

Kreston Africa

HY1 Newsletter

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Welcome to Kreston Africa's HY1 Newsletter. This edition explores key developments shaping the continent's business environment. It features expert articles on pressing economic issues, a breakdown of regulatory changes across markets, and insights into macroeconomic trends influencing strategy and investment.

The newsletter also provides in-depth analysis of sector-specific opportunities and a balanced view of the challenges and outlook in select African countries, equipping businesses with clarity for informed decision-making.

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1.0. Featured Articles



1.1. The Nigerian Taxation Sphere – The Anticipated Game Change

Introduction

The Taxation system in Nigeria has undergone significant changes over time, influenced by governance, economic policies, and international standards. Despite this progress, there is still a critical need for a more effective, transparent, and fair system. The introduction of the

Nigeria Tax Bill, along with policy reforms, digital advancements, and stronger regulatory measures, signals an upcoming transformative change. This write-up delves into the expected modifications and their impact on the economy and business environment.



Overview of the Nigerian Tax System

Nigeria operates a multi-tiered tax system, with responsibilities shared among federal, state, and local governments. The key tax authorities include:

- » **Federal Inland Revenue Service (FIRS):** Administers Company Income Tax (CIT), Tertiary Education Tax (TET), Petroleum Profits Tax (PPT), Personal Income Tax (PIT) for certain categories, Value Added Tax (VAT), and Capital Gains Tax (CGT), Withholding Tax (WHT) and Stamp Duty (SD) for some categories.
- » **State Internal Revenue Service (SIRS):** Responsible for PIT for state residents, Pay-As-You-Earn (PAYE), Capital Gains

Tax (CGT), Withholding Tax (WHT), and Stamp Duty (SD) for some categories, and some state-specific levies.

- » **Local Government Council:** Manage minor levies like tenement rates and environmental fees.

Despite a structured system, challenges such as low compliance, revenue leakages, and inefficiencies necessitated annual modifications through Finance Acts. Since the first Finance Act in 2020, subsequent reforms have sought to align taxation with global best practices, enhance compliance, and ease business operations.

Game Changers in Nigerian Taxation

1

The Withholding Tax (WHT) Regulations 2024

The Federal Ministry of Finance, Budget & National Planning (FMFBNP) introduced new WHT regulations to streamline tax deduction at source, effective January 1, 2025. These regulations supersede previous WHT rules, except for PAYE taxes.

- Scope:** Covers taxes deductible under the Capital Gains Tax Act, Companies Income Tax Act, Petroleum Profits Tax Act, and Personal Income Tax Act.
- Obligations:** Mandates corporations and government agencies to deduct WHT while exempting small businesses with turnover below NGN25 million if transactions are under NGN2 million monthly.
- Revised Rates:**
 - Construction contracts: **2%** for residents, **5%** for non-residents.
 - Co-location and tower services: **2%** for residents, **5%** for non-residents.
 - Contract supply rates reduced from **5% to 2%**.
- Exemptions:** Includes winnings from games promoting entrepreneurship, bank interest payments via direct debit, and payments for locally manufactured goods.
- Penalties:** Failure to remit WHT incurs fines, annual interest, and potential assessments.

These reforms aim to improve compliance, reduce tax evasion, and enhance efficiency.

2

The Nigeria Tax Bill and Anticipated Reforms

In August 2023, the Presidential Committee on Fiscal Policy and Tax Reform proposed four major tax reform Bills currently under legislative review:

- Nigeria Revenue Service Bill:** Modernises tax administration and strengthens regulatory oversight.
- Nigeria Tax Administration Bill:** Defines tax registration, filing, and compliance processes.
- Joint Revenue Board Bill:** Establishes a unified board for tax policies and dispute resolution.
- Nigeria Tax Bill (NTB):** Consolidates over 60 existing taxes into nine and restructures fiscal frameworks.

Key Tax Reforms Under the Nigeria Tax Bill



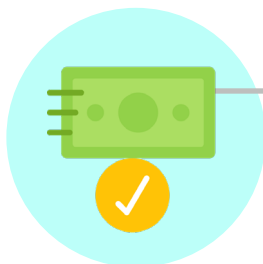
Corporate Income Tax (CIT) Adjustments:

- Small businesses (turnover < NGN50 million) remain CIT-exempt.
- CIT rate proposed to reduce from 30% to 27.5% (2025) and 25% (2026), though the House of Representatives recommends maintaining 30%.



Value-Added Tax (VAT) Adjustments:

- VAT was increased from 5% to 7.5% in 2019.
- The NTB proposed phased increases up to 15% by 2030, but the House of Representatives suggests maintaining 7.5%.



Excise Duties and Telecommunications Tax:

A 5% excise duty on telecommunications services is proposed.



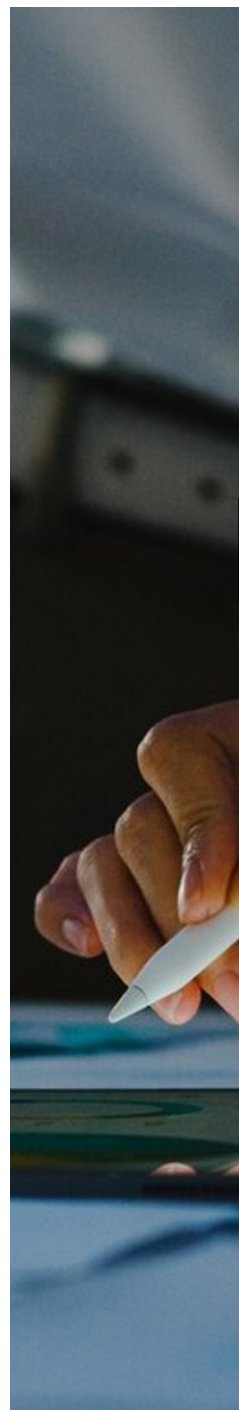
New Development Levy:

Replaces multiple levies with a structured levy reducing from 4% (2025) to 2% (2030 onward). However, the House of Representatives recommends redistributing funds among agencies instead of introducing a new levy.



Personal Income Tax (PIT) Adjustments:

- Individuals earning up to NGN800,000 annually to be PIT-exempt.
- Progressive taxation model with a maximum rate of 25% for high earners.



Additional Reforms:

- **Tax Ombudsman Office:** Resolves disputes within 14 days.
- **Unilateral Tax Credits:** Prevents double taxation on foreign-earned income.
- **Faster Tax Refunds:** 90 days for corporate, 30 days for VAT refunds.
- **Automation:** Enhances compliance and reduces corruption.
- **State Empowerment:** Allows states to tax Limited Liability Partnerships and implement anti-avoidance measures.
- **Lottery and Gaming Taxation:** Structured WHT system introduced.

Implications for Businesses and the Economy



Enhanced Revenue Generation: Reduces dependency on oil revenue.



Compliance Costs: Businesses must adapt to new structures, potentially increasing operational costs.



Investment Climate: A transparent taxation framework is likely to attract foreign investment.



SME Growth: Tax reliefs for small businesses encourage entrepreneurship and economic participation.

Conclusion

Nigeria's taxation landscape is undergoing a paradigm shift through regulatory reforms, digitalisation, and alignment with global standards. The Nigerian Tax Bill, once enacted, will simplify tax structures, enhance compliance, and promote economic growth. However, careful implementation and stakeholder engagement will be crucial in balancing revenue generation with a business-friendly taxation system that supports national development.



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1.2. Exploring Ghana: A Promising Destination for International Investment

Ghana has long been regarded as one of West Africa's most stable democracies and a strategic hub for trade and investment. Despite facing short-term economic pressures, the country continues to take bold steps to create a more attractive and predictable environment for foreign investors and businesses looking to establish or expand operations in the region.

Macroeconomic Challenges and Resilience

Ghana's economy is currently navigating a period of inflationary pressure, with the consumer inflation rate recorded at 23.1 percent as of February 2025. Although this is a slight improvement from the previous month, it remains above the Bank of Ghana's target of 6-10%. Persistent inflation affects household consumption, increases the cost of doing business, and creates uncertainty for long-term planning.

In response, the Ghanaian government is implementing comprehensive fiscal reforms aimed at stabilising the economy. These include tightening monetary policy, cutting public spending, and introducing new measures in the 2025 national budget to improve revenue collection and reduce the fiscal deficit. The central goal is to restore macroeconomic stability and build investor confidence in the business environment.

Pro-Investment Regulatory Reforms

Despite these economic headwinds, Ghana continues to make meaningful regulatory progress. A key milestone is the introduction of the National Corporate Governance Code, developed in collaboration with the Institute of Directors, Ghana. Though not legally binding, the code sets a new benchmark for transparency, accountability, and ethical leadership. Companies that align with these standards will be better positioned to attract foreign investment and

maintain strong relationships with regulators and global partners.



Government Initiatives to Attract Foreign Investors

To further support investment inflows, the Ghanaian government has introduced several pro-business policies and strategic incentives:



Tax Incentives: Foreign investors operating in priority sectors - such as agriculture, manufacturing, and renewable energy can benefit from tax holidays, import duty exemptions on capital equipment, and reduced corporate tax rates in designated zones.



Special Economic Zones and Industrial Parks: The development of Special Economic Zones (SEZs) offers infrastructure-ready areas with streamlined regulatory processes, reliable utilities, and access to export markets.



Ease of Doing Business Reforms: Ghana has digitised business registration processes through the Office of the Registrar of Companies, reduced the time required to obtain construction permits, and improved customs clearance efficiency at ports.



Public-Private Partnership Framework: The government is actively encouraging joint ventures and partnerships between international firms and local entities, particularly in sectors like healthcare, technology, and energy.



Ghana Investment Promotion Centre (GIPC) Support: The GIPC continues to play a key role in facilitating investor onboarding, offering guidance on investment incentives, compliance requirements, and sector-specific opportunities.

Sectoral Opportunities for Global Investors

To further support investment inflows, the Ghanaian government has introduced several pro-business policies and strategic incentives:

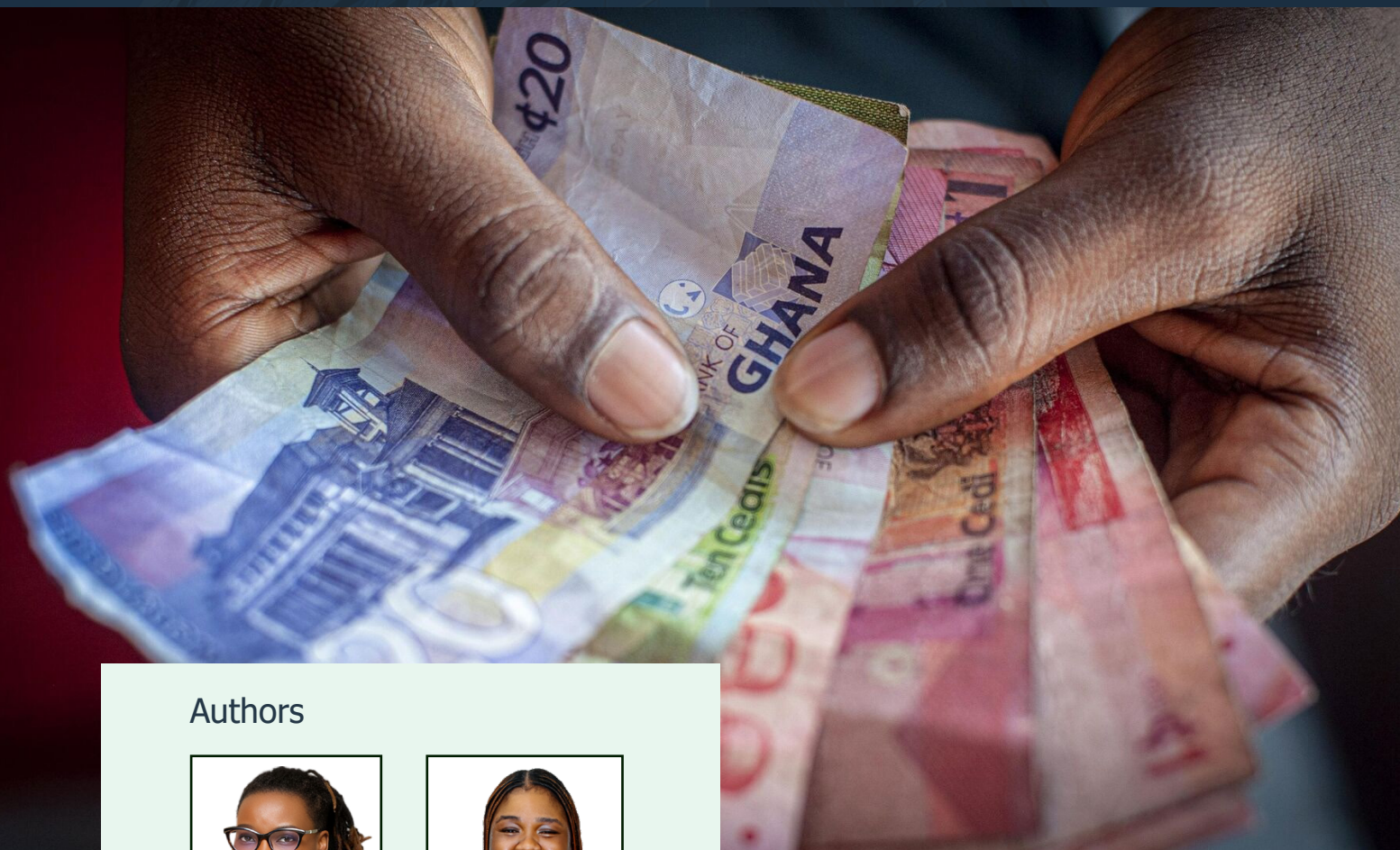
The ongoing reforms create a favourable climate for investment across multiple sectors. Ghana's agriculture and agro-processing industries remain central to its economic diversification strategy, while renewable energy, real estate, and digital services are fast-growing areas with strong demand and government backing.

In addition, Ghana's recent commitment to the African Continental Free Trade Area (AfCFTA) positions it as a strategic entry point for regional expansion, offering businesses access to a wider African market with reduced trade barriers.

Conclusion

Ghana's business environment is evolving - balancing macroeconomic challenges with meaningful reforms to enhance its global competitiveness. For foreign companies, this moment presents an opportunity to enter a market poised for long-term growth, provided they are equipped with the right insights, local partnerships, and a proactive approach to regulatory compliance.

Organisations that move early, engage with credible local advisors, and align with Ghana's reform agenda will not only unlock growth potential but also contribute to shaping the country's future economic success.



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1.3. Introducing Sustainability to Operations: A Strategic Roadmap for Nigeria



In today's global business environment, sustainability has transitioned from a niche concern to a cornerstone of competitive strategy and operational excellence. For Nigeria, sustainability is not just a moral imperative but a critical pathway to resilience, efficiency, and long-term profitability. As industries across the country face mounting economic, environmental, and regulatory

pressures, integrating sustainability into operations has become essential. This article explores Nigeria's strategic roadmap for sustainability, highlighting key regulations, corporate adoption, and comparisons with other African nations, while addressing the challenges of keeping pace with global sustainability trends, particularly in Europe.

What Does 'Sustainability in Operations' Mean for Nigeria?

Sustainability in operations encompasses the integration of ESG considerations to enhance efficiency, reduce negative environmental impacts, and ensure long-term business viability. In Nigeria, sustainability is particularly relevant due to:

Regulatory Pressures: With Nigeria's commitment to international climate agreements, such as [the Paris Agreement](#), and national policies like [the National Climate Change Policy \(2021\)](#), businesses must adapt their operations to meet new environmental standards. In 2024, Nigeria launched [the Nationally Determined Contributions \(NDC\)](#) Implementation Framework, a key strategic document aimed at driving the country's climate goals, including achieving net-zero emissions by 2060 and cutting emissions by **20% by 2030**, with potential for further reductions depending on international support.

This framework, a live document, coordinates national climate efforts and supports the Paris Agreement's objectives while fostering collaboration across multiple sectors such as agriculture, energy, and transport.

The Financial Reporting Council of Nigeria (FRC) has released a roadmap for adopting IFRS Sustainability Disclosure Standards to guide Nigerian entities through the integration of ISSB standards. Following a commitment to early adopt IFRS S1 and S2 in 2022, the roadmap outlines four adoption phases: early adopters by December 2023, voluntary adopters (2024-2027), mandatory adoption for public interest entities by 2028 and SMEs by 2030, and government entities on a later schedule. Assurance of disclosures will progress over six years, starting with limited verification of core disclosures in years three and four, increasing to reasonable assurance by year five, and full quantitative assurance by year six. The FRC noted that the roadmap would harmonise the existence of multiple frameworks on sustainability such as CBN's sustainable banking principles, the NGX's sustainability disclosure guidelines, and the SEC's Nigerian Sustainable Finance Principles.

● **Economic and Infrastructure Challenges:** Nigeria's unreliable electricity grid, high dependence on fossil fuels, and waste management problems make sustainability essential for reducing operational costs and promoting energy efficiency.

● **Market and Global Competitiveness:** Nigerian businesses aiming to remain competitive both locally and globally must meet international sustainability standards. **The African Continental Free Trade Agreement (AfCFTA)** is accelerating regional trade, and Nigerian companies must improve their ESG performance to attract foreign investment and tap into larger markets.

Why Nigeria is Struggling to Meet the Pace of ESG Adoption Compared to Other Countries

While Nigerian companies are making strides in sustainability, several factors contribute to the country's slower pace of ESG adoption compared to Europe and other advanced economies. Yet, these setbacks present opportunities for investors in the energy and broader associated space within the Nigerian market:

1 Regulatory and Policy Gaps

Nigeria has made progress in developing sustainability policies, such as the National Climate Change Policy and the IFRS Sustainability Disclosure Standards Roadmap, with even more significant strides in the oil & gas sector through the detailed Energy Transition Plan (ETP) and associated tax incentives as contained in the Petroleum Industry Act 2021, VAT modification Order 2024, Oil and Gas Companies order 2024. However, inconsistent enforcement and a lack of clear incentives for businesses to adopt ESG practices have hindered widespread implementation. In contrast, European countries have stringent regulatory frameworks, such as the European Green Deal and the Corporate Sustainability Reporting Directive (CSRD), which mandate ESG compliance and provide clear guidelines for businesses. For example, the EU Taxonomy for Sustainable Activities provides a classification system for environmentally sustainable economic activities, making it easier for companies to align with ESG goals.

2 Infrastructure Deficiencies

Nigeria's infrastructure challenges, particularly in energy and transportation, make it difficult for businesses to implement sustainable practices. The unreliable electricity grid forces many companies to rely on diesel generators, increasing carbon emissions and operational costs. In Europe, robust infrastructure and access to renewable energy sources facilitate the adoption of sustainable practices. For instance, Germany generates over 40% of its electricity from renewables, and its Energiewende (Energy Transition) policy has been a driving force behind its sustainability efforts.

3 Financial Constraints

The high initial costs of adopting sustainable technologies, such as renewable energy systems and waste management facilities, pose a significant barrier for many Nigerian businesses. While the government has made significant investments and committed to investing an additional US\$2.5 billion to deploy more CNG vehicles by 2027, and some green financing options are available, these are still insufficient to meet the scale of investment required. In Europe, governments and financial institutions offer substantial subsidies, grants, and low-interest loans to support sustainability initiatives, making it easier for businesses to transition. For example, the European Investment Bank (EIB) has committed to providing €1 trillion in climate finance by 2030, significantly boosting ESG adoption across the continent.

4 Limited Awareness and Expertise

Many Nigerian businesses lack the awareness and expertise needed to integrate ESG considerations into their operations effectively. While some large corporations have embraced sustainability, SMEs, which form the backbone of Nigeria's economy, often lack the resources and knowledge to implement ESG practices. In Europe, widespread awareness campaigns, training programs, and access to sustainability experts have accelerated ESG adoption across all business sizes. For instance, the European Commission has launched the European Green Deal Skills Agenda, which aims to equip workers with the skills needed for the green transition.

5 Cultural and Market Differences

In Europe, consumer demand for sustainable products and services has driven businesses to adopt ESG practices. In Nigeria, while awareness is growing, consumer demand for sustainability is still relatively low, reducing the incentive for businesses to prioritise ESG. Additionally, the informal economy in Nigeria, which accounts for a significant portion of economic activity, is largely unregulated and lack the capacity to adopt ESG practices. In contrast, European consumers are increasingly demanding transparency and sustainability, with 67% of European consumers preferring to buy from companies that are environmentally responsible.

6 Global Supply Chain Pressures

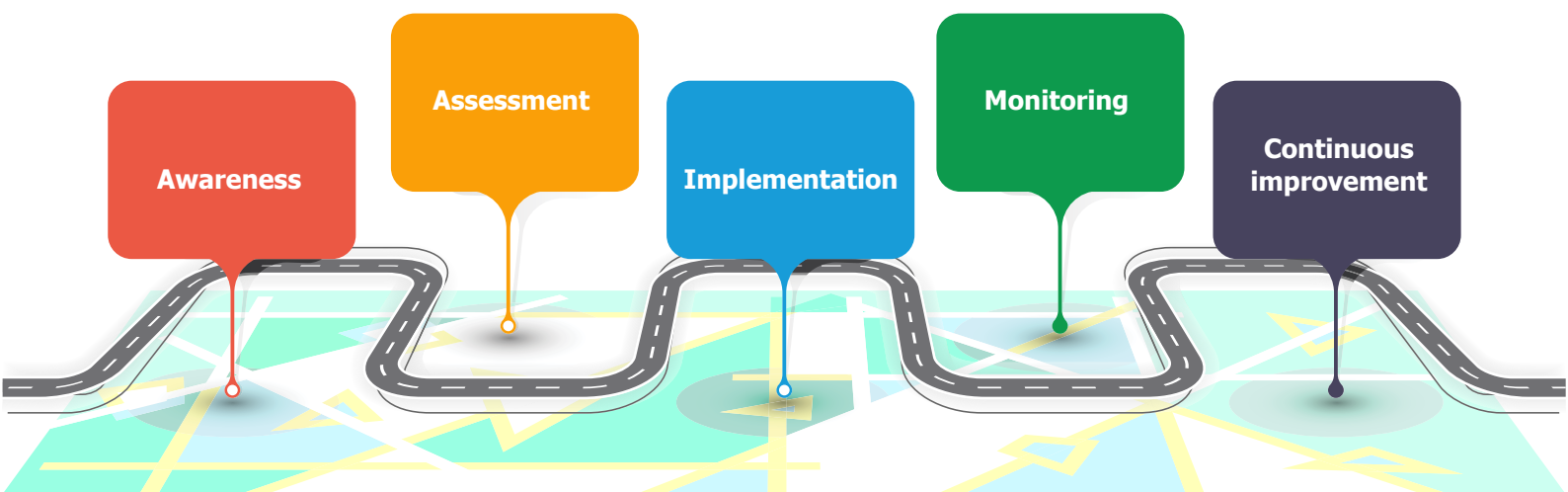
European companies are often part of global supply chains that require adherence to strict ESG standards. Nigerian businesses, particularly those focused on domestic markets, face less pressure from international stakeholders to adopt ESG practices. However, as global supply chains become more interconnected, Nigerian companies will need to align with international standards to remain competitive. For example, Unilever has committed to sourcing 100% of its agricultural raw materials sustainably, putting pressure on its suppliers, including those in Nigeria, to adopt ESG practices.

Comparison with Other African Countries

While Nigeria is making progress in sustainability, it lags some African countries in terms of adoption and implementation, with South Africa, Kenya, Morocco, and Rwanda leading the charge. In comparison, Nigeria faces some rather unique challenges, including infrastructure deficiencies and inconsistent policy enforcement, which slow the pace of sustainability adoption but also present immense opportunities for leading firms in these African nations and globally to tap into the significant market size. Nigeria has made strides in renewable energy, particularly in solar power, though the country still relies heavily on fossil fuels, with renewables accounting for only **13% of its energy mix as of 2023**. Nigeria's **Energy Transition Plan (ETP)**, launched in 2022, aims to achieve **30% renewable energy penetration by 2030**, but progress has been slow due to funding and implementation challenges, all of which present a vast opportunity for investors.

Strategic Roadmap for Nigerian Businesses

Implementing sustainability in operations can follow a phased roadmap:



Here's how Leading Nigerian companies are progressing across these stages:

1

Awareness and Leadership Commitment

Building a strong foundation for sustainability starts with leadership commitment. Nigerian companies with visionary leaders who champion sustainability is often more successful in integrating it into their operations. Studies show that companies with strong sustainability leadership outperform their peers, with 40% reporting higher profit margins.

Case: Dangote Group - In 2023, Dangote Cement achieved **184% increase in co-processed waste as alternative fuel**, reducing its carbon footprint and water consumption.

2

Assessment and Benchmarking

Before implementing sustainability measures, businesses must assess their environmental impacts and benchmark their performance. Global frameworks like the Global Reporting Initiative (GRI) and local guidelines such as the Nigeria Sustainable Banking Principles (NSBP) are commonly used.

Case: Access Bank, the first Sustainability Certified African Commercial Bank aligns its operations with the GRI framework and has adopted the Principles for Responsible Banking (PRB). Access Bank dedicates 1% of its annual profit before tax to sustainability initiatives and has significantly reduced its CO2 emissions

3

Implementation of Sustainable Practices

Implementation is the core of sustainability integration. Nigerian companies are introducing innovative practices in energy efficiency, waste management, and resource optimisation.

Energy Efficiency and Renewable Energy: Transitioning to renewable energy sources is critical for reducing costs and emissions.

Case: MTN Nigeria uses hybrid solar systems for its cell towers. This initiative has reduced greenhouse gas emissions and improved service reliability in remote areas. In 2021, MTN achieved a 10.9% reduction in Scope 1 and 2 emissions.

4

Monitoring and Reporting

Transparency through sustainability reporting builds trust with stakeholders and investors. Nigerian companies are increasingly adopting ESG-focused reporting to demonstrate accountability.

Case: Seplat Energy is committed to reducing flaring and improving energy efficiency. Its 2022 sustainability report highlighted a 30% reduction in carbon emissions by 2030.

5

Optimisation and Innovation

Continuous improvement through innovation is essential for keeping sustainability efforts on track. Nigerian companies are leveraging cutting-edge technologies to optimise operations.

Case: BUA Group invested in waste heat recovery technology at its Sokoto cement plant, converting waste heat into electricity.

Conclusion

Sustainability is no longer optional for Nigerian businesses; it is a critical strategy for long-term success. Companies like Dangote Group, Access Bank, MTN Nigeria, and Seplat Energy are leading the way, demonstrating that sustainability can drive efficiency, profitability, and resilience. However, to keep pace with global trends, particularly in Europe, Nigeria must address regulatory gaps, improve infrastructure, reduce financial barriers, and increase awareness and expertise in ESG practices. By doing so, Nigerian businesses can position themselves to thrive in a future shaped by ESG considerations, regulatory shifts, and growing stakeholder demands for transparency and accountability.

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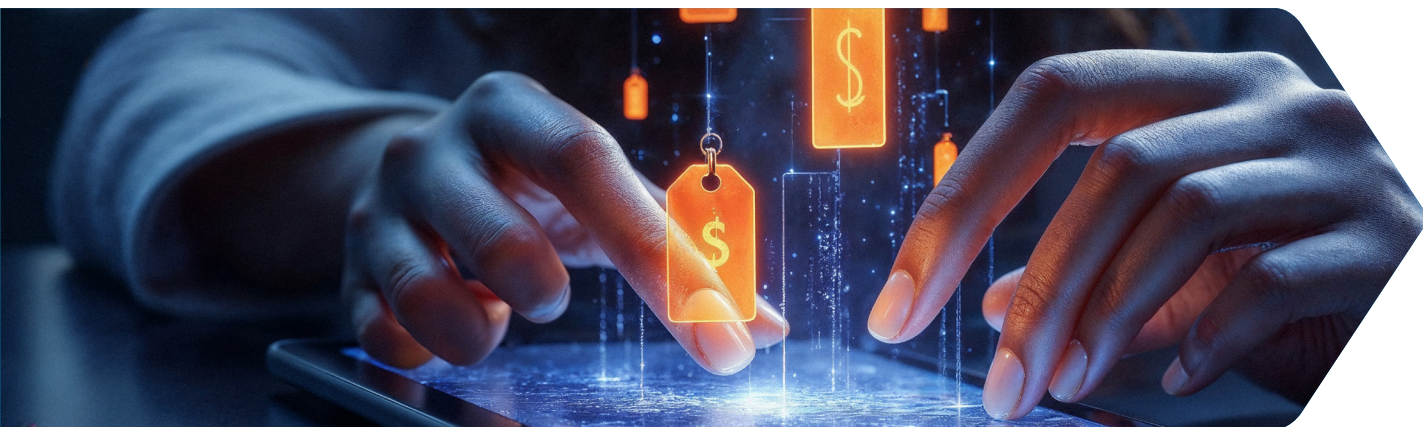
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1.4. Transfer Pricing and Diversity: Exploring Transfer Pricing Dynamics in Multinational Entities



Multinational entities (MNEs) operate across various countries, bringing together professionals from diverse cultural, linguistic, and professional backgrounds. This diversity is reflected in all aspects of their operations, including transfer pricing. Transfer pricing refers to the pricing of goods and services exchanged between associated entities within a multinational enterprise (MNE). It ensures that transactions are fairly valued and that profits and costs are allocated appropriately across jurisdictions. As a vital aspect of international business, transfer pricing must be carefully managed to maximise benefits while maintaining compliance. With MNEs becoming increasingly diverse across countries and languages, navigating transfer pricing complexities presents both challenges and opportunities for global businesses.

MNEs display substantial diversity. For instance, the transmission and reception of messages widely vary across the network of a multinational enterprise. Communication is hindered by language, culture and business practice differences. Will such diversity – within

the MNEs make transfer pricing procedures more difficult or more meaningful?

The formal analysis of transfer pricing maintains that the diversity present in MNEs increases the likelihood of errors, misunderstandings and even mistakes. Indeed, from the first perspective, it may be challenging, if not impossible, to manage the inevitable misalignment within complex organisations such as MNEs. At “face value”, the diversity of MNEs add complexities to transfer pricing procedures: Local managers may seek favourable rates for their units, while tax authorities look to prevent tax avoidance. As a result, transfer pricing can become a challenging aspect of revenue collection, requiring careful regulation and oversight.

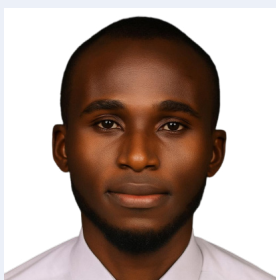
One of the greatest advantages of a diverse transfer pricing approach is the fresh perspectives it brings. A team composed of individuals from different cultural and linguistic backgrounds can offer deeper insights into transfer pricing issues, drawing from their unique experiences. This diversity fosters richer discussions and enables a more comprehensive approach to solving complex

challenges. When multinational enterprises (MNEs) employ multilingual staff, they can foster better relationships and collaboration with tax authorities and other local stakeholders. Language barriers, which often hinder dialogue, can be significantly reduced when team members speak the languages of the relevant countries. This not only ensures compliance with local regulations but also promotes a culture of transparency.

Additionally, both the inherent diversity of an MNE and the evolution of its organisational culture can help develop essential soft skills such as sensitivity and cultural awareness. These skills are crucial in fostering understanding across different cultures and strengthening relationships with internal and external stakeholders. A foundation of trust and mutual

respect can enhance transactional efficiency, making transfer pricing negotiations and dispute resolution more seamless.

Harnessing the power of diversity through inclusive training for transfer pricing teams presents a valuable opportunity for MNEs. Such training contributes to building an organisational culture that prioritises cultural openness and inclusivity. Companies must encourage managers to recognise and embrace diversity by implementing training programmes that enhance 'cultural competence.' Additionally, adopting flatter organisational structures can help ensure that diverse viewpoints are more accessible to employees across different units and nationalities.



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1.5. Nigeria Fiscal Policy Reforms: De-risking Nigeria's Macroeconomic Climate



A defining feature of a country's economic transition from a developing economy to an emerging market is a noticeable shift in government policy. Such changes often precede structural transformations in the economy and the reorganisation of factors of production. The Federal Government of Nigeria has embarked on broad and ambitious policy reforms aimed at attracting foreign capital inflows, facilitating capital repatriation, and improving the ease of doing business in Nigeria.

These efforts have garnered commendation from the International Monetary Fund (IMF), particularly for bold economic reforms such as the liberalisation of the foreign exchange market, clearance of the foreign exchange (FX) backlog, removal of fuel subsidies, and promotion of fiscal transparency. The administration has also prioritised enhancing institutional quality to attract foreign investors and curb capital flight.

Current Challenges and Government Interventions

Businesses in Nigeria continue to face significant challenges, including infrastructure deficits, inconsistent public policies, weak regulatory frameworks, security concerns, and difficulties in repatriation of funds, a combination of which leads to low foreign direct investment and capital flight in the country.

To de-risk the macroeconomic environment and reduce perceived investment risks, the government has embraced transparency, as demonstrated in the public hearings leading up to the introduction of the new tax reform bills. As part of these reforms, the Federal Government established an independent Presidential Fiscal Policy and Tax Reforms Committee to ensure efficiency and effectiveness in public finance administration.

Tax Reforms for Sustainable Revenue Generation

The committee has been tasked with transforming Nigeria's revenue generation framework to achieve a tax-to-GDP ratio of at least 18% within the next three years. This goal will be pursued through the elimination of inefficiencies in tax administration, broadening of the tax base, simplification of tax compliance, and the harmonisation of multiple taxes and levies across all levels of government. The objective is to create a more efficient, broad-based tax system that is easier to administer. Nigeria currently has one of the lowest tax-to-GDP ratios in the world, contributing to its infrastructure deficits. Through these fiscal policy reforms, the government aims to allocate a significant portion of increased tax revenues to energy and capital infrastructure projects that will enhance the movement of goods and services across the country.

Fiscal and Monetary Policy Alignment

For the first time in recent history, fiscal policy is being designed to complement the monetary policy objectives of the Central Bank of Nigeria (CBN). The goal is to achieve macroeconomic stability by reducing inflation, lowering interest rates, improving the standard of living, and boosting productivity and economic growth. In a more disciplined approach to fiscal management, the government has successfully reduced the debt service-to-revenue ratio from 97% to 68% by eliminating petrol subsidies. This fiscally responsible strategy

ensures that critical infrastructure is adequately funded, enhancing Nigeria's attractiveness as an investment destination.

Nigeria's Market Potential and Regional Influence

As the most populous country in Africa and the seventh largest globally, Nigeria presents a vast market opportunity for international investors. With a median age of 19, nearly two-third of the population are youths, offering an evolving talent pool and a dynamic consumer base.

Nigeria's leadership within the Economic

Community of West African States (ECOWAS) has also strengthened its position as a key player in regional trade. The country's strong diplomatic ties with its neighbours facilitate the free flow of goods and services across borders, making Nigeria an even more attractive investment hub. By investing in Nigeria, firms gain access not only to the local market but also to the broader ECOWAS economic bloc, further enhancing the appeal of doing business in the country for access to the region.

In conclusion, Nigeria's fiscal policy reforms are setting the stage for sustainable economic growth, an improved investment climate, and long-term prosperity. Through bold and transparent governance, the country is de-risking its macroeconomic environment, ensuring that both local and foreign investors can thrive in a stable and predictable economic landscape.



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2.0. Doing Business in Africa



2.1. Benin Republic



Country Regulatory Landscape

Benin is emerging as a key player in West Africa, leveraging its strategic port and commitment to economic reform. Despite typical challenges for developing nations, its focus on infrastructure, agriculture, and industrialisation offers growth opportunities for investors in the ECOWAS region. The 2018 Investment Code provides a solid legal framework for foreign and domestic investors, ensuring equal treatment and protection against expropriation. It includes incentives like tax exemptions based on sector and investment size. Business

registration has been streamlined through the Guichet Unique de Formalisation des Entreprises (GUFE), allowing online completion with minimal fees (10,000 XOF or about US\$16 for individuals, 17,000 XOF or about US\$28 for companies). Special Economic Zones, such as the Glo-Djigbé Industrial Zone, offer additional benefits like corporate tax exemptions and simplified customs procedures. However, challenges remain, including efficiency and corruption in the judicial system and complexities surrounding land tenure.

Macros & Trends

Benin's macroeconomic performance is marked by robust growth and a stable financial environment, despite external shocks. Real GDP growth reached 7.5% in 2024, surpassing the 6.5% projection, with strong growth expected to continue at 6.5% in 2025 and 6.2% in 2026, driven by government investments in infrastructure, agriculture, and tourism. Inflation remained low, with an annual rate of 0.6% in May 2025, down from 0.8% in April, and long-term projections estimate inflation around 2.2% in 2025 and 2.5% in 2026, fostering a stable environment for investors. Foreign direct investment (FDI) inflows, which were US\$0.43 billion in 2023, are anticipated

to rise due to ongoing reforms and the development of Special Economic Zones (SEZs) like the Glo-Djigbé Industrial Zone.

The current account deficit is projected at -6.1% of GDP in 2025, influenced by investment needs for SEZ development, but is expected to decrease as local commodity processing boosts exports. Public debt fell to 54.3% of GDP in 2024 and is projected to decrease to 52.5% in 2025, with the fiscal deficit expected to remain within 3% of GDP, in line with WAEMU norms. Additionally, the Port of Cotonou, a key transit hub, handled 9.57 million tonnes of goods in 2023, with plans to expand capacity to 15 million tonnes by 2026.



Key Sectoral Opportunities

Logistics and Transport

The Port of Cotonou is set for a €461.6 million upgrade to increase capacity to over 20 million tons with a new terminal (T5). The Abidjan-Lagos corridor further enhances opportunities in freight and logistics services.

Agriculture and Agro-processing

Agriculture plays a crucial role in Benin's economy, with rice production nearly doubling to 712,000 tonnes in 2023. There are significant opportunities in agro-processing for cotton, cashews, and livestock, supported by initiatives like the Glo-Djigbé Industrial Zone (GDIZ).

Manufacturing and Special Economic Zones (SEZs)

The GDIZ aims to boost local industrialisation by offering tax exemptions and streamlined operations, attracting investments in textile and cashew processing.

Renewable Energy

With electricity access increasing from 36.5% in 2020 to nearly 40% in 2023, there are promising opportunities for renewable projects, particularly in solar energy, to address deficits and promote sustainability.

Tourism

Benin's rich cultural heritage offers significant potential for tourism, especially in hospitality, eco-tourism, and cultural experiences, supported by government investments.

Digital Economy

The government is advancing digital transformation by improving infrastructure and fostering innovation, creating opportunities in tech services and e-commerce.

Notable Challenges

Bureaucracy and Corruption:

Administrative hurdles and corruption continue to impede business operations. Benin ranks 96th out of 184 on the Index of Economic Freedom, reflecting governance challenges.

Access to Finance for SMEs: Micro, small, and medium enterprises (MSMEs) often struggle to secure credit. While initiatives by the African Development Bank (AfDB) are beneficial, stronger support mechanisms are needed.

Security Risks: Northern border regions face risks from terrorism and kidnappings, necessitating robust security measures for businesses. Additionally, street crime is prevalent in cities like Cotonou.

Climate Change Vulnerability: Benin is susceptible to climate shocks such as floods and droughts, which threaten agriculture and economic stability, highlighting the need for climate-resilient investments.



Outlook

Benin offers an attractive outlook for investors, marked by consistent economic growth, fiscal discipline, and reforms to enhance the business climate. The development of the Port of Cotonou and Special Economic Zones like GDIZ presents substantial opportunities in trade and industrial processing. Businesses that conduct thorough due diligence and manage challenges—particularly security risks in the north and bureaucratic inefficiencies—can reap significant rewards. Success will depend on strategic partnerships, value addition in key sectors, and alignment with government development priorities.



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2.2. Burkina Faso

Country Regulatory Landscape

Burkina Faso offers a complex yet potentially rewarding investment environment despite ongoing security challenges and political instability. With significant natural resources and a young population, the government is focused on economic development, especially in mining and agriculture. The 2018 Investment Code provides incentives like tax breaks and customs exemptions. The Zimbabwe Investment and Development Agency Act of 2020 established ZIDA to streamline business processes,

including quick company registration. Foreign investors can easily transfer capital, and forming a Limited Liability Company (LLC) requires just one shareholder and director, with a minimum capital of US\$2,000. The corporate tax rate is 27.5%, and social security contributions are capped at XOF 600,000 per month. However, challenges include transparency issues, inconsistent enforcement, and corruption, particularly in the judiciary and public services.

Macros & Trends

Burkina Faso's macroeconomic trajectory is influenced by security concerns and climate shocks, yet the country demonstrates resilience through fiscal consolidation. Real GDP growth for 2023 has been revised down to 3.0% due to ongoing security issues, but projections indicate a rise to 4.3% in 2025 and 4.5% in 2026, driven by growth in the extractive and agricultural sectors. Inflation has significantly decreased from 14.1% in 2022 to 0.7% in 2023; however, it is expected to rise slightly to 2.2% in 2025 due to higher food prices.

Foreign Direct Investment (FDI) inflows were recorded at US\$109.44 million in 2023, marking an 83.66% decline from the previous year, reflecting the impact of security challenges. Conversely, UK exports

to Burkina Faso increased by 87.5% to £30 million during the same period. The current account deficit is projected to improve to 5.4% of GDP in 2025, supported by higher exports of gold and cotton. Public debt is estimated at 60.8% of GDP in 2023, with expectations of an increase to 65% in 2024–25, indicating a moderate risk of debt distress. Overall, strong revenue collection is anticipated to help narrow the budget deficit to 5.4% of GDP in 2025, bolstered by increased tax revenues.



Key Sectoral Opportunities

Mining

Gold is the leading export, representing over 75% of exports in 2017, alongside zinc and manganese. Opportunities exist in exploration, extraction, and related services, with the sector providing over 9,000 jobs and generating more than XOF 200 billion in tax revenues.

Agriculture and Agro-processing

Employing 80% of the population, agriculture is the second-largest export sector. With only one-third of agricultural land developed, there is significant potential for crop production and agro-processing targeted at local and ECOWAS markets.

Renewable Energy

Burkina Faso has excellent conditions for solar energy, with only 40% electrification nationwide. Opportunities are available for independent solar power producers and the establishment of solar component manufacturing units.

Infrastructure and Construction

Despite recent improvements, significant deficits remain. The government plans to construct 5,000 km of new paved roads, creating opportunities in road and railway construction, urban development, and water projects.

Tourism

Though impacted by security issues, Burkina Faso's rich cultural heritage and natural landscapes offer long-term potential for eco-tourism and hospitality, particularly in safer southern regions.

Notable Challenges

Political Instability and Security Risks:

Frequent government changes and ongoing armed attacks by jihadist groups, especially in the north, deter foreign investment and disrupt business operations. The extension of military rule until at least 2029 and strained relations with ECOWAS add to the uncertainty.

Infrastructure Deficits: Significant gaps in electricity access, road quality, and digital connectivity increase operational costs and hinder business efficiency. The AIDI score of 22.11 in 2024 highlights these deficits.

Access to Finance: Local businesses, particularly SMEs, struggle to access long-term credit from banks, which primarily focus on short-term financing.

Bureaucracy and Corruption: Despite reforms, administrative processes can be burdensome, and corruption remains a major concern, impacting transparency and predictability. Transparency International's 2020 report ranked Burkina Faso 86th out of 180 countries.

Climate-Related Shocks: The country is highly vulnerable to adverse climate conditions, especially droughts, which can severely affect agriculture and overall economic stability.

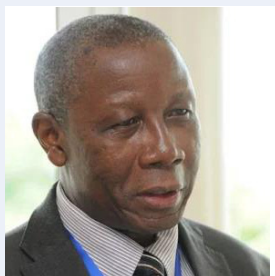
Limited Manufacturing Base: The manufacturing sector is relatively weak, contributing a small percentage to GDP and employment, leading to an undiversified economy vulnerable to external shocks.



Outlook

Burkina Faso offers a high-risk, high-reward opportunity for investors, driven by its rich mineral resources and agricultural potential. However, realising this potential requires significant improvements in security, political stability, and business climate reforms.

For businesses willing to conduct thorough risk assessments and engage locally, opportunities exist in mining, agriculture, and renewable energy. The government's focus on revenue mobilisation and fiscal discipline, along with international support, suggests potential for gradual economic recovery. Ultimately, establishing accountable governance and re-engaging with regional partners will be essential for attracting sustainable foreign investment.



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2.3. Burundi

Country Regulatory Landscape

Burundi, a small landlocked nation in East Africa, offers a complex but potentially rewarding investment environment. Despite significant development challenges from past political instability, the country is reforming its business climate to leverage agricultural and mineral resources.

To attract foreign investment, Burundi has established legal protections against expropriation and allows profit repatriation. The Burundi Investment Promotion Authority (API) acts as a one-stop shop for business registration, typically taking 7-14 days and

offering incentives like tax credits for new enterprises.

However, the regulatory framework is often opaque and inconsistently enforced. Land tenure issues persist, with many lacking formal titles, leading to disputes. Although efforts have been made to digitise land records, only 13% of municipalities had done so by 2025, complicating ownership clarity. Tax reforms are underway, but low tax-to-GDP ratios (around 13.7%) highlight ongoing challenges in revenue performance and administration.

Macros & Trends

Burundi's macroeconomic landscape is shaped by ongoing efforts to stabilise an economy affected by historical challenges. The economy saw a slight acceleration in growth, reaching 3.5% in 2024, up from 3.3% in 2023, although growth is expected to decline to 1.9% in 2025 before gradually recovering to 2.6% in 2026. This slowdown is largely due to limited foreign reserves, which lead to fuel restrictions and import compression, constraining secondary and tertiary activities. Real GDP growth is projected to reach 4.6% in 2024 and 5.9% in 2025, bolstered by investments in the mining sector and public projects.

Inflation remains a significant concern, rebounding to an average of 39% in early 2025 after briefly easing below 15% in 2024, driven by rapid money supply growth; projections indicate continued high

inflationary pressures into 2027. The African Development Bank forecasts inflation to fall to 22% in 2024 and 12.6% in 2025, aided by improvements in local food supplies. Burundi also faces limited foreign exchange reserves, which contribute to pressures on the parallel exchange rate and ongoing fuel shortages, negatively impacting economic activity. The current account deficit is expected to narrow from an estimated 8.2% of GDP in 2023 to 6.8% in 2024 and 6.2% in 2025, primarily due to import compression, while higher global coffee and gold prices are anticipated to boost export revenues in the medium term. Total public debt stood at about 52% of GDP at the end of 2024, with domestic debt comprising roughly two-thirds; while considered sustainable, there is a high risk of debt distress.



Key Sectoral Opportunities

Agriculture and Agro-processing

Agriculture is vital to Burundi's economy, employing over 80% of the workforce and significantly contributing to GDP. Coffee and tea are major exports, accounting for 90% of foreign exchange earnings in 2023. Opportunities exist to enhance productivity through investments in food processing, waste management, and fertilizer production. The Burundi-Rwanda Integrated Development Project (BRIDEP), launched in May 2025 with a US\$152 million budget, aims to modernise agriculture by improving value chains like maize.

Mining

Burundi has untapped mineral resources, including nickel and gold, presenting significant potential for export-driven growth. Resuming mining operations could boost gold export revenues and foreign exchange reserves.

Energy

The country has potential hydroelectric and petroleum resources but faces severe energy deficits, producing only 0.36 terawatt hours (TWh) of electricity in 2022 against a consumption of around 4 TWh. Efforts to expand energy infrastructure aim to increase electricity access to 40% of the population by 2030, creating opportunities in renewable energy projects, particularly in hydropower and solar energy.

Tourism

Burundi's scenic landscapes and cultural heritage offer untapped tourism potential. Tourist arrivals are projected to rise from approximately 328,000 in 2023 to 376,000 by 2028, indicating a positive growth outlook.

Transport and Digital Infrastructure

As a landlocked country, improving transport links is essential. The US\$120 million World Bank-funded Transport Resilient Project aims to enhance road connectivity with Tanzania, while BRIDEP includes the construction of a one-stop border post at Akanyaru Haut to facilitate trade.

Notable Challenges

Political Instability and Governance:

Burundi has a history of political instability and conflict, which has hindered economic recovery and job creation. While there have been efforts to consolidate peace, persistent governance challenges, including issues with rule of law and corruption, continue to affect investor confidence.

Security Risks: Though the situation has generally stabilised, the lingering effects of past conflicts and regional tensions can still pose security risks, particularly impacting investment in certain areas.

Infrastructure Deficits: Significant gaps persist in electricity access (only 10% national coverage), road quality (only 38% of rural population within 2 km of an all-weather road in 2019), and digital connectivity, all of which hinder business operations and economic modernisation.

Access to Finance: Local businesses, especially small and medium-sized enterprises (SMEs), face challenges with limited access to credit and high interest rates. The financial system, while resilient, shows growing risks with credit growth at 27.2% and non-performing loans rising to 3.8% in 2024.

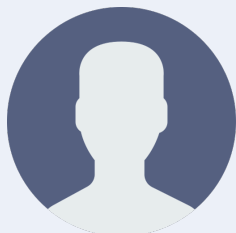
Limited Foreign Reserves: The scarcity of foreign exchange impacts the availability of imported goods, including fuel and key inputs for production, constraining economic activity.



Outlook

Burundi offers a challenging yet potentially rewarding opportunity for investors, with vast agricultural potential, untapped mineral wealth, and a focus on infrastructure development. However, realising this potential depends on sustained political stability, macroeconomic reforms to control inflation and manage foreign exchange, and significant infrastructure improvements.

For businesses willing to navigate this complex environment, strategic partnerships, local knowledge, and effective risk mitigation will be crucial. The commitment to reforms in agriculture and mining, along with ongoing international support, indicates a gradual improvement in the investment climate over the medium to long term.



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2.4. Cameroon



Country Regulatory Landscape

Cameroon's regulatory environment is characterised by a mix of formal legal frameworks and informal administrative practices. While the country does not have a dedicated foreign investment screening regime, regulatory authorities may impose sector-specific conditions on foreign investors to address concerns around economic stability and national interest.

The business environment is often described as bureaucratically complex. Many business

transactions require high-level government approval, and regulatory processes can be slow and opaque. Tax and customs regulations are frequently revised, which can create uncertainty for businesses. Despite these challenges, Cameroon has made efforts to improve its investment climate through reforms in digital registration and public-private dialogue platforms.

Macros & Trends

Cameroon's economy grew by an estimated 3.7 percent in 2024, with similar growth expected in 2025. The economy is supported by agriculture, oil production, construction and services. However, structural inefficiencies and limited private sector participation continue to constrain growth potential.

The government is under pressure to redefine its economic model by reducing the dominance of state-owned enterprises and encouraging private sector-led development. Inflation remains moderate, but fiscal pressures are rising due to high public sector wage costs and underperforming state enterprises.



Key Sectoral Opportunities

Agriculture and Agribusiness:

Cameroon has fertile land and a favourable climate for crops such as cocoa, coffee, bananas and palm oil. There is potential for investment in processing, storage and export logistics.

Energy and Power: Hydropower dominates Cameroon's energy mix, and the government is investing in expanding generation capacity and grid infrastructure. Opportunities exist in renewable energy, off-grid solutions and energy efficiency.

Mining and Natural Resources:

Cameroon has untapped reserves of bauxite, iron ore, cobalt and gold. The mining code has been revised to attract investment, though implementation remains a work in progress.

Infrastructure and Construction:

Urbanisation and population growth are driving demand for roads, housing, water and sanitation infrastructure. Public-private partnerships are being promoted to bridge financing gaps.

Telecommunications and Digital

Services: With increasing mobile penetration and a growing youth population, there is demand for digital financial services, e-commerce and ICT infrastructure.

Notable Challenges

Regulatory Complexity: Business operations often require ministerial-level approvals, and the regulatory environment is subject to frequent changes.

Governance and Corruption: Cameroon ranked 142nd out of 179 countries in Transparency International's Corruption Perceptions Index, reflecting persistent governance challenges.

Infrastructure Gaps: Poor road networks, unreliable electricity and limited internet access increase operational costs and reduce competitiveness.

Security Risks: Ongoing conflict in the Anglophone regions and threats from extremist groups in the Far North affect stability and investor confidence.

Public Sector Dominance: A large and costly civil service, along with underperforming state-owned enterprises, limits fiscal space and crowds out private investment.



Outlook

Cameroon's medium-term outlook is cautiously stable. The country has a diversified resource base, strategic geographic location and a growing consumer market. However, unlocking its full potential will require structural reforms to improve governance, enhance regulatory transparency and foster private sector growth.

Investors with a long-term perspective and a strong understanding of the local context may find viable opportunities, particularly in agriculture, infrastructure and energy. Local partnerships and adaptive strategies will be essential for navigating the regulatory and operational landscape.



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2.5. Côte d'Ivoire

Country Regulatory Landscape

Côte d'Ivoire is one of West Africa's most dynamic economies, attracting significant international investment due to its progressive legal framework, infrastructure development, and political stability. While challenges like policy consistency and bureaucratic hurdles remain, the country's strong growth, dominant agricultural sector, and emerging digital economy present diverse opportunities for investors.

The 2018 Investment Code and reforms in 2025 offer protections against expropriation and the right to repatriate profits. The Centre de Promotion des Investissements

en Côte d'Ivoire (CEPICI) acts as a one-stop shop for business registration, often completed within 1 to 3 days. Digital platforms have streamlined processes, and a national electronic land registry launched in 2025 aims to reduce fraud and simplify land titling. Key sectors such as agribusiness, energy, and digital technology enjoy specific tax incentives.

However, an overly complicated tax system and slow government decision-making can still pose challenges. Ongoing efforts aim to enhance contract enforcement and transparency.

Macros & Trends

Côte d'Ivoire's macroeconomic performance demonstrates resilience and strong growth, making it a standout in West Africa. Real GDP growth is projected to average 6.3% in 2025 and 2026, with an anticipated 7% growth in 2025, driven by major infrastructure projects, a dynamic private sector, and robust agricultural performance.

Over the past decade, GDP growth has exceeded the sub-Saharan African average by about 3 percentage points. Inflation remains stable and well below the 3% threshold set by the Central Bank of West African States, averaging 2.9% in 2025 and 2026, with a year-on-year rate of -0.1% in May 2025, indicating contained price levels that foster a stable investment environment.

Foreign Direct Investment (FDI) inflows

have grown significantly, increasing by 176% between 2012 and 2018, although net flows in 2023 were US\$214.9 million, down from US\$1.59 billion in 2022. As of January 2025, the IFC's investment portfolio in Côte d'Ivoire totalled US\$761 million, focusing on key growth sectors. The current account deficit is expected to narrow to around -3.50% of GDP by the end of 2025, supported by strong exports of high-value-added agricultural products. Côte d'Ivoire maintains a moderate risk of debt distress, with Moody's upgrading its sovereign debt rating to Ba2 in March 2024, reflecting the robustness of its economic institutions. The country aims to comply with the WAEMU deficit ceiling of 3% of GDP by 2025, while also boasting a significant trade surplus, driven by its status as the world's largest producer and exporter of cocoa.



Key Sectoral Opportunities

Agriculture and Agro-processing

Agriculture is vital, contributing 25% of GDP and employing two-thirds of the population. Côte d'Ivoire is the top cocoa producer, with production forecasted to rise from 1.76 million metric tons in 2023/2024 to 1.8 million in 2024/2025. The goal is to process 100% of cocoa by 2030, currently at 40%. Opportunities exist in processing cocoa, coffee, palm oil, and other crops, supported by the "agropoles" initiative for agro-industrial zones.

Mining

The mining sector is rapidly growing, especially in gold, with total mineral revenue expected to reach US\$6.2 billion in 2025. There are significant opportunities in gold, manganese, nickel, and iron ore extraction.

Energy

Côte d'Ivoire, a net electricity exporter, aims for universal access by 2030, increasing household connections from 23% to 64% by 2023. The country plans a 45% renewable energy target by 2030, requiring US\$6.56 billion in investments, with opportunities in hydropower, solar, biomass, and smart grid development.

Infrastructure and Real Estate

Ongoing public investments, including the Abidjan Urban Transport Project, have improved urban mobility. Major projects like the Fourth Bridge and new highways are underway, while demand for housing and commercial spaces is high, supported by the region's lowest mortgage interest rate of 5.5%.

Digital Economy

With over 95% mobile penetration and 5G pilot deployments, Côte d'Ivoire is emerging as a digital investment hotspot. The digital economy could add 6 to 7 points to GDP, with projected revenues of FCFA 2,000 to 3,500 billion. Opportunities exist in fintech, e-commerce, and AI-driven services.

Tourism

The country's cultural richness and diverse landscapes offer significant potential for tourism growth.

Notable Challenges

Tax System Complexity: Despite ongoing reforms, the complicated tax system presents administrative burdens for businesses.

Bureaucracy and Decision-Making:

Investors may face bureaucratic delays and a lack of transparency in some government processes, despite CEPICI's efforts to streamline operations.

Access to Finance for SMEs: Financing constraints affect 78% of SMEs. Initiatives from the IFC and other partners are providing risk-sharing facilities to enhance lending to SMEs, including women-owned businesses, with the IFC's portfolio in Côte d'Ivoire at US\$761 million as of January 2025.

Climate Change Vulnerability: The economy's reliance on commodities makes it susceptible to climate change impacts, particularly in agriculture.



Outlook

Côte d'Ivoire offers a promising outlook for investors, characterised by strong economic growth, proactive reforms, and a focus on industrialisation in agriculture and the digital sector. Its solid credit profile and expanding international partnerships enhance its attractiveness.

For businesses, key opportunities lie in agro-processing, energy, infrastructure, and the digital economy. Success will depend on navigating regulations, forming local partnerships, and adapting to a competitive market. The country's commitment to economic transformation makes it a high-potential destination for investment.



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2.6. Ethiopia

Country Regulatory Landscape

Ethiopia is undergoing significant regulatory and institutional reforms aimed at modernising its economy and improving the investment climate. The government has introduced a new Banking Business Proclamation, transitioned to a market-determined exchange rate, and adopted a price-based monetary policy to enhance financial sector governance and macroeconomic stability.

The National Bank of Ethiopia is leading efforts to deepen financial inclusion, digitise financial services and improve regulatory transparency. However, challenges remain in terms of bureaucratic inefficiencies, inconsistent enforcement of regulations and limited institutional capacity in some sectors.

Macros & Trends

Ethiopia's economy, once among the fastest-growing globally, has experienced a slowdown in recent years. Real GDP and GDP per capita have declined since 2016, largely due to macroeconomic imbalances, inflation and political instability. However, the government is implementing a 48-month Extended Credit Facility (ECF) programme with the IMF to restore debt sustainability and support private sector-led growth.

Inflation remains elevated, driven by supply-demand imbalances and currency depreciation. Investment and government spending have declined, while productive capacity has stagnated since 2019. Despite these challenges, Ethiopia's reform agenda and natural resource base offer potential for recovery and long-term growth.



Key Sectoral Opportunities

Financial Services and Digital Finance:

Ethiopia is expanding access to financial services through mobile banking, microfinance and digital platforms. The financial sector is being modernised to support inclusive growth and innovation.

Agriculture and Agri-finance:

Agriculture remains a key sector, though its share of GDP has declined. Opportunities exist in irrigation, mechanisation, agri-processing and climate-resilient farming, supported by reforms in agri-finance and rural development.

Renewable Energy:

Ethiopia has significant hydro, wind and solar potential. Investment in off-grid and utility-scale renewable energy projects is encouraged to address energy access gaps and reduce reliance on fossil fuels.

Manufacturing and Industrial Parks:

The government continues to promote industrialisation through special economic zones and industrial parks, particularly in textiles, leather and agro-processing.

ICT and Digital Infrastructure:

With a young population and growing internet penetration, Ethiopia is investing in digital infrastructure and services, including e-commerce, digital education and fintech.

Notable Challenges

Macroeconomic Instability: Persistent inflation, currency volatility and declining investment have weakened economic performance.

Political and Security Risks: Ongoing conflicts and political uncertainty have affected investor confidence and disrupted economic activity in some regions.

Underutilised Private Sector: The private sector remains underdeveloped, with limited access to finance, regulatory barriers and weak inter-sectoral linkages.

Infrastructure Gaps: Despite progress, gaps remain in transport, energy and digital infrastructure, particularly in rural areas.

Climate Vulnerability: Ethiopia is exposed to droughts and floods, which impact agriculture, food security and infrastructure resilience.



Outlook

Ethiopia's medium-term outlook is mixed. While the country faces structural and macroeconomic challenges, ongoing reforms and international support provide a foundation for recovery. The success of the reform agenda will depend on political stability, institutional strengthening and effective implementation of economic policies.

Investors with a long-term perspective and a focus on inclusive, sustainable development may find opportunities in finance, agriculture, energy and digital services. Strategic partnerships and a strong understanding of the local context will be essential for navigating Ethiopia's evolving business landscape.



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2.7. Gabon



Country Regulatory Landscape

Gabon's regulatory framework is undergoing reform as part of its National Development Plan for Transition (2024–2026). The plan aims to improve the business climate, enhance transparency and support economic diversification. The country has recently approved a new constitution and electoral code, marking a step toward restoring constitutional order following the 2023 political transition.

Gabon is a member of OPEC+, CEMAC and the Commonwealth, and its currency is pegged to the euro, which contributes to monetary stability. However, the business environment is still affected by bureaucratic inefficiencies, high production costs and concerns around governance and corruption.

Macros & Trends

Gabon's economy grew by an estimated 2.9 percent in 2024, supported by oil production, mining, timber exports and public works. The country remains heavily reliant on the oil sector, which accounts for approximately 40 percent of GDP, 68 percent of exports and 50 percent of tax revenues.

Despite a projected decline in oil prices, Gabon maintains a strong current account

surplus, estimated at 30.7 percent of GDP, due to robust commodity exports [2]. Public debt is rising, and fiscal pressures are increasing due to expansionary spending and debt servicing obligations.



Key Sectoral Opportunities

Oil and Mining:

Gabon is Sub-Saharan Africa's fourth-largest oil producer and the world's largest manganese producer. There are also under-exploited reserves of iron, gold, uranium and rare earths.

Forestry and Carbon Markets:

Gabon has immense forestry capital and is exploring carbon credit sales as part of its climate strategy. Sustainable timber production and biodiversity conservation offer investment potential.

Agriculture and Fisheries:

The government is promoting agricultural development and fisheries as part of its diversification strategy. Opportunities exist in food production, processing and rural infrastructure.

Infrastructure and Construction:

Public works have supported growth in construction and services. Investment is needed in transport, energy and housing to address infrastructure gaps.

Renewable Energy:

Gabon has significant hydroelectric potential and is seeking to reduce reliance on fossil fuels. Power generation and grid expansion projects are being prioritised.

Notable Challenges

Economic Dependence on Oil: The economy remains vulnerable to fluctuations in global oil prices, which affect fiscal stability and export **revenues**.

Infrastructure Deficits: Inadequate transport and electricity infrastructure contribute to high production costs and frequent power outages.

Governance and Corruption: Concerns persist around the appropriation of oil revenues, transparency and public sector efficiency.

Social Indicators: Unemployment is high, particularly among youth (estimated at 20 percent), and around one-third of the population lives in poverty.

Political Transition: While recent reforms mark progress, the political environment remains uncertain following the 2023 coup and upcoming elections in 2026.



Outlook

Gabon's medium-term outlook is shaped by its efforts to diversify the economy, improve governance and invest in infrastructure. The country's rich natural resources, strategic location and reform agenda offer potential for growth, particularly in extractives, forestry and energy.

However, risks remain due to fiscal pressures, political uncertainty and structural challenges. Investors should monitor developments closely and consider partnerships that align with Gabon's national priorities and sustainability goals.



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This outlook reflects information available as of April 10, 2025. GABON



2.8. Ghana

Country Regulatory Landscape

Ghana stands out as a dynamic hub in West Africa, driven by its stable political environment and commitment to economic reforms. The country has made significant strides in enhancing its business climate, evidenced by its ranking as one of the top countries for ease of doing business in the region. The Companies Act of 2019 simplifies business registration and ensures protections for both local and foreign investors. The Ghana Investment Promotion Centre (GIPC)

offers incentives such as tax holidays and customs duty exemptions for strategic sectors, including manufacturing and agriculture.

Ghana has been actively working to improve its regulatory environment, however challenges persist, and foreign investors still need to be prepared for some complexities. The legal framework, while evolving, can sometimes present bureaucratic hurdles.

Macros & Trends

Ghana's macroeconomic landscape is characterised by steady growth and resilience. Real GDP growth is projected at 5.2% in 2025, bolstered by investments in infrastructure, energy, and agriculture. Inflation remains a concern, with rates around 8.5% as of mid-2025, but the government aims to stabilise it through prudent fiscal policies. Foreign direct investment (FDI) inflows reached US\$2.5

billion in 2023, driven by reforms and the development of key sectors such as oil and gas. The current account deficit is expected to remain manageable at -4.0% of GDP, influenced by trade balances and investment needs. Public debt is projected to stabilise around 75% of GDP, with ongoing efforts to maintain fiscal discipline.

Key Sectoral Opportunities



Energy and Renewables

Ghana's energy sector is expanding, with significant investments in renewable energy projects, particularly solar and hydroelectric power, aiming to diversify the energy mix and improve access.



Agriculture and Agro-processing

As the world's second-largest cocoa producer, agriculture remains a cornerstone. Opportunities exist in mechanised farming, irrigation systems, value-added processing of diverse crops (like cocoa, cashew, maize), and export-oriented organic farming.



Technology and Digital Economy

Ghana's vibrant innovation hubs and growing adoption of digital platforms present significant avenues for investment, including fintech, e-government platforms, and startups focusing on health tech, edtech, and agri-tech.



Energy and Power Supply

With increasing energy demand, there are opportunities in expanding renewable energy projects, particularly solar and hydro, as well as investments in energy storage and distribution.



Manufacturing and Industrialisation

Government initiatives like "One-District-One-Factory" (1D1F) aim to industrialise Ghana, offering opportunities in agro-processing, textiles, and construction materials. The "24-Hour Economy" policy further seeks to stimulate productivity.



Transport and Logistics

Investments in modern logistics hubs and fleets are encouraged, especially with the push for 24-hour freight operations.



Tourism

Untapped potential exists in developing the tourism sector, including hospitality and related services.



Mining and Mineral Processing

While undergoing regulatory changes with the new GoldBod, Ghana's rich deposits of gold and other minerals continue to offer opportunities in processing and related services.

Notable Challenges

Fiscal Constraints and Public Debt

The government's ongoing fiscal consolidation and public debt management can lead to tight credit conditions.

Infrastructure Deficits

While improving, gaps in electricity access, road quality, and digital connectivity can still hinder business operations.

Informal Sector

A large informal sector, employing a significant portion of the workforce, poses challenges for formalisation and government revenue.

Commodity Price Fluctuations

The economy remains vulnerable to global commodity price fluctuations, particularly for cocoa and gold.

Corruption and Bureaucracy

Navigating bureaucratic processes and instances of corruption can still be a concern for businesses.

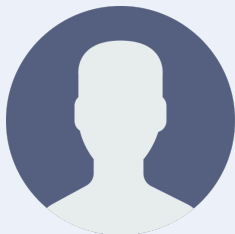
Political Dynamics

Political cycles and transitions can sometimes lead to policy shifts or periods of uncertainty.



Outlook

Ghana offers a compelling case for investors seeking opportunities in a growing African economy. Its rich natural resources, diversified sectors, and commitment to economic reform provide a strong foundation. However, success hinges on a keen understanding of the evolving regulatory landscape, the ability to navigate bureaucratic processes, and a willingness to engage in strategic partnerships. Businesses that are patient, adaptable, and willing to invest in long-term growth will likely find Ghana to be a rewarding market.



Country Representative

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2.9. Kenya

Country Regulatory Landscape

Kenya, East Africa's economic powerhouse, presents a dynamic and increasingly attractive investment destination. Its strategic location, diversified economy, and growing middle class offer significant opportunities, even as the country navigates evolving regulatory frameworks, macroeconomic shifts, and governance challenges. Kenya's regulatory environment is continually evolving, with recent legislative reforms aimed at boosting its competitiveness and drawing foreign investment. For example, the Business Laws (Amendment) Act, 2024, has introduced changes like increased penalties for non-compliant financial

institutions and expanded the Central Bank of Kenya's oversight to include non-deposit-taking credit providers.

Efforts to streamline administrative procedures are ongoing through digitalisation, though challenges persist, including the complexity of licensing across counties and local ownership requirements in some sectors. All foreign direct investments must now be registered with the Kenya Investment Authority for greater oversight.

Macros & Trends

Kenya's macroeconomic environment shows resilience, with real GDP growth projected at 4.7% in 2024 and 4.8% in 2025, driven by a robust services sector, improved agriculture, and strong domestic demand. Inflation has eased considerably to 4.5% in 2024, supporting consumer spending.

Foreign direct investment (FDI) inflows, though

slightly down to US\$1.5 billion in 2023, still position Kenya as a top African recipient, attracting interest in finance, manufacturing, and ICT. The current account deficit is projected at -3.90% by end-2025. Public debt remains a concern, with 67.5% of government revenue allocated to debt servicing, yet successful Eurobond issuances and strong remittances are providing some relief.

Key Sectoral Opportunities

Agriculture and Agro-processing: As the cornerstone of the Kenyan economy, contributing over 20% to GDP and employing a significant portion of the population, this sector offers vast opportunities. Focus areas include strengthening value chains, improving rural infrastructure, adopting climate-smart technologies, and enhancing food processing for both domestic consumption and export (e.g., coffee, tea, horticulture). The 2024/25 Kenya Census of Agriculture aims to collect comprehensive data to support policy-making and investment in this vital sector.



Technology and Innovation (Silicon Savannah):

Kenya is a regional leader in technological innovation, often dubbed the “Silicon Savannah.” Opportunities abound in fintech, digital platforms, e-commerce, and the broader digital economy. The continued digitisation of payments, high mobile money usage, and a push for digital transformation create fertile ground for tech-driven businesses.

Manufacturing: While the manufacturing sector’s contribution to GDP has been stagnant, government initiatives under the “Bottom-Up Economic Transformation Agenda (BETA)” prioritise industrialisation. Opportunities exist in value addition, import substitution, and developing export-oriented industries. The Business Laws (Amendment) Act, 2024, now requires all manufacturers to be registered with the Kenya Bureau of Standards (KEBS), aiming to bolster product quality and consumer protection.

Renewable Energy: With nearly 90% of its electricity sourced from renewables (geothermal, hydro, wind, and solar), Kenya is a promising destination for cleantech and renewable energy investment. The country launched its Energy Transition and Investment Plan in November 2024, aiming for net-zero emissions by 2050 and a 100% renewable power grid by 2060, outlining pathways for decarbonising key sectors.

Infrastructure: Significant infrastructure projects are underway or planned, including the Nairobi Malaba Railway, Nairobi Mombasa Expressway, Lamu Port expansion, and Jomo Kenyatta International Airport upgrade. While government investment spending can be constrained by debt, public-private partnerships offer avenues for investment in transport, energy transmission, and urban development.

Tourism: Kenya’s rich natural heritage and diverse tourist attractions continue to present opportunities in hospitality, eco-tourism, and related services, although the sector remains susceptible to global travel trends and security perceptions.

Notable Challenges

Public Debt and Fiscal Pressure: The high level of public debt and the significant portion of government revenue allocated to debt servicing pose a constraint on public investment and economic diversification. The government’s efforts to raise additional revenue face public resistance, as seen with the rejection of parts of the 2024 Finance Bill.

Access to Finance: Local businesses, particularly Micro and Small Enterprises (MSEs), continue to face challenges in accessing affordable credit. Despite increased financial inclusion, financial health and the capacity to invest in the future have declined for many businesses, as highlighted by the 2024 FinAccess household survey.

Infrastructure Deficits: While improvements are being made, widespread lack of reliable electricity, poor road networks in some areas, and limited access to modern communication technologies in certain regions can still impede business growth and increase operational costs.

Governance and Corruption: Corruption remains a persistent challenge, with Kenya ranking 121st out of 180 economies on the 2024 Corruption Perception Index. Weaknesses in governance and transparency can undermine the rule of law and deter foreign investment.

Climate Change Impacts: Kenya is vulnerable to climate shocks, such as floods and droughts, which can significantly impact the agricultural sector and broader economic stability, requiring resource reallocation for emergency responses.

Political Stability and Social Unrest: While recent political calm has had a positive impact, past instances of political uncertainty and social unrest have adversely affected investor confidence and economic activity.



Outlook

Kenya offers a promising yet complex landscape for investors. Strong economic growth, ongoing regulatory reforms, and a commitment to digital transformation present compelling opportunities. The ambitious targets for renewable energy and infrastructure development further highlight long-term potential. However, investors must navigate challenges like high public debt, limited access to finance for local businesses, and governance concerns. Success requires strategic partnerships, local understanding, and robust risk mitigation, with the government's focus on key sectors pointing towards a continued positive trajectory.



Country Representative

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2.10. Madagascar

Country Regulatory Landscape

Madagascar's regulatory environment remains challenging but is gradually improving. The government has implemented reforms aimed at simplifying business registration and enhancing transparency, particularly in the mining and energy sectors. However, enforcement of regulations is inconsistent and bureaucratic inefficiencies persist. The legal system is

under-resourced, and contract enforcement can be slow and unpredictable. Foreign investors benefit from several trade agreements, including the African Growth and Opportunity Act (AGOA) with the US and the Economic Partnership Agreement (EPA) with the EU. Madagascar is also a member of COMESA, SADC and the Indian Ocean Commission, which facilitates regional trade.

Macros & Trends

Madagascar's economy is recovering from recent shocks, including the COVID-19 pandemic and climate-related disasters. GDP growth is projected to reach around 4.5 percent in 2025, driven by mining, textiles and tourism. However, the country remains one of the poorest in the world, with over 79 percent of the population living in poverty.

Inflation is moderate but vulnerable to external shocks, particularly due to the country's dependence on fuel imports and agricultural volatility. Structural reforms are underway to improve productivity and attract investment, but progress is slow.



Key Sectoral Opportunities

Mining and Extractives: Madagascar is rich in minerals such as nickel, ilmenite, graphite and cobalt. The extractive sector continues to attract foreign investment, especially with global demand for battery minerals rising.

Agriculture and Agribusiness: The country is the world's leading producer of vanilla and a major exporter of cloves. There is significant potential in value-added processing, sustainable farming and export diversification.

Textiles and Manufacturing: Benefiting from AGOA and EPA trade agreements, Madagascar's textile sector is a key employer and export earner. Opportunities exist in expanding production capacity and improving supply chain efficiency.

Tourism: With unique biodiversity and cultural heritage, Madagascar offers strong potential in eco-tourism and adventure travel. The sector is expected to grow by 25 percent in 2025, though infrastructure and security remain concerns.

Notable Challenges

Political Instability: Madagascar has a history of political crises, with the most recent elections in 2023 marked by public discontent. While President Rajoelina was re-elected, political uncertainty remains a risk.

Infrastructure Deficits: Only 36 percent of the population had access to electricity in 2022. Poor road, water and digital infrastructure significantly hinder business operations.

Corruption and Governance: Madagascar ranks low on Transparency International's Corruption Perceptions Index, reflecting widespread governance issues that affect investor confidence.

Climate Vulnerability: The country is highly exposed to cyclones and droughts, which impact agriculture and infrastructure resilience.





Outlook

Madagascar presents a cautiously optimistic outlook for investors. The country's natural resource wealth, strategic trade agreements and young population offer long-term potential. However, realising this potential requires sustained political stability, infrastructure investment and governance reform.

Investors with a long-term view and a strong risk management strategy can find rewarding opportunities, particularly in mining, agriculture and textiles. Local partnerships and a deep understanding of the regulatory and cultural landscape will be essential for success.



Country Representative

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2.11. Mali



Country Regulatory Landscape

Mali's regulatory environment is evolving, shaped by both domestic reforms and regional commitments. The government has introduced the National Strategy for Emergence and Sustainable Development (2024–2033), which aims to improve governance, streamline regulations and enhance the investment climate. The country adheres to WAEMU fiscal rules, including a 3 percent fiscal deficit target, and has taken steps to improve revenue mobilisation and

public financial management.

However, regulatory implementation can be inconsistent, and the political transition has introduced uncertainty. The suspension of political party activities and the military-led administration have raised concerns about institutional stability and long-term policy continuity.

Macros & Trends

Mali's economy is projected to grow by 5.0 percent in 2025, supported by domestic demand, public investment and a gradual recovery in mining and agriculture [1]. Inflation is expected to remain low at 2.0 percent, aided by stable food and energy prices.

The fiscal deficit is forecast to widen slightly to 3.4 percent, reflecting increased spending

on flood recovery and social support. Public debt is projected to rise modestly to 55.7 percent of GDP, though it remains within sustainable levels [2]. The current account deficit is expected to improve to -4.7 percent, supported by higher gold exports and reduced import costs.



Key Sectoral Opportunities

Mining and Natural Resources

Mali is a leading gold producer in Africa. Despite recent disruptions, the sector remains a key driver of exports and government revenue. Opportunities exist in exploration, processing and infrastructure development.

Agriculture and Agribusiness

Agriculture employs the majority of the population. Investment opportunities include irrigation, agro-processing and climate-resilient farming, particularly in cotton, cereals and livestock.

Renewable Energy

Mali has significant solar potential. The government is encouraging independent power producers and public-private partnerships to expand electricity access and reduce reliance on imported fuels.

Infrastructure Development

There is demand for investment in transport, energy and digital infrastructure. Development partners are supporting projects to improve connectivity and reduce trade costs.

Financial Services

The financial sector is expanding, with growing interest in mobile banking, microfinance and digital payment systems, particularly in underserved rural areas.

Notable Challenges

Security Risks: Armed conflict and insurgency in parts of the country continue to affect stability and investor confidence, particularly in the north and central regions.

Electricity Supply: Power shortages have disrupted industrial and service sector activity. Addressing energy infrastructure gaps remains a priority.

Political Uncertainty: The current political transition and suspension of democratic processes have introduced governance risks, which may affect long-term investment planning.

Climate Vulnerability: Mali is highly exposed to climate shocks such as droughts and floods, which impact agriculture and infrastructure resilience.



Outlook

Mali's economic outlook is cautiously optimistic. The country has demonstrated resilience in the face of multiple challenges, and its medium-term growth prospects are supported by strategic reforms and sectoral potential. However, the outlook remains subject to downside risks, including political developments, security conditions and climate-related disruptions.

Investors considering Mali should adopt a long-term perspective, engage with local stakeholders and align with national development priorities. While the operating environment presents complexities, targeted investments in key sectors such as mining, agriculture and energy may yield sustainable returns.



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2.12. Mauritania

Country Regulatory Landscape

Mauritania, strategically located at the crossroads of North and West Africa, presents emerging opportunities for investors, driven by vast natural resources, especially in energy and mining. Despite a developing regulatory framework and infrastructure gaps, the country is on the cusp of significant economic transformation.

Mauritania has improved its investment climate through reforms like a new Investment Code, revisions to the Commercial Code, and the establishment of

a dedicated Investment Promotion Agency. International backing, including a US\$2 billion pledge from the Arab Coordination Group for 2025-2030 development, further signals a commitment to a favourable environment.

However, challenges persist, including a complex legal framework, inconsistent enforcement, and bureaucratic hurdles, particularly concerning land tenure.

Macros & Trends

Mauritania's macroeconomic outlook is largely influenced by its natural resources and ongoing development initiatives. Economic growth is projected to average 4.9% from 2025 to 2027, a slight decline from 5.2% in 2024 and 6.4% in 2023, primarily due to decreasing gold and iron ore production as reserves deplete. However, the medium-term outlook is positive, driven by the upcoming launch of gas production and exports from the Grand Tortue Ahmeyim project, alongside a rebound in iron ore production from new sites, which should support growth recovery to 5.4% by 2027. Inflation is expected to remain under control, reaching 3.5% in 2025 and approaching 4.0% thereafter, aided by a stringent monetary policy and favourable international prices for food and energy. Mauritania has

attracted significant foreign direct investment (FDI), particularly in energy, mining, and infrastructure, with FDI stock at US\$6.7 billion by the end of 2023, though inflows declined by 39.47% to US\$848.35 million in 2023. The current account deficit is projected to average 7.8% of GDP from 2025 to 2027, influenced by increased gas exports and lower import prices, while public debt is expected to stabilise at 43.7% of GDP by 2027, reflecting a moderate risk of debt distress. Fiscal consolidation efforts have reduced the budget deficit to 0.1% of GDP in 2024, down from 2.4% in 2023, with expectations of an average deficit of -1.1% of GDP over the next few years due to increased investment spending and rising gas revenues.



Key Sectoral Opportunities

Energy and Natural Resources

The Greater Tortue Ahmeyim (GTA) LNG project marks a significant growth driver, with Phase 1 set to produce 2.3 million tons per annum, and plans for a second phase to exceed 5 million tons. Mauritania's vast natural gas reserves, estimated at 80 trillion cubic feet, position it as a key player, while initiatives like the Aman and Project Nour aim to establish the country as a leader in green hydrogen production.

Mining

The mining sector contributed 24% to GDP in 2023, with exports totalling US\$4 billion. Mauritania produces iron ore, gold, and copper, with potential for rare earths and other minerals. Ongoing projects, such as the expansion, highlight growth opportunities.

Fisheries

Mauritania's rich coastal waters support a vital fishing sector that employs around 300,000 people. Opportunities exist in sustainable fishing, fish processing, and aquaculture to enhance value and address overexploitation.

Agriculture and Agro-processing

While traditionally focused on livestock, there is significant potential for crop farming. Investment in irrigation and agricultural technology aims to boost production and explore export markets, enhancing profitability in agribusiness.

Transport and Digital Infrastructure

A US\$2 billion commitment from the Arab Coordination Group targets transportation and digital infrastructure, presenting opportunities to improve road networks, port facilities, and digital connectivity to facilitate trade and business operations.

Notable Challenges

Climate-Related Shocks: Mauritania is vulnerable to climate change impacts, such as drought and flooding, which threaten agriculture and lead to economic losses.

Infrastructure Deficits: Despite ongoing investments, significant gaps in energy access and transport networks hinder business efficiency, with electrification rates likely low.

Access to Finance: Local businesses, especially SMEs, struggle to access affordable credit, limiting growth. Recent African Development Bank financing aims to improve climate resilience and support women's entrepreneurship.

Governance and Bureaucracy: Challenges related to transparency and bureaucratic inefficiencies can hinder investors, despite ongoing reforms.

Security Risks: Threats of terrorism, kidnapping, and violent crime, particularly in eastern regions, require careful risk mitigation for businesses operating in Mauritania.



Outlook

Mauritania presents a promising investment landscape with significant potential in natural gas and renewable energy. Government efforts to improve the business environment and attract international funding set the stage for long-term growth, particularly with the Grand Tortue Ahmeyim project and green hydrogen initiatives.

Investors willing to navigate the challenges of a developing market can find opportunities in extractive industries, energy transition, and agriculture. Success will depend on managing regulatory complexities and climate risks while leveraging strategic partnerships.



Country Representative

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2.13. Mozambique

Country Regulatory Landscape

Mozambique has made strides in improving its regulatory environment, particularly in sectors like mining, energy and agriculture. However, the business climate remains complex. The legal framework is often seen as opaque and inconsistently enforced. Foreign investors must navigate bureaucratic hurdles, including lengthy licensing processes and unclear land tenure laws. The government has introduced reforms to streamline business registration and improve

tax administration, but enforcement remains uneven.

The country's investment law provides guarantees for foreign investors, including protection against expropriation and the right to repatriate profits. However, regulatory uncertainty, especially in extractive industries, and the slow pace of judicial processes can pose risks to business continuity.

Macros & Trends

Mozambique's economy is projected to grow moderately in 2025, driven by the recovery of the liquefied natural gas (LNG) sector and increased agricultural output. The country's GDP growth is expected to hover around 5 percent, though this is vulnerable to political instability and global commodity price fluctuations.

Inflation remains a concern, with forecasts suggesting continued upward pressure on prices due to currency volatility and supply chain disruptions. The government is focusing on fiscal consolidation and public sector reform, while also seeking to diversify the economy beyond natural resources.





Key Sectoral Opportunities

Energy and Natural Resources

Mozambique holds one of the largest natural gas reserves in Africa. The revival of the TotalEnergies LNG project, backed by a \$4.7 billion loan from the US Exim Bank, is expected to be a major economic driver.

Agriculture and Agro-processing

With vast arable land and favourable climate, agriculture remains a cornerstone of the economy. Opportunities exist in value-added processing, export-oriented farming and irrigation infrastructure.

Transport and Logistics

Mozambique's strategic location and deep-water ports make it a key transit hub for landlocked neighbours. Investment in rail, road and port infrastructure is ongoing, with public-private partnerships encouraged.

Tourism

Despite security concerns in the north, the southern regions offer untapped potential in eco-tourism and coastal hospitality development.

Notable Challenges

Political Instability: The aftermath of the 2024 elections and ongoing tensions between political factions have created a volatile environment. Although the situation has stabilised, the risk of unrest remains.

Security Risks: The insurgency in Cabo Delgado continues to affect investor confidence, particularly in the north. While international forces have helped stabilise the region, sporadic violence persists.

Infrastructure Deficits: Despite improvements, Mozambique still faces significant gaps in electricity access, road quality and digital connectivity, which can hinder business operations.

Access to Finance: Many local businesses struggle with limited access to credit, high interest rates and underdeveloped financial services.



Outlook

Mozambique presents a mixed outlook for investors. The country's vast natural resources, strategic location and young workforce offer compelling long-term potential. However, realising this potential depends on sustained political stability, regulatory reform and infrastructure development.

For businesses willing to navigate the complexities, Mozambique offers high-reward opportunities, particularly in energy, agriculture and logistics. Strategic partnerships, local knowledge and risk mitigation strategies will be key to success in this evolving market.



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Challenges and Opportunities for Business in Mozambique in 2025 ...



2.14. Niger

Country Regulatory Landscape

Niger, a landlocked nation in West Africa, presents a challenging yet evolving investment landscape. Despite recent political events and security issues posing risks, the country's growing oil sector and agricultural potential offer economic growth opportunities.

Efforts to improve the business climate have been uneven, particularly after the

political transition. While the legal framework supports foreign investment, challenges remain due to transparency issues, bureaucratic inefficiencies, and inconsistent law application. The 2023 political situation led to international sanctions that temporarily affected operations, and although sanctions have mostly been lifted, investor confidence remains tied to political stability.

Macros & Trends

Niger's macroeconomic situation is significantly influenced by its oil sector and ongoing stabilisation efforts amidst internal and regional challenges. The economy recorded robust growth of 8.4% in 2024, rebounding from 2.0% in 2023, primarily driven by large-scale oil exports and strong agricultural production supported by favourable weather. Although growth is projected to slow in 2025 due to a high base effect, it is expected to remain above 6%, with the IMF estimating real GDP growth at 6.6%. Inflation, which surged in 2024 due to rising food prices, is anticipated to ease in 2025 to an average of 4.7% thanks to a strong harvest. Foreign direct investment (FDI) inflows reached US\$1.03 billion in 2023, a 6.17% increase from 2022, with

continued interest in the oil sector. The current account deficit is projected to narrow to an average of 4.1% over 2025-2026, with oil exports playing a key role. Public debt stood at 53.3% of GDP in 2024 and is expected to decline to 50.6% by 2026, though Niger remains at high risk of debt distress, particularly as it faces increased refinancing needs. Government revenues fell in 2024, leading to a reduction in investment spending, but the fiscal deficit is expected to narrow to an average of 3.6% over 2025-2026.



Key Sectoral Opportunities

Oil and Gas

This sector is transformative, with large-scale oil exports through the Niger-Benin pipeline expected to reach 90,000 barrels per day in 2025. Further exploration and downstream opportunities are emerging.

Agriculture and Agro-processing

As the backbone of the economy, agriculture offers opportunities to strengthen value chains, improve rural infrastructure, adopt climate-smart technologies, and enhance food processing. Investment in a resilient agro-food system is crucial for sustainable growth.

Mining

Niger has significant mineral resources, including uranium, gold, and coal. While uranium production has faced challenges, new exploration and diversification present investment opportunities.

Renewable Energy

Niger's high solar potential offers opportunities for solar power generation and off-grid solutions, addressing energy deficits and low electrification rates, particularly in rural areas.

Infrastructure

There is a critical need for transport and energy transmission infrastructure to support the oil sector and regional trade, despite constrained government investment spending.

Notable Challenges

Political Instability and Sanctions: The political transition in 2023 and subsequent regional sanctions significantly impacted the economy and investor confidence. While sanctions have been lifted, political uncertainty remains a major deterrent to investment.

Security Risks: Persistent insecurity, particularly due to the presence of armed groups in border regions, poses a significant threat to business operations, disrupts supply chains, and impacts agricultural activities. This also elevates country risk for investors.

Infrastructure Deficits: Widespread lack of reliable electricity, poor road networks, and limited access to modern communication technologies impede business growth and increase operational costs.

Access to Finance: Local businesses, especially SMEs, face severe constraints in accessing affordable credit. The banking sector's exposure to government debt also limits its capacity to lend to the private sector.

Poverty and Food Insecurity: Despite economic growth, extreme poverty remains a major challenge. Food insecurity, exacerbated by climate shocks, remains a persistent issue, impacting consumer purchasing power and labour availability.

Reliance on Limited Growth Sources: The economy's primary drivers (oil and rain-fed agriculture) are vulnerable to external shocks and volatility, highlighting the need for diversification.

Governance and Corruption: Weaknesses in governance and persistent issues with corruption can undermine the rule of law and transparency, deterring foreign investment.



Outlook

Niger offers a mixed but evolving outlook for investors. The recent surge in oil exports presents a key opportunity for economic transformation and revenue generation. If oil revenues are effectively managed and invested in the agro-food system and infrastructure, Niger could achieve sustained growth and poverty reduction.

However, ongoing political instability and high security risks pose significant challenges. Investors need to understand the local context, implement robust risk mitigation strategies, and adopt a long-term perspective. Strategic partnerships in sectors like oil, mining, and agriculture are promising avenues for engagement, contingent upon improved security and political stability.



Country Representative

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2.15. Nigeria

Country Regulatory Landscape

Nigeria, Africa's most populous nation and 4th largest economy, offers a vast and dynamic market for investors. While the country is undergoing significant economic reforms and boasts immense potential, businesses must be prepared to navigate a complex regulatory environment and persistent challenges.

Nigeria's regulatory landscape is constantly evolving as the government strives to enhance the ease of doing business. In 2025, the Central Bank of Nigeria (CBN) is focused on stabilising the financial system and attracting foreign investment through measures

like maintaining the Monetary Policy Rate (MPR) to curb inflation and increasing transparency in the foreign exchange market. Higher capital requirements for banks are also being implemented to strengthen the sector. Strengthened capital requirements for banks further reinforce the stability of the financial sector, progressive laws like the Companies and Allied Matters Act (CAMA) 2020, updated tax frameworks, and modern data protection regulations provide a robust and transparent legal foundation, empowering businesses to operate confidently and sustainably in Nigeria's growing market.

Macros & Trends

The International Monetary Fund (IMF) projects a steady 3% GDP growth for Nigeria in 2025, while the Nigerian government is ambitiously targeting 4.6%, driven by increased oil production, a revitalised agricultural sector, and robust expansion in financial services and technology. The full operation of the Dangote Refinery, alongside other domestic refineries, is expected to significantly reduce Nigeria's reliance on imported refined petroleum, thereby improving the trade balance and supporting economic resilience.

Although inflation remains a concern, recent data shows encouraging signs of gradual deceleration. Headline inflation eased to 22.97% in May 2025, with the IMF forecasting an average inflation rate of 26.5% for the year, while the World Bank offers a slightly more optimistic estimate of 22.1%. Meanwhile, the Nigerian Naira is beginning to stabilise, buoyed by improved foreign exchange

inflows, which contributed to a remarkable 524.24% surge in foreign investment to US\$2.06 billion in January 2025. However, foreign direct investment (FDI) in the first quarter declined by 19.35% to US\$250 million, reflecting some volatility amid ongoing fiscal adjustments.

The government continues its fiscal consolidation efforts under the IMF programme, prioritising revenue mobilisation to strengthen public finances. As of March 2025, public debt stood at N149.39 trillion, with a projected fiscal deficit of N13.39 trillion for the year. In this context, diaspora remittances remain a vital source of household income, underscoring their importance in supporting domestic consumption and economic stability.



Key Sectoral Opportunities

Oil and Gas

With increased operational efficiency and new investments, Nigeria's oil production is expected to rise, supporting foreign exchange supply and overall economic stability. Opportunities exist in upstream and downstream activities, including refining and gas utilisation.

Agriculture and Agro-processing

As a cornerstone of the economy, the agricultural sector offers significant potential in commercial farming, value-added processing of diverse crops (cocoa, cassava, palm oil), and export-oriented ventures. Government interventions and private sector investments are aimed at boosting productivity and food security.

Technology and Digital Economy

Nigeria's burgeoning technology sector, often referred to as "Silicon Savannah," continues to attract substantial investment. Opportunities abound in fintech (mobile banking, payment solutions), e-commerce, health tech, edutech, and data analytics, driven by a young, tech-savvy population and increasing digital adoption.

Manufacturing and Industrialisation

The government's focus on local production and industrialisation, creates opportunities in agro-allied industries, textiles, construction materials, and other consumer goods.

Financial Services

The banking sector is undergoing recapitalisation, leading to a stronger and more robust financial system. Opportunities are present in traditional banking, digital financial services, and specialised financial advisory.

Renewable Energy

As Nigeria aims to diversify its energy mix, significant opportunities exist in solar, hydro, and other renewable energy projects, alongside investments in energy storage and distribution infrastructure.

Transport and Logistics:

Continued infrastructure development in road, rail, and port networks, coupled with the increasing volume of trade, creates opportunities in logistics, warehousing, and transportation services.

Notable Challenges

Inflation and Currency Volatility:

Although inflation is expected to moderate itself, persistent inflationary pressures and historical currency fluctuations may still affect operational costs and profitability for businesses that rely on imports.

Infrastructure Deficits

Significant gaps in electricity access, road quality, and digital connectivity, though improving, can still hinder business operations and increase logistics costs. Reliable power supply remains a critical issue.

Security Risks

While efforts are being made to address insecurity, challenges like banditry in the Northwest and Northcentral, and separatist agitations in the Southeast, can pose risks to business continuity and investor confidence in affected regions.

Access to Finance

Local businesses, particularly SMEs, often face hurdles in accessing affordable credit due to high interest rates and underdeveloped bespoke financial services.

Bureaucracy and Corruption

Although reforms are ongoing, navigating bureaucratic processes and potential instances of corruption can add complexity and cost to doing business.



Outlook

Nigeria presents a positive albeit cautiously optimistic outlook for investors in 2025 and into the future. The country's vast market, rich natural resources, and a young, entrepreneurial population offer compelling long-term potential. The ongoing economic reforms, particularly in fiscal management and exchange rate stability, aim to create a more predictable and investor-friendly environment. For businesses willing to navigate the complexities, Nigeria offers high-reward opportunities, especially in the energy, agriculture, technology, and manufacturing sectors. Strategic partnerships, a deep understanding of local market dynamics, and robust risk mitigation strategies will be crucial for success in this evolving and promising African market.



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2.16. Rwanda

Country Regulatory Landscape

Rwanda, the “Land of a Thousand Hills,” is celebrated for its remarkable recovery and ambitious transformation. It actively promotes itself as one of Africa’s easiest places to do business, attracting investors with stable governance, strong anti-corruption efforts, and a focus on high-growth sector. The Rwanda Development Board (RDB) acts as a one-stop shop for investors, facilitating registration,

incentives, and permits, often with national treatment for foreign investors. Businesses typically register with the RDB (which covers tax/social security), obtain a trading license, and comply with sector-specific rules, with online registration available. Property rights are guaranteed, and funds are freely repatriable. Investment incentives, including preferential tax rates and holidays, are available via RDB certificates.

Macros & Trends

Rwanda’s economy shows remarkable resilience, with real GDP growth of 8.9% in 2024, driven by services and industry, projected to moderate to 7.1% in 2025. Inflation significantly moderated to 4.8% in 2024. Foreign Private Capital (predominantly FDI) saw a 33.8% increase in 2023, reaching US\$886.9 million,

from diverse sources like Mauritius, India, and the USA, primarily in financial, manufacturing, and ICT sectors. The current account deficit is projected around 10.7% of GDP in 2025. Public debt stood at 73% of GDP in December 2023, with a fiscal consolidation strategy aiming for 65% by 2031.

Key Sectoral Opportunities

Information and Communication Technology (ICT) & Innovation: Rwanda’s vision to become a regional ICT hub, coupled with initiatives like the Kigali Innovation City, creates significant opportunities in software development, fintech, e-governance, smart city solutions, and business process outsourcing (BPO).

Manufacturing: The government actively promotes industrialisation and value addition. Opportunities exist in agro-processing (e.g., coffee, tea, and horticulture), textiles, construction materials, and light manufacturing, supported by Special Economic Zones.

Tourism & MICE (Meetings, Incentives, Conferences, and Exhibitions): Rwanda focuses on high-end eco-tourism, leveraging its unique natural attractions like gorilla trekking. The well-developed MICE sector, centered around the Kigali Convention Centre, continues to attract international events and presents opportunities in



hospitality, conference services, and related infrastructure.

Energy: While relying heavily on wood and charcoal, Rwanda is actively developing its renewable energy potential (hydro, solar, geothermal, methane gas from Lake Kivu). Investment opportunities are available in power generation, transmission, distribution, and off-grid solutions, including renewable energy projects.

Agriculture & Agribusiness: As the primary economic sector, agriculture offers investment potential in modernising farming techniques, irrigation, value addition for exports (coffee, tea, pyrethrum), and developing resilient food systems.

Financial Services (Kigali International Financial Centre - KIFC): Rwanda is positioning itself as a regional financial hub through the KIFC initiative. Opportunities exist in investment banking, asset management, private equity, and other financial services targeting investments across Africa.

Mining: Rwanda possesses various commercially viable minerals including tin, tantalum, tungsten, and some gold. Opportunities are emerging in responsible mining practices, exploration, and particularly in value addition and beneficiation of these minerals before export.

Notable Challenges

Landlocked Geography and High Logistics

Costs: Being landlocked results in higher transportation costs for imports and exports, affecting the competitiveness of domestically manufactured goods and increasing overall business expenses.

Cost and Reliability of Electricity: While improving, electricity costs can be relatively high compared to some regional peers, and occasional supply inconsistencies can impact business operations.

Limited Access to Finance: Despite efforts, SMEs and startups still face challenges in accessing affordable long-term financing from local capital markets.

Skilled Labour Shortages: A general shortage of specialised skilled labour, particularly in technical and high-tech professions, can pose a challenge for businesses seeking to expand or operate complex ventures.

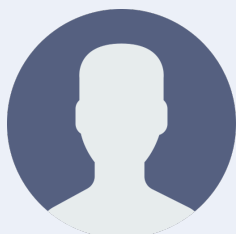
Reliance on External Aid and Trade Deficit: While decreasing, the economy still relies on external assistance, and a persistent trade deficit can put pressure on foreign exchange reserves.

Climate Change Vulnerability: The agricultural sector and overall economy are susceptible to climate-related shocks, such as droughts and floods, which can disrupt economic activity.



Outlook

Rwanda offers a highly attractive outlook, backed by strong governance, business-friendly reforms, and ambitious development plans. Its successful reform track record and high investment targets signal a robust growth environment. While challenges like logistics costs and skilled labour persist, the proactive government approach, coupled with its digital infrastructure and regional hub aspirations, makes Rwanda an appealing destination for long-term investors.



Country Representative

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2.17. Senegal

Country Regulatory Landscape

Senegal has made progress in improving its regulatory environment, particularly in areas related to transparency, investment facilitation and public financial management. The country operates under the legal framework of the West African Economic and Monetary Union (WAEMU), which provides a degree of monetary and regulatory stability. However, recent audits revealed under-reporting of fiscal deficits and public debt between 2019 and 2023, prompting calls for

greater transparency and fiscal discipline.

The government has committed to enhancing the investment climate through reforms aimed at reducing administrative barriers, improving tax administration and strengthening public procurement systems. Nonetheless, regulatory complexity and enforcement inconsistencies remain challenges for businesses operating in the country.

Macros & Trends

Senegal's economy is projected to grow by 5.8 percent in 2024, up from 4.3 percent in 2023, largely driven by the start of hydrocarbon production. Crude oil extraction surged by over 15 percent, offsetting slower growth in the non-oil sectors, which were affected by political uncertainty during the 2024 presidential election.

Inflation pressures have eased significantly, falling to 0.8 percent in 2024 from 5.9 percent in 2023, due to moderating global commodity prices and improved domestic food supply. The current account deficit has narrowed, and regional foreign reserves have increased, reflecting renewed access to international capital markets and multilateral support.



Key Sectoral Opportunities

Hydrocarbons and Energy

The launch of oil and gas production marks a new phase in Senegal's economic development. Investment opportunities exist in upstream and midstream infrastructure, as well as in local content development.

Agriculture and Agribusiness

Agriculture remains a key employer and contributor to GDP. Opportunities lie in irrigation, value-added processing and export-oriented production, particularly in groundnuts, horticulture and fisheries.

Infrastructure and Urban Development

Senegal is investing in transport, housing and digital infrastructure to support urbanisation and regional integration. Public-private partnerships are encouraged in these sectors.

Tourism and Services

With a stable political environment and rich cultural heritage, Senegal has potential in eco-tourism, hospitality and business services, especially in Dakar and coastal regions.

Digital Economy

The country has a growing tech ecosystem, supported by government initiatives to expand broadband access and promote digital entrepreneurship.

Notable Challenges

Fiscal Management: Recent audits revealed higher-than-reported deficits and debt levels, highlighting the need for improved fiscal transparency and consolidation.

Labour Market Constraints: High youth unemployment, low labour productivity and a large informal sector limit inclusive growth and human capital development.

Climate Vulnerability: Senegal is exposed to flooding and droughts, which affect agriculture and infrastructure. Climate adaptation and resilience investments are increasingly important.

Political Uncertainty: The 2024 presidential election caused temporary disruptions in economic activity, particularly in the services sector.

Revenue Mobilisation: Tax revenues remain below potential, and reforms to broaden the tax base and improve compliance are ongoing.



Outlook

Senegal's medium-term outlook is broadly positive, underpinned by hydrocarbon production, infrastructure investment and macroeconomic stability. However, sustaining growth will require continued reforms in fiscal management, governance and human capital development.

The country offers opportunities across multiple sectors, particularly for investors with a long-term perspective and a focus on sustainable development. Strategic engagement with local institutions and alignment with national priorities will be key to navigating the evolving business landscape.



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2.18. South Africa

Country Regulatory Landscape

South Africa continues to refine its regulatory framework, positioning itself as a sophisticated and transparent market within the continent. The country has made significant strides in financial regulation, particularly in response to global standards around anti-money laundering and governance. Regulatory bodies such as the Financial Sector Conduct Authority (FSCA) and the Prudential Authority have intensified oversight, promoting executive accountability and ethical leadership.

Recent reforms have focused on enhancing compliance in emerging areas like cryptocurrency and ESG standards, aligning South Africa more closely with international best practices. The country's legal system is well-developed, and its corporate governance standards are among the strongest in Africa, offering a stable foundation for foreign investment.

Macros & Trends

South Africa's economy is projected to grow by 1.3 percent in 2025, with a slight uptick expected in 2026. While global headwinds and domestic challenges persist, easing monetary policy and fiscal consolidation are expected to support economic activity. Inflation has moderated, with core inflation at 3 percent as of April 2025, reflecting improved price stability.

Business confidence remains above its long-term average, and reforms aimed at improving electricity supply and logistics efficiency are beginning to yield results. The country's diversified economy, robust financial sector and deep capital markets continue to attract international interest.



Key Sectoral Opportunities

Renewable Energy and Infrastructure:

South Africa is accelerating its transition to clean energy, with significant investment flowing into solar, wind and battery storage projects. The government's commitment to energy reform opens up opportunities in grid modernisation and independent power production.

Financial Services and Fintech:

With a mature banking system and growing digital adoption, South Africa is a hub for fintech innovation. Regulatory clarity and consumer demand are driving growth in mobile banking, digital lending and blockchain applications.

Agribusiness and Agro-processing:

The country's diverse climate and advanced farming techniques support a thriving agricultural sector. Opportunities exist in export-oriented agribusiness, food processing and sustainable farming practices.

Tourism and Hospitality: South Africa's world-class natural attractions and cultural heritage continue to draw international visitors. Investment in luxury tourism, eco-lodges and adventure travel is expanding, particularly in the Western Cape and KwaZulu-Natal.

Automotive and Manufacturing: As a regional manufacturing hub, South Africa offers competitive advantages in automotive assembly, component manufacturing and industrial innovation.

Notable Challenges

Unemployment and Skills Gap: The unemployment rate remains high at 32.6 percent, highlighting the need for inclusive growth and workforce development.

Infrastructure Bottlenecks: While progress is being made, challenges in logistics and electricity supply still affect operational efficiency. Continued investment and reform are essential.

Exchange Rate Volatility: The rand has experienced fluctuations, influenced by global market dynamics and domestic political uncertainty. However, recent stabilisation efforts have helped restore investor confidence.

Regulatory Complexity: Navigating South Africa's layered regulatory environment requires local expertise, especially in sectors like mining, finance and telecommunications.



Outlook

South Africa offers a compelling investment landscape for businesses seeking scale, sophistication and regional influence. Its well-established legal and financial systems, combined with a reform-minded government, create a favourable environment for long-term growth.

As the country continues to address structural challenges and unlock sectoral potential, investors who engage with local partners and align with national development goals will be well-positioned to thrive. South Africa remains a gateway to the continent, offering both resilience and opportunity in equal measure.



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2.19. Tanzania

Country Regulatory Landscape

Tanzania presents a dynamic and evolving business landscape, driven by robust economic growth, a stable macroeconomic environment, and significant investment opportunities. Ongoing reforms are positioning it as a compelling destination for investors, despite persistent challenges in bureaucracy and infrastructure.

The country is actively improving its business environment through reforms like the Investment and Special Economic Zones Bill, 2024, aiming to centralise investment facilitation under TISEZA (Tanzania Investment and Special Economic Zones

Authority) as a one-stop centre. Tanzania's investment law guarantees foreign investors, including protection against expropriation. The Finance Act, 2024, introduced changes to stimulate growth, such as adjustments to tax loss utilisation and new withholding taxes.

Despite these efforts, bureaucratic hurdles, including lengthy licensing processes and regulatory complexities, remain. Tanzania scored 59 in the World Bank's Business Ready 2024 report and ranks 162 out of 190 for tax compliance ease, with costs averaging 2% of annual revenue.

Macros & Trends

Tanzania's economy shows strong momentum and a favourable outlook for 2025 and beyond. Real GDP growth reached 5.5% in 2024 and is projected to rise to 6.1% in 2025 and 6.4% in 2026, driven by infrastructure investments, an expanding digital economy, and regional trade. The World Bank anticipates average GDP growth of 6% from 2024 to 2027. Inflation has remained subdued, stabilising at 3.2% in April and May 2025, and is expected to continue within the Bank of Tanzania's target range, creating a favourable investment climate. Foreign direct investment (FDI) has surged, with the Tanzania Investment Centre registering 901 projects worth a

record US\$7.7 billion in 2024, significantly up from previous years and projected to generate 248,078 jobs. The current account deficit narrowed to an estimated 2.6% of GDP in 2024, supported by strong exports of minerals, agricultural products, and record tourist arrivals, with gold exports increasing to US\$3.9 billion. Overall, exports of goods and services grew by 16.8% to US\$16.7 billion in the year ending April 2025, highlighting the country's economic resilience.



Key Sectoral Opportunities

Energy and Natural Resources

Tanzania has substantial natural gas reserves of 57 trillion cubic feet, with 49.5 trillion cubic feet offshore. A Final Investment Decision (FID) for a US\$30 billion LNG export terminal in Lindi is expected in 2025, marking a significant economic opportunity. The mining sector is robust, achieving 90.2% of its revenue target for the 2024–25 fiscal year by June 2025, driven by gold and critical minerals, with a GDP contribution goal of 10% by 2025.

Agriculture and Agro-processing

Agriculture is vital, contributing 25.3% to GDP in 2023 and employing 65% of the workforce. Agricultural GDP reached TZS 11.25 trillion (about US\$4.11 billion) in Q4 2024, a 60.7% increase from Q3 2024. Cereal production rose from 11.4 million tons in 2022/2023 to 18.9 million tons in 2023/2024. Government initiatives have significantly increased the agricultural budget, promoting value-added processing and export-focused farming.

Transport and Logistics:

Tanzania's strategic position and deep-water ports make it a key transit hub for landlocked countries. Infrastructure projects planned for 2025–2030 include expanding the Standard Gauge Railway and improving roads and urban flyovers, aimed at reducing logistics costs and port delays.

Tourism

The tourism sector is rebounding, with 1.75 million visitors in 2024, a 12.4% increase from 2023, generating US\$3.26 billion. Tourism contributed 17.2% to GDP, up from 16.4% in 2023, and supported over 1.5 million jobs, with hotel occupancy rates rising to 74.5%.

Notable Challenges

Bureaucratic Hurdles and Regulatory Complexity:

Despite reforms, businesses still face challenges with lengthy processes for obtaining licenses and permits. The overall ease of doing business remains moderate.

Infrastructure Deficits: While significant investments are underway, gaps in road quality, electricity access, and digital connectivity, particularly in rural areas, can still impede business operations. Dar es Salaam port dwell times, while improving, remain longer than regional competitors.

Access to Finance: Local businesses, especially SMEs (comprising over 90% of Tanzania's businesses), often struggle with limited access to credit and high interest rates, with only 15% of SMEs securing formal loans.

Tax Burden for SMEs: SMEs face a 30% corporate tax and 25% import duties, which are higher compared to some regional counterparts, potentially stifling their growth and formalisation.



Outlook

Tanzania presents a promising, albeit complex, outlook for investors. The country's abundant natural resources, strategic location, and a young, growing population offer significant long-term potential. The government's commitment to fiscal consolidation, public sector reform, and economic diversification beyond natural resources further enhances this potential.

For businesses prepared to navigate the existing regulatory and infrastructural complexities, Tanzania offers high-reward opportunities, particularly in the energy, agriculture, logistics, and tourism sectors. Strategic partnerships, a deep understanding of local market dynamics, and robust risk mitigation strategies will be crucial for sustained success in this evolving East African market. Projections indicate that continued reforms and infrastructure development could add US\$2.5-4 billion to GDP annually, solidifying Tanzania's role as a regional trade leader.



Country Representative

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2.20. Togo

Country Regulatory Landscape

Togo, a small West African nation, is becoming a promising investment destination due to its strategic location and a proactive government focused on improving the business environment. Despite challenges like infrastructure and a largely informal economy, significant reforms in key sectors present compelling opportunities for investors. The 2019 Investment Code guarantees equal treatment for local and foreign businesses, protects against expropriation, and offers clear dispute resolution, along with incentives for investments over US\$100,000. The government has streamlined business

registration through the "Centre de Formalité des Entreprises," enabling online registration in as little as seven hours. The Adétikopé Industrial Platform further simplifies trade and logistics.

Recent laws on Public-Private Partnerships and Public Procurement aim to enhance private investment and transparency. However, investors may still face bureaucratic complexities, necessitating ongoing efforts to ensure consistent law application and strengthen judicial independence to boost confidence.

Macros & Trends

Togo's economy is projected to experience robust real GDP growth, averaging 6.0% annually from 2025 to 2028, following a strong expansion of 5.10% in Q4 2024. This growth is driven by business-friendly reforms, public investment in infrastructure, and increasing private consumption. Although GDP per capita remains relatively low at approximately US\$1,100 in 2024, it is expected to grow by about 3.5% annually through 2028. Inflation is well-controlled, with forecasts suggesting rates around 2.0%-2.5% for 2025 and 2026, which will support internal consumption and improve household purchasing power. Despite volatile foreign direct investment (FDI) inflows, Togo is committed to attracting more capital, with

the Adétikopé Industrial Platform attracting private investments worth 2.6% of GDP in its early stages, focusing on manufacturing. The current account deficit is projected to narrow to -3.05% of GDP in 2025, driven by stronger exports and controlled imports. Togo is also working on fiscal consolidation, aiming to reduce public debt below 60% of GDP by 2028, with government debt expected to reach 68.00% of GDP by the end of 2025. Additionally, the Port of Lomé saw total cargo throughput grow to 30.64 million tonnes in 2024, underscoring its role as a regional trade hub for landlocked countries.



Key Sectoral Opportunities

Logistics and Transport

The Port of Lomé is a strategic asset, ranking 93rd among global container ports in 2024. It serves as a key transshipment hub for landlocked countries, with 70% of Togo's economic activities reliant on sea trade. The recent expansion of the Lomé Container Terminal has increased its capacity, creating opportunities in port expansion, logistics, warehousing, and intermodal transport.

Agriculture and Agro-processing

Agriculture accounts for over 40% of Togo's GDP and employs two-thirds of the workforce. A US\$300 million World Bank program aims to transform the sector into a regional agribusiness hub, enhancing irrigation and benefiting over 340,000 farmers. Opportunities exist in value-added processing and climate-smart agriculture.

Renewable Energy

Togo plans to install 200 MWp of renewable energy capacity by 2030. A €26.5 million financing package for a new solar power plant will generate significant electricity and reduce CO2 emissions. There are substantial opportunities in solar energy and off-grid solutions.

Manufacturing and Industrialisation

The Adétikopé Industrial Platform aims to attract industrial investments, particularly in processing local raw materials. Its expansion highlights a strong push for industrial growth.

Tourism

Togo's coastal areas and cultural sites offer substantial tourism potential, with the sector generating US\$264 million in 2019 and benefiting from improved infrastructure.

Notable Challenges

Regional Security Risks: Economic activity in Togo is primarily centered in the south around Lomé, but increased security threats along the northern border from terrorist activities in neighbouring countries (Burkina Faso, Mali, Niger) could disrupt economic stability and deter private investment if they escalate.

Informal Economy: A large portion of Togo's economy operates informally, creating challenges for formal businesses regarding competition and regulatory compliance.

Infrastructure Gaps: Despite improvements, infrastructure deficits persist in rural areas, particularly in electricity access and road quality outside major corridors, affecting business operations and connectivity.

Access to Finance for SMEs: Small and Medium-sized Enterprises (SMEs) often struggle to obtain adequate financing. Initiatives like the partnership between the National Agency for the Promotion and Guarantee of SME Financing (ANPGF) and Togo Post Company are working to improve local financing solutions. ANPGF has mobilised CFA 17.5 billion (approx. US\$28.5 million) to support 1,400 SMEs from 2006 to 2024.

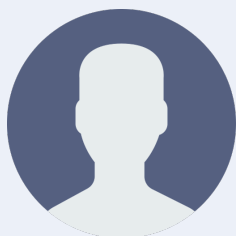
Climate Change Vulnerability: Togo faces significant risks from climate change, including irregular rainfall, rising temperatures, droughts, and floods, which threaten agricultural production and food security, necessitating investments in climate resilience.



Outlook

Togo offers a promising outlook for investors, particularly in logistics and natural resources. The government's commitment to business-friendly reforms and substantial investments in the Port of Lomé, agriculture, and renewable energy supports strong growth projections.

For businesses ready to engage with local partners, high-reward opportunities exist in logistics, agro-processing, and renewable energy. Continued reform, infrastructure development, and effective management of regional security will be vital for Togo to fully realise its potential as a Key West African economic hub.



Country Representative

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2.21. Uganda

Country Regulatory Landscape

Uganda, the “Pearl of Africa,” offers a growing economy driven by natural resources, a young population, and its strategic location. While opportunities are significant, investors must navigate its evolving regulatory landscape and challenges. Uganda’s regulatory framework is being refined to attract investment. The Uganda Investment Authority (UIA) is key for licenses and incentives, with 100%

foreign ownership generally allowed. Investors typically need a UIA license (often with a minimum capital of US\$100,000), and must register with the Uganda Registration Services Bureau (URSB) and Uganda Revenue Authority (URA). While the legal framework broadly treats foreign and domestic investors equally, navigating various permits can be complex.

Macros & Trends

Uganda’s economy is experiencing robust growth, projected to experience a 6.0-6.5% growth in FY2024/25, driven by the oil and gas sector, government initiatives, and improved agriculture. Inflation remains stable at 3.5% in April 2025, projected to stay below 5%. Foreign direct investment (FDI) inflows increased to US\$2.99 billion

in 2023, largely due to oil and gas developments. The current account deficit was 9.21% of GDP in 2024, projected to reach -7.40% by the end of 2025. Public debt stands at 51.80% of GDP in 2024, expected to rise to 53.50% by the end of 2025, though classified as moderate risk.

Key Sectoral Opportunities

Oil and Gas: This sector is undergoing a transformative phase with the anticipated commencement of commercial oil production. The East African Crude Oil Pipeline (EACOP), a major infrastructure project, is expected to be fully operational by mid-2025. Significant opportunities exist in upstream development, midstream infrastructure, and support services.

Agriculture and Agro-processing: As the backbone of the economy, agriculture offers vast potential. Growth in food and cash crops (5.1% and 7.6% respectively in FY2023/24) is supported by favourable weather and government initiatives. Opportunities lie in value chain strengthening, agro-industrialisation, and adopting climate-smart technologies. The Parish Development Model (PDM) aims to integrate beneficiaries into agro-industrial value chains.



Mineral Development: Uganda possesses significant reserves of commercially viable minerals, including gold, rare earths, lithium, and copper. With rising global demand for critical minerals, investment opportunities are growing in exploration, extraction, and particularly value addition and beneficiation (e.g., establishing plants for cement, ceramics, steel, fertilizers). The government's stance is to move away from raw mineral exports.

Tourism: Uganda's rich biodiversity, national parks (Bwindi, Murchison, Queen Elizabeth, Kidepo), and cultural heritage offer high-end eco-tourism investment opportunities. Efforts are underway to unlock more private sector engagement in this area.

Information and Communication Technology (ICT) and Innovation:

The ICT sector is a key driver of growth, contributing significantly to GDP. Opportunities exist in digital transformation, e-services, and supporting the vibrant innovation ecosystem, particularly in agro-processing, food tech, bio-sciences, and clean energy startups.

Manufacturing: The government is actively promoting import substitution and industrialisation. Efforts to support local manufacturers and transition traders into small-scale manufacturers (e.g., through Zonal Skilling Hubs and initiatives for Kikuubo Traders) create avenues for investment in diverse manufacturing activities.

Notable Challenges

Public Debt Burden: The high public debt and significant debt servicing costs limit government fiscal space for essential development investments and can impact the availability of domestic credit.

Infrastructure Deficits: While ongoing, challenges persist in terms of inadequate power transmission and distribution, and road networks, especially in remote areas, increasing operational costs for businesses.

Access to Finance: Small and Medium-sized Enterprises (SMEs) in Uganda continue to face significant hurdles in accessing affordable credit, often due to insufficient collateral, information opaqueness, and limited banking sector capacity.

Regulatory and Compliance Issues: Despite ongoing reforms, businesses can face complexities in navigating various regulatory requirements, obtaining permits, and ensuring consistent application of laws.

Economic Volatility and External Shocks: The economy remains susceptible to external shocks, including global economic uncertainties, fluctuating commodity prices (though oil production should mitigate this for crude), and adverse weather conditions that impact the rain-fed agricultural sector.

Talent Acquisition and Retention: Businesses can face challenges in finding and retaining skilled personnel, particularly in specialised fields, necessitating investment in training and competitive remuneration.



Outlook

Uganda offers a compelling, evolving outlook for investors. Commercial oil production is set to be a transformative driver, alongside growth in agriculture, minerals, and the digital economy. While high debt, finance access, and regulatory consistency are challenges, the government's focus on industrialisation signals a positive long-term trajectory. Success requires strategic partnerships, due diligence, and a long-term perspective in the country with substantial untapped potential.



Country Representative

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2.22. Zambia

Country Regulatory Landscape

Zambia's regulatory environment is undergoing reform, with a focus on improving transparency, fiscal discipline and investor confidence. The government has made progress in concluding debt restructuring agreements, which has helped stabilise macroeconomic conditions and restore engagement with international financial institutions.

The legal and regulatory framework is generally supportive of foreign investment, particularly in mining, agriculture and energy. However, policy unpredictability and administrative inefficiencies remain concerns for investors. Regulatory enforcement can vary across sectors, and businesses often cite delays in licensing and approvals as operational hurdles.

Macros & Trends

Zambia's economy is expected to recover moderately in 2025, following a challenging 2024 marked by drought-induced energy and food shortages. Real GDP growth is projected to improve, driven by a rebound in copper production, improved agricultural output and increased investment in ICT and tourism.

Inflationary pressures remain elevated due to supply constraints and currency volatility, but are expected to ease as food production stabilises. Fiscal consolidation efforts are ongoing, and the government is working to reduce the public wage bill and improve revenue collection.



Key Sectoral Opportunities

Mining and Minerals

Zambia remains one of the world's top copper producers. With global demand for green energy minerals rising, the country is seeking to expand production and attract investment in exploration and processing.

Agriculture and Agribusiness

Improved rainfall in key farming regions is expected to boost output in 2025. Opportunities exist in irrigation, mechanisation, value-added processing and export-oriented farming.

Energy and Renewables

The ongoing energy crisis has highlighted the need for diversification. Investment opportunities include solar, hydro and off-grid energy solutions, as well as transmission infrastructure.

ICT and Digital Services

The digital economy is growing, supported by increased mobile penetration and government initiatives to expand broadband access. Fintech, e-commerce and digital education are emerging areas of interest.

Tourism and Hospitality

Zambia's natural attractions, including Victoria Falls and national parks, offer potential for eco-tourism and adventure travel. Investment in infrastructure and marketing is needed to unlock this potential.

Notable Challenges

Energy Shortages: Drought conditions have reduced hydroelectric output, leading to power rationing and disruptions in industrial activity.

Policy Uncertainty: While reforms are underway, shifts in policy direction and regulatory enforcement can create uncertainty for investors.

Public Sector Constraints: A large public wage bill and underperforming state-owned enterprises limit fiscal space and crowd out private investment.

Climate Vulnerability: Zambia is highly exposed to climate risks, including droughts and floods, which affect agriculture, energy and infrastructure.

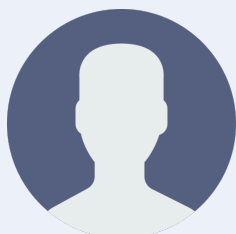
Debt and Inflation: Although debt restructuring has provided relief, inflation and currency depreciation continue to affect purchasing power and business costs.



Outlook

Zambia's medium-term outlook is cautiously optimistic. The country's natural resource wealth, strategic location and reform agenda offer a foundation for recovery and growth. Key sectors such as mining, agriculture and energy are expected to drive economic performance, supported by improved investor sentiment and international engagement.

However, sustained progress will depend on policy consistency, infrastructure investment and climate resilience. Businesses entering the Zambian market should adopt a long-term perspective, engage with local stakeholders and align with national development priorities.



Country Representative

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2.23. Zimbabwe

Country Regulatory Landscape

Zimbabwe presents a dynamic but complex business environment, actively pursuing economic reforms in key sectors like mining and agriculture. Investors face challenges such as currency volatility, inflation, and infrastructure deficits. The Zimbabwe Investment and Development Agency (ZIDA) was established to streamline business processes and attract foreign direct investment. The government has ratified

international treaties to protect foreign capital. However, the regulatory environment can be inconsistent, with bureaucratic hurdles and unclear enforcement. Tax compliance remains complicated, despite initiatives like the gold-backed currency introduced in 2024. Policy consistency and effective implementation are crucial for fostering long-term investor trust.

Macros & Trends

Zimbabwe's macroeconomic situation focuses on stabilising its currency and controlling inflation while aiming for sustained economic growth. After an estimated GDP growth slowdown to 2.2% in 2024, largely due to a severe El Niño-induced drought that caused a 15% decline in agricultural output and falling prices for platinum and lithium, real GDP growth is projected to rebound to 6.0% in 2025 and 4.6% in 2026. This recovery is expected to be supported by improved agricultural productivity from better weather, a rebound in tourism receipts, and sustained remittances. Inflation remains a concern, with year-on-year ZiG inflation rising from 85.7% in April 2025 to 92.1% in May 2025, primarily due to a base effect from an October 2024 spike. However, monthly inflation has shown relative stability, averaging less than 1% over the last three months. The Reserve Bank of Zimbabwe anticipates annual ZiG inflation to decline significantly to below 30% by December

31, 2025, and potentially reach single-digit levels in the future, depending on policy consistency and fiscal discipline.

While specific recent figures for foreign direct investment (FDI) inflows are less available, trade data indicates a 14.0% increase in total trade between the UK and Zimbabwe to £343 million in the four quarters ending Q4 2024. The government's re-engagement strategy with international financial institutions and its "Zimbabwe is Open for Business" initiative aim to attract more foreign investment. Additionally, the current account strengthened in the first half of 2025, boosted by better climate conditions and high gold prices, with foreign currency receipts increasing by 21% from US\$11.0 billion in 2023 to US\$13.3 billion in 2024, contributing to the recovery and the build-up of strategic foreign reserves.



Key Sectoral Opportunities

Mining

The mining sector is vital to Zimbabwe's economy, accounting for over 60% of total export earnings in 2024. Gold remains the largest contributor, generating approximately US\$2.5 billion in 2024, a 9% increase from 2023. The industry is expected to grow by more than 7% in 2025, driven by strong performances in gold (35% increase in Q1 2025) and coal (61% surge in Q1 2025). Total mineral revenue is forecast to reach US\$6.2 billion in 2025. Opportunities exist in the exploration, extraction, and beneficiation of minerals like gold, platinum, nickel, lithium, and rare earths.

Agriculture and Agro-processing

Following the 2024 drought, agriculture is poised for a rebound, with food crop production set to increase by 290% compared to the previous season and maize planting rising by 6.4% in 2024/25. The sector is expected to grow by 13% in 2025, with opportunities in productivity enhancement, value-added processing, and investment in irrigation and climate-smart agriculture. Tobacco and horticultural products also offer export potential.

Energy

Zimbabwe faces significant energy deficits, with national electrification at just 40% and only 16% in rural areas. This presents substantial opportunities in renewable energy. The Zimbabwe Renewable Energy Fund, launched in September 2024 with initial funding of US\$8 million, aims to support mini-grids, stand-alone solar, and solar solutions for public infrastructure. Increased power provision from hydropower and other projects is expected to boost industrial growth in 2025.

Tourism

The tourism sector is growing rapidly, contributing 12% to GDP in 2024 and exceeding its US\$5 billion revenue target earlier than expected. The sector has potential for exponential growth, with over US\$152 million invested in tourism infrastructure in 2023. Continued growth is anticipated in 2025, fueled by both domestic and international visitors.

ICT

The Information and Communication Technology (ICT) sector is projected to grow significantly, with a forecast of 10% in 2025.

Notable Challenges

Currency Volatility and Inflation

Despite the introduction of the ZiG, the legacy of hyperinflation and the need for consistent policy to ensure currency stability pose critical challenges for businesses.

Infrastructure Deficits

Gaps in electricity access, road quality, and digital connectivity hinder operations and increase logistical costs. By 2024, only 1,073 health facilities had solar installations, underscoring the energy **deficit**.

Access to Finance

Local businesses, especially SMEs, struggle with limited access to affordable credit, affecting their growth potential.

Governance and Policy Consistency

While reforms are in progress, concerns about governance and policy predictability can undermine investor confidence.

Political Environment

Risks of civil unrest due to economic challenges and public discontent, along with controversial laws, create a tense political landscape that impacts investor sentiment.

Climate-Related Shocks

Zimbabwe's vulnerability to climate shocks, such as droughts, can significantly affect the agriculture sector and overall economic performance.



Outlook

Zimbabwe offers a complex yet potentially rewarding market for investors. Its vast natural resources, especially in mining, combined with a strategic focus on economic recovery, present compelling long-term potential. The government's efforts in economic stabilisation, including currency reforms and debt clearance, are encouraging.

For businesses willing to assess risks and engage with local partners, significant opportunities exist in mining, agriculture, energy, and tourism. Success will depend on the government's ability to ensure policy consistency, improve infrastructure, and create a transparent regulatory environment to build lasting investor confidence.



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3.0. Tools



3.1. Kreston SA Audit Tracker



The Kreston SA Audit Tracker is a cloud-based platform designed to streamline audit engagements by improving communication, task management, and document handling. It offers automated workflows, secure digital evidence collection, and real-time collaboration, all while ensuring data security and compliance. Widely adopted across various South African entities, the platform enhances audit quality, efficiency, and transparency, positioning Kreston SA at the forefront of audit innovation.

Click [here](#) to learn more.

3.2. Crafting User Experiences: A Product Design Workbook

Crafting User Experiences: A Product Design Workbook” is a hands-on guide that explores the principles of effective product design, where creativity, empathy, and functionality meet to solve real-world problems. It emphasises user-centered design, collaboration, and iterative development. Through exercises, case studies, and challenges, the workbook helps readers, whether beginners or experienced professionals, develop their first Product Design Plan and think more strategically about enhancing services through complementary products.



Click [here](#) to learn more.

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