

## **Africa Outlook 2025: A collective vision to make Africa work!**

By Agnes Gitau

Executive Director at the Eastern Africa Association and partner at GBS Africa

*In the face of uncertainty, the continent continues to uncover opportunities for growth and renewal, offering a powerful reminder of its enduring, untapped strength and potential.*

Sub-Saharan Africa steps into 2025 with a cautious sense of optimism, with the International Monetary Fund (IMF) and the World Bank both forecasting between 4 and 4.2% GDP growth. This forecast must be tempered with an understanding of the entrenched structural challenges: debt burdens, political uncertainty, climate crisis, geopolitical rivalries, and a widening gap in socio-economic inclusion.

- **East Africa:** The region continues to lead, with **Rwanda, Ethiopia, Uganda, and Tanzania** projected to grow above **6%** in 2025. Infrastructure investments, agricultural and tourism sector recovery, ongoing economic reforms, and increased private sector participation are driving this growth. **Kenya's** growth prospects for 2025 are just over 5% in light of the financial challenges occasioned by the Gen Z protests against high taxation with no development to show for it, bad governance, and human rights abuses.
- **Sudan:** The ongoing war between the Rapid Support Forces (RSF), led by Mohamed Hamdan Dagalo, and the Sudanese army has devastated the country with little meaningful international intervention. To date, over 12 million people have been displaced, and millions more face acute starvation. Efforts by the African Union, the United States, and Saudi Arabia to mediate and broker peace have so far yielded limited success. The conflict's ripple effects are already being felt in neighbouring countries, particularly South Sudan, intensifying regional instability and humanitarian crises.

The region and the world cannot afford to ignore this crisis. External actors with vested interests continue to fuel the violence, profiting from death and devastation while Sudan's people bear the catastrophic consequences. Urgent, unified global action is needed to end this war and prevent its further spread across an already fragile region.

- **West Africa:** Ivory Coast demonstrates strong economic resilience and is projected to grow at 6% in 2025, while Guinea and Mali remain weighed down by persistent political instability.

- Southern Africa and Nigeria: These economic powerhouses are expected to see modest recoveries, though structural weaknesses and policy inertia pose risks to sustained growth.

## **Elections to watch in 2025**

**Tanzania: President Samia Suluhu Hassan**, Tanzania's first female president, has pursued a reform-orientated agenda since assuming office in 2021, favouring diplomatic engagement, foreign investment promotion, and pro-business reforms.

This resulted in increased investor confidence, which resulted in a record of US\$6.5bn in foreign direct investment last year, reflecting a 21.6% increase over the previous year.

The 2025 elections will be President Hassan's first direct mandate from voters. While her administration has introduced investor-friendly reforms, political tensions remain. Tanzania's opposition remains fractured, reducing its electoral competitiveness but also limiting checks on executive power. While the administration has reopened some political and media freedoms, lingering restrictions on civic space remain a concern. The peaceful and transparent conduct of Tanzania's 2025 elections will be critical for consolidating economic gains, maintaining investor confidence, and ensuring political legitimacy. Without an inclusive and transparent process, gains made under Hassan's reform agenda risk being reversed.

**Ivory Coast: President Ouattara**, who has been in power since 2011, previously stated his intention to retire but suggested he might reconsider if his long-standing political rivals also withdrew from the political arena. A report by Reuters Recent indicated that the ruling party, the Rally of Houphouëtists for Democracy and Peace (RHDP), is urging President Alassane Ouattara to seek a fourth term, despite his earlier indications of stepping down. The ruling party's push for Ouattara's candidacy may lead to heightened political tensions, especially if opposition parties perceive this move as undermining democratic principles.

Transparent, inclusive, and peaceful elections are essential to maintain Ivory Coast's economic momentum and avoid repeating past cycles of post-election violence. The international community, including regional blocs like ECOWAS, will play a critical role in supporting electoral integrity.

## **Global Geopolitics: walking the tight rope**

*How can Africa successfully balance global competing powers to secure long-term economic growth, or will it remain a geopolitical chessboard?*

Africa's entry into the G20 through the African Union's (AU) permanent membership is widely celebrated as a diplomatic milestone, a symbolic recognition of the continent's growing importance on the global stage. But beyond the symbolism lies a pressing question: **Will this translate into tangible policy outcomes for Africa, or will it remain a largely ceremonial achievement?**

**As South Africa assumes the G20 presidency in 2025**, Africa finds itself in a rare position of both representation and leadership. This dual role amplifies the continent's potential to shape global policy discussions on debt relief, trade reform, and climate finance, but the benefits of this seat at the table will depend on Africa's ability to forge unity, articulate clear demands, avoid fragmented lobbying efforts, and leverage its collective bargaining power effectively.

**On trade, Africa's G20** presence provides a platform to demand reforms at the WTO that benefit smaller economies, particularly around agricultural subsidies. With the AfCFTA projected to boost intra-African trade by 52% by 2030, aligning G20 support with these efforts could amplify the continent's economic resilience.

**US President Donald Trump's return to the White House in 2025** casts a shadow of uncertainty over U.S.-Africa relations, raising concerns about aid, inconsistent diplomatic engagement, and the fate of the African Growth and Opportunity Act (AGOA).

Will AGOA be renewed under Trump's transactional approach to foreign policy? If not, how will African nations cushion the blow?

To safeguard their economies, African leaders must diversify trade partnerships with regions like China, the EU, India, Turkey, the Gulf States, and members of the BRICs, proactively engage with policymakers, and leverage Africa's non-alignment position to push for an Africa economic agenda and build resilience. The region must effectively navigate a U.S. foreign policy likely to prioritise security partnerships and commercial returns over developmental assistance.

Meanwhile, Africa remains a focal point in the ongoing **U.S.-China geopolitical rivalry**. **China's Belt and Road Initiative (BRI)** has channelled US\$ billions into infrastructure projects across Africa, offering much-needed roads, ports, and power grids but at the cost of increased debt vulnerabilities. Conversely, U.S. initiatives such as **Prosper Africa and the alternative The Lobito Corridor** focus on private-sector growth, technological partnerships, and governance reforms.

**It will be crucial how the continent navigates this to extract maximum value from both relationships without becoming overly dependent on either.**

The answer lies in strategic non-alignment—pursuing pragmatic bilateral agreements, improving debt transparency, and prioritising infrastructure projects that foster regional integration.

### **Will 2025 deliver the AfCFTA Promise?**

Launched in 2021 with the ambitious goal of creating the world's largest free trade area by population—a **\$3.4 trillion market**—the African Continental Free Trade Area (AfCFTA) promised to boost intra-African trade by 52% by 2030. Four years on, those lofty aims remain largely unrealised, prompting urgent questions about AfCFTA's future.

This really must be the decisive year that transforms rhetoric into results, or just another chapter of big declarations overshadowed by limited action? Only measurable outcomes and firm accountability—both from the AfCFTA Secretariat and its member states—can ensure the initiative fulfils its transformative mandate.

### **What will it take for AfCFTA to work?**

Clear prioritisation of AfCFTA goals in national economic agendas, sustained investment in logistics and energy infrastructure, development of innovative funding mechanisms tailored to AfCFTA projects, and a strengthened secretariat mandate with enforcement capabilities and adequate funding.

In conclusion, 2025 presents an opportunity for Africa to redefine its global standing, an opportunity for the continent to rise and navigate the ongoing fragmentation and strategic rivalries. The return of Donald Trump introduces uncertainty in U.S.-Africa relations, with AGOA renewal hanging in the balance. Meanwhile, Africa must continue to balance the competing agendas of China and the U.S. with a focus on long-term national interests.

At the G20, Africa has a chance to transcend symbolism and push for concrete outcomes in debt relief, climate financing, and fair trade practices. Success will depend on political will, regional coordination, and data-driven advocacy.

Whether Africa emerges as a strategic actor or remains a passive participant will depend on its ability to balance global partnerships, assert its collective voice, and pursue pragmatic, homegrown solutions.

*Agnes Gitau is an international development professional working at the intersection of policy and politics to promote sustainable partnerships for development.*