Navigating a Long Pandemic

MAY 2021

AFR Regional Studies
2020 outturn somewhat better though still worst on record

Real GDP Growth Revisions since October 2020
(Percent)

2020. From -3.0 to -1.9
- Non-resource-intensive countries
- Sub-Saharan Africa
- Oil exporters
- Other resource-intensive countries
- Tourism dependent countries

2021. From 3.1 to 3.4
- Tourism dependent countries
- Non-resource-intensive countries
- Other resource-intensive countries
- Sub-Saharan Africa
- Oil exporters

Source: IMF, World Economic Outlook.
...on account of some larger economies doing a bit better

Top 5 GDP Growth Revisions, by Contribution
(Compared to October 2020, percent)

2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETH</td>
<td>-2</td>
</tr>
<tr>
<td>NGA</td>
<td>-2</td>
</tr>
<tr>
<td>COD</td>
<td>2</td>
</tr>
<tr>
<td>ZAF</td>
<td>0</td>
</tr>
<tr>
<td>KEN</td>
<td>-3</td>
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</tbody>
</table>

2021

<table>
<thead>
<tr>
<th>Country</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEN</td>
<td>2</td>
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<tr>
<td>ETH</td>
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</tr>
<tr>
<td>NGA</td>
<td>0</td>
</tr>
<tr>
<td>AGO</td>
<td>-3</td>
</tr>
</tbody>
</table>

Source: IMF, World Economic Outlook.
The pandemic continues to reverberate

Recent Surges
(New cases per day, 7-day moving average)

Source: JHU COVID Tracking Project.
...so the improved baseline is still subject to downside risk

Real GDP per Capita  
(Index 2019 = 100)

Source: IMF, World Economic Outlook.
Challenge #1: Facing diverging growth outlook

Real GDP per Capita
(Index 2019 = 100)

- Sub-Saharan Africa
- Sub-Saharan Africa Oct. 2020
- Rest of the world
- Rest of the world Oct. 2020

Source: IMF, World Economic Outlook.

Real GDP per Capita
(Index 2019 = 100)

- Sub-Saharan Africa
- Oil exporters
- Non-resource-intensive countries

Source: IMF, World Economic Outlook.
Challenge #2: Dealing with long COVID-19

Vaccine Deliveries by End-2021
(As of March 19, million doses)

Timeline to Vaccinate 60 Percent of Population

Cost of Vaccinating 60 Percent of Population

Sources: Duke Global Health Innovation Center's Launch and Scale Speedometer, and IMF staff calculations.

Sources: Survey of country teams and IMF staff calculations. Notes: Syringes represent countries. Gray indicates no response.

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

Procured doses to be delivered by end-2021
2-dose vaccines required to cover 60% of adult population

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IMF | African Department
Challenge #3: Addressing scarring

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

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

Sources: Mahler et al. (2021) and IMF staff calculations. Sources: ILO and IMF staff calculations.
Challenge #4: Repairing public sector balance sheets...

Average Fiscal Balance and Public Debt, 2018–22

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 begin 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.

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**Income Losses, May/June 2020**
(Percent of surveyed households)

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

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**Non-Performing Loans**
(Percent of total gross loans)

Source: IMF Financial Soundness Indicators.
Challenge #5: Catalyzing external financing

Additional External Financing Needs, 2021–25

SSA LICs
245 BILLION US$

SSA
425 BILLION US$

SSA: Selected Inflows (Billion US$)

- Remittances
- ODA
- FDI
- IMF disbursements

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$)

Potential for Diversification
(Percent of exports)

Sources: UN Comtrade and IMF staff calculations.

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.

Source: GMSA, Global Mobile Money Dataset.
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.

Health
[bolstering public health and social insurance]

Development
[job-rich, inclusive, green, sustainable]

Balance Sheets
[public debt, banks, households, and firms]
Zimbabwe: Growth improving due to (i) positive weather shock (ii) stabilizing macro environment (iii) Covid-19 relatively well managed and (iv) global recovery

GDP growth

Source: IMF.
Zimbabwe: Exchange rate stabilized following the introduction of the auction system in June 2020

Source: IMF.
Zimbabwe: With more stable exchange rate, disinflation has set in and peak inflation was reached in 2020

Source: IMF.
Zimbabwe: Strong fiscal adjustment in 2018/19 means budget balance is close to equilibrium

Source: IMF.
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