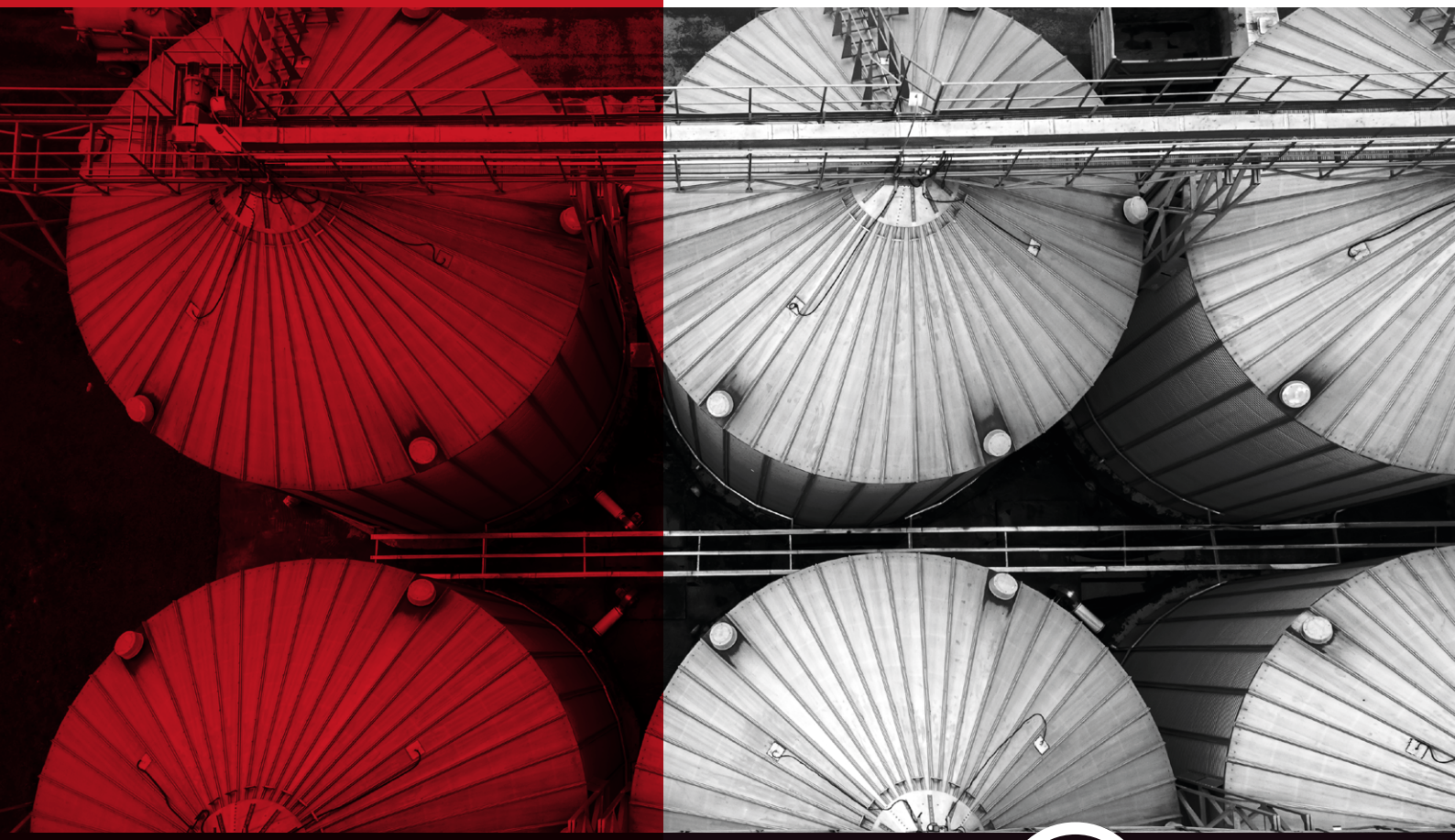
Mind the Gap: Commercialising Food, Fuel and Fiber in Africa



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Editor's Note

*By **Aparupa Chakravarti***

How did the arrival of rice in the Sahel as humanitarian aid in the 1970s result in Africa's $20 billion food import bill – and opportunity? What happens when, confronted by recurring and compounding shocks, capital flows only towards production, but never storage? And is agency more important than autonomy when we're building on increasingly contested digital infrastructure that we do not own?

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The source of our intelligence is three-fold. Firstly, our analysis is rooted in human ingenuity, expertise, and networks; there is nothing artificial about our intelligence. Secondly, we operate at the interstices – of markets, of geographies, of sectors, and of disciplines. In doing so, we help you make connections that would otherwise not be obvious or intuitive. Finally, we are willing to sacrifice what is topical for what is enduring, diving headfirst into uncomfortable tension points and disorienting ambiguity in order to help you sift through the noise and interpret the structures and systems and patterns that hold our world together today – or not, as it were.

In another role, from another vantage point, I wrote that 2023 would be the year of the storyteller. I was wrong. Every year is the year of the storyteller. Every individual, institution, nation, and continent is shaped by the stories we tell- about ourselves, about one another, and about the world. Stories sway elections, channel capital, fuel revolutions, mould our tastes and behaviours, build and tear down whole empires. At AB Intelligence, we are all storytellers, except we want to tell the stories to come.

To move from merely describing existing markets to directing you towards overlooked, underserved, and emerging market opportunities, AB Intelligence provides an analytical platform for structured discourse between people who may not otherwise be in conversation with one another- business executives, policy makers, industrialists, scholars, lawyers, investors, and pundits. It is through their individual and collective insights that you will find your next opportunity or pivot. ■

Aparupa Chakravarti is a seasoned strategist operating at the intersection of strategy, investments, social impact, and geopolitics. She has spent 15+ years helping governments, businesses and development institutions navigate complex and ambiguous problem sets in 15+ markets across Africa, the Middle East, and S Asia.

Who Holds the Stock? Closing Africa's Strategic Storage Gap

*By **Ebipere Clark***

The Shock and the Fantastic Four

Modern economies run on four critical buffers: Fuel, Feedstocks, Food, and Financing. In the event of a shock, each requires reserves and standby capacity. Reserves absorb the shock; standby capacity fills the gap while reserves are drawn down. China treats supply security as National Security: strategic reserves held in parallel with surplus production capacity, designed before the crisis, not during it. The Hormuz closure of 28 February 2026 stress-tested the China thesis in real time. It is proving to be effective. The mechanism is elementary: when a chokepoint closes, the price signal reaches everyone. Yet the buffer reaches only those who built one. Africa is conducting multiple conversations focused mostly on production. However, for resilience, it needs production, standby capacity, and storage reserves. More importantly, it needs to settle who owns the storage before a single barrel or fertiliser bag is committed into it.

The Gold Standard from the US

The International Energy Agency's (IEA) April 2026 Oil Market Report identified the Hormuz disruption as the largest in market history — 10.1 million barrels per day removed from global supply in a single month. Thirty-two governments responded within eleven days. The IEA's coordinated emergency release of 400 million barrels — the largest drawdown in the agency's 52-year history — demonstrated how a reserve system actually functions: announcement creates market psychology; physical delivery follows. The US Department of Energy committed 172 million barrels, with delivery beginning the following week. The architecture is not complicated: a government holds stock, a legal framework governs release, and an international body coordinates. The stock exists because it was built before the crisis, which is the only time building it is possible.

The Warning Lesson from Asia

The Association of Southeast Asian Nations (ASEAN) Framework Agreement on Petroleum Security was signed in 1986. On 8 May 2026, the 48th ASEAN Summit issued a joint statement calling for its "immediate implementation." A framework designed for the aftermath of the 1970s oil shock, invoked forty years later during the largest supply disruption in market history, having never once been triggered. Ask the decisive question, "Who held the stock?" Nobody. No member state had pre-positioned physical inventory. No storage was mandated, no ownership was assigned, no release mechanism was defined. There was no commitment to share petroleum (that members did not hold) on commercial terms (that no one was obliged to offer) during an emergency that the framework was designed for. Ambition without accountability. The ASEAN case is not a failure of intent- it is a failure of design. Moreover, this design failure was the absence of an answer to the one question that matters: who holds the stock? The lesson is that storage cannot wait for consensus.

The Gap to Be Filled for Africa

The Africa Finance Corporation's (AFC) State of Africa Infrastructure Report 2026 states it directly: no African

country meets the IEA's 90-day emergency oil stock requirement. Food storage capacity across the continent covers less than 30% of annual production. Two of the four buffers — Fuel and Food — are structurally absent. Africa holds no equivalent of the ASEAN framework, not even the inadequate paper version. What it has is the full, unmediated transmission of the global price signal, with nothing between the supply disruption and the domestic consumer. The continent is not unaware. At the same AFC Infrastructure Summit in Nairobi where the deficit was documented, Aliko Dangote signalled appetite for a major refinery in Tanzania, while Kenya announced investment in Uganda's refinery project. African private capital is in motion, but toward production and standby capacity, not storage. Production is necessary. Standby capacity is necessary. Neither is sufficient. Storage is the missing variable. However, storage without pre-defined African ownership is not African storage; it is global inventory physically located on the continent, available to the highest bidder.

The Menu of Solutions

The IEA's January 2026 analysis on strategic stockpile design for critical minerals maps a governance spectrum whose logic extends directly to petroleum and is legible for African conditions. The US government owns the Strategic Petroleum Reserves (SPR) outright — physical stock in underground salt caverns, legal release trigger, defined governance. That model requires fiscal capacity most African sovereigns do not have. Mandatory industry-held stocks require regulatory enforcement capacity most African states cannot currently sustain. For low-capacity states, the IEA points toward cross-border co-location and pooled arrangements, identifying the design space without prescribing the institutional vehicle. A fourth model is already on the record: ASEAN's — nobody holds the stock, ownership is deferred, accountability is absent. Different models produce different outcomes.

The Solutions for Africa

A sincere continental conversation on which model Africa adopts is now required — and AB Intelligence will pursue it. A DFI-anchored, privately managed strategic reserve facility — using the continental governance capacity of institutions like the Africa Finance Corporation or Afreximbank as the mandate and structuring layer, and private sector operators as custodians — sits within the IEA's design parameters and accesses concessional development finance. But the model is still a design question, not yet an answer. Outright national ownership, pre-defined government rights over privately-held inventory, and pooled cross-border arrangements are each viable and each carry distinct ownership and risk implications. What they share is a non-negotiable sequencing requirement: ownership is African, governance is African, and both must be settled before the capital stack is assembled. Once global capital is in without pre-defined African ownership terms, the storage serves the global market. The question of whether governments own the fuel or hold rights to it remains open and must be answered before the investment decision, not after.

The Call to Action

Africa may not reach consensus on a single model. ASEAN did not. That cannot stop private sector storage from being built now. Private sector storage models exist. However, they need investigation, design, and adaptation for African fiscal and governance conditions. Existing discussions on refinery and feedstock production, though necessary, urgent, and already in motion, are not sufficient. Every conversation about a new production facility must now include a parallel conversation about storage: how it is designed into the capital structure from the start, who owns it, on what terms, and what prevents the operator from selling to the global market when the shock arrives and global prices spike. Storage retrofitted after the investment decision is not African storage. AB Intelligence will examine the ownership models, financing structures, and governance instruments that could make African strategic storage viable through further analysis and structured dialogue. The conversation begins here. ■

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Building AI on African Terms: Digital Sovereignty Beyond Localisation

*By **Dr Bulelani Jili***

The emergence of artificial intelligence (AI) has reignited longstanding debates over sovereignty and dependency across Africa, now rearticulated through the language of digital sovereignty. Optimism about AI's capacity to improve public services, strengthen logistics systems, and expand access to education is tempered by growing anxieties over job displacement, uneven value capture, and continued technological dependency on the US and China.

These competing and often antithetical perspectives raise fundamental questions: what does digital sovereignty actually mean in practice? And can African countries build competitive AI ecosystems without reproducing older forms of dependency through new technological infrastructures?

This analysis engages these questions by foregrounding the less examined relationship between dependency and African agency within the digital age. In particular, it scrutinises emerging calls for digital sovereignty as both a political aspiration and a strategic framework through which African states, firms, and institutions seek to reclaim technological futures, expand strategic leverage, and cultivate locally grounded technological capacity.

Simply put, digital sovereignty refers to a set of policy agendas that emphasise local data governance, domestically controlled compute capacity, the cultivation of a skilled digital workforce, and the adoption of legislation conducive to digital development. These ambitions unfold in a context where much of the digital infrastructure that underpins them remains externally financed, owned, or governed by multinational corporations headquartered in the United States, China, and Europe.

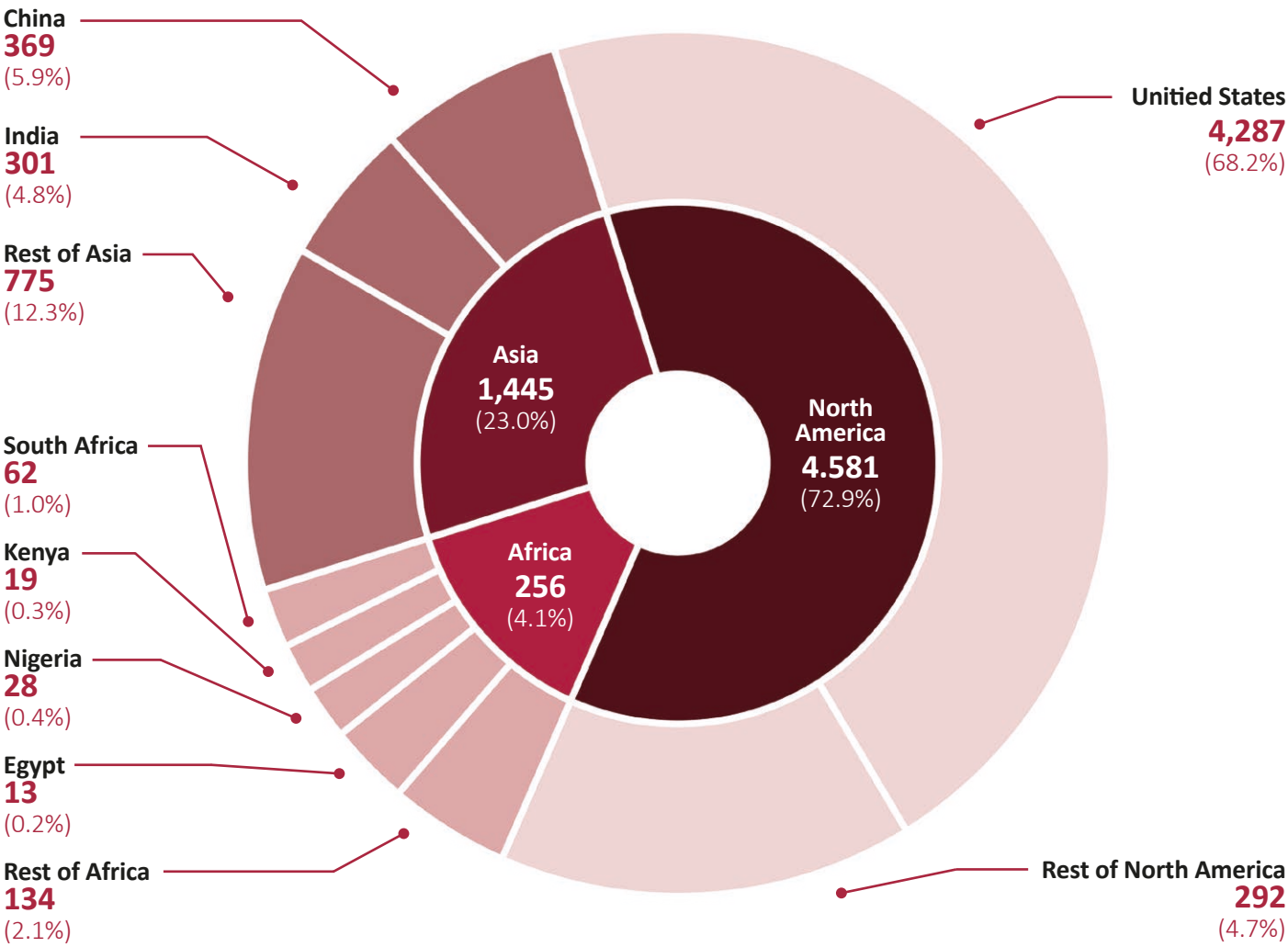
Within this uneven global system, the immediate goal of African governments should not be absolute digital independence, but the cultivation of strategic agency within deeply asymmetrical digital infrastructures. Because much of the infrastructure underpinning contemporary digital economies remains concentrated in a handful of powerful states and firms, complete autonomy is unrealistic in the near term. Under these conditions, digital sovereignty is better understood as an effort to expand African bargaining power within global digital systems. African governments must therefore consider how agency can be converted into leverage in negotiations over infrastructure, standards, and data governance. For the private sector, digital sovereignty also raises a fundamental question: who owns what African businesses are building on, and what does that ownership mean for the sustainability of firms, markets, and future scale?

Neither Here nor There: The Limits of Data Localisation

The debate over data localisation sharply illustrates these underlying tensions. Across Africa, digital sovereignty is

increasingly framed as a question of storing data within national jurisdictions, with localisation presented as a pathway toward greater sovereignty and reduced dependency. Motivated in part by the popular metaphor of data as "the new oil," this view treats data as a naturally occurring resource whose value lies primarily in its possession. Yet the metaphor confuses more than it reveals. Unlike oil, data is neither naturally scarce nor intrinsically valuable. Its value is produced through the infrastructures that render it useful and actionable: cloud systems, standards regimes, computational capacity, and the human labour required to organise, process, and interpret it. Simply storing data locally does not automatically translate into digital sovereignty if the infrastructures used to process, analyse, and monetise that data remain externally controlled.

Figure 1. Global Data Centre Composition. *Source: Author compiled data from Data Center Map*



Wittingly or unwittingly, the oil analogy authorises a kind of sovereignty shortcut, reinscribing an anachronistic conception of sovereignty in which data storage and location become conflated with meaningful control over the infrastructures through which economic value is generated. More interestingly, this framing of digital sovereignty has created new commercial and geopolitical opportunities for firms such as Huawei to expand their data center and cloud infrastructure services across Africa under the promise of delivering sovereign digital capacity. While data localisation policies have expanded, the continent's cloud ecosystem remains highly concentrated among a small number of foreign providers, including Amazon Web Services, Microsoft Azure, Google Cloud, and Huawei Cloud. Accordingly, in practice, territorial location does not automatically confer infrastructural authority or meaningful value creation.

To be sure, sector-specific localisation —particularly for sensitive government, security, health, or electoral data— may operate as a legitimate public-interest safeguard. In certain contexts, localisation can also stimulate domestic investment in data centres and digital infrastructure. However, its broader developmental consequences remain far more ambivalent than popular rhetoric often suggests. Expansive localisation efforts may inadvertently restrict access to interoperable datasets, transnational innovation ecosystems, and collaborative computational environments necessary for technological scaling and integration.

The chart *(figure 1)* makes clear that digital sovereignty cannot be reduced to the physical location of data, though local infrastructure remains indispensable. Africa's limited share of global data centre capacity reveals a deeper structural constraint: the continent exercises limited control over the infrastructures through which data is transformed into economic, political, and strategic value. Expanding African data centre capacity is therefore necessary, but insufficient. If these facilities are primarily financed, owned, operated, or governed by external firms, localisation may ultimately reproduce dependency under the language of sovereignty itself.

Meaningful digital sovereignty depends not just on hosting data locally, but on ensuring African institutions can shape AI supply chains and the higher-value layers of the digital economy. This includes influence over how data is collected, processed, stored, and governed, as well as over digital infrastructure ownership, standards, and technical capacity. Without deeper participation in these domains, digital sovereignty risks being an empty promise.

The Hidden Labour of AI

The challenges of unequal, globally interconnected digital systems—and Africa's position within them— are perhaps most visible in contemporary African data work. While the United States and China continue to dominate frontier AI models, semiconductor production, and cloud infrastructure, much of Africa's participation remains concentrated in the "ghost labour" that sustains these systems beneath the headlines and billion-dollar valuations. Investigations revealed that Kenyan workers were paid less than $2 per hour to label toxic content used to train major generative AI systems. In many respects, the continent currently occupies the position of AI's "janitorial staff," performing the labour-intensive work of cleaning, labeling, and moderating data for systems whose ownership, computational capacity, and economic rewards remain concentrated upstream.

This position within the AI economy reflects a deep structural imbalance: although African labour contributes directly to the maintenance of AI systems, control over frontier models, hyperscale infrastructure, and computational resources remains externally concentrated. The danger, therefore, is not exclusion or absence from the AI economy, as is often implied by anxieties about being "left behind" in the Fourth Industrial Revolution, but subordinate incorporation into it: a position in which Africa supplies labour, data, and consumers while higher-value layers of technological accumulation, platform ownership, and infrastructural control remain externally concentrated. The issue is therefore not simple exclusion, but the terms of incorporation.

African Agency Under Conditions of Dependency

Nonetheless, reducing Africa's role to subordinate integration and dependency alone would lose sight of the forms of agency emerging within these uneven and interconnected digital systems. For many AI startups across the continent, the primary site of agency does not lie at the foundational layers of the digital stack, where frontier models, semiconductor production, and computational infrastructure remain dominated by US and Chinese firms. Rather, agency increasingly emerges at the application layer, where globally produced technologies can be localised, adapted, and operationalised for specific social and market contexts.

African entrepreneurs are leveraging tools such as ChatGPT and DeepSeek as infrastructural building blocks through which tailored services can be developed at comparatively low cost. Start-ups developing AI-powered legal, financial, healthcare, and educational tools are creating locally relevant applications capable of responding to linguistic, regulatory, and social conditions often overlooked by global technology firms. What is significant here is not merely innovation itself, but the conditions under which it occurs. These firms do not operate outside global technological dependency; they build localised services atop infrastructures, models, and cloud systems they neither fully own nor govern.

African agency in the digital economy is, therefore, neither binary nor synonymous with complete technological autonomy. Rather, it is contingent and unevenly distributed across the digital stack, where African firms exercise meaningful forms of adaptation and localisation even as deeper layers of computation, cloud infrastructure, and platform ownership remain externally concentrated.

These uneven forms of agency place African telecommunications firms and governments in a strategically important position within the continent's AI transition. Telecom companies increasingly control the networks through which data, digital services, and AI applications circulate, giving them opportunities to move beyond connectivity provision toward greater investment in regional cloud infrastructure, computational capacity, and African-owned digital platforms. Similarly, African governments cannot approach AI merely as a startup or innovation issue. AI governance must be integrated into broader industrial, educational, energy, and infrastructural strategies capable of strengthening long-term technological capacity.

At the same time, meaningful digital sovereignty cannot be delimited to state control or technological isolation. The challenge is not to eliminate interdependence altogether, but to negotiate it from a position of greater institutional and infrastructural strength. This is especially important given Africa's internal constraints, including weak electricity systems, fragmented regulatory environments, and underinvestment in technical education and research. Ultimately, Africa's position within the global AI economy will depend less on achieving complete technological autonomy than on building the human capital, digital infrastructure, and regional coordination needed to exercise greater leverage within uneven and interconnected global digital systems.

What does strategic leverage and agency exactly look like within the pursuit of African digital sovereignty? The next paper offers a more detailed account of how African governments and businesses can manage dependency, negotiate more favorable terms, and use their positionality within global digital systems to advance digital-driven growth. ■

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Farmed Wrong or Framed Wrong? Africa's $20 Billion Food Import Crisis

*By **Carl Manlan***

Let us begin with a market fact that is hiding in plain sight. Africa, the continent with extensive arable land, rich diversity of indigenous crops, and a farming tradition older than recorded history, spends more than $100 billion every year importing food from other people's farms.

That figure is not a development statistic; it is a market signal. It tells you where value is leaking out of the continent and who is currently capturing it.

The argument is simple: reducing Africa's food import bill from $100 billion to $80 billion within a decade is achievable. The $20 billion question is who captures the value of that transition.

Three Levers That Actually Work

For the African private sector to be at the forefront of this $20 billion opportunity, the first lever that needs to be pulled is the most unglamorous, but the most immediately actionable: build on, not around, the rural and the informal. Between 30 and 40% of Africa's food production is lost before it reaches a plate. It is not from drought or disease, but from the absence of mills, cold storage, and packaging. That loss is not a tragedy; it is an addressable inefficiency, and addressing it is a business model.

The processing enterprises needed are not large-scale industrial plants. They are medium-scale, distributed infrastructure – community mills, solar dryers, cold storage units, packaging lines-- operating at village and district levels. India offers the clearest private sector blueprint: ITC's e-Choupal model built a procurement and processing network across 40,000 villages by meeting smallholder farmers where they were, digitising transactions, and capturing margin at every stage of a previously informal value chain. The Amul cooperative demonstrated that aggregating smallholder supply into a branded consumer product could displace imports and build a category. Africa can adapt both models – at scale.

The supply side infrastructure already exists in embryonic form. CARE's Village Savings and Loan Associations (VSLA), operating across 67 countries with over 30 million members, have already demonstrated that women's groups possess the financial discipline, market knowledge, and collective trust to run small processing enterprises when connected to capital and reliable markets. In northern Nigeria, women's groups working with the International Fertiliser Development Center have demonstrated that small-scale processing enterprises can compete with imports on price. The infrastructure is human. What it needs is a business model connected to capital, offtake agreements, and brand architecture. That is a private sector role, not a donor one.

The second lever is the procurement market. African governments are among the continent's largest food buyers for schools, hospitals, military canteens, and civil

service cafeterias, a role which shapes entire value chains. Every day, that purchasing power flows overwhelmingly toward imported goods. For the private sector, it is a procurement pipeline waiting to be redirected.

Brazil's school feeding programme mandated 30% of procurement from local family farmers. In doing so, it created reliable, large-volume demand that justified private investment in processing capacity across the country. African governments have the same instrument. For the private sector, this is the PPP opportunity linking African government procurement and smallholder supply chains.

The third lever is food culture as a brand market. South Korea did not accidentally turn kimchi into a global phenomenon. It invested deliberately in Korean culinary identity as a strategic asset, and the result is a food export sector worth billions. Africa's culinary heritage is, similarly, a consumer goods and media opportunity, as much as an agricultural one. The chefs, food bloggers, and hospitality entrepreneurs are already doing the cultural work. What they lack is the brand investment, distribution infrastructure, and retail partnerships to turn cultural momentum into category creation. The African food brand that achieves what Goya did for Latin American consumers, or what Halal certification did for Muslim consumer markets globally, will be built by private capital that converts cultural identity into market signals.

The AI Question: Accelerant or New Dependency?

There is a fourth dimension reframing all three levers. Artificial intelligence is arriving in African food systems, whether the continent is ready or not, through precision yield mapping, post-harvest loss prediction, and digital platforms connecting processors to buyers.

But as Gabon's Minister of Digital Economy, Mark-Alexandre Doumba, has argued compellingly, the greatest risk is not missing the AI revolution, it is joining it before building the foundations to harness it. For private sector players, that sequencing argument translates into a precise investment thesis: AI's greatest contribution towards African food systems is not through standalone platforms, but rather through intelligence layers built on top of functioning procurement systems, processing infrastructure, and data that African institutions own. The company that builds the market-matching layer connecting a processor in Kano to a buyer in Lagos, trained on African supply chain data, governed by African institutions, and integrated into existing VSLA and cooperative networks, will have a durable competitive position that an externally built platform cannot easily replicate.

Once it was raw materials that left the continent. Then raw agricultural commodities. The next extraction is raw data. The private sector that governs African food system data will not just avoid extraction, it will own the intelligence layers built off a $100 billion market in transition.

The $20 Billion Question

A $20 billion reduction in Africa's food import bill is not an abstraction. It is jobs in processing, logistics, and retail; most of them for women. It is foreign exchange retained for health systems and infrastructure. It is dietary diversity and resilience against the supply shocks that, as the last five years have shown, arrive without warning and punish import dependency most severely.

Fifty years ago, Sahelian women chose imported rice over home-grown millet on the heels of massive droughts, and completely transformed regional consumption patterns. They were not wrong to do so. They were making rational decisions with the options they had. The task for this generation is to create better options, recognising that doing so is one of the most significant market creation opportunities on the continent. The $20 billion is on the table. The question is who picks it up. ■

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