STRATEGIC INTELLIGENCE DAILY

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Executive Assessment

Energy dynamics across Africa are being shaped by simultaneous supply disruptions, import pressures, and accelerated upstream investment. Production volatility in Libya and rising gas import costs in Egypt highlight structural fragilities in supply security, while both countries are attempting to offset these risks through exploration and licensing strategies. In contrast, Nigeria's refining expansion and export growth illustrate a shift toward internal capacity building that is beginning to influence regional energy flows and trade balances.

A broader pattern of economic recalibration is emerging across the continent, where governments are tightening control over strategic resources while pursuing diversification and industrial policy. Zimbabwe's export restrictions, South Africa's protectionist measures, and Morocco's regulatory reforms reflect efforts to capture more domestic value and reduce external vulnerability. At the same time, infrastructure and energy investments in East and Southern Africa indicate that long-term growth strategies remain anchored in power generation, logistics corridors, and resource integration.

Financial and geopolitical layers are evolving in parallel with these economic shifts. Credit pressure in Botswana, rising fiscal strain in Egypt and Morocco, and continent-wide efforts to close the trade finance gap point to tightening financial conditions. Meanwhile, increasing external engagement through energy partnerships, infrastructure financing, and security cooperation reflects intensifying competition over Africa's strategic assets. Overall risk level remains **Moderate**, with localized vulnerabilities in energy systems and fiscal balances, while structural investment momentum continues to support medium-term stability.

FOCUS COUNTRIES AND SUBJECTS

Libya

Production at the El-Fil oil field was temporarily halted, removing approximately 70,000 barrels per day from output following operational disruptions linked to the Sharara system. The interruption introduces short-term pressure on export volumes and fiscal inflows, though expectations of a rapid restart limit broader supply risk.

The National Oil Corporation confirmed that fuel stocks at ports remain sufficient and tanker movements continue without disruption, indicating resilience in downstream logistics despite upstream volatility.

Authorities are preparing to relaunch previously unawarded exploration blocks in a new licensing round, signaling a renewed upstream investment push aimed at expanding reserves and stabilizing long-term production capacity.

Rising oil revenues are providing temporary macroeconomic relief, yet continued pressure on foreign exchange reserves reflects structural imbalances driven by import dependence and high currency demand.

Egypt

Arkios Energy is advancing offshore drilling at the Atoll West and Nofret fields as part of a broader campaign targeting around 100 wells in 2026. Increased drilling intensity reflects a coordinated effort to reverse declining output and reinforce Egypt's position as a regional gas supplier.

Monthly natural gas import costs have risen to approximately $1.65 billion amid global market volatility, amplifying fiscal pressure and exposing structural gaps in domestic supply.

The government is accelerating repayment of around $1.3 billion in arrears to international oil companies by mid-2026, aiming to restore investor confidence and unlock new upstream investment flows.

South Africa

Anti-dumping duties of up to 74.98 percent were imposed on structural steel imports from China and Thailand, reinforcing protectionist industrial policy and supporting domestic manufacturing capacity.

Sasol commissioned a destoning facility in Mpumalanga to improve coal quality and operational efficiency, strengthening upstream processing capabilities within the mining sector.

Solar capacity is projected to reach 9.76 GW in 2026, driven by strong private sector investment, though grid limitations and storage deficits continue to constrain system integration.

Authorities approved reconstruction of the Beitbridge border post to enhance security and control along the Zimbabwe corridor, indicating tighter border management amid rising cross-border risks.

A $58 million investment in the automotive sector is advancing localization strategies, aiming to strengthen domestic supply chains and industrial competitiveness.

Diplomatic engagement expanded through high-level contacts with Saudi Arabia and regional partners, while cooperation with Tanzania on disaster response logistics reflects increasing regional coordination capacity.

The forestry sector continues to generate significant economic value through employment, tourism, and rural development, supporting diversification beyond core industrial sectors.

Nigeria

Nigeria and the United Kingdom are deepening cooperation across migration management, trade, and infrastructure finance, with particular focus on accelerating return mechanisms and expanding economic ties.

Domestic refining expansion reduced the fuel import bill from $14 billion to $10 billion in 2025, with the Dangote refinery strengthening energy trade balances and internal supply security.

The mining sector attracted approximately $2.6 billion in investment over two years, positioning Nigeria as an emerging hub for critical minerals amid ongoing regulatory and security reforms.

A $902 million financing package is supporting modernization of Lagos Apapa and TinCan ports, enhancing trade throughput and logistics efficiency.

Negotiations are advancing on a $20 billion trans-African gas pipeline targeting European markets with a projected capacity of 30 bcm annually, indicating long-term export ambitions.

Dangote refinery exports of 456,000 tons of refined products to five African countries are reinforcing Nigeria's regional energy influence and downstream integration.

Projected gas investments of $115 billion across Africa between 2031 and 2040, led in part by Nigeria and Mozambique, highlight the country's strategic role in future LNG supply chains.

Zimbabwe

The ban on raw mineral and lithium exports is increasing regulatory pressure on foreign mining companies, particularly Chinese operators, while signaling a shift toward domestic value addition.

A 20 MW solar project in Gweru, valued at $20 million, is advancing efforts to expand domestic power generation capacity and reduce supply deficits.

Acceleration of the Muzarabani oil and gas project reflects attempts to reduce fuel import dependency and build long-term energy resilience.

Morocco

The budget deficit widened by approximately 40 percent to 34.5 billion dirhams in early 2026, driven by increased spending linked to World Cup preparations and weaker tourism and export revenues.

New regulations allowing producers to sell up to 20 percent of excess renewable energy to the grid are expected to stimulate private investment and support the 52 percent renewable capacity target by 2030.

Changes in China's subsidy framework for solar and battery exports may increase project costs, particularly affecting storage and small-scale solar deployment economics.

Ghana | Cameroon

In Ghana, Hamak Gold initiated a 4,125-meter drilling program at the Akoko project under an agreement with Deeprock, with results determining a potential $1.9 million acquisition decision, while new agreements with Kyrgyzstan expand cooperation in mining and trade.

Cameroon launched a tender to import approximately 3.5 million barrels of fuel to secure supply amid global price volatility, reflecting pre-emptive stabilization measures to mitigate shortages and maintain domestic energy security.

Democratic Republic of the Congo

The Democratic Republic of the Congo is advancing a sugar refinery project in Sakania to reduce reliance on mining revenues and strengthen economic diversification. The initiative supports import substitution and local employment, indicating gradual structural adjustment beyond extractive dependence.

Kenya | Tanzania

Kenya is developing a 1.2 GW gas-fired power plant near Mombasa, valued at $2.9 billion under a public-private partnership model, to address rising electricity demand and reinforce its regional energy hub ambitions.

Tanzania is targeting expansion of generation capacity to 8,000 MW by 2030 while opening $12.9 billion in investment opportunities, signaling an accelerated push in energy infrastructure and renewable integration.

Zambia | Namibia | Botswana | Angola

In Zambia, Gemcorp is assessing infrastructure and energy investments linked to the Lobito Corridor and regional pipeline systems, indicating growing investor interest in logistics-energy integration.

Namibia is strengthening offshore energy capacity through the establishment of Zephyr Marine Services, enhancing local participation in oil and gas logistics.

Botswana’s credit rating downgrade to BBB- with a negative outlook reflects fiscal pressure driven by weak diamond demand, increasing macroeconomic vulnerability.

Angola is benefiting from elevated oil prices, with rising export revenues supporting short-term fiscal stability despite continued structural dependence on hydrocarbons.

Algeria | Mauritania

Algeria is expanding regional energy cooperation through agreements covering upstream activity and LPG supply, reinforcing its role as a continental energy partner.

Mauritania’s planned high-level visit to France is expected to focus on defense, fisheries, and economic cooperation, reflecting efforts to deepen strategic engagement with European partners.

Africa – General

New mining and energy transition investments are accelerating across the continent, driven by demand for critical minerals and supportive policy frameworks.

France seized a Mozambique-flagged tanker linked to Russia's shadow fleet, highlighting tightening sanctions enforcement and increasing maritime risk exposure in global energy flows.

Epiroc secured a $40.6 million contract to supply electric and autonomous drilling equipment, supporting efficiency gains and decarbonization in mining operations.

UBA Group and British International Investment launched a partnership to address an estimated $80 billion trade finance gap, targeting improved access to capital for SMEs.

Rwanda's non-performing loan ratio declined to 2.5 percent, reflecting improving financial sector stability.

The Rockefeller Foundation and Global Energy Alliance committed over $100 million to expand electricity access under Mission 300, targeting 300 million people by 2030 and reinforcing long-term electrification efforts.

Forward Outlook

Over the next seven days, monitoring will center on the stability of energy supply chains and the pace of investment execution across key markets. In Libya, attention will focus on the speed of production recovery and whether operational disruptions remain contained within isolated fields or extend across interconnected infrastructure. In Egypt, the interaction between rising import costs and upstream activity will remain critical, particularly in terms of whether financial commitments to oil companies translate into accelerated drilling outcomes.

Across Sub-Saharan Africa, infrastructure and industrial developments will shape short-term risk dynamics. Progress on port modernization in Nigeria and energy projects in East Africa will signal whether large-scale investments are moving from commitment to implementation. In Southern Africa, grid constraints and logistics bottlenecks will continue to influence the effectiveness of new capacity additions and trade flows.

Regulatory direction and policy signals will remain a key variable for investor sentiment. Resource control measures in Zimbabwe, industrial protection policies in South Africa, and fiscal adjustments in Morocco will provide indicators of how governments are balancing domestic priorities with external capital needs. The overall trajectory points to continued investment activity under constrained operational conditions, where execution risks rather than capital availability are likely to define short-term outcomes.