

Recent developments: A modest economic recovery has continued in **Sub-Saharan Africa**, supported by rising oil and metals production spurred by higher commodity prices, by improving agricultural conditions and by increasing domestic demand. Several countries, including Ghana, Kenya, and Nigeria, experienced a pickup in manufacturing activity, while renewed government commitments to macroeconomic and governance reforms have boosted investor and consumer confidence in Angola, South Africa, and Zimbabwe. Elsewhere, including in Kenya and The Gambia, consumer spending has risen, helped by low inflation and a rebound in remittances.

Current account deficits are narrowing among oil exporting economies but have widened in others where import growth has been strong due to high public investment. While inflation is declining in many countries including Kenya, Mozambique and Uganda, it is in high double digits in several others, including Angola, Nigeria, and Sudan. Fiscal deficits have narrowed in oil exporters, but increased in metals exporters, and large fiscal deficits have resulted in high debt levels in the region. Countries in Sub-Saharan Africa are shifting from traditional multilateral and bilateral sources of debt to bond issuances and non-Paris Club creditors, which are resulting in higher debt service costs and rising debt vulnerabilities in some countries.

Outlook: Growth in the region is projected to rise to 3.1 percent in 2018 and to 3.5 percent in 2019, from 2.6 percent in 2017, as the recovery gradually strengthens in the largest economies. Nigeria is anticipated to grow moderately by 2.1 percent this year as activity remains subdued in the non-oil industrial sector due to low investment. Angola is expected to expand by 1.7 percent this year and 2.2 percent next year, helped by an increased availability of foreign exchange, rising natural gas production, and improved business sentiment. South Africa is forecast to expand 1.4 percent in 2018 and 1.8 percent in 2019 as a pickup in both business and consumer confidence supports stronger growth in investment and consumption expenditures.

Rising mining output and stable metals prices are anticipated to boost activity in the Democratic Republic of Congo, which is projected to grow 3.8 percent in 2018 and 4.1 percent in 2019 and Zambia, which should advance 4.1 percent this year and 4.5 percent next year. Growth in Ghana is forecast to moderate from 6.9 percent in 2018 to 6.7 percent in 2019 as the effects of high oil production dissipate.

Economic activity is expected to remain robust in non-resource-intensive economies, such as Côte d'Ivoire and Ethiopia, supported by improving agricultural conditions, infrastructure investment, and household demand.

Although per capita income in the region will turn positive, it remains below the long-term average and below the average for emerging market and developing economies, highlighting the need for actions to boost potential growth. Sustained acceleration in per capita income growth is necessary for progress in poverty reduction in the region.

Risks: Risks to the outlook remain tilted to the downside. Faster-than-expected tightening of monetary policy in advanced economies could dampen investor appetite for higher risk assets in frontier markets. A sharp decline in commodity prices would have an adverse impact on the region. While political transitions in several countries – Angola, South Africa, Zimbabwe – have opened opportunities for reform, there is also the risk of a weakening of existing reform efforts. Risks to debt sustainability are also substantial.

The Ebola outbreak could slow growth in the Democratic Republic of Congo and the sub-region, if it spreads faster than anticipated in major urban centers and into neighboring countries. The recurrence of drought is another significant downside risk to the regional outlook, and could severely disrupt the economic recovery.

Sub-Saharan Africa Country Forecasts

(Annual percent change unless indicated otherwise)

	2015	2016	2017e	2018f	2019f	2020f
GDP at market prices (2010 US\$)						
Angola	3.0	0.0	1.2	1.7	2.2	2.4
Benin	2.1	4.0	5.6	6.0	6.1	6.3
Botswana^a	-1.7	4.3	1.8	3.0	3.3	3.8
Burkina Faso	3.9	5.9	6.4	6.0	6.0	6.0
Burundi	-3.9	-0.6	0.5	1.9	2.3	2.5
Cabo Verde	1.0	3.8	4.0	4.2	4.0	4.0
Cameroon	5.7	4.5	3.2	3.9	4.1	4.3
Chad	2.8	-6.3	-3.0	2.6	2.5	5.8
Comoros	1.0	2.4	2.5	2.9	3.0	3.0
Congo, Dem. Rep.	6.9	2.4	3.4	3.8	4.1	4.4
Congo, Rep.	2.6	-2.8	-4.6	0.7	4.6	-1.2
Côte d'Ivoire	8.8	8.3	7.8	7.4	7.2	7.2
Equatorial Guinea	-9.1	-9.0	-2.7	-6.4	-7.0	-0.5
Ethiopia^a	10.4	7.6	10.3	9.6	9.7	9.9
Gabon	3.9	2.1	0.6	2.6	3.7	3.9
Gambia, The	4.3	2.2	3.5	5.4	5.2	4.9
Ghana	3.8	3.7	7.8	6.9	6.7	5.4
Guinea	3.8	10.5	8.2	6.0	5.9	6.0
Guinea-Bissau	6.1	5.8	5.7	5.1	5.2	5.4
Kenya	5.7	5.9	4.9	5.5	5.9	6.1
Lesotho	5.6	2.3	3.1	1.8	2.6	2.8
Liberia	0.0	-1.6	2.5	3.2	4.7	4.8
Madagascar	3.1	4.2	4.1	5.1	5.6	5.3
Malawi	2.8	2.5	4.0	3.7	4.1	4.9
Mali	6.0	5.8	5.3	5.0	4.7	4.7
Mauritania	1.4	2.0	3.5	3.6	4.6	5.2
Mauritius	3.5	3.8	3.9	4.0	4.1	3.8
Mozambique	6.6	3.8	3.7	3.3	3.4	3.6
Namibia	6.0	1.1	-1.0	1.5	2.3	3.0
Niger	4.0	5.0	5.2	5.3	5.4	5.8
Nigeria	2.7	-1.6	0.8	2.1	2.2	2.4
Rwanda	8.8	6.0	6.1	6.8	7.1	7.5
Senegal	6.5	6.7	6.8	6.8	6.8	7.0
Seychelles	3.5	4.5	4.2	4.0	3.8	3.5
Sierra Leone	-20.5	6.3	4.3	5.1	5.7	6.5
South Africa	1.3	0.6	1.3	1.4	1.8	1.9
Sudan	4.9	4.7	4.3	2.6	3.1	3.5
Swaziland	0.4	1.4	1.9	1.1	1.7	1.8
Tanzania	7.0	7.0	6.4	6.6	6.8	7.0
Togo	5.3	5.0	4.4	4.8	5.0	5.0
Uganda^a	5.2	4.7	4.0	5.5	6.0	6.5
Zambia	2.9	3.8	3.9	4.1	4.5	4.8
Zimbabwe	1.7	0.6	3.4	2.7	3.8	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.

