

STRATEGIC INTELLIGENCE DAILY

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Executive Assessment

Africa's strategic environment is increasingly shaped by energy security pressures, competition for critical minerals, and a growing reliance on infrastructure modernization to sustain industrial expansion. Oil and gas dynamics remain central in North and West Africa, where developments around the Strait of Hormuz crisis, Libya's production outlook, and Egypt's SUMED corridor reinforce the importance of alternative maritime and pipeline energy routes linking Africa with European markets. At the same time, copper, lithium, and rare earth exploration in Zambia, Ghana, Angola, and Côte d'Ivoire reflects intensifying global competition for battery and industrial minerals.

Infrastructure and investment policy are evolving in parallel. South Africa is expanding private participation in transport and energy systems, Ethiopia is accelerating investment reforms to attract capital, and Morocco and Rwanda are exploring nuclear and renewable energy options to diversify electricity supply. However structural constraints remain visible across the continent. Energy costs account for up to 30–40 percent of industrial operating expenses in several economies, while governance tensions, fiscal pressures, and regulatory uncertainty continue to affect investment confidence. Overall risk level remains Moderate, though supply chain disruptions, commodity price volatility, and localized political frictions are increasing operational complexity.

FOCUS COUNTRIES AND SUBJECTS

Libya

Libya's energy outlook is being shaped by both market conditions and institutional tensions. The National Oil Corporation and the Central Bank have intensified coordination in order to increase oil production and stabilize revenue flows, emphasizing the need for regular transfers of oil income into state accounts to support fiscal stability.

Operational monitoring of the sector continues as the NOC released updated data on fuel stocks and tanker movements across major ports. Benghazi currently holds the largest gasoline reserves with approximately 40,606 tons, while additional shipments are expected to reach multiple terminals in the coming period.

Global energy market dynamics are also influencing Libya's outlook. Rising oil prices linked to tensions in the Middle East and disruptions around the Strait of Hormuz could increase

Libya's export revenues. However infrastructure limitations and storage constraints may prevent the country from fully capitalizing on these price gains.

Domestic political tensions remain a persistent risk factor. The High Council of State recently reviewed the deterioration of economic conditions and the depreciation of the dinar in parallel markets, calling for stronger oversight of Central Bank policy and monitoring of NOC activities.

Diplomatic engagement continues alongside internal instability. Libyan officials held talks with France's ambassador covering bilateral cooperation, security issues, and preparations for potential parliamentary and presidential elections under the UN political process.

Human rights controversies are also affecting the political environment. Libya's National Human Rights Institution criticized a meeting between the Prime Minister and a militia commander accused of serious abuses, warning that engagement with militia actors risks reinforcing impunity and weakening rule-of-law institutions.

Regional security tensions are also emerging along Libya's southern frontier. Competition for influence in the Salvador Pass corridor and the Fezzan region has increased friction between Khalifa Haftar and Niger's junta leadership after a Tripoli-aligned security official was detained in Niger and may be transferred to Haftar-affiliated forces. The situation could escalate into a diplomatic dispute between Tripoli and Niamey.

Nigeria

Nigeria continues to expand energy infrastructure and industrial capacity in order to support domestic economic growth. NNPC confirmed the completion of mainline welding works on the 614-km Ajaokuta–Kaduna–Kano gas pipeline, a major project designed to transport gas from southern fields to northern industrial and electricity generation centers.

Energy supply expansion is also advancing at the state level. Construction has begun in Edo State on a 100 MW power plant and an LNG facility capable of producing roughly 300 tons per day within the Taihu Industrial Park, aimed at strengthening regional power supply and supporting industrial development.

Private power producers are also showing strong financial performance. Geregu Power expects ₦44.34 billion in revenue and ₦8.17 billion in net profit for the second quarter of fiscal year 2026, reflecting strong demand for generation capacity and electricity sales.

Financial sector reforms are continuing in parallel with infrastructure development. Paralex Bank has completed recapitalization by exceeding the Central Bank's ₦50 billion minimum capital requirement, strengthening its lending capacity and expanding financial inclusion.

Logistics modernization is another priority area. Nigeria's proposed National Single Window trade platform is expected to attract approximately \$3 billion in logistics investment and generate annual efficiency savings of roughly \$18 million, although governance concerns remain about the institutional structure of the system.

Egypt

Energy security concerns linked to geopolitical tensions are reshaping Egypt's strategic position in regional energy logistics. Disruptions around the Strait of Hormuz have reduced maritime traffic through the area by roughly 85 percent, highlighting the importance of the SUMED pipeline as an alternative corridor transporting Gulf crude to Mediterranean markets. The pipeline handled around 50 million tons of oil in 2025.

The global energy environment is also affecting fiscal planning. Egypt's finance ministry estimates that around 25 percent of national energy demand could be negatively affected during the final quarter of the 2026 fiscal year due to rising prices and supply disruptions.

At the same time Egypt is expanding international economic partnerships. Meetings with German and Indian officials focused on cooperation in logistics, industrial production, technology development, and green hydrogen projects, while the German debt-swap program remains a key financing tool supporting climate and energy initiatives.

The government is also strengthening the domestic entrepreneurship ecosystem. Authorities estimate that Egypt's startup sector currently attracts around \$400 million annually and are coordinating policy measures to expand financing access and support emerging technology companies.

Security cooperation is also expanding. Egypt and Türkiye held consultations in Cairo covering regional developments in Libya, Somalia, the Sahel, and the Red Sea, emphasizing joint efforts to combat terrorism and support political stability.

South Africa

South Africa is accelerating infrastructure modernization while positioning itself as a major energy transition hub. The government is seeking private investment through a 25-year build-operate-transfer framework to upgrade Transnet's ports and railway system, including expansion of the Richards Bay terminal, modernization of the manganese export corridor, and improvements along the Durban–Johannesburg logistics route.

Authorities have also launched a \$500 million credit guarantee program aimed at attracting private capital into electricity grids, water systems, and transport infrastructure. The program could leverage several billion dollars in investment while supporting expansion of roughly 14,000 km of transmission infrastructure.

Private renewable energy procurement is also expanding. Lyra Energy signed power purchase agreements with three major industrial consumers for the 255 MW Thakadu solar project, illustrating the growing trend of companies securing independent renewable electricity supply.

Long-term energy policy is also evolving. South Africa has joined international commitments to triple nuclear energy capacity by 2050 and is exploring the construction of up to 2.5 GW of new nuclear generation at Duvnefontein alongside potential small modular reactor deployments.

In the mining sector, Epiroc agreed to acquire Johannesburg-based maintenance and equipment provider Eventspec, strengthening support services for the region's mining industry.

Zambia

Zambia is intensifying its strategy to expand copper production and strengthen its position in global mineral supply chains. The government aims to increase national copper output to 3 million tons annually by 2031 and is conducting investment discussions with international partners including the United States.

Exploration and advisory activity is increasing alongside these ambitions. Geoquest Zambia announced plans to expand mineral discovery and investment consulting services to support rising copper and gold exploration activity in the country while also targeting opportunities in Angola and the Democratic Republic of the Congo.

Energy supply expansion is also supporting the mining sector. Copperbelt Energy Corporation plans to increase solar generation capacity to approximately 230 MW by 2026 and has issued a \$97 million green bond to finance renewable energy projects and support electricity exports to the DRC.

Ethiopia

Ethiopia is intensifying efforts to attract international investment while modernizing its energy infrastructure. Addis Ababa will host a major investment forum on 26–27 March aimed at mobilizing approximately \$2.4 billion in new investment across manufacturing, agriculture, mining, renewable energy, digital economy, and tourism.

The government has also introduced an online monitoring platform allowing investors to track implementation of tax, customs, and regulatory reforms in real time. The initiative aims to improve transparency and strengthen investor confidence.

Electricity infrastructure is also being upgraded. Ethiopia is implementing a 4.3 billion birr distribution modernization project designed to improve power reliability in Addis Ababa and the city of Sheger through upgrades to 703 km of transmission lines and the installation or modernization of roughly 4,000 transformers.

Morocco and Tunisia

Morocco continues to strengthen its multi-layered energy strategy through renewable energy expansion, gas imports, and exploration activity. The country currently generates around 46 percent of electricity from renewable sources and aims to raise this share to 52 percent by 2030. Morocco also imported 822 GWh of natural gas from Spain in January 2026, representing 21.7 percent of Spanish gas exports during that period.

Exploration activity is expanding along the Atlantic margin as Murphy Oil plans to begin seismic analysis in the Gharb Deep Offshore block before potential drilling later in the decade.

Morocco is also engaging in global energy governance discussions. Prime Minister Aziz Akhannouch emphasized the strategic role of nuclear power for energy security and low-carbon electricity during the International Nuclear Energy Summit in Paris.

Tunisia is advancing renewable energy development as well. The government has launched an international tender for a project combining 300 MW of solar generation and 150 MW of battery storage near Bazma in southern Tunisia, with investor bids due by October 2026.

Ghana

Ghana is reforming its mining fiscal framework in response to rising commodity prices. The government has introduced a variable gold royalty system ranging from 5 to 12 percent based on global price levels, replacing the previous fixed 5 percent rate.

Financial technology activity is also expanding. Blockchain.com has launched operations in Ghana to expand digital asset services and payment solutions across West Africa as stablecoin adoption continues to increase.

Resource governance reforms are progressing in parallel. The Ghana Gold Board is developing a stronger export monitoring and traceability system for diamond exports to ensure compliance with international responsible sourcing standards.

Logistics support for mining operations is also improving. Absa Bank Ghana provided asset financing to Engineers & Planners for the acquisition of an aircraft intended to support remote mining operations across several African countries including Mauritania, the DRC, Liberia, and Zambia.

Namibia

The natural diamond sector in Namibia is facing increasing pressure from synthetic diamonds, which are driving price declines in global markets. De Beers Namibia announced plans to intensify branding and marketing campaigns to defend the value of natural diamonds after Anglo American reduced the valuation of De Beers from \$4.1 billion to \$2.3 billion.

Financial partnerships are also expanding in the automotive sector. Nedbank Namibia and Novel Motors have launched a financing program linking vehicle loans with dealership sales in order to expand access to new vehicle models, including several Chinese brands entering the Namibian market.

Rwanda

Rwanda is exploring nuclear energy as part of its long-term electricity diversification strategy. President Paul Kagame participated in the Nuclear Energy Summit in Paris where discussions focused on investment opportunities in small modular reactor technology and potential partnerships aimed at meeting future energy demand while supporting low-carbon electricity generation.

Senegal

Senegal is facing growing fiscal pressure as public debt approaches 132 percent of GDP. A U.S. Treasury delegation is preparing to visit Dakar to discuss the country's financial outlook and debt management strategy amid rising tensions between the government and the IMF over restructuring negotiations and upcoming Eurobond repayment obligations.

Regional Developments

Across Africa, governments are increasingly seeking to convert iron ore reserves into domestic steel production in order to accelerate industrialization. At the same time, structural constraints related to energy costs and infrastructure capacity continue to shape industrial competitiveness. Cross-regional energy connectivity projects are also emerging as a new driver of investment and trade integration between Africa and Europe.

<i>Development Area</i>	<i>Key Countries / Actors</i>	<i>Main Initiative</i>	<i>Strategic Implication</i>
<i>Iron ore industrialization</i>	<i>South Africa, DRC, Guinea</i>	<i>Expansion of domestic steel production based on local iron ore reserves</i>	<i>Greater value retention in mineral supply chains and industrial diversification</i>
<i>Energy cost pressure</i>	<i>Multiple African economies</i>	<i>Electricity costs reaching 30–40% of industrial operating expenses</i>	<i>Rising demand for private power generation and independent energy infrastructure</i>
<i>Hydrogen export corridor</i>	<i>North Africa – Europe (Snam)</i>	<i>3,300 km South2 hydrogen pipeline linking North African production hubs with Italy, Austria, and Germany</i>	<i>North Africa emerging as a future hydrogen supplier to European markets</i>
<i>Industrial infrastructure development</i>	<i>Regional governments and private investors</i>	<i>Expansion of logistics, processing, and industrial capacity tied to resource sectors</i>	<i>Strengthening of export corridors and regional industrial integration</i>

This combination of mineral processing strategies, energy cost pressures, and emerging hydrogen infrastructure highlights a broader transition toward resource-based industrialization and cross-regional energy connectivity across Africa.

Energy & Resource Outlook

Resource-rich jurisdictions are expected to remain the primary focus of new investment across the continent. Copper expansion in Central and Southern Africa alongside lithium and rare earth exploration in several emerging mining regions is drawing increased exploration activity and project financing as global demand for battery and industrial metals continues to grow. Energy systems are also entering a phase of diversification. Governments and large industrial consumers are gradually combining conventional power generation with renewable projects and emerging technologies such as small modular reactors in order to improve supply reliability and reduce long-term cost pressures.

Investment flows are therefore likely to concentrate in countries able to align resource extraction with reliable energy supply and efficient logistics infrastructure. Where regulatory clarity and infrastructure capacity improve, resource development could translate into broader

industrial growth. In contrast, persistent power shortages and transport bottlenecks may continue to limit the pace at which mineral wealth is converted into sustained economic output.

Forward Outlook

Investment activity across Africa is expected to remain concentrated in strategic resources, energy infrastructure, and industrial supply chains. Copper expansion in Zambia, rare earth development in Angola, and lithium and gold sector reforms in West Africa will continue to strengthen the continent's role in global mineral markets.

At the same time energy infrastructure projects, including gas pipelines, hydrogen corridors, and renewable power expansion, are likely to reshape regional trade routes and industrial development patterns. The pace of these developments will depend heavily on regulatory stability, financing availability, and the ability of governments to manage rising energy costs and infrastructure constraints across key sectors.

FORWARD LOOK FOR 7 DAYS

- Libya political-economic tensions and southern border security developments
- Nigeria AKK pipeline progress and domestic power expansion projects
- Egypt energy market exposure to Strait of Hormuz disruptions
- South Africa infrastructure financing and nuclear energy policy developments
- Zambia copper investment negotiations and renewable power expansion
- Senegal fiscal negotiations with international creditors
- North Africa hydrogen corridor investment progress.