

REGIONAL ECONOMIC OUTLOOK

SUB-SAHARAN AFRICA



**AFRICAN
DEPARTMENT**

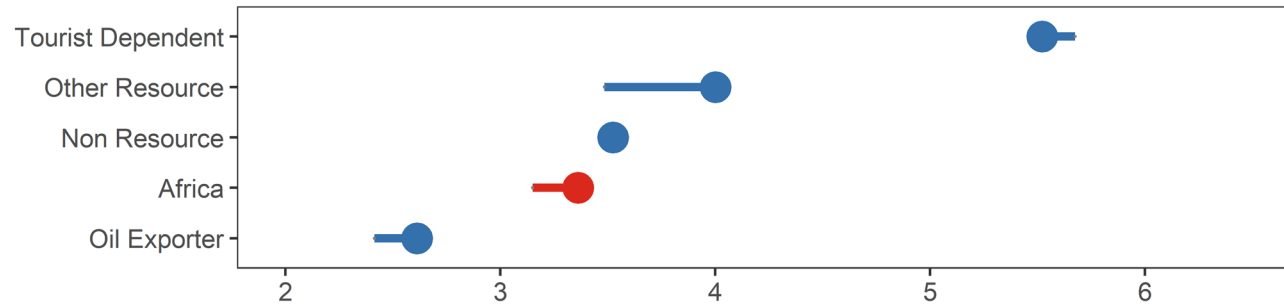
Navigating a Long Pandemic

PRESENTATION TO THE AFRICAN CAUCUS, AUGUST 2021

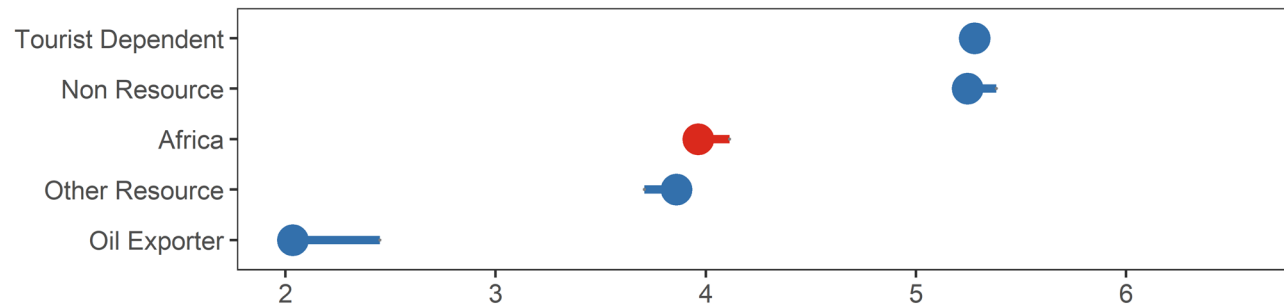
The outlook for Africa is broadly the same as in April...

Real GDP Growth Revisions since April 2021 (Percent)

2021. From 3.2 to 3.4



2022. From 4.1 to 4.0

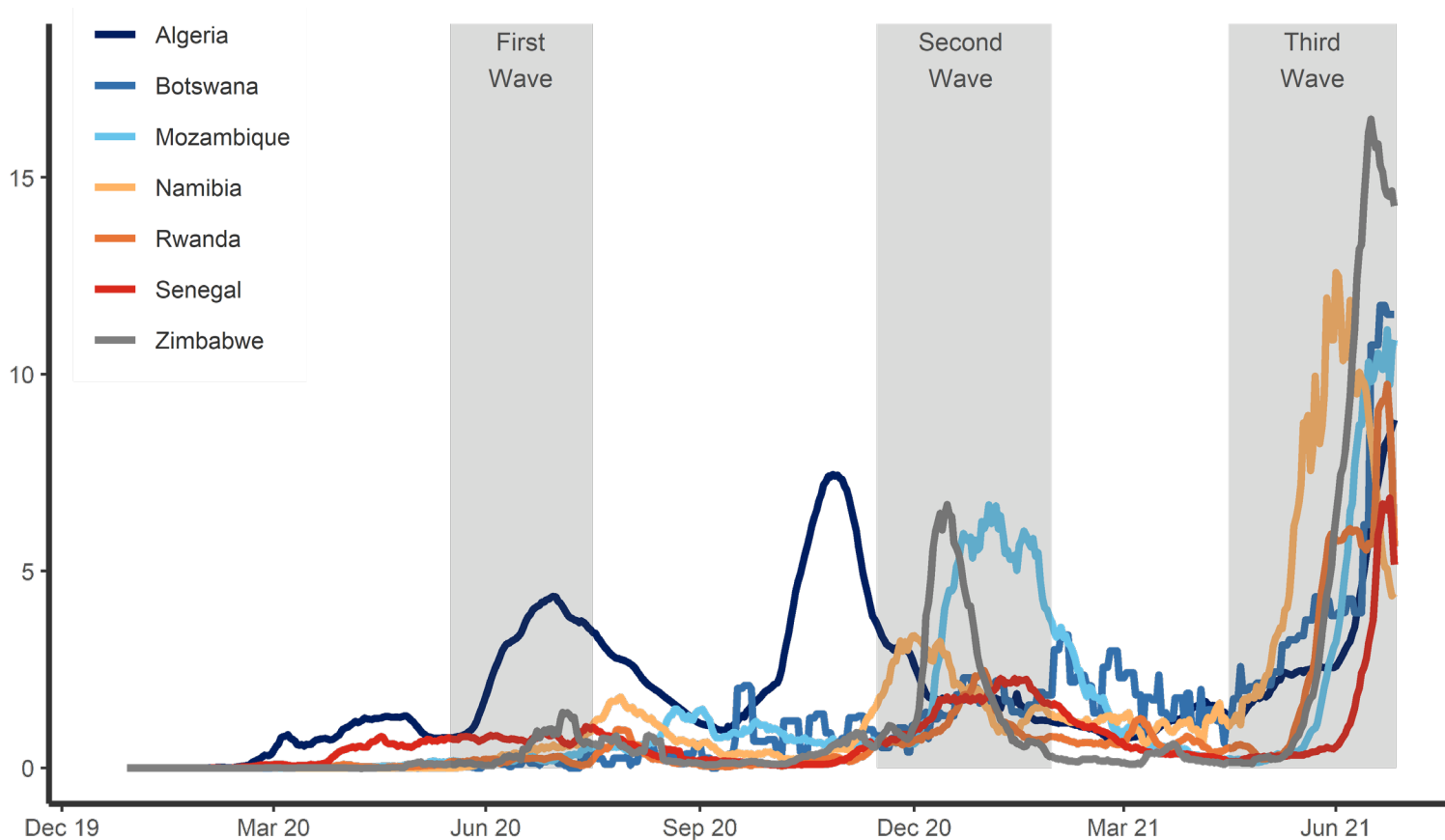


Source: IMF, World Economic Outlook.

...and the pandemic remains a concern

COVID-19 Incidence, Select Countries.

(New Cases per Week, thousands)

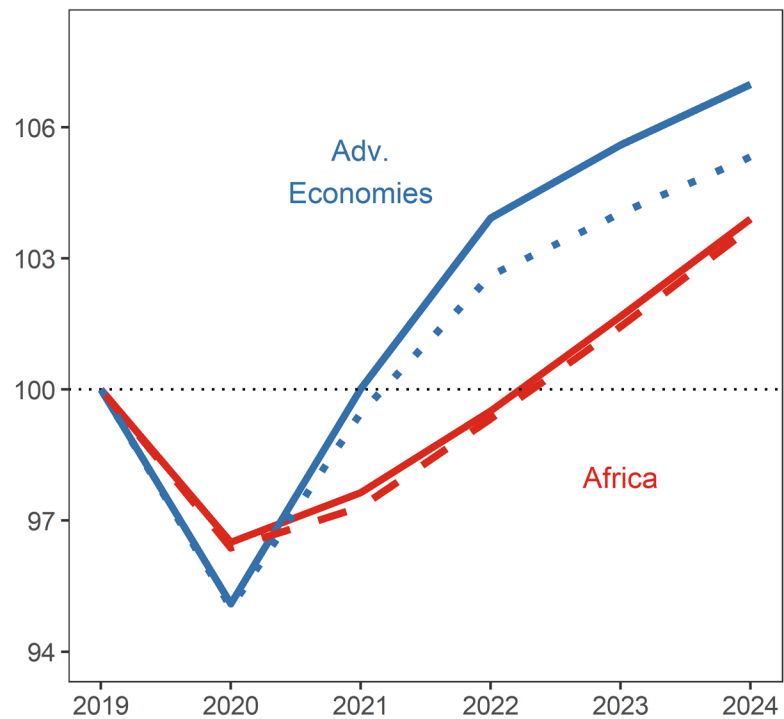


Source: JHU COVID Tracking Project.

Challenge #1: Facing a diverging growth outlook

Real GDP per Capita, select regions.

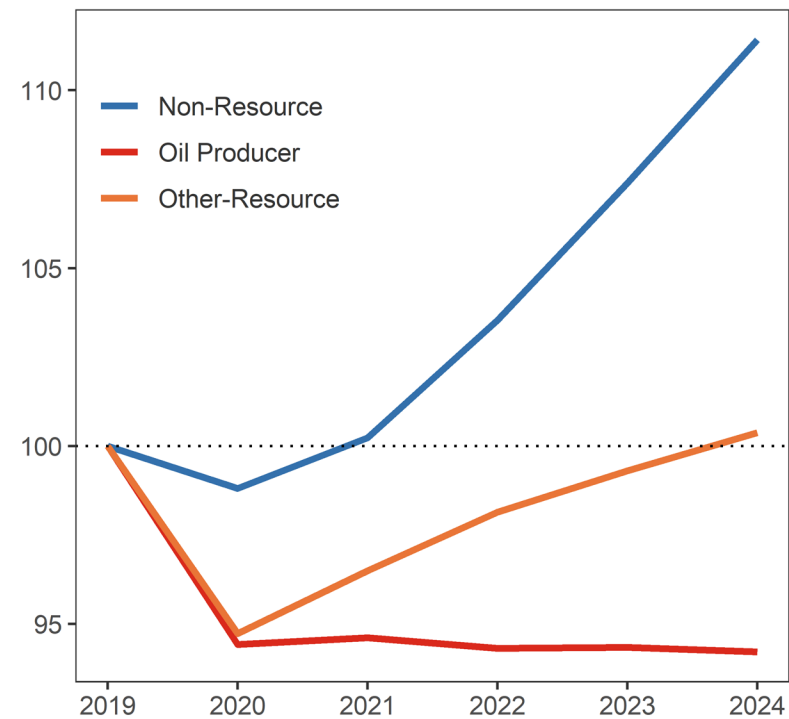
(Index 2019 = 100, dashed line= April projection)



Source: IMF, World Economic Outlook.

Real GDP per Capita, Africa

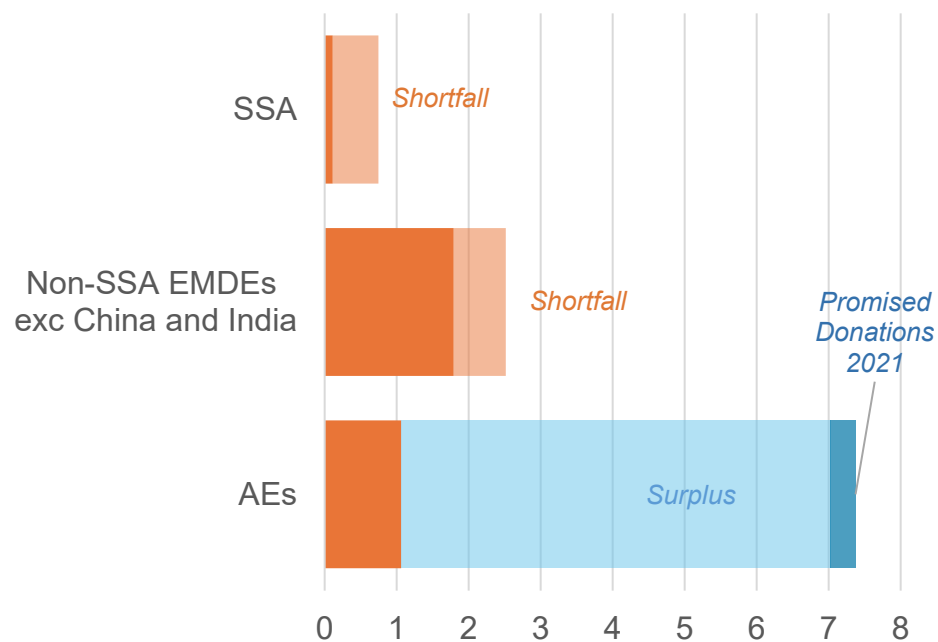
(Index 2019 = 100)



Challenge #2: Dealing with long COVID-19

Deliveries Needed to Vaccinate 60 Percent of the Adult Population

(Versus expected deliveries for end 2021, billion doses 1/)



Sources: Duke Global Health Innovation Center's Launch and Scale Speedometer, and IMF staff calculations.
1/ 2021 delivery projections as of May 16, 2021

Cost of Vaccinating 60 Percent of the Population in SSA

10

BILLION US\$

0.1-3.4

PERCENT OF 2020 GDP

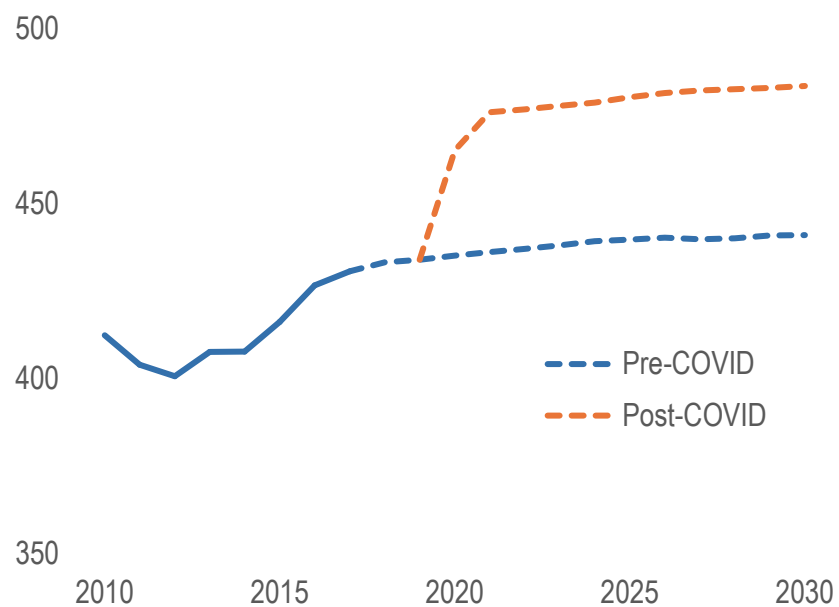
1.7-52

PERCENT OF 2018 HEALTH EXPENDITURES

Sources: IMF, World Economic Outlook, World Bank, and IMF staff calculations.

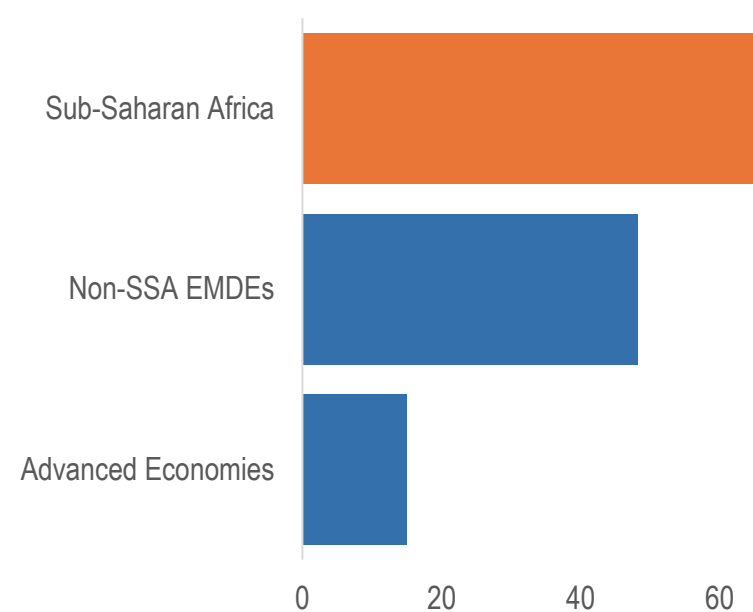
Challenge #3: Addressing scarring

Extreme Poverty in SSA
(Persons living below \$1.90, millions)



Sources: Mahler et al. (2021) and IMF staff calculations.

Learning Losses due to COVID
(Average missed days of instruction, 2020)

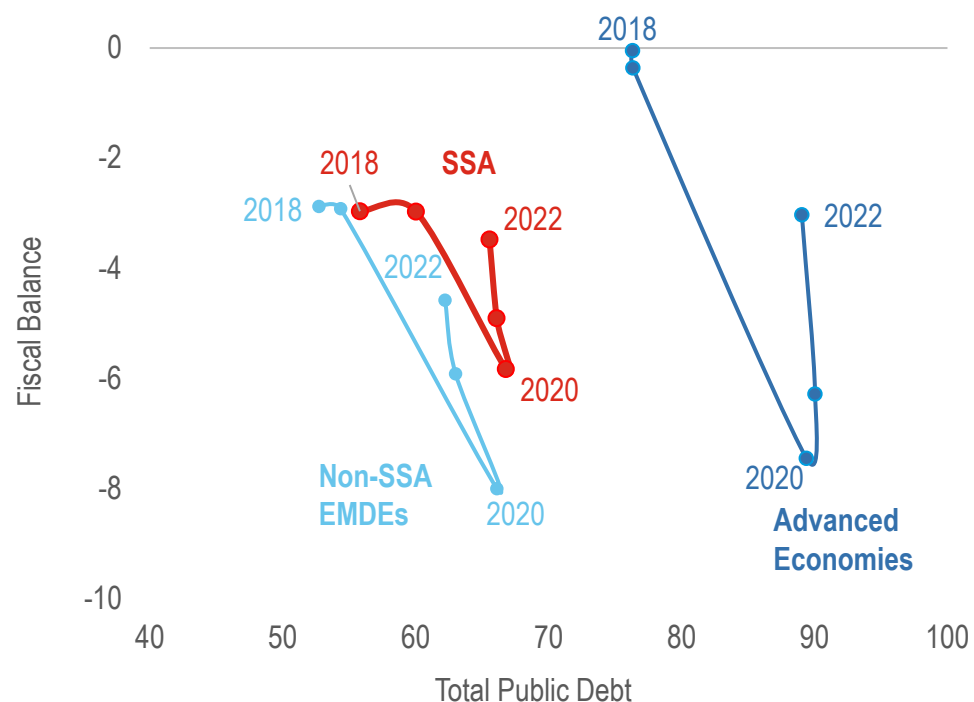


Sources: ILO and IMF staff calculations.

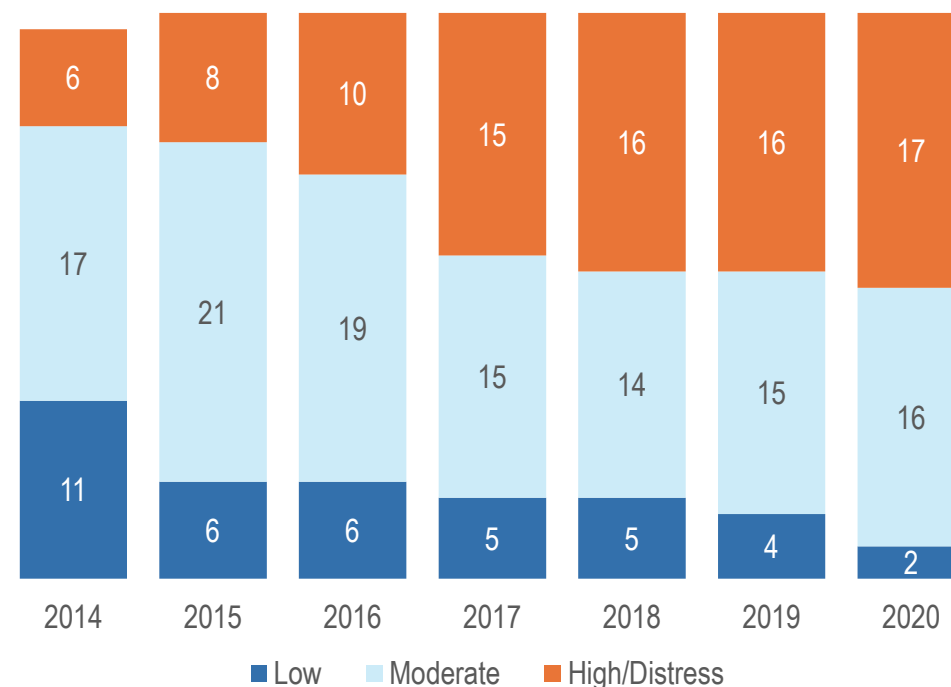
Challenge #4: Repairing public sector balance sheets...

Average Fiscal Balance and Public Debt, 2018–22

(Percent of GDP)



Debt Risk Status for PRGT Eligible SSA Countries



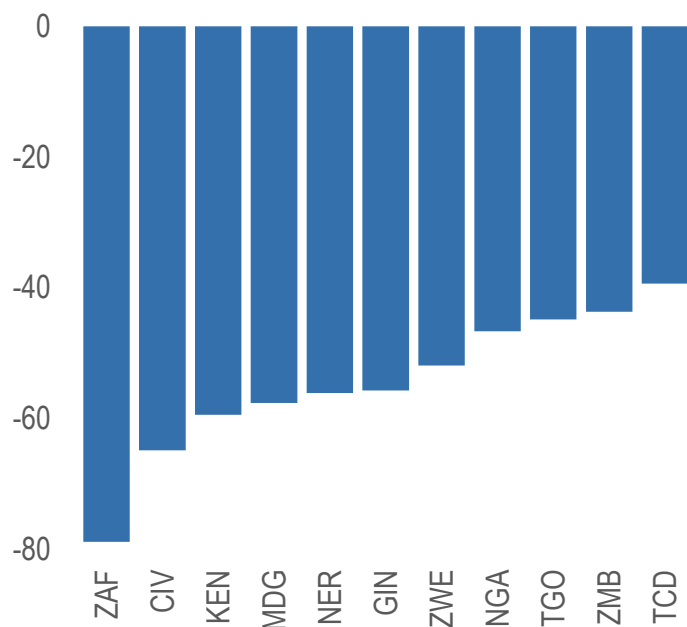
Source: IMF, World Economic Outlook.

Source: IMF, Debt Sustainability Analysis Low-Income Developing Countries database.
 Note: Debt risk ratings for Cabo Verde begins in 2014, and South Sudan in 2015.
 PRGT = poverty reduction and growth trust.

...and private sector balance sheets

Change in Monthly Sales, 2020

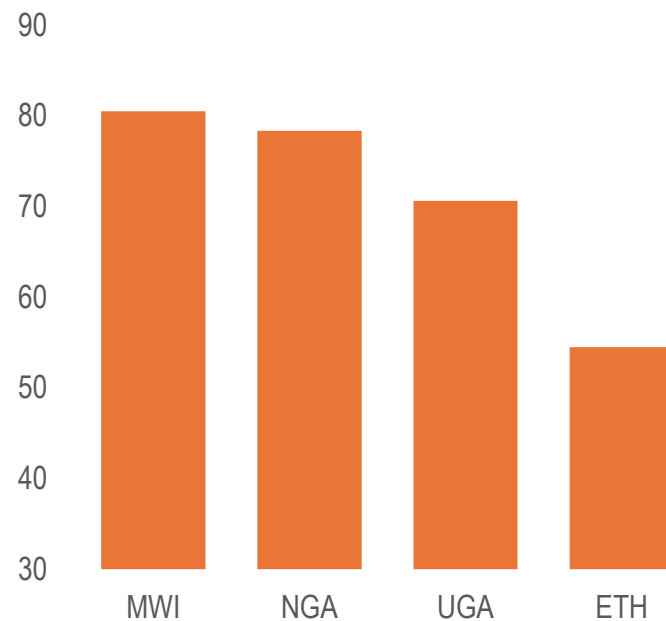
(Percent, average)



Sources: World Bank Business Pulse Surveys and Enterprise Surveys and IMF staff calculations.

Income Losses, May/June 2020

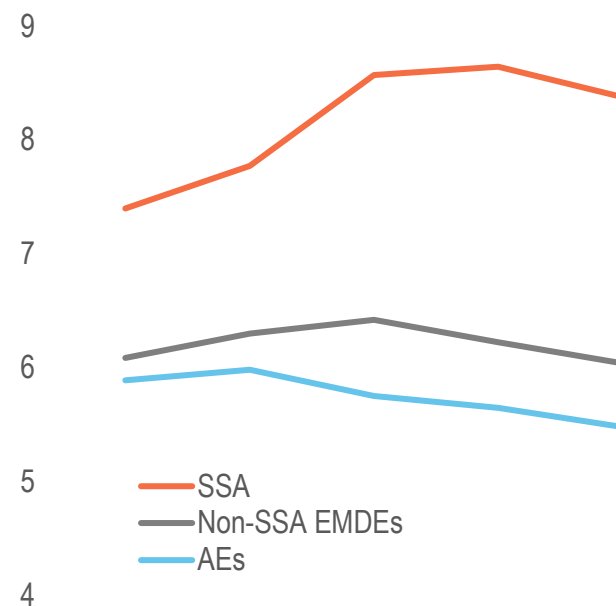
(Percent of surveyed households)



Sources: World Bank High-Frequency Phone Surveys on Covid-19 and IMF staff calculations.

Non-Performing Loans

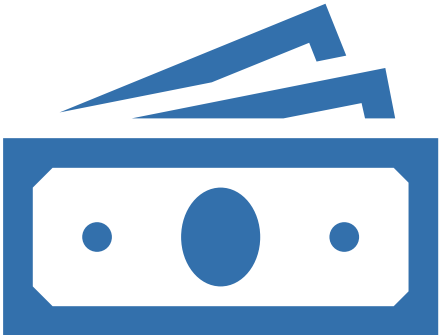
(Percent of total gross loans)



Source: IMF Financial Soundness Indicators.

Challenge #5: Catalyzing external financing

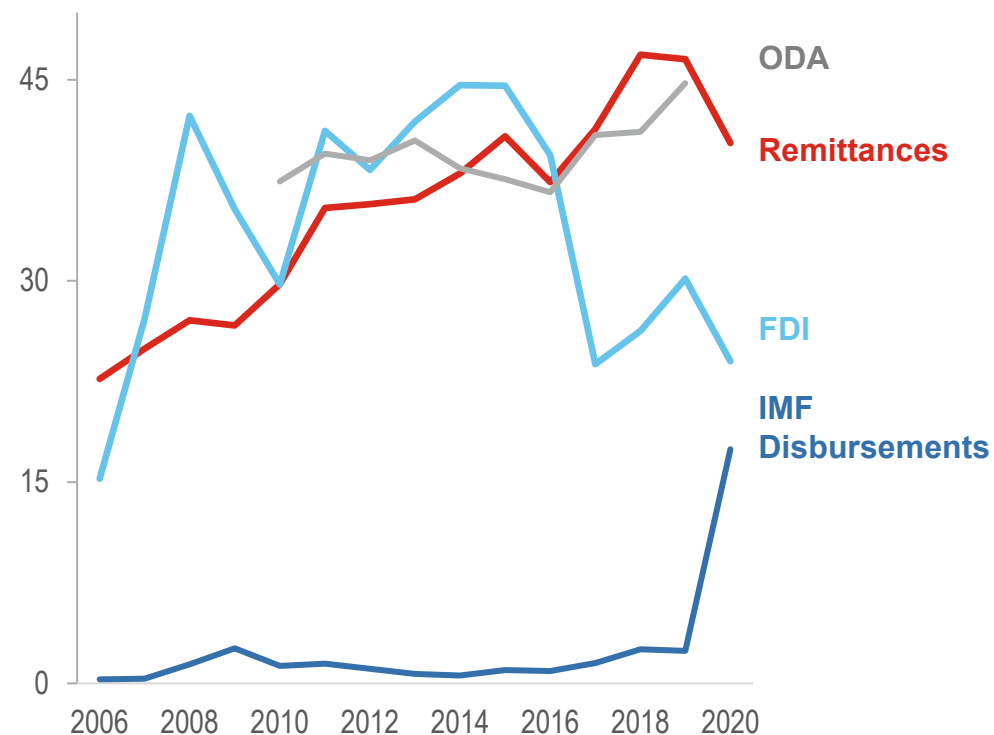
Additional External Financing Needs for SSA LICs, 2021–25



**\$245
BILLION**

Source: IMF staff calculations.

SSA: Selected Inflows
(Billion US\$)

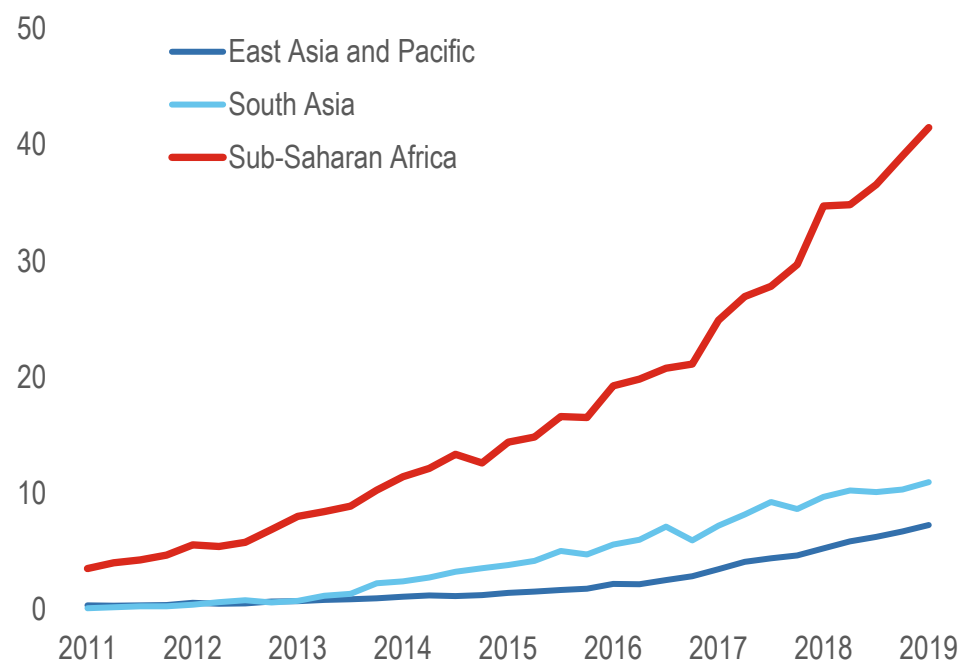


Sources: IMF, World Economic Outlook, World Bank, and IMF staff calculations.
Notes: Excluding Mauritius. FDI and Portfolio inflow data for 2020 are based on the WEO database. Remittances inflows for 2020 are projections.

Challenge #6: Advancing transformative reforms

Potential for Digitalization

(Value of mobile money transactions, billion US\$)

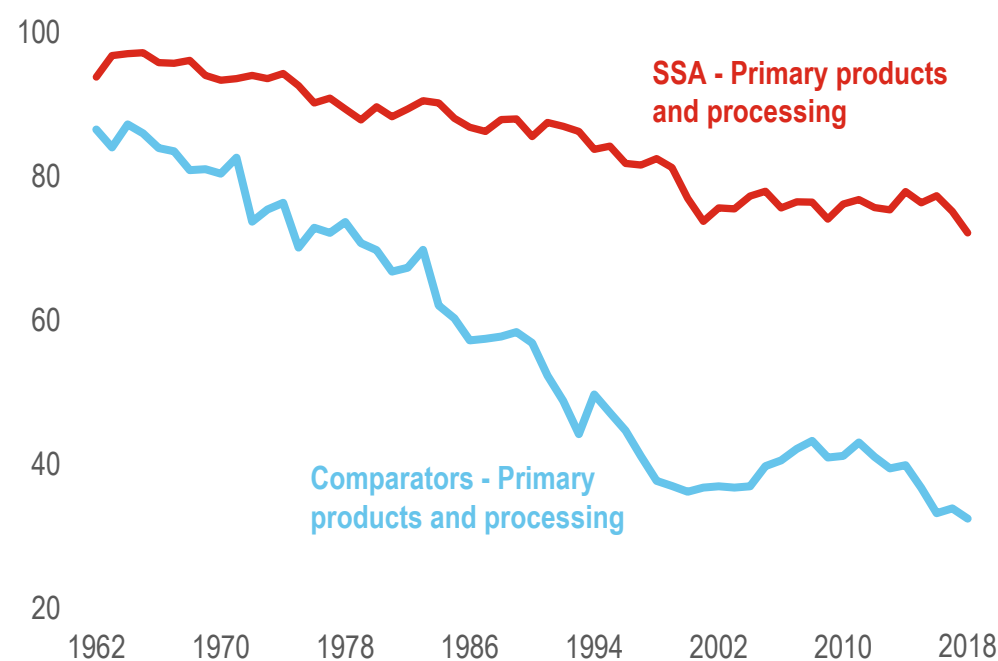


Source: GMSA, Global Mobile Money Dataset.

Note: Sub-Saharan Africa includes 42 countries, East Asia and Pacific includes 15 countries and does not include China or Japan, and South Asia includes 7 countries.

Potential for Diversification

(Percent of exports)



Sources: UN Comtrade and IMF staff calculations.

Policy priorities: Expanding what is possible

Protect lives and livelihoods

- Plan and secure funding for vaccine purchase and distribution and where needed seek donor support.
- Prevent health systems from being overwhelmed.

Create policy space

- Prioritize spending and mobilize domestic revenue to create space in near term.
- Address debt vulnerabilities and where needed seek debt-restructuring/reprofiling.

Attract private capital and promote private sector development.

- Improve the business climate.

