

## RISK REVIEW

### Commodity boom to boost South Africa's economy

**Paris, 4 March 2026** – Momentum for the global economy has been varied moving into 2026. Coface expects growth of +2.6% this year – a very minor downtick on +2.8% in 2025 – despite an international environment marked by persistent geopolitical, financial and social risks.

In light of this, Coface has made seven country risk assessment changes (six upgrades) and nine sector rating changes (seven upgrades).

#### Key figures:

- **+2.6%**: projected global growth in 2026
- **South Africa**: growth projected at below 2%
- **+4.3%**: forecast growth in Africa in 2026
- **+3.9%**: growth in global trade in 2025
- **+15%**: increase in corporate insolvencies in the US in H2 2025

#### 2025 displayed the resilience of globalisation

2025 lived up to expectations in that history went full throttle, driven simultaneously by turmoil and stabilising global growth, which was in line with our initial growth forecast of +2.8%. The paradoxical result can be explained by two main factors. The first is that the shock to the global economy was not a patch on the preceding uncertainty, particularly where tariffs were concerned. The second is the capacity of companies to adapt, particularly those with an international focus, confirming (if any such thing was needed) that globalisation continues to be a strong dynamic and one that is fuelled by powerful – and implacably interdependent – forces.

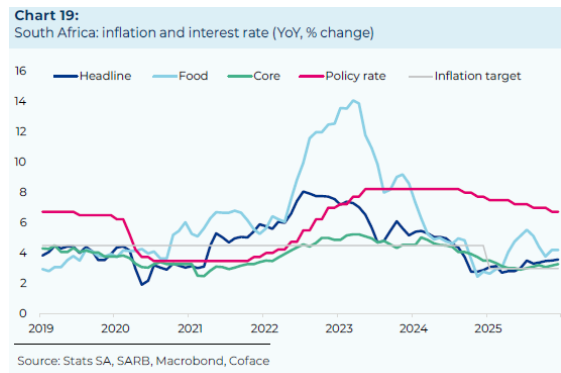
#### 2026 begins under heavy pressure

2026 has started under a large cloud of uncertainty, often in the presence of overwhelming risks. **Geopolitical risks** have materialised, as current and recent events have shown in the Middle East, Latin America, and Greenland. **Financial risks** have emerged on the back of the debt and asset valuation levels of most assets in a sticky high-interest rate environment. **Macroeconomic risks** also abound with US economic policy vagaries and the ever-present threat of further

trade clashes, amid escalating international competition and weakening global cooperation. **Social and political risk** looms large in many countries, manifested by deep festering resentment in growing segments of the population, particularly in Europe. Not to mention, of course, pervasive and intensifying health and climate risks.

### Commodity boom to spur economic growth in South Africa

South Africa, despite its large structural constraints, low potential growth (below 2%), and US tariffs, would benefit from an increase in mining activity, which would spread to other industries via significant sectoral linkages.

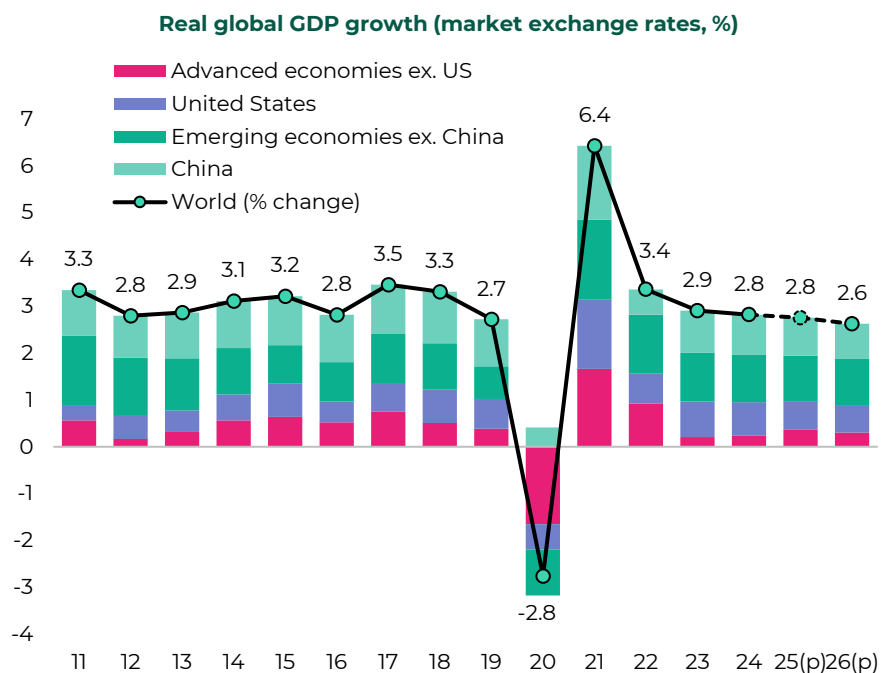


“A stronger rand, combined with lower fuel prices, should maintain inflation in the tolerance band of the central bank’s new target (3%), which will enable further monetary easing in 2026,” says Aroni Chaudhuri Africa Chief Economist at Coface.

### Global growth slows but continues to hold up

The global economic outlook continues to be patchy. In the US, the growth projection of **+2.2%** is supported by durably solid consumption despite a significant rise in bankruptcies in H2 2025 (**+15%**). In the eurozone, activity is expected to reach **around +1%**, fuelled by

Germany’s rebound on back of a major investment plan, while France – pressured by a public deficit that clings stubbornly above 5% of GDP – should stabilise at around **+0.9%**. Central



Europe has displayed a much more robust dynamic, led by Poland **(+3.8%)**. In Asia, China’s growth will slow to **+4.4%** and weigh on regional momentum, while Southeast Asia’s performance is one of uneven resilience. Conversely, India has confirmed its role as a global growth engine, one supported by strong domestic demand and proactive public policies, with a growth forecast of **+6.1%**.

### Growth on the African continent will remain sound in 2026

Growth on the African continent will remain sound in 2026 (+4.3%, after +4.2% in 2025) and could even exceed expectations considering the outlook for some commodities. Prices of food and energy, of which most African countries are net importers, are expected to remain moderate.

On the other hand, prices of minerals and metals are surging, due to a combination of supply bottlenecks and high demand. This will benefit many countries who are net exporters of these commodities. Zambia and the DRC for copper, Ghana for gold and Guinea for bauxite and iron ore, etc. Alongside the direct impact on growth, these trends support stronger currencies, thus lower imported inflation, and enable the building of FX reserves. Less pressure on the external accounts will also provide some leeway for countries with strained public accounts and that still face high financing needs.

In this context, oil prices are predicted to contract from USD 68 per Brent barrel in 2025 to around **USD 60**, reflecting moderate demand-led growth and a significant increase in supply. Despite potential episodes of volatility sparked by geopolitics, energy prices should be relatively neutral for inflation, which continues to ease across most regions.

### Global trade defies expectations

Despite concerns caused by US tariff offensives, global trade surprised more than a few in 2025, with **3.9%** growth in trade volumes driven by strong US imports and an increase in US customs levies that ultimately proved to be lower than initially feared. The effective average tariff rate came in at **9.4%** in November, compared with the anticipated 36% at the height of tensions with China.



\*: Forecast. World trade is the average of exports and imports. Source: UNCTAD, Coface



Access the full study [here](#).

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