

Treasury Operating Realities: Africa & Middle East

March 2026

A practical perspective on cash, FX, liquidity, structures and corporate treasury execution across complex markets.

The logo for SMK Services, featuring the letters 'SMK' in a bold, orange, sans-serif font on a dark grey rectangular background.

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Regional treasury priorities

- Africa growth with operating complexity
- Middle East buffers with continuing external pressures
- Resilience as a treasury operating discipline
- Stablecoins and selected treasury applications
- Trust, relationships and judgement still matter

Five treasury realities

Across Africa and the Middle East, five recurring themes shape treasury performance for corporates operating in complex markets.

1 Africa growth with operating complexity Growth is real, but regulation, convertibility, liquidity and repatriation can change the operating model overnight.

2 Middle East buffers, with continued exposure Sovereign wealth, energy revenues and strong banking systems buy time, but cannot erase trade, shipping and fiscal spillovers.

3 Resilience as operating design Treasury resilience is not a slogan. It is forecasting, buffers, routing options, banking redundancy and escalation speed.

4 Stablecoins are becoming a tool Not a universal answer, but increasingly relevant for selected payment, settlement and trapped-cash problems.

5 People remain the hidden infrastructure In stressed markets, trust, phone calls, governance and judgement often unlock outcomes faster than systems alone.

1. Africa: growth with operating complexity

The opportunity is real; the treasury challenge is that the rules of the game vary sharply by corridor, central bank stance and dollar availability.

What this means in practice

- Existing treasury templates rarely transfer cleanly across African entities.
- Country-level rules can override group policy on cash pooling, dividends, loans and hedging.
- Documentation quality often determines whether cash moves at all.

Treasury priorities

- Separate convertibility risk from normal FX risk.
- Map every inbound and outbound corridor, including approvals and documentary bottlenecks.
- Hold liquidity buffers where restrictions can emerge fastest.



Case | Nigeria FX backlog

Reuters reported in Jan 2024 that Nigeria's central bank had paid nearly \$2bn toward outstanding FX forwards, while shortages continued to affect the naira and airlines were still awaiting repatriation of funds. Treasury lesson: convertibility risk can become a balance-sheet issue, not just a pricing issue.

Case | Egypt hard-currency squeeze

Reuters reported in May 2024 that Egypt had endured two years of chronic foreign-currency shortages before a sharp devaluation and funding package. Treasury lesson: when FX access is constrained, forecasting, import timing and payment prioritisation become survival disciplines.

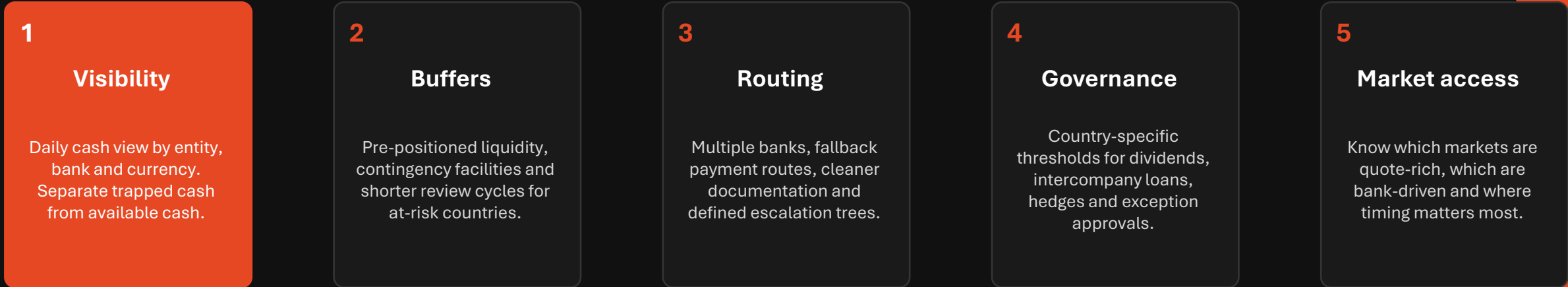
Why treasury complexity remains high

- Policy reversals and administrative controls
- Hard-currency scarcity and widening spreads
- Trapped cash / delayed repatriation risk
- Fragmented banking, tax and documentation rules

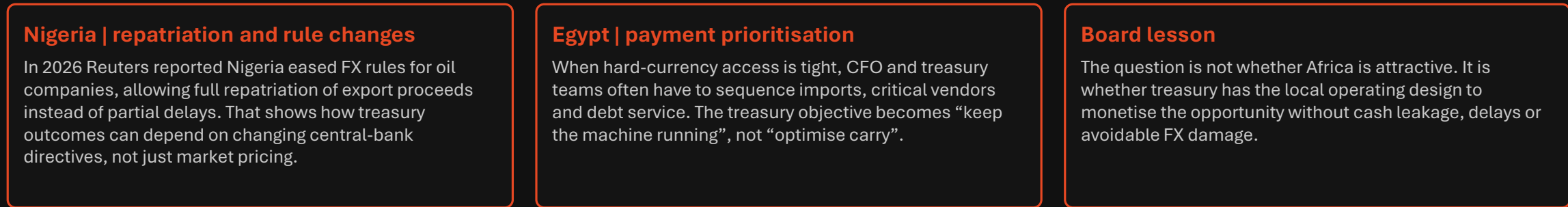
Context AfDB said Africa's economy was projected to rise from 3.3% growth in 2024 to 3.9% in 2025, with 21 countries expected to exceed 5% growth — proof that growth can coexist with treasury friction.

How treasury makes it in Africa

The right answer is rarely “more forecasting” alone. It is a corridor-specific operating model with controls, buffers and alternatives.



Real-life operating implications



2. Middle East: strong buffers, yet continued exposure

Buffers buy time. They do not cancel shipping disruption, fiscal trade-offs, funding costs or second-order inflation and supply-chain effects.

Why the region looks stronger

- Large sovereign balance sheets and SWFs.
- Deep domestic banking systems and dollar access in core GCC markets.
- Energy-linked revenues still provide significant shock absorption.

Why buffers do not remove exposure

- Energy corridors remain exposed to Hormuz and Red Sea disruption.
- Defence, logistics and subsidy costs can rise before growth slows.
- Non-oil sectors still feel freight, insurance and confidence shocks.



Case | SWFs as shock absorbers

Reuters reported in March 2026 that Gulf sovereign wealth funds give countries such as the UAE strong financial buffers. Treasury lesson: buffers support resilience — but they are a resource to deploy, not a guarantee that there is no impact.

Case | Hormuz capacity risk

Reuters noted that the Strait of Hormuz handles about a fifth of world oil consumption and that even alternative routes for Saudi Aramco and ADNOC do not fully replace normal Gulf export volumes. Treasury lesson: route concentration matters.

Case | Shipping rerouting

Major carriers including Maersk, Hapag-Lloyd and CMA CGM rerouted vessels around Africa in 2026. Treasury lesson: even if your balance sheet is strong, your working-capital cycle can still stretch.

For corporates, the real exposure sits in receivables timing, inventory cover, freight surcharges, counterparty settlement confidence and the cost of funding longer cash-conversion cycles.

3. Resilience as an operating requirement

In Africa and parts of the Middle East, resilience means being able to keep moving cash, goods and decisions when the market is no longer “normal”.

What resilience looks like

- Scenario-based cash planning and shorter forecasting cycles.
- Alternative banking, payment and funding routes already pre-approved.
- Explicit trigger levels for FX, liquidity and counterparty escalation.

What weak resilience looks like

- Single-bank dependence.
- No country-level convertibility map.
- Group policy that assumes every market behaves like Europe or the US.



Three live case studies

- Maersk and peers rerouting around the Cape of Good Hope increased transit time and cost but preserved operational continuity.
- Nigeria’s airline and FX-backlog episodes showed why trapped cash and delayed repatriation must sit inside resilience planning.
- PwC’s 2025 Global Treasury Survey found 36% of respondents still have a manual FX exposure process and 65% plan to expand API use — evidence that resilience increasingly depends on better infrastructure, not heroics.

4. Stablecoins: selected treasury applications are emerging

The technology remains early-stage and evolving, but it is beginning to show relevance in selected treasury and payments situations.

Where utility is emerging

- Cross-border settlement where legacy rails are slow or opaque.
- Dollar-like value transfer in markets facing local-currency instability.
- Selected trapped-cash and treasury-mobility problems, subject to legal and compliance review.

What corporates must still solve

- Regulatory treatment and permissions.
- Wallet governance, segregation, approvals and accounting policy.
- Counterparty onboarding, off-ramp liquidity and sanctions controls.



Case | Africa demand is rising

Reuters reported in Feb 2026 that Nigeria and South Africa are driving the strongest growth in stablecoin demand, with respondents citing optimism around wider acceptance. That suggests demand is extending beyond purely speculative activity.

Case | Onafriq + Circle

In 2025 Onafriq and Circle announced a partnership to use USDC for remittances and cross-border payments. Treasury lesson: stablecoins are moving into infrastructure layers, not just retail crypto narratives.

Case | Why caution remains

Reuters also noted that 99% of stablecoins are pegged to the dollar, raising concerns over dollarisation and capital flight. Treasury lesson: utility can be real while policy risk also rises.

Bottom line: stablecoins are not a wholesale replacement for banks, but they are becoming a relevant option inside a controlled treasury toolkit for speed, transparency and corridor flexibility.

5. Human judgement remains central

Treasury can automate flows. It cannot automate judgement, trust and escalation quality when markets are under pressure.

Bank relationships

When a market tightens, trusted counterparties help with honest pricing, documentation fixes, escalation and realistic settlement expectations.

Internal credibility

If business units trust treasury forecasts and triggers, they act earlier; if they do not, responses arrive too late.

Cross-functional speed

Legal, tax, procurement, operations and treasury must coordinate fast when payments or logistics are disrupted.

Governance under stress

Approvers, backup signatories and crisis routines matter more when the “standard path” fails.

Practical examples

- FX backlog situations are often resolved through sustained engagement with banks, regulators and treasury teams — not by systems alone.
- Rerouted shipping and longer lead times require treasury, procurement and operations to re-plan inventory, terms and liquidity together.
- PwC’s 2025 survey also highlights cyber resilience and cross-functional collaboration as core to the modern treasury mandate.

So, what should corporates do now?

A treasury agenda that is practical, measurable and urgent.

Immediate actions

- Map trapped cash, convertibility exposure and repatriation dependencies by country.
- Define corridor-by-corridor FX and payment escalation playbooks.
- Refresh liquidity buffers for shipping, settlement or regulatory delays.
- Test backup banks, signatories and payment-routing alternatives.
- Create a clear internal view on whether stablecoins fit any approved use case.

Questions boards should ask

- Where could cash be delayed even if the P&L looks fine?
- Which exposures are economic vs. convertibility vs. operational?
- How much of FX management is still manual?
- What happens if one bank, one route or one approval chain fails?
- Are we treating resilience as treasury design, or as optimism?

SMK Services can help clients

- Diagnose treasury leakage
- Build practical cash / FX playbooks
- Benchmark execution and banking structures
- Strengthen governance, controls and reporting
- Turn resilience into an operating model

Core message

Africa and the Middle East continue to offer significant opportunity. The strongest outcomes tend to come from companies whose treasury design is aligned with local operating realities.

SMK Services

Independent treasury advisory
for cash, FX, risk, execution readiness
and treasury operating design.

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Thank you