PAEC RESEARCH SERIES | INVESTMENT & MARKET INTELLIGENCE

# Investment Guide
# Africa 2025

## A Practical Guide to Market Entry, Investment Regulations, Incentives, Risk Management and High-Growth Opportunities Across Africa

**Africa entered 2025 with a stronger investment story: expanding consumer markets, major infrastructure requirements, accelerating digitalization, the AfCFTA integration agenda and significant demand for private capital. Serious investors must select the right country, sector, structure, local partners and regulatory pathway.**

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AT A GLANCE

# Key Africa Investment Indicators

| | | | |
|---|---|---|---|
| **US$97B** FDI into Africa \| 2024 | **+75%** Annual FDI increase | **6%** Share of global FDI | **~US$62B** FDI excluding Egypt mega-project |
| **US$113B** Greenfield projects \| 2024 | **US$99B** Project finance \| 2024 | **4.2%** AfDB 2025 growth estimate | **1.3B** AfCFTA potential market |

Primary investment figures: UNCTAD World Investment Report 2025. Growth estimate: African Development Bank November 2025 update. AfCFTA reference: World Bank.

OVERVIEW

# Executive Summary

### Africa should be approached regionally for strategy, but nationally for execution.

Africa includes industrial economies, commodity exporters, rapidly urbanizing consumer markets, technology hubs, agricultural economies and frontier markets at very different stages of development.

AfCFTA creates a framework around a potential market of approximately 1.3 billion people and US$3.4 trillion in GDP. It does not create one licence, tax system or incorporation process. Ownership, taxation, land, environmental approvals, employment, foreign exchange and sector licences remain country-specific.

01-02

# The Africa Investment Story

Africa received a record US$97 billion in FDI in 2024, approximately 6% of global FDI. The 75% rise was heavily influenced by Egypt's Ras El-Hekma transaction. Excluding that project, UNCTAD estimates inflows still rose about 12% to US$62 billion.

## FDI by African Subregion - 2024

| Region | FDI Inflows | Change |
|---|---|---|
| North Africa | $51B | +277% |
| West Africa | $15B | -7% |
| Central Africa | $8B | +13% |
| East Africa | $13B | +12% |
| Southern Africa | $11B | +44% |
| Africa Total | $97B | +75% |

LEADING DESTINATIONS

## Five Largest African FDI Recipients

| Economy | FDI Inflows |
| --- | --- |
| Egypt | $46.6B |
| Ethiopia | $4.0B |
| Cote d'Ivoire | $3.8B |
| Mozambique | $3.6B |
| Uganda | $3.3B |

Egypt's figure reflects the Ras El-Hekma project; the wider list demonstrates momentum across East, West and Southern Africa.

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## Where Capital Is Going

Announced greenfield projects were valued at about US$113 billion in 2024, down 37% from 2023. International project-finance transactions increased about 15% to US$99 billion.

### Major Greenfield Industries - 2024

| Industry | Approx. Value |
| --- | --- |
| Energy & Gas Supply | $40B |
| Construction | $25B |
| Extractive Industries | $13B |
| ICT | $7B |
| Basic Metals | $5B |

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## AfCFTA and the Future Investment Environment

The African Union adopted the AfCFTA Protocol on Investment on 19 February 2023. It supports longer-term investment governance, but domestic investment law remains fundamental.

The Digital Trade Protocol develops a continental framework relevant to fintech, cloud services, e-commerce, AI, digital identity, cybersecurity and BPO.

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# A Standard Investment Process for Africa

### 01 Market Screening

Country, sector, customer base, competition and location.

### 02 Ownership Review

Negative lists, caps, local-partner requirements and reserved activities.

### 03 Entity Selection

Subsidiary, branch, joint venture, project company or representative structure.

### 04 Company Registration

Incorporate through the national corporate registry.

### 05 Investment Registration

Apply to the investment authority where required or beneficial.

### 06 Banking & Capital Entry

Transfer through authorized channels and preserve evidence.

### 07 Tax & Customs

Tax, VAT, customs and importer/exporter permissions.

### 08 Land & Location

Lease, industrial site, SEZ or other permitted rights.

### 09 Environmental & Sector Approvals

EIA and relevant construction, mining, food, pharma or telecom licences.

### 10 Labour & Immigration

Employee registrations, visas and work permits.

### 11 Incentive Application

Confirm eligibility before qualifying expenditure.

### 12 Operations & Aftercare

Maintain tax, corporate, ownership and licence compliance.

**Critical principle: incorporation does not automatically authorize a regulated activity.**

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# Official Investor Gateways: Priority African Markets

### South Africa

InvestSA coordinates registration, tax, visas, environmental approvals, licences, customs and incentives.

### Nigeria

NIPC operates a One-Stop Investment Centre and publishes the Investment Guide Nigeria 2025.

### Egypt

GAFI provides incorporation, licensing, post-establishment services and Investment Law incentives.

### Kenya

The Investment Promotion Act generally sets a US$100,000 threshold for a foreign investor certificate.

### Ethiopia

EIC supports permits, capital entry, tax registration and Special Economic Zones.

### Ghana

Foreign-invested enterprises incorporate and register with GIPC; thresholds depend on structure.

### Tanzania

TIC coordinates immigration, labour, tax, land, standards, registration and environmental authorities.

### Rwanda

RDB integrates registration, EIA, exemptions, visas and permits through a One Stop Centre.

### Morocco

AMDIE supports structuring, establishment, investment agreements and aftercare under the Investment Charter.

### Cote d'Ivoire

CEPICI facilitates investment and benefits under the Investment Code and its 2024 update.

**Requirements, thresholds and incentives must be reconfirmed directly with the relevant authority before commitment.**

07-08

# Investment Incentives and Special Economic Zones

Incentives are national and may depend on sector, investment size, employment, exports, location, technology transfer or SEZ status. Common structures include tax holidays, reduced rates, customs exemptions, accelerated depreciation, VAT relief, allowances, export benefits, industrial land and infrastructure support.

**Investor rule: never include an incentive in a financial model until the responsible authority confirms that the specific project qualifies.**

SEZs may provide simplified customs treatment, serviced land, infrastructure, faster processing and dedicated facilitation. Local assembly can improve logistics, market access and regional distribution for Pakistani manufacturers.

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# High-Potential Investment Sectors

### Energy & Renewable Power

Power generation, grids, solar, wind, storage, distributed energy and efficiency.

### Infrastructure & Logistics

Ports, roads, rail, warehousing, industrial zones, telecom and urban development.

### Manufacturing

Import substitution, textiles, pharmaceuticals, food, engineering and automotive components.

### Agriculture & Agribusiness

Irrigation, storage, processing, packaging, cold chains, machinery and inputs.

### Mining & Mineral Processing

Critical minerals, metals, processing, equipment, logistics and supporting services.

### Digital Economy

Fintech, data centres, cloud, e-commerce, payments, cybersecurity, AI, BPO and software.

### Healthcare & Pharmaceuticals

Medicines, diagnostics, hospitals, devices and local manufacturing.

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# Investment Opportunities for Pakistani Businesses

| Capability | Potential Africa Investment Model |
|---|---|
| Textiles & Apparel | Local stitching, finishing, uniforms and distribution |
| Pharmaceuticals | Registration, packaging, distribution and manufacturing |
| Rice & Food | Processing, warehousing and distribution |
| Surgical & Medical | Regional distribution and hospital procurement |
| IT & Software | Local office, fintech, BPO and enterprise solutions |
| Construction Materials | Distribution, production and project supply |
| Engineering | Machinery supply, assembly and maintenance |
| Renewable Energy | EPC, solar, storage and partnerships |
| Mining Services | Equipment, processing technology and technical services |
| Logistics | Warehousing, freight forwarding and distribution hubs |

Companies should evaluate joint ventures, distribution partnerships, regional headquarters, contract manufacturing, SEZ production and project-specific companies.

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# Capital, Land and Environmental Approvals

### Capital Repatriation

Document capital entry, dividends, shareholder-loan repayment and exit proceeds from day one.

### Land & Property

Verify title, use, zoning, environment, access, infrastructure and foreign-ownership rules.

### Environmental Approval

Begin EIA screening before final site acquisition for affected sectors.

### Industrial Sites

Recognized parks and SEZs can reduce some title and infrastructure risks.

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# Partners, Protection, Finance and Payments

### Local Partners

Verify registration, beneficial ownership, directors, tax, litigation, licences, operations, references and sanctions.

### Investment Protection

Review domestic law, treaties, contracts, arbitration, enforcement and the applicable ICSID framework.

### Political Risk Insurance

Evaluate MIGA coverage for expropriation, transfer restriction, war, civil disturbance and breach of contract.

### Investment Finance

Assess commercial finance alongside Afreximbank and development-finance institutions.

### Cross-Border Payments

Confirm whether relevant banks and routes participate in PAPSS.

### Commercial Capacity

Legal existence alone does not prove distribution, manufacturing, financing or delivery capability.

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# Investment Risks Investors Should Model

| Risk | Practical Mitigation |
|---|---|
| Political / Regulatory | Structuring, treaties, insurance, government engagement |
| Currency | Natural hedging, currency clauses, local sourcing |
| FX Convertibility | Capital-registration records and authorized channels |
| Local Partner | KYC, financial and commercial due diligence |
| Tax | Independent tax and transfer-pricing review |
| Infrastructure | Location analysis and backup energy/logistics |
| Supply Chain | Multiple suppliers and inventory planning |
| Licensing | Regulatory mapping before commitment |
| Land | Independent title and zoning due diligence |
| ESG / Environmental | EIA and management planning |
| Security | Country and site-specific assessment |
| Contract Enforcement | Arbitration, governing law and enforcement planning |

**No country should automatically be labelled high risk or low risk. Risk varies by project, sector, location, counterparty and structure.**

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# PAEC Investor Due-Diligence Checklist

The investor file should document feasibility, the business model, five-year projections, regulation, ownership, partner KYC, tax, FX and repatriation, land and title, environmental assessment, licences, employment and immigration, logistics, insurance, dispute resolution, financing and exit. The investment committee should distinguish independently verified assumptions from those dependent on approval.

21 | 2025-2030

# From Resource Investment to Value-Chain Investment

Natural resources and infrastructure remain important, but capital is increasingly likely to target processing, manufacturing, digital infrastructure, energy transition, food systems, logistics, healthcare and service-sector platforms.

### Turn announcements into operations

Projects must create employment, exports, capability and local value addition.

### Select markets through execution fit

Align demand, regulation, infrastructure, incentives and delivery capacity.

### Build regional value chains

Use country-level execution to serve wider AfCFTA markets.

### Use facilitation intelligently

One-stop shops help but do not replace transaction-specific diligence.

**Plan the exit before entry**

Model repatriation, dispute resolution, political risk and exit scenarios early.

INSTITUTIONAL ROLE

# PAEC Perspective

### From Opportunity Discovery to Investment Execution

A project often fails because it entered the wrong market, selected the wrong partner, misunderstood regulation or committed capital before completing due diligence.

**Market Research**

Country, sector, demand and competitor intelligence.

**Opportunity Identification**

Project screening and commercial prioritization.

**Partner Search & KYC**

Verified counterparties and commercial capacity.

**Regulatory Mapping**

Ownership, licences, tax, FX, land and EIA.

**Investment Structuring**

Entity, finance, treaty and risk design.

**Facilitation & Aftercare**

Government coordination, market entry and local continuity.

ESSENTIAL FINDINGS

# Key Takeaways

**US$97B**

FDI into Africa in 2024.

**US$113B**

Announced greenfield projects.

**US$99B**

International project-finance transactions.

**4.2%**

AfDB estimate for 2025 African growth.

**1.3 Billion**

Potential AfCFTA market.

**Africa offers major opportunities, but it is not one regulatory jurisdiction. The successful investor combines regional vision with country-level execution.**

TRANSPARENCY

# Data & Methodology Note

This guide combines continental data from UNCTAD, African Development Bank, World Bank, African Union/AfCFTA, Afreximbank, ICSID and MIGA with country-level information from official investment-promotion agencies and legal portals. Headline FDI data relate primarily to calendar year 2024 as reported in the World Investment Report 2025.

Official links were reviewed in August 2026. Laws, fees, thresholds, incentives and licensing processes change. This guide is market-entry information, not legal, tax or investment advice. Confirm current rules with the responsible authority before committing funds.

## Recommended Official Reading

- UNCTAD - World Investment Report 2025
- UNCTAD - Africa FDI Analysis
- African Development Bank - November 2025 Outlook
- World Bank - AfCFTA Economic and Distributional Effects
- World Bank Group - Guarantees Platform
- ICSID - Member States
- Afreximbank - Project Finance
- PAPSS - Pan-African Payments
- InvestSA - One Stop Shop
- NIPC - Investment Guide Nigeria 2025
- GAFI - Egypt Investor Portal
- Kenya - Investment Promotion Act
- Ethiopian Investment Commission
- Ghana Investment Promotion Centre
- Tanzania Investment Centre
- Rwanda Development Board
- AMDIE / Morocco Now
- CEPICI - Cote d'Ivoire

READY TO EXPLORE INVESTMENT OPPORTUNITIES IN AFRICA?

## Move from market research to informed execution.

PAEC supports greenfield projects, acquisitions, joint ventures, manufacturing, distribution hubs, SEZ projects and strategic partnerships.