

## **KEYNOTE ADDRESS**

*Insurance as an Enabler of Economic Growth for All —  
Taking Advantage of Free Trade Across Africa*

52nd Conference & Annual General Assembly of the  
African Insurance Organisation • Cairo • June 2026

Mrs. Kanayo Awani — Executive Vice President, Intra-  
African Trade & Export Development, Afreximbank

---

*Your Excellencies; Honourable Ministers and Regulators;  
the President of the African Insurance Organisation and  
the executive committee; the leadership of the Insurers  
Federation of Egypt and the Financial Regulatory  
Authority of our host nation; leaders of this great industry;  
partners and friends of a continent on the move press men  
and women, Ladies and gentlemen.*

Allow me to bring you the warm greetings of Dr. George Elombi, President and Chairman of the Board of Directors of Afreximbank, and to thank the African Insurance Organisation of which our own specialty insurance subsidiary, AfrexInsure, is a proud member for the honour of this invitation — to address, at your 52nd Assembly, a theme you chose and we also share: insurance as an enabler of economic growth for all: Taking Advantage of Free Trade Across Africa.

**Distinguished guests,**

Sometimes gatherings meet to manage the present, and other gatherings meet to decide the future. This is the second kind.

Sixty-three years ago in May, the founders of modern Africa convened in Addis Ababa. History remembers that meeting for the flags it raised and the independence it proclaimed. But when you read the resolutions adopted at that founding meeting of the Organisation of African Unity, and you encounter a deeper, more strategic ambition than our textbooks ordinarily emphasise. Those our founding founders did not gather only to declare that Africa was free politically. They gathered to design how Africa would be totally liberated.

In black and white, they resolved to build a free trade area among African states. They resolved to create an African payment and clearing union. They resolved to establish a pan-African monetary zone, to protect and grow our emerging industries, to coordinate our transit and transport, and to build a financial system that would finance Africa's own development.

Think about that. Sixty-three years ago, our founders described almost to the letter, the architecture this continent is building today. An African financial Architecture.

They had the vision. What they did not yet have was the machinery. They could resolve a free trade area into

existence; they could not yet make a payment settle across a border in an African currency. They could call for African industry; they could not yet insure the factory that would build it.

We are the generation that can. So the hand-over ceremony, we just witnessed is a call to commitment. It will take commitment.

So let me begin with a simple truth: no nation can trade beyond the limits of its own capacity to carry risk.

If cargo cannot be insured, it does not move. If receivables cannot be covered, they cannot be financed. And if political and currency risks cannot be priced and laid off, projects do not reach financial close.

Across most of the continent, insurance penetration remains around 2 to 3 percent, against a global average of 6.8 percent. In 2024, only South Africa at 11.5 percent and Namibia, at just over 7 percent, exceeded that global benchmark. Our entire continental reinsurance market wrote roughly 6.27 billion dollars in premium in 2024 barely 1.6 percent of the global total. That gap is not just statistic. It is the reason projects are delayed, finance is priced higher, investment is thinner than it should be, and too much African risk is still ceded abroad.

And there is no more fitting place to say so than Cairo, a city that has sat at the meeting point of continents for thousands

of years. The merchants who once crossed these deserts understood what our spreadsheets sometimes forget: that trade is an act of faith between strangers, made possible only when risk can be shared. Today, Africa returns to that ancient crossroads, no longer the world's quarry, no longer a market to be supplied by others, but the next great centre of global economic gravity.

### **Ladies and Gentlemen,**

The African Continental Free Trade Area has given institutional form to the boldest of those 1963 resolutions: one African market, built not on sentiment but on rules; not on slogans but on systems. One-and-a-half billion people. The largest free trade area by number of countries, with some 3.4 trillion dollars in combined GDP.

Its purpose is not only tariffs. Its purpose is industrialisation. Its purpose is expansion of value chains. Its purpose is to end the centuries-old arrangement in which Africa exports its wealth in raw form, only to buy it back as finished goods at many times the price.

And this is no longer aspiration. Afreximbank's *Africa in Figures 2025* research shows our merchandise trade recovering to 1.35 trillion dollars; intra-African trade rising to 206.6 billion dollars; foreign direct investment surging 75 percent to 97 billion dollars. Seven of the ten fastest-growing economies in the world this year are African. And beneath these numbers stirs the most powerful

demographic engine on the planet: six in ten Africans are under twenty-five, and by mid-century, one in every four human beings alive will be African.

What Africa has lacked is not opportunity but the financial architecture that allows opportunity to scale. The continent attracts roughly 80 billion dollars in actual annual infrastructure spending against estimated needs of 130 to 170 billion dollars — a financing gap the World Bank links to up to 2 percent of forgone GDP every year. That gap will not be closed by capital alone. It will be closed by capital that can be insured, syndicated, and held with confidence. And that holistic architecture, we now have the institutions and the mandate to build.

The *Africa Insurance Pulse 2025*, produced by this Organisation in partnership with Faber Consulting, documents the centrality of this role across the infrastructure lifecycle: construction all-risk and erection cover at the build phase; operational and business-interruption protection in service; political-risk and credit insurance underpinning bankability. DFI participation in African private infrastructure projects rose from 18 percent in 2022 to 40 percent in 2023, with insurers and export credit agencies increasingly the syndication partner of choice. Globally, insurers hold approximately 42 trillion dollars in assets. Channelling even half a percentage point of that capital toward African infrastructure would close the

continent's annual financing gap. The instrument that channels it is risk transfer.

Behind every power plant, every port, every refinery, every cross-border receivable sits an unbroken chain of underwriting: construction cover, surety, political-risk protection, business interruption, liability. When that chain holds, projects close. When it breaks, they do not. This is at the head of our industrialisation ambition – job creation – wealth creation

That is why policymakers must see insurance as mature markets do: not as a peripheral service, but as part of the core infrastructure of trade and project finance.

Research also shows a strong link between higher insurance penetration and higher manufacturing value added per capita. Put simply: if a country has industrialised, it has learned to carry its own risk.

While I have painted a picture of what is possible, there are constraints. The structural reasons are well documented. Insurance growth across most of the continent is constrained by four factors: fragmented national regulatory regimes that prevent insurers from achieving cross-border economies of scale; large informal labour markets that exclude between 60 and 85 percent of workers from contributory protection; underdeveloped capital markets that limit the long-duration assets domestic insurers can deploy; and gaps in credible loss data that force

underwriters either to overprice risk or to decline it altogether. These are not failures of will. The will is often there. They are failures of integration. And they are precisely what the AfCFTA, applied seriously to financial services, can address.

A continent assembling itself into one market cannot remain a patchwork of small, fragmented, undercapitalised pools of risk.

The solution is now within reach. As highlighted above, the AfCFTA Protocol on Trade in Services once fully operationalised for financial services, will permit African insurers to underwrite continental risks from a single licence, to mutualise capacity across borders, to syndicate the large deals that no single national market can carry alone, and to access pooled data across 1.5 billion consumers. That is how a 6.27-billion-dollar reinsurance market becomes more than a 30-billion-dollar market. That is how thin pools become deep capital. The sharper question, therefore, is not whether insurance matters. It is whether African capacity will scale fast enough to match African ambition.

Free trade cannot scale without trade certainty. It cannot scale without payment certainty. It cannot scale without transit certainty. It cannot scale without investment certainty. A free market cannot live without the mechanisms that make its freedom safe.

At Afreximbank, we recognise the importance of scale. Without that the Julius Nyerere Hydro Power Project, the single largest Intra-African investment in history would not have been built. We also understand how the holistic financial system can function, partnerships between banking and nonbanking FI.

Allow me at this stage to speak to you about how Afreximbank is intervening. Because in each of these, Afreximbank is deploying. And we are inviting you to deploying capital and we are inviting you to partner with us.

### **Distinguished Guest,**

Consider, first, payment. Until very recently, two African neighbours could not pay one another without routing money through a distant currency (USD or EURO in most cases) and a foreign correspondent bank. The Pan-African Payment and Settlement System — PAPSS — built by Afreximbank in partnership with the AfCFTA Secretariat and the African Union, has changed that. Adopted by the AU Heads of State and the College of African Central Bank Governors as the official settlement platform for AfCFTA implementation, PAPSS today connects 27 countries across all five regions of Africa, more than 180 commercial banks and fintechs, 16 switches which include 6 national switches, and more than 400 payment endpoints. Beyond expanding access, PAPSS is delivering measurable impact: reducing transaction costs by up to 92–95 percent, accelerating

settlement times by up to 99.99 percent — from days to seconds — and lowering foreign exchange requirements by up to 80 percent through local-currency settlement. Participating banks report transaction volume growth exceeding 1,000% following digital channel integration, while end users benefit from faster, cheaper and more accessible cross-border payments. At full continental scale, PAPSS is projected to save the continent more than 5 billion dollars a year in transaction costs.

That is the African payment and clearing union the founders called for in 1963 — finally live.

For you, the implications are direct. Every cross-border policy you write today prices settlement risk and currency-conversion risk into the cover. PAPSS compresses that exposure window from days to seconds, and it generates something the African insurance industry has long lacked: reliable, continental, real-time data on how African counterparties pay one another. So, that data is what you need for underwriting confidence. PAPSS is not a banking convenience. It is risk infrastructure for your business.

Consider, next, transit. One of the oldest taxes on African trade has been the sheer cost of crossing our own borders — a labyrinth of fragmented regimes, repeated bonds, and shallow underwriting. The Afreximbank African Collaborative Transit Guarantee Scheme was built to end exactly that: a single, harmonised, technology-enabled

transit bond, backed by a one-billion-dollar facility, with a 300-million-dollar global re-guarantee facility already deployed in the COMESA region in partnership with ZEP-RE.

In March 2025 in Nairobi, Afreximbank and ZEP-RE (The PTA Reinsurance company) launched the Trans-Africa Bond Alliance; combining ZEP-RE's regional underwriting depth with Afreximbank's continental balance sheet. Operations began last June. By December 2025, the platform had supported approximately 185 million dollars in transit bonds. In the first quarter of 2026 alone, it supported a further 280 million dollars, drawn from 24 cedents across 5 countries — diversification achieved deliberately and at speed. We are now working with the AfCFTA Secretariat to scale the Alliance into the single continental transit guarantee scheme the free trade area requires. The trajectory is clear: a platform that did not exist eighteen months ago is now on a credible path to becoming continental infrastructure — and the runway from here is open.

Understand what it means to de-risk transit. You do not merely protect a truck. You compress time. You widen bankability. You lower cost. You make trade more normal and when trade becomes normal, and therefore investable.

And so, my first invitation to this fraternity, which is a business proposition and not a courtesy: is to open your

institutions to partnership with Afreximbank — to engage with the Trans-Africa Bond Alliance as collaborators, co-underwriters, and capacity providers, so that what is presently active across five countries can be scaled across all fifty-five. Since we now have a blue print and the platform exists. The origination pipeline exists. The risk-sharing architecture exists. What it now requires is the underwriting depth of this room to take it continental. Engage with us so we can build together.

Third, consider trade credit and receivable finance. Let me be specific about what this is — because it is, in many ways, the most powerful and most neglected instrument in African trade finance. Receivable Financing: or let me be more specific — Factoring is the mechanism by which a business sells its unpaid invoices to a financier and receives immediate cash, typically 80 to 90 percent of invoice value, against the financier's later collection from the buyer. The financier carries the credit risk; the business gains the working capital it needs to grow — to fulfil the next order, hire the next worker, expand into the next market. In a continent where the overwhelming majority of business-to-business trade still moves on credit terms but only a fraction of firms can access bank lending, factoring is often the difference between a viable SME exporter and one that stalls at the border.

The scale tells the story. SMEs are more than 90 percent of African businesses and over 60 percent of our employment, yet they face a financing gap Afreximbank estimates at around 300 billion dollars annually. Factoring volumes have more than doubled from 24.4 billion dollars in 2017 to roughly 55 billion dollars in 2024 — but to underwrite SME-led transformation at the scale the AfCFTA demands, we must reach at least 270-billion-dollars, equivalent to 9 percent of African GDP.

The missing ingredient is, again, confidence — and confidence is built on data. That is why Afreximbank is building a continental payment repository: a verifiable record of how invoices are paid. It will strengthen credit underwriting; it will help defeat the invoice fraud that drives nearly 80 percent of factoring losses; and it will unlock receivable finance for enterprises the system has wrongly judged unbankable. With partners like FCI and the International Credit Insurance and Surety Association, we are building the credibility layer beneath an entire asset class.

So here is my second invitation: to the trade-credit insurers and surety underwriters here gathered — engage with us on this platform now, while it is being designed, so that it carries the features your business needs. Such that we build the data, that will help you write the cover.

And consider, fourth, the matter of scale itself. You cannot syndicate a continent's risk on undercapitalised balance sheets. So Afreximbank has gone beyond advocacy and put its own capital to work building African champions — financing the consolidation and acquisition that create institutions large enough to carry African risk. To date, that means more than 1.5 billion dollars in acquisition financing for financial institutions, around 1 billion dollars for non-financial institutions, and a further 105 million dollars committed under our Africa Capital Resilience Investment Programme — capital deployed precisely so that African banks and African insurers can reach the size that cross-border trade requires.

This is what business development looks like when it is serious. Every well-capitalised African insurer is a deeper pool of risk retained at home. Every African champion we help build is capacity that no longer has to be rented from abroad. We are supporting African banking and non-banking to shore up their capital base where required and consolidation through mergers and acquisition. Should you need financing support, please engage us.

Which brings us to the deepest matter of all. Because where a continent's risk is carried is where a continent's destiny is decided.

For generations, the pattern of our economy was extraction — raw value flowing out, finished value flowing back, and

the difference banked on someone else's shore. And nowhere has that pattern been quieter, or more complete, than in the carrying of our own risk. Historically, owing to limited domestic capacity, African insurers have ceded a disproportionate share of premium to offshore reinsurers — and in specialty lines such as energy, aviation, and large commercial property, cession rates of 70 to 90 percent are not uncommon. Every premium externalised in this way is African capital compounding on a foreign balance sheet — building foreign expertise, foreign claims data, foreign reserves — while the African enterprise that generated it later borrows that very capital back, at a higher price. This is the quiet, structural transfer that has shaped African finance for half a century. And it is the transfer we have now begun, deliberately, to reverse.

This is the architecture of risk — the deep machinery that decides who finances whom, and on whose terms — has remained, for far too long, in other hands. That is the unfinished business of our economic emancipation. And it is now being finished, deliberately, through institutions of our own.

### **Ladies and Gentlemen,**

AfrexInsure was created to help solve this problem. Since its inception in 2022, AfrexInsure, Afreximbank's specialty insurance subsidiary has supported transactions across more than 25 African countries, facilitating insurance

solutions for over 20 billion dollars in sums insured. Critically, the overwhelming share of its generated premium has been placed through a pan-African syndication led by Africa Re and supported by ZEP-Re, Continental Re, WAICA Re, SanlamAllianz, Old Mutual and Hollard — an architecture engineered to exhaust African capacity before any risk is externalised. It serves as a single-entry point for trade-related specialty insurance, and it is one of the instruments through which African trade is increasingly supported by stronger African underwriting capacity.

These are the very partnership we want to see, with more African capacity, more African data, more African expertise and stronger African institutions.

And there is evidence that African capacity is strengthening. Africa Re closed 2025 with 1.34 billion dollars in gross written premium up 10.18 percent year-on-year — 199 million dollars in net profit, a 50.62 percent increase, and total assets of 2.69 billion dollars. That performance earned the corporation an S&P upgrade to 'A' (stable) in November 2025: its first such upgrade in sixteen years. WAICA Re's reinsurance revenue grew 26 percent to 256 million dollars in its most recent reported year, with net profit up 56 percent and shareholders' equity up 46 percent. ZEP-Re and Continental Re have continued to deepen capacity across their regional markets. Country-level reinsurance pools and capacity vehicles have been established or

expanded in Ghana, Uganda, Angola, and across the CIMA zone. These are not small numbers. They are the signs of a market moving from aspiration to capability, and of institutions increasingly able to support larger and more complex African risks.

Taken together, these data points tell a clear story. Africa has the market. Africa is building the rails. What remains is to deepen the balance sheets, partnerships and confidence required to keep more trade, more premium and more value within the continent.

But no single institution can build this architecture alone.

### **Distinguished guests,**

It will take regulators that harmonise. It will take insurers and reinsurers that build capital and talent. It will take brokers that help deepen African markets. It will take banks and development institutions that integrate protection into trade and project finance. And it will take platforms like this Organisation to build the standards and data that make our markets legible to one another.

That is how African institutions move from participation in the market to shaping the market.

So let me close where I began.

History will not remember us for the agreements we signed alone. It will remember whether we built the machinery beneath them: the systems that allow the trader, the manufacturer, the investor and the entrepreneur to operate with confidence across Africa.

That is why insurance matters. It does not follow growth; it enables growth. It lowers the cost of capital, supports trade, improves bankability, and helps turn the promise of a continental market into the reality of a working continental economy.

There comes a moment in the life of every economy when it must learn to carry more of its own risk. For Africa, that moment is now.

***Let us build a continental market on African systems, African capital and African confidence.  
It is simply Africa, taking its destiny in its hands***

**I thank you for your attention  
God bless you all**