



The shifting landscape of global capital markets:

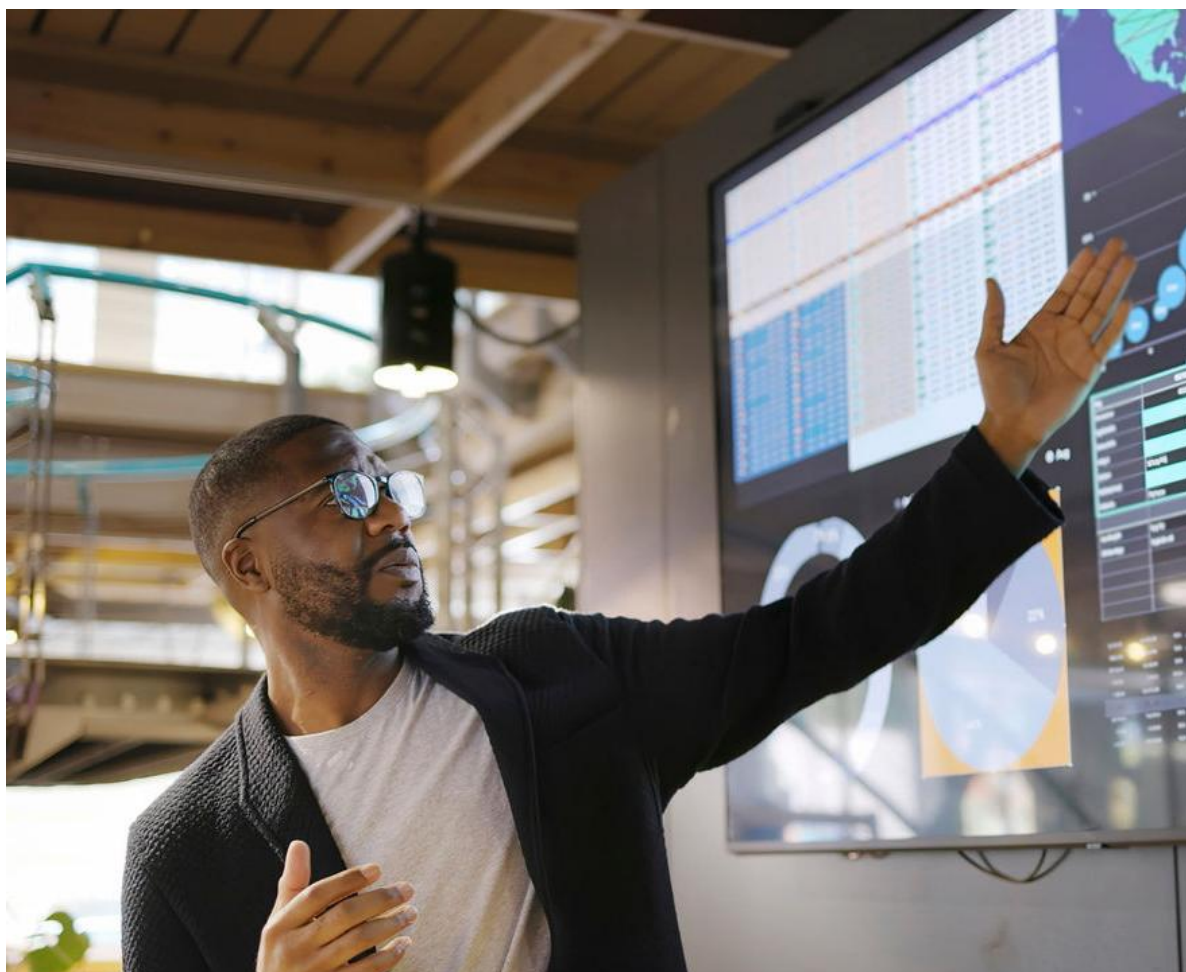
Opportunities for Africa today and tomorrow



Introduction

Over the past five years, global capital markets have undergone profound transformation. From the turbulence of the COVID-19 pandemic to the recalibration of monetary policy, the rise of private markets, and the acceleration of digital finance, the investment environment has been reshaped in ways that will define the next decade. For Africa, these shifts present both challenges and unprecedented opportunities. The continent, long seen as a frontier market, is increasingly positioned to leverage reforms in global finance to fuel growth, innovation, and sustainable development.

This publication explores the key changes in global capital markets since 2019, how African companies and individuals can strategically position themselves to benefit, and what the next five years may hold.





Part I: The global capital market shift (2019–2024)

1. Pandemic shock and recovery

- **COVID-19 disruption:** The pandemic triggered one of the sharpest global market contractions in modern history. Equity markets plummeted in early 2020, only to rebound strongly as governments and central banks injected liquidity.
- **Acceleration of digital finance:** Lockdowns accelerated adoption of digital platforms, fintech, and online trading, democratising access to capital markets.
- **Resilience of certain sectors:** Technology, healthcare, and renewable energy outperformed, while travel, tourism, and consumer durables lagged.

2. Inflation, interest rates, and monetary tightening

- **Rising inflation:** By 2021–2022, inflation surged globally, driven by supply chain disruptions, energy shocks, and geopolitical tensions.
- **Central Bank response:** The U.S. Federal Reserve, European Central Bank, and others raised interest rates aggressively, ending the era of ultra-cheap money.
- **Impact on capital flows:** Higher rates reduced liquidity, slowed IPO activity, and shifted investor appetite toward safer assets and private credit.



3. The rise of private markets

- **Private equity and debt growth:** According to McKinsey, private markets continued to attract capital even as public markets slowed¹. Investors sought higher returns in private equity, venture capital, and infrastructure.
- **Evergreen funds and alternative vehicles:** New structures emerged, offering longer-term, flexible capital deployment.
- **Africa's opportunity:** Private capital is increasingly looking at emerging markets for diversification, with Africa's infrastructure, fintech, and energy sectors attracting attention.



According to the Climate Bonds Initiative, cumulative global sustainable bond issuance reached \$6.9 trillion, and the market recorded a 31% year-over-year increase in 2024

4. ESG and sustainable finance

- **Mainstreaming of ESG:** Environmental, Social, and Governance (ESG) considerations became central to investment decisions. Green bonds, sustainability-linked loans, and gender bonds gained traction. According to the Climate Bonds Initiative, cumulative global sustainable bond issuance reached \$6.9 trillion, and the market recorded a 31% year-over-year increase in 2024².
- **Africa's advantage:** With its renewable energy potential and young workforce, Africa is uniquely positioned to attract ESG-focused capital.

5. Geopolitical realignment

- **Shift in capital flows:** Asia-Pacific gained ground in global rankings, while Europe and North America saw relative declines.
- **Fragmentation of supply chains:** Companies diversified away from China, creating opportunities for Africa to position itself as a manufacturing and logistics hub.
- **Energy transition:** Oil and gas saw short-term spikes, but long-term capital is flowing toward renewable and energy transition projects.

¹ Global Private Markets Report 2025, McKinsey

² Global State of Market 2024, Climate Bond Initiative

Part II: How African companies and investors can benefit

1. Deepening local capital markets

African stock and bond markets remain underdeveloped, with South Africa dominating regional capitalisation. However, reforms are underway:

- **Equity listings:** Encouraging more African companies to list locally and regionally will improve liquidity and attract global investors.
- **Bond market development:** Expanding corporate bond issuance beyond government debt can unlock financing for infrastructure and private enterprise.
- **Regional integration:** Initiatives like the African Continental Free Trade Area (AfCFTA) can harmonise regulations and deepen cross-border capital flows.

2. Leveraging private capital

- **Infrastructure investment:** Africa's \$100 billion annual infrastructure financing gap is a magnet for private equity and sovereign wealth funds.
- **Venture capital and startups:** Africa's fintech sector has already attracted billions in VC funding. Expanding into agritech, healthtech, and edtech can diversify opportunities.
- **Partnerships with global funds:** African firms can co-invest with global private equity players, gaining access to expertise and networks.

3. Embracing ESG and sustainable finance

- **Green bonds:** Countries like Nigeria, Kenya, and South Africa have issued green bonds. Expanding this market can fund renewable energy, climate adaptation, and sustainable agriculture.
- **Impact investing:** African entrepreneurs can align with global investors seeking measurable social and environmental returns.
- **Carbon markets:** Africa's vast forests and renewable potential position it as a key player in voluntary carbon markets.

4. Digital finance and tokenisation

- **Fintech expansion:** Mobile money platforms like M-Pesa have already revolutionised payments. The next frontier is tokenised assets, blockchain-based settlement, and digital currencies.
- **Democratising access:** Individuals can now invest in global equities, ETFs, and crypto assets through digital platforms, bypassing traditional barriers.



Part III: Planning for the next five years (2026–2030)

1. Anticipated global trends

- **Resurgence of mergers & acquisition:** As interest rates stabilize, mergers and acquisitions are expected to rebound, creating opportunities for African firms to partner or be acquired at favorable valuations.
- **Private credit expansion:** Private debt markets will continue to grow, offering African companies alternative financing beyond banks.
- **Tokenization and digital assets:** Blockchain-based settlement, tokenised bonds, and digital currencies will become mainstream, enabling faster, cheaper, and more inclusive capital flows.
- **Sustainability imperative:** ESG will evolve from a “nice-to-have” to a regulatory requirement, with carbon disclosure and green finance becoming mandatory.
- **Geopolitical shifts:** Africa’s role as a supplier of critical minerals (cobalt, lithium, rare earths) for the energy transition will attract strategic capital.

2. Strategic priorities for Africa

- **Policy and regulatory reform:** Governments must create transparent, investor-friendly environments with strong legal protections.
- **Infrastructure for capital markets:** Building robust exchanges, clearing systems, and credit rating agencies will enhance credibility.
- **Regional integration:** A pan-African securities exchange or harmonized listing standards could unlock scale and liquidity.
- **Sustainable development financing:** Aligning capital markets with the UN Sustainable Development Goals (SDGs) will attract global ESG capital.
- **Technology adoption:** Regulators and firms must embrace fintech, AI, and blockchain to leapfrog legacy systems.
- **Regulatory readiness:** African regulators must balance innovation with investor protection to attract global fintech capital

- **Investor education:** Empowering individuals with knowledge of capital markets, risk management, and portfolio diversification is critical. Strong investor education, transparent disclosures, accessible market infrastructure, reliable data, and simple investment tools are vital to empowering investors.
- **Professional development:** Training more African fund managers, analysts, and compliance experts will strengthen local ecosystems.
- **Diaspora engagement:** Mobilising Africa's diaspora wealth through structured investment vehicles can channel billions into local markets.

3. Opportunities for African companies

- **Energy transition:** Investing in renewables, green hydrogen, and carbon credits.
- **Technology and innovation:** Scaling fintech, agritech, and healthtech solutions for both local and global markets.
- **Manufacturing and supply chains:** Positioning Africa as a near-shoring destination for global firms diversifying away from Asia.
- **Consumer Growth:** Africa's rising middle class will drive demand for financial services, housing, healthcare, and education.

4. Opportunities for individuals

- **Global diversification:** Using digital platforms to invest in global equities, ETFs, and alternative assets.
- **Local market participation:** Investing in African equities, bonds, and mutual funds to benefit from domestic growth.
- **Entrepreneurship:** Leveraging venture capital and angel networks to fund startups.
- **Sustainable investing:** Participating in green bonds, impact funds, and ESG-focused vehicles.



The Nigerian market



In April 2025, the Securities and Exchange Commission (SEC) Nigeria issued new rules formally regulating the issuance of debt securities by private companies — including bonds, debentures, and sukuk.

The Nigerian market is positioned to take advantage of emerging global capital market trends. Earlier this year, the Investment and Securities Act (ISA) 2025 was enacted, introducing several provisions aimed at expanding access to capital for private companies and strengthening market infrastructure. Notably, the Act enables the creation of alternative trading systems and provides a legal framework for digital assets and platforms, both of which are expected to enhance inclusivity and participation in the capital markets. PwC published a thought leadership piece on ‘Summary of key changes to the Investment and Securities Act 2025’, detailing key changes in the new ISA. The publication can be accessed [here](#).

In April 2025, the Securities and Exchange Commission (SEC) Nigeria issued new rules formally regulating the issuance of debt securities by private companies—including bonds, debentures, and sukuk. These developments are also expected to lay a strong foundation for broader capital access and improved investor protection.

In addition to regulatory progress, there is growing interest among market participants, issuers, investors, and intermediaries in exploring new financing channels and improving market practices. This momentum reflects a broader shift toward deepening Nigeria’s capital markets and aligning with global trends in sustainable finance, digital innovation, and private capital mobilisation.



Readiness assessment: a solution to unlocking strategic capital

As African entities position themselves to benefit from trends such as private credit expansion, strategic mergers & acquisition, digital assets and increased investor interest in sustainability and innovation, a readiness assessment becomes a critical enabler. Preparing for access to public capital not only enhances corporate governance and transparency but also opens access to long-term capital, global visibility, and strategic partnerships. Companies that invest early in readiness assessment through financial reporting upgrades, governance review, internal controls, and stakeholder engagement, are usually better placed to seize emerging opportunities and navigate evolving regulatory landscapes.

Conclusion

The past five years have reshaped global capital markets in ways that will reverberate for decades. While volatility, inflation, and geopolitical uncertainty have tested resilience, they have also accelerated innovation, sustainability, and diversification. For Africa, the moment is ripe. By deepening local markets, embracing private capital, aligning with ESG imperatives, and adopting digital finance, African companies and individuals can seize the opportunities of this new era.

The next five years will demand boldness, foresight, and collaboration. If Africa can harness its demographic dividend, natural resources, and entrepreneurial spirit, it will not only benefit from global capital market reforms but also help shape the future of finance itself.

PwC capital markets: what we do

- We are a dedicated team of equity and debt capital markets specialists that provide a broad range of advisory and execution services to corporate entities, state-owned enterprises, investment banks and other entities in connection with local and overseas capital market transactions.
- We focus on emerging markets transactions and cross-border listings.
- We offer an integrated approach in delivering and leveraging the PwC support package - strategic advice, corporate finance and capital markets advice, due diligence services, valuations, shareholder and corporate taxation.
- We work closely with IPO candidates globally through the IPO Centre and connecting with our global network.

Our capital markets advisory services include:

Investor and
transaction
readiness
assessment



Reporting
accountant



Regulatory and
governance
matters



Risk
management



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Transaction
project
management





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