

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

ERITREA

Africa East

Dialogue | Trust | Partnership

office@lordwaverley.com

www.lordwaverley.com

WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Asmara	Capital and economic centre; seat of the Eritrean National Mining Corporation (ENAMCO), the mandatory state partner in essentially all mining investment	Administration-linked services, mining-sector institutional access
Bisha mine	Eritrea's largest and longest-running mining operation, approximately 55-60% owned by China's Zijin Mining Group alongside ENAMCO; copper mining there has historically been the government's only stable foreign income	Gold, copper, zinc and silver production
Colluli potash project	A 50-50 ENAMCO joint venture with a Chinese state-linked conglomerate (which bought Australia's Danakali's 50% stake for USD 166 million on 31 March 2023); the Australian JORC-standard reserve estimate (January 2018) is 1,100 Mt at 10.5% K ₂ O (about 203 Mt contained sulphate of potash), with a first-module plan of 472,000 t/year SOP for roughly USD 302 million capex. Note: widely circulated figures of a '1.08 billion-tonne reserve' and 'USD 200+ million in annual fiscal revenue' trace to a single unsigned promotional essay from March 2026 that is not confirmed by Reuters, AP, Bloomberg, AFP or Eritrea's own information ministry, and current construction status is undocumented; investors should rely on the JORC figures and verify operational status independently before relying on any production timeline	Potash mining and processing
Asmara VMS cluster (Emba Derho, Adi Nefas, Gupo Gold, Debarwa)	Earlier-stage gold-copper-zinc exploration licences operated by the Asmara Mining Share Company in joint venture with ENAMCO	Exploration-stage mining, volcanogenic massive sulphide deposits
Sheba gold mine	A further named, AfDB-confirmed gold-producing operation contributing directly to national mining output	Gold production
Massawa and Assab ports	The only practical entry route for capital equipment into the country, directly shaping logistics planning for any mining or industrial project	Port logistics, equipment import

INVESTOR ENTRY ROUTES

- **FOREIGN DIRECT INVESTMENT:** Outside mining, FDI remains virtually absent, reflecting Eritrea's broader command-economy structure and limited access to Western capital and international financial institutions.
- **JOINT VENTURE:** The only well-established and effectively mandatory route into Eritrean mining; ENAMCO holds 45% of Bisha and 50% of Colluli, and is the lead state partner across most exploration licences.

- **STRATEGIC PARTNERSHIP:** The model followed by China's Zijin Mining at Bisha and Sichuan Road and Bridge Group at Colluli; non-Chinese strategic entry has no comparable recent precedent in available reporting.
- **PPP / INFRASTRUCTURE:** No significant current evidence of an active PPP pipeline outside mining-linked infrastructure.
- **ACQUISITION / PRIVATISATION -** No significant current evidence of an active privatisation pipeline; the economy remains tightly state-controlled.
- **EXPORT → DISTRIBUTION → LOCALISATION:** Mineral exports, primarily gold, copper and zinc, flow predominantly to China given its dominant position across Eritrea's mining sector.

MARKET-ENTRY OBSERVATION

An Eritrea entry strategy has, in practice, one realistic route: a joint venture with ENAMCO on an existing or adjacent mining asset, most likely structured along the lines already established by Zijin Mining at Bisha or Sichuan Road and Bridge Group at Colluli. Investors should treat claims of a broader opening, including unverified recent reports of a diaspora investment appeal, with direct caution until confirmed by an institutional or wire-service source, and should expect any serious engagement to be a multi-year relationship-building process conducted through Asmara and ENAMCO directly rather than through open-market channels.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Command-economy governance structure	Eritrea's economy is directly described by independent analysis as 'a command economy sealed by the PFDJ,' with President Isaias Afwerki's rule characterised as constraining investment and economic freedoms; nearly all significant enterprises are state-owned	Engage exclusively through ENAMCO and recognised state channels; do not assume conventional investor protections apply
Severe data and transparency gap	The IMF has not concluded an Article IV consultation with Eritrea since July 2019, meaning independent, internationally-validated economic data has not been produced for several years	Treat all third-party growth, fiscal and reserve figures as estimates of uncertain reliability; seek direct, primary verification wherever possible
Virtually no non-mining investment base	New non-mining investment remains virtually absent, and FDI outside mining stays negative or close to zero, reflecting the narrowness of the formally investable economy	Confine realistic near-term engagement to the mining sector specifically
China-concentrated ownership and offtake	China is Eritrea's principal commercial partner, dominating mining and infrastructure, with mineral exports flowing predominantly to Chinese buyers; this concentration reflects limited Eritrean access to Western capital and institutions	Understand that any new entry will sit alongside, not replace, existing dominant Chinese positions at Bisha and Colluli
Fixed exchange rate and payment constraints	The Nakfa is held at a fixed rate that shapes every payment instruction, and the limited financial sector constrains domestic savings mobilisation and broader financial services	Plan payment and repatriation structures around the fixed-rate regime from the outset; do not assume convertibility flexibility
Limited, concentrated logistics infrastructure	Massawa and Assab are the only practical ports for capital equipment entry, creating a narrow logistics chokepoint for any new project	Build equipment-import lead times and port-capacity constraints directly into project planning
US sanctions status (recent partial delisting)	On 18 September 2026 the US Treasury removed the ruling PFDJ party, the Eritrean Defense Forces, the Red Sea Trading Corporation, the Hidri Trust and two individuals from its sanctions list, following expiry of the 2021 national emergency declaration; independent analysis links this to US Red Sea strategic positioning rather than documented domestic economic or governance reform	Treat the delisting as a compliance-relevant change to confirm directly with counsel, not as a signal that underlying governance or transparency conditions have changed

INVESTOR RISK NOTE

Eritrea presents a genuinely unusual combination: broadly convergent, modestly positive growth figures alongside one of the most closed economic and political systems covered in this series. The African Development Bank projects growth of 2.8% in 2026 and 3.2% in 2027, while the World Bank projects a somewhat higher 3.5% and 3.6% for the same years, both citing Bisha and Colluli

expansion as the primary drivers; a current account surplus of 13.2% was recorded in 2025 on mineral exports. However, these figures should be read alongside the IMF's own inability to conduct an Article IV consultation since July 2019, and alongside direct, independent characterisation of Eritrea as a command economy where 'existing mining assets are therefore central, because new non-mining investment remains virtually absent.' The economy itself is small, with GDP of approximately USD 2.28 billion in 2026, and mining accounts for around 20% of GDP but over 90% of exports, an extreme concentration in a single, China-dominated sector.

MARKET ACCESS

ENAMCO's specific ownership stakes, 45% of Bisha and 50% of Colluli, define the fiscal and governance terms any mining investor will encounter. Per Zijin Mining's own project disclosure, waste-rock stripping at the Hambok deposit within Bisha is complete, with ore extraction beginning in Q1 2026, a specific, near-term operational milestone. Colluli's targeted end-2026 operational start represents the next major sector development to track directly. The African Development Bank has identified three priority reform actions for Eritrea: strengthening mining revenue stabilisation and transparency frameworks, modernising the financial sector to expand domestic savings mobilisation, and leveraging infrastructure financing; progress against these specific recommendations is a reasonable proxy for any broader market opening.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
ENAMCO (Eritrean National Mining Corporation)	The mandatory state partner across essentially all mining investment, holding direct stakes in Bisha, Colluli and the Asmara VMS cluster	The single most important institutional relationship for any mining-sector entry
Zijin Mining Group	Majority Chinese owner of the Bisha mine; the dominant existing commercial operator in the sector	Understanding the existing commercial and technical benchmark at Bisha
Sichuan Road and Bridge Group	Chinese joint-venture partner with ENAMCO at the Colluli potash project	Understanding the existing commercial benchmark at Colluli
Asmara Mining Share Company (AMSC)	Operator of the earlier-stage Emba Derho, Adi Nefas, Gupo Gold and Debarwa exploration licences in joint venture with ENAMCO	Earlier-stage exploration partnership introductions
African Development Bank	Publishes Eritrea's economic outlook and specific reform recommendations in the absence of recent IMF Article IV data	The most current available independent macroeconomic reference point

CURRENT INTERNATIONAL BUSINESS CHANNELS

China is overwhelmingly the dominant international business channel in Eritrea, through Zijin Mining at Bisha, Sichuan Road and Bridge Group at Colluli, and its position as Eritrea's principal commercial partner more broadly, with mineral exports flowing predominantly to Chinese buyers. Western and other international engagement is limited, reflecting both the absence of recent IMF data and the broader restrictions on investment and economic freedom described throughout this guide. For Waverley, the realistic entry point in the near term is a direct, patient institutional relationship with ENAMCO, informed by the existing Chinese commercial benchmark rather than by conventional open-market comparables.

INVESTOR PROFILE BEST SUITED

This is an exceptionally narrow profile: specialist mining investors with the patience and risk tolerance to operate within a mandatory ENAMCO joint-venture structure, alongside an already-dominant Chinese commercial presence at the sector's two flagship assets. No other investor profile has a credible, currently evidenced route to market in Eritrea.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Market Intelligence

Verify the specific mining asset, licence status and ENAMCO ownership structure directly; treat unverified secondary reporting with caution.

STEP 2: Investor Fit

Confirm the investor's capital, patience and risk tolerance are genuinely matched to a multi-year, ENAMCO-mediated engagement model.

STEP 3: Partner Identification

Identify ENAMCO and relevant ministerial counterparts as the primary, and in practice only, government relationship required.

STEP 4: Strategic Introductions

Use Waverley's business-diplomacy and institutional-relations capability to facilitate selected, purposeful introductions where genuinely warranted.

STEP 5: Market Entry

Support the investor through feasibility, partner negotiations, financing discussions and implementation planning.

WAVERLEY'S ROLE

- Market Entry & Investment
- Business Diplomacy & Strategic Introductions
- Trade Missions & Market Access
- Trade & Geopolitical Risk Advisory
- Government & Institutional Relations
- Research & Investment Intelligence

INVESTOR CALL TO ACTION

International investors, companies, institutions and strategic partners seeking further market intelligence on Eritrea's mining sector specifically may contact Waverley to discuss their objectives.

Market Intelligence → Investor Assessment → Strategic Introduction → Market Engagement → Potential Investment

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Internal intelligence should track: project sponsor; location; sector; project stage; CAPEX; financing need; investor type; ENAMCO ownership share; licence status; relevant international company; verification status of any secondary claims; introduction status; and next action. Given the elevated verification burden in this market, unconfirmed claims should be flagged explicitly as such and never carried forward as established fact. Public Gateway pages should remain especially conservative in what they disclose.

POSITIONING

Waverley Investment Gateway - From Market Intelligence to Trusted Market Connections.

Waverley helps international investors understand selected emerging and frontier markets, identify relevant opportunities and navigate the relationships required to explore market entry, including, in exceptionally closed markets such as this one, the direct verification work that must precede any engagement.

SELECTED SOURCES

- Capmad - "Eritrea's mining sector quietly gains strategic weight," 2026 (incl. US sanctions delisting, Colluli ownership history, fiscal terms).
- African Development Bank - Eritrea Economic Outlook, 2026.
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- Papaverai - "Eritrea: Industrial Procurement Outlook (2026)."
- Eritrea Today - "Eritrea's Economic Development: Mining-Led Growth Amid Persistent Challenges."
- Dehai News - "Can Eritrea's mining sector flourish?"
- IMF - Eritrea country page (last concluded Article IV consultation, July 2019).
- US Department of the Treasury (OFAC) - recent actions record, 18 September 2026.