

January 2019

Recent developments: The recovery in Sub-Saharan Africa continues, albeit at a softer pace. Growth in the region is estimated to have increased from 2.6 percent in 2017 to 2.7 percent in 2018, slower than expected, partly due to weaknesses in Nigeria, South Africa, and Angola. The region faced a tougher external environment in the year just ended due to moderating global trade, tighter financial conditions, and a stronger U.S. dollar.

Growth in Nigeria picked up to 1.9 percent but oil production fell mid-year and non-oil activity was dampened by lackluster consumer demand and disputes that disrupted crop production. In Angola, the region's second largest oil exporter, the economy contracted by 1.8 percent as oil production shrank. South Africa's economy grew by 0.9 percent in 2018 as it emerged from a technical recession in the second of the year, in part due to improved activity in agriculture and manufacturing. However, growth remained subdued as challenges in the mining sector and weak construction activity were compounded by policy uncertainty and low business confidence.

Economies of the Central African Economic and Monetary Community benefitted from an increase in oil production, and oil prices that were higher in most of 2018. Economic activity in non-resource-intensive countries was robust, supported by agricultural production and services, household consumption and public investment. Several countries of the West African Economic and Monetary Union grew at 6 percent or more, including Benin, Burkina Faso, Côte d'Ivoire, and Senegal.

Across the region, balance of payments financing became more difficult against the backdrop of rising external borrowing costs and weakening capital flows. Currencies in the region depreciated as the U.S. dollar strengthened and as investor sentiment toward emerging markets wavered.

Outlook: Regional growth is expected to accelerate to 3.4 percent in 2019, predicated on diminished policy uncertainty and improved investment in large economies together with continued robust growth in non-resource intensive countries. Per capita growth is forecast to remain well below the long-term average in many countries, yielding little progress in poverty reduction.

Growth in Nigeria is expected to rise to 2.2 percent in 2019, assuming that oil production will recover and a slow improvement in private demand will constrain growth in the non-oil industrial sector. Angola is forecast to grow 2.9 percent in 2019 as the oil sector recovers as new oil fields come on stream and as reforms bolster the business environment. South Africa is projected to accelerate modestly to a 1.3 percent pace, amid constraints on domestic demand and limited government spending.

Economic activity in the CEMAC countries is expected accelerate to 3 percent, benefitting from higher oil production and an increase in domestic demand as fiscal tightening eases. Growth among metals exporters is expected to rise moderately, supported in part by stronger mining activity. Among non-resource intensive countries, economic activity is expected to remain robust, boosted by public investment and strong agricultural production. Côte d'Ivoire is forecast to moderate to a 7.3 percent pace, Kenya is anticipated to pick up to a 5.8 percent rate, and Tanzania is expected to accelerate to a 6.8 percent pace.

Risks: Risks to the regional outlook are tilted to the downside. Slower-than-projected growth in the Euro Area and China would adversely affect the region through lower export demand and investment. Metals producers in the region would likely be hard-hit by escalating trade tensions between the United States and China. Faster-than-expected normalization of advanced-economy monetary policy could result in sharp reductions in capital

inflows, higher financing costs and abrupt exchange-rate depreciations. Increased reliance on foreign currency borrowing has heightened refinancing and interest rate risk in debtor countries.

Domestic risks, in particular, remain elevated. Political uncertainty and a concurrent weakening of economic reforms could continue to weigh on the economic outlook in many countries. In countries holding elections in 2019 (e.g., Malawi, Mozambique, Nigeria, South Africa), domestic political considerations could undermine the commitments needed to rein in fiscal deficits or implement structural reforms, especially where public debt levels are high and rising.

Sub-Saharan Africa Country Forecasts

(Annual percent change unless indicated otherwise)

	2016	2017	2018e	2019f	2020f	2021f
GDP at market prices (2010 US\$)						
Angola	-2.6	-0.1	-1.8	2.9	2.6	2.8
Benin	4.0	5.8	6.0	6.2	6.5	6.6
Botswana^a	4.3	2.4	4.4	3.9	4.1	4.1
Burkina Faso	5.9	6.3	6.0	6.0	6.0	6.0
Burundi	-0.6	0.5	1.9	2.3	2.5	2.8
Cabo Verde	4.7	4.0	4.5	4.7	4.9	4.9
Cameroon	4.6	3.5	3.8	4.2	4.5	4.5
Chad	-6.3	-3.0	3.1	4.6	6.1	4.9
Comoros	2.2	2.7	2.7	3.1	3.1	3.1
Congo, Dem. Rep.	2.4	3.4	4.1	4.6	5.5	5.9
Congo, Rep.	-2.8	-3.1	1.0	3.2	-0.1	-1.5
Côte d'Ivoire	8.0	7.7	7.5	7.3	7.4	6.8
Equatorial Guinea	-8.5	-4.9	-8.8	-2.1	-5.8	-5.8
Eswatini	3.2	1.9	-0.6	1.7	1.8	1.8
Ethiopia^a	8.0	10.1	7.7	8.8	8.9	8.9
Gabon	2.1	0.5	2.0	3.0	3.7	3.7
Gambia, The	0.4	4.6	5.3	5.4	5.2	5.2
Ghana	3.7	8.5	6.5	7.3	6.0	6.0
Guinea	10.5	8.2	5.8	5.9	6.0	6.0
Guinea-Bissau	5.8	5.9	3.9	4.2	4.4	4.5
Kenya	5.9	4.9	5.7	5.8	6.0	6.0
Lesotho	3.1	-1.7	1.2	1.2	0.2	1.8
Liberia	-1.6	2.5	3.0	4.5	4.8	4.8
Madagascar	4.2	4.2	5.2	5.4	5.3	5.3
Malawi	2.5	4.0	3.5	4.3	5.3	5.5
Mali	5.8	5.4	4.9	5.0	4.9	4.8
Mauritania	2.0	3.5	3.0	4.9	6.9	6.9
Mauritius	3.8	3.9	3.9	4.0	3.6	3.6
Mozambique	3.8	3.7	3.3	3.5	4.1	4.1
Namibia	0.6	-0.9	0.7	1.8	2.1	2.1
Niger	4.9	4.9	5.2	6.5	6.0	5.6
Nigeria	-1.6	0.8	1.9	2.2	2.4	2.4
Rwanda	6.0	6.1	7.2	7.8	8.0	8.0
Senegal	6.2	7.2	6.6	6.6	6.8	6.9
Seychelles	4.5	5.3	3.6	3.4	3.3	2.9
Sierra Leone	6.3	3.7	3.7	5.1	6.3	6.3
South Africa	0.6	1.3	0.9	1.3	1.7	1.8
Sudan	4.7	4.3	3.1	3.6	3.8	3.8
Tanzania	7.0	7.1	6.6	6.8	7.0	7.0
Togo	5.1	4.4	4.5	4.8	5.1	5.1
Uganda^a	4.8	3.9	6.1	6.0	6.4	6.5
Zambia	3.8	3.5	3.3	3.6	3.8	3.8
Zimbabwe	0.6	3.2	3.0	3.7	4.0	4.0

Source: World Bank.

Notes: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.

a. Fiscal-year based numbers.

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