

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%

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.

03

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.

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.

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.

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.

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.	

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.

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.

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.

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.

PAC 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.

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

PAC 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.

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