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Southern Africa

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IMF Concludes Annual "Article IV" Economic Review Mission (IMF)

A team from the International Monetary Fund (IMF) visited South Africa from December 1 to 8 as part of its annual review of the country's economic situation, known as the "Article IV" mission. The Fund highlights the resilience of the South African economy in 2025, despite a global context marked by rising protectionism and increased geopolitical tensions. Economic activity shows signs of gradual improvement: growth is expected to reach 1.3%–1.4% in 2025–26, driven by private consumption, before rising to 1.8% by the end of the decade. Inflation is projected to converge in the medium term towards the new 3% target. However, this trajectory is not without risks, which are linked to the global environment, significant internal structural constraints, and the still slow pace of reforms.

The IMF calls for credible fiscal consolidation to stabilize high debt levels and create room for investment. While the authorities aim for a primary surplus of 1.5% of GDP in the 2025/26 fiscal year, the Fund considers that a 3% surplus of GDP in the medium term will be necessary to bring debt down to around 70% of GDP over the next decade. On monetary policy, the adoption of a lower inflation target (3%) has been welcomed by the IMF.

Regarding structural reforms, progress remains insufficient given the country's needs. The IMF emphasizes the urgency of accelerating reforms in the electricity and logistics sectors, strengthening governance and anti-corruption measures, simplifying regulations to improve the business environment, and implementing labor market reforms to stimulate job creation. Improved urban mobility, better local infrastructure, and targeted policies to reduce job search costs will be key levers. Finally, deeper trade integration—particularly through the AfCFTA—and export diversification could support growth.

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Southern Africa

US congressional committee approves extension of preferential trade agreement with African countries (AGOA), with no mention at this stage of excluding South Africa

The US House of Representatives' Ways and Means Committee has approved a bill extending the African Growth and Opportunity Act (AGOA) by three years. The programme grants duty-free access to the US market for a range of products from sub-Saharan African countries. At this stage, no exclusion of South Africa has been mentioned, despite earlier warnings from the Trump administration.

The bill was adopted by 37 votes to 3 and will now be reviewed by the full House. The committee described AGOA as a "cornerstone of economic relations between the United States and sub-Saharan Africa," stressing that ending the programme would largely benefit competitors such as China or Russia.

However, South Africa's continued inclusion in AGOA is not guaranteed, as trade relations with Washington have deteriorated, notably following the imposition by the United States of 30% tariffs on South African exports. South Africa's Department of Trade is closely monitoring developments and has stated its intention to secure the country's inclusion in any extension of the programme.

South Africa

Consumer price inflation (CPI) slows to 3.5% in November *(StatsSA)*

State-owned operator Transnet has signed a concession agreement with International Container Terminal Services (ITCSI) to expand and modernise the main terminal at the Port of Durban, Africa's largest container hub.

This is South Africa's first major port concession, two years after Transnet approved a partnership under which ITCSI would invest 49%, alongside Transnet's 51%, to modernise and operate the terminal for 25 years. ITCSI will invest around ZAR 11 billion (EUR 555 million).

The project represents the largest attempt so far to mobilise private-sector expertise to upgrade public ports ranked among the least efficient in the world by the World Bank. According to the Container Port Performance Index 2020–2024, Port Elizabeth, Cape Town, Coega and Durban rank 395th, 400th, 402nd and 403rd out of 405 ports. Pier 2 handles nearly 70% of Durban's total traffic and over 40% of South Africa's container volumes.

Eskom's new unbundling strategy approved by Minister Ramokgopa *(Engineering News)*

The Minister of Electricity and Energy, Dr Kgosientsho Ramokgopa, has approved Eskom's new restructuring strategy. Grid assets will remain owned by Eskom through the National Transmission Company South Africa (NTCSA), while a separate entity — yet to be created — will assume the role of electricity system operator (TSO), responsible for balancing the grid, managing the market and procuring electricity.

The strategy aligns with the Electricity Regulation Amendment Act, signed in 2024 and effective since January 2025, which provides for the establishment of an independent TSO within five years. It also aims to preserve Eskom's financial stability by avoiding a full separation of the grid, deemed risky for a heavily indebted utility.

While some experts advocated for a fully independent, grid-owning TSO to enhance competition, the minister and Eskom's board opted for a more gradual and less disruptive approach, designed to limit financial and operational risks while strengthening market-opening capabilities.

Eskom finalises MoU with ferrochrome producers, offering preferential electricity tariffs *(Eskom)*

Eskom has finalised a memorandum of understanding with major South African ferrochrome producers Saramcor Chrome and Glencore-Merafe Chrome Venture. The aim is to identify sustainable, long-term solutions to support the ferrochrome sector, which has been severely affected by global market pressures and rising production costs, particularly electricity.

A multi-stakeholder task force involving Eskom, producers and government representatives is to be established within three months to propose a new tariff structure that enhances industrial competitiveness without burdening other electricity consumers.

Producers currently operate under negotiated pricing agreements (NPAs) approved by the national regulator (NERSA). In response to economic difficulties, hardship clauses were activated, and Eskom requested a temporary exemption from certain contractual obligations to stabilise the situation.

Once interim tariff adjustments are approved by NERSA and the complementary mechanism finalised, producers have committed to suspending layoffs and restarting around 40% of furnace capacity, while working toward a long-term solution under the MoU. Although South Africa is a major global producer of iron and chrome ores, its ferrochrome smelting industry faces strong competition from Chinese plants benefiting from much lower energy costs.

South Africa launches a plan to increase value addition in critical minerals *(BusinessDay)*

The government has launched the Critical Mining Strategy, an implementation plan following the critical minerals strategy announced in May. The objective is to better exploit critical minerals by shifting from raw material exports to higher value-added local processing. The plan is structured around six pillars: (1) Geological mapping and exploration; (2) Local industrial development and value addition; (3) Research, development and innovation; (4) Infrastructure and energy security; (5) Financial tools and mechanisms; (6) Regulatory alignment.

South Africa aims to capitalise on growing global demand for minerals essential to modern technologies such as electronics, healthcare, defence and electric vehicles. The country's subsoil is particularly rich in platinum group metals (91.3% of global reserves), manganese (75%), chrome (35%), among others.

Moody's maintains South Africa's sovereign rating

On 4 December, Moody's affirmed South Africa's sovereign credit rating at Ba2 with a stable outlook. The agency expects a modest recovery in growth, reaching +1.8% by 2027. However, the fiscal deficit is projected to remain at 4.1% of GDP in FY2025/26, pushing public debt to 87% of GDP. Moody's notes that while economic conditions have improved, deep structural constraints continue to weigh on long-term prospects.

This decision follows S&P Global Ratings' recent upgrade of South Africa's sovereign rating, the first in nearly 20 years, reflecting stronger fiscal revenues, improved growth prospects and easing pressures on state-owned enterprises.

IMF concludes its annual Article IV mission *(FMI)*

An International Monetary Fund (IMF) team visited South Africa from 1 to 8 December as part of its annual assessment of the country's economic situation, known as the "Article IV mission." The Fund highlights the resilience of the South African economy in 2025, despite a global environment marked by rising protectionism and increasing geopolitical tensions. Economic activity is showing signs of a gradual recovery: growth is expected to reach around 1.3% to 1.4% in 2025–26, driven by private consumption, before rising to about 1.8% by the end of the decade. Inflation is projected to converge over the medium term towards the new target of 3%. However, this outlook is not without risks, stemming from the global environment, significant domestic structural constraints, and a reform pace that remains too slow.

The IMF calls for credible fiscal consolidation to stabilise high public debt and create fiscal space for investment. While the authorities are targeting a primary surplus of 1.5% of GDP as early as the 2025/26 fiscal year, the Fund considers that a surplus of around 3% of GDP will be required over the medium term to bring debt down to around 70% of GDP in the coming decade. On the monetary side, the IMF has welcomed the adoption of a lower inflation target of 3%.

As regards structural reforms, progress remains insufficient given the country's needs. The IMF therefore stresses the urgency of accelerating reforms in the electricity and logistics sectors, strengthening governance and anti-corruption efforts, simplifying regulation to improve the business environment, and implementing labour market reforms to boost job creation. Improved urban mobility, better local infrastructure, and targeted policies to reduce job-search costs will be key levers. Finally, deeper trade integration—particularly through the AfCFTA—and export diversification could help support growth.

Seven international consortia shortlisted for the deployment of electricity transmission infrastructure *(Engineering News)*

South Africa's Ministry of Electricity and Energy has announced the shortlisting of seven international consortia for the first phase of the Independent Transmission Projects (ITP) programme, which aims to accelerate the expansion of the transmission grid and facilitate the connection of new capacity, particularly renewable energy, to the national network.

According to Minister Kgosientsho Ramokgopa, although electricity transmission remains a public monopoly, private financing is required to meet investment needs. This initial phase covers only 1,164 km of 400 kV lines, out of the 14,000 km planned over the next ten years. The lines will be developed under a concession model (build, operate, transfer) on behalf of the National Transmission Company of South Africa (NTCSA), which will act as the single buyer. The international consortia were selected for their technical expertise and financial capacity, with the objective of gradually transferring responsibilities to South African companies. Industrialisation and localisation requirements have been included to maximise local economic benefits.

The shortlisted consortia are led by EDF EN South Africa (France), Grupo Cobra (the Spanish subsidiary of the French group Vinci), Adani Power (India), Celeo Redes (Spain), Okavango Projects (South Africa), State Grid International Development, and China Southern Power Grid (China). This shortlisting does not constitute an award: bidders will be required to submit detailed proposals as part of a formal tender process, the final version of which is expected in 2026/27.

The minister stressed the urgency of expanding the grid in order to avoid a medium-term electricity shortfall. At the same time, eight independent generation projects totalling 800 MW were commissioned in 2025/26, while a further 1,610 MW is currently under construction. The sector's momentum is also reflected in the success of Bid Window 7 of the REIPPPP programme, which received bids exceeding 10 GW for only 5 GW on offer.

Anglo American and Teck receive Canadian government approval for their merger project *(BusinessDay)*

The Canadian government has approved the merger between Anglo American and Teck Resources, marking a key milestone in the creation of a new global mining group headquartered in Vancouver. Approval was granted under the Investment Canada Act, following the announcement of the transaction in September and shareholder approval.

Presented as a "merger of equals", the transaction remains subject to additional international competition and regulatory approvals. In return, the two groups have made binding commitments regarding governance, employment, investment, and relationships with local communities, some of them on a permanent basis.

Named Anglo Teck, the new entity will have its main headquarters in Canada, where its chief executive officer, deputy CEO and chief financial officer will be based. It plans to invest at least CAD 4.5 billion (EUR 2.8 billion) over five years and CAD 10 billion (EUR 6 billion) over fifteen years, primarily in copper and critical minerals assets in British Columbia.

Major projects include the expansion of the Highland Valley copper mine (between CAD 2.1 billion and CAD 2.4 billion, or EUR 1.3–1.5 billion), the modernisation of the Trail facilities (up to CAD 850 million, EUR 525 million), and the development of the Galore Creek and Schaft Creek copper projects (up to CAD 750 million, EUR 460 million). Anglo Teck will also assess the expansion of copper capacity at Trail and the feasibility of a new smelting complex.

Finally, the group will invest ZAR 600 million (EUR 30 million) in a South African junior exploration fund. This will allow the group to maintain a direct interest in the South African mining sector despite the divestment of Amplats (platinum group metals), now independent under the name Valterra Platinum. The new group is also expected to retain its South African iron ore assets through Kumba Iron Ore.

This transaction is part of Anglo American's strategy to refocus on copper and minerals linked to the energy transition, following the divestment of its platinum group metals, metallurgical coal and nickel businesses, and the planned separation of De Beers.

ENGIE to launch construction of the Corona solar project (240 MW) in 2026 *(Engineering News)*

The French energy group ENGIE plans to launch construction of its Corona photovoltaic solar project (240 MW) in the Free State province in the fourth quarter of 2026, after being named a preferred bidder under Bid Window 7 of South Africa's REIPPPP programme. The announcement was confirmed on 15 December by Minister of Electricity and Energy Kgosientsho Ramokgopa, who stated that Corona and three other solar projects had been selected following a reallocation favouring solar over wind, whose deployment is constrained by grid access limitations.

In addition to Corona, the selected projects include Rondebosch Solar Park (240 MW) in Mpumalanga, as well as Springhaas Solar Facility 1 (240 MW) and Springhaas Solar Facility 6 (170 MW) in the Free State, developed by South African company Red Rocket, representing a total estimated investment of ZAR 16 billion (EUR 812 million). ENGIE expects Corona to be operational in the fourth quarter of 2028, strengthening its South African renewable portfolio, which already exceeds 1.2 GW.

Angola

Mota-Engil and CAAP secure the concession for Luanda's new airport: a strategic win… but questions remain

The Angolan government has awarded the concession for the new Dr António Agostinho Neto International Airport to a consortium led by Corporación América Airports (CAAP), an Argentine-origin group registered in Luxembourg, alongside Mota-Engil. The 25-year contract, renewable for a further 15 years, is presented as a strategic lever to turn Luanda into a regional hub. The authorities highlight CAAP's international experience and the role of Mota-Engil, whose shareholding includes the Chinese group CCCC, thereby reinforcing China's footprint in Angola's infrastructure sector.

Behind this positive communication, however, significant uncertainties remain: there is a lack of information on investment commitments, risk-sharing arrangements, and performance obligations. The project's actual capacity to reposition Luanda against major African hubs is not being critically assessed. Ultimately, success will depend on robust, transparent contractual governance focused on tangible results.

TAAG receives its fourth Airbus A220: a strategic milestone in restoring regional credibility

The delivery of the fourth A220-300 confirms the acceleration of TAAG's fleet modernisation programme, which is essential to regaining regional market share. The A220's high fuel efficiency enables a substantial reduction in operating costs—an important factor for an airline with a history of losses. This new aircraft will support the opening of new intra-African routes (SADC, Southern Africa) and could help improve punctuality and fleet reliability, two recurring weaknesses. Fleet modernisation also aligns with the government's ambition to position Luanda as a regional hub, in synergy with the infrastructure of the new António Agostinho Neto Airport.

First Samurai bond issuance: Angola diversifies its external financing sources

The yen-denominated issuance, equivalent to USD 258 million, marks a breakthrough for Angola's access to Asian markets. Samurai bonds allow for geographic diversification of investors, lower financing costs due to Japanese interest rates, and reduced reliance on Eurobond markets.

The involvement of the Africa Finance Corporation as guarantor is critical, as it enhances the effective credit profile of the transaction and reassures traditionally cautious Japanese investors. This initiative forms part of a broader debt refinancing strategy for 2025–2027, a period during which significant maturities fall due.

The key issue remains foreign-exchange risk management: yen-denominated financing entails additional exposure that will need to be addressed through swaps or budgetary hedging mechanisms.

IFC strengthens its presence in Angola: economic diversification and the Lobito Corridor at the heart of Makhtar Diop's visit

The visit by the IFC's Managing Director confirms the institution's growing interest in Angola, as the country seeks to reduce its dependence on oil. The targeted sectors—agribusiness, industry, real estate and housing—align with the priorities of the National Development Plan and the country's structural needs, including local processing, agricultural value chains, and logistics infrastructure.

The focus on the port of Lobito and the regional corridor further reinforces the strategic importance of this infrastructure in international investment plans (United States, EU, IDC, AfDB, AFD, among others). If the IFC effectively scales up its investments in Angola, it could help strengthen a still fragile local private sector, often constrained by limited access to finance. The key challenge, however, will be the country's ability to provide a stable and predictable regulatory framework—an area that remains a major concern.

Botswana

Norwegian developer Scatec commissions its second solar power plant (60 MW) in Botswana *(Mmegi)*

The Norwegian group Scatec has announced the commercial launch of the second phase of the Mmadinare solar project (60 MW, 120 MW in total). While Scatec remains the sole owner of the project, all the electricity produced is sold to the national utility, Botswana Power Corporation (BPC), under a 25-year power purchase agreement (PPA).

At the same time, in Jwaneng (near the Debswana diamond mine), the Sinotswana Green Energy consortium is developing a 100 MW project on behalf of BPC, also under a 25-year PPA.

Finally, a new tender providing for 900 MW of capacity, divided into four lots (2 × 250 MW), has recently been launched. Bids are currently under review.

Bank of Botswana keeps its policy rate at 3.5%

The Monetary Policy Committee of the Bank of Botswana (BoB) decided to keep its policy rate unchanged at 3.5% at its meeting on 4 December, the first chaired by the new governor, Lesego Moseki. At its previous meeting, the BoB had raised its policy rate by 160 basis points, highlighting the need to narrow the gap between its own rates and those of commercial banks.

This time, the institution pointed to the weakness of the diamond sector and its expectation that inflation (up 3.9% year-on-year in October 2025) will remain within its target range (3% to 6%) over the medium term. It nevertheless stressed that inflationary risks are tilted to the upside, notably due to higher water and electricity tariffs, revisions to the pula exchange rate regime, and rising fuel prices.

By way of reminder, Botswana is facing an economic crisis following the collapse of the diamond market. The economy entered recession in 2024, and the budget is recording record deficits (7.8% in 2024 and 10.1% in 2025, according to the IMF). In response, the government launched the Botswana Economic Transformation Program (BETP) in June 2025, a USD 27 billion initiative aimed at diversifying the economy.

IMF warns of a sharp deterioration in economic prospects

On 8 December, the IMF published its annual economic assessment report, known as the "Article IV" consultation. According to the IMF, Botswana's economic outlook has deteriorated significantly due to a sharper and more prolonged decline than expected in global demand for natural diamonds. The economy is expected to contract by 1% in 2025, after shrinking by 3% in 2024, before a gradual recovery over the medium term.

The decline in mining activity and diamond trading, combined with slower growth in the non-mining economy (+2.8% in 2024), is weighing on overall economic performance. Gains in tourism and construction are insufficient to offset contractions in manufacturing and agriculture. In this context, international reserves have fallen to USD 3.5 billion, equivalent to around five months of imports, a level that nonetheless remains relatively comfortable.

In response, the authorities have launched a transformation plan, the Botswana Economic Transformation Program (BETP), to stimulate private sector development. They have also tightened fiscal policy, adjusted exchange rate policy, and raised the policy rate from 1.9% to 3.5% to support growth and preserve reserves.

The IMF expects economic activity to remain weak in the short term, with the current account deficit widening to around 6% of GDP and the fiscal deficit exceeding 8% of GDP in 2025/26. Persistently large external and fiscal deficits, combined with a lack of deeper reforms, could lead to a rapid increase in debt and further erosion of reserves.

Eswatini

The United States and the Government of the Kingdom of Eswatini have signed a Memorandum of Understanding (MoU) worth USD 242 million, covering a five-year period, in the field of health

In a statement released on 12 December, the U.S. Department of State indicated that this bilateral agreement falls within the framework of the America First Global Health Strategy.

Under the agreement, USD 205 million will be allocated to improving public health data systems, modernizing disease surveillance and epidemic response mechanisms, expanding access to antiretroviral treatments for HIV, including lenacapavir, and strengthening high-impact HIV prevention interventions. The remaining USD 37 million will be dedicated to reinforcing public health expenditure throughout the implementation period of the agreement.

Malawi

Australian Company Sovereign Metals Partners with IFC (World Bank Group) for Graphite Project in Malawi *(Mining.com)*

Sovereign Metals Limited, backed by Rio Tinto, has signed a strategic collaboration agreement with the International Finance Corporation (IFC) — a member of the World Bank Group — to support the development of its Kasiya Rutile-Graphite project in Malawi. This partnership aims, in particular, to lay the groundwork for international financing of the project, which claims to host the world's largest rutile deposit and the second-largest graphite deposit, a critical mineral for batteries and other applications.

The IFC will contribute its expertise in environmental, social, and governance (ESG) standards and complement the technical support already provided by Rio Tinto. Under the agreement, the IFC is also granted potential financing rights for Kasiya, including the possibility of acting as the lead lender or co-arranger for future financing needs.

Mozambique

President Daniel Chapo Participates in the 6th Portugal–Mozambique Summit in Porto

Under the theme Partnership and Prosperity, the summit took place on December 9 in the city of Porto, Portugal. Daniel Chapo was accompanied, among others, by the Ministers of Public Works, Housing and Water Resources; Economy, Communications and Digital Transformation; Transport and Logistics; as well as the Secretaries of State for Treasury and Mines.

During the meeting, the two countries signed the second protocol revising the

Convention to avoid double taxation on income and prevent tax evasion, as well as a Protocol establishing, through Portugal, a financing line of up to EUR 500 million to support business investment projects in Mozambique.

A total of 22 agreements were signed, covering sectors such as tourism, the improvement and strengthening of public administration, the simplification and digital transformation of public services, communications, transport and logistics, water and sanitation, as well as mobility.

Outlook for Mozambique's First Graphite Plant in 2026

In a meeting on December 6 in Matola—a city near Maputo—between the leadership of the Frelimo party and its members of Parliament, President Daniel Chapo announced that the country's first graphite processing plant will be inaugurated in early 2026. This plant, the first of its kind in Mozambique, is under construction in the Nipepe district, Niassa province, in the far north of the country. It represents an investment of over USD 100 million, will have a production capacity of around 200,000 tons per year, and will be operated by the Chinese company DH Mining Development, which holds the Muichi mine concession.

For reference, Mozambique already operates a major graphite mine in the north of the country, in Balama, managed by the Australian company Syrah Resources, with financial support from the United States, where the mineral is shipped for processing. After production slowed throughout 2024 and completely stopped during the post-election crisis in Q4 2024 (force majeure declared), this mine has gradually resumed operations since May 2025.

President and Ministers Sign Program Contracts Focused on Governance

This innovative initiative is part of strengthening results-oriented, efficient, and accountable public governance.

According to President Daniel Chapo, the signing comes at the end of his first year in office, a year dedicated to laying the foundations of governance through the design of key instruments serving as references for each minister's responsibilities, namely: the National Development Strategy (2025–2044), the Government's Five-Year Plan (2025–2029), and the Economic and Social Plan (2026).

The President emphasized that "the program contracts will be monitored, supervised, and evaluated; merit will be recognized, performance valued, but any unjustified failure will also be assessed with corresponding consequences."

Mozambique Sovereign Fund Makes First Investment Allocation of USD 109.9 Million

The investment portfolio was launched on December 10, 2025, with an initial amount of USD 109.9 million. Under the Sovereign Fund law, 40% of revenue from liquefied natural gas projects is allocated to the Sovereign Fund, while 60% goes to the State Budget.

To this end, the Central Bank invested 70% of the portfolio in U.S. Treasury bonds with maturities up to 5 years (ICE BofA 0–5 Year U.S. Treasury Index), and 30% in Eurozone government bonds with maturities up to 3 years (ICE BofA 0–3 Year Euro Government Index). These investments reflect a cautious, risk-diversified approach, focused on capital preservation and immediate liquidity.

The Mozambique Sovereign Fund was established in 2024 (Law No. 1/2024 and Decree No. 13/2024) to manage natural gas revenues with the dual objective of saving for future generations and stabilizing public finances. In terms of governance, the Ministry of Finance defines investment policy, the Bank of Mozambique handles operational management and reporting, and the Supervisory Committee includes representatives from civil society, the private sector, and academia.

Mozal Aluminium to Enter Care and Maintenance from Mid-March 2026

In a statement released on December 16, Australian group South32 announced that MOZAL (Mozambique Aluminium Smelter) will enter care and maintenance as of March 15, 2026, or around that date.

Once the country's main foreign direct investment and largest exporter (up to 60% of total exports), MOZAL will halt production following the end of its particularly favorable electricity supply contract, which has underpinned its business model since operations began 25 years ago. Despite months of negotiations, the major shareholder South32 (Australia), the electricity supplier Eskom (South Africa), and the Mozambican government remained far apart, leaving little hope of continuing operations. The plant accounts for 3% of GDP and 16% of Mozambique's exports.

The company stated that the costs of entering care and maintenance are estimated at around USD 60 million (including staff separation and subcontract termination costs), with annual recurring costs for site maintenance estimated at around USD 5 million.

Namibia

TotalEnergies and Galp join forces to develop offshore oil fields in Namibia *(Engineering News)*

TotalEnergies and the Portuguese group Galp have reached an agreement to launch an exploration and appraisal campaign offshore Namibia, aiming to advance the development of the Mopane field discovery. The agreement includes an exploration and appraisal campaign involving three wells over two years, with the first well scheduled for 2026.

Additionally, TotalEnergies is acquiring a 40% stake in the PEL83 license, which includes the Mopane field. In return, the company will fund 50% of Galp's exploration and appraisal costs for Mopane as well as the initial development, with reimbursement planned through 50% of the project's future cash flows.

Galp will receive from TotalEnergies a 10% stake in the PEL56 license (site of the 2022 Venus discovery) and 9.39% in the PEL91 license. TotalEnergies, already the operator of PEL56 (35.25%) and PEL91 (33.085%), is also continuing to advance the Venus project towards a potential final investment decision in 2026.

Inflation slows in November *(Namstats)*

According to the National Statistics Agency (NSA), inflation slowed to 3.4% year-on-year over the past twelve months, down from 3.6% in October. The main contributors to price increases were: "housing, water, electricity, gas, and other fuels" (+4.8%, contributing +1.0 percentage point to the overall inflation), "food and non-alcoholic beverages" (+3.9%, contributing +0.8 point), and "alcoholic beverages and tobacco" (+3.9%, contributing +0.6 point).

This slowdown in inflation comes in a context of favorable growth prospects (+3.6% in 2025), linked to a rebound in the agricultural sector following the 2024 drought. Authorities are also counting on a stabilization of the diamond sector in 2026, after a sharp decline in recent years.

The Bank of Namibia's (BoN) primary objective remains the stability of the Namibian dollar–South African rand exchange rate. In this context, inflation fluctuations are not expected to influence monetary policy. As a reminder, the BoN Monetary Policy Committee (MPC) confirmed the main interest rate at 6.5% during its December 3 meeting.

Launch of a digital central securities depository

The Namibian Stock Exchange (NSX), in partnership with the Bank of Namibia, has implemented a Central Securities Depository (CSD), a fully electronic system for securities registration and settlement. The CSD replaces paper certificates, reducing the risk of fraud and manual errors while improving market efficiency, transparency, and liquidity through digital ownership records.

Five approved institutions (Rand Merchant Bank, Standard Bank Namibia, NSX FMS, the Bank of Namibia, and Nedbank Namibia) will participate in onboarding investors and migrating existing securities to the digital platform.

African Development Bank approves USD 1.78 billion to support the country's economic transformation

The African Development Bank (AfDB) has approved its 2025–2030 Country Strategy for Namibia, with financing of USD 1.78 billion. The goal is to support the country's economic transformation and inclusive growth, addressing challenges such as youth unemployment above 40% and declining per capita income.

The program prioritizes investments in transport, energy, and water infrastructure to reduce business costs and strengthen Namibia's positioning as a regional logistics hub. The strategy also focuses on renewable energy, access to drinking water and sanitation in rural areas, and the development of Namibian leadership in green hydrogen. On the social side, the AfDB aims to strengthen human capital, develop technical and vocational training, and support MSMEs, with an emphasis on women's economic inclusion. The overall goal is to diversify the economy beyond mining and agriculture, increase electricity access (currently 59.5%), boost manufacturing, and improve trade connectivity, particularly with Angola and Zambia.

Aligned with the country's Vision 2030 and Agenda 2063, this strategy builds on a decade of previous investments totaling USD 658.1 million. Initial operations are expected at the beginning of 2026.

TransNamib to invest up to NAD 1.1 billion (EUR 56 million) in locomotive remanufacturing *(The Namibian)*

TransNamib, Namibia's state-owned rail operator, plans to invest NAD 1.06–1.10 billion (EUR 54–56 million) to refurbish 20 locomotives, representing about 60% of the cost of a new locomotive. The aim is to extend the life of existing locomotives while improving reliability.

Work has started in Windhoek, with two locomotives already disassembled. Only the chassis and bogies will be retained, with all other components replaced. International expertise, particularly from Asia, will be mobilized for the reconstruction.

The program, funded by the Development Bank of Namibia (DBN) and the Development Bank of Southern Africa (DBSA), covers 20 locomotives out of a fleet of 70, some nearly 50 years old. A consultant report, expected at the end of January, will determine the final split between new and remanufactured equipment.

TransNamib also aims to develop local industry and skills, with plans to create a remanufacturing unit, a rail trade school, and establish Namibia as a regional hub for railway engineering.

Zambia

World Bank Grants USD 200 Million to Support Zambia's Energy Sector Reform *(Lusaka Times)*

The World Bank has granted a USD 200 million subsidy to support reforms in Zambia's energy sector. This assistance is part of a broader program aimed at helping countries implement energy sector reforms to improve efficiency and financial sustainability.

The funding is intended to: (1) enhance the efficiency of the electricity market and restore its financial viability; (2) strengthen the capacity of public and private institutions in the sector; (3) promote transparency, better debt management, and infrastructure modernization, including transmission and distribution networks; and (4) create a more attractive environment for independent power producers through improved regulation and tariffs.

The overall objective is to address structural issues in the sector—such as non-viable tariffs or excessive dependence on hydropower—while protecting vulnerable households through support mechanisms during the transition.

Formation of an Opposition Coalition Ahead of the 2026 Elections *(RMB)*

A new coalition of five parties, called the We Are One Zambia Alliance (WOZA), was launched on 5 December to challenge the ruling party, President Hakainde Hichilema's UPND, in the August 2026 elections. The alliance brings together the United Liberal Party (ULP), the New Heritage Party, UNIP, the People's Alliance Party, and the Zambia We Want Party.

ULP leader Sakwiba Sikota has promised economic and social reforms focused on transparency and accountability, including measures to curb the rising cost of living through price controls, subsidies, and strengthened social protection. WOZA also plans to support agriculture through affordable inputs and agro-processing development, promote more inclusive governance, and tackle persistent electricity shortages affecting the grid, which is heavily reliant on hydropower.

IMF Concludes Sixth and Final Review of Extended Credit Facility with Zambia *(FMI)*

The IMF and Zambian authorities have reached a staff-level agreement on the sixth and final review of the 38-month Extended Credit Facility (ECF) arrangement. Subject to approval by the Board of Directors, Zambia will receive 138.9 million SDRs (approximately USD 190 million) as the final tranche, bringing total disbursements since August 2022 to 1.271 billion SDRs (around USD 1.7 billion).

The IMF highlights the reduction of Zambia's macroeconomic imbalances, the consolidation of public finances (without undermining social spending), and the conclusion of debt treatment agreements with most external creditors. Growth is expected to reach 5.2% in 2025, then average 5.6% per year between 2026 and 2031, with inflation converging towards 6–8% by 2027. The current account deficit, estimated at 2.1% of GDP in 2025, is projected to return to surpluses from 2026 (+1.7% in 2026 and up to 3.2% in 2030). The primary budget balance is expected to reach +2.2% of GDP, and revenues excluding subsidies 22.6% of GDP in 2025. International reserves are projected to cover four months of imports by the end of 2025. The IMF stresses the importance of maintaining prudent fiscal and monetary policies, continuing structural reforms, and ensuring inclusive and resilient growth.

Zimbabwe

Appointment of New Minister of Mines *(Zimbabwean Government)*

The President of Zimbabwe, Emmerson Mnangagwa, has dismissed Minister of Mines Winston Chitando and replaced him with Polite Kambamura, the government announced in a statement on Monday. Winston Chitando had held the position since December 2017. Prior to entering politics, he had a career in the mining sector, including senior roles at Mimosa Holdings and as chairman of Hwange Colliery Company Limited.

His successor, Polite Kambamura, an engineer by training, has worked in various segments of the mining industry in Zimbabwe and South Africa and previously served as Deputy Minister.

No explanation was provided for this reshuffle.

Checklist: Macroeconomic indicators

	Population (M)	GDP at current prices (Billion $)	GDP per capita at current prices ($ billion)	GDP growth (% of GDP)		Current account (% of GDP)	Gross public debt (% of GDP)	HDI	Inflation (%)
	2025 p.	2025 p.	2025 p.	2024	2025 p.	2025 p.	2025	Global rank	Change at end of period 2025 p.
Afrique du Sud	63,9	426	6 666	0,5	1,1	-0,9	77,3	106	3,9
Angola	39,3	115	2 930	4,4	2,1	0,9	62,3	148	20
Botswana	2,8	19,2	6 943	-3	-0,9	-7,6	38,8	111	5
Eswatini	1,2	5,2	4 409	2,8	4,3	-1,6	42,8	126	3,5
Lesotho	2,4	2,4	1 001	2,2	1,4	-3,9	57	167	4,8
Malawi	24,1	17,9	622	1,8	2,4	-18,3	80,4	172	27,6
Mozambique	35,8	24,7	690	2,1	2,5	-39,9	97,2	182	5
Namibie	3,05	14,7	4816	3,7	3,6	-14,7	63,6	136	3,9
Zambie	21,7	29,4	1 352	4	5,8	1,3	114,9*	154	11,1
Zimbabwe	17,4	53,3	3 070	1,7	6	3,1	45	153	30,7

Source : WEO FMI, October 2025

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Responsible for publication : Regional Economic Department of Pretoria, Economic Department of Luanda, Economic Department of Maputo
jade.plancke@dgtresor.gouv.fr, antoine.guerindugrandlaunay@dgtresor.gouv.fr
Editing : Regional Economic Department of Pretoria

Subscribe : jade.plancke@dgtresor.gouv.fr, antoine.guerindugrandlaunay@dgtresor.gouv.fr