angola has already paid USD 14 billion, or more than 75% of its estimated debt servicing for the 2025 financial year. This was stated by the Angolan Secretary of State for Finance and the Treasury at the recent World Bank and IMF Annual Meetings held in Washington. Angola has notably issued Eurobonds, enabling it to obtain financing at interest rates below 10%, and is also striving to diversify its sources of financing beyond European markets. Angola will continue to strengthen the confidence of international investors throughout 2026 and beyond.

Angola's first major copper mine begins production (Zone Bourse)

The Tetelo copper mine in Uíje province, Angola's first large-scale operation of its kind, will begin production on 29 October 2025, authorities have announced. The US\$250 million project is owned by Shining Star Icarus, a joint venture between China's Shining Star International and private company Sociedade Mineira de Cobre de Angola.

The mine is expected to produce 25,000 tonnes of copper concentrate per year during the first two years. According to Mines Minister Diamantino Azevedo, this inauguration marks 'the start of production at the country's first underground copper mine'.

The first phase will consist of open-pit mining, followed by underground mining from the second half of 2026. A purchase agreement has been signed with commodities trader Glencore. Other major players, such as Ivanhoe Mines and Anglo American, also have copper exploration projects in Angola.

Contraction of M0 money supply in September (*Mercado*)

In September, the monetary base (M0) in national currency stood at 2.3 trillion kwanzas (AOA), recording a contraction of approximately 2.9% year-on-year. This change is mainly due to the decline in excess reserves, which fell by approximately 20.9% over one year.

In contrast, the M2 monetary aggregate, a broader measure of liquidity, reached 11.0 trillion kwanzas, an increase of 11.8% year-on-year, marking the seventeenth consecutive month of growth below inflation.

Given the gradual disinflation and current stability of monetary aggregates, the National Bank of Angola (BNA) is expected to keep its monetary policy instruments unchanged at the next meeting of the Monetary Policy Committee (MPC).

Angola named 'Best Tourism Investment Destination 2025' (*Angop*)

Angola was named Best Tourism Investment Destination 2025 at the World Tourism Awards ceremony in Brussels. This distinction recognises the country's natural, cultural and political assets.

The authorities have launched a £35 million tourism promotion plan, including investments in tourist sites, the opening of the new Luanda International Airport, and a visa waiver policy for 98 countries.

The aim is to promote the country's national heritage and attract more tourists and investors. It should be noted that Angola has also been chosen as the African host country for the Berlin International Tourism Fair (ITB), the world's largest trade fair in the sector, which will be held from 3 to 5 March 2026.

Botswana

Moody's downgrades Botswana's sovereign rating due to crisis in diamond sector (*Miningmx*)

Moody's has downgraded Botswana's long-term sovereign rating from A3 to Baa1, on a par with Uruguay, while maintaining a negative outlook. The agency justified this downgrade by citing the country's difficulty in adapting to the prolonged crisis in the diamond sector, the mainstay of its economy. The slowdown in this industry is leading to a contraction in GDP (-3.0% in 2024), an increase in debt and an erosion of foreign exchange reserves. The authorities are preparing a coordinated response, but risks remain, particularly due to the normalisation of SACU customs union revenues, the instability of the global diamond market and internal structural constraints.

Mozambique

Mozambique officially removed from FATF Grey List (*Folha de Maputo*)

The decision was taken on 24 October, following a recommendation by the International Cooperation and Review Group, after an assessment mission carried out in September.

This decision reflects the full implementation of the Action Plan, comprising 26 measures relating to the fight against money laundering and terrorist financing. According to Finance Minister Carla Louveira, Mozambique's removal from the grey list strengthens the country's international image, lending greater credibility to the national financial system and paving the way for an increase in foreign direct investment. Mozambique was officially listed by the FATF among the jurisdictions subject to enhanced monitoring, also known as the 'grey list', in October 2022.

Namibia

Mid-term budget review: public finances under pressure (The Namibian)

Namibian Finance Minister Ericah Shafudah presented the mid-year budget review for the 2025/26 financial year, providing an update on budget implementation. Revenues collected between April and September amounted to NAD 36.6 billion (approximately EUR 1.8 billion), or 40% of the annual target, but the pace of collection slowed by 10 percentage points compared to the same period last year. Total expenditure (excluding statutory expenditure) reached NAD 41 billion (approximately EUR 2 billion), or 39% of the annual budget, 4 percentage points lower than the previous year.

The Minister warned of a deterioration in public finances, judging the current trend to be unsustainable in the medium term. The country's public debt remains a concern: it has been revised upwards to NAD 177 billion (approximately EUR 8.8 billion, or 67.5% of GDP) for this year and is expected to reach NAD 193 billion (approximately EUR 9.6 billion, or 69% of GDP) in 2026/27, limiting fiscal room for manoeuvre. Interest payments will absorb more than 16% of revenue this year, reflecting growing pressure on debt sustainability.

At the same time, economic growth forecast for 2025 has been revised downwards to 3.3%, from 4.5% previously, due to an expected contraction in the manufacturing sector and a decline in industrial production.

Zambia

A 110 MW solar project, developed as part of a public-private partnership, begins operations in Zambia (*Lusaka Times*)

Zambia has inaugurated the first phase of the Mailo solar photovoltaic power plant, located in the Serenje district (central province). The project, jointly led by the public energy company ZESCO and the British independent producer Solar Century Africa, has a total capacity of 110 MW, of which 25 MW is already connected to the national grid.

This infrastructure, one of the largest in the country, aims to diversify Zambia's energy mix and reduce dependence on hydroelectricity, which has been put under pressure by falling water levels at the Kariba Dam (960 MW on the Zambian side, representing more than 80% of national production). It is part of ZESCO's Renewable Energy Expansion Programme, aligned with the government's Vision 2030 and Green Growth Strategy.

The next phases will incorporate battery storage systems to strengthen the resilience of Zambia's electricity grid. This announcement illustrates the Zambian government's commitment to developing renewable energy to reduce dependence on hydroelectricity and liberalising the electricity market for greater efficiency through the development of public-private partnerships.

Zimbabwe

China's Huayou to produce lithium sulphate from 2026 at its plant in Zimbabwe, a new step towards local processing ([Mining.com](#))

In the first quarter of 2026, Chinese group Zhejiang Huayou Cobalt will launch lithium sulphate production at its new £30 million plant adjacent to its Arcadia lithium mine near Harare. Annual production capacity is expected to exceed 50,000 tonnes, with potential for 60,000 tonnes depending on the final configuration of the site.

This unit, operated by Prospect Lithium Zimbabwe (a wholly-owned subsidiary of Huayou), marks a major step forward in Zimbabwe's strategy to develop its resources locally and limit exports of concentrates from 2027 onwards. Huayou, which acquired the Arcadia mine for \$422 million in 2022, had already inaugurated a \$300 million concentration plant in 2023 and exported 400,000 tonnes of lithium concentrate in 2024.

Alongside Sinomine, Chengxin, Yahua and Tsingshan, among others, Huayou is thus confirming Chinese dominance of Zimbabwe's lithium sector. Sinomine is also planning a similar £500 million plant at its Bikita mine site, validating the industrial vision of Zimbabwe, Africa's leading lithium producer (2.4 million tonnes in 2024), which aims to strengthen its position.

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