

MAULA ALI'S MESSAGE



***"I urge you to be truthful in your words;
not to conceal the defect in your
merchandise;
not to deceive a gullible person,
because deceiving him is not allowed."***

Maula Ali (AS)



THE CONTINENT OF OPPORTUNITIES

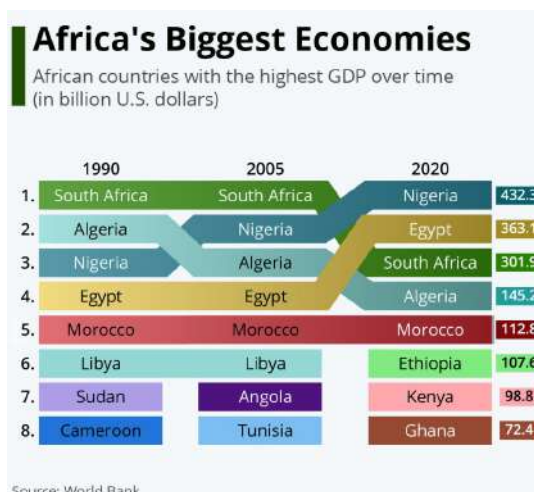
As we enter 2025, the continent's fiscal revolution and sustainable development are at a crucial stage. It certainly has made noteworthy progress in defining a clear direction for its growth journey reshaping global narratives about its potential. However, the road to prosperity comes with hurdles, such as infrastructural scarcity, climate variation and governance gaps, need to be addressed, to unravel the continent's full potential.

So, what does the future of Africa look like - Beyond 2025?

Africa can redefine its global position by capitalising on its strengths while forming innovative solutions to its challenges. Accomplishment will depend on strategic investments, healthy partnerships, and a unified vision for sustainable growth. Today's choices will shape Africa's future and influence global economic and social dynamics. It can build a robust and thriving future by focusing on its key priority areas, such as:-

i. Developing Regional Trade

The African Continental Free Trade Area (AfCFTA) is going to be a game-changer. Covering 54 countries and over 1.3 billion population with a combined GDP of USD 3.4 trillion, it has the potential to create one of the world's largest united market. However, its full potential can only be realised through sustained progress on trade facilitation, infrastructure development, and regulatory harmonisation. The nations must focus on scaling intra-African trade which requires digitising customs systems, strengthening logistics networks, and creating regional value chains in manufacturing and agriculture.





“Be cautious, brother, and make your meals lawful
for the light of the heart comes through lawful eating.”
Maula Ali (AS)

ii. Channelling the Digital Economy

Digital revolution is transforming all sectors be it finance, IT or healthcare. The continent’s fintech ecosystem, led by trailblazers has revolutionised the market. With internet, Africa’s digital economy is projected to contribute \$ 180 billion to GDP by 2025 with an expected target of more than 800 million Africans to be online by 2030. To capitalise on this, countries should invest in digital infrastructure and support the rise of regional tech hubs. Encouraging investments in AI, blockchain, and other emerging technologies will ensure Africa’s economy thrives in a globalised world.

iii. Renewable Energy

Climate change remains an existential threat to Africa, a region unduly affected despite contributing the least to global carbon emissions. Extreme weather and rising sea levels are taking a toll on the food security, water resources and infrastructure. Nations must implant long-term strategies to build climate resilience while transitioning to renewable energy. The Africa Renewable Energy Initiative (AREI) aims to achieve at least 300 GW of renewable energy capacity by 2030. Also, the Green Recovery Action Plan (GRAP), positions Africa as a global leader in sustainable energy transitions.

iv. Agricultural Transformation

Agriculture remains the mainstay of Africa’s economy, employing 60% of its population. However, the sector is under immense pressure from climate change, fragmented markets and outdated farming practices. Ensuring food security will require a sustained focus on innovation and value chain development. Public-private partnerships in Agro-processing is of paramount importance to boost incomes and reduce post-harvest losses.

v. Augmenting Role in the Global Economy

Africa’s immense resources, young population and emerging markets, position it as a key player in the global economy. However, it must strengthen its trade relationships and attract FDIs. The African Continental Free Trade Area (AfCFTA) serves as a gateway to global markets, while partnerships with entities like the BRICS can boost exports and technology transfer. It has to call for strategic investments in manufacturing, mining and service sectors to reduce dependency on raw material exports.

vi. Strengthening Governance and Institutions

Last but not the least, good governance is the foundation of sustainable development. As economies grow, so must the transparency, accountability, and efficiency of its institutions. Fostering democratic governance and combating corruption will remain critical priorities. Regional bodies must strengthen conflict resolution mechanisms to ensure peace and stability across the continent.

The Long-Term Vision

Africa’s long-term visions are ambitious but attainable. It requires a collective effort from governments, private-sector players, civil society and international partners. By focusing on climate resilience, regional trade, digital transformation, agricultural innovation, governance and healthcare, the continent can unravel its enormous potential and serve as a model to the world, which was once termed the DARK continent.

BUSINESS HIGHLIGHTS

1. Kenyan startups secured \$638 million in funding in 2024, propelling the country to the top position in Africa's startup funding rankings. Kenya's strong performance was driven by significant deals in the climate tech sector, with companies such as d.light, SunCulture, and BasiGo attracting substantial investments. Kenya's strategic location and advanced internet infrastructure have positioned it as a hub for tech firms in East Africa. These factors have made the country an attractive destination for global investors seeking opportunities in scalable solutions.



2. President William Ruto has announced plans to extend the Standard Gauge Railway (SGR) from Naivasha to Uganda, Rwanda, and the Democratic Republic of Congo (DRC) to bolster regional trade and investment. Already Uganda has launched ground operations for the construction of the SGR, with the first phase of the project set to begin with a 272 km stretch from Malaba to Kampala.

3. Uganda has been granted BRICS partner state status from 1 January 2025, opening up opportunities to attract investments and strengthen ties with some of the world's largest emerging economies. Uganda's participation in BRICS provides access to advanced technologies and innovations, including the use of information and communication technologies to transform society. Uganda, with its significant energy and mineral resources, can position itself as an attractive investment destination for the member states of the bloc. Furthermore, Uganda views its partnership with BRICS as an opportunity to diversify its sources of financing, which would reduce dependence on Western financial institutions and their conditions.



4. Kenya has ratified a treaty that blocks multinational firms from abusing taxation loopholes and shifting profits. Domestic tax base erosion and profit shifting (BEPS) relates to tax planning strategies that multinational enterprises use to exploit loopholes in tax rules to artificially shift profits to low or no-tax locations as a way to avoid paying tax. The ratification will leverage Kenya's capacity to resolve tax disputes. It joins more than 85 countries that have approved the convention, which has modified over 1,600 existing agreements. The BEPS convention will enter into force beginning May 2025.



5. Kenya's economy expanded by 4% in the third quarter of 2024, a slowdown from 6% recorded in the same period in 2023 and the slowest in four years, dragged by notable contractions in key sectors such as construction, mining, and quarrying. The construction sector was hard hit, recording a 2% contraction compared to a 4% growth in 2023 and 2.9% in the second quarter of 2024, triggered by higher costs of building materials and government budget cuts towards construction projects.

Lighter Moment

A woman took an afternoon nap on New Year's Eve. When she woke up, she told her husband, "I just dreamed that you gave me a diamond ring for a New Year's present. *What do you think it all means?*" He replied, "Aha, you'll know tonight!" At midnight, her husband handed her a small gift-wrapped present.



Excited, she opened it quickly, but was even more surprised: In it was a book titled - *The Meaning of Dreams*