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ECONOMIC WRAP-UP
Southern Africa

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Qatar pledges USD 70 billion in investments in southern Africa (Botswana, Mozambique, Zambia, Zimbabwe) *(Jeune Afrique)*

During a regional tour last month, the Qatari fund Al Mansour Holding announced a commitment of USD 70 billion to four southern African countries: Botswana, Mozambique, Zambia and Zimbabwe. These investments, which are mainly targeted at the energy, agriculture, tourism and mining sectors, come at a time of sharp reductions in US aid.

In Mozambique, USD 20 billion is earmarked for health and education, while Zimbabwe will receive USD 19 billion, including USD 500 million for a 2,400 MW hydroelectric project (Batoka Gorge, 2,400 MW between Zambia and Zimbabwe). Zambia and Botswana will receive USD 19 billion and USD 12 billion respectively, mainly for energy, infrastructure and agriculture. According to Botswana's President Duma Boko, these funds already represent more than half of the country's GDP, which has been severely weakened by declining diamond revenues (a quarter of its GDP and 80% of its exports) and the recent health crisis that led to a state of emergency due to a shortage of medicines.

This initiative is part of a broader strategy by Gulf countries, particularly Qatar, to secure their supplies of critical minerals and hydrocarbons, invest in energy and logistics infrastructure (ports, railways, aviation) and strengthen their geopolitical influence in the region. These investments offer southern African countries alternatives to supply chains dominated by China and Western investors, while allowing Gulf players to position themselves on strategic projects.

In Botswana, for example, Qatari funds could support strategic projects in the diamond sector, with a possible takeover of De Beers. The country has appointed Lazard and CBH Compagnie Bancaire Helvétique as financial advisers for this operation, while Anglo American is considering a partial withdrawal from its subsidiary. This acquisition would enable Botswana to strengthen its control over its main economic asset (currently 15%), against a backdrop of crisis in the diamond sector, which is facing a decline in global demand, due in particular to competition from synthetic diamonds.

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South Africa

ArcelorMittal South Africa confirms closure of its long steel division at the end of September and the loss of around 3,500 jobs *(Business Live)*

ArcelorMittal South Africa (Amsa) has confirmed the closure of its long steel business by the end of September 2025, having failed to secure the necessary funding to continue operations, despite support from the South African government. This decision will result in the loss of at least 3,500 jobs in Newcastle and Vereeniging, where the two steelworks concerned are based, and possibly more than 4,000 according to the unions. It also threatens tens of thousands of indirect jobs in the automotive, construction and local steel industries. As a reminder, the unemployment rate in South Africa is around 33%.

The challenge for the South African automotive industry, already severely shaken by US customs duties, is to find a viable alternative to Amsa, which supplies essential parts to the industry. According to some estimates, up to 80,000 jobs in the value chain could be threatened by this decision.

This announcement follows unfavourable economic conditions, high logistics and energy costs, and increased competition from steel imports from China. In total, Amsa is estimated to have lost around EUR 80 million since 2023. Strong public support – ZAR 1.7 billion (EUR 80 million) in funding from the Industrial Development Corporation (IDC) and more than ZAR 400 million (EUR 20 million) in wage subsidies – has only served to delay the closure by a few months, from the end of January to the end of September 2025.

Numerous discussions with the South African government and stakeholders (Eskom, Transnet, IDC, etc.) have failed to produce a long-term solution. However, IDC has not given up on taking over Amsa, but discussions are at a standstill due to differences over valuation. While an offer of up to ZAR 7 billion (EUR 340 million) has been mentioned, ArcelorMittal considers the amount insufficient. IDC currently holds 8.2% of the capital of the Luxembourg-Indian company.

97.5 MW of solar power commissioned to supply the Sasol industrial complex and Air Liquide's oxygen plant in Secunda Damlaagte *(Crown)*

Commercial operations have begun at the Damlaagte solar power plant in the Free State province. This is the first project in a series of Independent Power Producers (IPPs) benefiting from Power Purchase Agreements (PPAs) to supply Sasol's industrial complex and Air Liquide's oxygen plant in Secunda (Mpumalanga). In total, these contracts represent approximately 690 MW of renewable electricity capacity.

This power plant will supply approximately 270 GWh of clean electricity per year over 20 years, marking a major step forward in the decarbonisation of Secunda's industrial activities. Sasol is aiming for a 30% reduction in its emissions by 2030, while Air Liquide is planning a 30-40% reduction in its local emissions by 2031.

The Secunda site alone emits 57 MtCO2eq, making it the world's largest emitter of greenhouse gases. The very high level of carbon emissions is linked to the Fischer-Tropsch (FT) process used to convert coal into hydrocarbons.

As a reminder, the French company Air Liquide has been involved in the decarbonisation of the Secunda site since the acquisition of 16 oxygen production units from Sasol in 2021 through a multi-year investment and modernisation plan and a significant increase in the use of renewable energies. At the EU-South Africa Summit last March, the European Union also committed to supporting Sasol's decarbonisation, in particular through support for the production of renewable fuels.

In a country where more than 80% of electricity comes from coal and where Eskom's grid remains fragile, the commissioning of these private PPAs illustrates the energy shift to enable manufacturers to secure their supply of clean energy and align South African industry with global climate goals.

Aspen announces recovery plan in South Africa and job cuts at its French production site *(Reuters)*

South African pharmaceutical group Aspen has published its accounts for the 2024-2025 financial year, which saw a loss of ZAR 1.1 billion (EUR 50 million) due to the end of a major mRNA vaccine production contract. Details of the dispute surrounding this manufacturing contract remain confidential, but it had a direct impact on Aspen's manufacturing revenues, which fell by 21% to EUR 530 million.

To turn the situation around, Aspen is banking on the commercialisation of an insulin contract in South Africa and the production of GLP-1 drugs to treat diabetes and obesity, with a revenue target of ZAR 1 billion (EUR 50 million) by 2027. The group also plans to produce paediatric vaccines for the Serum Institute of India from 2026 onwards, despite the stated desire of Aspen and the South African government to support the development of African vaccine production, notably through the South African pharmaceutical company Biovac.

At the same time, Aspen has announced a restructuring plan in France, targeting its Notre-Dame-de-Bondeville site near Rouen, which specialises in injectable generic medicines. Of the 850 employees, around 200 jobs could be cut by the end of 2025, mainly through the non-renewal of fixed-term contracts and temporary contracts, followed by contractual terminations from January 2026. Trade union representatives have criticised the late communication and unclear strategy, while the local council points out that plans to expand the site were still in place until recently.

This announcement comes at a time when Aspen has developed strong financial and institutional ties with France, notably through Proparco's participation in a €500 million loan to support the production and distribution of medicines and vaccines in Africa. Aspen was also present at the launch of the African Vaccine Manufacturing Accelerator (AVMA) at the Global Forum for Vaccine Sovereignty in Paris in June 2024, attended by President Macron.

Governance crisis at Necsa, South Africa's public nuclear operator, as the country revives its nuclear industry *(Daily Maverick)*

The Nuclear Energy Corporation of South Africa (Necsa), South Africa's strategic public nuclear operator, is in the midst of a governance crisis following the resignation of five members of its board of directors, leaving it unable to deliberate legally. This situation comes as the government plans to strengthen and expand the role of nuclear power in the national energy mix, as illustrated by the desire of the Minister of Electricity and Energy, Dr. Kgosientsho Ramokgopa, to relaunch a tender for the construction of 2,500 MW of nuclear capacity, with a long-term prospect of up to an additional 10 GW. It should be noted that South Africa has the only commercial nuclear power plant in operation on the continent, the Koeberg plant (1,800 MW), built and operated in cooperation with France.

According to an internal audit and documents seen by Daily Maverick, CEO Loyiso Tyabashe and CFO Precious Hawadi are accused of misrepresenting the company's finances to justify salary increases for senior executives, while the majority of staff received increases below inflation. Management disputes these allegations and has secured the withdrawal of disciplinary proceedings deemed 'illegal' by the court.

The board's paralysis comes at a time when Necsa is at the heart of major projects, including the phased closure of the Safari-1 research reactor and the construction of new research facilities, for which the government has allocated more than ZAR 1.2 billion (EUR 60 million) over three years. Experts point out that these governance issues pose a significant risk to the proper management of public funds and the security of strategic nuclear projects.

South African Treasury hopes to raise up to USD 10 billion in private capital through the establishment of a new guarantee mechanism *(BusinessLive)*

The South African government is currently setting up a credit guarantee vehicle (CGV) to support investment, with the support of the World Bank. The Ministry of Finance would inject ZAR 2 billion (approximately EUR 100 million) of equity into this new mechanism, which would also be funded by contributions from international development banks. The World Bank would finance it to the tune of USD 200 million, and the DBSA has also expressed interest in investing. The government hopes to raise up to USD 10 billion in capital over the next few years through this mechanism, which would notably enable it to finance the significant investments expected in the field of electricity transmission (estimated needs of over ZAR 400 billion over the next ten years, with the aim of building 14,500 km of new transmission lines).

New vehicle sales up year-on-year *(NAMSAA)*

According to data published by the National Association of Automobile Manufacturers of South Africa (NAMSAA), new vehicle sales reached 51,880 units in August 2025 on the domestic market, an increase of 18.7% year-on-year. Despite the introduction of customs duties on exports to the United States (set at 25% for motor vehicles), vehicle exports remain resilient at this stage: 37,500 vehicles were exported in August 2025 (up 6.2% compared to August 2024). Since the beginning of 2025, vehicle exports are up 3.0% compared to the same period last year.

South Africa prepares to revise its inflation targeting framework *(CNBC)*

Finance Minister Enoch Godongwana and South African Reserve Bank (SARB) Governor Lesetja Kganyago issued a joint statement this week on the inflation target range. At its July meeting, the SARB reaffirmed its preference for inflation to remain close to the lower end of the target range, currently set at 3% to 6%. The Treasury also emphasised that low and stable inflation would support growth and that monetary policy objectives had largely been achieved.

The Macroeconomic Standing Committee (MSC) is currently conducting a detailed review of the adequacy of inflation targeting and is expected to submit its recommendations to the Minister and the Governor of the SARB shortly. Any change to the target range will be announced by Finance Minister E. Godongwana.

Business confidence index remains above 50 points in August *(S&P Global SA)*

The S&P Global SA Purchasing Manager Index (PMI) reached 50.1 points in August 2025, down from 50.3 points in July. The indicator, which measures confidence in the private sector as a whole (mining, manufacturing, services, construction and trade – based on data collected from a panel of 400 companies), thus remains above the 50-point mark, signalling that business leaders perceive growth in activity.

Companies benefited from lower cost pressures, particularly thanks to the appreciation of the rand. New orders increased, driven by domestic demand, while exports slowed due to new US tariffs. Despite uncertainties related to the international environment and the future of the Government of National Unity (GNU), business leaders remain confident about the outlook for production.

Angola

A busy week for the oil industry, with inaugurations and innovations

Angola experienced a week rich in announcements for its oil sector. In Ambriz, at Petromar, TotalEnergies launched the local content program of its Kaminho project (USD 6 bn), the first deepwater development in the Kwanza Basin, expected to produce up to 70,000 barrels per day from 2028. At the same time, the country inaugurated the Cabinda refinery (USD 500 m), with an initial capacity of 30,000 barrels per day, designed to reduce fuel imports (an extension to 60,000 barrels per day is planned at a total cost of USD 1 bn).

TotalEnergies also announced the first oil from the CLOV Phase 3 project (Block 17) and Begonia (Block 17/06), which together add 60,000 barrels per day to national output. Begonia represents a world first: an ultra-deepwater field (1,400 m) tied back to the FPSO Pazflor from another block, an innovation optimizing costs and operational efficiency between two different PSC groups (operator + partners).

Meanwhile, the major Angola Oil & Gas conference brought together majors, service providers, and policymakers in Luanda. On this occasion, British multinational Shell confirmed its return to Angola after 25 years by signing an MoU with the National Oil, Gas and Biofuels Agency (ANPG), in partnership with Chevron and Sonangol. The agreement aims at joint studies for exploration in Block 33 (Congo Basin). Finally, a delegation of around ten French companies, supported by Business France, used the event to explore new opportunities across the oil, gas, energy transition, and decarbonization value chains.

Inauguration of a refinery in the enclave of Cabinda *(Ministry of Finance)*

On September 1st, the Angolan President inaugurated the Cabinda refinery, whose works had been delayed due to financing challenges. In its first phase, the refinery will process 30,000 barrels of oil per day, to be increased to 60,000 barrels in a second phase. It will produce diesel, aviation fuel, heavy fuel oil, and naphtha, thereby reducing dependence on imports and ensuring national supply of essential products for mobility, power generation, and industrial development.

During the first phase, USD 473 m were invested, including USD 138 m in equity provided by the project promoters, mainly Gemcorp Holdings Limited (GHL) and Sonangol, while USD 335 m came from project financing arranged by Africa Finance Corporation (AFC) and Afreximbank, with the participation of a consortium of international and local financial institutions: South Africa's Industrial Development Corporation (IDC), the Arab Bank for Economic Development in Africa (BADEA), and Banco de Fomento Angola (BFA).

Gemcorp is the majority shareholder (90%, Sonangol holding 10%) and project leader through its subsidiary GHL. It coordinated execution, with Odebrecht Angola responsible for engineering and construction. Around 200 Angolan companies were mobilized, while equipment supply involved over 500 companies from 15 countries (engineering solutions, adoption of cutting-edge technologies including a zero-flaring unit, in line with international quality, safety, and environmental sustainability standards).

The downstream oil sector is currently gaining momentum in Angola, as the President also met with the CEO of ENI, who announced the Italian group's intention to expand the Luanda refinery (currently the only operational one in the country).

Angola in talks with the World Bank for USD 1.35 billion in financing *(World Bank)*

The Angolan government is in advanced discussions with the World Bank to mobilize up to USD 1.355 bn in financing. This amount would cover three priority areas: strengthening the health system, developing electricity infrastructure, and providing direct budget support. The first project, valued at USD 253 m, aims to improve the country's preparedness and resilience to health emergencies, notably through the acquisition of equipment, vaccination, and rehabilitation of intensive care units. The second, estimated at USD 350 m, foresees expansion of the transmission network in the south of the country, with an interconnection to Namibia. Finally, budget support (Development Policy Operations – DPO) of around USD 750 m, backed by a World Bank guarantee, would enable the Treasury to access new credit lines from commercial banks. As with previous financing programs, these loans come with strict conditionality: the continuation of subsidy reductions for fuel, electricity, and water, along with fiscal reforms aimed at broadening non-oil revenues. If concluded, these negotiations would bring Angola's outstanding debt to the World Bank to over USD 6 bn, consolidating the institution's role as a key external financing partner for the country.

Botswana

Botswana declares state of health emergency and announces creation of USD 362 million fund to secure medicine supplies *(BBC)*

On August 25, 2025, Botswana's President Duma Boko declared a state of health emergency in response to a critical shortage of medicines and medical equipment. To address the crisis, the government launched the "Health First Botswana Partnership Fund," to be endowed with USD 362 m, aimed at reforming the supply chain and reducing the role of intermediaries. An emergency allocation of around USD 18 m was released for the immediate purchase and distribution of essential supplies, placed under military supervision to ensure rapid logistics, including in rural areas. The country, home to 2.5 million people, has been severely weakened by falling diamond revenues—the backbone of its economy—as well as reduced U.S. assistance, which previously funded nearly a third of HIV-related programs. The Ministry of Health, which carries more than USD 70 m in debt—linked in part to private sector care—has had to suspend non-urgent operations, including organ transplants. Shortages are particularly acute for cancer, HIV, and tuberculosis treatments. President Boko, elected in 2024 after ending 58 years of Botswana Democratic Party (BDP) rule, has made economic diversification and strengthening the health system his top priorities. "We will not rest until the entire public procurement value chain has been reformed," he declared.

Malawi

Revenues from tobacco sales jump by at least 30% in Malawi

Tobacco revenues in Malawi are already more than 30% higher in 2025 than the total recorded for the entire year 2024, despite a significant drop in average prices. According to AHL Tobacco Sales Limited, a total volume of 205.3 million kilograms had been sold as of August 29, 2025, compared with 133.4 million kilograms for the whole of the 2024 season. At this stage of the season, tobacco sales revenues have reached USD 517 m, compared with USD 396 m for the entirety of 2024.

Mozambique

IMF concludes consultation mission *(IMF)*

An IMF team led by Mr. Pablo Lopez Murphy visited Mozambique from August 21 to 29, 2025, to assess the country's macroeconomic and financial situation. Discussions with the authorities focused on fiscal and external imbalances, macroeconomic stability, and inclusive growth.

According to the statement released at the end of the mission, the Mozambican economy is on the path to recovery after a marked slowdown in late 2024, with GDP growth projected at 2.5% in 2025, driven by the rebound in services. Tax revenues increased by 2.6% year-on-year in Q2 2025 (after -4.9% in Q1). Inflation remains contained at 4%, while the central bank continues its monetary easing policy (-700 basis points since January 2024) and lowered reserve requirements from 39% to 29% in January 2025.

The current account deficit remained moderate at USD 1.3 bn in the first half of the year, reflecting tight financial conditions and a shortage of foreign exchange constraining imports. However, the gap between the official and parallel exchange rates has widened compared to 2024. Fiscal and external imbalances persist, with a public deficit of 2.4% of GDP in H1 2025 and mounting pressures on the foreign exchange market.

The IMF recommends an early fiscal adjustment and greater exchange rate flexibility in order to restore stability, reduce debt-related vulnerabilities, and support inclusive growth.

Zambia

Zambia records a decline in inflation *(ZamStats)*

According to Zambia's national statistics agency (ZamStats), year-on-year inflation slowed to 12.6% in August, from 13.0% in July. This decline is mainly explained by lower food prices (+14.9% y/y, compared with 15.3% in July) and non-food items (+9.3% y/y, compared with 9.7% in July). Zambia, Africa's second-largest copper producer, is benefiting from higher global copper prices, which have strengthened the kwacha by nearly 19% against the USD since the start of the year. In this context, the central bank has so far opted to keep its policy rate unchanged at 14.5%. However, it expects inflation to continue easing, averaging 7.7% in 2026 (after 13.3% in 2025), and to return to its target range (6–8%) as early as Q1 2026.

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