

# MONTHLY INSIGHT

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30 APRIL 2025



**Robert Besseling, CEO, PANGEA-RISK**

For a third consecutive year, our team collaborated with investment manager Acre Impact Capital to jointly publish a white paper on African sovereign debt themes and to push back against prevalent negativity surrounding the continent's sovereigns. This year, our white paper was given extra relevance by the US government's temporary decision to impose "reciprocal" tariffs on many of its

trade partners in the Global South, while maintaining new baseline levies on trade with most African countries. Our white paper has undoubtedly helped to shine some clarity on a confusing and disruptive month for global trade.

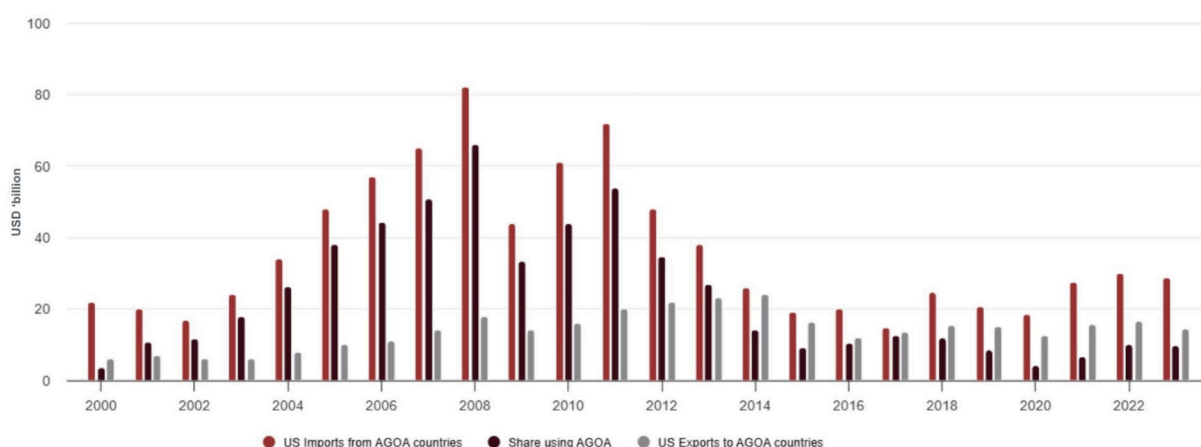
In this Monthly Insight, we unlock the white paper on the impact of political change on Africa's credit outlook. We also offer all readers an opportunity to watch the recording of a gripping webinar hosted by the paper's authors. Meanwhile, our Insight Members can take another look at the three special reports we published on the impact of the US tariffs on trade with Africa, Asia, and the Middle East.

# “Our white paper has undoubtedly helped to shine some clarity on a confusing and disruptive month for global trade.”

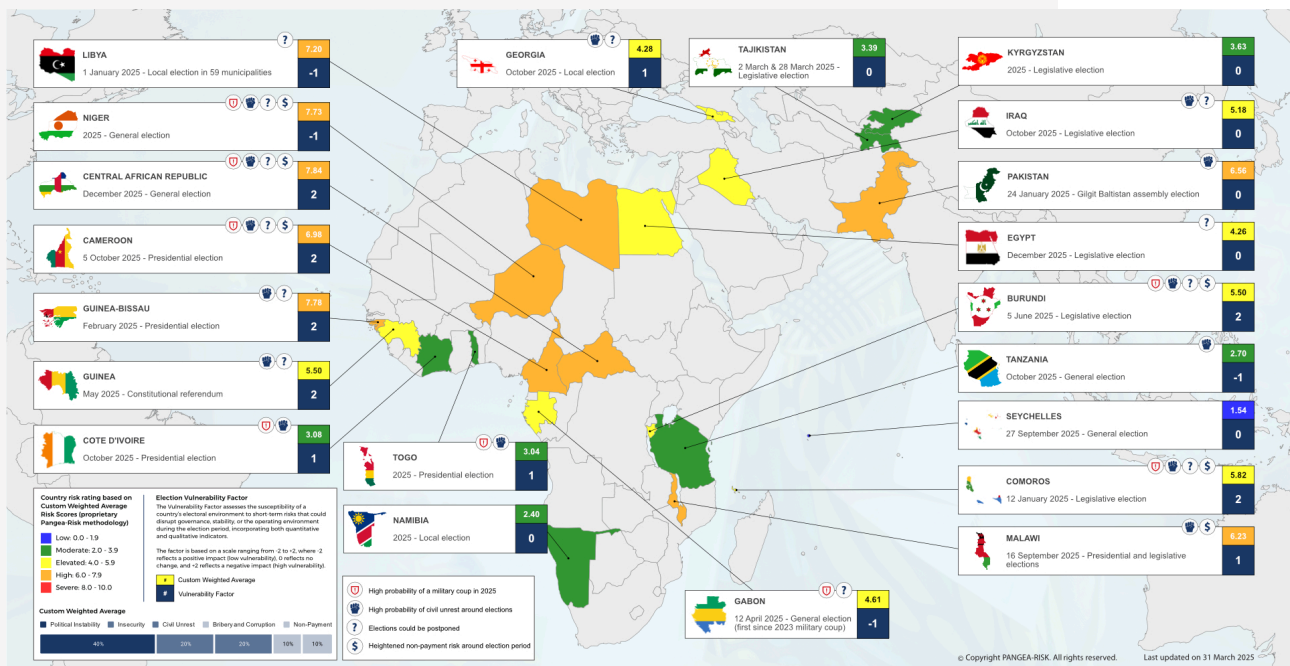
Africa's credit outlook in 2025 will be shaped by a confluence of political shifts both within the continent and in the global arena. The relationship between political shifts and credit risk is multi-faceted, with election cycles, policy changes, and external geopolitical pressures influencing debt sustainability, market confidence, and sovereign borrowing costs. As geopolitical realignments unfold, changes in United States (US) leadership and the US' consequent evolving trade policy stances, coupled with the outcomes of key elections across Africa, will impact sovereign risk, credit ratings, and investor sentiment.



AGGREGATE TWO-WAY TRADE IN GOODS BETWEEN AGOA COUNTRIES AND THE UNITED STATES



Source: AGOA



## PANGEA-RISK INSIGHT ELECTIONS 2025: COUNTRY RISK VULNERABILITY ASSESSMENT

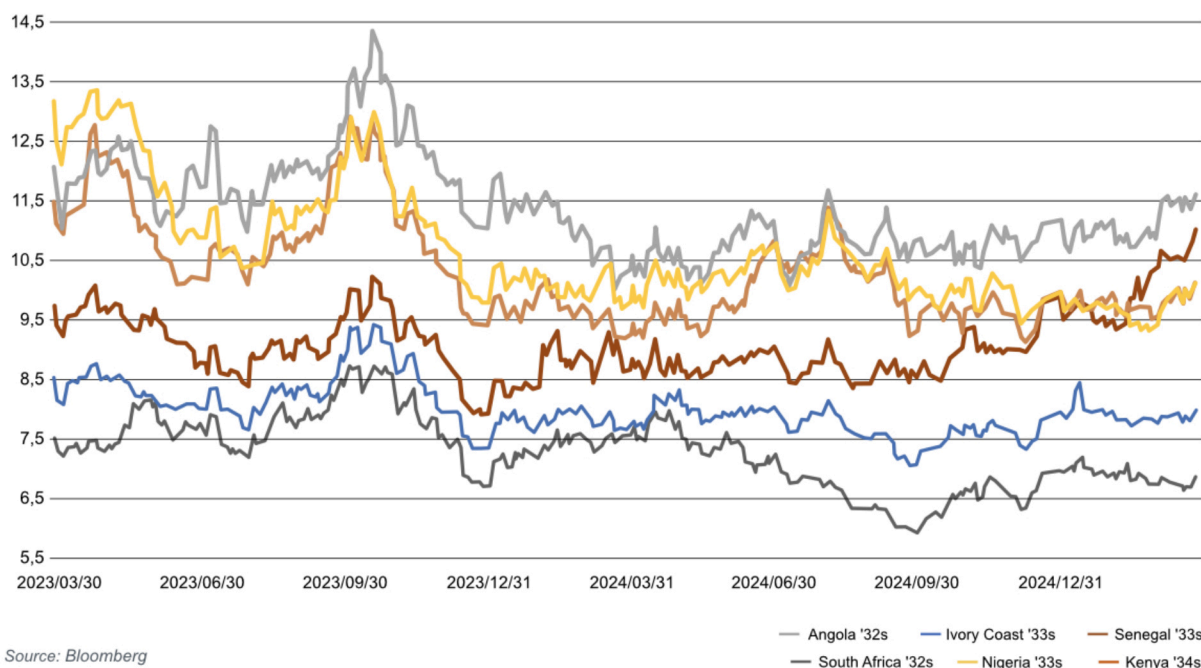
Domestically, the 2024 election outcomes in key African economies such as South Africa, Ghana, and Senegal, as well as the 2025 ballots for Cameroon, Côte d'Ivoire, Gabon, and Tanzania, for example, will determine governance continuity, fiscal stability, and reform agendas in these critical markets. Understanding the ramifications of these political developments is essential for policymakers, financial institutions, and investors navigating Africa's credit markets. The past decade has demonstrated how political uncertainty can exacerbate fiscal challenges, deter investment, and lead to credit rating downgrades. In 2025, as new administrations take office and policy directions shift, these dynamics will play a decisive role in Africa's economic trajectory and credit outlook.

This white paper, *The Impact of Political Change on Africa's Credit Outlook in 2025*, examines the impact of two major drivers of political change, including the repositioning of US-Africa trade relations off the back of the (re)inauguration of President Trump and the impact of administration changes closer to home following major elections in 2024 and upcoming ballots in 2025. By leveraging insights from Pangea-Risk and Acre Impact Capital, this paper offers some strategic considerations for stakeholders managing exposure in African markets.

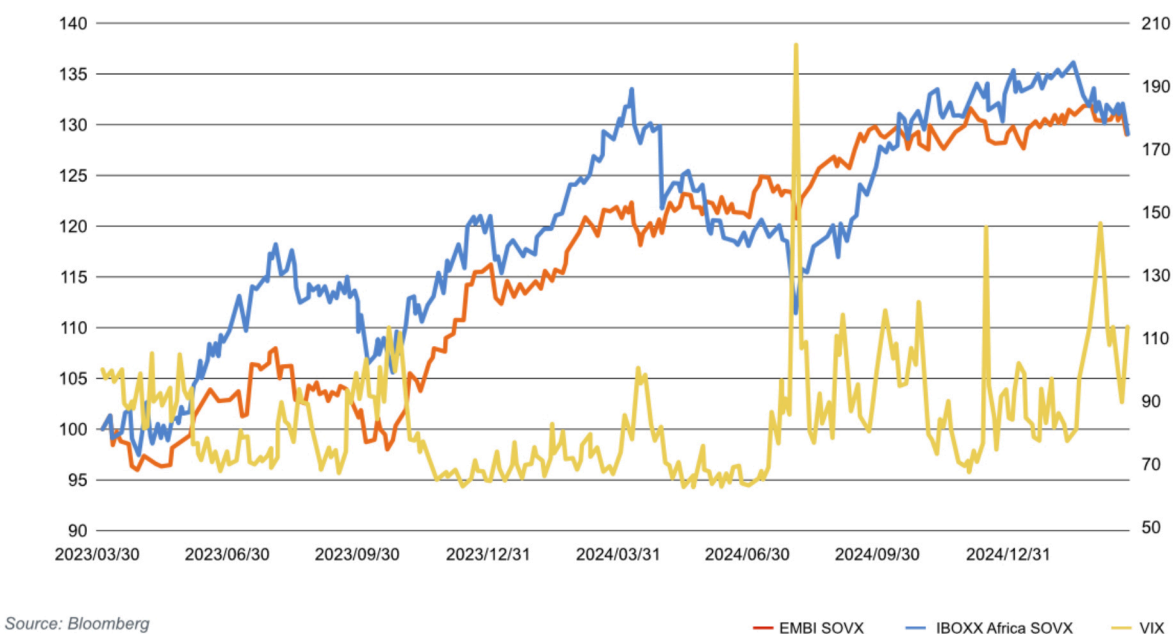
The Impact of Political Change on Africa's Credit Outlook in 2025 examines the critical intersections between political shifts and credit risk across the continent. As Africa navigates the outcomes of key elections in 2024 and 2025 as well as geopolitical realignments off the back of President Donald Trump's re-election, some caution over Africa's credit outlook and ability to service debt is well placed. That said, African borrowers are showing signs of resilience that could bode well for mitigating these risks.



## YIELD PERFORMANCE OF SELECT SSA SOVEREIGN ISSUERS



## EM / SSA SOVEREIGN CREDIT PERFORMANCE VS. VOLATILITY

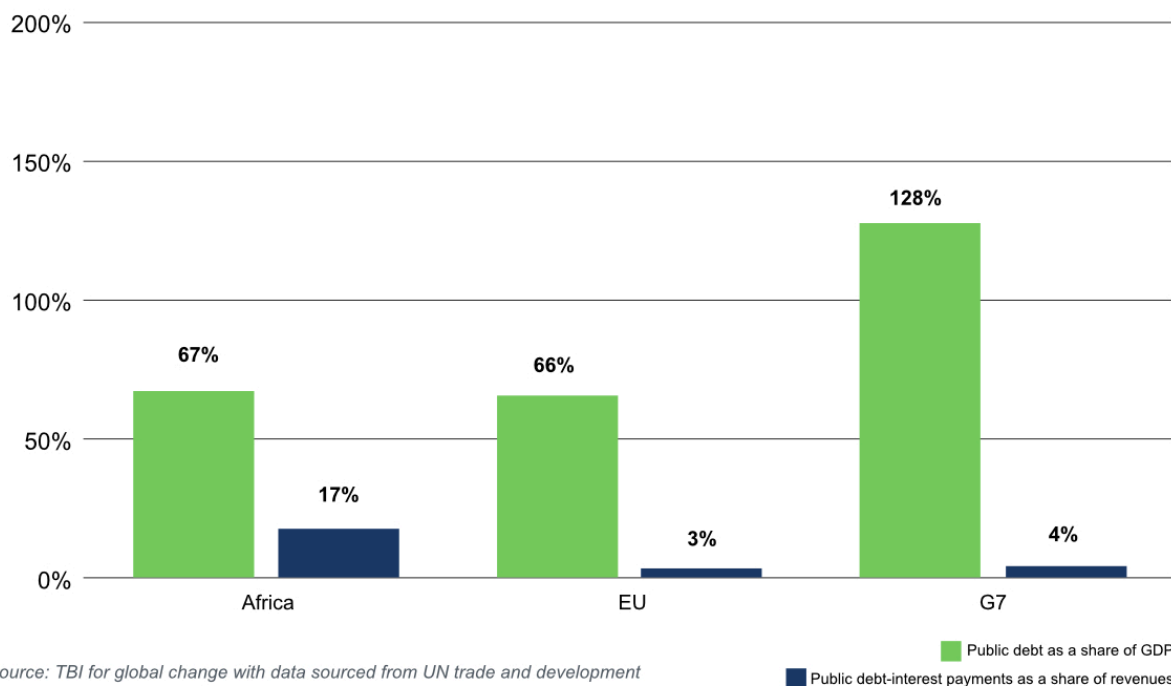


Specifically, under President Donald Trump’s revived “America First” doctrine, US trade will likely become a tool of coercive diplomacy – offering capital, market access, and infrastructure development opportunities to compliant states. Yet, those willing to adjust to new trade to new trade dynamics will gain liquidity lifelines, either through the US or its counterparts. Elections across Africa present credit inflection risks. Where transitions expose fiscal misreporting or trigger populist divergence from IMF terms, sovereign downgrades and market exclusion are likely to follow. Yet, credible polls paired with fiscal reform offer the prospect of rating stabilisation and improved access to concessional and market-based financing.

Despite prevailing global macroeconomic uncertainty, market sentiment indicates that default risk across the continent has reduced from the peaks in 2022 and 2023. Changes in global trade dynamics will present challenges, but also considerable opportunities which African nations can leverage to help secure their long-term success.



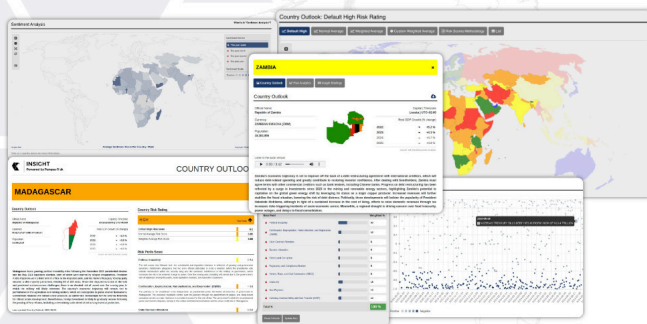
## PUBLIC DEBT VS. INTEREST BURDEN: A COMPARISON OF GDP AND REVENUE IMPACT



# “Changes in global trade dynamics will present challenges, but also considerable opportunities.”

Our white paper has already been featured by several international news media and will be distributed by our partners at the Berne Union and other trade focussed organisations. As global uncertainty persists in coming months, we hope that our research and analysis will stand in good stead for stakeholders in Global South trade and investment.

Insightful reading!



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## THE IMPACT OF POLITICAL CHANGE ON AFRICA'S CREDIT OUTLOOK IN 2025

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## OUR FAVOURITE AFRICA ANALYSIS PICKS



**FREE TO READ:**

### THE IMPACT OF POLITICAL CHANGE ON AFRICA'S CREDIT OUTLOOK IN 2025



The Impact of Political Change on Africa's Credit Outlook in 2025 examines the critical intersections between political shifts and credit risk across the continent. As Africa navigates the outcomes of key elections in 2024 and 2025 as well as geopolitical realignments off the back of President Donald Trump's re-election, some caution over Africa's credit outlook and ability to service debt is well placed. That said, African borrowers are showing signs of resilience that could bode well for mitigating these risks.

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## MEMBERS ONLY:

### SPECIAL REPORT: WINNERS & LOSERS: US TARIFFS TRIGGER DIVERGING RESPONSES IN SUB-SAHARAN AFRICA



Trade with Africa is a low priority for the United States government. This means that the imposition of higher reciprocal US tariff rates targeting specific countries from today will draw varied responses from African governments. Larger African economies like South Africa, Nigeria, and Ethiopia, as well as smaller markets with heavy exposure to the US, are most vulnerable to the impact of the tariffs, including job losses, decline in export revenues, and increased fiscal pressures.

On the other hand, mineral-rich African countries like DRC and Madagascar will try to negotiate mutually beneficial bilateral deals with the US. Moreover, some East and West African exporters are escaping the worst effects of the tariff spree.

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## MEMBERS ONLY:

### NIGERIA: SUBDUED OIL AND GAS SECTOR OUTLOOK AMID RESURGENT ECONOMIC AND INSECURITY CHALLENGES



After a period of heightened expectations, recent months have seen Nigeria's oil and gas sector come under renewed pressure from multiple directions. Falling oil prices triggered by the global tariff war initiated by the United States are cutting into crude oil revenues, while efforts to lift production are again threatened by a sabotage campaign targeting oil and gas infrastructure in the Niger Delta. These developments have significant implications for Nigeria's fiscal stability, where reduced hydrocarbon revenues are

likely to push the government into additional borrowing.

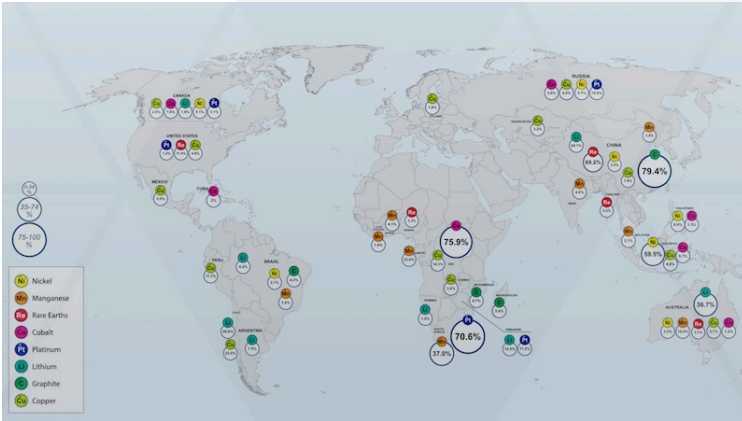
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## MEMBERS ONLY:

### SPECIAL REPORT: RESOURCE-RICH STATES USE MINERALS FOR DIPLOMATIC LEVERAGE AMID GREAT POWER RIVALRY



Under US President Donald Trump's administration, critical minerals have become tools of transactional diplomacy, with bilateral deals tied to security, access, and political alignment, exemplified by proposed agreements with Ukraine and the DRC. The US is increasingly relying on Gulf states to close financing and processing gaps in its mineral strategy, with the UAE and Saudi Arabia expanding their roles in the global supply chain. Resource-rich

governments in Africa and beyond are leveraging heightened demand to renegotiate terms, assert control over exports, and extract greater economic and political value.

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### PANGEA-RISK IS A PROUD SPONSOR OF EXILE GLOBAL 2025 IN COPENHAGEN

June 10 – June 12, 2025

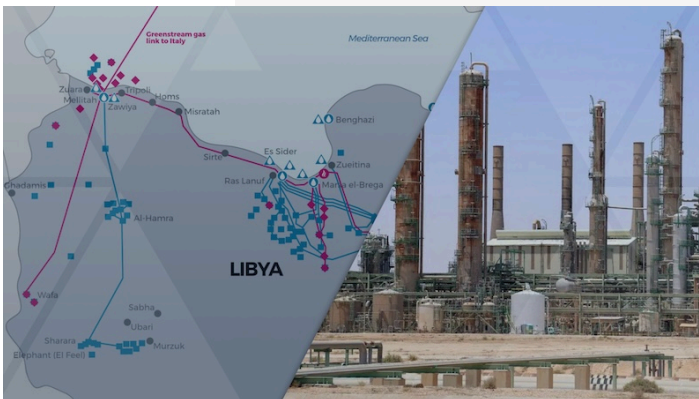


## OUR FAVOURITE MIDDLE EAST & ASIA ANALYSIS PICKS



### FREE TO READ:

#### **LIBYA: ENERGY INVESTMENT BECOMES A LEVER OF FOREIGN-BACKED POLITICAL CONSOLIDATION**



The United States' military and diplomatic engagement with the Libyan National Army (LNA) reflects a recalibrated strategy to counter Russia's entrenched presence but is reinforcing fragmented authority, marginalising the Government of National Unity, and entrenching dual security structures. The energy sector, while presenting investment potential through new public tenders, remains divided, with the eastern oil zones effectively controlled by the LNA and leveraged for strategic

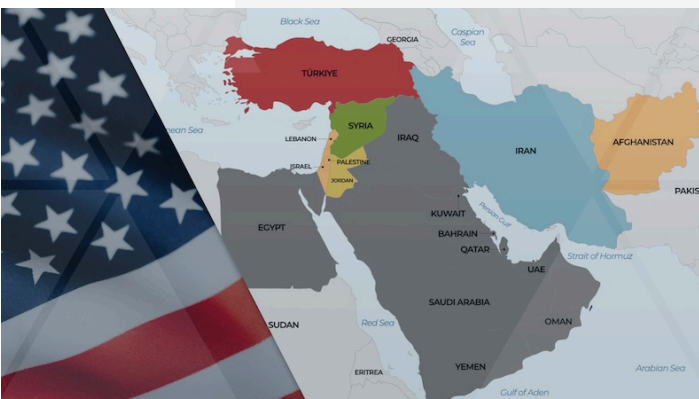
partnerships with Russia and China. Libya's fiscal model remains exposed to global oil price volatility, with minimal non-oil revenue, opaque spending, and a widening deficit that threatens macroeconomic stability.

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### MEMBERS ONLY:

#### **SPECIAL REPORT: MIDDLE EAST & NORTH AFRICAN EXPORT MARKETS FACE MODERATE SHOCK FROM US TARIFF UNCERTAINTY**



Despite close ties with the United States, MENA economies are drawn into the US tariff net. The now delayed reciprocal US tariffs are expected to disrupt trade frameworks across the region by overriding agreements and reshaping access to key markets. Exporters face rising costs and weaker demand, while oil producers are exposed to falling revenues as global consumption slows. Import-reliant economies are struggling with inflation and external debt risks as price volatility spreads through food and

fuel markets. Industrial sectors across the region are under pressure from shifting supply chains, tighter margins, and redirected global competition.

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#### MEMBERS ONLY:

### SPECIAL REPORT: ASIAN ECONOMIES REELING AS US TARIFFS DISRUPT TRADE AND SUPPLY CHAINS



The US government's latest tariffs pose substantial risks to Asia Pacific economies, disrupting longstanding trade ties and supply chains. Countries such as China, Vietnam, Cambodia, Bangladesh, and Sri Lanka face steep tariffs and potential declines in output, employment, and foreign exchange earnings. China, unlike others seeking to avoid escalation, has announced retaliatory tariffs on the US and stepped up regional trade diplomacy. The tariffs also undermine Western and Chinese

companies' 'China plus one' strategy, heightening uncertainty for multinationals. Without negotiated relief, the measures risk deepening trade fragmentation, worsening regional economic disparities, and fuelling broader socio-political instability across the Asia Pacific.

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#### MEMBERS ONLY:

### BANGLADESH: RISING TRADE UNCERTAINTY AND DISRUPTIONS AMID INVESTMENT AMBIGUITY



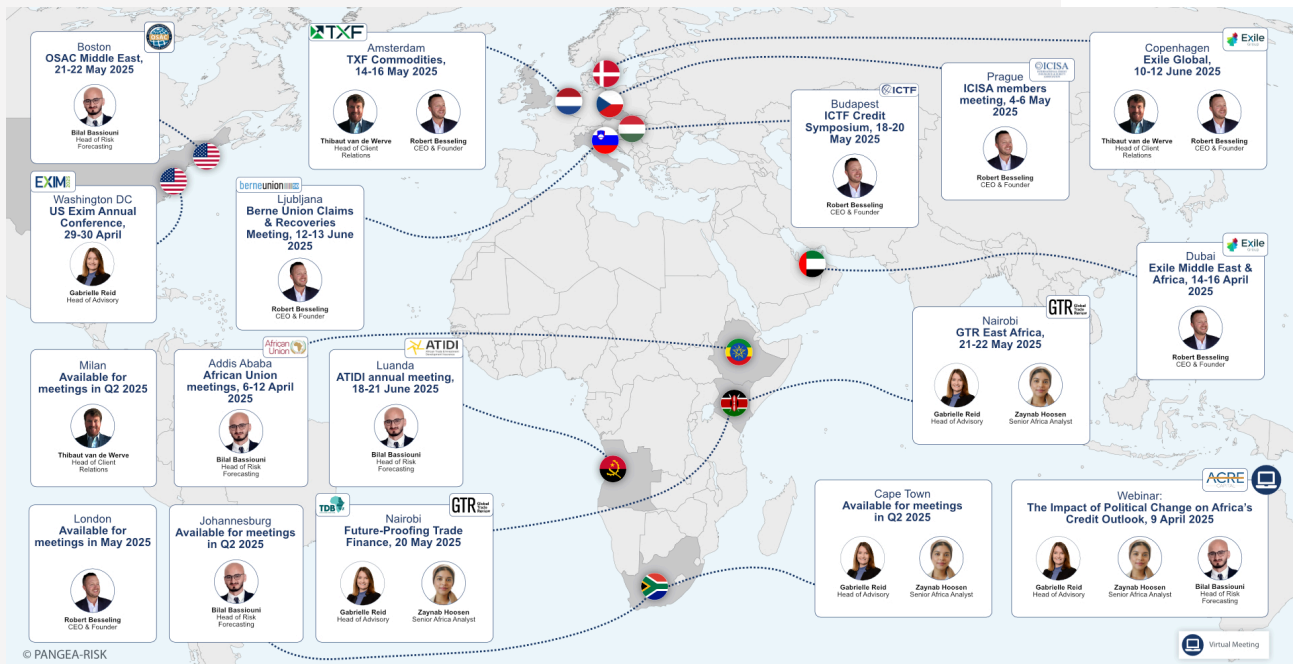
Bangladesh faces rising commercial risks as US tariff volatility, regional tensions with India, and fragile investor confidence converge. The temporary suspension of President Donald Trump's 37 percent tariffs on Bangladeshi exports offers short-term relief, but uncertainty persists, threatening the garment sector, which generates over 80 percent of export earnings. Simultaneously, India's cancellation of transshipment access for Bangladeshi exporters reflects deepening geopolitical friction amid the country's growing partnership with China. Despite modest

outcomes from the investment summit in April, persistent regulatory inefficiencies and political instability continue to deter foreign capital.

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## MEET THE PANGEA-RISK TEAM ON THE ROAD IN Q2 2025



Meet the Pangea-Risk team in Q2 2025 across Africa, Europe, and the Middle East. Reach out for a meeting or platform demo.

## WATCH OUR LATEST ANIMATED INFOGRAPHICS



**THE IMPACT OF POLITICAL CHANGE ON AFRICA'S CREDIT OUTLOOK IN 2025**



**DRC: M23 INSURGENCY DRIVES REGIONAL WAR RISKS**



**ANGOLA: SOVEREIGN PREPARES RETURN TO INTERNATIONAL BOND MARKET**



**SOUTH AFRICA: US RIFT WIDENS WHILE COALITION GRAPPLES WITH FISCAL BUDGET DEADLOCK**

## WATCH OUR LATEST MEDIA INTERVIEWS



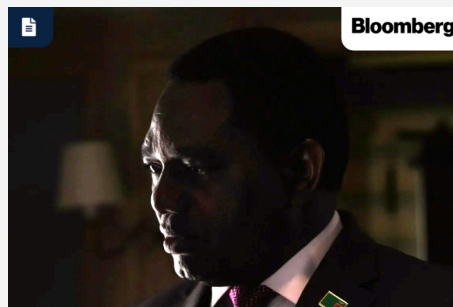
**THE DAY AFTER: GLOBAL TRADE IN FREEFALL?**



**BRICE NGUEMA WINS GABON'S PRESIDENTIAL ELECTION**



**PANGAEA RISK ON THREE POSSIBLE TRAJECTORIES OF U.S.-AFRICA ENGAGEMENT**



**ZAMBIA'S PRESIDENT PLEDGED TO FIGHT GRAFT. A WHISTLEBLOWER IS CLAIMING TO CALL HIS BLUFF**



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