

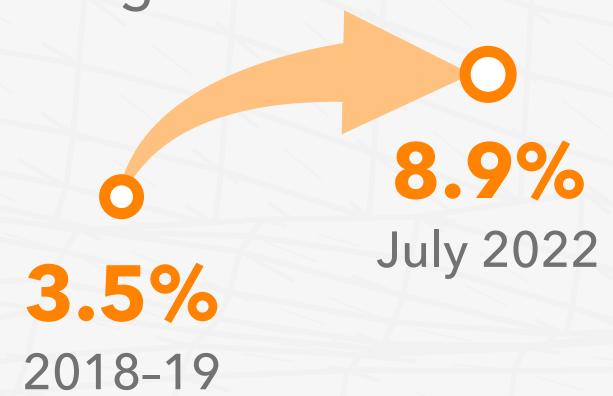
SUB-SAHARAN AFRICA REGIONAL ECONOMIC OUTLOOK

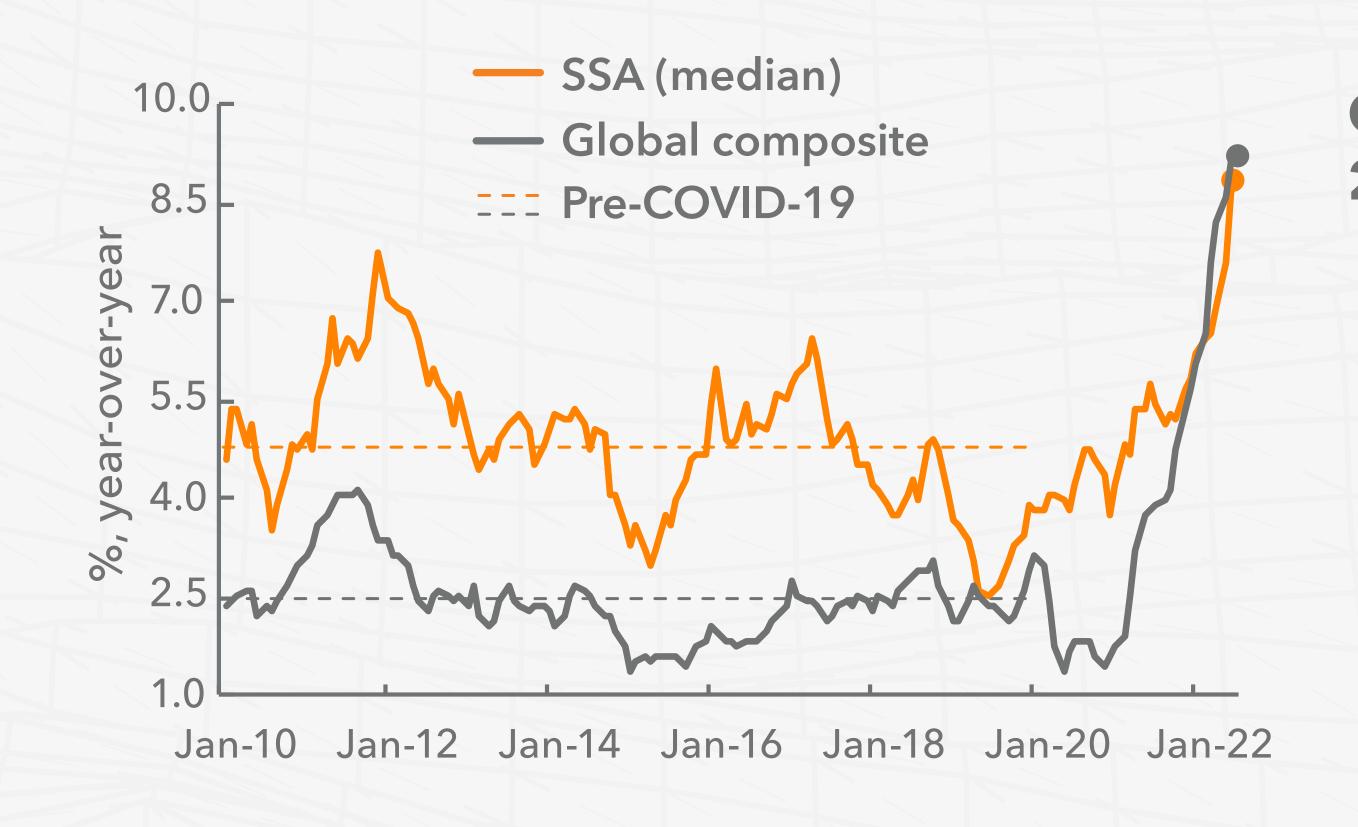
2022 OCT

Tackling Rising Inflation in Sub-Saharan Africa

Inflation is climbing

Inflation in sub-Saharan Africa has been **rising**, with floaters experiencing double the rates compared with pegged exchange rates.



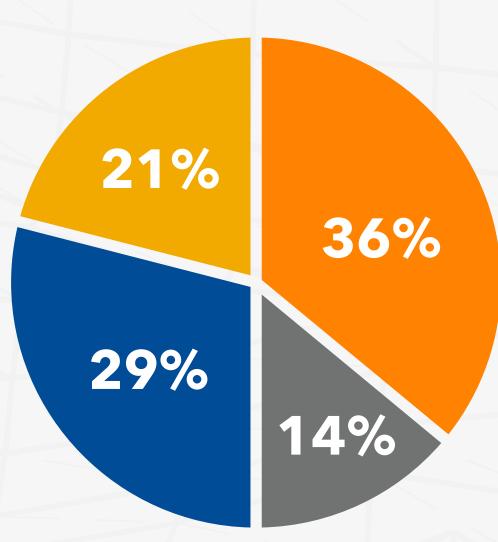


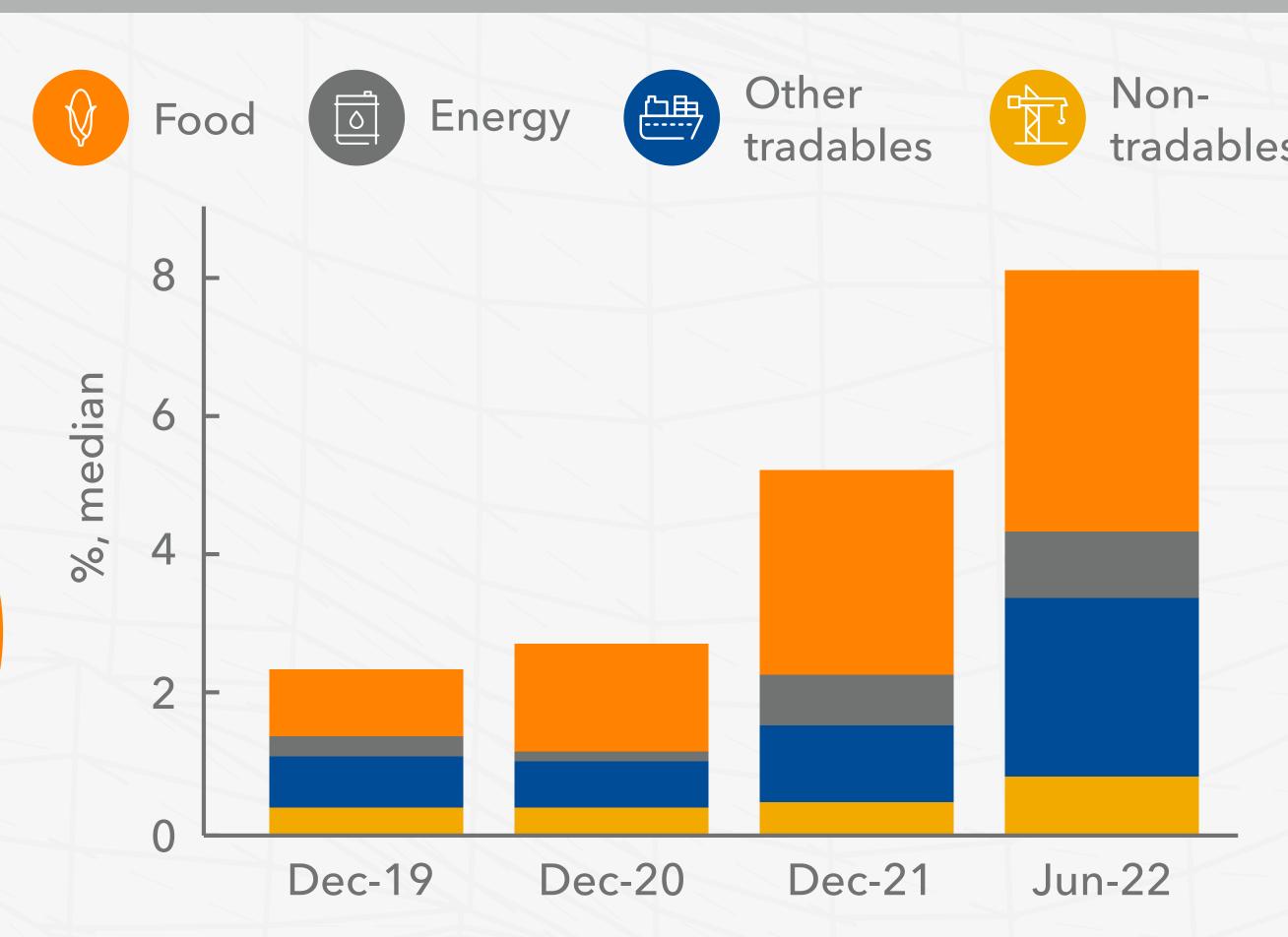
CPI Inflation, 2010-22

Inflation is driven by external factors

Food and tradable goods are major contributors to headline inflation, with a high share in consumption baskets.







Drivers of Headline Inflation, 2019-22

Countries must respond to rising inflation taking into account their specific circumstances

Policymakers should tighten gradually while monitoring second-round effects.

The pace of tightening will depend on country-specific factors, including:

- » Domestic demand pressures
- » Monetary policy credibility
- » Exchange rate regime
- » Currency movements

Increase in Policy Rates

(percent, change in policy rate since Jan 2022)

Seychelles 2.00 (+0.00) WAEMU **2.50** (+0.50) Botswana **2.65** (+1.51) Mauritius **3.00** (+1.15) CEMAC **4.50** (+1.00) Tanzania 5.00 (+0.00) Namibia **5.50** (+1.75) Rwanda **→ 6.00** (+1.50) **6.00** (+2.25) Eswatini South Africa **6.25** (+2.50) Lesotho **6.25** (+2.50) 7.50 (+0.00) Congo, Dem. Rep. **▶ 8.25** (+1.25) Kenya Zambia 9.00(+0.00)**9.00** (+2.50) Uganda 11.50 (+0.00) Guinea The Gambia **12.00** (+2.00) Malawi **14.00** (+2.00) **15.50** (+4.00) Nigeria **16.00** (+1.75) Sierra Leone Mozambique **17.25** (+4.00) **19.50 (-0.50)** Angola **22.00** (+7.50) Ghana 20 10

CEMAC = Economic and Monetary Community of Central Africa; CPI = consumer price index; SSA = Sub-Saharan Africa; WAEMU = West African Economic and Monetary Union.