



Services

Expansion potential: The biggest growth opportunities for businesses in Africa

Africa. Home to some of the world's fastest-growing markets. A diverse melting pot of culture, and rich with opportunities for expanding businesses. Africa has prevailed against setbacks from global conflicts and environmental crises that have impacted international trade, showing continued growth and resilience.

The continent's sheer size, diversity and young entrepreneurial workforce means new opportunities are always materializing, while government initiatives are helping drive transformation. For example, the Digital Economy Initiative for Africa (DE4A) aims to make every business, government, and person in Africa digitally enabled by 2030. At the same time, the African Continental Free Trade Area agreement means barriers are gradually breaking down (South African Government, 2024).¹

But what benefits really are there for doing business in Africa – and which of its many countries and cluster regions hold the best expansion opportunities? With decades of experience and physical presence across Africa, we've spotlighted key growth areas for businesses like yours, in some of the continent's most innovative countries.

The diversification revolution

With 4.3% expected growth projected in 2025 by AFDB's African Economic Outlook report, Sub-Saharan Africa is said to have been the second-fastest growing region worldwide in 2024 (African Economic Outlook, 2024).² A big part of this is due to the rapid diversification of its markets.

Once synonymous with oil and natural minerals, Africa as a whole is diversifying for long-term economic sustainability. In Morocco, a rapid increase in internet penetration is driving e-commerce growth (Giaborne, 2024),³ while diversification into new industries such as mobility and aeronautics is fostering innovation, the automotive sector has surpassed phosphates as the country's leading export industry, with an anticipated further growth of 1.5 million cars by 2026 (North Africa Post, 2024).⁴ Industry diversification is also benefiting other economies. In Kenya for example, GDP is projected to grow by between 5.3-5.5% driven by the growth of sectors ranging from agriculture to services (finance, tourism and retail).

Perhaps the biggest moves away from tradition are the countries striving to become leaders in renewables – from Morocco's and Egypt's green hydrogen roadmaps to South Africa's decarbonized economy goal. In reducing dependence on fossil fuels, countries not only appear to be strengthening energy security, but creating new opportunities for investment, innovation, job creation, and continued economic growth.

Dynamic innovation

Innovation is also a key growth driver. South Africa specifically is a bustling hub for business. With a young population, its high-growth sectors make it a hotspot for both startups and established enterprises. As we've seen first-hand, digital payment solutions and disruptive fintechs are making finance and banking more accessible in the country today (Emerald Insight, 2024).⁵

Despite declining investments in Africa, Nigeria retained its 64th position in the global startup index and is 4th in Africa. Notably, the country's 200+ million population and an expected 4.17% GDP growth rate makes it one of the continent's biggest economic hubs.

In Egypt, information technology is rapidly developing. Recent multibillion-dollar deals with the IMF are likely to accelerate growth within the sector, which had a robust growth rate of 15.2% last year. Notably, US companies also have large physical presence in the country – contributing to the growth and advancement of its digital economy (Digital Economy, 2024).⁶

International trade opportunities

Historically perceived as technically difficult for trade, recent efforts across the continent are helping bolster intra-regional commerce and aid more seamless business operations. Analysis by UN Trade and Development estimates that address non-tariff barriers and other trade-related regulations could boost Africa's economy by as much as \$7.1 billion (UNCTAD, 2024).⁷

Technological developments – from digital cash flow solutions to mobile banking apps – are helping facilitate this. But the advantages of geographical location when it comes to business opportunity can't be understated.

With the Nile as its heartland and the Suez Canal connecting the Mediterranean to the Red Sea, Egypt is a gateway to international trade. South Africa's location at the southernmost point offers another strategic gateway to the rest of the continent, while Morocco also serves as a bridge for European and African trade and investment flows.

Similarly, Kenya is ideally placed for access into Eastern Africa. As a country, it has built strong bilateral and multilateral trade relationships in the region. An economic, commercial, information and communications technology (ICT), financial and logistics hub – the country has the strongest industrial base in the East Africa region, boasting well connected intermodal logistics routes (International Trade Administration, 2024).⁸

Rich diversity and unique opportunities

While significant opportunities are widespread across Africa, the right Treasury and Trade Solutions collaborator can help turn them into realities.

Citi helps expanding businesses enter into and grow within the Middle East and Africa. With decades of on-the-ground experience in the region, we have been a part of landmark deals across various industries, such as coordinating client listings on both the London and Johannesburg stock exchanges, centralising global treasury centres and supporting clients with working capital.

Our physical presence across 28 countries in the Middle East and Africa region (15 countries in Africa alone), as well as the deep, advisory relationships we have with local regulators make us a smart collaborator. From digitizing working capital to centralising supplier payments – our Treasury and Trade solutions (TTS) can help your business capitalize on the right opportunities in the right locations.

Reach out to a Citi representative to see how we can support your business.

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¹ [The African continental free trade area | South African Government](#)

² [African Economic Outlook 2024 | African Development Bank Group](#)

³ [Invest in Morocco: Opportunities for International Business](#)

⁴ [Morocco expects to produce 1 million cars by 2025 – The North Africa Post](#)

⁵ [FinTech developments and their heterogeneous effect on digital finance for SMEs and entrepreneurship: evidence from 47 African countries | Emerald Insight](#)

⁶ [Egypt – Digital Economy](#)

⁷ [New App boosts fight against trade barriers in Africa | UN Trade and Development \(UNCTAD\)](#)

⁸ [Kenya – Market Overview](#)