

# AFRICA INVESTMENT NOTES



## "The Sovereign Pivot: Redefining Value & Influence"

- Geopolitics and Trade: Shifting Alliances, Rising Barriers.
- Extraction and Energy: Old Wealth, New Maneuvers.
- Regional Integration: Skies, Borders, and Banks.
- Economy and Innovation: Growth Amidst Headwinds
- Strategic Capital: Deals and Acquisitions, and more...



## Quarter 4 '25

Q4 2025 marked a definitive turning point for African economic sovereignty, characterized by a wave of aggressive resource nationalism and strategic geopolitical realignment. Governments moved beyond passive participation in extraction, asserting control with unprecedented boldness. Mali's recovery of over \$1 billion in mining arrears and Angola's historic \$4.9 billion bid for De Beers signal a new era where state actors demand greater value retention. This shift is mirrored in the Democratic Republic of Congo, where a landmark strategic mineral deal with the US positions the nation at the center of the global battery supply chain, directly countering Chinese dominance.

On the global stage, the continent navigated an intensifying East-West rivalry with pragmatic agility. While Washington solidified its influence through the \$753 million Lobito Corridor financing, Beijing countered by waiving tariffs for 53 African nations, deepening its role as the dominant trade partner. South Africa stood firm amidst diplomatic friction with the US over G20 exclusion threats, underscoring a refusal to bow to external political pressure.

Financial resilience emerged as a critical pillar of stability. Zambia's exit from default and the African Development Bank's successful \$11 billion replenishment provided much-needed liquidity. Market maturity also accelerated, highlighted by the launch of Ethiopia's securities exchange and the Dangote Refinery's push for a valuation-defining dual listing. Regional integration gained concrete momentum with ECOWAS abolishing air taxes to spur connectivity and central bankers advancing plans for a unified African Central Bank by 2026.

However, growth remains tempered by severe fragility. The collapse of Sudan's oil sector has imperiled South Sudan's economy, while Kenya battles a devastating drought that is straining fiscal resources. As the continent transitions into 2026, the narrative is one of sharp contrasts: a region aggressively leveraging its assets to command global respect while simultaneously battling entrenched internal crises.

## GEOPOLITICS AND TRADE: SHIFTING ALLIANCES, RISING BARRIERS

- South African President Cyril Ramaphosa has asserted that the country will remain a "full, active, and constructive" member of the G20, rejecting US President Donald Trump's threat to exclude South Africa from next year's meetings. The diplomatic standoff intensified after Washington boycotted a recent SA-led summit over land reform allegations, posing risks to South Africa's economic stability as the US assumes G20 leadership.
- Stepping into this breach, China has pledged to accelerate zero-tariff treatment for South African goods and expand cooperation in mining, infrastructure, and AI. With Chinese exports to Africa projected to exceed \$200 billion in 2025, Beijing has waived tariffs for 53 African nations, a strategic move designed to boost African exports and cement China's role as the continent's dominant economic partner amidst the widening trade deficit.
- Meanwhile, the US has expanded its travel ban to include full entry prohibitions for citizens of Burkina Faso, Mali, Niger, South Sudan, and Sierra Leone, effective January 1. Citing "severe deficiencies" in vetting, the move also imposes partial entry restrictions on Nigeria, creating immediate logistical hurdles for African business travelers and investors.
- Kenya has vowed to appeal a ruling by the East African Court of Justice that suspended its Economic Partnership Agreement (EPA) with the European Union, a deal valued at €3 billion in total trade. The suspension threatens €1.2 billion in annual Kenyan exports—primarily flowers and fruits—and casts doubt on the viability of fragmented trade agreements within Africa's integrated economic zones.





- In North Africa, security cooperation has taken center stage as a Libyan-Italian working group convened in Tripoli to strengthen joint border control. Senior officials from both nations focused on combating illegal migration and dismantling human trafficking networks. The talks prioritized enhancing the performance of Libyan coastal security institutions, signaling a renewed commitment to securing the Mediterranean corridor against irregular movement.

## EXTRACTION AND ENERGY: OLD WEALTH, NEW MANEUVERS



- Iran has introduced a third gasoline pricing tier to curb a \$52 billion subsidy burden, its first major hike since 2019. By targeting high consumption while protecting basic allowances, the policy attempts to cut deficits without sparking unrest—offering a critical case study for African nations like Nigeria navigating similar inflation and subsidy dilemmas.
- Mali has recovered over \$1 billion in arrears from mining companies following a sweeping 2023 sector audit, marking one of the country's largest financial clawbacks. This regulatory tightening culminated in a resolution with Barrick Gold, which agreed to a \$430 million settlement to end a two-year standoff over the Loulo-Gounkoto complex. As part of the de-escalation, a Malian judge ordered the return of three tonnes of seized gold—valued at roughly \$400 million—to the company, stabilizing the sector but highlighting the rising cost of doing business in the region.
- In a major strategic shift for the diamond sector, Angola has launched a bid for Anglo American's 85% stake in De Beers, valued at roughly \$4.9 billion. This move pits Angola against Botswana, which already owns 15% and holds preemption rights, creating a high-stakes contest for control over the diamond giant's technology and marketing assets.

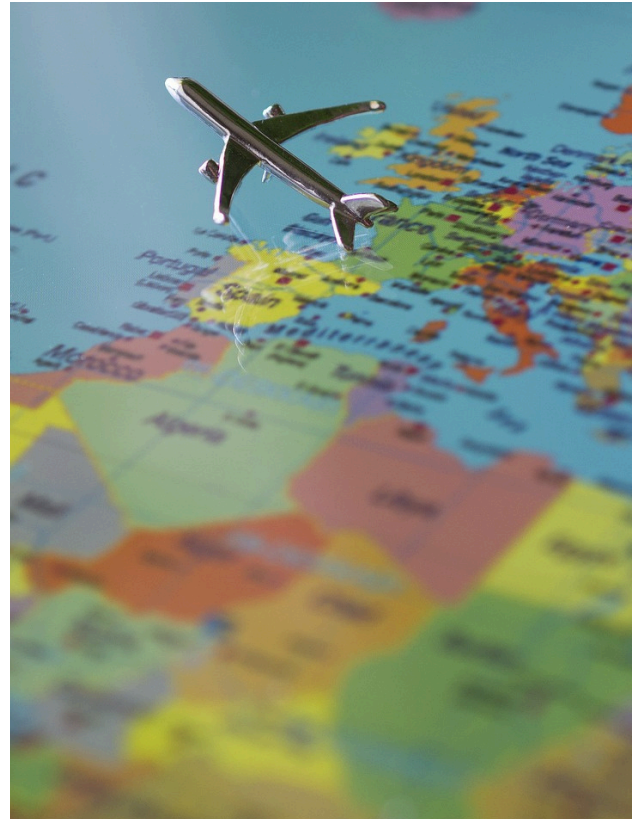
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- Neighboring Ivory Coast is mirroring this fiscal tightening, where gold miners have begun paying a new 8% flat royalty backdated to January, abandoning months of resistance after the government refused to honor previous fiscal stability clauses. Companies including Fortuna Mining confirmed compliance, noting that the roughly 65% rally in gold prices this year has effectively absorbed the cost of the hike from the previous sliding scale.
- The race for strategic minerals also saw the Democratic Republic of Congo and the United States sign a landmark agreement to establish a "Strategic Mineral Reserve." Designed to secure US supply chains for electric vehicle batteries, the deal explicitly aims to curb Chinese mining dominance by offering specific fiscal and regulatory incentives to Western miners, positioning the DRC at the center of a geopolitical bidding war.
- In Guinea, the massive Simandou iron ore project has officially begun exports after three decades of delays, marking a historic economic milestone. However, the transition from construction to operations has triggered a severe employment crisis, with the workforce expected to shrink from 60,000 to under 15,000, raising significant risks of social unrest along the critical 670km railway corridor.
- Conversely, the Uganda National Oil Company has secured a \$2 billion loan from global commodities trader Vitol to finance critical infrastructure projects, including a 60,000 barrel-per-day crude oil refinery. This borrowing aims to support Uganda's entry into commercial oil production—expected by July 2026—and deepens the relationship with Vitol, which already serves as the country's sole supplier of refined petroleum products.
- Nigeria has dropped its 15% customs duty on imported oil, a measure originally intended to give local refineries room to grow. While intended to stabilize fuel prices, experts warn that the country's challenges run deeper, mirroring difficulties seen in other resource-rich nations like Iran, which recently introduced new gasoline pricing tiers to curb massive energy subsidies.
- Sudan's energy sector faces collapse as the Sudanese Armed Forces launched a drone strike near the Heglig oil field shortly after the Rapid Support Forces seized the facility. The finance minister revealed that oil production has plunged from 500,000 to under 30,000 barrels per day, creating an existential economic threat to South Sudan, which relies entirely on Sudanese pipelines to export its oil.

## REGIONAL INTEGRATION: SKIES, BORDERS, AND BANKS

- The Economic Community of West African States (ECOWAS) will abolish air transport taxes starting January 1, 2026, and reduce security and passenger charges by 25% to tackle the region's prohibitively high travel costs. Originating from the December 2024 summit, this reform aims to stimulate tourism and trade by making airfares more affordable and unlocking significant economic potential for the bloc.
- Complementing this push for connectivity, Royal Air Maroc has unveiled discounted fares to facilitate travel for African football fans attending the 2025 Africa Cup of Nations in Morocco. As the national carrier, RAM aims to drive tournament attendance and capitalize on the surge in regional travel demand, reinforcing the airline's role as a primary connector for African integration.
- Convened in Accra, the Inaugural African Summit gathered high-level policymakers to accelerate continental integration under the theme "Building a New United Africa." The summit's primary outcome was the adoption of a landmark declaration to dismantle persistent non-tariff barriers and harmonize regulatory regimes, expected to fast-track the implementation of the AfCFTA.
- At a summit in Yaoundé, 41 African central bank governors gathered to accelerate plans for the African Central Bank, now targeted for 2026. The leaders emphasized that coordinated financial governance is urgent as climate shocks increasingly strain national budgets, signaling a unified commitment to long-term economic resilience through the proposed African Monetary Institute.



## ECONOMY AND INNOVATION: GROWTH AMIDST HEADWINDS

- The African Development Bank (AfDB) has raised \$11 billion for its African Development Fund (ADF), surpassing the previous cycle's \$8.9 billion. In a historic shift, 19 African nations contributed for the first time, alongside significant pledges from BADEA and the OPEC Fund, helping to plug the funding gap left by the United States.
- Morocco's central bank has maintained its benchmark interest rate at 2.25% for the third consecutive meeting, citing low inflation and a robust economic outlook with 5% growth projected for 2025. The tourism sector is a key driver, having welcomed a record 15 million visitors by September, prompting the government to announce a \$75 million plan to expand infrastructure in Ouarzazate.
- Uganda's export earnings nearly doubled to \$1.5 billion in October, driven by a surge in gold and coffee receipts. Gold exports tripled to \$965 million, while coffee earnings hit a record \$2.4 billion for the year, solidifying Uganda's status as Africa's top coffee exporter and providing a critical buffer for foreign exchange reserves.



- In Nigeria, the Central Bank has revoked the operating licenses of Aso Savings and Loans and Union Homes Savings and Loans due to critical undercapitalization. The Nigeria Deposit Insurance Corporation has been appointed as liquidator, underscoring the regulator's resolve to sanitize the mortgage sub-sector and ensure financial system stability.



- Also in Nigeria, Microsoft is expanding its National Skills Initiative to train 350,000 Nigerians in Artificial Intelligence, aiming to boost the country's 8.7% AI adoption rate. Partnering with the government and Lagos Business School, this push highlights the race to upskill talent for a sector projected to add \$1.5 trillion to Africa's GDP by 2030.

## STRATEGIC CAPITAL: DEALS AND ACQUISITIONS



- Angola has launched a massive \$4.9 billion bid for Anglo American's 85% stake in De Beers, marking a bold strategic shift to capture the diamond giant's technology and marketing assets. This move directly pits Angola against Botswana, which already owns 15% of the company and holds preemption rights, setting the stage for a high-stakes regional contest for dominance over the global diamond supply chain.
- In a move to bypass logistical bottlenecks, the Lobito Atlantic Railway (LAR) has secured \$753 million in financing from a US-led consortium to rehabilitate Angola's critical trade corridor. Finalized in December, this capital will upgrade 1,300 km of track, cementing the line as the primary export artery for Congolese copper and cobalt, directly challenging Chinese-dominated supply routes in the region.
- Ethiopia is ending 2025 with a transformed financial landscape following the historic launch of the Ethiopian Securities Exchange (ESX). The bourse has opened the once-closed economy to private capital, with the state-owned Ethio Telecom among the flagship listings. This move provides a critical new mechanism for Prime Minister Abiy Ahmed's government to raise non-debt capital and privatize key state assets amidst ongoing G20 debt negotiations.

- As the year concludes, the Dangote Refinery is accelerating plans for a dual listing on the London and Lagos exchanges, targeting a valuation that could underpin a \$100 billion revenue ambition. With the refinery nearing its full 650,000 barrels per day capacity, analysts warn that the sheer scale of the listing—and the proposal to pay dividends in US dollars—could exert immense pressure on Nigerian local market liquidity while redefining how foreign investors value African industrial assets.
- The 2025 Africa Investment Forum in Rabat closed with a significant win for deal-making, securing \$15.3 billion in investment interest across 39 bankable projects. The mobilized capital is targeted specifically at transformative infrastructure and energy initiatives, with private sector participation doubling from the previous year, signaling that despite global headwinds, the appetite for well-structured African deals remains robust.

## FRAGILE FRONTIERS: CONFLICT AND CLIMATE COSTS



- Sudan has ranked first on the International Rescue Committee's global crisis watchlist for the third year running, driven by a conflict that has displaced over 12 million people. With African nations dominating the list, the report underscores the deep structural fragility and operational risks facing the continent's conflict zones.
- In the Democratic Republic of Congo, Rwanda-backed M23 rebels have agreed to withdraw from the strategic town of Uvira following direct pressure from the US administration. While rebel leadership framed the exit as a trust-building measure, the fragile de-escalation underscores the persistent volatility in the east where insurgents threaten long-term investment stability.

- Kenya has launched emergency interventions to support 2.1 million people facing severe food insecurity after failed short rains triggered drought conditions across 32 counties. Deputy President Kithure Kindiki is coordinating a six-month relief strategy, but the crisis has prompted an urgent call for private sector collaboration to fund a comprehensive mitigation roadmap.

## EVENTS AND HIGHLIGHTS FOR EARLY 2026

- The 2025 edition of the Africa Investment Forum concluded in Rabat in late November, successfully securing \$15.3 billion in investment interest across 39 bankable projects. Themed "Bridging the Gap," the forum mobilized significant private capital for transformative infrastructure and energy initiatives, signaling growing investor confidence.
- The world's largest African mining investment event, the Mining Indaba, will convene in Cape Town from February 9–12, 2026. This year's edition marks a strategic shift towards "downstream buyer engagement," designed to connect miners directly with automotive and renewable energy manufacturers to secure resilient supply chains.
- Set for February 3–4, 2026, the Africa Business Convention returns to Lagos under the theme "Africa Grow." The event will gather top policymakers and private sector leaders to bridge the critical gap between high-level policy formulation and practical business execution in the continent's largest market.



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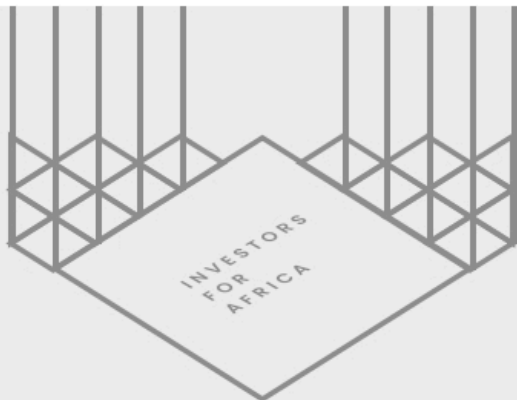


## About Pedestal Africa

Pedestal Africa Limited (Pedestalafrica.com) is a specialized investment promotion firm that works with global investment networks to design, promote, and deliver large-scale investment programs in Africa.

Founded by senior technocrats with over 75 years combined executive-level pedigree in international corporations such as ExxonMobil, British Gas, Petrobras, and more, our focus is on energy and infrastructure development, particularly in Sub-Saharan Africa. We have expertise in energy, infrastructure projects, international law, investment financing, project design, policy development, business strategy, corporate law, and commercial negotiation.

Our role is typically to assist government or private parties in defining priorities, converting policy to investment-ready programs, and taking them to capital markets. Thereafter, we draw linkages with the best available expertise in policy-to-project design, investment targeting, and capital raising networks across the globe. We anchor our work with a deep understanding of the priorities of the developing economies, such as Nigeria.




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