Recent developments: Low commodity prices, tightening global financial conditions and drought in parts of the region are holding back economic growth in Sub-Saharan Africa this year. The slowdown is particularly pronounced among oil exporters (Nigeria, Angola), but has also weighed on non-energy mineral exporters (South Africa, Zambia).

Electricity shortages, the Ebola epidemic, conflict and political and security uncertainties also hindered economic activity in several countries. However, some oil-importing countries (Ethiopia, Rwanda, Tanzania, the West African Economic and Monetary Union) were able to register strong growth, reflecting their more diverse economic base.

Commodity prices staged a modest rebound in February and March, but prices are still low and are expected to remain subdued in the medium-term. Production has continued to fall in a number of commodity exporters. The burden of the drop in prices has been further exacerbated by reduced capital inflows, with cross-border bank lending and bond issuance declining as well. In this environment, Nigeria's GDP contracted in the first quarter of 2016.

The current account balances of oil exporters have deteriorated sharply, and persistently low commodity prices have exerted downward pressure on the currencies of commodity exporters, raising the value of their public debt denominated in foreign currency. A number of commodity exporters have experienced a rise in inflation as well, leading central banks to tighten monetary policy (Angola, Mozambique, Nigeria, South Africa, Zambia).

Several countries, especially in Southern Africa, are facing severe El Nino related conditions that are adversely impacting agricultural production and pushing up consumer prices. In contrast, inflation has eased in recent months in a number of oil-importing countries (Kenya, Uganda, Tanzania), as the exchange rate stabilized and food prices declined. This prompted the central banks of Kenya and Uganda to cut interest rates in the first half of 2016.

Outlook: Growth in Sub-Saharan Africa is forecast to slow again in 2016, to 2.5 percent, down from 3.0 percent in 2015, as commodity prices are expected to remain low, global activity is anticipated to be weak, and financial conditions are tightening. Oil exporters are not likely to experience any significant pickup in consumption growth, while lower inflation in oil importers should support consumer spending. However, food price inflation due to drought, high unemployment, and the effect of currency depreciation could offset some of this advantage. Investment growth is expected to slow as governments and investors cut or delay capital expenditures in a context of fiscal consolidation.

Activity is expected to remain weak in the region's three largest economies in 2016. Nigeria is forecast to expand at a 0.8 percent pace, a 3.8 percentage point downward revision from January's outlook, as foreign exchange restrictions, fuel shortages, and low oil output weigh on economic activity, compounding the effect of low oil prices.

South Africa is seen slowing to a 0.6 percent pace, as low business confidence and political tensions slow investment growth and as high unemployment and tight monetary policy limit private consumption. Angola is projected to ease to a 0.9 percent rate, due to low oil prices, a weak investment climate, and rising inflation.

Growth is expected to pick up in Ghana (5.2 percent) thanks to improved investor sentiment, new oilfields, and more reliable electrical power. Cote d'Ivoire (8.5 percent) and Kenya (5.9 percent) are expected to continue to expand at a robust pace, boosted by ongoing investment and agricultural production. Output in Zambia is expected to remain subdued (3.4 percent) as a result of lower copper prices and power shortages.

Among the region's low income countries, oil and mineral exporters are expected to experience a modest pickup in activity as they continue to adjust to low commodity prices. For most other LICS, including Rwanda (6.8 percent) and Tanzania (7.2 percent), growth is expected to remain strong, supported by domestic demand.

Risks: A sharper-than-expected slowdown in China could further weaken activity in commodity exporters. A further oil price decline could strain the fiscal and current account balances of oil producers and force more public spending cuts. Disappointing Euro Area activity could depress exports and reduce investment flows.

Delayed adjustments to the commodity price collapse could cool investor sentiment in affected countries. Worsening drought could hurt agricultural production, reduce hydroelectric power generation, and intensify inflationary pressures through higher food prices. Militant insurgencies and terrorist attacks remain a concern in West Africa and Kenya, with potential spillovers to neighboring countries.

Sub-Saharan Africa forecast summary

(annual percent change unless indicated otherwise)

			Est.	Forecast		
	2013	**2014**	**2015**	**2016**	**2017**	**2018**
GDP at market prices (2010 US$)						
Angola	6.8	3.9	2.8	0.9	3.1	3.4
Benin	5.6	5.4	5.2	5.5	5.8	6.1
Botswana[a]	9.3	4.4	-0.3	3.7	4.3	4.4
Burkina Faso	6.7	4.0	4.0	5.2	5.5	6.0
Burundi	4.6	4.7	-2.5	3.0	3.5	4.0
Cabo Verde	1.0	1.8	1.0	1.5	1.9	2.2
Cameroon	5.6	5.9	6.2	6.0	6.1	6.2
Chad	5.7	6.9	1.8	-0.4	1.6	5.2
Comoros	3.5	3.0	2.3	2.4	3.0	3.1
Congo, Dem. Rep.	8.5	9.0	7.7	6.3	7.7	8.5
Congo, Rep.	3.4	6.5	2.6	3.8	3.2	3.0
Côte d'Ivoire	9.2	9.0	8.4	8.5	8.0	8.1
Equatorial Guinea	-4.8	-3.1	-15.5	1.5	-1.0	-1.6
Eritrea	1.3	1.7	3.0	4.0	4.3	4.3
Ethiopia[a]	10.5	9.9	9.6	7.1	9.4	8.6
Gabon	4.3	4.3	4.0	3.9	4.4	4.6
Gambia, The	4.8	0.9	-2.5	-4.0	4.5	5.5
Ghana	7.3	4.0	3.4	5.2	8.2	7.5
Guinea	2.3	-0.3	0.1	4.0	5.0	6.0
Guinea-Bissau	0.8	2.9	5.1	5.7	6.0	6.0
Kenya	5.7	5.3	5.6	5.9	6.1	6.2
Lesotho	4.6	2.0	2.7	2.6	3.7	4.0
Liberia	8.7	0.7	0.3	3.8	5.3	5.6
Madagascar	2.4	3.0	3.0	3.7	3.7	3.7
Malawi	5.2	5.7	2.8	3.0	4.1	5.4
Mali	1.7	7.2	5.5	5.3	5.1	5.0
Mauritania	5.5	6.9	3.0	4.2	4.5	3.3
Mauritius	3.2	3.6	3.6	3.8	4.0	4.0
Mozambique	7.3	7.4	6.3	5.8	7.7	8.3
Namibia	5.7	6.4	4.5	4.2	5.4	5.5
Niger	4.6	6.9	4.2	5.4	6.3	7.0
Nigeria	5.4	6.3	2.7	0.8	3.5	4.0
Rwanda	4.7	7.0	7.1	6.8	7.2	7.1
Senegal	3.6	4.3	6.5	6.6	6.8	7.0
Seychelles	6.6	2.8	4.3	3.7	3.6	3.6
Sierra Leone	20.1	7.0	-21.5	6.5	5.3	5.4
South Africa	2.2	1.5	1.3	0.6	1.1	2.0
South Sudan	13.1	3.4	-6.3	3.5	6.9	7.4
Sudan	3.3	3.1	3.2	3.3	3.8	4.0
Swaziland	2.8	2.5	1.7	1.3	1.4	1.6
Tanzania	7.3	6.8	7.0	7.2	7.1	7.1
Togo	5.1	5.7	5.5	5.6	5.0	5.5
Uganda[a]	4.4	4.7	5.0	5.0	5.9	6.8
Zambia	6.7	4.9	3.6	3.4	4.2	5.0
Zimbabwe	4.5	3.8	1.1	1.4	5.6	3.5

Source : World Bank.

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.