

Regional Economic Outlook for sub-Saharan Africa

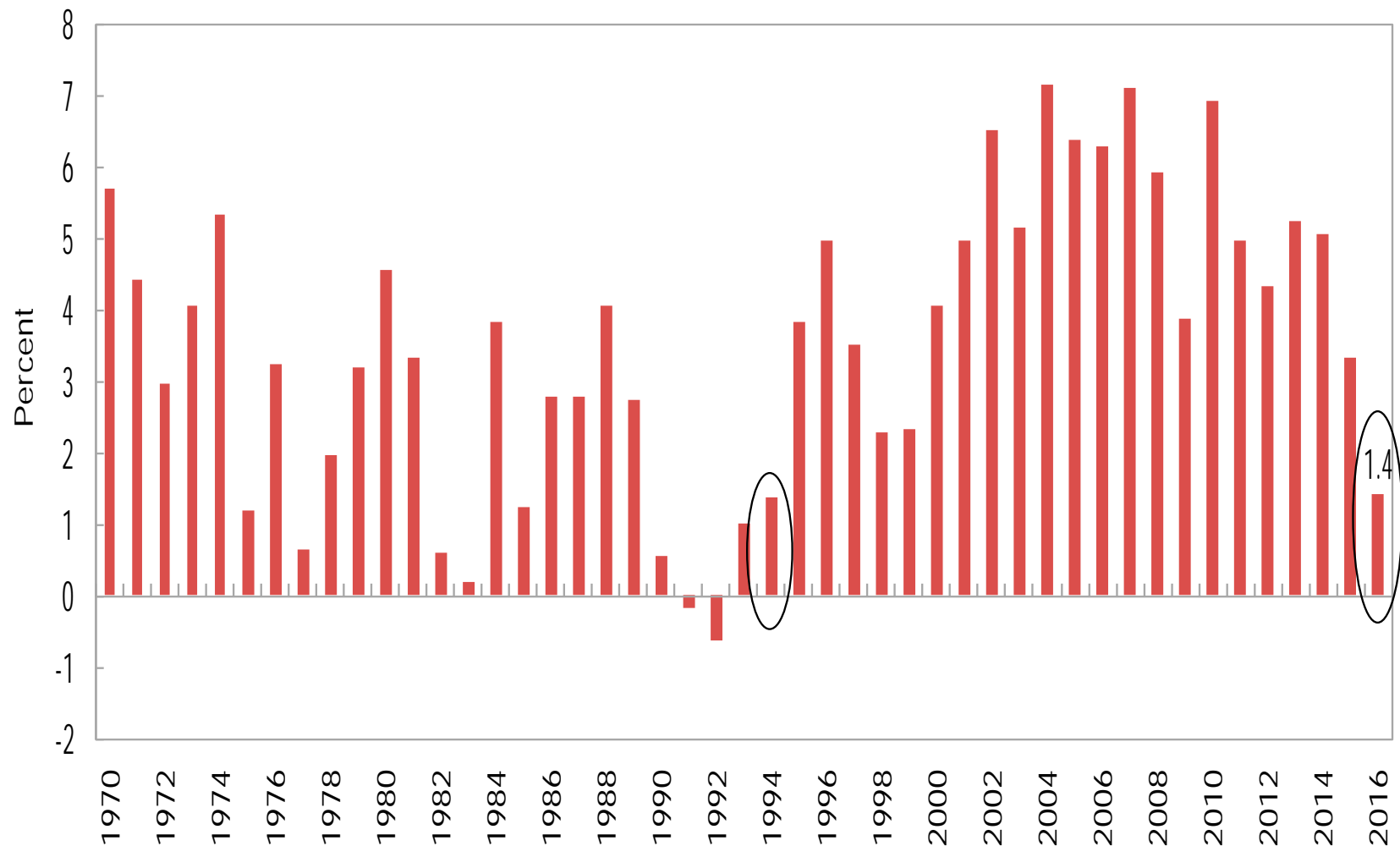


African Department
International Monetary Fund
November 30, 2017

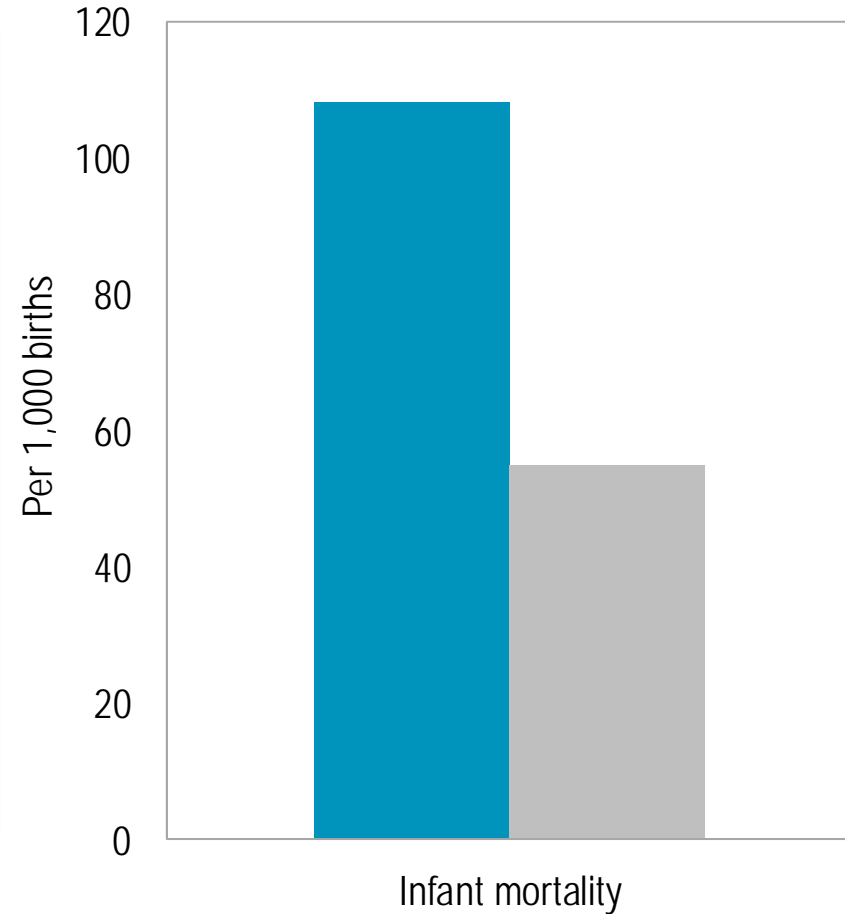
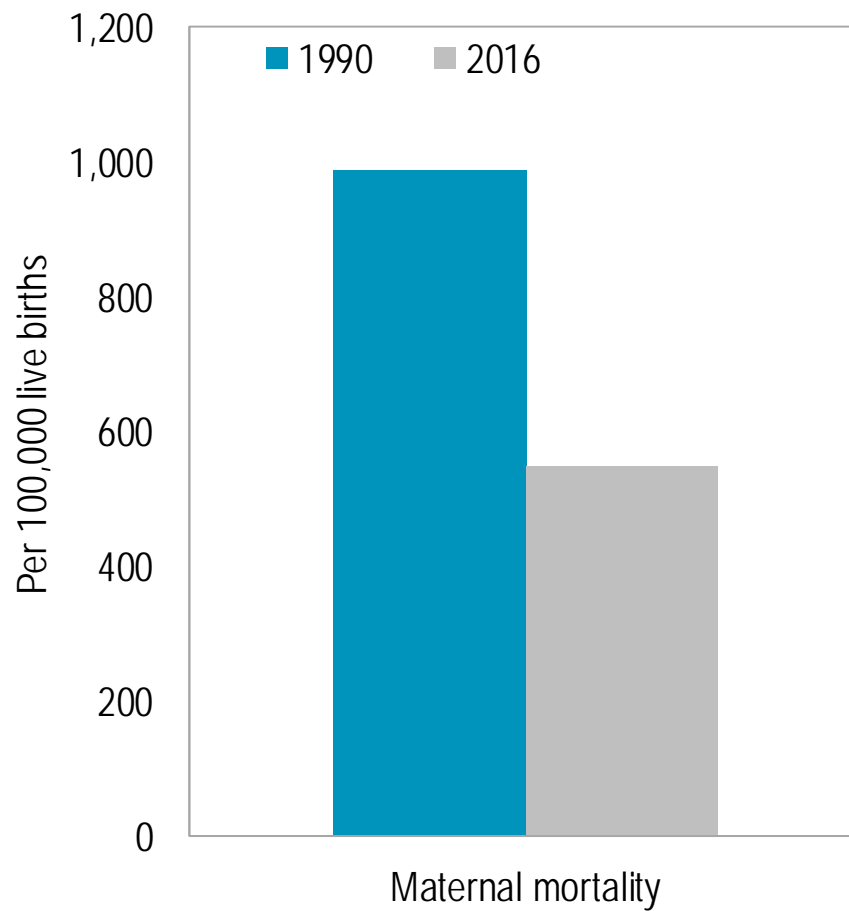
Outline

1. **Sharp slowdown after two decades of strong growth**
2. A partial and tentative policy response
3. Near-term macroeconomic challenge
 - Addressing debt vulnerabilities
 - Emphasis on revenue mobilization
 - Fostering economic diversification
4. **Medium-term prospects remain strong**
 - Demographic dividend
 - Technology facilitating stronger catch-up growth

Since the mid 1990s, most sub Saharan African countries have been registering high growth rates



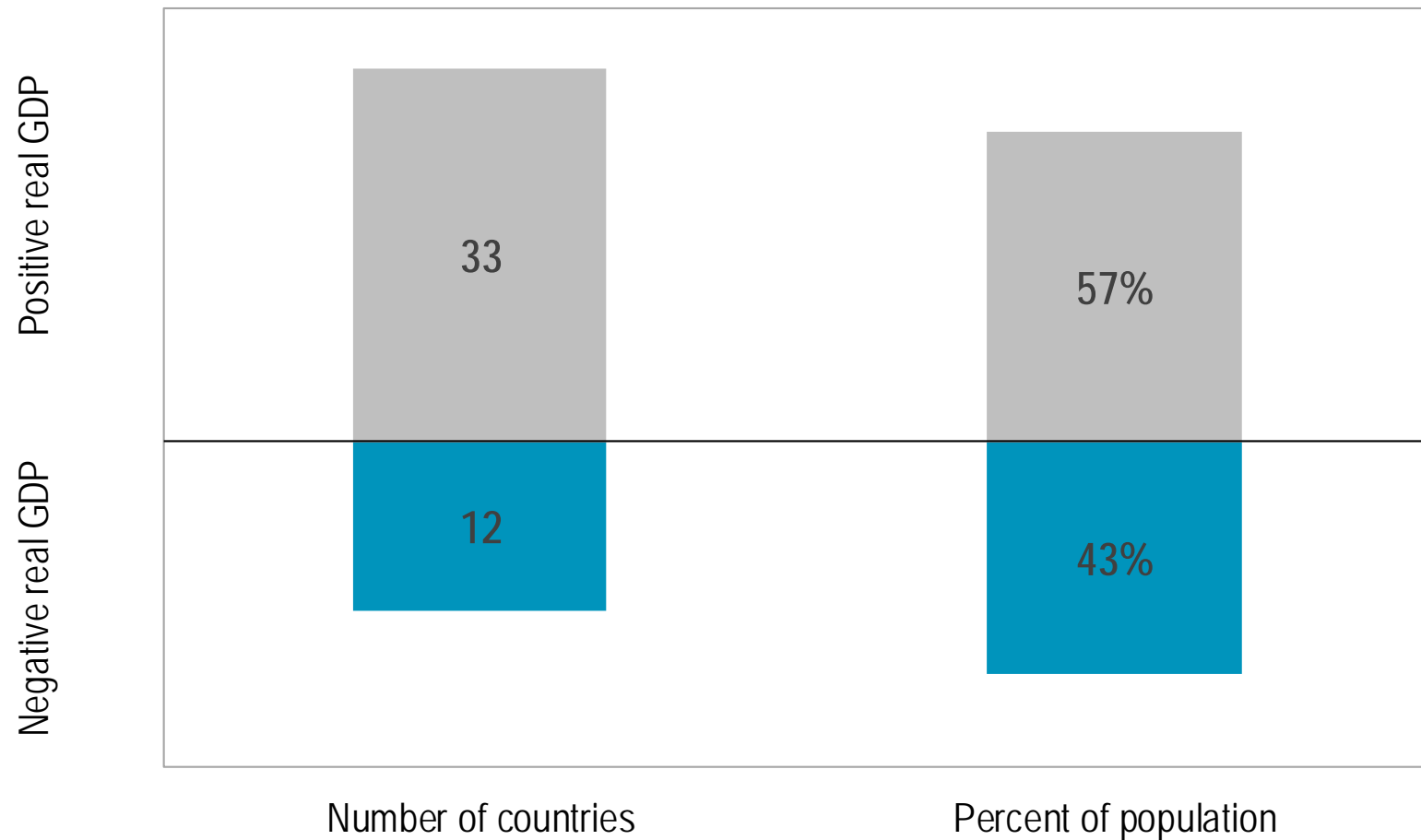
Important progress in human development



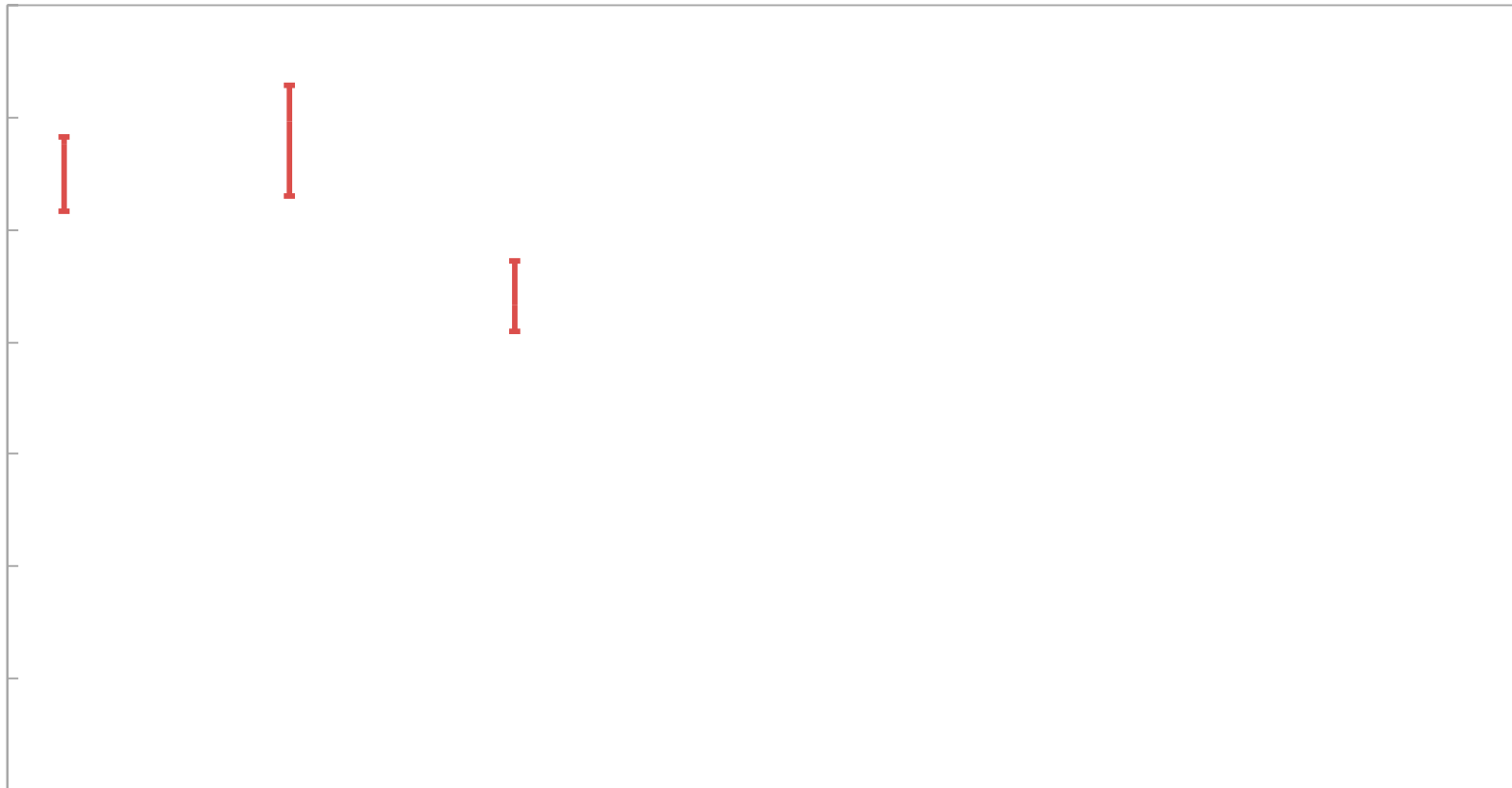




The recovery is not sufficient to raise per capita growth in many countries



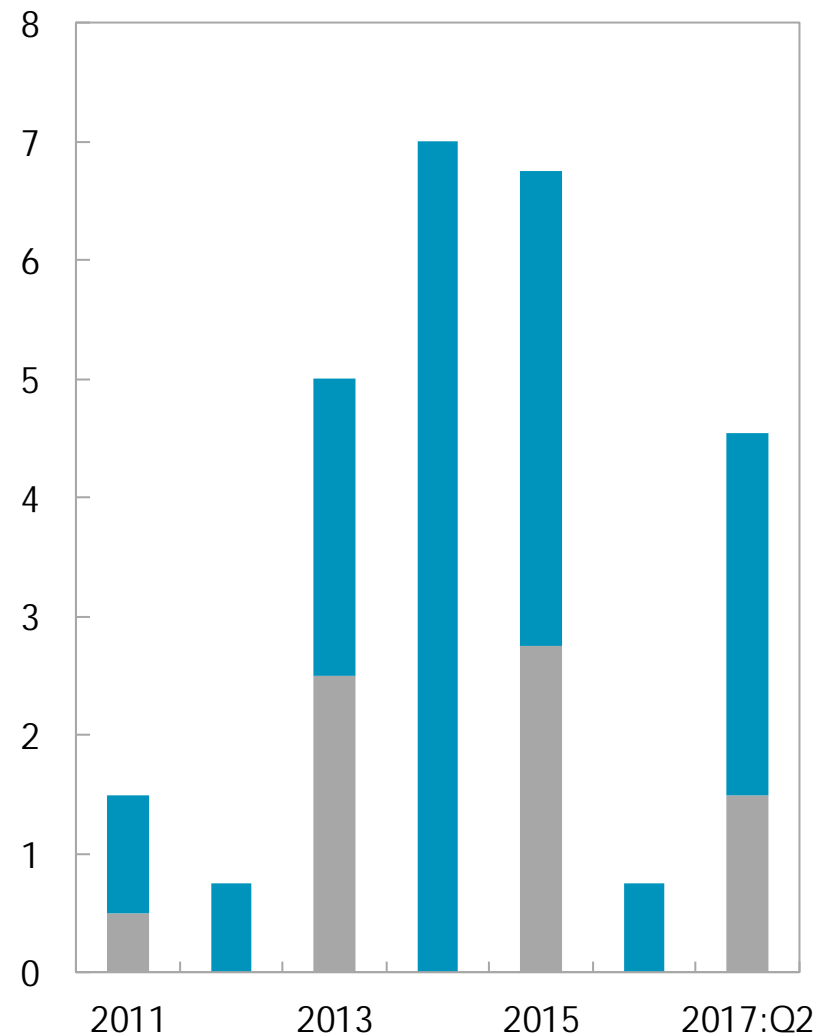
Oil exporting economies have been hit the most



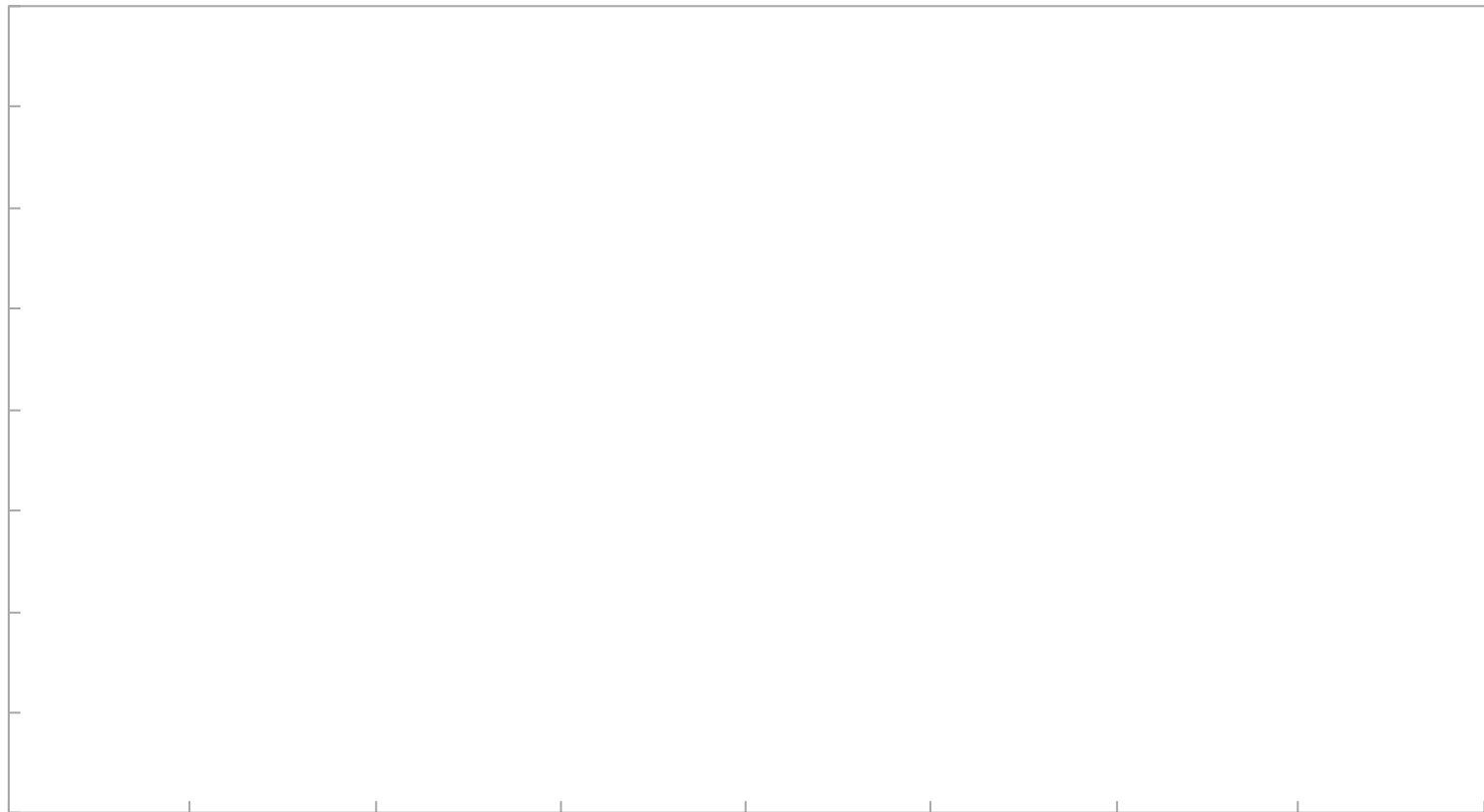
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Easier financing conditions have brought frontier economies back to the market

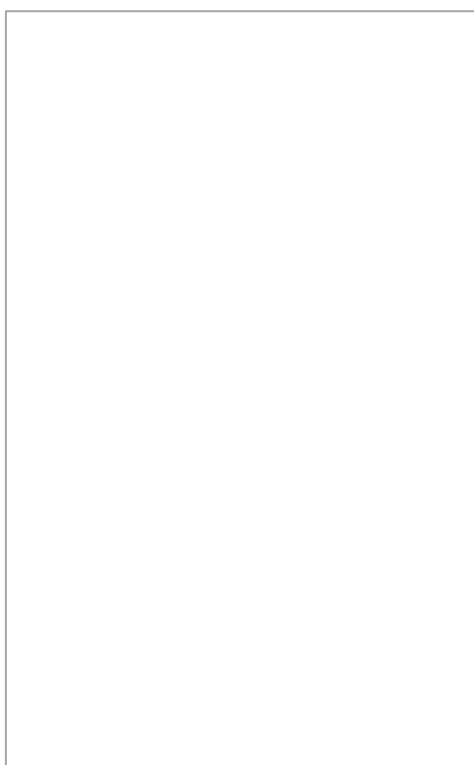


Exchange rate pressures have eased in many countries—the case of Nigeria



Fiscal deficits are stabilizing

Oil exporters



Other resource-intensive countries

Non-resource-intensive countries

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Debt stocks have risen throughout the region

Driven by large fiscal deficits and depreciation

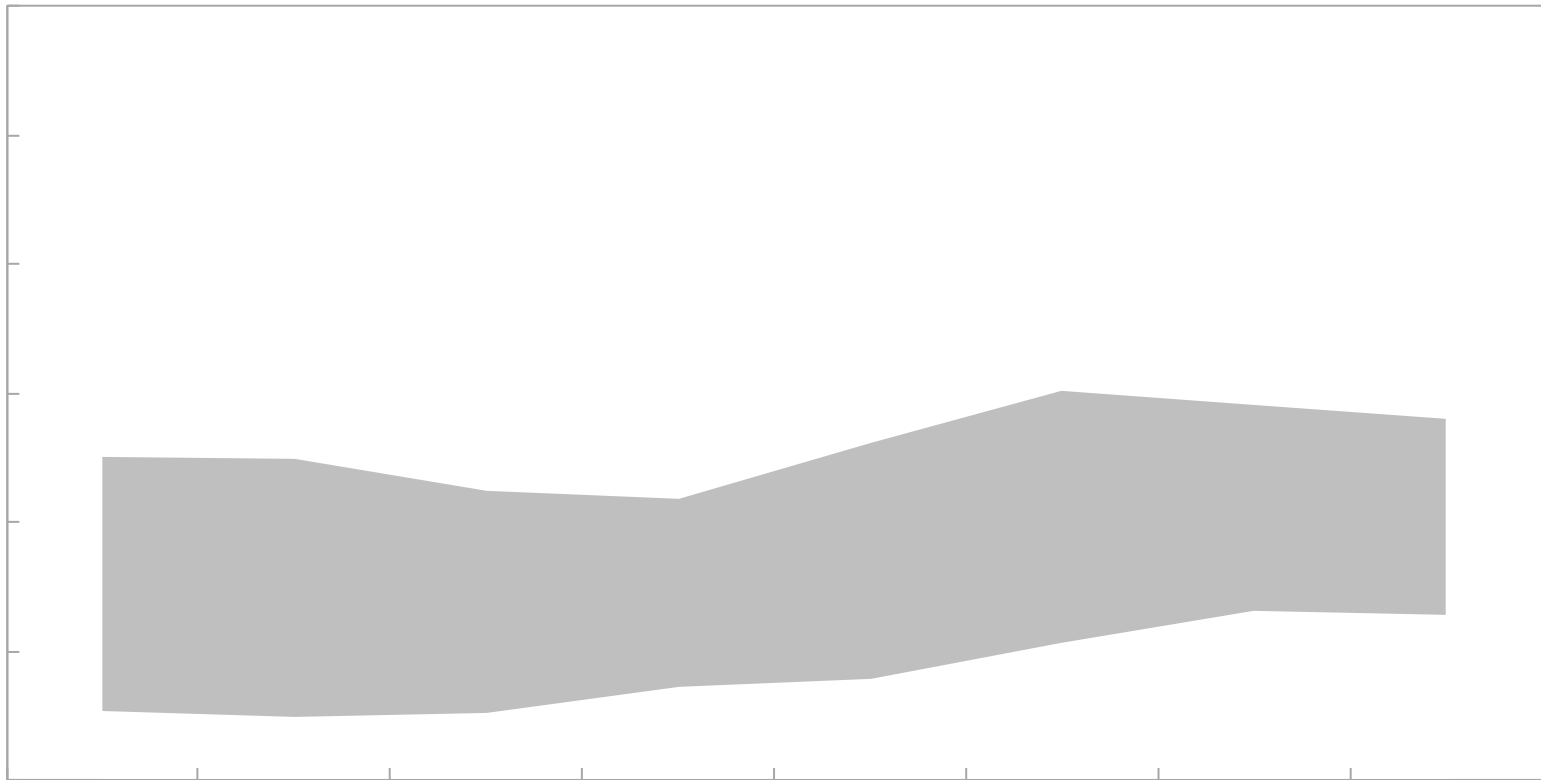


Addressing debt vulnerabilities

Emphasis on revenue mobilization

Fostering economic diversification

Debt service costs have increased



Addressing debt vulnerabilities

Emphasis on revenue mobilization

Fostering economic diversification

Fiscal consolidation plans need to be implemented

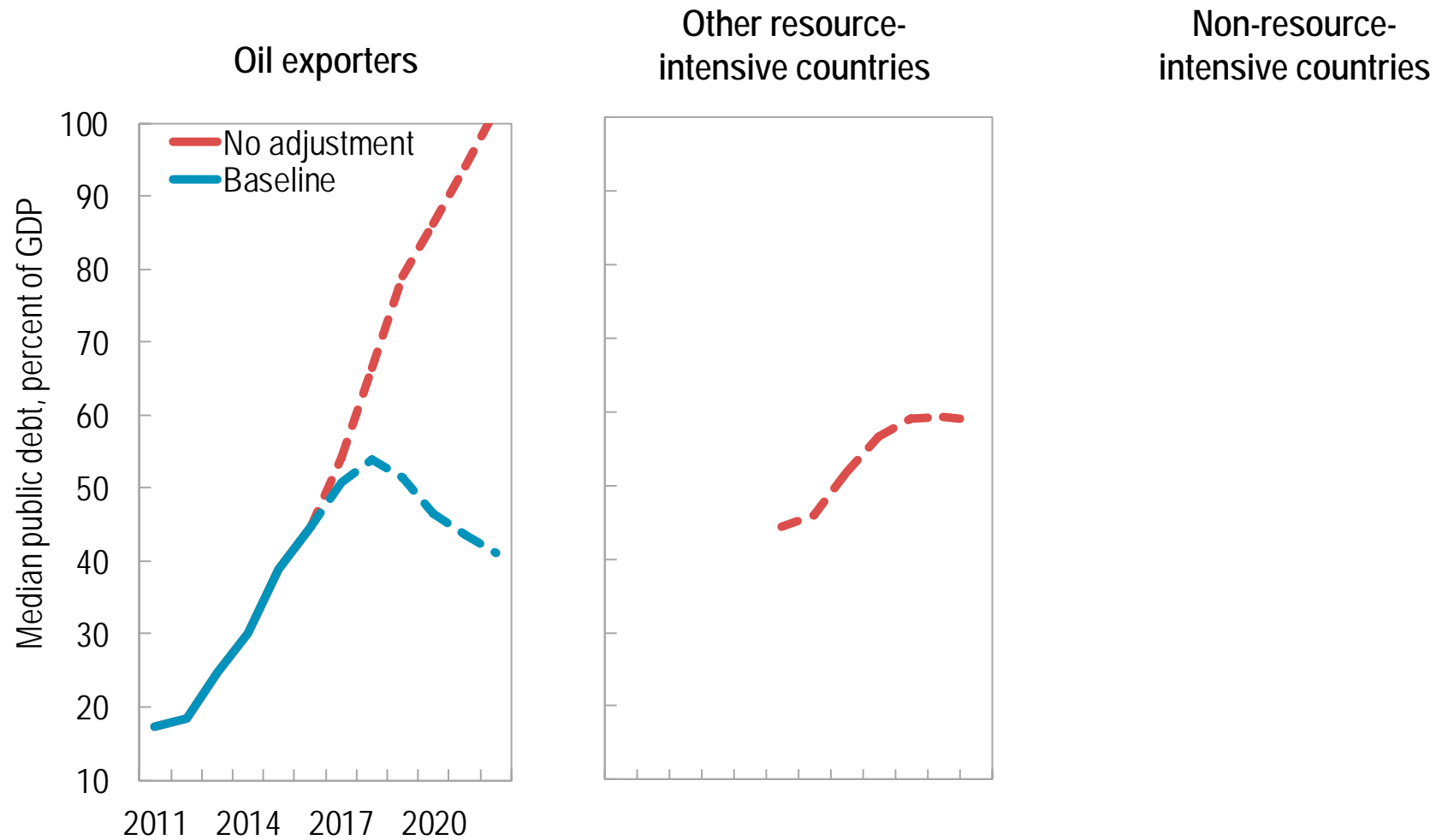
Oil exporters

Other resource-intensive countries

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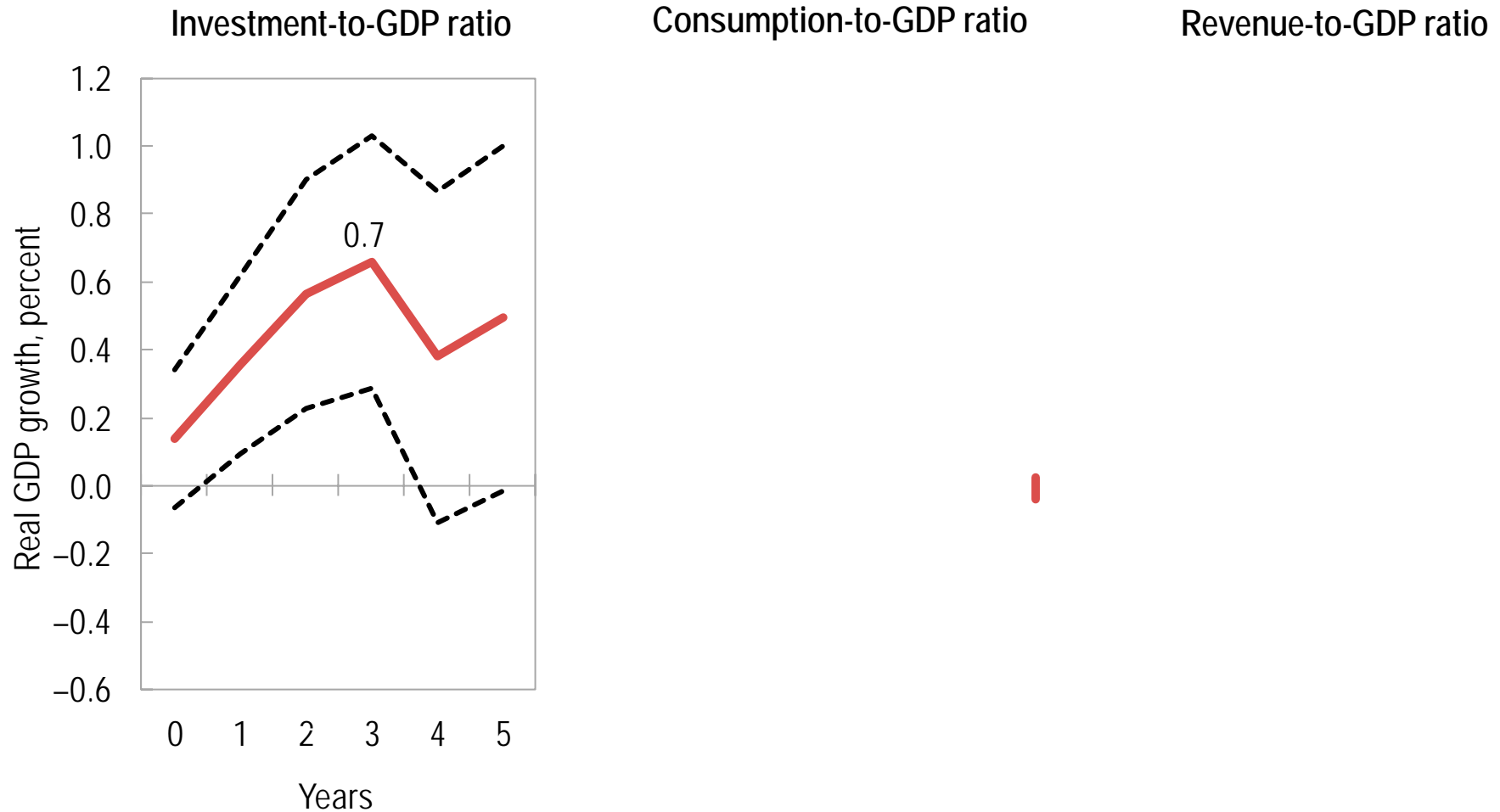
Addressing debt vulnerabilities

Emphasis on revenue mobilization

Fostering economic diversification

Fiscal multipliers are lower in SSA

Impact on GDP growth of a 1 pp increase in ...

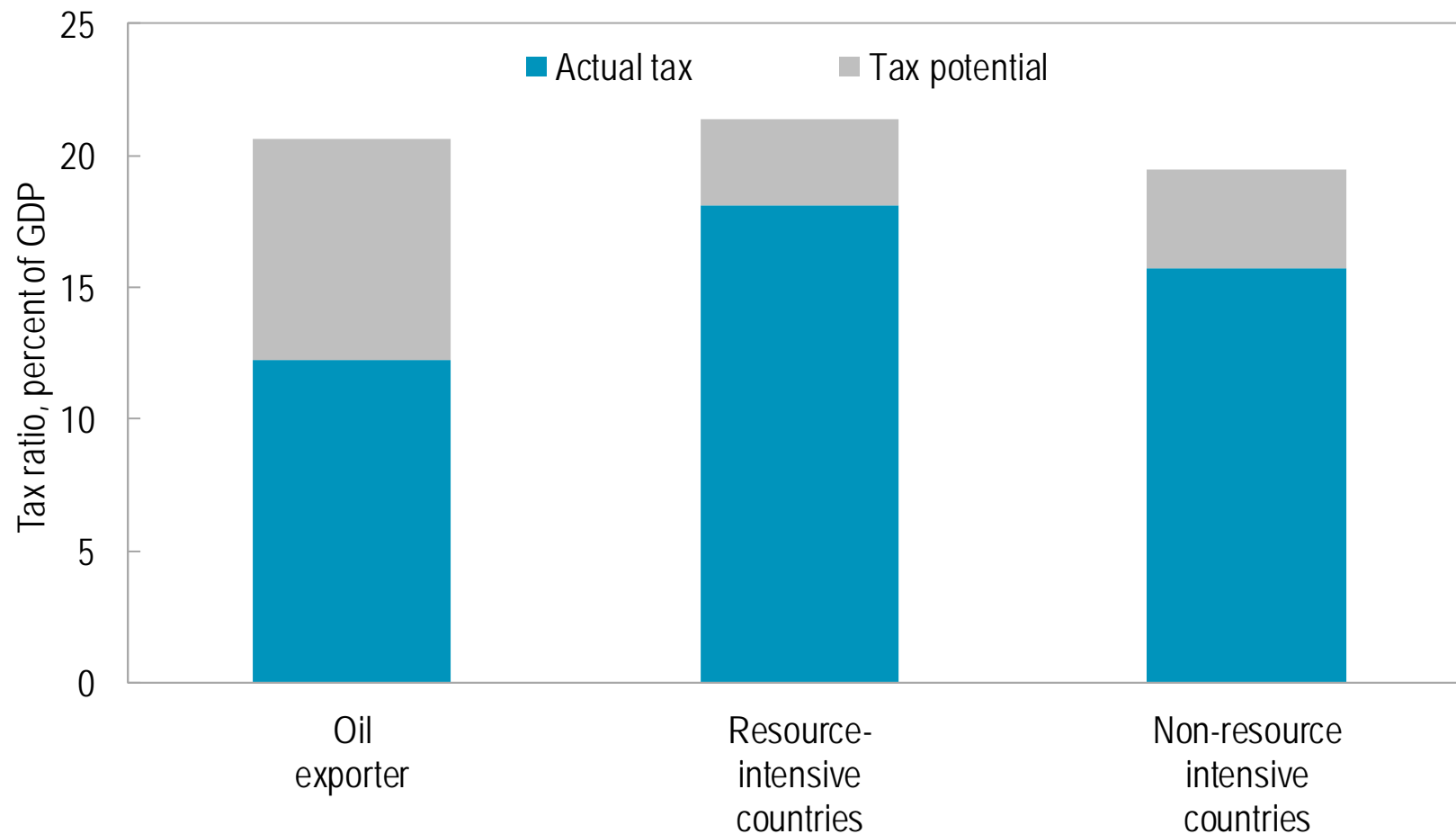


Addressing debt vulnerabilities

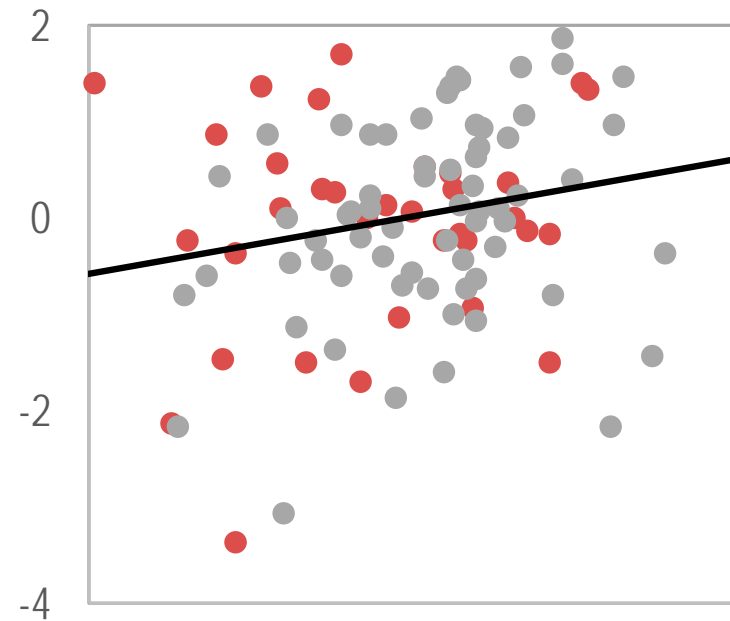
Emphasis on revenue mobilization

Fostering economic diversification

Significant potential for raising tax revenues



Usual factors important for diversification...



Usual factors... (cont)



Getting the policy mix right and playing to your strengths

Botswana: Expanding along the value chain

- Built on an existing position in the diamond industry
- Helped to create positive spillovers to supporting sectors
- Strong record of good governance
- Prudent economic management

Uganda: Moving into manufacturing

- Expanded from agro-commodities to agro-processing
- Industrial clusters supported exports of light manufacturing
- Sustained macroeconomic stability
- Expanding regional trade supported export growth

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FinTech for financial inclusion

Thank you!

The online edition of the
Regional Economic Outlook
for sub-Saharan Africa
is now available online at
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