STRATEGIC INTELLIGENCE DAILY

Region: Africa

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Scope: Security | Energy | Politics | Diplomacy | Investment

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Executive Assessment

Investment activity across Africa is increasingly structured around the integration of energy production, mineral extraction, and logistics corridors, with cross-border connectivity emerging as a core determinant of project viability. Hydrocarbon strategies in Libya, Egypt, and Angola are converging with export-oriented infrastructure and downstream linkages, while East and Southern Africa are aligning critical minerals, renewables, and transport networks into coordinated development models.

At the same time, expanding investment flows are interacting with uneven governance capacity and intensifying external competition. Illicit energy networks in Libya, rising sensitivity to foreign-backed projects, and overlapping geopolitical interests across the continent are reshaping operational conditions. The trajectory suggests that execution capacity, regulatory coherence, and control over resource flows will define which markets convert investment momentum into durable economic output.

FOCUS COUNTRIES AND SUBJECTS

Libya:

A UN report identified the illegal export of 992,000 tons of petroleum products, generating approximately $8 billion for criminal networks. The scale of diversion indicates deep penetration of armed actors into the energy sector and continued institutional fragility.

Chevron launched offshore exploration in Block NC146 with the National Oil Corporation. The partnership supports reserve expansion while reinforcing Libya’s attractiveness for international operators seeking high-potential upstream assets.

AGOCO expanded international cooperation to deploy U.S. technologies for enhanced oil recovery and water management. Increasing well efficiency through EOR methods reflects a shift toward maximizing output from existing fields.

Libya, Nigeria, and Niger held technical and economic discussions in Tripoli on the Trans-Saharan Gas Pipeline. Advancing the project strengthens Libya’s ambition to function as a regional gas transit hub linking African supply to European markets.

Egypt:

bp plans to invest $1.5 billion in gas exploration and development in the 2026/27 fiscal year, expanding Mediterranean drilling. Increasing domestic output is intended to reduce import dependency and stabilize supply.

Egypt signed agreements for 5.6 GW of renewable energy and battery storage projects under a BOO model. Diversification into renewables supports grid resilience and reduces structural reliance on gas.

A five-well gas drilling program with BP and ADNOC is advancing alongside a $400 million Harmattan field investment targeting 150 million cubic feet per day by 2027. Expanding upstream capacity reinforces Egypt's position as a regional gas hub.

Egypt is negotiating to import around 1 million barrels of oil per month from Libya while strengthening cooperation with Cyprus on developing and exporting gas from the Kronos and Aphrodite fields. These moves integrate supply diversification with export-oriented infrastructure strategy.

Prime Minister Mostafa Madbouly held talks with global energy companies during EGYPS 2026 to expand investment opportunities. Continued engagement highlights Egypt's focus on attracting international capital into energy infrastructure.

Angola:

Afentra accelerated a two-well drilling program in Block 3/05 with Sonangol financing support. The program targets approximately 9,000 barrels per day in additional output and up to 50 million barrels in new reserves.

Indian companies IOC, BPCL, HPCL, and GAIL initiated talks with Sonangol to secure LPG and LNG supplies amid Hormuz-related risks. Angola is positioning itself as an alternative supplier in a shifting global energy market.

CABSHIP and the National Petroleum Institute launched a technical training program to develop local workforce capacity. Strengthening human capital supports long-term sector sustainability and local content requirements.

South Africa:

A 100 million rand green hydrogen project led by Wits University, Air Liquide, and LSF is planned to come online in 2028. The initiative supports industrial decarbonization and energy diversification.

The Competition Commission approved DHL's acquisition of three logistics firms, expanding operational capacity in line with a €6 billion Africa strategy. Strengthening logistics infrastructure reinforces South Africa's regional hub position.

Trinasolar expanded its portfolio beyond 2 GW with integrated solar and storage solutions, while Sibanye-Stillwater warned that EU lithium policy is insufficient against Chinese competition. These developments reflect both energy transition acceleration and continued pressure in global mineral markets.

Democratic Republic of the Congo | Malawi | Mozambique:

The DRC and China's CMOC agreed to accelerate copper production to position the country as the world's second-largest producer, while launching a pilot gold refinery to reduce smuggling and increase domestic value capture. These steps strengthen the DRC's role in global supply chains while addressing structural revenue leakage.

Malawi confirmed a multi-mineral system including niobium and rare earth elements at the Mpyupyu site. The discovery enhances its potential integration into critical mineral supply chains.

The United States is increasing its stake in Syrah Resources in Mozambique's graphite sector, while Mozambique and Angola are expanding LNG cooperation. These moves reflect intensifying competition over battery minerals and gas export positioning.

Kenya | Somalia:

Kenya launched an international tender for the $62 billion Mrima Hill rare earth and niobium deposit. The project places Kenya at the center of geopolitical competition over critical minerals.

The African Union called for dialogue between Somalia's federal government and the Southwest state amid rising tensions. Maintaining political stability remains critical for preventing security fragmentation.

Algeria | Niger | Mauritania:

Algeria and Niger agreed to build a 40 MW joint power plant by June 2026, while Algeria and Mauritania expanded cooperation in fuel supply and distribution. These initiatives extend Algeria's regional energy footprint through cross-border infrastructure and downstream integration.

Ghana:

Ghana launched a $2.3 million program with Japan and UNICEF to combat child labor in agriculture, mining, and fisheries. Strengthening social protection mechanisms supports regulatory compliance and labor stability.

Asanko Gold Ghana signed a $400 million agreement to expand mining operations and create up to 8,000 jobs. The project reinforces Ghana's position as a stable gold investment destination.

Nigeria:

Dangote and China's GCL Group signed a 25-year, $4.2 billion gas supply agreement for a fertilizer plant in Ethiopia, expected to start operations in 2029. The deal links West African gas resources to East African industrial production, strengthening cross-regional value chains.

Africa – General:

The United Arab Emirates and Saudi Arabia are intensifying competition for influence and investment across Africa. Growing rivalry reflects the continent's strategic importance in energy, critical minerals, and emerging markets.

Forward Outlook

In the near term, attention will shift from announcement-driven momentum to implementation depth across key sectors. Progress in upstream drilling, renewable deployment, and corridor modernization will provide early signals on whether current investment pipelines are translating into operational output and measurable capacity gains. Execution timelines in Egypt's gas expansion, Angola's drilling activity, and logistics integration linked to mineral exports will be particularly indicative.

At the same time, market conditions will be shaped by how effectively governments manage regulatory alignment and sector oversight under increasing external engagement. Developments in Libya's energy governance, investor positioning in critical mineral assets, and evolving external partnerships across Africa will influence capital allocation decisions. Short-term stability will depend less on new agreements and more on institutional ability to sustain project delivery and control resource-linked revenue streams.

FORWARD LOOK FOR 7 DAYS:

- Libya – Illicit fuel flows and institutional control over energy revenues
- Egypt – Implementation pace of gas drilling and renewable energy projects
- Angola – Upstream drilling outcomes and new export supply negotiations
- DRC – Copper production scaling and regulatory management of mining sector
- Kenya – Investor positioning and bidding dynamics in strategic mineral assets
- South Africa – Energy transition investments and logistics sector consolidation
- Mozambique – Strategic competition in graphite and LNG project alignment