

Redefining Africa Trade & Project Finance in a Multipolar World

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Agenda

- Global geopolitical shifts
 - Trade/Project finance evolution
 - Africa's strategic positioning
 - Digitalisation and payments
 - Africa's future financing options
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A Multipolar World is Emerging

- Economic power is becoming more fragmented
- Rise of regional blocs and strategic alliances
- US-China rivalry is reshaping global trade
- Sanctions and economic nationalism are increasing (proxy wars)
- Role of World Trade Organisation



Geopolitical Tensions and Trade

- Supply chain disruptions continue to impact markets
- Commodity prices remain volatile
- Shipping and logistics costs have increased
- Global uncertainty affects investor confidence
- New Normal → Navigating thru turbulences

Africa's Strategic Importance

- Africa's history → Extraction of resources
- Africa is central to future energy and mineral supply chains
- Young population and urbanisation support growth
- AfCFTA creates a continental trade opportunity
- Africa can become a global manufacturing partner → lots of challenges

Global Supply Chain Realignment

- Manufacturers are diversifying supply chains away from single-country dependence
- Friend-shoring and near-shoring are becoming strategic priorities
- Africa can position itself as an alternative manufacturing hub (Eg Morocco, SA, Tanzania, Nigeria, C.I)
- Transport corridors and logistics infrastructure are increasingly important

Energy Transition Opportunities

- Without energy, there's no industrialisation in Africa → a key focus
- Critical minerals increase Africa's geopolitical relevance
- Renewable energy investments are accelerating
- Climate finance can become a strategic funding source
- Fossil fuel still relevant for decades to come (abundance of coal, oil & gas)
- How to Finance \$5Trillion next 10 years?

The Trade Finance Reality

- Global banks are reducing exposure in some markets
- SMEs face growing financing constraints
- Compliance costs continue to rise
→ compliance risks
- Access to USD liquidity remains difficult
- Exotic Financing for non-traditional source markets

Correspondent Banking Pressures

- Reduction in correspondent banking relationships
 - De-risking affects smaller African banks
 - Cross-border payments become slower and more expensive
 - Need for stronger compliance frameworks
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Changing Sources of Capital

- Rise of Gulf investors and Asian financiers
- African DFIs are becoming more important
- Export credit agencies remain strategic partners
- Private capital seeks resilient sectors
- Local capital markets are evolving (albeit not at the speed we would have wished)

Project Finance is Evolving

- Infrastructure projects require blended finance
- PPP models are becoming more common
- Projects need stronger governance and transparency
- Investors expect ESG integration

Africa's Infrastructure Financing Gap

- Transport, energy and digital infrastructure remain underfunded
- Bankable projects are still limited
- Project preparation capabilities need strengthening
- Regional infrastructure can unlock trade growth (Eg Pipeline Tanz to Zambia or Uganda to Tanz)

China, Trade Finance & Infrastructure Partnerships in Africa

- China remains one of Africa's largest trading partners and infrastructure financiers
- Expansion of RMB-based payment systems and reduced dependence on USD settlement
- Bilateral trade agreements and strategic economic cooperation continue to grow
- Project finance increasingly structured through PPPs, BOTs and sovereign-backed models
- Chinese participation remains strong in ports, rail, energy, telecoms and logistics corridors
- Infrastructure-led development is reshaping regional connectivity and trade integration

Digitalisation in Trade/Project Finance

- Digital trade platforms improve efficiency
- Automation reduces paperwork and delays
- Digital identity and e-KYC support financial inclusion
- Data-driven decision making enhances resilience
- AI supports fraud detection and risk monitoring
- Cybersecurity becoming a defining strategic priority
- Project Financing → amazing opportunities for progress

Blockchain and Tokenisation

- Blockchain may improve transparency in trade
- Smart contracts can reduce settlement risk
- Tokenisation may unlock liquidity
- Regulatory clarity remains essential (Central Banks or Capital Markets or ?)

Cross- Border Payments in Africa

- Transaction costs remain among the highest globally
- FX fragmentation affects trade flows
- Settlement delays impact businesses
- Regional integration is increasingly important

The Role of PAPSS

- Pan-African Payment and Settlement System is transformative
- Supports local currency settlement
- Reduces dependence on external correspondent banks
- Can improve intra-African trade efficiency → Eg: West Africa with CFA
- Key role of ACFTA, AU and other regional institutions to enable above

Role of Multilateral Institutions

- Afreximbank supports intra-African trade and liquidity
- African Development Bank finances strategic infrastructure
- World Bank and DFIs continue to de-risk investments
- Political risk insurance improves investor confidence

Local Currency Financing & Regional Markets

- Dependence on hard currencies increases FX volatility
- Local currency financing can improve project sustainability
- Domestic capital markets remain underdeveloped in many regions
- Regional financing integration can strengthen resilience

Key Risks for African Markets

- Debt sustainability pressures
- Political and regulatory uncertainty
- Cybersecurity and operational risks
- Climate-related vulnerabilities

What Investors Want

- Stable policy and regulatory environments
- Transparent governance structures
- Reliable legal enforcement
- Bankable pipelines with strong sponsors
- Tech will help in improving above. It's already happening

Strategic Priorities for Africa

- Deepen regional integration
- Strengthen local capital markets
- Promote industrialisation and value addition
- Invest in digital and energy infrastructure

A Roadmap for Future

- Short term: strengthen liquidity and payment resilience
- Medium term: scale blended finance and PPPs
- Long term: position Africa in global value chains
- Collaboration between public and private sectors is critical

Closing Thoughts

- Geopolitical fragmentation creates both risks and opportunities
- Africa should diversify partnerships and financing sources
- Digitalisation and resilience will define competitiveness
- Africa has the potential to shape the next phase of global trade

Questions & Discussion

- Thank you
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