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ECONOMIC WRAP-UP
Southern Africa

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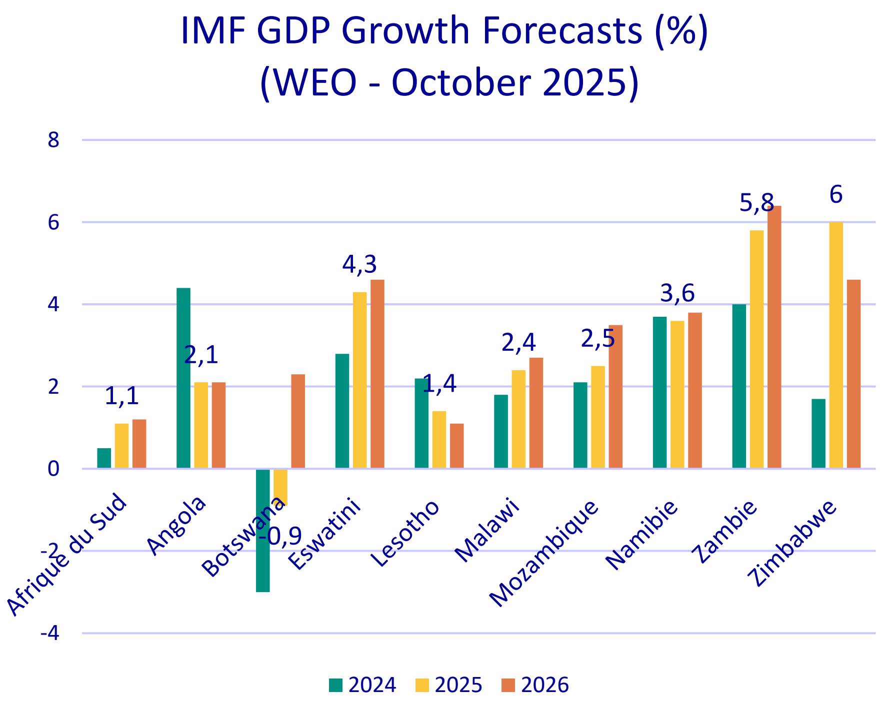
Resilient growth but persistent vulnerabilities, says the IMF

According to its latest World Economic Outlook (October 2025 edition), the International Monetary Fund (IMF) projects growth of 4.1% in Sub-Saharan Africa in 2025, followed by 4.4% in 2026 - a slight upward revision compared with its April forecasts. This resilience reflects the macroeconomic stabilization and reform efforts undertaken in several major economies across the region.



However, the IMF emphasizes that vulnerabilities remain high. The region continues to face a challenging external environment, tight financing conditions, and volatile trade and aid flows. The non-renewal of the African Growth and Opportunity Act (AGOA) increases pressure on export-dependent countries such as Lesotho, while resource-rich nations and conflict-affected states are struggling to revive growth.

The Fund urges governments to accelerate structural reforms, strengthen domestic resource mobilization, and improve public debt management in order to safeguard macroeconomic stability and foster inclusive, sustainable growth.

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Southern Africa

Zambia and Botswana tighten local content requirements in the mining sector *(Agence Ecofin)*

Zambia and Botswana have each adopted new regulations aimed at increasing local participation in their extractive industries - a sign of a growing trend toward economic sovereignty in regional mining governance.

In Zambia, President Hakainde Hichilema has enacted the Mining Local Content Statutory Instrument (SI), which requires mining companies to source at least 40% of their purchases from Zambian suppliers, hire more local nationals, and contribute to strengthening national capacities. The goal is to retain more value within the domestic economy, foster job creation, and promote the upskilling of local businesses.

In Botswana, the government implemented on October 1, 2025, a new rule requiring 24% local ownership in all mining projects. Previously, the Mines and Minerals Act allowed the government to hold a 15% stake in mining concessions, with an option for a higher share in diamond projects. If the state chooses not to exercise its participation right, that share must be transferred to local investors, potentially supported by Botswana's pension funds.

These initiatives reflect a clear intention to redistribute mining rents for the benefit of local stakeholders, although they could reduce the countries' attractiveness to international investors and slow sector development due to limited access to capital and local expertis

South Africa

Development Bank of Southern Africa (DBSA) posts record results for 2025

The DBSA reported exceptional financial results for 2025, with net profit up 14.4% to ZAR 5.3 billion. This performance was driven mainly by an 8.6% increase in net interest income (ZAR 8.4 billion), resulting in a 12.3% rise in operating income (ZAR 8.8 billion).

Beyond its financial results, the DBSA highlighted its broader contribution to capital formation and development impact during the fiscal year. The bank supported infrastructure projects worth ZAR 91.3 billion, including ZAR 2.6 billion invested in underfunded municipalities — creating over 35,000 jobs and supporting 956 local SMEs. It also invested in new industrial sectors and telecom infrastructure, with 47,674 km of fiber optic cable and 548,623 towers built.

Despite weak economic growth in South Africa and Africa overall, and ongoing geopolitical risks, the DBSA remains well positioned to strengthen its role as a development catalyst across the continent.

Indicator	Weekly Change	Year-on-Year Change	Current Level
Change USD/ZAR	-0,69%	-1,91%	17,24
Change EUR/ZAR	-0,59%	+5,13%	20,1
Bourse (JSE ZAC)	+1,67%	+11,41%	13 944

Durban High Court upholds selection of Philippine operator ICTSI to modernize and operate South Africa's main container terminal *(IOL)*

The Durban High Court rejected the appeal filed by APM Terminals (a Maersk subsidiary) seeking to overturn Transnet's award of a 25-year contract to Philippine group ICTSI to modernize and operate Durban Container Terminal 2, worth an estimated EUR 550 million.

The ruling ends a dispute that had stalled a strategic project to modernize South Africa's main container terminal, which handles about 46% of the country's container traffic. It paves the way for implementing the public–private partnership between Transnet (51%) and ICTSI (49%), viewed as essential for reviving the country's logistics performance.

APM Terminals argued that ICTSI's bid failed to meet mandatory solvency ratios and was improperly accepted. However, an independent audit commissioned by Transnet confirmed ICTSI's financial soundness. The court ruled APM's appeal—filed nearly eight months after the initial complaint—inadmissible, validating Transnet's selection process.

This decision supports Transnet's strategy of attracting international partners to upgrade aging infrastructure and reduce its reliance on state funding. With debt nearing EUR 7 billion, Transnet lacks the capacity to finance its own investments or address its maintenance backlog. The matter is critical as South African ports rank among the world's least efficient, according to the World Bank's 2024 index, and logistics bottlenecks remain a major constraint on growth.

Mining and manufacturing output decline in August, while retail sales rise slightly *(StatsSA)*

According to Statistics South Africa (StatsSA), mining output fell by 0.2% year-on-year in August, following a 5.1% increase the previous month, contrary to Bloomberg's consensus forecast of +1.7%. The decline was driven mainly by PGMs (-3.0%), gold (-3.6%), and manganese ore (-3.4%), while coal production rose 4.1% year-on-year.

Manufacturing output decreased by 1.5% year-on-year, marking the second consecutive monthly decline. The largest negative contributions came from basic iron and steel, non-ferrous metals, fabricated metals, and machinery (-5.9%), and food and beverage products (-3.0%). These figures underscore the structural challenges facing both sectors — unstable electricity supply, high logistics and production costs, weak domestic demand, and persistently low investment.

However, retail sales rose by 2.3% year-on-year in August 2025, supported by lower inflation and interest rates. The increase was driven by "other retailers" (+7.9%), "hardware, paint, and glass stores" (+8.1%), and "general dealers" (+0.8%).

New boards appointed at Eskom and NECSA *(Engineering News)*

The South African government approved new boards of directors for Eskom and the South African Nuclear Energy Corporation (NECSA), amid improved financial results and governance reforms.

At Eskom, Mteto Nyati remains chairperson, with limited board rotation (about 25%). The utility reported a EUR 800 million profit for FY2024/25, supported by debt relief, tariff hikes, and improved coal plant performance. Nonetheless, Eskom continues to struggle with structural constraints, including a massive ZAR 400 billion (EUR 19.5 billion) debt, much of it tied to municipal arrears (~EUR 5 billion).

At NECSA, CEO Loyiso Tyabashe announced a post-tax profit of EUR 6 million for the fiscal year ending March 31, 2025 — up from the previous year. The board, previously weakened by resignations over wage disputes, remains chaired by David Nicholls, with Dr. Vuyo Mthethwa as vice-chair.

Future projects include developing a second research reactor and advancing the country's new nuclear power program. South Africa currently operates Africa's only commercial nuclear power plant, Koeberg (1,800 MW), built and operated in partnership with France.

UK–South Africa sign ZAR 10 million (EUR 500,000) deal to strengthen public infrastructure *(BizCommunity)*

South Africa's Minister of Public Works and Infrastructure Dean Macpherson and UK Minister of State for Trade Chris Bryant signed on October 13, 2025, a EUR 500,000 Memorandum of Understanding (MoU) to enhance bilateral cooperation on public infrastructure.

The agreement builds on commitments made earlier this year in Durban with UK Chancellor Rachel Reeves, aiming to strengthen the Department of Public Works and Infrastructure (DPWI) and improve management of public assets.

The partnership focuses on three main areas:

- Implementation of Project Capstone, to boost the performance of the Special and Strategic Delivery Unit (SSDU);
- Project Speed, improving public asset management and efficiency across 88,000 public properties, many in need of maintenance;
- Removal of administrative barriers delaying key infrastructure projects.

This program aligns with Infrastructure South Africa's "Adopt-a-Municipality" initiative, which matches international donors with struggling municipalities to support recovery efforts.

Public Investment Corporation (PIC) launches ZAR 1.35 billion (EUR 65 million) mining fund *(MoneyWeb)*

The PIC, South Africa's largest public pension fund, has launched a EUR 65 million fund to support late-stage exploration and pre-feasibility mining projects. The initiative aims to revive mining exploration, whose share in global investment has dropped below 1%, compared to 5% in the early 2000s.

The fund will target projects worth EUR 4.8–19 million, prioritizing those meeting Black Economic Empowerment (BEE) criteria and focused on energy transition minerals such as copper, cobalt, nickel, lithium, graphite, manganese, and rare earths. At least half of investments must be made in South Africa.

While welcomed, the initiative is seen as insufficient without broader regulatory reforms and an operational mining cadastre. In 2023, the Department of Mineral Resources and Energy (DMRE) reportedly received over 2,500 mining applications, but none were approved due to a lack of digital processing systems.

China–South Africa partnership for a solar panel assembly plant in Mpumalanga *(MoneyWeb)*

The municipalities of Nkangala (Mpumalanga) and Wucheng (China) have signed a USD 35 million agreement to build a solar panel assembly plant. Announced at the South African International Industrial Expo in Johannesburg, the deal follows institutional, municipal, and private-sector discussions.

The project, spanning three years, includes an initial USD 10 million phase and is expected to create 150–200 local jobs when the plant opens in 2026.

It aligns with South Africa's Just Energy Transition strategy, which seeks to reduce coal dependence (over 70% of the energy mix) and promote green industrialization in coal-dependent regions like Mpumalanga.

The initiative is supported by the Just Energy Transition Partnership (JETP), launched at COP26 in Glasgow (2021), mobilizing USD 11.6 billion in loans, guarantees, and grants — including over USD 1 billion from France. The French Development Agency (AFD) is also mapping local skills in Nkangala to identify further green industrial opportunities.

Angola

João Lourenço urges Switzerland to return stolen Angolan funds

Angolan President João Lourenço has called on Switzerland to comply with Angolan court rulings and return embezzled public funds frozen in Swiss banks. In his State of the Nation address on October 15, he highlighted anti-corruption progress, noting that over USD 7 billion has been recovered so far.

However, João Lourenço expressed regret over the lack of cooperation from certain European countries—particularly Switzerland (last year he also named Portugal, Luxembourg, Singapore, the UAE, and Namibia)—which have yet to comply with Angolan judicial decisions ordering the restitution of misappropriated funds. He emphasized that "court decisions must be respected in all states governed by the rule of law," calling for mutual respect for justice between nations.

This statement comes amid ongoing tensions over the repatriation of illicit capital, as several proceedings continue to target former political officials and their financial networks abroad.

Oil and gas: pillars of Angola's financial stability

Angola's Ministry of Finance has reaffirmed that the oil and gas sectors remain key pillars for stabilizing and growing the country's public finances. According to an official statement, these resources account for a major share of tax revenues (60%) and exports (94%), making them critical to fiscal balance and state reserves.

However, the ministry stressed that dependence on these sectors exposes the country to external risks, including fluctuations in international oil prices, global demand shocks, and geopolitical uncertainties. To mitigate these risks, the government underlined the need to diversify the economy by strengthening non-oil revenue streams, optimizing public expenditure management, and pursuing ongoing fiscal reforms.

This stance aligns with Angola's broader commitment to consolidating its public finances in a volatile global environment while preserving its investment capacity in social and economic priorities.

Angola considers postponing repayment of JP Morgan loan to improve debt management

The Angolan government is considering deferring repayment of a USD 1 billion loan from JP Morgan as part of efforts to better manage its public debt profile.

Dorivaldo Teixeira, Director-General of the Public Debt Management Unit, stated that the loan—structured as a total return swap backed by sovereign bonds—is set to mature at the end of 2025. Authorities are exploring a contractual clause that would allow the repayment deadline to be extended into next year or beyond, in order to better spread out financial outflows.

Postponing the repayment would still require continued interest payments, but the option is seen as preferable to avoid an excessive concentration of repayments within a single period. The goal is to make debt servicing more sustainable, particularly by smoothing peaks in expenditures linked to maturing bonds.

Teixeira also noted that, according to the IMF, one of Angola's main fiscal risks stems from this debt concentration—justifying the search for mechanisms to stagger obligations more effectively.

Finally, he indicated that the target debt service amount for the coming years is between USD 12–14 billion per year, with the aim of reducing it to around USD 10–11 billion by 2027.

Botswana

Inflation rises again in September *(StatsBots)*

According to the National Statistics Agency (StatsBots), inflation rose again in September, reaching 3.7% year-on-year, compared with 1.4% in August. Despite this sharp increase, it remains within the Central Bank's target range of 3% to 6%.

This rise in inflation is mainly explained by higher prices in the "transport" category (+5.7%, contributing +1.5 percentage points) and "food and non-alcoholic beverages" (+5.4%, contributing +0.8 point). Economists expect inflation to continue increasing toward the end of the year, driven by the recent adjustment of the pula's exchange rate regime, which is expected to lead to a 2.76% depreciation of the currency and, consequently, higher import costs—further intensifying upward pressure on prices.

As a reminder, the Bank of Botswana kept its key policy rate unchanged at 1.90%

during its last Monetary Policy Committee meeting held on August 21. The Bank also revised its inflation forecasts upward, now expecting an average rate of 3.5% for 2025 and 5.9% for 2026, compared with 2.7% and 4.6%, respectively, in its June projections.

Namibia

Inflation reaches 3.7% year-on-year in June 2025 *(NamStats)*

According to the national statistics agency (NamStats), inflation reached +3.5% year-on-year in September 2025 (after +3.2% in August). The main contributors to the rise in prices were "food and non-alcoholic beverages" (+4.9%, contributing +1.0 percentage point), followed by "housing, water, electricity, gas, and other fuels" (+3.6%, contributing +0.9 point), and "alcoholic beverages and tobacco" (+4.9%, contributing +0.7 point). It is also worth noting that the "transport" component recorded its first positive contribution since March 2025, with an annual increase of 1.3%, contributing +0.2 point.

In this context, the Monetary Policy Committee (MPC) of the Bank of Namibia decided on October 15 to lower its key policy rate by 25 basis points, bringing it to 6.50%. This is the first rate move since February 2025. The decision reflects the central bank's growing confidence in maintaining controlled inflation. It aims to support domestic credit demand and stimulate growth in a sluggish economic environment with contained inflation.

This cut widens the interest rate gap with South Africa to 50 basis points, though the central bank emphasized that adequate reserves and a stable monetary framework make it possible to maintain the fixed exchange rate parity.

The Bank of Namibia confirms securing funds for the repayment of its USD 750 million Eurobond

The Bank of Namibia announced on Wednesday that it has secured the funds needed to repay its USD 750 million Eurobond, which matures on October 29. Issued in 2015, the Eurobond was intended to finance the country's development needs, support the national budget, and strengthen the balance of payments. The repayment amount, calculated at an exchange rate of NAD 17.5 per USD 1, totals NAD 13.5 billion (USD 779 million).

The central bank's governor warned that foreign exchange reserves will decrease following the repayment (an estimated decline of 25.11%), from NAD 63 billion at the end of 2024 to NAD 47 billion (USD 2.7 billion) at the end of 2025. Despite this expected drop, the central bank assured that reserves remain strong and announced proactive measures, including exploring currency swap agreements with other financial institutions, to safeguard reserves and meet external obligations.

In Namibia, the Prime Minister assumes oversight of state-owned enterprises *(New Era)*

Namibian Prime Minister Elijah Ngurare announced that the new Public Enterprise Governance Amendment Bill grants him administrative authority over all state-owned enterprises, in consultation with the government. Ministers previously responsible for these entities will continue their oversight roles but must now report directly to the Prime Minister. He will have authority over board appointments, strategic direction, financial plans, and dividend policy.

The stated goal is to strengthen governance and performance in state-owned enterprises, which have been criticized for poor management and financial losses. This decision echoes a move made several months ago to place the supervision of the fast-growing oil and gas sector directly under the authority of the Presidency.

Zambia

Bilateral debt restructuring agreements signed with Chinese creditors

According to Finance Minister Situmbeko Musokotwane, Zambia has reached bilateral debt restructuring agreements with several Chinese creditors, including the Export–Import Bank of China. These are part of Zambia's post-default restructuring process launched after its 2020 sovereign default.

At the end of 2024, Zambia's debt to China totaled USD 6 billion — USD 4.3 billion owed to the Exim Bank and USD 1.8 billion to 14 Chinese banks and companies. To date, Zambia has finalized arrangements with creditors holding 94% of the USD 12.8 billion subject to restructuring.

While credit rating agencies still classify Zambia as in default, pending full agreements with commercial creditors, investor confidence is returning. The Zambian kwacha is currently among the world's three best-performing currencies since the start of the year.