



Regional and Zimbabwe Economic Outlook

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University of Zimbabwe Stakeholders Conference

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Harare



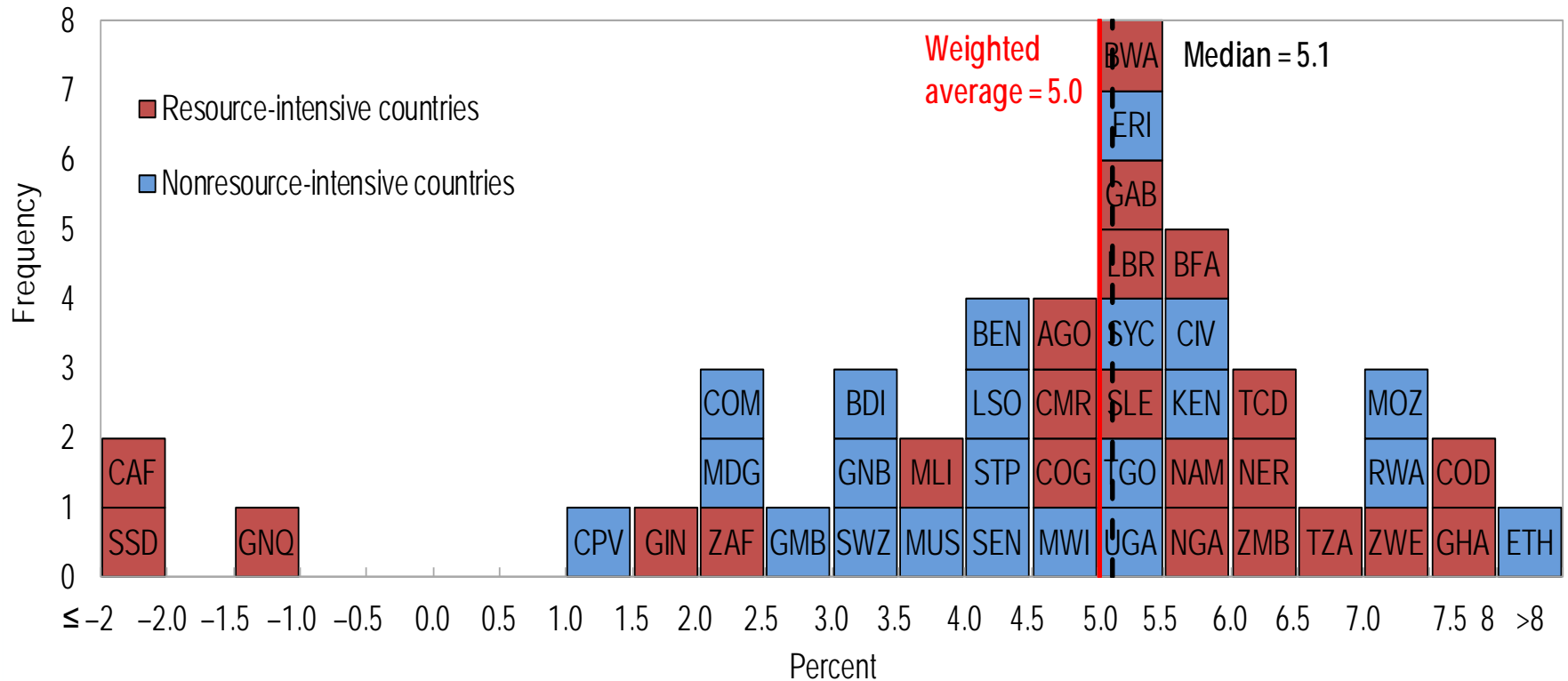
Outline

- Regional Economic Outlook
 - Zimbabwe Economic Outlook
 - Article IV 2017
 - Challenges and policy responses
-

2016 saw a broad-based slowdown, with commodity exporters being particularly hit...



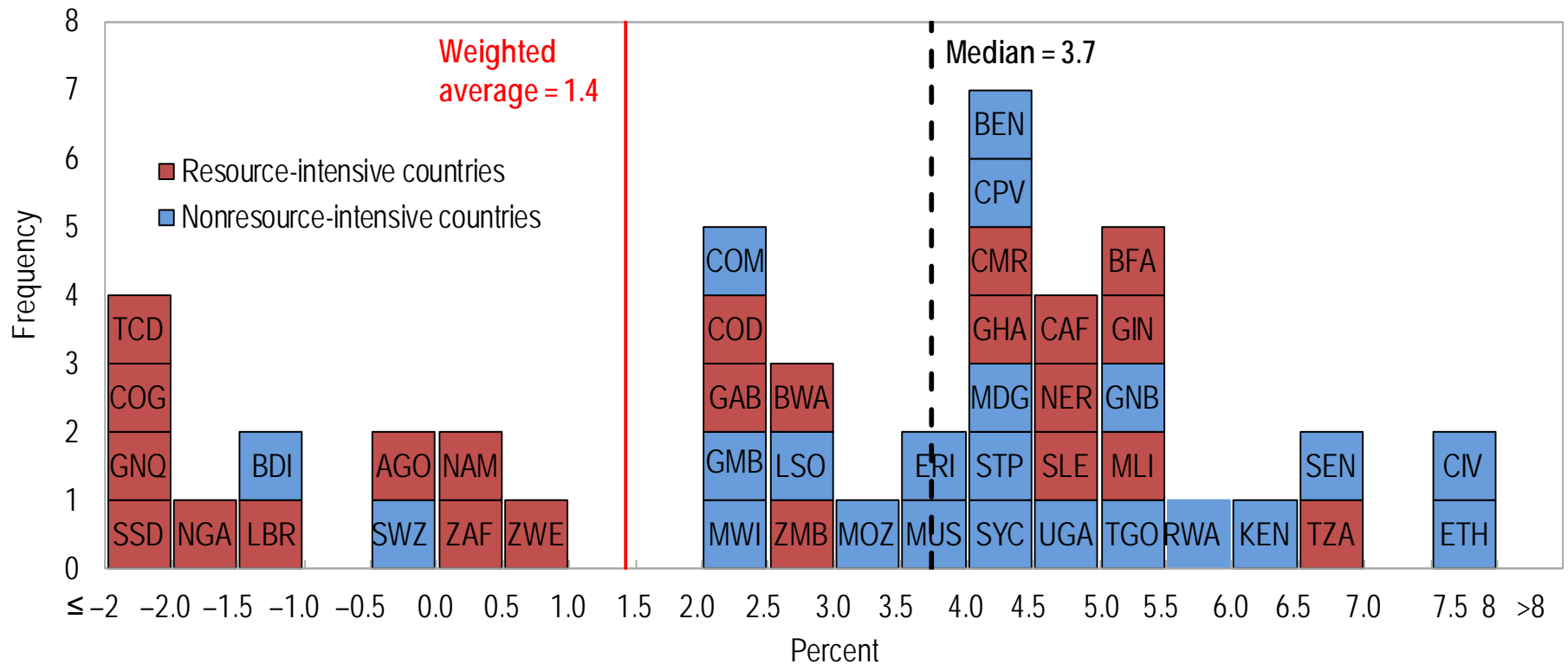
Real GDP Growth, Average 2010–15



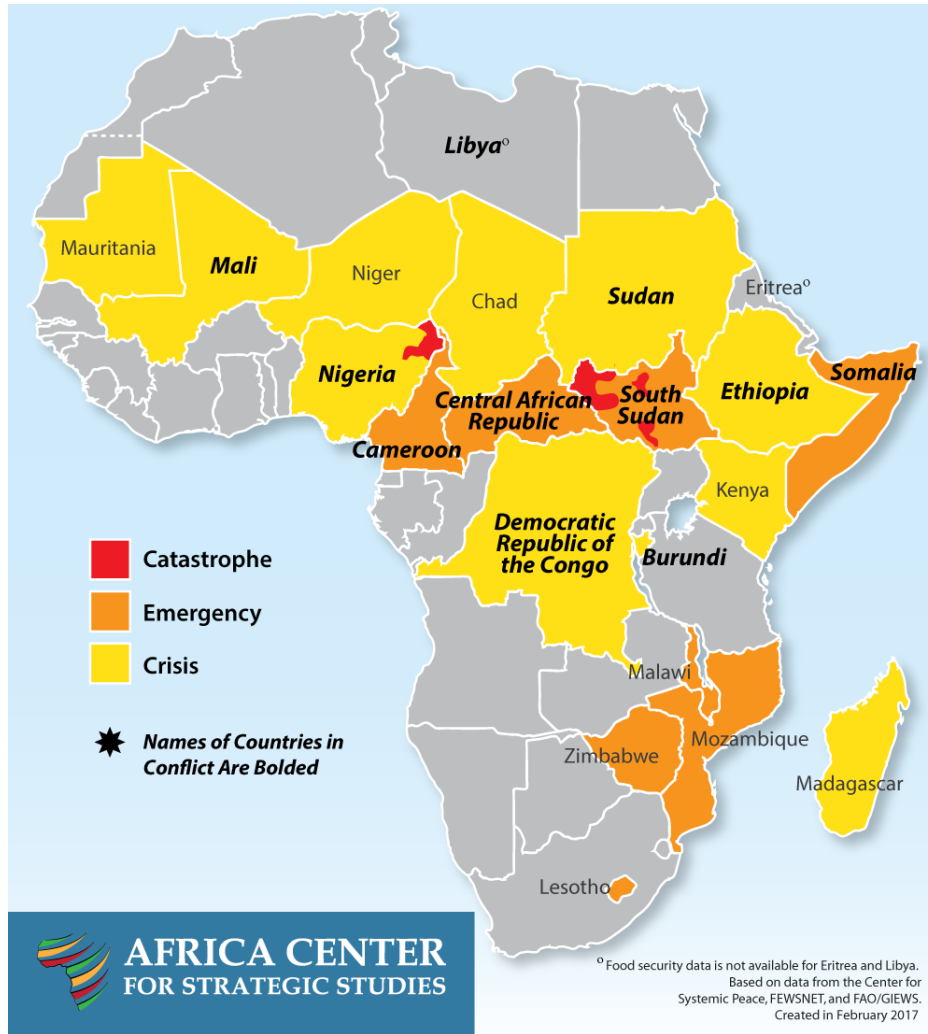
2016 saw a broad-based slowdown, with commodity exporters being particularly hit...



Real GDP Growth, 2016



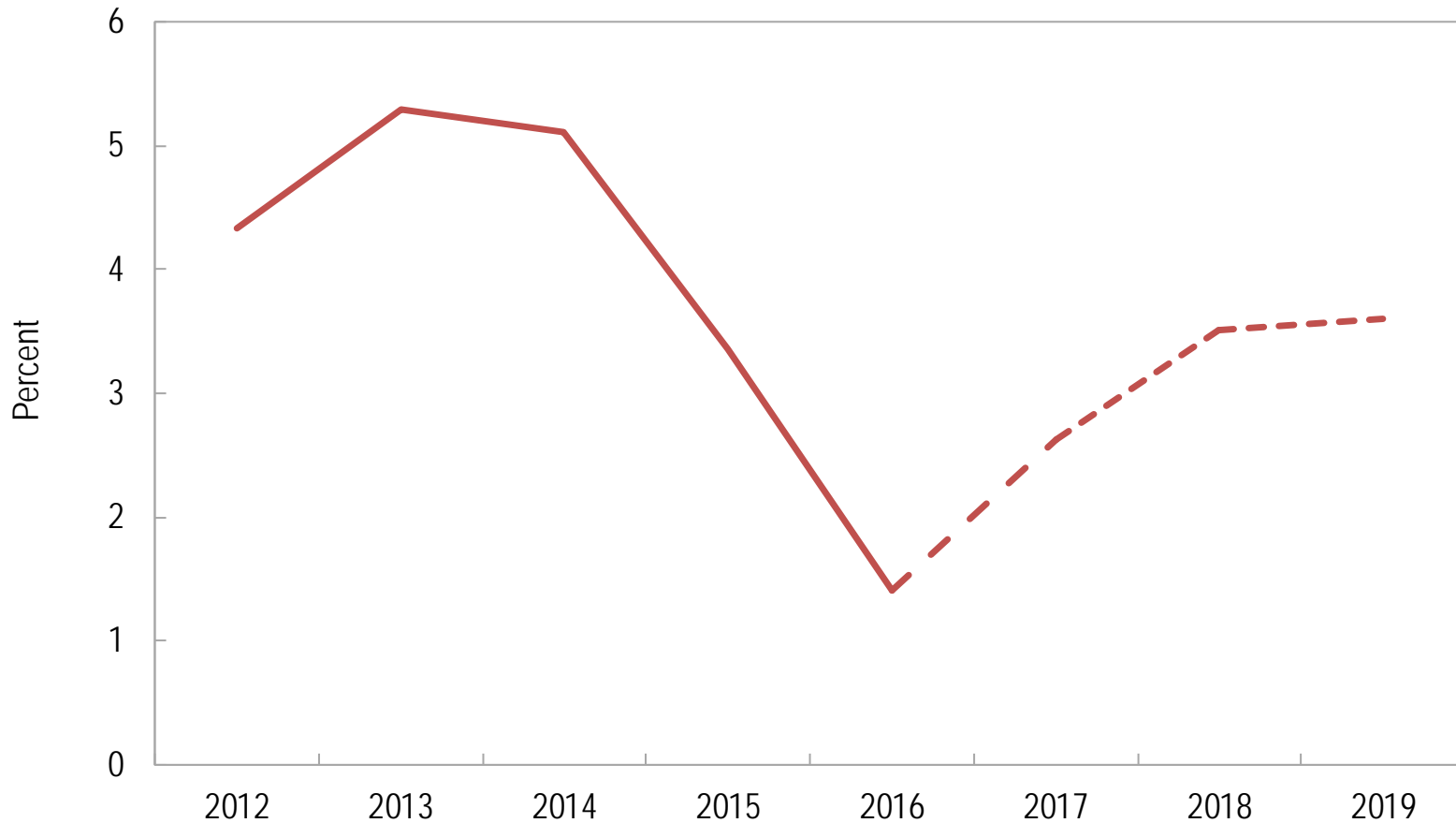
...and in some cases, compounded by rising food insecurity.



The outlook is still subdued with a modest growth rebound, subject to downside risks...



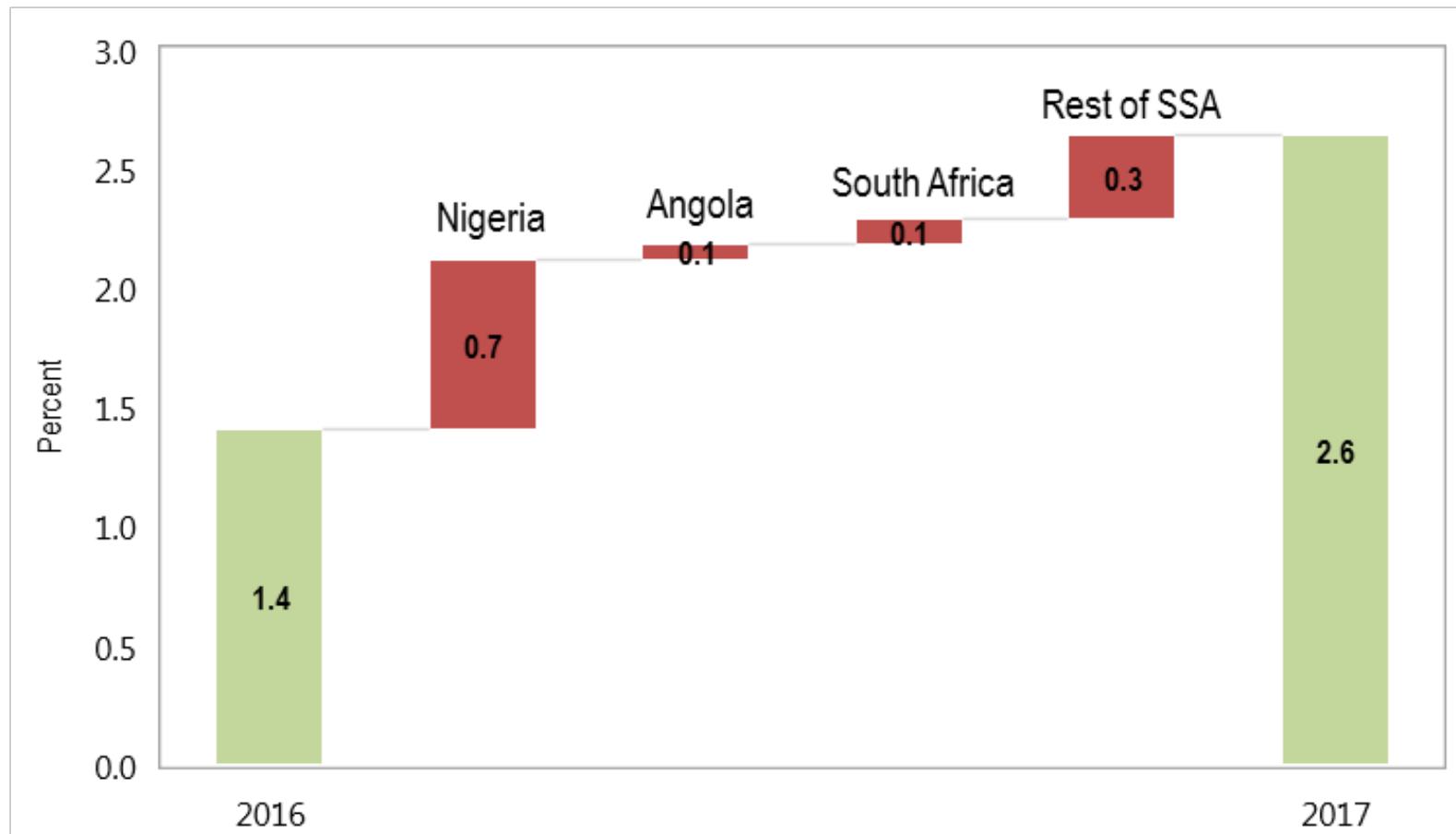
Real GDP Growth



...and driven by the three largest economies...



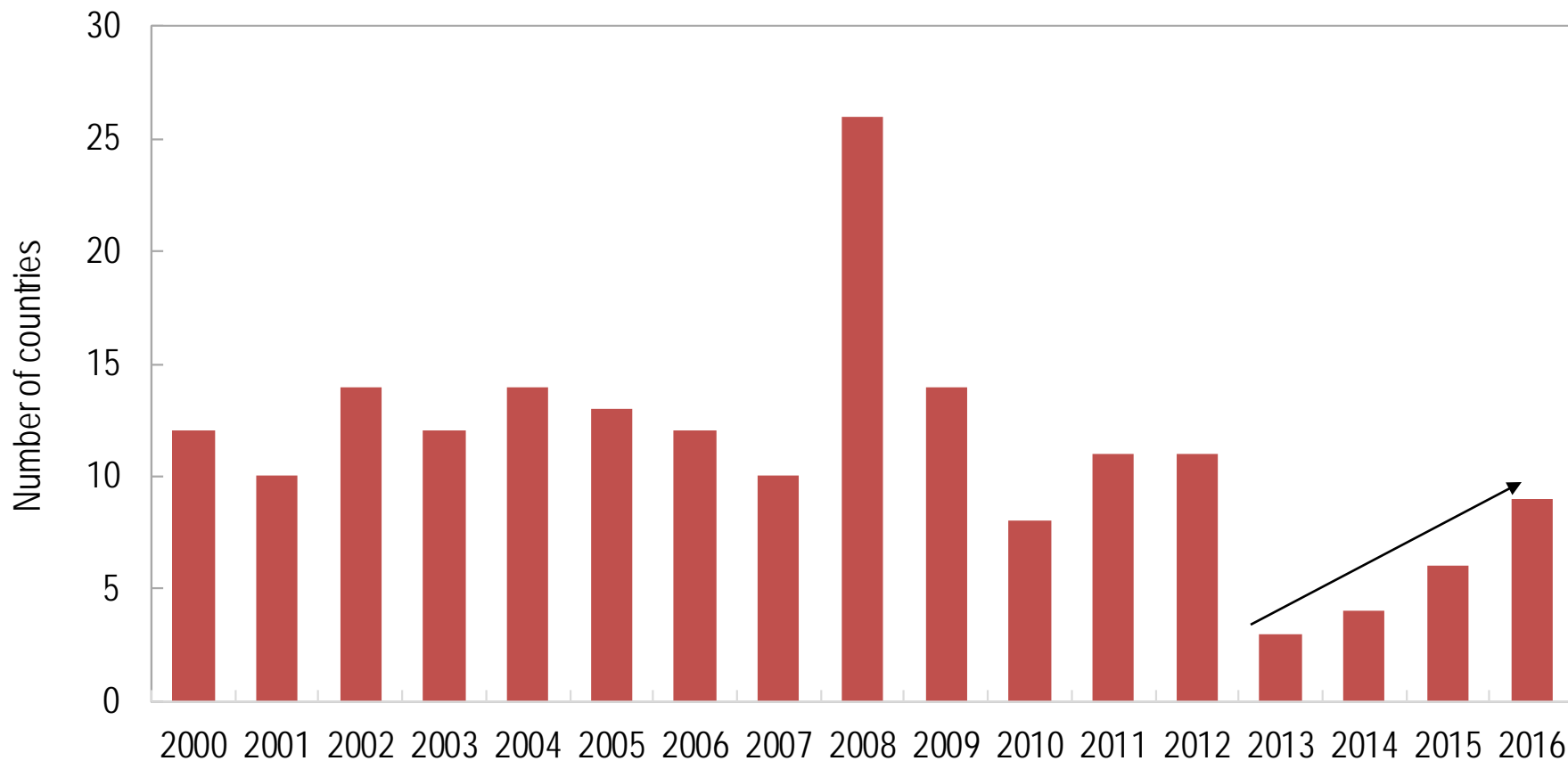
Contributions to Regional Real GDP Growth, 2016–17



Inflation is ticking up in many countries in the region...



Number of Countries with Inflation Rates Greater than 10 Percent



Zimbabwe economic outlook

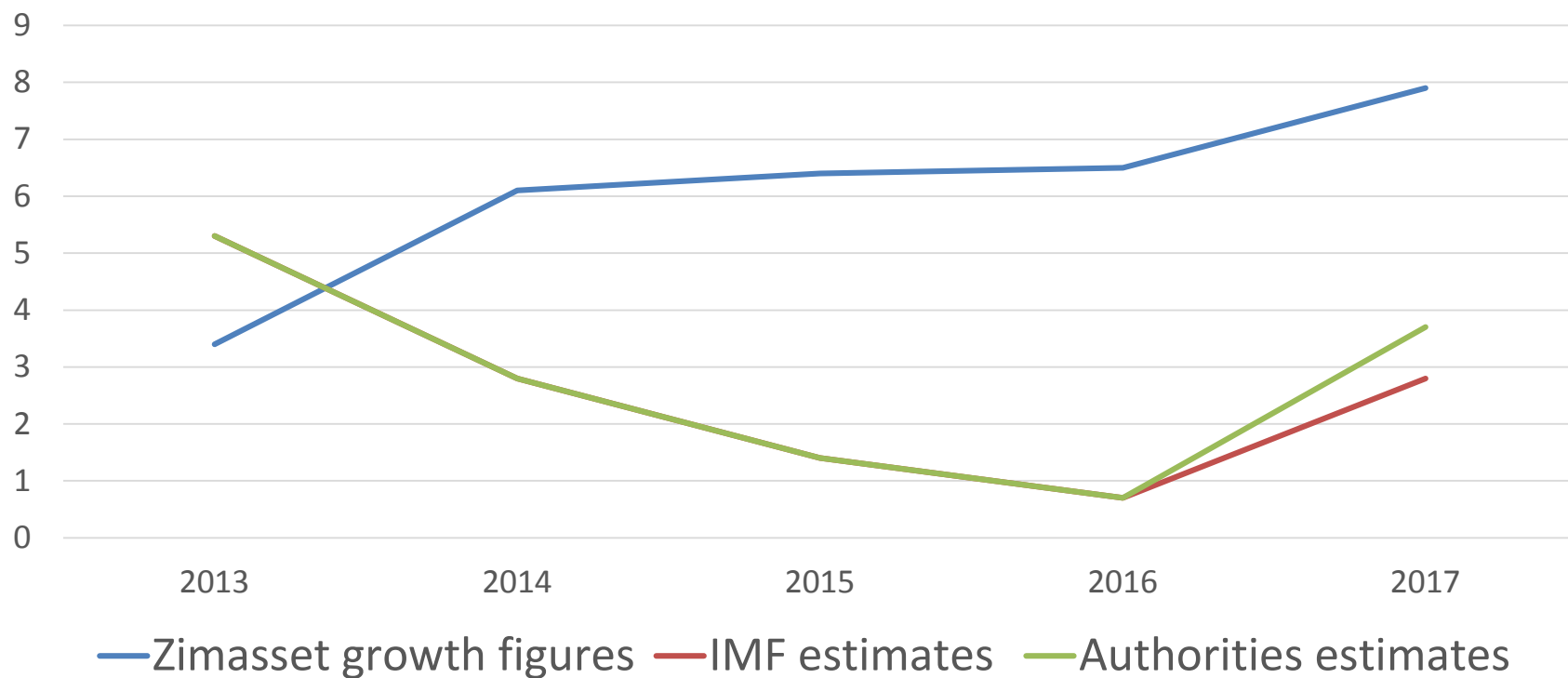


- Article IV 2017
 - Economic prospects
 - Next steps
-



Subdued economic prospects...

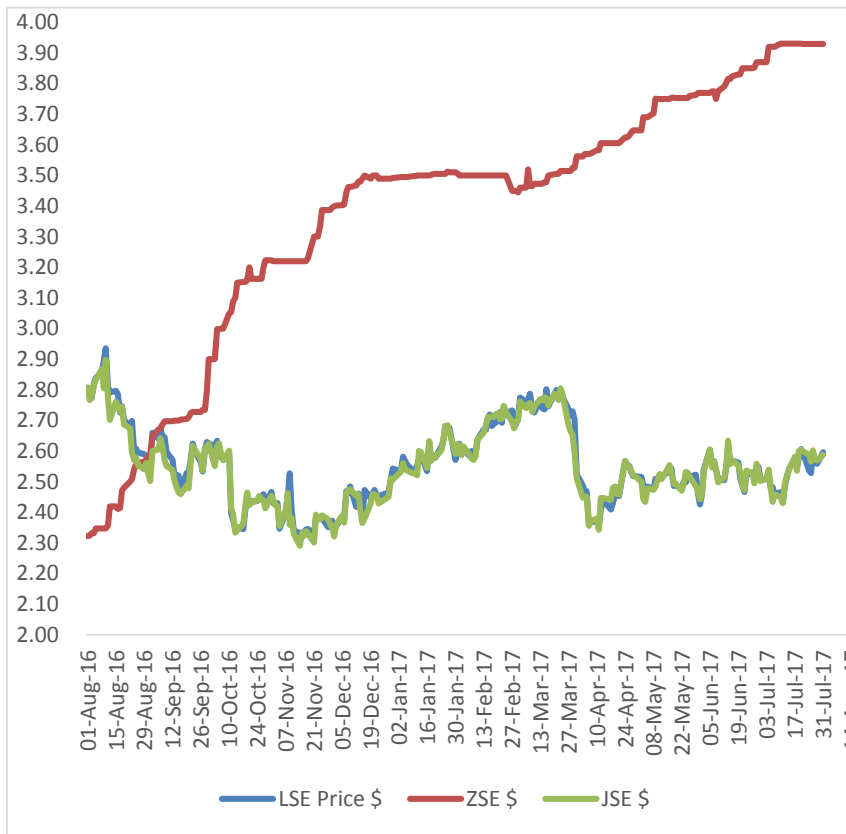
Growth rates
Zimasset vs actual



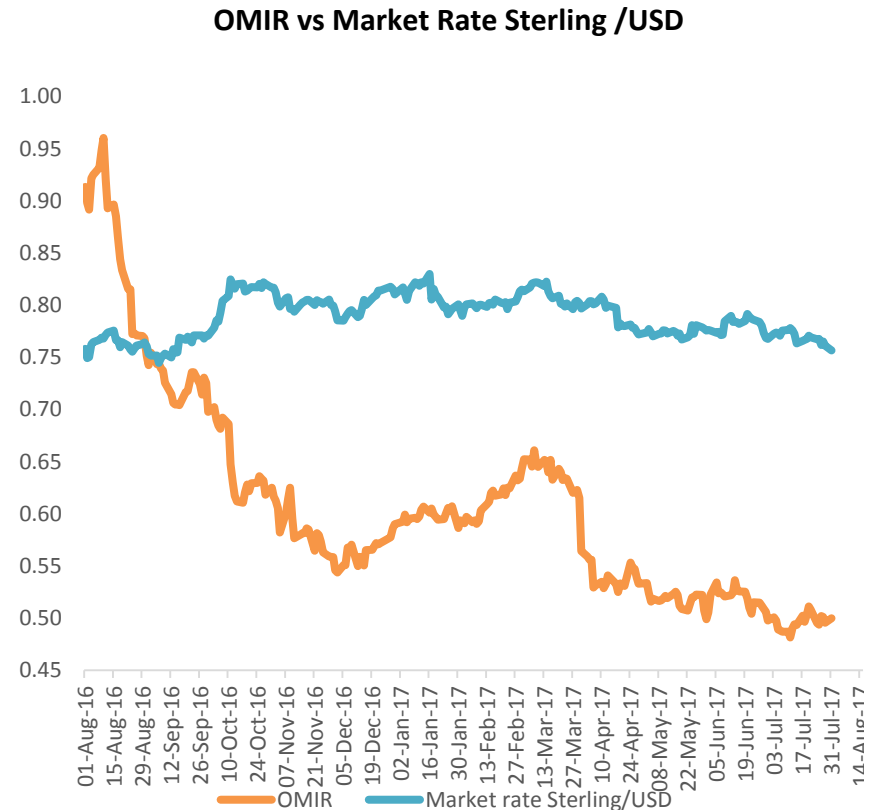
A discount has emerged on dollars held in Zimbabwe...



Old Mutual Share Price Analysis LSE, ZSE, JSE



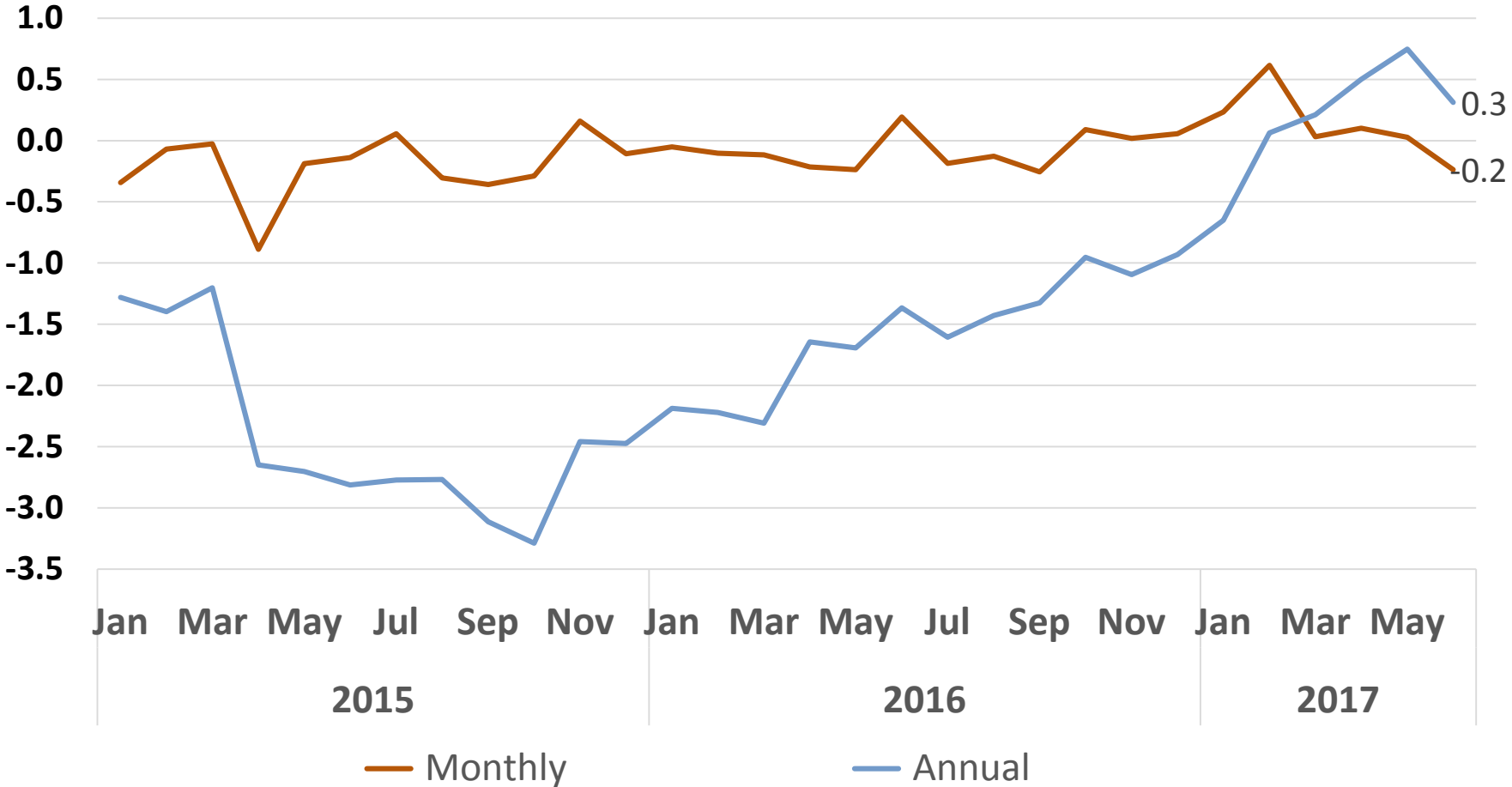
OMIR vs Market Rate Sterling /USD





Inflation pressures are rising...

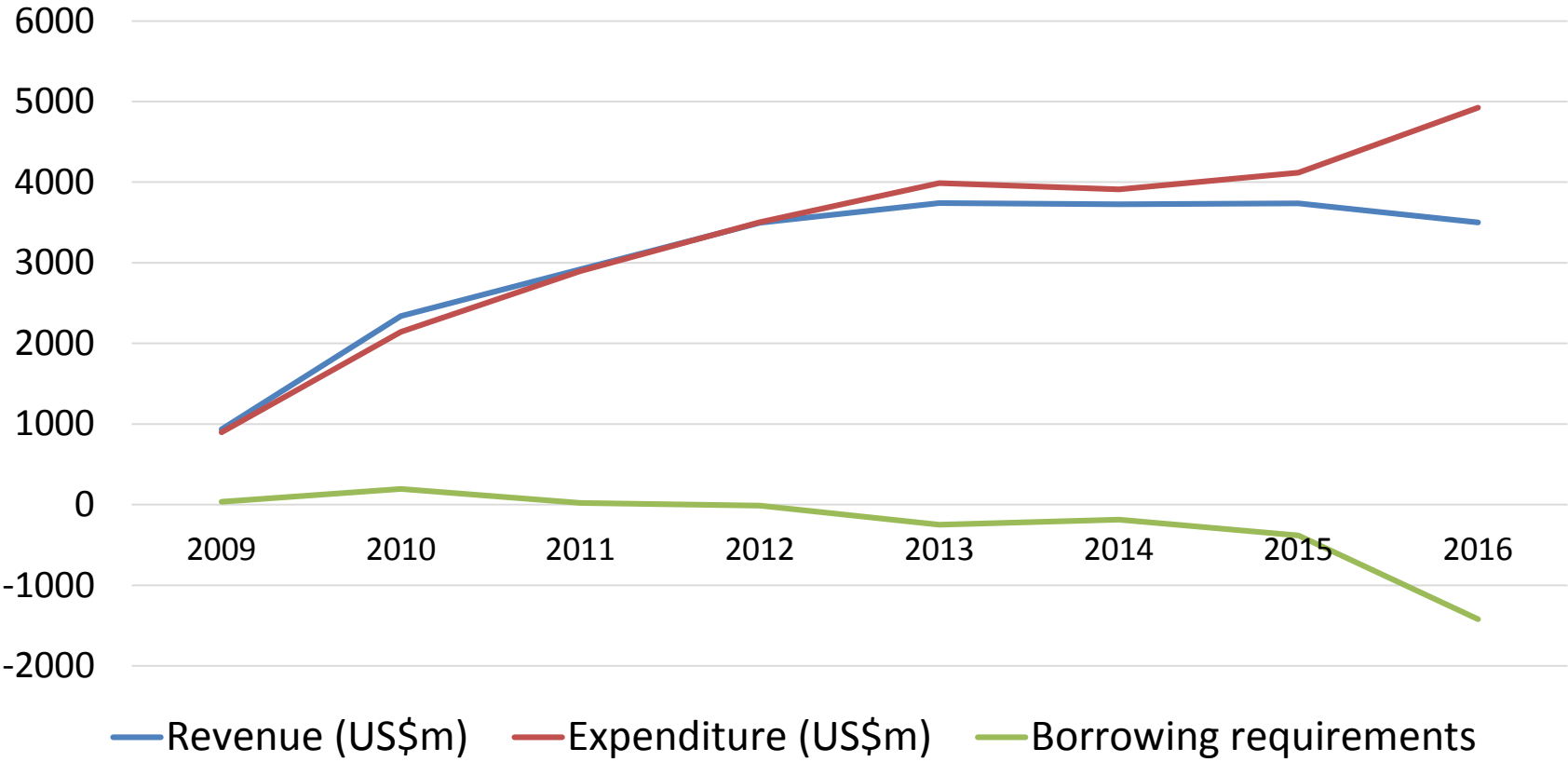
Inflation





Fiscal deficits continue to widen...

Fiscal deficit



Three priority areas to ensure a stronger and durable recovery...



- Reinforce the emphasis on macroeconomic stability
 - Structural reforms to support healthier macro balances
 - Emphasis on social protection
-

Stronger emphasis on social protection necessary...



- Low growth and widening macroeconomic imbalances risk aggravating social tensions and increasing poverty
 - Social protection programs are fragmented, not well-targeted, and cover a small share of the population
 - Need to better target other government programmes and use savings to help vulnerable groups
-



World Economic and Financial Surveys

Regional Economic Outlook

Sub-Saharan Africa
Restarting the Growth Engine

APR 17

INTERNATIONAL MONETARY FUND

Thank you!

The online edition of the *Regional Economic Outlook for sub-Saharan Africa* and the Article IV Staff Report is available online at

www.imf.org