

June 2020

Recent developments: Sub-Saharan Africa has been ravaged by the COVID-19 pandemic, and economic activity collapsed in the first half of this year. The pandemic has taken a heavy human and economic toll, causing the most serious disruption to region-wide economic activity on record. Sub-Saharan Africa has suffered as a result of the impact of the pandemic on its key trading partners, the disruption to global travel and supply chains, and the collapse in global commodity prices, particularly for oil and industrial metals. These shocks have heightened risk aversion among investors and prompted unprecedented capital outflows.

In Nigeria and South Africa, activity has fallen precipitously in the first half of the year. Several industrial commodity exporters, such as Angola, the Democratic Republic of Congo, and Ghana, have had to cope with weaker external demand and lower prices for oil and metals, in addition to domestic disruptions. Agricultural commodity exporters, including Côte d'Ivoire, Ethiopia and Kenya, have suffered from a collapse in demand as well as disruptions to supply chains. The fall in global travel as a result of the pandemic has hit hard on countries with substantial exposure to travel and tourism, such as Cabo Verde, Ethiopia, Mauritius, Seychelles.

Inflation has crept up in the region, reflecting currency depreciations and supply chain upheaval. While many countries have announced fiscal support measures, in many instances these involve reprioritizing existing budgets given fiscal constraints. International institutions have called on bilateral creditors to suspend some debt payments.

Outlook: Economic activity in the region is on course to contract by 2.8% in 2020, the deepest on record. Per capita GDP is anticipated to fall even more sharply, likely pushing millions in the region back into extreme poverty. Growth could resume to 3.1% in 2021 assuming the pandemic fades in the second half of the year, that domestic outbreaks of the virus follow a similar path, and that growth in major trading partners rebounds. Sub-Saharan Africa faces daunting hurdles to contain COVID-19 given weak health care capacity, lack of access to basic sanitation, and the prevalence of informal economic activity across much of the region.

The economy of Nigeria is expected to shrink by 3.2% this year, given the collapse in oil prices, which represent 80% of the country's exports, about a third of banking sector credit, and half of government revenues. South Africa's output is forecast to contract 7.1% this year, the deepest contraction in a century, as stringent but necessary containment measures curtail economic activity.

Economic activity among commodity importing economies is anticipated to shrink this year despite lower oil prices, as international travel restrictions weigh on tourist visits. Industrial commodity exporters' GDP is similarly anticipated to contract in 2020 as domestic disruptions are compounded by low prices for oil and metals. Agricultural commodity exporters are also expected to experience a collapse in economic activity this year despite being somewhat insulated from commodity price declines, as foreign direct investment and tighter financial conditions delay investment.

Risks: Risks are tilted firmly to the downside. A longer lasting and more severe pandemic would trigger an even deeper recession in the region and have devastating effects on the health and well-being of the region's population. The effects of the pandemic are expected to markedly increase the region's vulnerability to debt distress, and these strains will be compounded by the increased borrowing necessary to fund larger deficits. Severely constrained government resources could lead to a curtailment of critical public services during the pandemic and further weigh on activity.

There are also growing concerns that the pandemic may cause a food security crisis in the region as border closures and trade restrictions disrupt trading in food and agricultural products. The region's large numbers of

displaced people could complicate efforts to prevent the spread of COVID-19. In addition, there is the risk of social unrest as governments prioritize efforts to thwart the virus and peacekeeping efforts lose momentum. Rising unemployment, falling incomes, and potential shortages of essential items could lead to instability and weigh on activity well after the pandemic has faded.

[Download *Global Economic Prospects*](#)

Sub-Saharan Africa Country Forecasts

(Annual percent change unless indicated otherwise)

	2017	2018	2019e	2020f	2021f
GDP at market prices (2010 US\$)					
Angola	-0.1	-2.0	-0.9	-4.0	3.1
Benin	5.8	6.7	6.9	3.2	6.0
Botswana	2.9	4.5	3.5	-9.1	4.2
Burkina Faso	6.3	6.8	5.7	2.0	5.8
Burundi	0.5	1.6	1.8	1.0	2.3
Central African Republic	4.5	3.7	3.1	0.8	3.5
Cabo Verde	3.7	5.1	5.5	-5.5	5.0
Cameroon	3.5	4.1	3.9	-0.2	3.4
Chad	-3.0	2.6	3.2	-0.2	4.7
Comoros	3.8	3.4	1.9	-1.4	3.2
Congo, Dem. Rep.	3.7	5.8	4.4	-2.2	3.5
Congo, Rep.	-1.8	1.6	-0.9	-6.2	-1.1
Côte d'Ivoire	7.4	6.8	6.9	2.7	8.7
Equatorial Guinea	-4.7	-6.1	-6.2	-8.4	-1.6
Eritrea	-10.0	13.0	3.7	-0.7	5.7
Eswatini	2.0	2.4	1.3	-2.8	2.7
Ethiopia^a	10.0	7.9	9.0	3.2	3.6
Gabon	0.5	0.8	3.3	-3.2	-2.6
Gambia, The	4.8	6.6	6.0	2.5	6.5
Ghana	8.1	6.3	6.5	1.5	3.4
Guinea	10.3	6.2	5.6	2.1	7.9
Guinea-Bissau	5.9	3.8	4.7	-1.6	3.1
Kenya	4.8	6.3	5.4	1.5	5.2
Lesotho	-0.4	1.5	1.4	-5.1	5.5
Liberia	2.5	1.2	-2.3	-2.6	4.0
Madagascar	3.9	4.6	4.8	-1.2	4.0
Malawi	4.0	3.5	4.4	2.0	3.5
Mali	5.3	4.7	5.1	0.9	4.0
Mauritania	3.0	3.6	6.3	-2.0	4.2
Mauritius	3.8	3.7	3.6	-6.8	6.4
Mozambique	3.7	3.4	2.2	1.3	3.6
Namibia	-0.3	0.7	-1.1	-4.8	3.0
Niger	4.9	6.5	6.3	1.0	8.1
Nigeria	0.8	1.9	2.2	-3.2	1.7
Rwanda	6.1	8.6	9.4	2.0	6.9
São Tomé and Príncipe	3.9	2.7	2.4	-9.5	6.1
Senegal	7.4	6.4	5.3	1.3	4.0
Seychelles	4.3	4.1	3.8	-11.1	6.3
Sierra Leone	3.8	3.5	5.1	-2.3	4.0
South Africa	1.4	0.8	0.2	-7.1	2.9
Sudan	4.3	-2.3	-2.6	-4.0	0.5
South Sudan^a	-6.9	-3.5	3.2	-4.3	-23.6
Tanzania	6.8	5.4	5.8	2.5	5.5
Togo	4.4	4.9	5.3	1.0	4.0
Uganda^a	3.9	6.2	6.5	3.3	3.7
Zambia	3.4	4.0	1.7	-0.8	2.4
Zimbabwe	4.7	3.5	-8.1	-10.0	2.9

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.

World Bank Group COVID-19 Response

“The [World Bank Group](#), one of the largest sources of funding and knowledge for developing countries, is taking [broad, fast action](#) to help developing countries strengthen their pandemic response. We are supporting public health interventions, working to ensure the flow of critical supplies and equipment, and helping the private sector continue to operate and sustain jobs. We will be deploying up to \$160 billion in financial support over 15 months to help more than 100 countries protect the poor and vulnerable, support businesses, and bolster economic recovery. This includes \$50 billion of new IDA resources through grants and highly concessional loans.”