

Unlocking Africa's trade potential: MCB releases a blueprint for sustainable growth

- *Thierry Hebraud, CEO, MCB Ltd: "Africa's trade opportunities are tangible and, with the right trade finance solutions, also sustainable".*

Port-Louis, 20th March 2025 : MCB Group Limited (MCB Group) has released an in-depth report titled "Harnessing Africa's Trade Potential: Strategies for Sustainable Growth," highlighting the continent's economic resilience and untapped trade opportunities. The report is based on insights from the second edition of MCB's Africa Trade Week, held during the course of 2024, which brought together key stakeholders to discuss the future of African trade amidst geopolitical tensions and sustainability challenges.

The key highlights of the report are:

Economic Resilience and Growth: Despite challenges such as the COVID-19 pandemic and geopolitical risks, Africa has shown significant economic resilience. The continent's GDP growth is expected to rise to 4.2% in 2025, driven by improvements in economic activity and easing supply constraints.

Intra-African Trade: Intra-African trade remains a critical focus, with the African Continental Free Trade Agreement (AfCFTA) playing a pivotal role. The report emphasizes the need to address infrastructure deficits and harmonize trade policies to boost intra-African trade, which currently accounts for only 16% of the continent's total trade.

Sustainable Trade Potential: Africa holds significant potential for sustainable trade, particularly in sectors like agriculture and renewable energy. The continent is rich in critical minerals essential for the global energy transition, such as cobalt and lithium, positioning Africa as a key player in green global manufacturing and supply chains.

Key Enablers for Sustainable Trade: The report identifies several enablers for sustainable trade, including investment in infrastructure, reducing non-tariff barriers, enhancing financial systems, and fostering political stability. Collaborative efforts between African nations and international partners are crucial for driving knowledge transfer and technological advancements.

Mauritius International Financial Centre (MIFC): The MIFC is highlighted as a strategic partner for African trade and development, offering tailored financial solutions and acting as a gateway for investment. The MIFC's role in facilitating trade finance and supporting sustainable trade initiatives is emphasized.

MCB Group Ltd

9-15, Sir William Newton Street, Port Louis, Republic of Mauritius (GMT +4)

T: +230 202 5000 | E: media@mcb.mu

mcb.mu

Success Stories: The report showcases success stories in sustainable agriculture and energy transition, such as Apollo Agriculture's climate-smart farming initiatives in Kenya and the construction of the world's most sustainable cruise ship, Captain Arctic, by Chantier Naval de L'Océan-Indien in Mauritius.

The report calls for decisive, united efforts to develop both intra-African and international trade, emphasizing the importance of strategic partnerships and investment in infrastructure to unlock Africa's full trade potential. Mauritius plays a pivotal role in African trade through its strategic positioning as a financial and trade hub. The report highlights the key aspects of Mauritius' value proposition for trade, investment and as a financial partner of choice. These are:

The MIFC: The Mauritius International Financial Centre acts as a gateway for investment into Africa, providing tailored financial solutions that facilitate the flow of capital and enhance trade finance. It supports sustainable trade initiatives and helps African businesses move up the value chain.

Investment and Trade Facilitation: Mauritius offers a stable political climate and a sophisticated financial infrastructure, making it an attractive destination for setting up investment vehicles. This helps businesses mitigate risks associated with local currency fluctuations and volatile macro-economic conditions in other African countries.

Preferential Market Access: Mauritius has preferential market access to 70% of the world population through various trade agreements, including the AfCFTA, the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with India, the China Free Trade Agreement, and the Africa Growth and Opportunity Act (AGOA) with the US.

Support for Intra-African Trade: The MIFC supports intra-African trade by providing better terms of payment and reducing working capital cycles through triangular supply chain finance. This helps businesses negotiate more favorable payment terms and enhances their competitiveness.

Financial Services and Expertise: Mauritius offers a range of financial services, including cross-border investment, corporate banking, private banking, and wealth management. The country's financial sector is compliant with international standards, providing a reliable environment for international investors.

Economic Integration and Development: Mauritius' accession to the AfCFTA and its investment-grade rating by Moody's position it as a key player in driving economic integration and development across Africa. The MIFC's role in channeling investments into Africa supports the continent's sustainable development goals.

Overall, Mauritius leverages its strategic location, robust financial infrastructure, and favorable trade agreements to facilitate and enhance trade and investment across Africa, contributing to the continent's economic growth and development.

Thierry Hebraud, CEO – MCB Ltd : "Africa's trade opportunities are tangible and, with the right trade finance solutions, also sustainable. Africa's top sectors are crucial not only for the continent but also for the world. By integrating sustainability into trade, Africa can set a precedent for responsible growth that balances economic, social, and environmental considerations. MCB being an African bank, aims to help African businesses in moving up the value chain and fostering sustainable growth."

Gilles Martial

Manager, Internal Communication & Press Relations

Communication & Engagement BU |
Sustainability, Reputation & Engagement SBU

Direct line: **+230 202 6357**

E-mail: gilles.martial@mcb.mu